



New Belize Law

Bearer Shares, Register Directors and Beneficial Owners

Belize has made changes on its International Business Companies Act aiming to maintain its financial services industry in the changing and increasingly regulated international environment. All changes made, were carefully crafted under the address of OECD requirements while at the same time minimizing their impact on investors.

Similar external pressures in other jurisdictions have often required the surrender of sensitive client information to the government. However, while additional client information is now required, in Belize this can instead be simply kept at the Registered Office of the Company.

A number of changes have been made and these are summarized below with comments. In general, we feel that the changes made are likely to have less impact on most clients than the changes seen in a variety of other jurisdictions. These changes will be imposed immediately on all new incorporations, but ***existing companies have a One Year grace period to comply with these new provisions of the law.***

The Belize IBC Amendment Act (2017) are:

- **Elimination of Bearer Shares**

Most companies incorporated over the last several years are not authorized to issue Bearer Shares. Bearer Shares have also been 'frozen' in Belize for many years by the requirement that they be held at the offices of the Registered Agent.

Very few clients use Bearer Shares anymore, especially with modern banking requirements.

This amendment establishes the prohibition of issuing bearer shares. Every company that has issued bearer shares shall, within One year, (up to July 2018) convert such shares into registered shares and cancel all bearer share certificates issued. Any bearer shares which have not been converted and canceled within this period will be declared null and void. The penalty for not fulfilling this requirement is of US\$5,000 **for each day** of such failure to comply.

- **Mandatory Register of Directors**

This change will also have relatively little effect on most clients. It is now a legal requirement to keep a Register of Directors and maintain a copy of the Register at the Registered Office. Penalties are provided for non-compliance.

All companies will be required to produce a Register of Directors and a Register of Beneficial Owners, both to be kept at the registered office in Belize and upon a request made by the competent authority, the registered agent shall produce the requested registers within 24 hours of the request.

A company that contravenes the requirement to produce the register of directors is liable to a **penalty of USD\$25 per each day** and for the register of beneficial owners \$500 for each day. In both cases, any director who knowingly permits the contravention is liable to a similar penalty.

Sept. 2017



The existing Belize companies, meaning companies registered prior to the commencement of this Act, **will have One year (up to July 2018) to file its register of directors and beneficial owners at the registered office.**

- **Register of Beneficial Owner**

This is one of two major changes and was included to meet OECD requirements. It is required in addition to the Register of Members (Shareholders).

Unlike many other jurisdictions, this change has been implemented in Belize with a requirement to have this information only at the Registered Office of the company. ***There is no requirement that it be filed with the government at the Companies Registry.***

The law requires that the directors of the company ensure that the information contained in the Register of Beneficial Owners is kept up to date. This may be done either in electronic form or any other form approved by the directors. Very substantial penalties are provided for non-compliance and both the company and the directors would be liable for such penalties.

All companies will be required to produce a **Register of Directors** and a **Register of Beneficial Owners**, both to be kept at the registered office in Belize and upon a request made by the competent authority, the registered agent shall produce the requested registers within 24 hours of the request.

A company that contravenes the requirement to produce the register of directors is liable to a penalty of USD\$25 per each day and for the register of beneficial owners \$500 for each day. In both cases, any director who knowingly permits the contravention is liable to a similar penalty.

The existing Belize companies, meaning companies registered prior to the commencement of this Act, will have **One year (up to July 2018) to file its register of directors and beneficial owners at the registered office.**

These amendments will apply immediately to **all new companies**.

As noted previously, existing companies are given a grace period of **One Year** to bring themselves into compliance.

Globalserve Consultants Ltd, is able to assist and advise on the above procedure. For further information you can contact us at the below e-mail address phani@globalserve.com.cy

Sept. 2017