



CENTRAL BANK
of BELIZE



Group of Supervisors¹

PUBLIC ADVISORY

GOS Advisory 0003-2023

Update on Belize's On-going Mutual Evaluation by the Caribbean Financial Action Task Force (CFATF): Technical Compliance Matters

As of December 19, 2022, the Fourth Round Mutual Evaluation of Belize's Anti-Money Laundering, Countering the Financing of Terrorism and Combatting the Financing of Proliferation of Weapons of Mass Destruction (AML/CFT/CPF) Systems by the Caribbean Financial Action Task Force (CFATF) commenced. Belize will be assessed against two interrelated components: technical compliance, and the effectiveness of implementation measures.

In connection with technical compliance, Belize is obliged to submit technical compliance information by June 2, 2023. Technical compliance involves assessment of the relevant laws, regulations and guidance, or other mechanisms Belize has in place, against the criterion of each of the Financial Action Task Force (FATF) Recommendations which are considered the global anti-money laundering and combatting the financing of terrorism standards. Belize will be required to demonstrate that its laws and policies are fully, or, at a minimum, largely compliant with the FATF Recommendations.

With a view to meeting technical compliance, Belize's National Anti-Money Laundering Committee (NAMLC) has recommended a comprehensive suite of legislative reforms and the introduction of new measures to satisfy several thematic areas addressed by the FATF Recommendations. Areas to be addressed include AML/CFT/CPF coordination, new investigation tools and confiscation measures, terrorist financing and financing of proliferation, compliance and preventive measures required to be implemented by sectors that have AML/CFT/CPF obligations, transparency and beneficial ownership of legal persons and arrangements, powers and responsibilities of regulatory authorities and international cooperation. As a result, new legislation such as the Non-Profit Organisations Bill, the Extradition Bill, and Civil Asset Recovery Bill have been recommended and are at various stages of the legislative development process. Further, reforms to the Money Laundering and Terrorism (Prevention) Act and Regulations, which is the primary legislation that governs AML/CFT/CPF obligations for all financial and non-financial reporting sectors, have been developed and are in

¹ The Group of Supervisors is made up of the anti-money laundering and countering the financing of terrorism supervisory authorities in Belize namely, the Financial Intelligence Unit, Central Bank of Belize, Financial Services Commission and Office of the Supervisor of Insurance and Private Pensions.

process. Enhancements to sector-specific legislation such as the Insurance Act, International Insurance Act, Domestic Banks and Financial Institutions Act, International Banking Act, Credit Union Act, Money Lenders Act, and the National Payment Systems Act have been proposed and are also in development. There are also proposed amendments to institutional legislation such as the Financial Intelligence Unit Act and the Central Bank of Belize Act. Additionally, key amendments to legislation governing legal persons and arrangements such as the Belize Companies Act, International Limited Liability Companies Act, and Trusts Act have also been identified.

An assessment result that demonstrates sound technical compliance and effective implementation of the FATF Recommendations is critical for the continued smooth functioning of Belizean commerce and economic activity with our partners in the international financial system. The identification of areas of deficiencies, coupled with a failure to address them in a limited specified timeframe, could lead to the blacklisting of Belize and the application of countermeasures including but not limited to further de-risking of correspondent banking relationships. Such an occurrence would have far-reaching adverse consequences for Belize's banking system, its economy and for individual citizens, affecting the willingness of external enterprises, including financial institutions, to do business with the public and private sectors in Belize. This underscores the need for continued urgency and intensity of action in collaboration with our partners and stakeholders as we seek to strengthen our national AML/CFT/CPF framework. We look forward to continued engagement as we work with our partners and stakeholders to this end.

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