BELIZE:

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT) ACT, 2017

ARRANGEMENT OF SECTIONS

1. Short title.

2. Amendment of section 2.

3. Amendment of section 5.

4. Amendment of section 9.

5. Amendment of section 11.

6. Amendment of section 12.

7. Amendment of section 16.

8 Amendment of section 31.

9. Repeal and replacement of section 34.

10. Amendment of section 41.

11. Amendment of section 45.

12. Amendment of section 49.

13. Amendment of section 69.

14. Amendment of section 71.

15. Insertion of new Part VI A.

16. Amendment of section 96.

17. Amendment of section 102.

18. Amendment of section 103.

19 Amendment of section 107.

20. Amendment of section 108.

21. Amendment of section 111.

22. Amendment of section 113.

23. Repeal and replacement of Part XII.

24. Insertion of section 133A.

25. Amendment of section 151.

26. Transitional.

No. 36 of 2017

I assent,

(SIR COLVILLE N. YOUNG)
Governor-General

21st July, 2017.

AN ACT to amend the International Business Companies Act, Chapter 270 of the Laws of Belize, Revised Edition 2011; to prohibit the issuance of bearer shares in an international business company; to provide for Register of Directors and Register of Beneficial Owners and for such Registers to be kept at the registered office in Belize; to provide for the Registers upon request by the competent authority to be produced within twenty-four hours; to repeal provisions relating to tax exemptions and provide for the optional payment of income and business tax by an international business company; and to provide for matters connected therewith or incidental thereto.

(Gazetted 22nd July, 2017.)

1. This Act may be cited as the **Short title.**

INTERNATIONAL BUSINESS COMPANIES (AMENDMENT) ACT 2017,

Cap. 270.
S.I. 11/2016.
S.I. 39/2016.

and shall be read and construed as one with the **International Business Companies Act**, which, is hereinafter referred to as the principal Act.

Amendment of section 2.

2. The principal Act is being amended in section 2 (1) to insert the following definitions -

a) "Approved Stock Exchange" means the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited (including the Unlisted Security Market of the International Stock Exchange), the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers' Automated Quotation System of the United States of America or any other stock exchange approved for this purpose by the Minister.

b) "beneficial owner" means the natural person–

(a) who ultimately owns or controls a customer;

(b) on whose behalf a transaction is being conducted; or

(c) who exercise ultimate effective control over a legal person or arrangement; and

c) "register of beneficial owners" means the register of beneficial owners pursuant to section 82B.

d) "ultimately owns or controls" and "ultimate effective control" refer to situations in which ownership or control is exercised through a chain of ownership or by means of control other than direct control.

3. The principal Act is amended in section 5*(2)**(f)* by deleting the words "Registration of Merchant Ships Act" and substituting the words "Merchant Ships (Registration) Act".

Amendment of section 5.

4. The principal Act is amended in section 9 –

Amendment of section 9.

(a) in subsection (1)***(a)***by deleting the words "or shares issued to bearer or both" and substituting the word "only."; and

(b) by inserting the following new subsections immediately after subsection (1) –

"(1A) Any company that has shares listed for quotation on an Approved Stock Exchange list may by notice in writing require any member of the company within such reasonable time as is specified in the noticeto inform it —

(a) whether he holds any voting shares in the company as beneficial owner or as trustee; and

(b) if he hold such voting shares as trustee, to indicate the persons for whom he holds them by name and by other particulars to enable those persons to be identified and the nature of their interest.

(1B) Where a company is informed in pursuance of a notice given to any person under subsection (1A) or under this subsection that any other person has an interest in any of the voting shares in a company, the company may

by notice in writing require that other person within such reasonable time as is specified in the noticeto inform it —

(a) whether he holds that interest as beneficial owner or as trustee; and

(b) if he holds such interest as trustee, to indicate the persons for whom he holds it by name and by other particulars to enable those persons to be identified and the nature of their interest.

(1C) Any company to which this section applies may by notice in writing require any member of the company to inform it, within such reasonable time as is specified in the notice, whether any of the voting rights carried by any voting shares in the company held by him are the subject of an agreement or arrangement under which another person is entitled to control his exercise of those rights and, if so, to give particulars of the agreement or arrangement and the parties to it."

1D) A notice under subsection (1A), (1B) or (1C) may be sent either generally to members of the company concerned or to one or more particular members, and may be sent electronically.".

Amendment of section 11.

5. The principal Act is amended in section 11–

(a) in subsection (1) by deleting the word "Society" and substituting the word "Société";

(b) in subsection (3*)*

(i) by deleting from paragraph (a) the words "except where the company in existence gives its consent";

(ii) by inserting in paragraph *(b)* immediately after the word "Imperial", the word "Monarchy";

(iii) by deleting paragraph ***(d)*** and substituting the following–

"***(d)*** contains any one or more of the words "Academy", "Asset Management", "Assurance", "Bank", "Brokerage", "Credit Union", "Education", "Fiduciary", "Financial", "Foreign Exchange", "Forex", "Fund", "Investment Management", "Insurance", "Lending", "Securities", "Trust", or "University" or any of their derivatives or cognate expressions, unless it is licensed under the enactment or enactments that authorize it to carry on the business or activities associated with the word or words, so contained";

(iv) by inserting after paragraph ***(d)*** the following as paragraph ***(e)*** –

*"**(e)*** contains the top level domain such as ".com", ".org", ".net" or ".bz" of a domain name."

(c) by inserting after subsection (3) the following as subsection (3A) -

"(3A) The Registrar may, by Order published in the ***Gazette***, modify the list of words specified in subsection (3)*(d)* to which the business or activities of a company may be associated, by, among other things, adding words or abbreviations to the list."

(d) in subsection (5) by inserting after the word, "***Gazette***" a comma and the words "the website of the Registrar or other publication of general circulation in Belize.";

(e) by inserting after subsection (8) the following as subsection (9) -

"(9) Despite anything contained in this section, an international business company that is continued under this Act –

(a) shall be continued with the name it lawfully had before that continuance if there is no other company registered under this Act or the Companies Act in that name; and

CAP. 250.

(b) may only submit to the Registrar a request for the consideration of a change of name after a period of six months has elapsed from the date of continuation pursuant to section 92.

Amendment of section 12.

6. The principal Act is amended in section 12(1) by deleting paragraphs ***(i),(j)*** and ***(k)***and substituting the following –

*"**(i)*** a statement that the company is prohibited by this or any other enactment from issuing

bearer shares, and that the company is not authorised to,

(a) issue bearer shares;

(b) convert registered shares to bearer shares; or

(c) exchange registered shares for bearer shares;".

Amendment of section 16.

7. The principal Act is amended in section 16(2) by inserting immediately after the word "Registrar" where it first appears, the words "along with an authenticated copy of the resolution passed or other authenticated documents, to the satisfaction of the Registrar that the amendment was duly authorised".

Amendment of section 31.

8. The principal Act is amended in section 31(1)–

(a) in paragraph ***(c)***, by inserting after the words, "share register;" the word "and";

(b) in paragraph ***(d)***, by deleting the semi colon at the end of the paragraph and substituting a full stop;

(c) by deleting paragraphs ***(e)*** and ***(f)***.

Repeal and replacement of section 34.

9. The principal Act is amended by repealing section 34 and substituting the following–

Bearer shares prohibited.

"34. A company shall not issue bearer share, convert registered shares to bearer shares nor exchange registered shares for bearer shares, and every company who contravenes this provision commits an offence and shall be liable on summary conviction to a fine of $5,000.00 for each day of such failure to comply".

Amendment of section 41.

10. The principal Act is amended in section 41–

(a) in subsection (1) by deleting the words, "bearer share or the"; and

(b) by deleting subsection (2).

Amendment of section 45.

11. The principal Act is amendment in section 45–

(a) in subsection (2) by deleting the words "***in the Gazette***" and substituting the words "on the website of the Registrar";

(b) in subsection (4)*(c)*–

(i) after the word "***Gazette***" first appearance, insert a comma and the words "the website of the Registrar or other publication of general circulation in Belize"; and

(ii) after the word "***Gazette,***" second appearance, insert the words "website or other publication,".

(c) in subsection (4)***(d)***, after the word "***Gazette***" by inserting a comma and the words "the website of the Registrar or other publication of general circulation in Belize".

Amendment of section 49.

12. The principal Act is amended in section 49–

(a) in the marginal note by deleting the words "Optional register" and substituting the word "Register"; and

(b) by deleting subsection (1) and substituting the following –

"(1) A company incorporated under this Act shall keep a register to be known as a register of directors containing the following particulars –

(a) in the case of an individual director, the individual's –

(i) full name;

(ii) former name, if any, unless the former name was changed by deed poll or other legal means or disused for more than 10 years;

(iii) usual residential address, unless that address is the same as the individual's address for the service of documents;

(iv) address for the service of documents;

(v) date of birth;

(vi) nationality;

(vii) occupation;

(viii) date of appointment as director;and

(ix) date of cessation as director

(b) in the case of a corporate director, the corporate director's –

(i) corporate name;

(ii) corporate or registration number, if any;

(iii) registered office or principal office;

(iv) address, but if the corporate director is incorporated or registered in Belize, its corporate or registration number only;

(v) place of incorporation or registration and date of suchincorporation or registration;

(vi) date of appointment as director'

(vii) date of cessation as director; and

(c) such other information as may be prescribed."

(c) by inserting after subsection 3 the following as subsections (4) and (5) –

"(4) The register of directors is ***prima facie*** evidence of any matters directed or authorised by this Act to be contained therein.

(5) A company thatcontravenes this section is liable to a penalty of $25 for each day or part thereof during which the contravention continues, and a director who knowingly permits the contravention is liable to a like penalty."

13. The principal Act is amended in section 69– **Amendment of section 69.**

(a) in subsection (1) by deleting the words "deposit bearer shares with, or"; and

(b) in paragraph***(e)*** by deleting the words, "in the case of registered shares and the certificates in case of bearer shares".

14. The principal Act is amended in section 71— **Amendment of section 71.**

(a) deleting subsection (1) and substituting the following —

"(1) Any notice, information or written statement required under this Act to be given by a company incorporated under this Act to members must be served, in the case of members holding registered shares,

(a) in the manner prescribed in the memorandum or Articles, as the case may be; or

(b) in the absence of a provision in the Memorandum or Articles, by personal service of by mail addressed to each member at the address shown in the share register."; and

(b) by deletingsubsections (2) and (3).

15. The principal Act is amended by inserting the following as new Part VI A after section 82 – **Insertion of new Part VI A.**

"PART VI A

Beneficial Owners

Register of beneficial owners.

82B. (1) A company incorporated under this Act shall keep a register to be known as the register of beneficial owners containing the following particulars –

(a) full name;

(b) former name, if any, unless the former name was changed by deed poll or other legal means or disused for more than 10 years;

(c) date on which the person became a beneficial owner;

(d) date on which the person ceasedto be a beneficial owner;

(e) usual residential address, unless that address is the same as the individual's address for the service of documents;

(f) date of birth;

(g) nationality;

(h) occupation;

(i) particulars of each beneficial owner's beneficial interest and how it is held; and

(j) such other information as may be prescribed.

(2) The directors shall ensure that the information required by subsection (1) to be kept in its register of beneficial owners is accurate and up-to-date.

(3) The register of beneficial owners may be in such form as the director may approve but if it is in magnetic, electronic or other date storage form, the company must be able to produce legible evidence of its contents.

(4) The register of beneficial owners is ***prima facie*** evidence of any matters directed or authorised by this Act to be contained therein.

(5) An entry relating to a former beneficial owner of the company may be removed from the register of beneficial owners after 5 years from the date on which that person ceased to be a beneficial owner of the company.

(6) A company that contravenes this section is liable to a penalty of $500 for each day or part thereof during which the contravention continues, and a director who knowingly permits the contravention is liable to a like penalty.

Inspection of register of beneficial owners.

82C. (1) A beneficial owner of a company incorporated under this Act may, in person or by attorney and in furtherance of a proper purpose, request in writing, specifying the purpose, to inspect during normal business hours the register of beneficial owners of the company and to make copies or extracts therefrom.

(2) For the purposes of subsection (1) of this section, a proper purpose is a purpose reasonably related to the beneficial owner's interest.

(3) If a request under subsection (1) of this section is submitted by an attorney, the request must be accompanied by a power of attorney authorising the attorney to act for the beneficial owner.

(4) If the company, by a resolution of directors, determines that it is not in the best interest of the company

or of any other member of the company to comply with a request under subsection (1) of this section, the company may refuse the request.

(5) Upon refusal by the company of a request under subsection (1) of this section, the beneficial owner may, before the expiration of a period of 90 days of his receiving notice of the refusal, apply to the court for an order to allow the inspection.

Rectification of register of beneficial owners.

82D. (1) If -

(a) information that is required to be entered in the register of beneficial owners under section 82B (1) of this Act, is omitted therefrom or inaccurately entered therein; or

(b) there is unreasonable delay in entering the information in the register of beneficial owners,

a beneficial owner of the company, or any person who is aggrieved by the omission, inaccuracy or delay, may apply to the court for an order that the register of beneficial owners be rectified, and the court may either grant or refuse the application, with or without costs to be paid by the applicant, or order the rectification of the register of beneficial owners, and may direct the company to pay all costs of the application and any damages the applicant may have sustained.

(2) The court may, in any proceedings under subsection (1) of this section, determine any question relating to the right of a person who is a party to the proceedings to have his name entered in or omitted from the register of beneficial owners, whether the question arises between -

(a) two or more members or alleged members; or

(b) between members or alleged members and the company,

and generally the court may in the proceedings determine any question that may be necessary or expedient to be determined for the rectification of the register of beneficial owners.

Company's duty to seek beneficial ownership information.

82E. (1) Subject to subsection (2), a company to which section 82B (1) applies shall identify each beneficial owner of the company.

(2) A company to which section 82B applies shall give written notice to anyone whom it knows or has reasonable cause to believe to be a beneficial owner in relation to it, which notice shall require that person –

(a) to state whether or not he is a beneficial owner in relation to the company; and

(b) if so, as applicable to provide, confirm or correct the registable particulars relating to him.

(3) A company to which section 82B applies shall give written notice to anyone whom it knows or has reasonable cause to believe that such person knows the identity of a person who is a beneficial owner in relation to it, which notice shall require that person –

(a) to state whether or not he knows the identity of a beneficial owner in relation to the company or knows the identity of any person likely to have that knowledge; and

(b) if so, supply any particulars of such persons that are within the knowledge of the person notified.

(4) Without limiting subsections (2) and (3), a company may at any time give written notice to a member of the company to provide, confirm or correct the information supplied under section 82B in relation to the shares or guarantee membership interest in the company held by the member.

(5) A notice under this section shall state that the person to be notified must comply with the notice within thirty days commencing from the date of the notice.

(6) A company is not required to take steps or give notice under this section with respect to a beneficial owner if the company has already been informed in writing of the person's status as a beneficial owner in relation to it, and has been supplied with the information under section 82B.

(7) A company that fails to comply with subsections (2) or (3), commits an offence and is liable on summary conviction to a fine of $50,000.00.

Updating of beneficial ownership information.

82F. (1) Within 30 days of a person becoming a beneficial owner in relation to a company, he shall give written notice to the company of the information required pursuant to section 82B.

(2) If there is a change in any information provided to the company in relation to a beneficial owner, that beneficial owner shall give written notice to such change to the company and the date on which the change occurred.

(3) A person shall not provide false or misleading information under this section.

(4) A person who contravenes this section commits an offence and is liable on summary conviction to a fine of $50,000.00."

16. The principal Act is amended in section 96(4)*(c)* after the word "***Gazette***" by inserting a comma and the words "the website of the Registrar or other publication of general circulation in Belize". **Amendment of section 96.**

17. The principal Act is amended in section 102– **Amendment of section 102.**

(a) in subsection (4) after the word "***Gazette***" by inserting the words " or the website of the Registrar,"; and

(b) in subsection (8) after the word "***Gazette***" by inserting the words " or the website of the Registrar,".

18. The principal Act is amended in section 103(3) after the word "***Gazette***" by inserting the words " or the website of the Registrar,". **Amendment of section 103.**

19. The principal Act is amended in section 107– **Amendment of section 107.**

(a) in subsection (3) after the word "***Gazette***" by inserting a comma and the words "the website of the Registrar or other publication of general circulation in Belize";

(b) in subsection (4) by deleting the words "publish in the Gazette" and substituting the words "publish in the website of the Registrar or other publication of general circulation in Belize".

20. The principal Act is amended in section 108(3) by deleting the words, "within 3 years" and substituting "within 5 years". **Amendment of section 108.**

Amendment of section 111.

21. The principal Act is amended in section 111(2)*(b)* after the word "***Gazette***" by inserting the words " or the website of the Registrar,".

Amendment of section 113.

22. The principal Act is amended in section 113 by inserting the following as new paragraphs immediately after paragraph (v) –

"(w) $25 upon the approval by the Registrar for publication of a document on the website of the IBC Registry;

(x) $25 upon the change of details kept by the Registrar in the register of registered agents."

Repeal and replacement of Part XII.

23. The principal Act is amended by deleting Part XII and substituting the following as new Part XII –

"PART XII

Income Tax And Other Taxes, Duties And Exchange Control Restrictions

Income tax and other taxes.

130. (1) An international business company may elect—

(a) to be exempted from taxes under the Income and Business Tax Act; or

(b) to be liable to taxes under the Income and Business Tax Act relating to the profits and gains of theinternational business company at the rate specified in subsection (6).

(2) Notwithstanding any provisions of the Income and Business Tax Act an internationalbusiness company that elects to be exempt from tax undersubsection (1)*(a)*

shall not be required to file any tax returns,but an international business company that elects to pay taxunder subsection (1)***(b)*** shall file an annual tax return based on annual financial statements.

(3) An international business company shall not be subject towithholding, capital gains or other like taxes except for taxes for an international business company making an election asprovided for in subsection (1)***(b)***.

(4) For purposes of this Part, an international business companyshall not be considered to be doing business in Belize solely because it engages in one or more of the activities specified in section 5(2).

(5) Notwithstanding, any provision of the Stamp Duty Act to the contrary— CAP. 64.

(a) an instrument relating to transfers of any property to or byan international business company;

(b) an instrument relating to transactions in respect of theshares, debt obligations or other securities of aninternational business company; or

(c) an instrument relating in any way to the assets oractivities of an international business company,

is exempt from the payment of stamp duty.

(6) Pursuant to subsection (1)*(b),* there shall be levied and paid to the Commissioner of Income Tax, a tax at the rate prescribed by the Minister. CAP. 55.

Exemption for dividends and distributions.

130A. Any dividend paid or distributedby an international businesscompany, which does no business in Belize, to anotherinternational business company, or to persons, trusts or other entitieswhich are not residents, shall be exempt from any tax or withholdingprovisions of the law in force in Belize which would otherwisebe applicable to the international business company or to the recipientof the dividend or distribution."

Insertion of section 133A.

24. The principal Act is amended by inserting the following new section 133A immediately after section 133 –

Production of registers.

"133A. (1) Any registers required to be kept by a company shall be kept at the registered office, and upon a request made by the competent authority, the registered agent shall produce the requested registers within twenty-four hours of the date of receipt of the request.

(2) For the purposes of subsection (1) "competent authority" means the International Financial Services Commission established under the International Financial Services Commission Act or other authority so designated, recognized or appointed under an enactment."

CAP. 272.

Amendment of section 151.

25. The principal Act is amended in section 151(2) after the word "***Gazette***" by inserting the words " or the website of the Registrar,".

Transitional.

26. (1) Every company which has issued bearer shares shall, within one year from the date of commencement of this Act, convert such shares into registered shares and cancel all bearer share certificates issued (if any).

(2) Any bearer shares which have not been converted and cancelled within the said period of one year pursuant to subsection (1) shall thereafter be null and void and be without effect for all purposes of law.

(3) Where a company which has been in existence prior to the commencement of this Act, fails to comply with section 12(1*)(i)* within one year from the date of commencement of this Act, as of 1st July 2018 such company shall be deemed to have amended its memorandum in accordance with said section 12(1*)(i)* and any reference to bearer shares in the company's memorandum shall be null and void.

(4) Every company which has been in existence prior to the commencement of this Act shall, within one year from the date of commencement of this Act, file its register of directors and register of beneficial owners at the registered office.

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