

BELIZE:

**DOMESTIC BANKS AND FINANCIAL
INSTITUTIONS (AMENDMENT) ACT, 2014**

ARRANGEMENT OF SECTIONS

1. Short title.
2. Amendment of section 2.
3. Insertion of section 7.
4. Amendment of section 14.
5. Amendment of section 57.
6. Amendment of section 73.
7. Amendment of section 79.
8. Amendment of section 80.



No. 5 of 2014

I assent,
(SIR COLVILLE N. YOUNG)
Governor-General

7th February, 2014.

AN ACT to amend the Domestic Banks and Financial Institutions Act, No. 11 of 2012, to make provision for the prohibition against licensing shell banks, remove reference to currency transaction reporting; enhance information gathering powers of the Central Bank; and to provide for matters connected therewith and incidental thereto.

(Gazetted 7th February, 2014).

BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

Short title.

**DOMESTIC BANKS AND FINANCIAL
INSTITUTIONS (AMENDMENT) ACT, 2014,**

Act 11 of 2012.
Act 16 of 2012.

and shall be read and construed as one with the Domestic Banks and Financial Institutions Act, which, is hereinafter referred to as the principal Act.

Amendment
of section 2.

2. The principal Act is amended in section 2, by inserting the following definition in alphabetical order—

““shell bank” means a bank that—

- (a) is incorporated and licensed in a country in which it has no physical presence involving meaningful decision-making and management; and
- (b) is not an affiliate of a corporate body that—
 - (i) has a physical presence in a country that involves meaningful decision-making and management;
 - (ii) is authorised to carry on banking business in that country; and
 - (iii) is subject to effective consolidated supervision in relation to its banking business, which extends to its affiliates;”.

Amendment
of section 7.

3. The principal Act is amended in section 7, by deleting subsection (2).

Amendment
of section 14.

4. The principal Act is amended in section 14, by inserting after subsection (2) the following subsection—

“(2A) No licence may be issued under this Act to a shell bank.”.

Amendment
of section 57.

5. The principal Act is amended in section 57—

- (a) in subsection (3), by deleting the words “granted by a licensed bank to all persons and borrower groups” and replacing them with the words “approved under subsection (2)”; and
- (b) in subsection (4), by deleting the words “subsections (2) and (3)” and replacing them with the words “subsection (2) or (3)”.

6. The principal Act is amended in section 73—

**Amendment
of section 73.**

- (a) in subsection (3)—
 - (i) in paragraph (b), by deleting the full stop and replacing it with a semi-colon; and
 - (ii) by inserting the following as a tail after paragraph (b)—

“and any information required shall be submitted within such period and in such manner as the Central Bank may specify.”;
- (b) in subsection (11), by deleting the phrase “subsection (1), (2), (3), (4), (6) or (9)” and replacing it with the phrase “subsection (1), (2), (3), (4), (6), (9) or (10)”; and
- (c) by deleting subsection (12).

7. The principal Act is amended in section 79—

**Amendment
of section 79.**

- (a) in subsection (1), by inserting after the words “holding companies”, the words

“including, without limitation, monitoring and enforcing compliance by licensees and financial holding companies with this Act, the regulations and any practice direction made under this Act and the Money Laundering and Terrorism (Prevention) Act and any regulations or guidelines made under that Act.”;

- (b) by deleting subsection (2) and replacing it with the following—

“(2) Where reasonably required for the discharge of its responsibilities under this or any other Act, the Central Bank may, by notice in writing given to a person specified in subsection (4), require that person to—

- (a) provide specified information or information of a specified description; or
- (b) produce specified documents or documents of a specified description;

and any information or documents required shall be provided or produced within such period and in such manner as the Central Bank may specify.”.

- (c) by inserting after subsection (3) the following subsections—

“(4) A notice under subsection (2) may be given to—

- (a) a licensee, financial holding company, subsidiary or members of the financial group;
- (b) a person who the Central Bank reasonably believes to be carrying on, or to have at

- any time carried on, banking business or financial business without a license;
- (c) a person connected with a person specified in paragraph (a) or (b); and
 - (d) in the case where the production of documents is required, any person who the Central Bank reasonably believes is in possession, or has control, of the documents.

(5) Any person, including any director, officer or employee of any person referred to in subsection (4), who contravenes the requirements of subsections (2), or who obstructs or impedes the performance by any examiner or officer appointed by the Central Bank under subsection (3) commits an offence and shall be liable on summary conviction to a fine not exceeding one hundred thousand dollars and a penalty of ten thousand dollars for each day that the contravention continues.”.

8. The principal Act is amended in section 80(5), by deleting the words “sections 79 (Central Bank’s responsibility for supervision) and”.

**Amendment
of section 80.**