

## Financial Planning

# Belize securities trading licence



Supplied by  
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The sovereign nation of Belize in Central America has become, since enacting the International Business Companies Act in 1990, a successful player in the offshore industry. More recently, Belize created the securities trading licence in response to the fact that many licensed company formation firms and trustees were already providing the services now covered by the licence, as ancillary services to their primary functions.

Although technically consistent with their primary functions, the International Financial Services Commission (the "FSC") recognised that some practitioners might lack the specific skills for the services detailed below and therefore introduced the requirement of a securities trading licence.

The Belize International Financial Services Commission Act, schedule proposes the following services.

The referenced Schedule lists the following services:

- Formation or management of international business companies or other offshore entities.
- Formation or management of international (or offshore) trusts and the provision of international trustee services.
- International insurance services.
- International asset protection and management.
- International collective investment schemes (such as mutual funds, unit trusts, etc).
- Money transmission services.
- Payment processing services.
- Trading in foreign exchange.
- Trading in financial and commodity-based derivative instruments and other securities (eg futures, options, interest

rates, foreign exchange instruments, shares, stock, contracts for differences etc).

- Money brokering.
- Money lending and pawning.
- Money exchange.
- Safe custody services.
- Accounting services.
- Brokerage, consultancy or advisory services in any of the above services.

The FSC has issued conditions for a securities trading licence that are extensive and cover a broad range of expected conduct to obtain and maintain the licence.

The International Financial Services Commission (Licensing) Regulations, 2007 allow for a variety of persons to obtain a licence including, but not limited to a, "Kcompany or corporate entity that has management with the requisite knowledge and expertise of the business to be carried on and has at least one direc-

tor resident in Belize'K"

All applicants must provide to the FSC:

- A completed application form;
- A biographical affidavit of each director, shareholder and officer of the applicant company;
- The prescribed application fee, which is non-refundable;
- Evidence of capital requirements; and
- Any other necessary documentation as may be required by the FSC.

Benefits of the Securities Trading Licence include, but are not limited to, the following:

- Practitioners may seek to avail of Belize's sophisticated infrastructure, network of professionals, international banking and English speaking workforce to set up actual operations in the jurisdiction to provide services, particularly 3 to 14 above, to a global client

tele seeking the same from an OFC.

- Existing Belize formation/management companies or trustees may seek to provide brokerage, consultancy or advisory services (service 15) to their clients as an additional revenue stream, for the purpose of applying for licensed institutional treatment by major banks and clearing brokers in various developed jurisdictions (licensed institutions often receive favourable fees and service levels) or for the purpose of receiving rebates on fees from major banks and clearing brokers in various developed jurisdictions that would effectively reduce costs/fees to clients.
- Medium to large groups may seek to have a licence for various treasury functions (services 6 to 13 excluding 9).
- Companies seeking to obtain licensing for services, particularly 3 to 14, in developed jurisdictions may test their capabilities in Belize and establish a credible track record.

The recognition of the FSC that certain services in Belize should require additional licensing is noteworthy, as Belize seeks to position itself as a credible and well-regulated offshore jurisdiction.

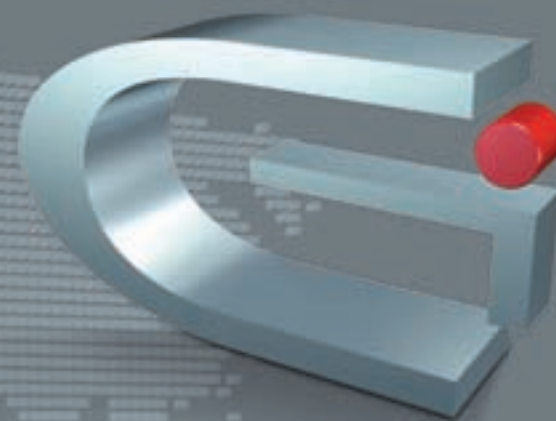
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