

Belize

Overall findings

Overall determination on the legal framework: Not In Place

Belize's legal framework implementing the AEOI Standard is not in place in accordance with the requirements of the AEOI Terms of Reference. While Belize's international legal framework to exchange the information with all of Belize's Interested Appropriate Partners (CR2) is consistent with the requirements, Belize's domestic legislative framework requiring Reporting Financial Institutions to conduct the due diligence and reporting procedures (CR1) has significant deficiencies in areas that are fundamental to the proper functioning of the AEOI Standard. More specifically, deficiencies have been identified in Belize's enforcement framework and in other key areas.

The methodology used for the peer reviews and that therefore underpins this report is outlined in Chapter 2.

Conclusions on the legal framework

General context

Belize commenced exchanges under the AEOI Standard in 2018.

In order to provide for Reporting Financial Institutions to collect and report the information to be exchanged, Belize:

- enacted the Mutual Administrative Assistance in Tax Matters Act; and
- introduced the Mutual Administrative Assistance in Tax Matters (Automatic Exchange of Financial Account Information) Regulations, Statutory Instrument No 52 of 2017.

Under this framework Reporting Financial Institutions were required to commence the due diligence procedures in relation to New Accounts from 1 January 2017. With respect to Preexisting Accounts, Reporting Financial Institutions were required to complete the due diligence procedures on High Value Individual Accounts by 31 December 2017 and on Lower Value Individual Accounts and Entity Accounts by 31 December 2018.

With respect to the exchange of information under the AEOI Standard, Belize is a Party to the Convention on Mutual Administrative Assistance in Tax Matters and activated the associated CRS Multilateral Competent Authority Agreement in time for exchanges in 2018.

Detailed findings

The detailed findings for Belize are below, organised per Core Requirement (CR) and sub-requirement (SR), as extracted from the AEOI Terms of Reference (www.oecd.org/tax/transparency/documents/aeoi-terms-of-reference.pdf).

CR1 Domestic legal framework: Jurisdictions should have a domestic legislative framework in place that requires all Reporting Financial Institutions to conduct the due diligence and reporting procedures in the CRS, and that provides for the effective implementation of the CRS as set out therein.

Determination: Not In Place

Belize's domestic legislative framework is not in place as required as it does not contain several key aspects of the CRS and the Commentary. Significant deficiencies have been identified in relation to the framework to enforce the requirements (SR 1.4). Moreover there are deficiencies in relation to the scope of Reporting Financial Institutions required to report information (SR 1.1) and the scope of Financial Accounts required to be reported (SR 1.2). Most significantly, Belize's domestic legislative framework does not contain rules requiring Reporting Financial Institutions to keep records in accordance with the requirements, does not incorporate a framework for enforcement to address non-compliance, and does not include strong measures to ensure that valid self-certifications are always obtained for New Accounts.

SR 1.1 Jurisdictions should define the scope of Reporting Financial Institutions consistently with the CRS.

Belize has defined the scope of Reporting Financial Institutions in its domestic legislative framework in a manner that is largely consistent with the CRS and its Commentary. However, a deficiency has been identified. More specifically, Belize's legislative framework does not define Investment Entity in accordance with the requirements. The definition of Investment Entity is a key element of the AEOI Standard and is therefore material to its proper functioning.

Recommendations:

Belize should amend its domestic legislative framework to define the term Investment Entity in accordance with the AEOI Standard.

SR 1.2 Jurisdictions should define the scope of Financial Accounts and Reportable Accounts consistently with the CRS and incorporate the due diligence procedures to identify them.

Belize has defined the scope of the Financial Accounts that are required to be reported in its domestic legislative framework and incorporated the due diligence procedures that must be applied to identify them in a manner that is largely consistent with the CRS and its Commentary. However, deficiencies have been identified. More specifically, Belize has provided for two categories of jurisdiction-specific Excluded Accounts that are not in accordance with the requirements. The scope of Financial Accounts, including the provision of Excluded Accounts is material to the proper functioning of the AEOI Standard.

Recommendations:

Belize should amend its domestic legislative framework to remove two entries from its jurisdiction-specific list of Excluded Accounts: i) the Pension Accounts and ii) the Tax Exempt Savings Plans of Cooperative Societies. These do not meet the relevant requirements as i) no restrictions are made in accordance with the AEOI Standard and ii) the contributions into the accounts are not limited and withdrawals are also not restricted to the relevant criteria.

SR 1.3 Jurisdictions should incorporate the reporting requirements contained in Section I of the CRS into their domestic legislative framework.

Belize has incorporated the reporting requirements in its domestic legislative framework in accordance with the CRS and its Commentary.

Recommendations:

No recommendations made.

SR 1.4 Jurisdictions should have a legislative framework in place that allows for the enforcement of the requirements of the CRS in practice.

Belize does not have a legislative framework in place to enforce the requirements in a manner that is consistent with the CRS and its Commentary as significant deficiencies have been identified. More specifically, Belize's domestic legislative framework:

- does not include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification;
- does not incorporate rules requiring Reporting Financial Institutions to keep records in accordance with the requirements;
- does not provide for sanctions on Reporting Financial Institutions for failing to carry out the due diligence procedures; and
- does not incorporate measures to ensure that self-certifications are always obtained and validated for New Accounts as is required.

These are key elements of the required enforcement framework and are therefore material to the proper functioning of the AEOI Standard

Recommendations:

Belize should amend its domestic legislative framework to include sanctions on Account Holders and Controlling Persons for the provision of a false self-certification.

Belize should amend its domestic legislative framework to require Reporting Financial Institutions maintain records for at least five years from the deadline to report the information, rather than six years from when the information relates or during which the due diligence steps were undertaken.

Belize should amend its domestic legislative framework to include sanctions for failure to comply with the due diligence and reporting procedures, rather than being limited to failures leading to incorrect information reporting.

Belize should amend its domestic legislative framework to include strong measures to ensure that valid self-certifications are always obtained for New Accounts in accordance with the requirements.

CR2 International legal framework: Jurisdictions should have exchange relationships in effect with all Interested Appropriate Partners as committed to and that provide for the exchange of information in accordance with the Model CAA.

Determination: In Place

Belize's international legal framework to exchange the information is in place, is consistent with the Model CAA and its Commentary and provides for exchange with all of Belize's Interested Appropriate Partners (i.e. all jurisdictions that are interested in receiving information from Belize and that meet the required standard in relation to confidentiality and data safeguards). (SRs 2.1 – 2.3)

SR 2.1 Jurisdictions should have exchange agreements in effect with all Interested Appropriate Partners that permit the automatic exchange of CRS information.

Belize has exchange agreements that permit the automatic exchange of CRS information in effect with all its Interested Appropriate Partners.

Recommendations:

No recommendations made.

SR 2.2 Such an exchange agreement should be put in place without undue delay, following the receipt of an expression of interest from an Interested Appropriate Partner.

Belize put in place its exchange agreements without undue delay.

Recommendations:

No recommendations made.

SR 2.3 Jurisdictions should ensure that the exchange agreements in effect provide for the exchange of information in accordance with the requirements of the Model CAA.

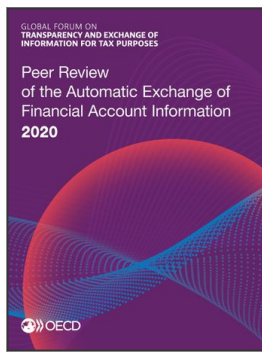
Belize's exchange agreements provide for the exchange of information in accordance with the requirements of the Model CAA.

Recommendations:

No recommendations made.

Comments by the assessed jurisdiction

Belize has initiated the process to amend its domestic legislative framework to address recommendations made.



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