Belize - AML KYC Regulations

Document History		
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Disclaimer: Neither Shufti Pro nor the authors of this document shall be held responsible, liable or accountable for the contents of this document. The responsibility to comply with AML - KYC regulations lies with the Client. Achieving full compliance with legal obligations requires a thorough analysis of the specific situation, organizational requirements, and regulatory practices. The information provided in this document should be seen as an overview of requirements and measures towards conducting proper and satisfactory Identity Verification procedures. This document suggests general measures in line with recommendations, resources, or procedures provided by relevant laws and authorities to support identity verification requirements. The mere reference to or reliance placed on this document alone does not constitute a warranty of any system nor does it guarantee legal compliance. It remains the sole responsibility of the Client to comply with its legal obligations.

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1. Introduction

Belize introduced its framework on anti-money laundering and countering the financing of terrorism to criminalize anti-money laundering and lay down appropriate safeguards and guidelines. This framework regulates the rights and obligations of legal persons and natural persons in preventing and detecting money laundering and terrorist financing. This framework also contains provisions regarding customer screening, identification and verification of customers.

2. Scope

The 'Belize - AML KYC Regulations' report may be used as a reference to highlight information from Belize's '*Money Laundering And Terrorism (Prevention) Act*.'

Under the guidelines from the Central Bank of Belize, International Financial Services Commission, and the aforementioned Act(s), this document highlights the necessary requirements for AML and KYC procedures, in particular, Identity Verification required in Belize. These requirements are approximated from relevant information/laws/directives from the aforementioned document.

3. Definitions

- **Client:** Shufti Pro's customer is referred to as the Client.
- **Customer:** The client's customer whose subject to the KYC - AML checks.
- **End-user:** The client's customer is referred to as end-user but from Shufti Pro's perspective.
- **Document Verification:** The process of verifying the authenticity of a government-issued identity document.
- **Identity Verification:** The process of verifying the identity of the client's customers.
- **Proof of Identity:** Any government-issued identity document that can be used to identify an individual (natural person).
- **EDD:** Enhanced Due Diligence (EDD) is a process that executes a greater level of scrutiny related to the potential business relationships.
- **Third-Party Diligence:** Outsourcing of the due diligence process to an external party by the Client who is originally responsible for carrying out due diligence activities.
- **PEP:** Politically Exposed Person (PEP) is a person with a higher risk for potential involvement in bribery/corruption.
- **Due Diligence:** Refers to the measures taken to mitigate risk before entering into an agreement or carrying out a financial transaction with another party.

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4. References

- Money Laundering And Terrorism (Prevention) Act (Revised Edition 2011)
- Money Laundering and Terrorism (Prevention) (Amendment) Act, 2016
- Money Laundering and Terrorism (Prevention) (Amendment) Act, 2017

5. Due Diligence Requirements

5.1. Identity Verification Requirements

As per the requirements of Belize regulations, these are the following ID attributes required for the purpose of identifying a natural person (Individual) from official documents.

- Name;
- Address.

5.2. Compliant CDD Methods

We (Shufti Pro) may apply one or more of the following measures at the request of the Client to perform Identity Verification on its behalf. Where an End-user is an individual, who does not present himself to the Client for verification in physical presence.

5.2.1. Shufti Pro shall perform verification of the End-user's identity on the basis of independent sourced documents that are highlighted in 5.3. These documents provide reasonable reliability to the confirmation of the identity in Belize. Shufti Pro shall ensure that documents being utilized are photo-based biometric identification documents that suffice requirements for Identity Verification.

5.2.2. For the purpose of verifying the End-user's identity, Shufti Pro shall also verify the documents that are submitted. We utilize our specialized Document Verification service to perform checks on the authenticity of the document. This includes checks on security features such as holograms, tapered/crumpled edges, doctored elements, form inconsistencies, document expiration, MRZ, reflected colors and microprinting.

5.3. Documents Required for Verification

The following documents are considered in Belize as Proof of Identity:

Identity Verification

- Identity Card;
- Social Security Card;
- Driving Licence;
- Passport.

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Address Verification

The following documents are considered in Belize as proof of address:

- A current utility bill (such as gas, electricity, telephone or mobile phone bill); (issued no more than three months ago that shows the End-user's address and name);
- Bank statement (issued no more than three months ago that shows the End-user's address and name);
- A document issued by a government department that shows the End-user's address and name.

5.4. Timing of Verification

Identity Verification is not limited to a one-time, one instance process. In fact, it is required in multiple instances as per regulations. The application and choice of when to deploy Identity Verification procedures depend on your requirements and it's conveyance to Shufti Pro.

You are to pursue Identity Verification when you onboard a new Customer. If you are dealing with transaction data, you should apply Identity Verification as per the monetary thresholds defined in Belize's regulations. In other instances, Identity Verification becomes more important to employ if you face higher risks from your Customers. A high-risk situation would be any instance where an Individual might represent above normal exposure of money laundering related threats to you.

6. Politically Exposed Persons and EDD Measures

As per the Enhanced Due Diligence requirements under Belize's regulations, you are required to determine if your Customer is a Politically Exposed Person, holds a public office, or exhibits a higher risk profile. In order to fulfill your obligations, Shufti Pro provides you it's AML Screening service. The service screens an individual's selected ID attributes of Name and DOB against watchlists of global regulatory authorities, foreign and domestic databases, compromised PEPs and sanctioned individuals.

The service highlights the category of the PEP based on the degree of risks they pose and also any immediate family member, or a close associate of the PEP.

You may utilize such services as per your requirements. This includes before or after establishing a relationship with your Customer.

7. Reliance on External Services

Belize's regulations state that you may seek the services of a third party to apply measures of due diligence. Regulations also require you to collect all such data (Diligence

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Information) from the third party, without undue delay. In this scenario, We will be the external third-party service provider to you.

Belize's notice states that you, regardless of reliance on a third party, remain liable for maintaining all such compliance and fulfilling AML and KYC obligations.

8. Record Retention

As per Belize's regulations, you are required to retain data for not less than five (5) years. These are a part of your AML and KYC obligations for due diligence. In the case where this information is processed, collected and managed by a relevant third-party. You are liable to collect all such necessary information (Due Diligence Data) from the third party without undue delay.

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