Guidelines on Beneficial Ownership Information for Legal Persons and Legal Arrangements

FSC/GG/003-2

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1. Authority, Purpose, and Scope

Authority

1. These Guidelines are issued pursuant to **section 77 of the Financial Services Commission Act (Act No. 8 of 2023)** and apply to all legal persons and legal arrangements registered or applying for registration with the Financial Services Commission (FSC) to facilitate compliance with beneficial ownership information requirements under the following laws:
    a. The Belize Companies Act (Act No. 11 of 2022[1])
    b. The Trusts Act[2]
    c. The Limited Liability Companies Act[3]
    d. The Limited Liabilities Partnerships Act[4] and
    e. The Foundations Act.[5]

Purpose

2. Belize's legal framework requires companies, partnerships, foundations, trusts and other legal arrangements registered by or applying for registration with the FSC to:
    - Identify their beneficial owners.
    - Maintain a register of their beneficial owners (at their registered office and a copy at the Registered Agent's office, when applicable).
    - Disclose beneficial ownership information to the FSC.
3. These Guidelines lay out the procedures to be followed by a legal person or a legal arrangement to identify its beneficial owners, including where legal person or arrangement is interposed in the ownership structure.

Scope

4. These Guidelines shall apply to all domestic and foreign legal persons (companies, limited liability companies, foundations and partnerships) and domestic and foreign legal arrangements registered or applying to be registered with FSC.

Responsibilities

5. It is the responsibility of the **Registered Agent** to ensure that beneficial ownership information is obtained, maintained, updated, and made available upon request.

[1] https://www.belizefsc.org.bz/belize-companies-act-2022/; https://www.belizefsc.org.bz/belize-companies-amendment-act-2023-2/
[2] https://www.belizefsc.org.bz/trusts-act-chapter-202/; https://www.belizefsc.org.bz/trusts-amendment-act-2023/
[3] https://www.belizefsc.org.bz/international-limited-liability-companies-act-2011-2/; https://www.belizefsc.org.bz/international-limited-liability-companiesamendment-act-2023/; https://www.belizefsc.org.bz/limited-liability-companiesamendment-no-2-act-2023/
[4] https://www.belizefsc.org.bz/limited-liability-partnership-act-chapter-258-revised-edition-2020/; https://www.belizefsc.org.bz/act-no-37-of-2023-limited-liability-partnership/
[5] https://www.belizefsc.org.bz/international-foundations-act-chapter-2402-revised-edition-2011-showing-the-substantive-laws-as-at-31st-december-2011/; https://www.belizefsc.org.bz/international-foundations-amendment-act-2023/

6. Where a company is not required to have a Registered Agent, a **resident director** or a **resident agent** is responsible for maintaining and providing this beneficial ownership information to the FSC.

Definitions

7. For the purpose of these Guidelines, the following definitions apply:

(a) **Beneficial owner:** in accordance with section 2 of the **Money Laundering and Terrorism (Prevention) (Amendment) Act (Act No. 28 of 2023)**, a beneficial owner means:

(i) The natural person who ultimately owns or controls a customer, the natural person on behalf of whom a transaction is conducted, or the natural person who exercises ultimate control over a legal person or legal arrangement.

(ii) For legal persons, any individual who:

(a) Owns or controls, directly or indirectly, more than 25% of the shares or voting rights.

(b) Otherwise exercises control over the management.

(iii) For partnerships, any individual who:

(a) Controls more than a 25% share of the capital or profits or voting rights.

(b) Otherwise exercises control over the management.

(iv) For trusts:

(a) Any individual entitled to a specified interest in the trust property.

(b) The class of persons in whose main interest the trust is set up.

(c) any individual who has control over the trust;

(d) the settlor, trustee, the protector (if any), or any person exercising control over the trust.

(b) **Legal Arrangement:** Express trusts or other similar arrangement, including those created or recognised under the laws of a jurisdiction other than Belize.

(c) **Senior Management Official:** A director, controlling officer, partner, settlor, trustee, or any person who is concerned with the management of a legal person or legal arrangement.

(d) **Shareholder:** an individual, group, or organisation that owns one or more shares in a company and whose name appears in the share register or register of members.

(e) **Ultimate effective control**: Control exercised through a chain of ownership or other indirect means.

(f) **Verify:** Establishing the truth of information provided by a customer using documents and information from credible, independent sources.

2. Steps in the Determination of Beneficial Owners

Legal Persons

8. Beneficial owners of a legal person (e.g., a company or partnership with legal personality) should be determined using the "simultaneous approach"[6], involving:

   (a) **Step 1**: Identify individuals who directly or indirectly own or control 25% or more of the shares or voting rights, or who control the entity by other means.

   (b) **Step 2**: If no individual is identified under Step 1, identify the senior management official as the beneficial owner.

9. Where multiple individuals qualify as beneficial owners, all must be identified.

Step 1: identifying the natural person(s) who may control the legal person through ownership interests or by other means.

10. As a first step, the legal person must identify the natural person(s) who controls it through ownership interests or by other means. This may be manifested through owning or controlling the shares, voting rights or property rights in the company.

Establishing the beneficial owners of a legal person using a threshold

11. The legal person should take reasonable steps to identify the natural person(s) who owns or controls it, either through owning or controlling at least twenty-five per cent (25%) of its shares or voting rights or other ownership interest.

12. It should be noted that specific rules may apply to a partnership that is a legal person (i.e. a partnership with a legal personality) as detailed below in the section dealing with the identification of beneficial owners of partnerships.

13. In some cases, there may be only one natural person who owns all the shares or voting rights of the legal person. In such cases, the sole shareholder who is a natural person qualifies to be identified as the beneficial owner. However, additional due diligence needs to be undertaken to verify that (s)he is not acting as a nominee, that he is not owning the shares on behalf of another person as discussed below or that there is no other natural person who controls the company through other means.

14. It is also possible that more than one natural person may be identified as the beneficial owner of a legal person. In this case, the legal person shall document all the natural persons identified as beneficial owners.

Establishing the beneficial owner of a legal person through indirect ownership

[6] For more details see Paragraph 5(b)(i) of the Interpretative Note to FATF Recommendation 10.

15. A natural person may seek to circumvent the established threshold of twenty-five per cent (25%) by dispersing his/her shareholding in the legal person to avoid being identified as a beneficial owner. For example, a natural person may directly own less than twenty-five per cent (25%) of a legal person. However, this natural person may also own or control the legal person through other legal person(s) or arrangement(s) that have an ownership or controlling interest in the legal person which, when taken together with his/her direct ownership or control of the legal person, results in him/her owning or controlling at least twenty-five per cent (25%) of the legal person. In other cases, the natural person may not own shares in the legal person but may do so through other legal persons or arrangements.

16. As a result, where a legal person is owned by another legal person or arrangement, or has another legal person or arrangement interposed in the ownership chain, the legal person should identify the natural persons who indirectly owns or controls at least twenty-five per cent (25%) of its shares or voting rights through the interposed legal person or arrangement.

17. Please note that, following the indirect ownership or control approach, it is possible that more than one natural person may be identified as a beneficial owner of a legal person. In this case, a legal person shall document all the natural persons identified as its beneficial owners.

Indirect control or ownership of a legal person: the case of shareholder agreements and nominee shareholders

18. In some cases, a natural person may not, directly or indirectly, own or control at least twenty-five per cent (25%) of the shares or voting rights of the legal person. However, shareholders can collaborate to diffuse level of control by one person through use of nominees or by entering into informal shareholder agreements. Therefore, a natural person may exercise control, alone or together with other shareholders, by entering into formal or informal agreements to increase the level of control by a person or appointing other persons to act in his/her place.

19. It is therefore possible that the persons identified as owning or controlling the legal person are actually acting on behalf of another person. A natural person who owns or controls the legal person through ownership interest such as shares or voting rights on behalf of somebody else should, therefore, not be considered as the beneficial owner of the legal person because they may be used by another person to exercise effective control over the legal person. In other words, there may be other natural persons who indirectly own or control the legal person.

20. In other cases, more than one natural person can act together to exert control over a legal person. For example, a shareholder may own or control less than twenty-five per cent (25%) of a legal company as an individual but may act in concert with another natural person to influence the decisions of the legal person because when taken together, they own or control more than twenty-five per cent (25%) of the legal person.

21. The legal person should therefore take all reasonable steps to establish whether a natural person is acting as a nominee for another person or whether a natural person is holding

his/her ownership alone or together with other natural persons. Where the legal person establishes that a legal person or arrangement is a nominee or is under the control of another person, it should look through it and identify the natural person on whose behalf the nominee is acting or who is controlling it.

Control the legal person through other means

22. A natural person may exercise control through other means in a number of ways. This may include for instance:

    (a) Differential voting rights as different classes of shares may give certain shareholders more control than others.

    (b) Power to appoint directly or indirectly the majority of senior management officials like the managing director, chief executive officer or board of directors.

    (c) Power to control the legal person through debt instruments or other financing arrangements, for example where a lender or creditor can control a legal person via the provisions of the lending agreement (such as debt that is convertible into voting equity), or by a third party who can otherwise influence a shareholder by means of a financial or other relationship.

    (d) Control through positions held within a legal person by exercising substantial control over a legal person and being responsible for strategic decisions that fundamentally affect the business practices or general direction of the legal person. For example, depending on the legal person, directors may or may not take an active role in exercising control over the affairs of a legal person.

    (e) Control through informal means such as close personal connections to relatives or associates (e.g. personal connections to persons that own or control the legal person).

23. The beneficial owner(s) identified under step 2 should not substitute the natural persons that may have already been identified as beneficial owners under step 1. The legal person should report all natural persons identified as beneficial owners under step 1.

Step 2: identifying the relevant natural person who holds the position of Senior Managing Official

24. In exceptional circumstances, a legal person may have to proceed to step 2. This step should only be followed where the legal person has taken reasonable measures and has not been able to identify a natural person under step 1, above. In these circumstances, the legal person should identify and take reasonable measures to verify the identity of the relevant natural person who holds the position of senior managing official. This would be the case if under step 1, it has not been possible to identify any natural person that controls the legal person through other means, including control through an influential position held within the legal person.

25. The legal person must document the steps taken to identity the beneficial owner(s) following steps 1 to justify the use of this last step.

Segregated Portfolio Companies

26. Follow the simultaneous approach outlined for legal persons, taking into account that the segregated portfolio does not constitute a legal person separate from its segregated portfolio company.

27. Maintain separate beneficial ownership information for each portfolio.

Partnerships

28. The identification of the beneficial owner(s) of a partnership will depend on whether it is treated as a legal person with a separate legal personality or as a legal arrangement.

    (a) Where a partnership has a separate legal personality, its beneficial owners should be identified by following the steps for the identification of the beneficial owner(s) of a legal person, i.e. use the simultaneous approach. A partner with unlimited liability must always be identified as a beneficial owner regardless of his/her percentage of shareholding or voting rights.

    (b) Where a partnership is regarded as a legal arrangement (i.e. has no separate legal personality), all parties to the partnership, in principle all the partners, and any other natural person exercising control over the partnership should be identified as beneficial owners.

29. The legal person must understand the particular features (i.e. nature, form and structure) of a partnership interposed in its ownership chain and take this into account when identifying its beneficial owners.

    (a) Partnerships (limited and general) may have differences in their structure and level of control when compared to companies. For example, the control or liability of the general partners may not depend on their contribution to the partnership or on a particular threshold. As a consequence, where such a partnership is considered as a legal person, the mere application of the ownership interest criterion would not be appropriate for the identification of its beneficial owners, and it would be necessary to see if they may exercise control through other means.

    (b) Where a legal person is party to a partnership either as a limited or general partner, the beneficial owner(s) of this limited or general partner should also be identified.

    (c) In addition, depending on the particular circumstances of the partnership, there could also be other natural persons, who are not necessarily partners, but who exercise effective control over the partnership. Such persons should be considered and identified as beneficial owners.

    (d) Finally, all natural persons exercising control over the partnership by any means should also be identified as beneficial owners.

Legal Arrangements[7] (Trusts, Foundations, etc.)

Foundations

30. The natural persons holding the following positions should be identified as the beneficial owners of a foundation:

(a) the founder(s) who is the person who endows the foundation with the initial capital or assets

(b) the members of the foundation council who are responsible for managing the foundation

(c) the beneficiaries (where applicable) who include persons entitled to derive an economic benefit from the foundation

(d) the executor, protector or guardian (where applicable) who may be person tasked with monitoring the foundation council to ensure that the foundations achieve its objectives

(e) any natural person(s) with authority to represent the foundation or any other natural person exercising effective control over the foundation. These include persons with powers which may be exercised alone or jointly with another person to:

(i) vary the objectives of the foundation or to terminate it

(ii) add or remove a person as a beneficiary

(iii) dispose of, advance, lend, invest, the assets of the foundation

(iv) appoint or remove a member of the foundation council or give another person control over the foundation

(v) direct, withhold, consent or overrule the exercise of the powers above.

31. If any member of the foundation is a legal person or arrangement, the natural person(s) who are the beneficial owners of that legal person or arrangement must be identified as beneficial owners of the foundation. Depending on the type of legal person or arrangement, the specific rules for determining the beneficial owners should apply (e.g. if the legal person is a company, the simultaneous approach should be followed and if the legal arrangement is a trust, the rules for the identification of beneficial owners of trusts should be followed).

Trusts

32. In the case of a trust, the simultaneous approach followed in the identification of beneficial owners of a legal person is not applicable because the legal title and control of an asset are separated from the interest in the asset which means that different categories of persons may own, benefit from, and control the trust.

33. For a trust, the natural persons holding the following positions should be identified as beneficial owners:

(a) the settlor(s)

(b) the trustee(s)

[7] For more details see Paragraph 5(b)(ii) of the Interpretative Note to the FATF Recommendation 10.

(c) the protector (if any)

(d) the beneficiaries or, where applicable, the class of beneficiaries[8] or objects of power; and

(e) any other natural person exercising ultimate effective control over the trust.

34. A legal person or legal arrangement may be party to a trust. For example, a trustee may be a legal person or arrangement, or the trust may own shares or other rights as a legal owner. In the case where a party to a trust is not a natural person (i.e. is a legal person or legal arrangement), the beneficial owners of that legal person or arrangement should be identified as beneficial owners of the trust, following the methodology applicable to the identification of the beneficial owners of that legal person or arrangement. This means that non-natural persons who are party to a trust should be looked through to identify their beneficial owners. The rules for the determination of the beneficial owners of that legal person should be followed e.g. the simultaneous approach should be followed for the determination of the beneficial owners of a legal person that is party to a trust.

35. The same rules apply for the identification of the beneficial owners of a foreign trust.

36. If a resident of Belize is a trustee of a trust created in a foreign jurisdiction, the beneficial owners of the foreign trust that the Belize resident trustee is managing must be identified following the rules above and all the natural persons who are party to the foreign trust must therefore be identified.

Other Legal Arrangements

37. For other types of legal arrangements (e.g., fiducie, treuhand, fideicomiso or Waqfs), the natural person(s) in equivalent or similar positions to a trust must be identified as the beneficial owners

3. Internal register of beneficial owners maintained by legal persons and arrangements

38. Belize's domestic legal framework requires legal persons and legal arrangements to maintain accurate and up to date information on beneficial ownership:

(a) **Companies -** pursuant to the sections 86 (1) (d) and 87 (1) (c) of the Companies Act, a company is obligated to maintain in Belize, either at its registered office or at the office of the Registered Agent in Belize, a register of its beneficial owners and keep it up to date. The information should be readily available to be shared with FSC within 24 hours of receipt of such a request (sections 86 (3) and 86 A). The same principle applies to segregated portfolio companies.

(b) **Limited liability companies –** Section 9 of the Limited Liabilities Companies Act requires a limited liability company to maintain at the office of its Registered Agent an

[8] Trusts may have beneficiaries that are not determined but the class must be clear: for example, the victims of an accident X or all the descendants of Mr. Z. The way the class is identified must be known in order to identify the natural person when their rights are known and vested. Where the natural person(s) who will be the beneficiaries of the legal arrangement have not yet been designated, the class or classes of beneficiaries in whose main interest the trust has been constituted or operates and the objects of a power shall be identified so that the identity of the beneficiary or beneficiaries can be established subsequently in particular at the time of payment of the benefits, at the time when the beneficiary or beneficiaries intend to exercise the rights acquired, at the time when an accumulation period is completed or at the time when the administrator(s) or trustee(s) exercise(s) a discretionary power.

accurate, adequate and updated register of its beneficial owners' names and addresses and any information sufficient for the identification of the beneficial owners. The information should be readily available to be shared with FSC within 7 days of receipt of such a request.

(c) **Partnerships -** Section 9 (4) (g) of the Limited Liability Partnership Act requires a limited liability partnership to keep information on its beneficial owners (list of the names and addresses of the beneficial owners, if any) at its registered office and to ensure that the information is accurate and up to date. The information should also be readily available to be shared with FSC within 7 days from the request.

(d) **Trusts -** Section 27 (7) (b) of Trusts Act imposes an obligation for trustees to maintain adequate, accurate and current identification information on each trustee, settlor, protector, beneficiary, any person behind a body corporate and any other natural person exercising ultimate effective control over the trust. Section 28 of further requires that this information is made available to FSC or other legitimate entities within 30 days of a written request.

(e) **Foundations -** pursuant to the section 84A (1) and (4) of the Foundations Act, a foundation is obligated to maintain at the office of its Registered Agent in Belize, an accurate, adequate, up-to-date and updated register of its beneficial owners, which should include the names and addresses and any information sufficient for the identification of its beneficial owners. The information should be readily available to be shared with FSC within 7 days of receipt of such a request.

39. Each legal person and legal arrangement are required to maintain the name, address and sufficient information required for the identification of the beneficial owner or owners.

40. Any legal person or arrangement that receives a notice from the FSC requesting information on beneficial ownership and fails to provide the information within the specified time commits an offence and is liable to a penalty.

41. Each legal person and legal arrangement must update the register of beneficial owners it maintains if there is any change in any beneficial owners or their particulars.

4. Register of beneficial owners maintained by Registered Agents

42. Companies with a foreign shareholder or director are required to appoint a Registered Agent who will have a copy of the register of beneficial owners. In this case, the company is required to notify its Registered Agent, in writing within 15 days of any change in the register of beneficial owners to update the information.

43. Limited liability companies, foundations and partnership shall keep at the office of the Registered Agent, an accurate, adequate, up-to-date, and updated accounting records, including the register of beneficial owners of the names and addresses, and any information sufficient for the identification of beneficial owners, if any. '

44. All Registered Agents shall ensure that:

(a) the information on the ultimate beneficial owner and/or controllers of companies, partnerships and other legal persons, and the trustees, settler, protector and beneficiaries of trusts are known to the Registered Agent and is properly recorded;

(b) any change of client control and ownership is promptly monitored (e.g. in particular where a Registered Agent is administering a corporate vehicle in the form of a "shelf" company or where nominee shareholdings are involved);

(c) there is an adequate, effective and appropriate mechanism in place for information to be made available to all the relevant authorities (i.e., law enforcement authorities, regulatory, and supervisory authorities).

(d) KYC and transactions information regarding the clients of the Registered Agent is maintained in Belize.

5. Submission of beneficial ownership information to the Online Business Registry System and FSC

45. **Companies, limited liability companies, limited liability partnerships, foundations and trusts** are obligated to submit information on their beneficial owners to the Registrar. Companies and Limited Liability Partnerships must submit their information by entering it into the Online Business Registry System, while Limited Liability Companies, trusts and foundations must submit their information by email to trusts@belizefsc.org.bz at the time of registration. After registration, each company, limited liability company, limited liability partnership, foundation and trust is obligated to update this information whenever a change occurs.

46. **Limited liability companies and trusts** are required to submit an annual attestation report to FSC on beneficial ownership and control, in the form approved by the FSC, which may be in electronic format or such other format as approved by the FSC, which shall include the following information:

i. Limited liability companies:

   i. the name and address of any person who owns five percent or more of the limited liability company;
   ii. the name and address of any natural person who controls the limited liability company acting directly or indirectly, and acting individually or jointly;
   iii. the name of all the members, managers, directors, and officers; and
   iv. any other information as the Commission may determine.

ii. Trusts:

   i. the names and addresses of the trustees;
   ii. the name and address of the settlor;

iii. the beneficiaries or, where applicable, the class of beneficiaries or objects of power[9];
iv. the name and address of the Protector, if any; and
v. the name and address of any other natural person exercising ultimate effective control over the trust.

6. Record keeping and retention

47. A legal person or arrangement is required to maintain its records and supporting information, including the steps taken to identify the beneficial owners, for a minimum period of 5 years from the date of change of its beneficial owners.

48. Where a Registered Agent ceases to be the Registered Agent of the legal person or legal arrangement, that Registered Agent shall preserve all the records required to be kept in respect of that entity for a period of at least 5 years from the date on which the Registered Agent ceases to be the Registered Agent of the entity with the exception of limited liability companies and foundations which is 6 years .

49. Where a legal person or legal arrangement is dissolved, terminated, transferred, merged or struck from Registrar, the Registered Agent, the manager, the member, liquidator or other (depending on the entity) shall retain the beneficial ownership records for a period of at least 5 years from the date on which the legal person or legal arrangement was struck, dissolved, transferred or wound up with the exception of limited liability companies and foundations which is 6 years. The Registrar will also retain the beneficial ownership information for a period of at least 5 years from the date of struck off, dissolution, departure or winding up, with the exception of limited liability companies and foundations which is 6 years.

7. Non-compliance

50. A legal person or arrangement that fails to comply with the obligations set out above, including the obligation to obtain beneficial ownership information, to keep an internal register of beneficial owners, to submit the beneficial ownership information, to notify the Registrar of any changes within the prescribed timeline and to file the annual attestation (when applicable) will be subject to the following sanctions:

(a) A company:

(i) That fails to maintain a beneficial ownership record, commits a breach of the Companies Act and is liable to an administrative fine imposed by FSC in accordance with Section 87 (4) of the Companies Act.

(b) A limited liability company:

(i) That fails to establish and maintain an updated beneficial ownership register, file it with the Registrar, enter it into the Online Business Registry System, retain the records and provide the Registrar with information no later than 7 days from request, commits an

[9] See Footnote 12 for clarification on class of beneficiaries and objects of power

offence and is liable on indictment to a fine not exceeding $100,000, and in addition to any other penalty the Commission may apply any administrative penalty, including but not limited to an administrative fine of up to $100,000.00 (Section 30A (8) of the Limited Liabilities Company Act).

(ii) That fails to keep or provide or produce to, or that obstructs the inspection of records, by the Registrar or FSC of any of the requested information on beneficial ownership commits an offence and is liable on indictment to a penalty of up to $100,000 (Section 9 (9) of the Limited Liabilities Company Act).

(iii) That wilfully fails to file an attestation report on beneficial ownership is liable to an administrative penalty of up to $100,000.00 (Section 18A (2) of the Limited Liabilities Company Act).

(c) A Partnership:

(i) That fails to maintain its accurate and updated record of beneficial owners, commits an offence which may be subject to an administrative penalty of up to $100,000.00 (Sections 9 (7) and 43 (A) of the Limited Liability Partnership Act.

(ii) This penalty can also be applied in case of failure to provide the records to the Registrar (Section 10A (b) of the Limited Liability Partnership Act).

(d) A Trust:

(i) That fails to comply with any of the obligations above commits an offence liable on summary conviction to a fine not exceeding $1,000.00 for each day or part and an administrative fine up to $100,000.00 (Section 68A of the Trusts Act).

(ii) That wilfully fails to file an attestation report on beneficial ownership is liable to an administrative penalty of up to $5,000.00 and a further penalty of $5,000.00 for each day that the default continues (Section 30B (4) of the Trusts Act).

(e) A Foundation:

(i) That fails to establish and maintain an updated beneficial ownership register, file it with the Registrar, enter it into the Online Business Registry System, retain the records and provide the Registrar with information no later than 7 days from request, commits an offence and is liable on indictment to a fine not exceeding $100,000 (Section 84B (8) of the Foundations Act).

Appendix A. Examples for the identification of beneficial owners

The examples provided below elaborate on the methodology for the identification of beneficial owners of legal persons or legal arrangements, including in case any legal person or arrangement interposed in its ownership or controlling chain.

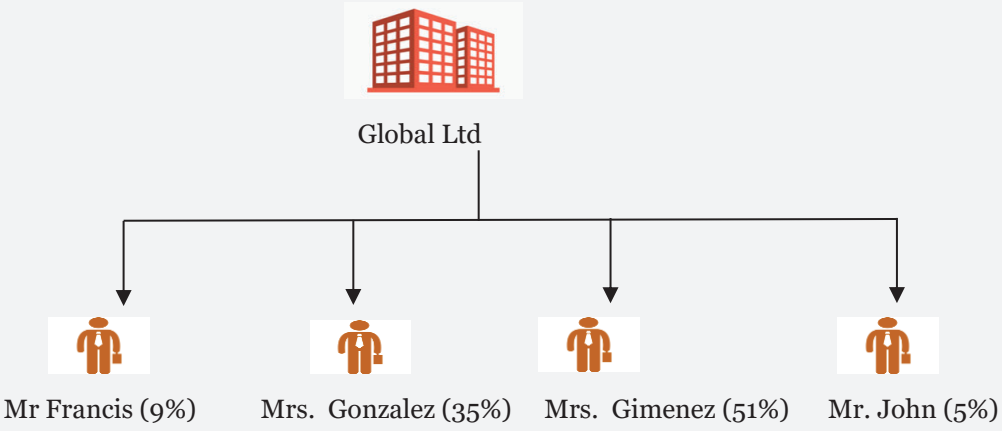
Legal persons - examples

Example 1

Global Ltd is incorporated in Belize. Its shareholders are Mr. Francis (9%), Mrs. Gonzalez (35%), Mrs. Gimenez (51%) and Mr. John (5%).

In Belize, the controlling ownership interest criterion used for being a beneficial owner is having at least a 25% ownership interest in the company (Step 1 of the simultaneous approach).

In this example, Mrs. Gonzalez (35%) and Mrs. Gimenez (51%) should be identified as the beneficial owners of Global Ltd.



Example 2

Academy Ltd is incorporated in Belize. Its shareholders are Mr. Martinez (6%), Gomez Ltd (19%), Mrs. BoiLopez (26%) and CBA Ltd (49%).

In turn, Mr. Martinez owns 100% of the shares in Gomez Ltd while CBA Ltd is owned by Mrs. Perez (60%) and Mrs. Neo (40%).

In this example, Mrs. BoiLopez qualifies to be identified as a beneficial owner because she directly owns 26% of the shares or voting rights of Academy Ltd.

Although Mr. Martinez does not directly own at least 25% of Academy Ltd, he also qualifies to be identified as a beneficial owner because he directly owns 6% of Academy Ltd and indirectly owns 19% through his 100% shareholding in Gomez Ltd therefore owning or controlling 25% of Academy Ltd, i.e. 6% directly and 19% indirectly through Gomez Ltd.

In addition, although Mrs. Perez does not directly own any shares in Academy Ltd, she holds 60% of CBA Ltd which owns 49% of Academy Ltd. Therefore, she indirectly owns or controls 29% of Academy Ltd respectively. As a result, in addition to Mr. Martinez and Mrs. BoiLopez, Mrs. Perez must also be identified as beneficial owner of Academy Ltd.

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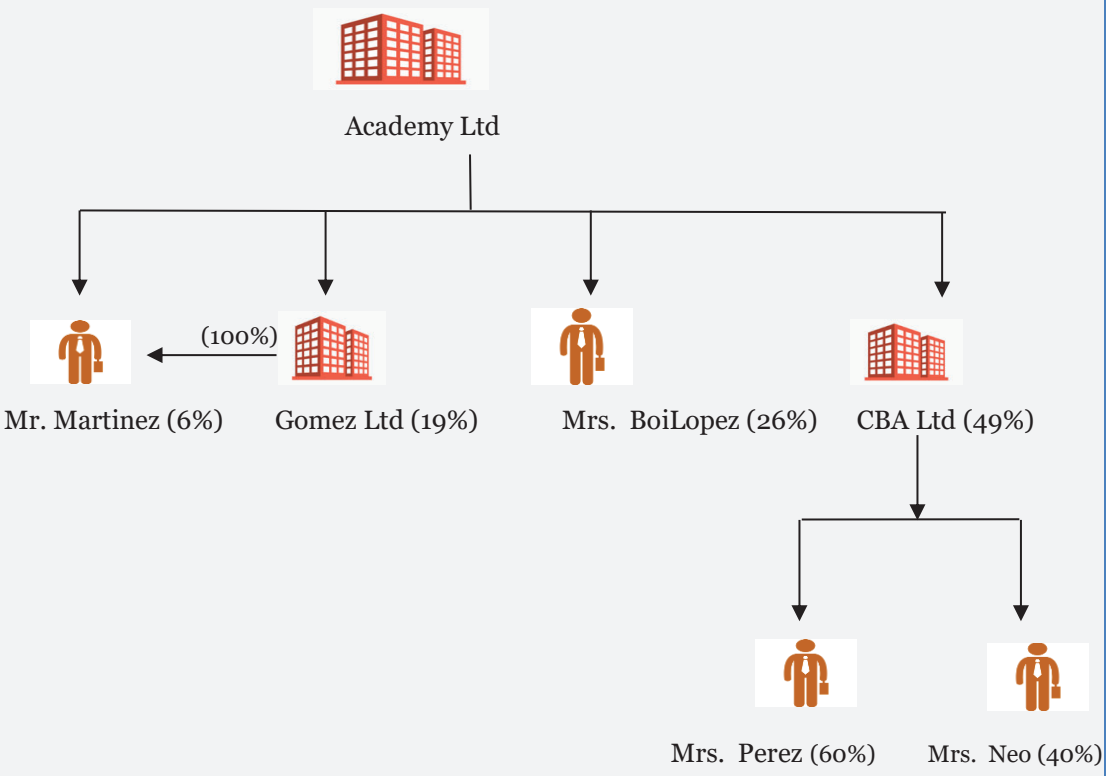


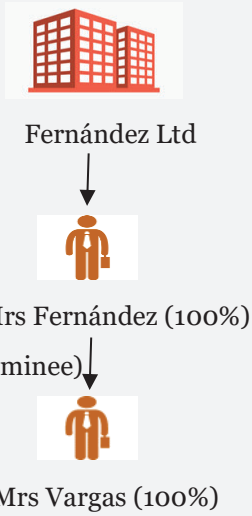
Example 3

Fernández Ltd is a company incorporated in Belize. Mrs. Fernández is the sole shareholder and owns 100% of Fernández Ltd.

However, she holds these on behalf of Mrs. Vargas, her sister-in-law, a civil servant who is precluded from owning shares in the company due to the conflict-of-interest rules established by the civil service.

In this example, although Mrs. Fernández qualifies to be identified as the beneficial owner of Fernández Ltd under Step 1 of the simultaneous approach because as sole shareholder, she owns or controls at least 25% of Fernández Ltd.

However, she holds the shares as a nominee of Mrs. Vargas. Therefore, both Mrs. Fernández and Mrs. Vargas should be identified as beneficial owners of Fernández Ltd.



Example 4

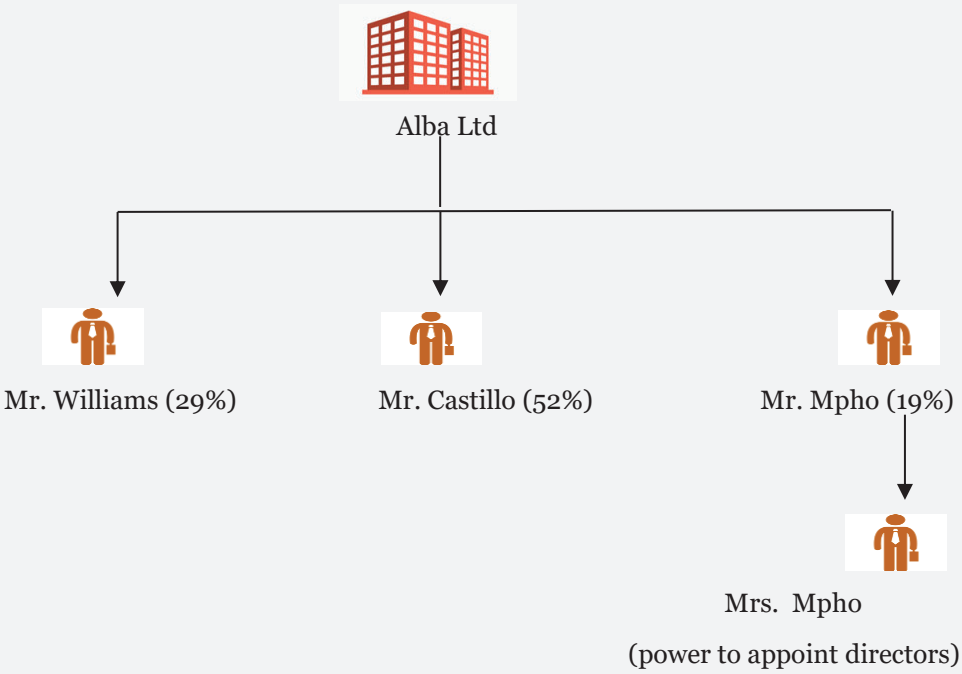
Alba Ltd has three shareholders: Mr. Williams (29% of the shares), Mr. Castillo (52% of the shares) and Mr. Juan (19% of the shares). It appears that Mrs. Juan who is married to Mr. Juan has powers to appoint the directors of Alba Ltd.

In this case, the following should be identified as the beneficial owners of Alba Ltd:

Following the approach, Mr. Williams and Mr. Castillo should be identified as beneficial owners because they own or control at least 25% of the shares on Alba Ltd.

Also under step 1: Mrs. Juan should be identified as a beneficial owner on the basis of control through other means i.e. control without ownership interest (power to appoint the directors of Alba Ltd).

Overall, the legal person must document the steps taken to identify Mr. Williams, Mr. Castillo and Mrs. Juan as beneficial owners and indicate the justification for their identification as such.



Partnerships - examples

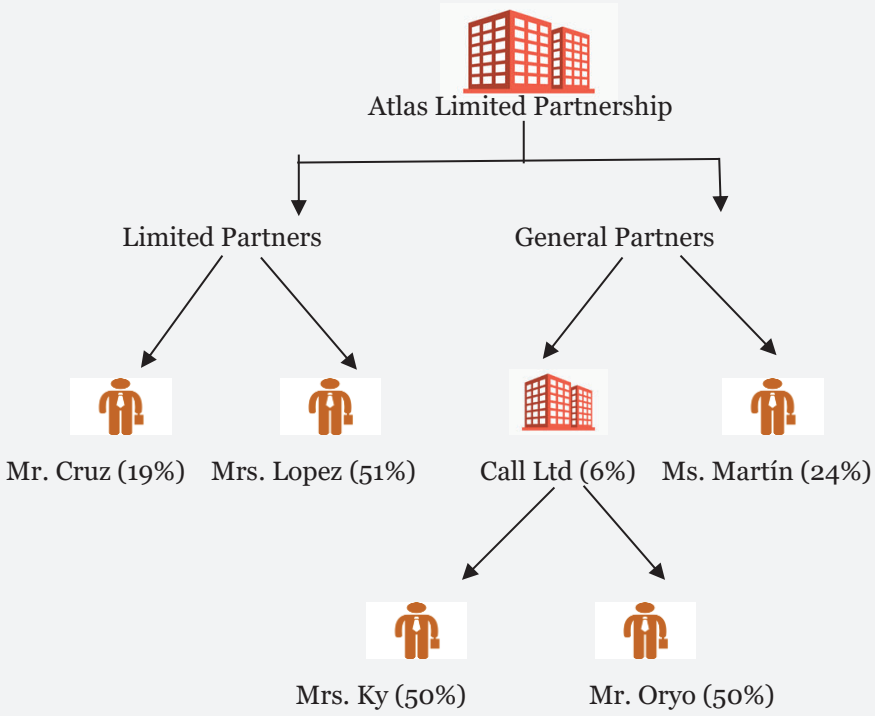
Example 5

The Atlas Limited Partnership has two limited partners, Mr. Cruz and Mrs. Lopez, who own 19% and 51% respectively, based on their investment contribution. The liability of the limited partners is limited to the extent of their contribution, and they do not have management control over the Atlas Limited partnership. Call Ltd and Ms. Martín are the general partners of Atlas Limited Partnership, and they contributed with 6% and 24% of the total investment, respectively. The general partners have unlimited liability and exercise complete management and control, irrespective of their contribution. Ms. Ky and Mr. Oryo each own 50% of the shares of the Call Ltd.

The beneficial owners of the Atlas Limited Partnership Limited Partnerships are as follows:

- Mrs. Lopez as she owns 51% of the Atlas Limited Partnership even though she has no management control over it.
- Considering that there are two general partners exercising control by other means than ownership interest, they should also be identified as beneficial owners under step 1 of the simultaneous approach as they are exercising a control over the Atlas Limited Partnership. The level of management control of the general partners is irrespective of their ownership participation. Therefore, even if Ms. Martín contributed with only 24% of the total investment of the Atlas Limited partnership, she would be identified as a beneficial owner. There is the need to look through the general partner, Call Ltd to identify the beneficial owners, and Ms. Ky and Mr. Oryo would be identified as beneficial owners of the Atlas Limited Partnership because they are beneficial owners of Call Ltd (i.e. surpass the 25% ownership threshold) and exercise, through Call Ltd, complete control over the Atlas Limited Partnership.

This is in line with step 1 of the simultaneous approach. Mr. Cruz is not identified as a BO as he owns or controls less than 25% of Atlas Limited and has no management control over it.



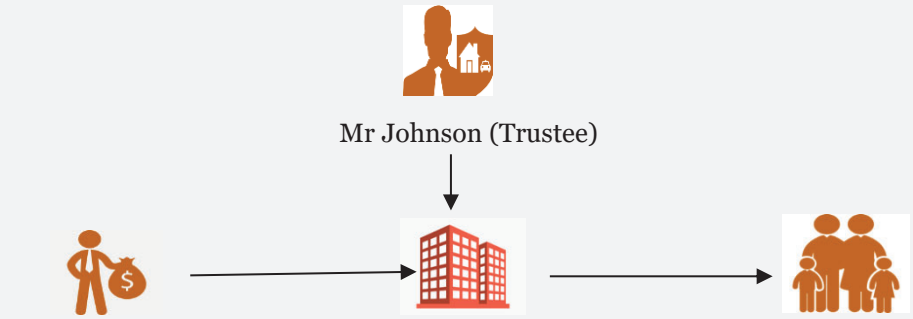
Trusts - example

Example 6

Mr. Sanchez, a successful businessman in Belize has recently been diagnosed with a terminal illness. He has established the Sánchez Trust for the benefit of his wife Mrs. Sanchez, his children Maria, Javier, John and Laura and his grandchildren Alex, Carlos and Sara. He has appointed his lawyer, Mr. Johnson to manage the Sanchez Trust.

In this case, the beneficial owners of the Sanchez Trust are Mr. Sanchez (the settlor), Mr. Johnson (the trustee), and Mrs. Sanchez, Maria, Javier, John, Laura, Alex, Carlos and Sara (as beneficiaries).

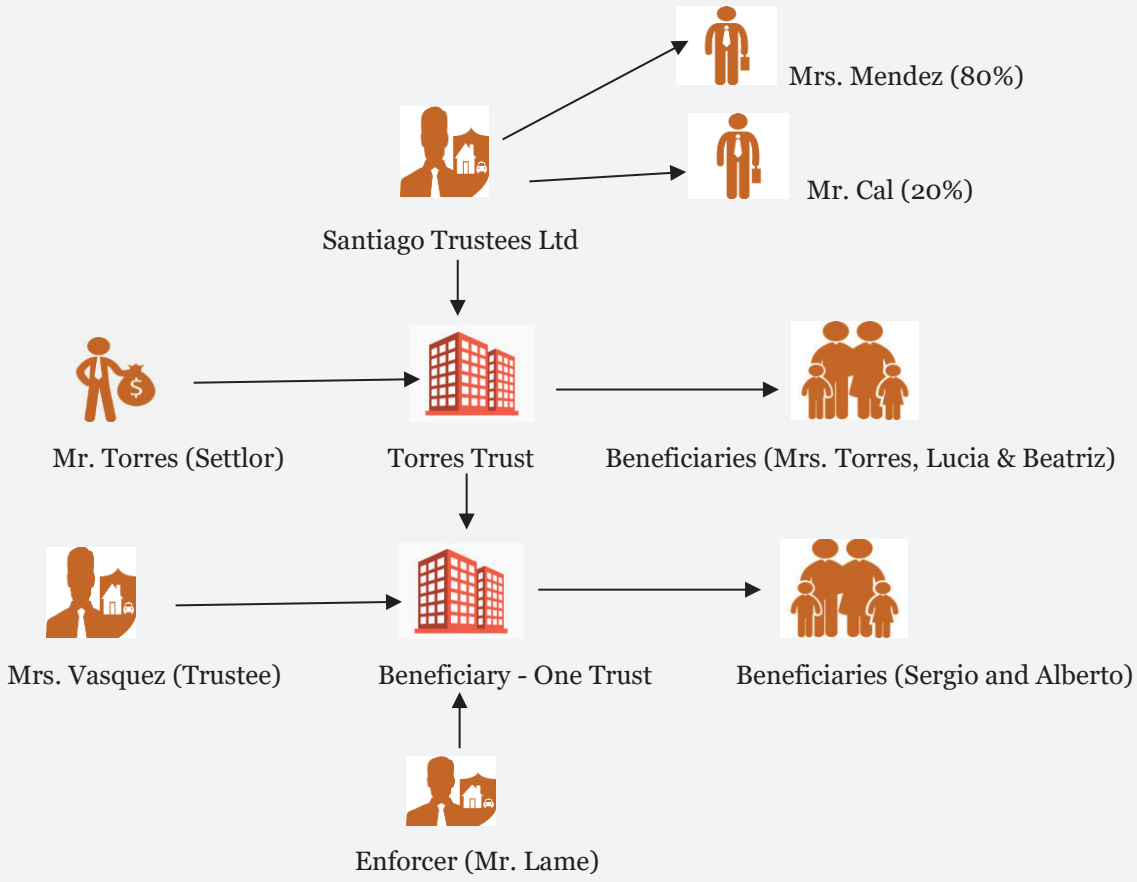
It should be noted that the specific parties involved in a trust may vary depending on the nature of the trust. Therefore, it should be established if the Sanchez Trust has a protector(s) or enforcer(s). In case they do, they should be identified as beneficial owners as well, provided that they are natural persons not acting on behalf of anyone else.



Example 7

Mr. Torres established the Torres Trust. The beneficiaries are his wife, Mrs. Torres and his children Lucia and Beatriz. The trustee of the Torres Trust is the Santiago Trustees Ltd which is owned 80% by Mrs. Mendez and 20% by Mr. Cal. The Torres Trust has also established another trust, the One Trust which is one of its beneficiaries. The beneficiaries of the One Trust are Sergio and Alberto, who are children of Mr. Torres's deceased brother. The trustee of the One Trust is Mrs. Vasquez and the enforcer is Mr. Lame.

In principle, all the parties to the trust who are natural persons should be immediately identified as beneficial owners of the Torres Trust, unless they are acting on behalf of someone else as nominees. In this case Mr. Torres (settlor) and Mrs. Torres, Lucia and Beatriz (beneficiaries) are all identified as beneficial owners.

The beneficiary, the One Trust and the trustee Santiago Trustees Ltd cannot be beneficial owners of the Torres Trust because they are a legal arrangement and a legal person respectively. It is therefore required that the beneficial owners of the One Trust are identified, and these are the trustee (Mrs. Vasquez) and the beneficiaries (Sergio and Alberto) and the enforcer (Mr. Lame).

For the Santiago Trustee Ltd we must apply the rules for identifying the beneficial owners of a legal person as it is a company. Therefore, based on the first step of the simultaneous approach any natural person who owns at least 25% or controls by any other means should be identified as a beneficial owner and this is Mrs. Mendez, she owns or controls at least 25% of Santiago Trustee Ltd.