



GUIDANCE TO LISTED PERSONS SUBJECT TO TARGETED FINANCIAL SANCTIONS ON APPLICATIONS FOR BASIC AND EXTRAORDINARY EXPENSES

LISTED PERSONS

The Money Laundering and Terrorism (Prevention) Act, Cap. 104 (MLTPA) as amended by the Money Laundering and Terrorism (Prevention) (Amendment) Act, Act No. 28 of 2023, defines “*Listed Person*” as a person or entity declared to be a Listed Person in accordance with section 68 or listed in Part 1, 2, 3 or 4 of Schedule VIII. Being designated as a Listed Person has the legal effect of requiring that the property of the Listed Person be immediately frozen. Freezing also applies to property that is owned or controlled by a person or entity that is acting on behalf or at the direction of the Listed Person. Consequently, this has the immediate effect of limiting access of affected persons to such property and prohibiting members of the public from certain dealings and/or transactions with Listed Persons and their property.

The MLTPA allows certain basic and extraordinary expenses of the Listed Person to be permitted by an Order of the High Court. Basic expenses include reasonable living expenses of the Listed Person and those of his dependents and fees or service charges for routine holding or maintenance of frozen funds or other property. Extraordinary expenses cover any expense not specifically defined in the MLTPA as a basic expense¹. The High Court may also include exceptions for payments which need to be made under certain contracts entered before the Order was issued. More details of what are considered basic and extraordinary expenses are outlined in the MLTPA.

APPLYING FOR BASIC AND EXTRAORDINARY EXPENSES

¹ In Belize this includes, but is not limited to, any release of frozen property for humanitarian assistance or to support other activities that support basic human needs by the United Nations (UN), its subsidiary bodies, specialized agencies, and other international organizations and Non-Profit Organisations with a formalized relationship with the UN, together with certain extensions of their respective networks.

An application for basic or extraordinary expenses can be made either to the Director of the Financial Intelligence Unit (FIU) or directly to the High Court in accordance with the MLTPA. It is however important to note that **the Director of the FIU does not make the final decision on basic and extraordinary expenses.** Where the application is made to the Director and the Director is satisfied that the request is reasonable, then the Director can make an application to the High Court for an Order allowing for such expenses. **Unless such an Order of the High Court has been obtained, all property of the Listed Person remains frozen and the basic or extraordinary expenses are not permitted.**

It is also important to note that basic and extraordinary expenses for Listed Persons who are also on one of the United Nations Sanctions Lists referred to in the MLTPA, i.e. the

- (a) 1718 List;
- (b) 1988 List;
- (c) 2231 List; or
- (d) Resolutions 1267 (1999), 1989 (2011) and 2253 (2015) List,

require the prior consent or non-objection of the United Nations Security Council or respective Sanctions Committee. The Court will therefore ensure this is obtained before any Order is granted.

APPLICATIONS THROUGH THE FIU FOR BASIC OR EXTRAORDINARY EXPENSES

If you are applying through the Director of the FIU for basic or extraordinary expenses you should apply in writing or via email as follows:

4998 Coney Drive Plaza
Coney Drive
P.O. Box 2197
Belize City, Belize
Tel: + (501) 223 - 2729 / 223-0596
Fax: + (501) 223 – 2531
E-mail: legal@fiubelize.org

Basic and extraordinary expenses are considered by the FIU on a case-by-case basis. In your request, you should set out the full details of the proposed transaction and your justification for the request. **It will be your responsibility to justify why such expenses should be permitted.**

The Director of the FIU aims to review all basic and extraordinary expense applications as soon as practicable. Prioritisation will take into account the volume of requests to be considered and where there are issues of personal basic needs and/or wider humanitarian issues that are of material impact or urgency. If there are particular aspects of your application that you believe make your case especially urgent, you should set these out clearly in your application.

You will receive an acknowledgement of receipt of your application with a reference number and the FIU will contact you again if further information is required. As there may be a high volume of applications being considered by the FIU at any given time, the FIU may not be able to provide regular updates or respond to requests for further information during the course of the review, unless further information has been specifically requested from you. You should therefore only contact the FIU in respect of your application if you are directly asked to provide further information, or if there has been a material change of circumstances which may require more immediate review.

REFUSAL OF APPLICATION BY THE FIU

If your application to the Director of the FIU is refused, reasons will be provided to you. As noted above, however, you retain the right to apply directly to the High Court for an order permitting the basic or extraordinary expenses. It is advisable to seek competent legal advice in this regard.

NOTICE: This document has been prepared for information purposes only and does not relieve you of any obligation under the laws of Belize. Members of the public should familiarize themselves with the Money Laundering and Terrorism (Prevention) Act, Cap. 104 as amended by Act No. 28 of 2023 and all other relevant laws. This document is not intended as and does not constitute legal advice. Each case is unique and members of the public should seek the advice of a qualified attorney-at-law with respect to their particular case.