



GUIDANCE TO THE PUBLIC ON TARGETED FINANCIAL SANCTIONS IN BELIZE

Introduction

The goal of this document is to assist and guide the public in understanding their responsibilities with regard to targeted financial sanctions under both international law and Belizean law. Financial sanctions are penalties imposed by one or more nations against a specific person, group, or state. They can impose responsibilities on people and entities who are in the country or who are citizens of the country when they are applied domestically by a nation.

The United Nations

The United Nations (UN) is a global organization whose goals include advancing world peace, security, and sustainable economic growth. Consequently, the UN seeks to address financial crimes, such as money laundering, terrorist financing and financing the proliferation of weapons of mass destruction by imposing sanctions on nations, organizations, and people involved in those actions.

In accordance with the United Nations Security Council Resolution (UNSCR) 491, Belize was admitted as a member to the UN by the General Assembly¹ on September 25th, 1981. Decisions made by the Security Council are to be accepted and implemented by UN member states. Thus, Belize is obliged to implement the UNSCRs and use enforcement mechanisms to ensure compliance with these international requirements. Examples of these include travel bans, financial penalties and limitations, arms embargoes, and economic sanctions (prohibitions in dealing with economic resources).

What are the UN Sanctions Lists?

The UN Security Council publishes lists of all the individuals and entities that are currently subject to sanctions under a particular sanctions system. These lists are known as United Nations Sanctions Lists. The sanctions issued by the UN are considered and composed by the Security Council, under the authority of Article 41, Chapter VII of the UN Charter. A UNSCR sets out all sanctions which

¹ <https://digitallibrary.un.org/record/24191?ln=en>

establishes the precise measures to be implemented. Those measures may include asset freezes and restriction of market access, along with arms embargoes, travel restrictions and more.

The UN's sanctions lists each usually comprise two sections:

- Individuals; and
- Entities and groups.

Some sanctions lists may also include a third section comprising sanctions on maritime vessels.

There are usually two versions of each sanction list: one where each section's entries are listed alphabetically, and another where they are listed in order of the date the individual or entity was added to the sanctions list. Further, the website² of the corresponding UN Sanctions Committee responsible for the particular sanctions regime contains details relating to the reasons for each sanction listing. Individual UN Member States are responsible for the enforcement of sanctions and penalties for non-compliance. Said member states may impose significant financial penalties on both individuals and entities, along with criminal charges for individuals involved in the breach.

Who Has to Comply with the UN Sanctions?

All UN Member States are required to comply with the UN Sanctions. By extension all citizens of Belize and all persons within Belize's territory are also subject to the requirement to comply with targeted financial sanctions. All Reporting Entities, such as banks, insurance companies and credit unions within Belize have specific obligations including implementing UN sanctions screening as part of their **Money Laundering and Terrorism (Prevention) Act ("the MLTPA")** mandated compliance program.

You can read more about the UN's work on financial sanctions on their website which is available at the following link:

<https://www.un.org/sc/suborg/en/sanctions/information>

Belize's Framework on Financial Sanctions

1. **The MLTPA as amended by the Money Laundering and Terrorism (Prevention) (Amendment) Act, 2023** provides for the implementation of targeted financial Sanctions imposed in accordance with relevant UNSCRs. The MLTPA imposes restrictions on

² <https://www.un.org/sc/suborg/en/sanctions/information>

specific transactions with listed persons³ and mandates that all persons are to disclose information regarding terrorist acts and/or transactions⁴. These include:

- The provision of financial and/or other related services to a listed person⁵;
- Collecting, providing or making available any property to a listed person⁶;
- Provision of or solicitation of support for a listed person⁷; and
- Acting on behalf of, at the direction of, or in association with a listed person⁸.

2. **The Financial Intelligence Unit of Belize (FIU)** plays an important role in enforcing the measures adopted pursuant to the above legislative provisions. In doing this, the FIU compiles and maintains a consolidated list of individuals and entities who are subject to sanctions under the Orders of the High Court of Belize. These Orders give effect to both domestic sanctions mechanisms and our international obligations pursuant to the UNSCRs.

Enforcement of Targeted Financial Sanctions

Targeted financial sanctions have become a common tool in foreign relations, peacekeeping, and conflict resolution. This is due to UN Member States using targeted financial sanctions to apply economic measures in the fight against money laundering, the financing of terrorism and the financing of proliferation of weapons of mass destruction.

Belize applies targeted financial sanctions imposed by the UN and can, under certain circumstances and based on specific criteria, apply its own domestic targeted financial sanctions.

Should an individual or entity be listed by an Order of the High Court pursuant to the above-foresaid legislation⁹ or otherwise be made a Listed Person in accordance with the provisions of the MLTPA, you are prohibited from:

- dealing with the frozen funds or economic resources, belonging to or owned, held or controlled by a listed person;
- making funds or economic resources available, directly or indirectly, to, or for the benefit of, a listed person; and
- engaging in actions that, directly or indirectly, circumvent the financial sanctions prohibitions.

You may also review guidance documents previously prepared on related matters which may be accessed via the FIU website:

- Guidance to the Public on screening listed entities;

³ “listed person” includes a person or entity listed in accordance with section 68 of the MLTPA.

⁴ 35A (1) of the MLTPA Cap. 104.

⁵ 68(5H) of the MLTPA Cap. 104.

⁶ 68(5G) of the MLTPA Cap. 104.

⁷ 69 of the MLTPA Cap. 104.

⁸ 68(5H)(d) of the MLTPA Cap. 104.

⁹ S.68(5F) of the MLTPA Cap. 104.

- Guidance to the Public on Obligations and Rights in Respect of Anti-Terrorism and Proliferation of Weapons of Mass Destruction;
- Guidance On Assessing Name Matches for Targeted Financial Sanctions; and
- Guidance on the Risk of Abuse of Non-Profit Organizations for Terrorist Purposes.

Effect of Targeted Financial Sanctions

Targeted financial sanctions are imposed on persons and entities to:

- Compel listed persons into changing their actions;
- Prevent listed persons from having access to the money and other resources they would need in order to finance their activities;
- Publicly express disapproval, stigmatize and possibly isolate listed individuals and entities as a tool for disrupting their sanctioned activities;
- Communicate bigger political messages to national and international audiences; and
- Safeguard misappropriated assets until the valuables can be returned to the its rightful owner.

Additionally, financial institutions and other reporting entities in Belize must make sure that they are not providing financial services to listed persons. If they are providing financial services to listed persons or if they hold accounts and assets for listed persons, then those assets are to be frozen and reported to the FIU.

You should therefore note that non-compliance and breaches of financial sanctions can result in a series of severe consequences, ranging from punitive fines, administrative penalties and criminal proceedings to sanctioning both locally and internationally.

You should note that these consequences can lead to serious reputational damage and can considerably reduce or halt your ability to engage in international or bilateral financial transactions and operations and can result in trade restrictions.

Should I comply?

Targeted financial sanctions must be adhered to by all Belizean Citizens, entities and persons in Belize's territory if they are:

- carrying out activities within Belize; or
- established under the laws of Belize even if operating abroad.

Should financial sanctions apply to you, you will be forbidden from carrying out certain activities or behaving in a certain way. To accurately understand what is prohibited, you should always refer to the latest version of the legislation imposing the specific financial sanctions which would apply in your case. If you are unsure of your obligations, you should seek independent legal advice

Note that pursuant to the above-mentioned legislation¹⁰, the provision of financial and/or any other related services, property and/or support to any “listed person” is an offence, and that all persons are required to comply with financial sanctions.

Failure to Comply with Reporting and Compliance Obligations

It is required by law to disclose to the FIU all compliance-related information, including information regarding suspected listed persons; assets which have been frozen; and suspected breaches of financial sanctions. An offence may be committed if a person fails to comply with any of the prohibitions in respect of the financial sanctions regime(s) detailed in the MLTPA or if a person intentionally participates in activities knowing that the objective or effect of them is to avoid any of those prohibitions or allows or facilitates the contravention of any of those prohibitions. Should you suspect or know of any breach you should inform the FIU by completing a Compliance Reporting Form which is available at the following link:

<https://fiubelize.org/compliancereportingform.html> .

The completed Compliance Reporting Form with supporting documentation (if any) is to be sent to:

Financial Intelligence Unit,
4998 Coney Drive Plaza,
PO Box 2197
Belize City, BELIZE

or emailed at sanctions@fiubelize.org

Additional International Financial Sanctions Programs

Leading UN Member States have imposed other financial sanctions programs within their jurisdictions and which, in certain prescribed circumstances, can allow for the sanctioning of a sovereign state or specific persons or entities. Therefore, failure to take into consideration the application of financial sanctions as specified by these jurisdictions can result in severe consequences for your business and by extension may have an impact on Belize’s financial system.

i. The European Union Financial Sanctions

The EU, as a central European governmental body, implements the following financial sanctions:

- The EU Council implements UN Security Council sanctions, along with its own autonomous sanctions in the EU Consolidated Sanctions List.
- All individuals and entities within the European Union must observe EU sanctions and

¹⁰ 68 (5H) of the MLTPA Cap. 104.

comply with the sanctions list.

- EU sanctions are also applicable to all EU citizens operating anywhere in the world.
- The EU enforces some sanctions measure directly through EU law, but some measures are delegated to the domestic legislators of member-states.

ii. United States Financial Sanctions Program

The Office of Foreign Assets Control (OFAC) issues a range of comprehensive sanctions which are targeted against countries, as well as non-comprehensive (or ‘selective’) sanctions which are targeted at specific individuals and/or entities and sectors. OFAC continually maintains a number of sanctions lists on behalf of the United States Department of Treasury. These lists included most individuals and entities listed on the UN Consolidated Sanctions List together with others listed by the United States on the Specially Designated Nationals (SDN) List.

All individuals, banks, and financial services institutions within United States jurisdiction must comply with OFAC sanctions.

iii. United Kingdom Financial Sanctions Program

The United Kingdom official sanctions list is maintained by His Majesty’s Department of Treasury (HM Treasury).

This List incorporates the consolidated UN sanctions lists, along with the UK’s own autonomous sanctions. All banks and financial institutions are prohibited from doing business with the countries and entities on the HM Treasury Sanctions List. British citizens and citizens of foreign territories are also subject to HM Treasury sanctions. The Office of Financial Sanctions Implementation (OFSI) is responsible for implementing and enforcing HM Treasury’s financial sanctions.

Additional Information

The Financial Intelligence Unit is responsible for developing and implementing domestic policy-related sanctions adopted to counter threats to national security posed by particular activities and countries in order to safeguard Belize.

Should you require further information, please contact the Financial Intelligence Unit at:

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

Disclaimer

This guidance has been prepared for information purposes only and is not intended to relieve any individual or entity of obligations pursuant to the laws of Belize. Members of the public should familiarize themselves with all relevant laws. You should also note that this document is not intended as and does not constitute professional legal advice. Each case is unique and members of the public should seek the advice of a qualified attorney-at-law and/or legal professional with respect to their particular case.