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Mutual Funds in Belize

As a fully licensed international financial services provider, BOSL can assist with the establishment of a mutual fund in Belize and can arrange the provision of the necessary fund management, administration and local support services, as required.

Typically, a mutual fund will be established either as a Trust or as a company – either a standard International Business Company (IBC) or a Protected Cell Company (PCC).

The following fees would apply:

Establishment of a public mutual fund	-	US\$ 15,000
Establishment of private fund	-	US\$ 12,500
Establishment of a professional fund	-	US\$ 12,500
Registration of Fund Manager or Administrator	-	US\$ 4,500
Registration of Fund Manager and Administrator (joint)	-	US\$ 5,500
Fund Administration	-	to be negotiated

Note: The above fees include the cost of the required IBC, PCC or Trust, all filings with the Registrar of Mutual Funds and the establishment of a bank account.

After a free confidential consultation, BOSL will require the following documents in order to proceed:

- a) a draft prospectus or draft constitutional document
- b) a completed application form for either a Trust or company
- c) a completed application form for the Mutual Fund
- d) Biographical Affidavits for each Administrator, Manager, Director and Shareholder
- e) name and address of the proposed fund manager and administrator *
- f) name and address of the proposed investment advisor *
- g) name and address of the proposed custodian
- h) name and address of the proposed legal counsel
- i) name and address of the proposed auditor
- j) name and address of the proposed bankers

* *together with certified copies of company documents (if a company) as well as notarized photo ID and bank/attorney reference letter for each Administrator, Manager, Director and Shareholder.*



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In Belize, three types of mutual fund are allowed, the main features of which are as follows:

- **Public Funds**

Offers any shares for subscription or purchase to any member of the general public or any section thereof and is not a private fund or professional fund.

Must be registered and file a prospectus with the Registrar of Mutual Funds

- **Private Funds**

Less than 50 investors and the constitutional documents prohibit the offering of shares to the general public.

Must be recognised by the Registrar of Mutual Funds

- **Professional Funds**

Offered only to professional investors and the initial investment in respect of each investor is not less than US\$100,000 (or equivalent) and is designated as a professional fund by its regulations.

A professional investor is defined as a person whose ordinary business involves the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of the fund or who signed a declaration that he has net worth in excess of US\$1 million (or equivalent) and that he consents to being treated as a professional investor.

Must be recognised by the Registrar of Mutual Funds

- **Full exemption from all taxes, stamp duty and exchange control regulations.**

- **Government Fees:**

	<u>Application</u>	<u>Annual</u>
Public Fund (full registration)	US\$500	US\$3,500
Public Fund (initial consent)	US\$200	
Private / Professional Fund	US\$500	US\$2,500
Fund Manager or Administrator	US\$500	US\$2,000
Fund Manager and Administrator	US\$500	US\$3,000
Certificate of Compliance	US\$50	



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Note: There will be a 50% discount on the annual Government fee where the registration, recognition or license is granted on or after 1 July in any year.

Definition of a Mutual Fund:

A “mutual fund” or “fund” means a company incorporated, a partnership formed, a unit trust organised or other similar body formed or organised under the laws of Belize or that of any other country or jurisdiction which:

- (a) collects and pools funds for the purpose of collective investment, and
- (b) issues shares (as herein defined) that entitle the holder to receive on demand or within a specified period after demand an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets of the company, the partnership or the unit trust, as the case may be, and includes an umbrella fund whose shares are split into a number of different class funds or sub-funds, but excludes any arrangements which are designated by regulations.

Definition of a Public Fund:

A “public fund” is a mutual fund which:

- (a) offers any shares it issues for subscription or purchase to any member of the general public or any section thereof; and
- (b) is not a private fund or a professional fund; and
- (c) is registered as a public fund under the Mutual Funds Act;

In addition, there is a provision for a sub-class public fund, whereby public fund shall be deemed to be a selective public fund where all interests in the public fund are offered by a person who is entitled to provide investment services (by whatever name called) under the laws of Belize or a recognised country or jurisdiction, and that person

- (a) has a written agreement with the investor which covers the offering of an interest in the fund; and
- (b) has assessed the suitability of the fund with regard to the agreement and the investment objectives of the investor.



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The condition stipulated in paragraph (a) above shall not be contravened if an investment is made in the public fund as a result of a direct approach by an investor which was not solicited by the fund or a person connected with the fund.

Definition of a Private Fund:

A “private fund” means a mutual fund which:

- (a) has less than fifty investors and the constitutional documents of which prohibit the offering of its shares to the general public; or
- (b) is designated as a private fund by regulations;

Definition of a Professional Fund:

A “professional fund” means a mutual fund which:

- (a) is offered only to professional investors and the initial investment in which, in respect of each investor, is not less than one hundred thousand US dollars or its equivalent in any other currency; and
- (b) is designated as a professional fund by regulations;

Definition of a Professional Investor:

A “professional investor” means a person:

- (a) whose ordinary business involves the acquisition or disposal of property of the same kind as the property, or a substantial part of the property of the fund; or
- (b) who has signed a declaration that he has net worth in excess of one million dollars in the United States of America currency or its equivalent in any other currency and that he consents to being treated as a professional investor.

Application procedure for registration or recognition of a Mutual Fund in Belize:

An application to register or recognise a mutual fund in Belize shall be made using the Mutual Fund Application Form and shall be accompanied by:



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1. in the case of a public fund, the consent of the Minister to apply for registration;
2. Biographical Affidavits for each Administrator, Manager, Director and Shareholder;
3. a statement setting out the nature and scope of the business to be carried on by the applicant in or from within Belize, including the name of any other country or jurisdiction where the applicant is carrying on or intends to carry on business;
4. payment of the relevant fees;
5. the instrument by which the applicant is constituted or such other proof as may be satisfactory to the Registrar that the applicant is lawfully constituted under the laws of Belize or of any other country or jurisdiction;
6. the following notices:
 - (a) the address of the applicant's principal place of business, the address of its registered office, and its address for service in Belize;
 - (b) the name and address of a person resident in Belize who is authorised to represent the applicant and to accept service on its behalf; and
 - (c) the address of any place or places of business that the applicant may have outside of Belize.

If any information contained in any of the notices required above is altered at any time thereafter, the applicant, upon being a registered public fund, a recognised private or professional fund or a licensed manager or administrator, as the case may be, shall give in writing to the Registrar particulars of the alteration within twenty-one days after the alteration is made.

7. such other documents or information as the Registrar may reasonably require for the purpose of processing the application for registration.



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Application for consent for a public fund to be registered:

The promoters of a public fund which is proposed to be formed must apply to the Minister for his consent to register such proposed public fund upon being lawfully constituted under the laws of Belize or of any other country or jurisdiction and upon complying with the requirements of the Mutual Funds Act.

An application for consent shall be:

- (a) in the form of a letter setting out the particulars of the proposed public fund; and
- (b) accompanied by a copy of the instrument by which the public fund will be constituted and payment of the appropriate application fee.

Free Confidential Consultation:

For a free confidential no-obligation consultation to see if BOSL can assist you and your company, please contact:

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