BELIZE

MUTUAL FUNDS ACT
CHAPTER 268

REVISED EDITION 2003
SHOWING THE SUBSIDIARY LAWS AS AT 31ST OCTOBER, 2003

This is a revised edition of the Subsidiary Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2000.

ARRANGEMENT OF SUBSIDIARY LAWS
BELIZE

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This edition contains a consolidation of the following laws-

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MUTUAL FUNDS ACT (COMMENCEMENT) ORDER

ARRANGEMENT OF PARAGRAPHS

1. Short title.

2. Commencement of Chapter 268.
MUTUAL FUNDS ACT (COMMENCEMENT) ORDER

(Section 1)

[26th June, 1999.]

1. This Order may be cited as the

MUTUAL FUNDS ACT (COMMENCEMENT) ORDER.

2. In exercise of the powers conferred upon me by section 1 (2) of the Mutual Funds Act and all other powers thereunto me enabling I, RALPH FONSECA, Minister responsible for Offshore Industry, do hereby appoint the 1st day of July, 1999, as the day on which the said Act shall come into force.

MADE by the Minister responsible for Offshore Industry this 17th day of June, 1999.

(RALPH FONSECA)

Minister responsible, for Offshore Industry

CHAPTER 268

THE SUBSIDIARY LAWS OF BELIZE

REVISED EDITION 2003
MUTUAL FUNDS REGULATIONS

ARRANGEMENT OF REGULATIONS

1. Short title.
2. Interpretation.
4. Criteria for sub-class public fund.
5. Exemption of managers of mutual funds.
6. Conditions.
7. Notification.
8. Fees.
10. Exemption for foreign funds.
11. Exemption from audit.
12. Commencement.

CHAPTER 268
MUTUAL FUNDS REGULATIONS
(Section 42)

[4th November, 2000.]

PART I
PRELIMINARY

1. These Regulations may be cited as the

MUTUAL FUNDS REGULATIONS.

2. In these Regulations, unless the context otherwise requires,

(a) “dollar” or ‘$’ means a dollar in the currency of the United States of America.

(b) “the Act” means the Mutual Funds Act;

(c) other words and expressions used herein shall have the meanings respectively assigned to them in the Act.

PART II
DESIGNATION OF PROFESSIONAL FUND

3. A mutual fund which satisfies the following conditions shall be designated as a professional fund:

(a) a mutual fund which was carrying on business or engaged in an activity as a mutual fund on the date of the coming into force of the Act;

(b) the initial investments in respect of the majority of
each of the investors in a mutual fund have been not less than one hundred thousand dollars or its equivalent in any other currency; and

(c) the shares of the mutual fund are, after the commencement of these Regulations, made available only to professional investors.

PART III

SUB-CLASS PUBLIC FUND

4. (1) A 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.

(2) The condition stipulated in paragraph (a) of subregulation (1) 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.

PART IV
EXEMPTION OF RECOGNISED MANAGERS AND FAMILY TRUSTS

Recognised Managers

5. (1) A person who carries on the business of manager of mutual funds in or from within Belize shall be exempt from the requirement to hold a licence under section 22 of the Act if he meets the conditions stipulated in Regulation 6.

(2) Where the person referred to in subparagraph (1) is exempt from the requirement to hold a licence under section 22 of the Act, he shall be deemed a recognised manager.

6. The conditions under which a person shall be exempt under Regulation 5 are that

(a) the recognised manager is subject to the control, whether by majority shareholding or otherwise, of a person who is entitled to provide investment management services (by whatever name called) under the laws of a recognised country or jurisdiction;

(b) that person is of sound repute and is in good standing with the competent authority in the recognised country or jurisdiction;

(c) the business carried on by the recognised manager in Belize is delegated to a manager or administrator (referred to in these Regulations as “the responsible licence holder”) who is licensed under the Act;

(d) there is a contractual agreement between the
recognised manager and the responsible licence holder which includes a provision that the licence holder takes responsibility for compliance by the recognised manager with any relevant laws, regulations or directions which apply in Belize.

7. (1) The responsible licence holder shall, within fourteen days of the recognised manager becoming established, provide the Registrar in writing with

(a) a notification of

(i) the names and addresses of the directors of the recognised manager;

(ii) the relevant recognised country or jurisdiction; and

(iii) a description of the nature and scope of the activities of the recognised manager, which shall include the name of any mutual fund for which the recognised manager is the manager; and

(b) a statement signed by the responsible licence holder certifying that the requirements in Regulation 6 have been met.

(2) The responsible licence holder shall

(a) on or before the 31st day of March of each year following the year in which the information required under sub-regulation (1) was provided, confirm to the Registrar in writing that the requirements
stipulated in Regulation 6 have been met; and

(b) within twenty-one days of the occurrence of any change in the information provided under sub-regulation (1) above, notify the Registrar in writing of such change.

(3) Where the responsible licence holder fails to comply with subregulation (1) or (2) of this Regulation, except paragraph (1)(a)(i) above, the exemption applicable to the relevant recognised manager shall cease.

8. The information required under regulation 7(1) and (2) (a) shall be accompanied by the following fees:

(a) $500.00 upon provision of the information required under Regulation 7(1) of these Regulations on or before the 30th day of June in any year;

(b) $250.00 upon provision, of the information required under Regulation 7(1) of these Regulations on or after the 1st day of June in any year;

(c) $500.00 upon provision of the confirmation under Regulation 7(2) (a) of these Regulations made on or before the 31st day of March of each year following the year in which the requisite information under Regulation 7(1) of these Regulations was provided; and

(d) $50.00 for each month or part thereof during which the fee under paragraph (c) above remains unpaid.
Family Trusts

9. A fund maintained by a group of family trusts for the sole purpose of facilitating investment and without any solicitation being made for the sale of a right to participate in the fund shall be exempt from the requirement to be recognised under section 19 of the Act.

PART V

EXEMPTION-FOREIGN FUNDS AND AUDIT

10. A mutual fund that is constituted outside Belize and which manages or administers its affairs in or from within Belize shall be exempt from the requirement to be registered under section 8, or recognised under section 18(1), of the Act.

11. A company incorporated or continued as an international business company under the International Business Companies Act which provides services to one private mutual fund or one professional mutual fund and whose business is only to appoint other service providers or to receive fees or both, shall be exempt from the requirement to appoint an auditor under section 24(2) (c) of the Act.

12. These Regulations shall come into force on the 1st day of November, 2000.

MADE by the Minister responsible for Mutual Funds this 27th day of October, 2000.

(RALPH H. FONSECA)
Minister responsible for Mutual Funds

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