

BELIZE:

SECURITIES INDUSTRY REGULATIONS, 2023

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BELIZE:

STATUTORY INSTRUMENT

No. 139 of 2023

REGULATIONS made by the Minister responsible for finance, on the advice of the Financial Services Commission, in exercise of the powers conferred upon him by section 165 of the Securities Industry Act, Act No. 46 of 2021, and all other powers thereunto him enabling.

(Gazetted 2nd December, 2023).

1. These Regulations may be cited as the

Citation.

SECURITIES INDUSTRY REGULATIONS, 2023.

2.-(1) In these Regulations—

Interpretation.

“accredited investor” means any person who comes within any of the following categories, or whom the issuer or selling security holder reasonably believes comes within any of the following categories, at the time of the sale of securities to that person—

- (a) a financial institution licensed under the Domestic Banks and Financial Institutions Act;
- (b) a bank licensed under the Domestic Banks and Financial Institutions Act or the International Banking Act or in a similar capacity under the laws of another jurisdiction;
- (c) an insurance company registered under the Insurance Act or licensed under the International Insurance Act or licensed in a similar capacity under the laws of another jurisdiction;

- (d) a registered company with permission to carry out the securities activity of trading in securities as principal or licensed in a similar capacity under the laws of another jurisdiction, where it is trading as principal;
- (e) a registered company with permission to carry out the securities activity of managing securities or company licensed in a similar capacity under the laws of another jurisdiction, where the company is purchasing for the account of a person who is an accredited investor;
- (f) a regulated mutual fund or a mutual fund regulated in a similar capacity under the laws of another jurisdiction;
- (g) an employee benefit plan with total assets in excess of ten million dollars (BZ\$10,000,000) where the investment decision is made by a plan fiduciary which is a financial intermediary or an entity licensed in a similar capacity under the laws of another jurisdiction;
- (h) an individual residing in Belize whose individual net worth, or joint net worth with the person's spouse, exceeds two million dollars (BZ\$2,000,000);
- (i) an individual residing in Belize who had an individual income in excess of two hundred thousand dollars (BZ\$200,000) in each of the two most recent years or joint income with that person's spouse in excess of three hundred thousand dollars (BZ\$300,000) in each of those years and has a reasonable expectation of reaching the same income level in the current year;

- (j) a trust or other person other than an individual with total assets in excess of five million dollars (BZ\$5,000,000) not formed for the specific purpose of acquiring the securities offered;
- (k) the government of Belize or any public authority established in Belize;
- (l) the government of any foreign jurisdiction, or any agency of that government;
- (m) a trust with total assets in excess of ten million dollars;
- (n) any entity in which all the equity owners are accredited investors;
- (o) any person residing outside of Belize who qualifies as an accredited investor (however defined) or has similar status, under the securities legislation of that person's country of residence; or
- (p) any person that is recognized or designated by the Commission as an accredited investor;

“additional Tier 1 instrument” means the instruments specified in paragraph 6 of Schedule III;

Schedule III.

“annual renewal date” means the 1st of January of any given year;

“central counterparty” means an entity that is the buyer to every seller and the seller to every buyer in a settlement system;

“clearing” means the process of transmitting, reconciling or confirming funds or securities transfer instructions prior to settlement and includes the netting of instructions and the establishment of final positions for settlement;

“clearing facility” means a central counterparty or clearing house;

“clearing house” means an entity that provides clearing or settlement services for a clearing system;

“clearing system” means a set of procedures whereby participants present and exchange information relating to the transfer of funds or securities to other participants through a centralized system or at a single location and includes mechanisms for the calculation of participants’ positions on a bilateral or multilateral basis with a view to facilitating the settlement of their obligations;

“dissident” means any person other than a person who is part of the management of the public issuer or its affiliates and associates, by or on behalf of whom a solicitation is made, and includes a committee or group that solicits proxies, any members of the committee or group, and any person whether or not named as a member who acting alone or with one or more other persons, directly or indirectly, engages in organizing, directing or financing any such committee or group, except—

- (a) a person who contributes not more than BZ\$500 and who does not otherwise participate in the solicitation;
- (b) a registered bank or registered company that in the ordinary course of business lends money or executes orders for the purchase or sale of shares and that does not otherwise participate in the solicitation;
- (c) a person who is employed to solicit and whose activities are limited to the performance of duties in the course of such employment;
- (d) a person who only sends soliciting material or performs other ministerial or clerical duties;

- (e) a person employed in the capacity of lawyer, accountant, advertiser, public relations or financial adviser and whose activities are limited to the performance of duties in the course of such employment; and
- (f) an officer, director, or employee of a person by or on behalf of whom a solicitation is made, if he or she does not directly participate in the solicitation;

“electronic” includes created, recorded, transmitted or stored in digital or other intangible form by electronic, magnetic, optical or by any other means that has capabilities for creation, recording, transmission or storage similar to those means;

“excess margin securities” means securities held for the account of a customer in a margin account where the market value of the securities exceeds 140 per cent of the debit balance in the margin account;

“form of proxy” means a written or printed form that, upon completion and signature by or on behalf of a security holder, becomes a proxy;

“G7 country” means Canada, France, Germany, Italy, Japan, the United Kingdom or the United States of America;

“government debt security” means a debt security issued by a federal or municipal government or a central bank;

“highly-rated” means holding an investment grade credit rating that is indicative of high credit quality relative to other investment grade credit ratings;

“investment grade credit rating” means a rating that falls within the range of an investment grade credit rating as defined by a credit rating agency acceptable to the Commission, such as Moody’s Investors Service, Standard and Poor’s, Fitch Ratings or any other appropriate credit rating agency.

“in writing” means information in a physical form or in an electronic form where the information is accessible so as to be usable for subsequent reference and meets the requirements of the Electronic Transaction Act 2021;

“liquidity management tools” are techniques deployed to reduce the risk that a mutual fund is unable to realise assets in time to meet investor demand for redemptions or is only able to do so at excessive cost or risk, and may include techniques such as–

- (a) dilution levies;
- (b) redemption gates;
- (c) swing pricing;
- (d) side pockets; or
- (e) suspension of redemption;

CAP. 272.

“managing agent” means a person licensed by the Commission under section 7(1)(b) of the Financial Services Commission Act to provide managing services.

“net asset value” means the value of the assets of a mutual fund less the value of its liabilities;

“prime broker” means a person who, by way of business, provides a fund with prime brokerage services;

“prime brokerage services” means a package of services–

- (a) provided to a mutual fund;
- (b) under which the person providing the services has a right to use fund assets for its own account; and

- (c) which may include clearing, custody, financing, and operational services;

“proxy” means a completed and signed form of proxy by which a holder of voting securities of an issuer appoints a person to attend and act on the security holder’s behalf at a meeting of security holders;

“quarter interim period” means a three-month interim financial period commencing on the first day of the financial year or a date three, six or nine months after that day;

“securities representative” means an individual carrying out any securities activity who is a representative of a registrant in a capacity other than Chief Executive Officer or Compliance Officer;

“signature” means a physical or electronic signature or such other means of attesting to the identity of a person as the Commission may specify;

“solicit proxies” in Division 2 of Part IX means a request for a proxy or to execute or revoke a proxy or the sending of communications to a security holder under circumstances reasonably calculated to result in the procurement, withholding or revocation of a proxy and does not include—

- (a) the sending of a form of proxy in response to an unsolicited request made by or on behalf of a security holder;
- (b) the performance of administrative acts or professional services on behalf of a person soliciting a proxy;
- (c) the sending by a registrant of documents to a beneficial owner; or
- (d) solicitation of a proxy by a person in respect of securities of which the person is the beneficial owner; and

“vendor” means the issuer or selling security holder of the securities being distributed.

(2) Any reference in these Regulations to a particular financial statement shall be read to include the equivalent financial statement, whatever it might be called from time to time, under generally accepted accounting principles or under accounting standards otherwise acceptable to the Commission.

Solvency.

3. For the purposes of the Act or these Regulations, a person has failed to observe the required standards of solvency when, at any time, there are reasonable grounds to believe that—

(a) the person is unable to pay its liabilities as they become due; or

(b) the realizable value of the assets of the person is less than the aggregate of—

(i) its liabilities; and

(ii) the stated capital of its securities.

Submission of
information
to the
Commission.

4.—(1) Any application or notice to the Commission provided for in these Regulation shall be made in writing.

Schedule I.

(2) In any case where these Regulations specify the use of a form in Schedule I, the information to be provided to or filed with the Commission shall—

(a) contain the information specified in the form;

(b) follow any specified format for the structure or presentation of the information;

(c) be accompanied by such information or documents as are specified in the form; and

(d) be communicated to the Commission through such technical means as the Commission may specify.

5. A person that takes any action or requests that the Commission take an action listed in Schedule II shall, concurrently with that action, pay to the Commission the fee shown in Schedule II against the description of the action.

Fees.
Schedule II.

6.-(1) A person that files or provides information listed in Schedule II after the date on which the information was required to be filed or provided shall, concurrently with filing or providing the document, pay to the Commission the late fee shown in Schedule II against the description of the document.

Late Fees.
Schedule II.

(2) A person that is late in paying an annual renewal fee shall pay an additional fee equal to that annual renewal fee for each month or part of a month during which the fee and any additional fee imposed under this sub-regulation remains unpaid, up to the date prescribed in Schedule II.

(3) If a person has failed to pay the required annual renewal fee and any additional fee imposed under sub-regulation (2) on or before the date prescribed by the Commission for the relevant year, the Commission may revoke the registration of that person.

(4) The Commission, for good cause, may waive any additional fee imposed under sub-regulation (2).

PART II

Approved Auditor

7. An applicant for recognition as an approved auditor shall provide to the Commission an application in accordance with Form 1 of Schedule I.

Application for
recognition.
Schedule I.

Notification
to the
Commission.
Schedule I.

8.-(1) When an approved auditor comes to the view that a notification is required under section 80(1) of the Act, that notification shall be made in accordance with Form 2 of Schedule I.

Schedule II.

(2) A person required by the Act to appoint an approved auditor shall notify the Commission in accordance with Form 3 of Schedule II within 10 days after the appointment, termination or resignation, as the case may be.

PART III

Approved Auditor

General
Standards.

9.-(1) Every market participant shall keep such books, records and other documents as are necessary and prudent for the proper recording of its business transactions and financial affairs and the transactions that it executes on behalf of others, and shall keep such other books, records and documents as may be otherwise required by the Commission.

(2) A market participant that is a party related to a mutual fund shall keep such books, records and other documents as are necessary to demonstrate that its obligations under the Act and these regulations have been fulfilled in relation to that mutual fund.

Books and
records for
registered
companies.

10. A registered company shall in particular maintain records that—

- (a) permit timely creation and audit of financial statements and other financial information required to be filed or provided to the Commission;
- (b) permit determination of the registered company's capital position;
- (c) permit determination of compliance with the registered company's capital and insurance requirements;

- (d) permit determination of compliance with internal control procedures;
- (e) permit determination of compliance with the company's policies and procedures;
- (f) permit the identification and segregation of client cash, securities, and other property;
- (g) identify all transactions conducted on behalf of the registered company and each of its clients, including the parties to the transaction and the terms of the purchase or sale;
- (h) provide an audit trail for—
 - (i) client instructions and orders; and
 - (ii) each trade transmitted or executed for the account of a client or the registered company;
- (i) permit creation of account activity reports for clients;
- (j) provide securities pricing as may be required by securities laws;
- (k) permit determination of compliance with client account opening requirements;
- (l) document correspondence with clients;
- (m) document complaints and disciplinary matters; and
- (n) document compliance and supervision actions taken by the company.

Books and records for persons registered under Part III of the Act.

11.-(1) A person registered under Part III of the Act shall in particular maintain records that—

- (a) permit timely creation and audit of financial statements and other financial information required to be filed or provided to the Commission;
- (b) permit determination of the person's capital and solvency position;
- (c) permit determination of compliance with capital and insurance requirements;
- (d) permit determination of compliance with internal control procedures;
- (e) permit determination of compliance with the person's policies and procedures;
- (f) document complaints and disciplinary matters; and
- (g) document compliance and supervision actions taken by the person.

(2) In addition to the requirements set out in sub-regulation (1), a registered marketplace shall maintain—

- (a) records that provide an audit trail of—
 - (i) orders received by the marketplace; and
 - (ii) transactions executed on the marketplace including details for each transaction of—
 - (A) the time the transaction was executed;

- (B) the name of the investment (and, if relevant, the underlying asset) and the price, quantity and date of the transaction;
 - (C) the identities and, where appropriate, the roles of the parties to the transaction; and
 - (D) the date and manner of clearance and settlement of the transaction;
- (b) records of each grant, denial, or limitation of access, including the reasons for granting, denying or limiting access to each applicant; and
- (c) daily trading summaries, including a list of securities traded and transaction volumes.

12. All records and documents required to be maintained by a market participant may be kept by means of mechanical, electrical, electronic or other devices provided—

Storage
medium.

- (a) such method of record keeping is not prohibited under any applicable legislation;
- (b) there are appropriate internal controls in place, to guard against the risk of falsification or deletion of the information recorded;
- (c) such method provides a means to furnish promptly to the Commission upon request legible, true, and complete copies of those records of the market participant which are required to be preserved; and
- (d) the market participant has suitable back-up and disaster recovery arrangements.

Location and retention.

13.-(1) The books and records required by the Regulations shall be kept-

- (a) in Belize; and
- (b) in the English language.

(2) For a period of two years after the creation of a record, a market participant shall keep the record in a manner that permits it to be provided promptly to the Commission, and thereafter the record may be kept in a manner that permits it to be provided to the Commission within a reasonable period of time.

(3) A record provided under sub-regulation (2) shall be in a form that is capable of being read by the Commission.

(4) A market participant shall keep a record for the longer of-

- (a) seven years from the date the entry was made; and
- (b) any period set by any other relevant law.

(5) Notwithstanding sub-regulation (1)(a), the Commission may allow a registrant to hold records outside Belize where the registrant has-

- (a) demonstrated a business need to do so;
- (b) specified the jurisdictions in which records are to be held and the arrangements under which they are to be held;
- (c) demonstrated that appropriate arrangements are in place to meet the other requirements of this regulation are met, including in relation to records held outside Belize.

PART IV

*Registration of persons under Part III**Sub-Part I**Registration of Marketplaces and Self-Regulatory*

14. An applicant for registration as a marketplace or self-regulatory organisation shall provide an application in accordance with Form 4 of Schedule I.

Application for registration. Schedule I.

15.-(1) The Commission may grant registration as a marketplace or self-regulatory organisation where the Commission is satisfied that the applicant—

Requirements.

- (a) is incorporated under one of the Acts referred to in section 35(1)(a) of the Act;
- (b) is organized in a manner and has sufficient capacity and resources to carry out its proposed functions in compliance with the Act, including—
 - (i) appropriate and sufficient systems and controls to perform its functions and manage its risks prudently;
 - (ii) observing the required standards of financial resources and capital requirements;
- (c) has adequate regulatory instruments to govern its members or participants; and
- (d) is fit and proper.

(2) The initial requirements for registration shall continue to be met by the person throughout the period of registration under the Act.

System and controls.

16.—(1) The marketplace or self-regulatory organisation shall ensure that the systems and controls used in the performance of its functions are adequate and appropriate for the scale and nature of its business.

(2) Sub-regulation (1) applies in particular to systems and controls concerning—

(a) for marketplaces and self-regulatory organisations—

(i) the recording and transmission of information;

(ii) the assessment and management of risks to the performance of the functions of the marketplace or self-regulatory organisation; and

(iii) the maintenance of appropriate operational resilience.

(b) for marketplaces—

(i) the effecting and monitoring of transactions on the marketplace;

(ii) the operation of the arrangements made for securing the timely discharge (whether by performance, compromise or otherwise) of the rights and liabilities of the parties to transactions effected on the marketplace; and

(iii) the safeguarding and administration of assets belonging to users of the facilities of the marketplace.

(c) for self-regulatory organisations—

- (i) where applicable, the surveillance of relevant marketplaces;
- (ii) the supervision of members carrying on securities business.

17.—(1) The marketplace or self-regulatory organisation shall be able and willing to promote and maintain high standards of integrity, conduct and fair dealing in the carrying on of securities business by persons in the course of using the facilities provided by the marketplace or acting in any capacity which it qualifies to be a member of the self-regulatory organisation.

Promotion and maintenance of standards.

(2) The marketplace or self-regulatory organisation shall be able and willing to cooperate, by the sharing of information or otherwise, with the Commission and any domestic regulatory authority and shall not be prohibited from providing information to the Commission for the purpose of assisting an overseas regulatory authority pursuant to the Act.

18.—(1) The regulatory instruments of a marketplace or self-regulatory organisation shall—

Regulatory instruments.

- (a) not be contrary to the public interest; and
- (b) be designed to—
 - (i) ensure compliance with securities legislation;
 - (ii) prevent fraudulent and manipulative acts and practices;
 - (iii) promote just and equitable principles of commerce;
 - (iv) foster co-operation and co-ordination with persons or companies engaged in

regulating, clearing, settling, processing information with respect to, and facilitating transactions in, securities; and

- (v) provide appropriate sanctions for violations.

(2) In addition to those requirements set out in sub-regulation (1), the regulatory instruments of a marketplace shall contain provisions to—

- (a) promote fair trading practices and to facilitate an efficient market; and
- (b) ensure appropriate transparency of pre-trade and post-trade price information.

(3) A marketplace shall not—

- (a) permit unreasonable discrimination among clients, issuers, members and users; or
- (b) impose any burden on competition that is not reasonably necessary and appropriate.

Sub-Part 2

Reporting to the Commission

Notice of
change.

19.—(1) An applicant for registration under Part III of the Act shall give immediate notice of any change to the information provided in its application form.

(2) A person registered under Part III of the Act shall give notice of—

- (a) any change in any information provided in the company's application for registration; and

(b) any other matter as may be set out in guidance,
within five days of the change

(3) In addition to the notice requirements under sub-regulation (2), a person registered under Part III of the Act shall give immediate notice of any of the following in relation to the person—

- (a) the presentation of a petition for the winding up of the person or the summoning of any meeting to consider such a winding-up;
- (b) the application by a person for the appointment of a receiver, administrator or trustee of the person registered under Part III of the Act;
- (c) the making or any proposal for the making of an arrangement with a creditor or creditors of the person registered under Part III of the Act;
- (d) the appointment of inspectors by a domestic regulatory authority or overseas regulatory authority to investigate the affairs of the person registered under Part III of the Act;
- (e) the bringing of any action under the Act against the person registered under Part III of the Act;
- (f) any claims on or material changes to the person's insurance arrangements;
- (g) any resignations or dismissals of directors, officers or senior employees of the person registered under Part III of the Act;
- (h) where the person registered under Part III of the Act becomes aware that a director, officer,

or employee has been engaged in activities involving fraud or other dishonesty;

- (i) any material breakdown of administrative or control procedures (including breakdowns of computer systems or other problems resulting or likely to result in failure to maintain proper records) and the steps that the person registered under Part III of the Act proposes to take to correct the problem;
- (j) the date on which the person registered under Part III of the Act proposes to cease to carry on business and the reasons for the cessation;
- (k) a breach by the person registered under Part III of the Act of the requirements regarding financial resources, books and records and risk management and internal controls, together with details of the steps that it is taking to remedy the breach;
- (l) where the person registered under Part III of the Act has reason to believe that it may be unable to—
 - (i) submit a financial report; or
 - (ii) pay its annual renewal fees,to the Commission as required by the Regulations;
- (m) the failure of any bank or other entity with which the person registered under Part III of the Act has deposited or to which it has passed client money; and for these purposes ‘failure’ means the appointment of a liquidator, receiver, administrator, or trustee in bankruptcy or any equivalent procedure in the relevant jurisdiction;

- (n) where a person registered under Part III of the Act becomes aware of any actual or contingent claim in relation to its business by or against the person where any amount claimed or disputed is likely to exceed 10% of its financial resources; or
- (o) any other matter material to the supervision of the person registered under Part III of the Act.

(4) Notices of change shall be provided in accordance with Form 6 of Schedule I.

Schedule I.

(5) Upon receipt of a notice under this regulation, the Commission may review the person's fitness for registration and take appropriate action as a result, including imposing conditions on the person's registration, revoking or denying registration.

20.-(1) A person registered under Part III of the Act shall deliver to the Commission no later than the 120th day after the end of its financial year-

Annual reporting to the Commission.

- (a) its audited annual financial statements for the financial year; and
- (b) any prescribed statistics for the year.

(2) The financial statements required by sub-regulation (1)(a) shall consist of-

- (a) a statement of comprehensive income, a statement of changes in equity, and a cash flow statement for the applicable periods referred to in sub-regulation (3); and
- (b) a statement of financial position as at the end of the applicable periods referred to in sub-regulation (3).

(3) The applicable periods are–

- (a) the period that commenced on the date of incorporation or organization and ended as of the close of the first financial year or, if the person registered under Part III has completed a financial year, the last financial year, as the case may be; and
- (b) the period covered by the financial year next preceding the last financial year, if any.

(4) The annual financial statements shall be approved by the directors, and the approval shall be evidenced by the signatures of two directors duly authorized to signify the approval.

**Interim
reporting to the
Commission.**

21.–(1) A person registered under Part III of the Act shall deliver to the Commission no later than the 30th day after the end of the first, second, third and fourth quarter of its financial year–

- (a) its financial statements for that quarter interim period; and
- (b) any prescribed statistics for that quarter.

(2) The interim financial statements shall include–

- (a) a statement of comprehensive income, a statement of changes in equity, and a cash flow statement for the most recent financial year-to-date period for which the interim financial statements are prepared and comparative financial information for the corresponding period in the immediately preceding financial year; and
- (b) a statement of financial position as at the date to which the interim financial statements are

prepared and a comparative statement of financial position as at the end of the corresponding period in the immediately preceding financial year;

(c) notes.

(3) The directors of the person registered under Part III of the Act shall review the interim financial statements prior to being filed with the Commission.

22. A person registered under Part III of the Act shall provide to the Commission such other reports and information as the Commission may request.

Other reporting to the Commission.

Sub-Part 3

General

23.-(1) A person registered under Part III of the Act shall apply for permission to—

Amendments to incorporating documents etc.

(a) amend its memorandum or articles of association;

(b) amend its fees or operations; or

(c) adopt, amend, or repeal a regulatory instrument or procedure.

(2) An applicant under sub-regulation (1) shall provide the Commission with all information and documents requested.

(3) The Commission may, if the Commission thinks fit, permit the proposed change to be made or require further amendments.

24.-(1) A person registered under Part III of the Act shall meet the required standards of solvency.

Financial resources and capital requirements.

(2) In addition to the standards of solvency required by sub-regulation (1), the Commission may require a person registered under Part III of the Act to maintain such minimum level of capital as it may deem necessary.

Transactions affecting financial resources.

25.—(1) A person registered under Part III of the Act shall obtain the prior written consent of the Commission before—

- (a) seeking to reduce or change the nature of its issued capital or the rights and obligations of its security holders;
- (b) acquiring 10% or more of the voting securities of another company; or
- (c) entering into any agreement to sell or merge the whole or any part of the registered person to or with a third party.

Security holders and transfers of securities.

26.—(1) The security holders of a person registered under Part III of the Act shall be fit and proper.

(2) Any proposed issue or transfer of the securities of a person registered under Part III of the Act shall be—

- (a) notified to the Commission in accordance with Form 7 of Schedule I no less than 30 days before the proposed date of the transaction; and
- (b) subject to prior review by and approval of the Commission.

Schedule I.

(3) Where the person registered under Part III of the Act is a public issuer in Belize or has equivalent status elsewhere, sub-regulation (2) shall only apply to any proposed issue or transfer of securities if—

- (a) prior to the transaction, the transferor is; or

(b) after the transaction, the acquirer would be,
a significant security holder of the person registered under Part III of the Act.

27.—(1) A person registered under Part III of the Act shall renew its registration annually by submitting the specified information in accordance with Form of Schedule I on or before the 31st day of December of each year.

Renewal
process.
Schedule I.

(2) Where the person registered under Part III of the Act has failed to provide all required information and pay all required fees on or before the date prescribed by the Commission, of the relevant year, the Commission may revoke the registration of the person.

28.—(1) No person registered under Part III of the Act shall go into voluntary liquidation without the prior approval of the Commission.

Liquidation
and voluntary
surrender of
registration.

(2) If proceedings for an involuntary liquidation are commenced against a person registered under Part III of the Act, the Commission shall be immediately notified in writing by the person affected or by one of its directors or officers.

(3) A person registered under Part III of the Act may voluntarily surrender its registration by making application to the Commission and the surrender of the registration shall not take effect until the later of—

(a) 21 days after the notice has been received by the Commission; and

(b) all conditions imposed by the Commission on the person have been complied with.

PART V

*Registered Companies and Individuals**Sub-Part 1**Registered Companies***Application.
Schedule I.**

29.–(1) An applicant for registration as a registered company shall submit an application in accordance with Form 9 of Schedule I, specifying the securities activities that are proposed to be carried on by the company.

Schedule I.

(2) A registered company that shall submit an application in accordance with Form 9 of Schedule I in relation to any additional securities activities for which registration is not granted in the initial registration before commencing those additional securities activities and shall not undertake those securities activities unless and until the Commission has granted registration to undertake that securities activity.

Schedule III.

(3) Prior to the granting of any registration by the Commission, an applicant shall deposit in an authorized bank, custodian or depository in Belize the regulatory capital required under regulation 34, calculated in accordance with Schedule III.

Requirements.

30.–(1) The Commission may grant registration to carry out specified securities activities where it is satisfied that the applicant–

(a) is organized in a manner and has sufficient capacity and resources to carry out its proposed securities activities in compliance with the Act and regulations, including–

(i) having appropriate and sufficient systems and controls to perform its functions and manage its risks prudently;

- (ii) having appropriate and sufficient insurance coverage; and
 - (iii) observing the required standards of financial resources and capital requirements;
- (b) meets the other requirements specified in section 35(1) of the Act; and
- (c) meets such other requirements as may be prescribed.

(2) In making its determination in relation to sub-regulation (1), the Commission may require an applicant to establish a separate legal entity to carry out its securities business.

(3) The initial requirements for registration shall continue to be met by the person throughout the period of registration under the Act.

31. The Commission may refuse to grant registration to an applicant, where that applicant's name is—

Name of
registered
company.

- (a) identical to that of any other registered company or which so nearly resembles the name of a registered company as to be likely to deceive or cause confusion in the market;
- (b) likely to suggest, falsely, the patronage of or connection with some person or authority, whether within Belize or elsewhere; or
- (c) likely to suggest, falsely, that the registered company has a special status in relation to or derived from the Government; or
- (d) likely to suggest, falsely, that the applicant has permission to carry out securities activities or

other regulated activities for which it does not have permission or would not have permission if its application were accepted.

Supervisory
officers.

32.–(1) A registered company shall have a Chief Executive Officer or managing officer in Belize who shall be–

- (a) registered as such with the Commission;
- (b) resident in Belize; and
- (c) responsible for managing the day-to-day operations of the company in the jurisdiction, which responsibility shall not be delegated.

(2) A registered company shall designate an officer as the Compliance Officer of the firm who shall be–

- (a) registered as such with the Commission;
- (b) resident in Belize; and
- (c) responsible for the supervision of the securities business undertaken by the company to ensure it is carried out in compliance with the law, which responsibility may not be delegated.

Holding client
assets.

33.–(1) Only those companies registered to carry on the securities business of trading in securities as agent or principal may hold client cash and other assets.

(2) Companies registered to carry on the business of managing securities and that are not also registered to trade in securities as agent or principal shall appoint a custodian acceptable to the Commission to hold client cash and other assets.

(3) Only those companies that are banks licensed under the Domestic Banks and Financial Institutions Act or the

International Banking Act, or which are registered to carry on the securities business of trading in securities as agent or principal may provide custodial services.

34.—(1) A registered company is required to meet the required standard of solvency and to maintain at all times adequate financial resources to—

Financial
resources
and capital
requirements.

- (a) meet its business commitments when they fall due;
- (b) withstand the risks to which its business is subject; and
- (c) meet the prescribed requirements.

(2) A registered company shall at all times maintain at least the following initial capital—

- (a) \$1,000,000, where the registered company trades in securities as principal;
- (b) \$240,000, where a firm—
 - (i) trades in securities as agent;
 - (ii) provides custodial services;
 - (iii) provides administration services; or
 - (iv) manages securities;
- (c) \$50,000, where a firm—
 - (i) arranges transactions in securities; or
 - (ii) provides investment advice.

(3) The Commission may allow a firm to reduce the initial capital required under sub-regulation (2)(c) to a minimum of \$36,000 where a registered company produces evidence acceptable to the Commission of materially higher professional indemnity cover than is required under regulation 35(1).

Schedule III.

(4) A registered company shall at all times maintain at least the regulatory capital requirement calculated in accordance with Schedule III.

(5) A registered company shall hold its regulatory capital in Belize in assets denominated in Belize dollars.

Schedule III.

(6) A registered company to which the position and counterparty risk scalars specified in Schedule III are applicable shall calculate its regulatory capital requirement every business day.

(7) A registered company to which the position and counterparty risk scalars are not applicable shall calculate its regulatory capital requirement at least every three months, or each month where—

- (a) its holdings of regulatory capital fall below 110% of its regulatory capital requirement; or
- (b) an event occurs which has a material adverse effect on the registered company's financial resources; or
- (c) the Commission so requires.

Schedule III.

(8) A registered company that carries out one or more of the securities activities referred to in sub-regulation (2) shall maintain liquid assets in accordance with the liquidity requirement specified in Schedule III.

(9) The Commission may require a registered company, or all registered companies with a specified characteristic, to carry out and report to it the company's own assessment, approved by its directors, of the risks to which the company is exposed and the resultant capital and liquidity needed to enable the registered company to satisfy the requirement of sub-regulation (1).

(10) The Commission may require a registered company to hold such additional regulatory capital and liquid assets as it considers appropriate given the risk profile of the registered company.

(11) Factors relevant to the risk profile of the firm which may require additional capital to be held include firms' trading positions, counterparty exposures, foreign currency exposures, product range, client base, marketing or distribution practices, operational risk exposures, governance and internal controls.

(12) Registered companies shall publish on the same day as their annual financial statements—

- (a) a statement of the company's risk profile associated with the business strategy;
- (b) the company's strategies and processes for managing those risks;
- (c) a description of the key features of the regulatory capital instruments issued by the company;
- (d) a statement of the amount and composition of regulatory capital held, reconciled with the balance sheet published in the financial statements;
- (e) a summary of the company's approach to assessing the adequacy of its internal capital to support current and future activities;

- (f) upon the Commission's request, the result of the company's internal assessment of capital adequacy and the regulatory capital requirement, including any supervisory adjustment.

(13) The Commission may exempt from the requirement in sub-regulation (12) registered companies that—

- (a) do not carry out any of the securities activities in sub-regulation (2)(a) or (2) (b), unless such companies issue Additional Tier 1 instruments;
- (b) do not trade as principal and whose activities may be deemed to be small by reference to thresholds to be determined by the Commission from time to time in relation to parameters the Commission considers appropriate which may include such factors as assets under management, income, revenue, balance sheet, trading volume or value, client numbers;
- (c) are not required to publish audited annual financial statements.

Insurance.

35.—(1) A registered company shall at all times maintain insurance policies to cover, at least—

- (a) professional indemnity;
- (b) the professional liability of senior officers and corporate secretaries;
- (c) business interruption; and
- (d) fidelity or bonding,

in an amount appropriate to the size, complexity and nature of the securities business of the company.

(2) A registered company that uses a managing agent shall ensure that the insurance coverage specified in sub-regulation (1) extends to the activities of the managing agent and any liabilities arising from them.

(3) The directors of the registered company shall, on an annual basis, review the amount and type of bonding and insurance held by the company and ensure that such coverage continues to be sufficient to cover the insurable risks of the business of the registered company.

(4) A registered company shall file current details of the insurance policies held by the company, with the renewal of its registration.

(5) No registration or renewal of registration will be granted if, the Commission considers the amount or extent of coverage is not sufficient.

36.-(1) A registered company may enter into an arrangement with a third-party service provider whereby that service provider will undertake a material business function, activity or process on behalf of the registered company only where the third-party service provider is a managing agent.

Outsourcing.

(2) The registered company shall give the Commission prompt notice of such outsourcing arrangement.

(3) The outsourcing arrangement shall be set out in a written contract that—

(a) requires the managing agent to comply with the requirements of section 7A(1) of the Financial Services Commission Act in relation to this arrangement; or

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(b) permits the Commission access to any records and information held by the service provider relating to the activities carried out on behalf of

the regulated company, as if those records and information were held at the regulated company.

(4) Notwithstanding any outsourcing arrangement, the registered company shall continue to be responsible for—

(a) the fulfillment of all obligations and duties imposed by securities laws on the registered company; and

(b) all acts undertaken on its behalf by a service provider under an outsourcing arrangement.

(5) The Commission may, by notice to the registered company, object to the proposed arrangement or to the continued use of a third-party service provider and the registered company shall terminate the arrangement promptly after receipt of such notice from the Commission.

Renewal
process.
Schedule I.

37.—(1) A registered company shall renew its registration annually by submitting, on or before the 31st day of December of each year, information in accordance with Form 11 of Schedule I.

(2) Where the registered company has failed to provide all required information and pay all required fees on or before the date prescribed by the Commission, of the relevant year, the Commission may revoke the registration of the registered company.

Security
holders and
transfers of
securities.

38.—(1) The security holders of a registered company shall be fit and proper.

(2) Any proposed issue or transfer of the securities of a registered company shall be—

Schedule I.

(a) notified to the Commission in accordance with Form 7 of Schedule I no less than 30 days before the proposed date of the transaction; and

(b) subject to prior review by and approval of the Commission.

(3) Where the registered company is a public issuer in Belize, or has equivalent status elsewhere, sub-regulation (2) shall only apply to a proposed issue or transfer of securities if-

(a) prior to the transaction, the transferor is; or

(b) after the transaction, the acquirer would be,

a significant security holder of the registered company.

Sub-Part 2

Reporting to the Commission.

39.-(1) A registered company shall notify the Commission immediately upon the commencement of employment of any individual who will be carrying out securities business on behalf of the registered company.

Employment of representative.

(2) The notice shall be provided in accordance with Form 12 of Schedule I.

Schedule I.

(3) The registered company shall give notice to the Commission immediately if an individual for whom a notice has been given under sub-regulation (1) does not commence employment with the company as intended

40.-(1) A registered company shall notify the Commission immediately upon the termination, resignation or retirement of any registered individual who carried out securities business on behalf of the registered company.

Termination of representative.

(2) The notice shall be provided in accordance with Form 13 of Schedule I.

Schedule I.

(3) A copy of the notice shall be provided to the registered individual at the same time as it is provided to the Commission.

Annual reporting to the Commission.

41.—(1) A registered company shall provide to the Commission no later than the 120th day after the end of its financial year—

(a) its audited annual financial statements for the financial year; and

Schedule I.

(b) other information in accordance with Form 14 of Schedule I for the year.

(2) The financial statements required by sub-regulation (1)(a) shall consist of—

(a) a statement of comprehensive income, a statement of changes in equity, and a cash flow statement for the applicable periods referred to in sub-regulation (3); and

(b) a statement of financial position as at the end of the applicable periods referred to in sub-regulation (3).

(3) The applicable periods are—

(a) the period that commenced on the date of incorporation or organization and ended as of the close of the first financial year or, if the registered company has completed a financial year, the last financial year, as the case may be; and

(b) the period covered by the financial year next preceding the last financial year, if any.

(4) The annual financial statements shall be approved by the directors, and the approval shall be evidenced by the signatures of two directors duly authorized to signify the approval.

(5) The report referred to in sub-regulation (1)(b) shall be denominated in Belize dollars unless the Commission has agreed that it may be submitted in another currency.

42.—(1) A registered company shall deliver to the Commission no later than the 30th day after the end of the first, second, third and fourth quarter of its financial year—

Interim
reporting
to the
Commission.

(a) its financial statements for that quarter interim period; and

(b) information in accordance with Form 14 of Schedule I for that quarter.

Schedule I.

(2) The interim financial statements shall include—

(a) a statement of comprehensive income, a statement of changes in equity, and a cash flow statement for the most recent financial year-to-date period for which the interim financial statements are prepared and comparative financial information for the corresponding period in the immediately preceding financial year; and

(b) a statement of financial position as at the date to which the interim financial statements are prepared and a comparative statement of financial position as at the end of the corresponding period in the immediately preceding financial year.

(3) The interim financial statements shall include notes.

(4) The directors of the registered company shall review the interim financial statements prior to being filed with the Commission.

(5) The report referred to in sub-regulation (1)(b) shall be denominated in Belize dollars unless the Commission has agreed that it may be submitted in another currency.

Other
reporting to the
Commission.

43.—(1) For the purposes of section 79(1)(c) of the Act the prescribed requirements are those relating to—

- (a) capital and other financial affairs;
- (b) record keeping;
- (c) reporting to or filing information with the Commission;
- (d) reconciliations and segregation of client assets; and
- (e) internal controls and risk management systems.

(2) A registrant shall provide to the Commission on request—

- (a) more frequent reports on its capital and other financial affairs than required under regulations 42 or 43;
- (b) such other reports and information as the Commission may request.

(3) Any request from the Commission under section 79(1)(c) of the Act or sub-regulation (2) shall be in writing and give the registered company a period of time that the Commission considers reasonable in which to provide the report or information to the Commission.

(4) The registered company shall deliver to the Commission any report or information required by section 79(1)(c) of the Act or this regulation within the period specified in the notice from the Commission under sub-regulation (3).

44.-(1) An applicant for registration shall give immediate notice of any change to the information provided in the person's application form.

Notice of
change.

(2) A registered company shall give notice of-

- (a) any change in any information provided in the company's application for registration; and
- (b) any other matter as may be set out in guidance, within five days of the change.

(3) In addition to the notice requirements under sub-regulation (2), a registered company shall give immediate notice of the occurrence of any of the following in relation to the registered company or its securities business, as the case may be-

- (a) the presentation of a petition for the winding up of the registered company or a company that is a subsidiary or holding company of the registered company or the summoning of any meeting to consider a winding-up of any of them;
- (b) the application by a person for the appointment of a receiver, administrator or trustee of the registered company or a subsidiary or holding company of the registered company;
- (c) the making or any proposal for the making of an arrangement with a creditor or creditors of the registered company, or a subsidiary or holding company of the registered company;

- (d) the appointment of inspectors by a domestic regulatory authority or overseas regulatory authority to investigate the affairs of the registered company, or a subsidiary or holding company of the registered company;
- (e) the bringing of any action under the Act against the registered company, or a subsidiary or holding company of the registered company;
- (f) any claims on or material changes to the registered company's insurance arrangements;
- (g) any resignations or dismissals of directors, officers or senior employees of the registered company or holding company of the registered company;
- (h) where the registered company becomes aware that a director, officer, or employee has been engaged in activities involving fraud or other dishonesty;
- (i) any material breakdown of administrative or control procedures (including breakdowns of computer systems or other problems resulting or likely to result in failure to maintain proper records) and the steps that the registered company proposes to take to correct the problem;
- (j) the date on which the registered company proposes to cease to carry on securities business and the reasons for the cessation;
- (k) the inability of the registered company to perform any of the calculations or reconciliations required by any regulations or to correct any deficiencies identified by the calculations or reconciliations;

- (l) the value of its holdings of regulatory capital falls below 110% of its regulatory capital requirement;
- (m) any instrument, transaction or situation that appears not to be catered for in calculation of regulatory capital specified in Schedule III, or where application of the Schedule may give a misleading impression of the adequacy of the financial resources;
- (n) a breach by the registered company of the requirements regarding financial resources, books and records and risk management and internal controls, together with details of the steps that the company is taking to remedy the breach;
- (o) where the registered company has reason to believe that it may be unable to—
 - (i) submit a financial report as required;
 - (ii) pay its annual renewal fees to the Commission; or
 - (iii) make a payment to a marketplace or clearing facility by the due date as required under the regulatory instruments of any of those entities, thereby causing the default of the registered company;
- (p) the failure of any bank, registered marketplace, clearing facility or other entity with which the registered company has deposited or to which it has passed client money; and for these purposes ‘failure’ means the appointment of a liquidator, receiver, administrator, or trustee in bankruptcy

Schedule III.

- or any equivalent procedure in the relevant jurisdiction;
- (q) where the registered company becomes aware of any actual or contingent claim in relation to its securities business by or against the registered company where any amount claimed or disputed is likely to exceed 10% of the company's financial resources;
 - (r) where the registered company is the subject of any written customer complaint involving allegations of forgery, fraud, theft or misappropriation of funds or securities;
 - (s) where the registered company is named as a defendant or respondent in—
 - (i) any domestic or foreign criminal or regulatory proceeding; or
 - (ii) any civil proceeding, exceeding fifty thousand dollars;
 - (t) where the registered company is associated in any way in any business or financial activity with any person who has been—
 - (i) convicted of an indictable offence under Belize law or an offence punishable by one year or more in prison under any foreign law; or
 - (ii) barred or suspended by any domestic or overseas regulatory authority; or
 - (u) any other matter material to the supervision of the registered company.

(4) Notices of change shall be provided in accordance with Form 6 of Schedule I.

Schedule I.

(5) Upon receipt of a notice under this regulation, the Commission may review the person's fitness for registration and take appropriate action as a result, including imposing conditions on the person's registration, revoking or denying registration.

45. A registered company shall obtain the prior written consent of the Commission before—

Transactions affecting financial resources.

- (a) seeking to reduce or change the nature of its issued capital or the rights and obligations of its security holders;
- (b) acquiring 10% or more of the voting securities of another company; or
- (c) entering into any agreement to sell or merge the whole or any part of the registered company to or with a third party.

Sub-Part 3

Registration of Individuals

46.—(1) The categories of individual registration are—

Categories of individual registration.

- (a) Chief Executive Officer;
- (b) Compliance Officer; and
- (c) Securities Representative.

(2) An individual may only be registered to carry on a securities activity that the company for which he or she works is registered to undertake.

Application to
be a registered
individual.
Schedule I.

47. An applicant for registration as an individual shall submit an application in accordance with Form 10 of Schedule I specifying the category of registration sought.

Requirements.

48.—(1) The Commission may grant registration if it is satisfied that the applicant—

(a) is at least 18 years of age;

(b) is fit and proper;

(c) does not have other interests, whether directly or indirectly, which may conflict with the conduct and integrity of the person's employment with the registered company;

(d) is eligible to reside and work in Belize; and

(e) meets any other requirements that the Commission may deem appropriate.

(2) The initial requirements for registration shall continue to be met by the person throughout the period of registration under the Act.

Education and
experience.

49.—(1) When an individual is to perform an activity that requires registration, the individual shall have the education and experience reasonably necessary to perform the activity.

(2) As a minimum, an applicant for registration as a Chief Executive Officer shall have—

(a) no less than six months of securities-related experience and have obtained one of the examinations recognized by the Commission from time to time for these purposes or provide alternative evidence of skill and knowledge acceptable to the Commission; or

(b) at least five years of securities-related experience.

(3) An applicant for registration as Compliance Officer or Securities Representative shall have obtained one of the examinations recognized by the Commission from time to time for these purposes or provide alternative evidence of skill and knowledge acceptable to the Commission.

50. At the Commission's discretion, an applicant lacking the skill and knowledge requirement for individual registration as a Securities Representative may be registered subject to the condition that all securities business carried on by that person that would require registration shall be subject to prior review and approval by a designated registered individual who is an officer of the company.

Trainees.

51.—(1) An applicant for registration shall give immediate notice of any change to the information provided in the individual's application form.

Notice of changes.

(2) A registered representative of a registered company shall promptly report to the Commission and the registered company if that representative—

(a) is the subject of any customer complaint involving allegations of forgery, fraud, theft or misappropriation of funds or securities;

(b) is named as a defendant or respondent in any criminal or regulatory proceeding or any civil proceeding, either domestic or foreign, exceeding fifty thousand dollars;

(c) is associated in any business or financial activity with any individual who has been—

(i) convicted of an indictable offence under Belize law or an offence punishable by one

year or more in prison under any foreign law; or

(ii) barred or suspended in excess of three months by any domestic or overseas regulatory authority; or

(d) is a director, significant security holder, partner, officer, or sole proprietor or in any way associated with any entity which has been—

(i) convicted of an indictable offence under Belize law or an offence punishable by one year or more in prison under any foreign law; or

(ii) barred or suspended by any domestic or foreign regulatory authority.

(3) Upon receipt of a notice under this regulation, the Commission may review the person's fitness for registration and take appropriate action as a result, including imposing conditions on the person's registration, revoking or denying registration.

Suspension and reinstatement of registration.

52.—(1) The registration of a registered individual is suspended on the date that—

(a) the registered individual ceases to act on behalf of the registered company; or

(b) the registration of the registered company that sponsored his or her registration is suspended or terminated.

(2) The Commission may also suspend the registration of an individual where any annual renewal fee has not been paid by the due date.

(3) A registered individual whose registration is suspended under sub-regulation (1) or (2) shall not carry on any securities business for any person until such time as his or her registration is reinstated.

(4) If a registration is suspended under sub-regulation (1) or (2) and has not been reinstated, the registration is revoked on the second anniversary following the date of suspension.

(5) An application for reinstatement shall be made in accordance with Form 10 of Schedule I.

Schedule I.

(6) A registration shall not be reinstated unless the Commission is satisfied that the applicant meets the requirements of regulation 48(1).

(7) Notwithstanding sub-regulation (4), if a hearing concerning a suspended individual is commenced, that person's registration remains suspended until a final decision has been issued.

Sub-Part 4

General

53.-(1) No registered company shall go into voluntary liquidation without the prior approval of the Commission.

Voluntary
surrender of
registration or
liquidation.

(2) A registrant may voluntarily surrender the registrant's registration by making application to the Commission and the surrender of the registration shall not take effect until the later of-

(a) 21 days after the notice has been received by the Commission; and

(b) all conditions imposed by the Commission on the registrant have been complied with.

(3) Where a registered company decides to cease to carry on any securities business, it shall ensure that any securities business that is outstanding is properly completed or is transferred to another company registered to carry on that securities business.

PART VI

Conduct of Business

Sub-Part 1

General

Required standards of a registered company or individual.

54. In addition to those duties set out in section 44 of the Act, a registrant shall ensure clients are provided with sufficient and timely disclosure regarding—

- (a) the registered company's fees, commission, and recoverable disbursements;
- (b) any risks associated with an investment strategy or specific investment recommended to a client by the registered company or individual;
- (c) the firm's policies and procedures for handling complaints, including how such complaints can be made; and
- (d) any other matter reasonably to be regarded as necessary to enable the client to make informed decisions regarding the securities business conducted with or through the registrant.

Know your client.

55.—(1) A registered company shall take reasonable steps to—

- (a) establish the identity of a client and, where there may be cause for concern, the reputation of the client;

- (b) ascertain whether the client is an insider of a public issuer;
- (c) ensure that it has sufficient personal and financial information about a client to enable it to meet its regulatory obligations when it—
 - (i) makes a recommendation to the client;
 - (ii) accepts an instruction to trade from the client;
 - (iii) makes a discretionary purchase or sale of a securities on behalf of the client; and
- (d) establish the creditworthiness of a client, if the registered company is financing the client's acquisition of a security.

(2) If the client is a company, to comply with the obligation under sub-regulation (1)(a), the registered company shall establish the nature of the client's business and the identity of any individual who is a significant security holder of the company.

(3) The registered company shall make reasonable efforts to keep the information required under this regulation up to date.

56.—(1) A registered company shall maintain account opening documentation for each client.

Client account opening form and documentation.

(2) No registered company shall execute any transaction for a client until it has in its possession a 'client account form' executed by the client and approved by the designated officer of the company.

(3) The client account form shall contain information concerning the client's financial status, employment,

education, investment objectives, ability to incur risk and any other information that may be considered reasonable by the company in making an investment recommendation to the client.

Suitability
obligation.

57. A registrant shall take reasonable steps to ensure that before it makes a recommendation to, or accepts instructions from, a client or makes a discretionary purchase or sale of a security on behalf of a client, the proposed purchase or sale is suitable for the client given the client's financial circumstances, risk tolerance, investment knowledge, and investment needs and objectives.

Discretionary
trading.

58.—(1) A registrant, other than one registered to carry on the securities activity of managing securities, may not execute any trade for a client unless the registrant has the client's prior authorization for the transaction.

(2) A registrant that is registered to carry on the securities activity of managing securities may only execute investment discretion over a client's account where the registered company has entered into a written agreement with the client granting such authority.

Unregistered,
suspended
or barred
individuals.

59. No registered company shall permit—

- (a) any individual associated with the company to engage in any securities business unless that individual is registered to carry on that business by the Commission;
- (b) any individual who is barred or suspended by the Commission or any domestic or overseas regulatory authority to share premises with the registered company or otherwise carry on business from the premises of the registered company; or
- (c) any person to share premises with the registered company or otherwise carry on business from

the premises of the registered company, if that person is carrying on a securities business, unless that person is appropriately registered with the Commission.

60.—(1) Any registered company that carries out any sale or purchase of securities on behalf of a client shall, within one business day after the sale or purchase was executed, make and transmit a contract note of the transaction to its client.

Reporting to clients.

(2) A contract note shall set out—

- (a) the quantity and description of the security;
- (b) the price at which the transaction was effected and the commission and any other fees charged on the transaction;
- (c) the settlement date of the transaction;
- (d) the name of the registered company involved in the transaction;
- (e) whether the registered company was acting as principal or agent;
- (f) the marketplace, if any, on which the transaction took place, or if applicable, a statement that the transaction took place on more than one marketplace or over more than one day; and
- (g) any other information required by the Commission.

(3) A registered company shall send or deliver a statement of account to each client not less than once every three months showing any debit or credit balance and the

details of securities held for or owned by the client unless otherwise expressly directed by the client in writing.

(4) The statement required by sub-regulation (3) shall list the securities held for or owned by the client and indicate clearly which securities are held for safekeeping or in segregation.

(5) A registered company managing securities shall send or deliver to each managed account client not less than once every three months, a statement of the portfolio of the client under the registered company's management.

Supervision,
compliance
and risk
management
systems.

61.—(1) A registered company shall be responsible for supervising anyone acting on its behalf, whether registered or not, and shall maintain adequate supervisory personnel in keeping with the nature and scale of its activities.

(2) A registered company shall establish, maintain and apply a system of controls and supervision sufficient to—

- (a) provide reasonable assurance that the company and each individual acting on its behalf complies with securities laws and all other relevant legislation; and
- (b) manage the risks associated with its business in conformity with prudent business practices.

(3) The system of controls referred to in sub-regulation (2) shall be documented in the form of written policies and procedures.

Complaints.

62. A registered company shall establish effective complaints handling systems and procedures to ensure that—

- (a) adequate records of complaints are established and maintained;

- (b) all complaints are responded to in writing within 14 days of receipt of the complaint;
- (c) each complaint is effectively and fairly resolved in a timely manner;
- (d) complainants are informed that they may refer their complaint to the Commission if they are not satisfied with the outcome of their complaint to the registered company; and
- (e) data on the types, causes, handling and outcome of complaints is regularly compiled and analysed.

63.–(1) Subject to sub-regulation (2), the Commission may require that–

Trading
venues.

- (a) all trading within Belize in securities listed on a registered securities exchange located in Belize, or a specified class of such securities, shall take place on that securities exchange;
- (b) all trading within Belize in specified securities or a class of specified securities shall take place on a registered marketplace.

(2) Sub-regulation (1) shall not apply to–

- (a) a trade by an executor, administrator, or guardian or by an authorized trustee or assignee, an interim or official receiver or a custodian under the Bankruptcy Act, or by a receiver or a liquidator under the Belize Companies Act, or at a judicial sale; or
- (b) a trade by an owner of a security, for the owner's account, to an affiliate or an associate of the owner; or

CAP. 244.
Act No. 11 of
2022.

(c) a prescribed trade.

Prompt
delivery.

64. A registered company shall deliver funds or securities promptly to its clients and to other registered companies in accordance with the regulatory instruments of the applicable marketplace or clearing facility or as may be prescribed by the Commission.

Priority of
client orders

65.—(1) A registered company shall give priority to orders for the accounts of clients of the registered company over all other orders for the same security at the same price.

(2) In this regulation “orders for the accounts of clients of the registered company” shall not include an order for an account in which the registered company or an officer, director or employee of the company has an interest, direct or indirect, other than an interest in a commission or fee charged.

Trading as
principal.

66.—(1) A registered company may only trade as principal if it is registered to carry on that securities business.

(2) Where a registered company seeks to purchase securities as principal, and there is a competing bid on behalf of its client for the purchase of those securities which equals or is better than the bid made by the registered company, the competing client bid shall be preferred to that made by the registered company.

(3) Where a registered company seeks to sell securities as principal, and there is a competing offer on behalf of its client for the sale of those securities which equals or is better than the offer made by the registered company, the competing client offer shall be preferred to that made by the registered company.

(4) For the purposes of this regulation, trading as a principal includes trading on behalf of an affiliate of the

registered company or any of its officers, directors or significant security holders.

(5) Where a registered company purchases securities as a principal, it shall record such securities in a book of accounts separate from the book of accounts relating to securities held as an agent.

67.-(1) A registered company shall-

Conflicts of interest.

- (a) make reasonable efforts to identify existing conflicts of interest and conflicts the registered company, acting reasonably, would expect to arise between the company, including each individual acting on the company's behalf, and its clients; and
- (b) establish policies and procedures to avoid conflicts of interest arising or, if conflicts arise, to ensure fair treatment to all its clients.

(2) If a registrant has a material interest in a transaction to be entered into with or for a client, or a relationship which gives rise to a conflict of interest in relation to the transaction, the registrant shall not knowingly either advise, or exercise discretion, in relation to that transaction unless the registrant has-

- (a) fairly disclosed that material interest or relationship, as the case may be, to the client; and
- (b) taken reasonable steps to ensure that neither the material interest nor relationship adversely affect the interests of the client.

68. A registered company shall establish and maintain policies and procedures to ensure fairness in the allocation of investment opportunities among its clients.

Fair allocation of investment opportunities.

Churning.

69.—(1) No registrant shall recommend or carry out trades that are excessive in volume or frequency with or for a client whose trading the registrant controls or directs.

(2) No person who has discretionary authority over, or who is a trustee for, an account of another, shall effect, or cause to be effected, trades that are excessive in volume and frequency for the person whose account he or she has discretionary authority over, or is a trustee for.

(3) For the purposes of this regulation, whether trades are excessive in volume or frequency shall be determined on the basis of such factors as the amount of profits or commissions of the registrant in relation to the size of the client's account, the investment objectives of the client and the pattern of trading in the account.

Transactions
in securities
outside scope
of employment.

70.—(1) No registered individual associated with a registered company shall, without written authorization from that company, participate in any manner in—

(a) transactions involving securities not endorsed by the company; or

(b) securities transactions outside the regular scope of the individual's employment with the registered company.

(2) Sub-regulation (1) shall not apply to the individual's personal transactions or those undertaken in the course of the individual's personal duties as an executor of an estate, as a trustee or in a similar fiduciary capacity.

Improper user
of client assets.

71. No registrant shall make improper use of a client's securities or funds, such as, but not limited to, borrowing, lending or pledging of funds or securities without the client's prior written authorization.

72. Voting securities of an issuer registered in the name of a registered company or in the name of the company's nominee, that are not beneficially owned by the registered company, shall not be voted by the company at any meeting of security holders of the issuer.

Voting securities not beneficially owned.

73.—(1) Where securities of an issuer are registered in the name of, but not beneficially owned by, a registered company or its nominee, the company shall send the beneficial owner of the securities a copy of any documents sent to the registered company or its nominee as registered security holder as soon as practicable after receipt, unless the beneficial owner instructs the company that the documents need not be sent.

Forwarding documents to beneficial owners.

(2) A person who is required to send a document to registered security holders under to the Act shall promptly provide the registered company with the number of copies of the document as requested by the company to enable it to comply with sub-regulation (1).

Sub-Part 2

Reconciliations and Client Assets

74.—(1) A registered company shall perform reconciliations as often as necessary to ensure the accuracy of its records, and shall perform reconciliations—

Reconciliations.

(a) at least once every month—

(i) on all balances with banks; and

(ii) on all balances and positions with marketplaces and clearing facilities;

(b) at least once every business day, on the registered company's own margin accounts with marketplaces and clearing facilities; and

- (c) at least twice per month—
- (i) on the balance in each trust account in which client cash is held as recorded by the company to the balance as recorded by the bank with which that account is held;
 - (ii) on the balance in each client transaction account with marketplaces or clearing facilities as recorded by the company, to the balance as recorded by the marketplace or clearing facility; and
 - (iii) on its records of client assets for which it is accountable with statements obtained from the custodians of those assets.

(2) The registered company shall correct any differences immediately.

Segregation of
client cash and
assets.

75.—(1) A registered company that holds client assets, including cheques and other similar instruments, shall hold the assets separate and apart from its own property and in trust for the client.

CAP. 263.
CAP. 267.

(2) A registered company that holds cash on behalf of a client shall hold the cash separate and apart from the property of the company in a designated trust account with a bank holding an unrestricted license under the Domestic Banks and Financial Institutions Act or the International Banking Act, or other deposit-taking institution registered in a foreign jurisdiction as may be approved by the Commission for this purpose taking into account the registered company's assessment of the adequacy of segregation arrangements and regulation of client asset safeguarding in the institution and jurisdiction.

(3) A registered company may allow—

- (a) a registered marketplace or clearing facility;
- (b) a custodian not affiliated to the registered company; or
- (c) such marketplace or clearing facility registered in a foreign jurisdiction as may be approved by the Commission by this purpose;

to hold or control client cash for any of the purposes specified in sub-regulation (4).

(4) Client cash may be held or controlled for the purpose of—

- (a) a transaction for the client with or through that marketplace or facility; or
- (b) meeting the client's obligation to provide collateral for a transaction,

provided that the client is notified that the cash may be so held or controlled.

76.—(1) A registered company that holds unencumbered securities for a client under a written safekeeping agreement shall—

Securities
subject to
safekeeping
agreement.

- (a) segregate the securities from all other securities; and
- (b) identify the securities as being held in safekeeping for the client in—
 - (i) the registrant company's security position record;
 - (ii) the client's ledger; and

(iii) the client's statement of account.

(2) Unencumbered securities held for a client under a written safekeeping agreement shall only be released on an instruction from the client.

Securities not
subject to
safekeeping
agreement.

77.—(1) A registered company that holds unencumbered securities for a client that are either fully paid for or are excess margin securities, but are not held under a written safekeeping agreement, shall—

(a) segregate and identify the securities as being held in trust for the client; and

(b) describe the securities as being held in segregation on—

(i) the registered company's security position record;

(ii) the client's ledger; and

(iii) the client's statement of account.

(2) If a client is indebted to a registered company, the registered company may sell or lend the securities described in sub-regulation (1), but only to the extent reasonably necessary to cover the indebtedness.

(3) Securities described in sub-regulation (1) may be segregated in bulk.

Reporting
to the
Commission.

78.—(1) The registered company shall prepare and deliver a report to the Commission each quarter—

(a) confirming that it is in compliance with the requirements of this Division; or

- (b) if it is not in compliance with these requirements, providing full details of the non-compliance and what actions the registered company is taking to rectify the problem.

(2) The report required by sub-regulation (1) shall be made in accordance with Form 14 of Schedule I.

Schedule I.

Sub-Part 3

Advertising and Communication Standards

79. A person shall not represent, orally or in writing that the Commission has in any way approved the financial standing, fitness or conduct of any registrant or evaluated the merits of any security or issuer.

Registration not to be advertised.

80.-(1) No person shall publish, make or issue an advertisement or other public invitation, including a public announcement, in or from Belize for persons to invest in a security or engage in a securities transaction, unless the advertisement or other invitation—

Advertising standards.

- (a) is clear, fair, and not misleading;
- (b) contains any mandatory disclosures which may be prescribed; and
- (c) where it is made, issued, or published in a foreign jurisdiction, it complies with any laws in the jurisdiction where the advertisement or other invitation is made, issued, or published.

(2) Any person who publishes, makes or issues such an advertisement or public invitation in or from Belize shall provide the Commission with a copy of the advertisement or invitation in accordance with Form 15 of Schedule I.

Schedule I.

PART VII

*Mutual Funds**Sub-Part 1**Public Funds*Applications.
Schedule I.

81.—(1) An application to the Commission for the registration of a public mutual fund shall be made in accordance with Form 16 of Schedule I.

(2) The Commission may require any documents submitted under sub-regulation (1) to be certified in such manner as it considers appropriate.

(3) Any application by a registered public mutual fund to appoint a director or trustee shall be made in accordance with Form 5 of Schedule I.

(4) Any application by a registered public mutual fund to appoint a securities representative shall be made in accordance with Form 12 of Schedule I.

(5) Any application by a registered public mutual fund to appoint a functionary shall be made in accordance with Form 16 of Schedule I.

Prospectus.
Schedule I.

82. A prospectus issued by a public mutual fund shall—

- (a) be prepared in accordance with Form 17 of Schedule I;
- (b) contain such other matters as the Commission may require;
- (c) be accompanied by, or contain reference to the availability of, the financial statements for the last

financial year of the fund and the auditor's report on those accounts, if the fund has completed a financial year in operation;

- (d) be accompanied by such other documents as the Commission may specify.

83.—(1) A public mutual fund that is a company incorporated under the Belize Companies Act I or any other enactment in relation to companies or business shall at all times have at least two directors.

Directors
and trustees.
Act No. 11 of
2022.

(2) Only an individual shall be appointed as the director of a public mutual fund.

(3) Where the public fund is in breach of sub-regulation (1) it shall—

- (a) immediately notify the Commission of that fact in writing; and
- (b) within 21 days of the breach, submit an application to the Commission for the appointment of one or more new directors pursuant to section 94(1) of the Act in accordance with Form 5 of Schedule I.

Schedule I.

(4) A public mutual fund that is a unit trust shall at all times have a trustee that is a body corporate.

84.—(1) A public mutual fund shall at all times have—

Functionaries.

- (a) a fund manager;
- (b) a fund administrator; and
- (c) a custodian.

(2) Each functionary of a public mutual fund shall be functionally independent from every other functionary of the fund.

Accounting
and audit.

85. The auditor of a public mutual fund shall—

- (a) audit the fund's financial statements and prepare his or her report in accordance with generally accepted auditing standards;
- (b) certify the fund's compliance with such obligations and matters as may be specified in the Act and these Regulations;
- (c) provide such certifications or confirmations as may be specified by the Commission in a written notice sent to the fund and the auditor; and
- (d) carry out such other duties as may be required of the auditor by the Act or these Regulations.

Conduct of
business.

86.—(1) A public mutual fund shall operate—

- (a) in the best interests of its investors;
- (b) in accordance with the investment objectives and other conditions set out in its prospectus and other constitutional documents;
- (c) in such a way as to ensure the proper safekeeping of investors' funds and the assets of the mutual fund; and
- (d) in accordance with any requirements in relation to the nature of permissible assets or asset diversification as may be specified.

(2) A public mutual fund shall—

- (a) take all reasonable steps to identify, avoid and minimize the potential impact on investors of conflicts of interest and disclose residual impacts to investors;
- (b) disclose to investors the fees, charges, and expenses payable by the investor and by the fund and ensure that no other fees, charges, or expenses are charged to investors or the fund; and
- (c) have appropriate policies and procedures are in place for the valuation of the fund's assets and investors' share of those assets and ensure that they are applied.

(3) A public mutual fund shall only delegate securities activities where and to the extent that—

- (a) the person to whom the activity is delegated is registered with the Commission under the Act;
- (b) a written agreement is in place specifying the nature and terms of the delegation;
- (c) the fund retains responsibility for all activities delegated; and
- (d) the extent of the delegation is not so great as to compromise the fund's ability to fulfil its responsibilities.

87.—(1) A public mutual fund shall establish, document and maintain a clear and comprehensive policy for the valuation of fund property with procedures that are sufficient to ensure that the valuation policy is effectively implemented.

Valuation.

(2) A public mutual fund shall ensure that its administrator or such other person having responsibility for the valuation of fund property—

- (a) is independent from the fund's manager or any other person with responsibility for the investment function; and
 - (b) values fund property in accordance with the valuation policy.
- (3) The valuation policy of a public mutual fund shall—
 - (a) subject to sub-regulation (4), require the assets of the fund to be valued using market prices and, wherever practicable to be checked against primary and secondary sources;
 - (b) be appropriate for the nature, size, complexity, structure and diversity of the fund and fund property;
 - (c) be consistent with the provisions concerning valuation contained in its constitutional documents and prospectus;
 - (d) require valuations to be undertaken at a frequency commensurate with the fund's redemption policy and in no case less than monthly without the Commission's prior written agreement;
 - (e) include procedures for preparing reports on the valuation of fund property;
 - (f) provide for review of the funds valuation process by an appropriate external third party at least annually; and
 - (g) specify the mechanisms in place for disseminating valuation information and reports to investors.
- (4) The valuation policy may allow for hard-to-value assets to be valued using pricing models to determine a fair

value providing that the use of such a model is justified by appropriate testing.

88.—(1) A public mutual fund shall provide notice to the Commission of—

Notices.

- (a) the appointment of a director, trustee, securities representative, or auditor;
- (b) a director, trustee, securities representative, or auditor ceasing, for whatever reason, to hold office;
- (c) any change in the address of the fund's place of business, whether in or outside Belize;
- (d) any change in the place or places where the fund's financial and other records are kept;
- (e) any material change in the nature and scope of the fund's business;
- (f) any proposed amendment to its constitutional documents;
- (g) its intention to issue an offering document not provided to the Commission with the fund's application for registration or to amend an offering document previously provided to the Commission;
- (h) any proposed change to its valuation policy; and
- (i) such other matter as the Commission may prescribe.

(2) Notification of the matters specified in sub-regulation (1) shall be provided as follows—

- (a) in the case of a notice provided in accordance with sub-regulation (1)(a), (b), (c) or (d), within 14 days after the date of the occurrence of the matter to be notified;
- (b) in the case of a notice provided in accordance with sub-regulation (1)(e), as soon as reasonably practicable after the change;
- (c) in the case of a notice provided in accordance with sub-regulation (1) (f), (g) or (h), no less than 21 days prior to the issue of the proposed offering document or the proposed amendment, as the case may be, or such shorter period as the Commission may approve in writing.

Sub-Part 2

Professional Funds

Minimum
initial
investment.

89. For the purposes of the definition of “professional fund” in section 3 of the Act, the prescribed minimum initial investment shall be \$200,000.

Application for
recognition.
Schedule I.

90.—(1) An application to the Commission for recognition of a professional fund shall be submitted in accordance with Form 16 of Schedule I.

(2) The Commission may require any documents submitted under sub-regulation (1) to be certified in such manner as it considers appropriate.

(3) Any application by a recognised professional fund to appoint a director or trustee shall be made in accordance with Form 5 of Schedule I.

(4) Any application by a recognised professional fund to appoint a securities representative shall be made in accordance with Form 12 of Schedule I.

(5) Any application by a recognised professional fund to appoint a functionary shall be made in accordance with Form 16 of Schedule I.

91.-(1) A professional fund shall at all times have at least two directors, at least one of whom shall be an individual.

Directors.

(2) Where a professional fund is in breach of sub-regulation (1), it shall immediately notify the Commission of that fact in writing.

92.-(1) A professional fund shall at all times have—

Functionaries.

- (a) a fund manager;
- (b) a fund administrator; and
- (c) a custodian.

(2) The custodian of a professional fund shall—

- (a) be a person who is functionally independent from the fund manager and the fund administrator;
or
- (b) where the custodian is the same person as the fund manager or fund administrator, be a company having systems and controls that ensure that the persons fulfilling the custodial function are functionally independent from the persons fulfilling the fund management or fund administration functions.

(3) No person shall be appointed as a functionary of a professional fund unless at least seven days prior notice have been given to the Commission or the Commission agrees to accept a shorter period of notice.

(4) Notice shall be given to the Commission by a professional fund where any functionary of the fund resigns, is terminated, or ceases to act as functionary of the fund for whatever reason.

(5) The notice shall—

- (a) state the reason for the person ceasing to act as functionary of the fund; and
- (b) be provided to the Commission within seven days of the functionary ceasing to act.

(6) Where a functionary ceases to act for the fund, the fund does not contravene sub-regulation (1) if another person is appointed to act as functionary within 7 days of the original functionary ceasing to act.

Investment
warning.

93. A fund offering document and any other offer or invitation to an investor or potential investor to purchase or subscribe for interests in a professional fund shall contain or be provided with a prominent warning that—

- (a) the fund is a professional fund and as such is only suitable for professional investors, as defined in the Act;
- (b) investor protections that apply to public mutual funds do not apply to this fund;
- (c) the fund is not subject to supervision by the FSC or any regulator in a foreign jurisdiction;
- (d) investment in a professional fund may present a greater risk to an investor than investment in a public fund;
- (e) a minimum initial investment of \$200,000 (or

such larger sum as may apply with respect to the fund) is required;

- (f) an investor in a professional fund is solely responsible for determining whether the fund is suitable for his or her investment needs.

94.-(1) A professional fund shall maintain a clear and comprehensive policy for the valuation of fund property with procedures that are sufficient to ensure that the valuation policy is effectively implemented.

**Valuation of
fund property.**

(2) A professional fund shall ensure that its administrator or such other person having responsibility for the valuation of fund property—

- (a) subject to sub-regulation (3), is independent from the fund's manager or any other person with responsibility for the investment function; and
- (b) values fund property in accordance with the valuation policy.

(3) A professional fund may determine that the same person shall be responsible for the investment function and the valuation function provided that the fund—

- (a) identifies, manages, and monitors any potential conflicts of interest that may arise; and
- (b) discloses to investors in the fund—
 - (i) that the same person is responsible for the investment and valuation functions; and
 - (ii) details of how any potential conflicts of interest will be managed.

- (4) The valuation policy of a professional fund shall—
- (a) be appropriate for the nature, size, complexity, structure and diversity of the fund and fund property;
 - (b) be consistent with the provisions concerning valuation contained in its constitutional documents and offering document;
 - (c) require valuations to be undertaken at least annually;
 - (d) include procedures for preparing reports on the valuation of fund property; and
 - (e) specify the mechanisms in place for disseminating valuation information and reports to investors.

Accounting and
audit.

95.—(1) A professional fund shall—

- (a) prepare financial statements for each financial year in accordance with generally accepted accounting principles; and
 - (b) appoint an auditor for the purposes of auditing its financial statements.
- (2) The auditor of a professional fund shall—
- (a) audit the fund's financial statements and prepare his or her report in accordance with generally accepted auditing standards;
 - (b) certify the fund's compliance with such matters as may be specified in the Act and these Regulations;
 - (c) provide such certifications or confirmations as

may be specified by the Commission in a notice sent to the fund and the auditor; and

- (d) carry out such other duties as may be required of the auditor by the Act or these Regulations.

(3) A professional fund shall provide its audited financial statements to the Commission within 120 days after the financial year end.

96.-(1) A professional fund shall operate—

Conduct of
business.

- (a) in the best interests of its investors;
- (b) in accordance with the investment objectives and other conditions set out in its offering document and constitutional documents;
- (c) in such a way as to ensure the proper safekeeping of investors' funds and the assets of the fund; and
- (d) in accordance with any other requirements as may be specified.

(2) A professional shall—

- (a) take all reasonable steps to identify conflicts of interest and disclose potential impacts to investors; and
- (b) have appropriate policies and procedures in place for the valuation of the fund's assets and investors' share of those assets and ensure that they are applied.

(3) A professional fund shall only delegate securities activities where and to the extent that—

- (a) the person to whom the activity is delegated is registered with the Commission under the Act;
- (b) a written agreement is in place specifying the nature and terms of the delegation;
- (c) the fund retains responsibility for all activities delegated; and
- (d) the extent of the delegation is not so great as to compromise the fund's ability to fulfil its responsibilities.

Notices.

97.-(1) A professional fund shall provide notice to the Commission of-

- (a) the appointment of a director, trustee securities representative or auditor;
- (b) a director, securities representative or auditor ceasing, for whatever reason, to hold office;
- (c) any change in the address of the fund's place of business, whether in or outside Belize;
- (d) any material change in the nature and scope of the fund's business;
- (e) any amendment to its constitutional documents;
- (f) the issuance of an offering document not provided to the Commission with the fund's application for registration or to amend an offering document previously provided to the Commission;
- (g) any amendment to the fund's valuation policy; and

(h) such other matter as the Commission may prescribe.

(2) Notice of the matters specified in sub-regulation (1) shall be provided as follows–

- (a) in the case of a notice provided in accordance with sub-regulation (1)(a), (b), or (c), within 14 days after the date of the occurrence of the matter to be notified;
- (b) in the case of a notice provided in accordance with sub-regulation (1)(d), as soon as reasonably practicable after the change;
- (c) in the case of a notice provided in accordance with sub-regulation (1) (e), (f) or (g), no more than 14 days after the occurrence of the matter in respect of which notice is given.

Sub-Part 3

General

98. A mutual fund shall not seek to maintain or hold itself out as seeking to maintain a constant net asset value (CNAV) per unit or share.

**Constant net
asset value.**

99. A mutual fund shall have–

**Liquidity
management.**

- (a) appropriate policies and procedures in place to identify and manage risks to the liquidity of the fund, taking into account the nature of the fund's assets, its redemption frequency and investor profile; and
- (b) the ability to apply one or more liquidity management tools in addition to the suspension

of redemptions where necessary to protect the interests of investors or financial stability without requiring the consent of individual investors.

PART VIII

Distributions and Prospectus Requirements

Sub-Part 1

Public Distributions

Prospectus form.

100. Without limiting the obligations of an issuer under section 51(1)(b) of the Act, a prospectus—Schedule I.

- (a) shall be prepared and submitted to the Commission in accordance with Form 18 of Schedule I;
- (b) shall contain such financial statements, reports and other documents as are required under the Act or as prescribed by the Commission; and
- (c) may contain any information required under any other applicable statute.

Materials to be filed with prospectus or made available for public inspection. Schedule I.

101. An issuer that files a prospectus with the Commission shall publish on its website or otherwise make available for public inspection during normal business hours in Belize throughout the period of distribution of the securities under the prospectus the additional materials specified in Appendix B to Form 18 of Schedule I.

Marketing restrictions for prospectus offerings.

102. No person shall, in connection with a distribution of security by means of a prospectus, make any oral or written representation or disclose any fact to any person with respect to the issuer or the securities being distributed under the prospectus which is not contained in the prospectus for which a receipt has been issued by the Commission.

103.—(1) For the purposes of section 52(d) of the Act, every prospectus shall contain a certificate signed by—

Prospectus
certificates.

- (a) the Chief Executive Officer and the Chief Financial Officer, or the persons acting in such capacities for the issuer, whatever their titles;
- (b) on behalf of the board of directors of the issuer, by any two directors of the issuer duly authorized to sign, other than the persons referred to in paragraph (a);
- (c) the selling security holder; and
- (d) any person who is a promoter of the issuer.

(2) The certificate required by sub-regulation (1) shall be in the following form—

“The foregoing constitutes full, true and plain disclosure of all material information relating to the issuer and the securities distributed by this prospectus and contains no misrepresentation that is likely to affect the value, or the market price of the securities being offered.”

(3) If there is an underwriter, the prospectus shall contain a certificate in the following form, signed by the underwriter or underwriters that, with respect to the securities offered by the prospectus, are in a contractual relationship with the issuer or selling security holder—

“To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material information relating to the issuer and the securities distributed by this prospectus and contains no misrepresentation that is likely to affect the value, or the market price of the securities being offered.”

Expert
opinions.

104. The Commission may require that a report, valuation, statement or opinion from a lawyer, auditor, accountant, engineer, appraiser or any other expert shall be included in a prospectus or provided to the Commission.

Experts'
consents.

105.—(1) If any lawyer, auditor, accountant, engineer or appraiser, or any other person whose profession or business gives authority to a statement made by that person, is named in a prospectus as having—

- (a) prepared or certified any part of the prospectus;
- (b) opined on financial statements from which selected information included in the prospectus has been derived and which audit opinion is referred to in the prospectus; or
- (c) prepared or certified a report or valuation referred to in the prospectus,

the issuer shall file, no later than the time the prospectus is filed, the written consent of the person to being named and to the use of that report, valuation, statement or opinion.

(2) The consent referred to in sub-regulation (1) shall—

- (a) refer to the report, valuation, statement, or opinion stating the date of the report, valuation, statement, or opinion; and
- (b) contain a statement that the person referred to in sub-regulation (1)—
 - (i) has read the prospectus; and
 - (ii) has no reason to believe that there are any misrepresentations in the information contained in it that are—

- (A) derived from the report, valuation, statement or opinion; or
- (B) within the knowledge of the person as a result of the services performed by that person in connection with the report, financial statements, valuation, statement or opinion.

(3) In addition to any other requirement of this regulation, the consent of an auditor or accountant shall also state—

- (a) the dates of the financial statements on which the report of the person is made; and
- (b) that the person has no reason to believe that there are any misrepresentations in the information contained in the prospectus that are—
 - (i) derived from the financial statements on which the person has reported; or
 - (ii) within the knowledge of the person as a result of the audit of the financial statements.

(4) Sub-regulation (1) does not apply to an approved rating organization that issues a rating of the securities being offered under a prospectus.

106. Every prospectus shall contain a statement of rights given to a purchaser under the Act in the following form—

Statement of
rights.

“The Belize Securities Industry Act 2021, and the Regulations made under the Act, provide a purchaser with remedies for rescission and repayment of the purchase price or for damages if the prospectus or any amendment contains a

misrepresentation. The purchaser should refer to the Securities Industry Act, 2021 and the regulations made under that Act, for the particulars of these rights or consult with a legal adviser.”

Reasons the Commission shall refuse receipt.

107. In addition to the reasons stated in section 59(2) of the Act and without limiting the Commission’s ability to determine that issuing a receipt for a prospectus may be contrary to the public interest for other reasons, the Commission shall refuse to issue a receipt for a prospectus if it appears that—

- (a) the prospectus or any other document filed with the prospectus fails to disclose any material fact which may be required under this Act or the regulations; or
- (b) the distribution in connection with which the prospectus is filed is deceptive;
- (c) an unconscionable consideration has been or is intended to be given for promotional purposes or for the acquisition of the security;
- (d) the past conduct of the issuer, or any director, senior officer, promoter, or controller, or any other person who exercises or is reasonably considered by the Commission likely to exercise influence over its management or policies, suggests to the Commission that the business or affairs of the issuer are likely to be conducted in a manner that is not honest or financially responsible or that may be unfair to holders of its securities;
- (e) an expert who has prepared or certified a part of the prospectus or report used in connection with it, or who has filed a consent with the Commission, is not acceptable to the Commission;

- (f) the issuer is in default in filing or providing any document with the Commission required under the Act, or under any law under which it is incorporated or organized; or
- (g) an underwriter named in the prospectus and that is participating in the distribution in or from Belize is not registered as a registered company under the Act or under equivalent foreign legislation acceptable to the Commission.

108.—(1) An amendment to a prospectus shall consist of either—

Prospectus
amendments.

- (a) an amendment in the form of an addendum that does not fully restate the text of the prospectus; or
- (b) a complete restatement of the prospectus, as amended.

(2) An amendment to a prospectus shall contain the certificates required by regulation 103 and, in the case of an amendment that does not fully restate the text of the preliminary prospectus or prospectus, shall be numbered and dated as follows—

“Amendment No. [insert amendment number] dated [insert date of amendment] to Prospectus dated [insert date of prospectus].”

(3) An issuer that submits an amendment to a prospectus shall provide to the Commission the documents specified in section 2 of Appendix B to Form 18 of Schedule I.

Schedule I.

(4) Where an amendment is required to be submitted, the issuer shall make immediate public disclosure of that fact.

109.—(1) Any underwriter that is distributing an issuer’s securities, other than on a firm commitment basis, or any

Escrow
requirements.

issuer that is distributing its own securities shall escrow any proceeds from such offering with a financial institution which has been approved by the Commission for this purpose.

(2) An underwriter may escrow such proceeds in a separate bank account in trust for the issuer of the securities which are being offered.

(3) The proceeds of the distribution shall remain in the escrow or trust account until—

(a) the subscription period ends; or

(b) the minimum subscription amount or other offering goals have been satisfied.

Sub-Part 2

Exempt Offerings

Offering to
accredited
investors.

110.—(1) The requirement to file a prospectus under section 51 of the Act does not apply to a distribution of securities of an issuer, if—

(a) each purchaser—

(i) is an accredited investor;

(ii) has been provided with an offering memorandum and such other information as required by regulation 112; and

(iii) has provided the vendor with an affidavit attesting to the investor's status as an accredited investor and acknowledging that the securities purchased are subject to restrictions on resale; and

(b) no advertisement or general public solicitation by any of the issuer, the selling security holder, any of their agents or any registered company takes place.

(2) The exemption in sub-regulation (1) is not available if-

(a) the issuer is a mutual fund;

(b) the issuer is not an operating company; or

(c) the vendor, any of its predecessors, affiliates, directors, senior officers, or significant security holders have been convicted of any indictable offence or have been the subject of any regulatory action either in Belize or any foreign jurisdiction.

(3) The affidavit required by sub-regulation (1)(a)(iii) shall be retained by the vendor.

111.-(1) The requirement to file a prospectus under section 51 of the Act does not apply to a distribution of securities by an issuer, in a right, transferable or otherwise, granted by the issuer to holders of its securities to purchase additional securities of its own issue, and issue of securities on the exercise of the right, if the issuer-

Rights
offerings.

(a) files with the Commission a notice and the disclosure documents under regulation 112 that are to be sent to its security holders and the Commission does not inform the issuer in writing within ten days of the filing that it objects to the distribution; and

(b) sends to its security holders the disclosure documents and any other information relating to the securities that is satisfactory to the Commission.

(2) The prospectus exemption is not available to an issuer if, after the exercise of the rights, there would be an increase of more than 25 percent in the number, or, in the case of debt, the principal amount, of the outstanding securities of the class.

(3) The calculation of the increase in the securities issued on exercise of the rights in sub-regulation (2) is to be carried out assuming the exercise of all rights issued under this rights offering and the exercise of any other rights issued by the issuer under the rights offering prospectus exemption during the 12 months immediately before the acceptance date of this rights offering.

Offering memorandum and other disclosure documents.

112. Each purchaser under a distribution described in regulations 110 and 111 shall be provided at the time of the purchase with—

- (a) an offering memorandum, in English, setting out a description of the issuer's business, the intended use of the proceeds of the transaction, the risk factors associated with the issuer and its securities, and any other information required by the Commission;
- (b) the latest audited financial statements of the issuer;
- (c) the latest available unaudited financial statements, if any; and
- (d) any other information or documents as required by the Commission.

Sale by selling security holder on registered marketplace.

113.—(1) Subject to sub-regulation (2), the requirement to file a prospectus under section 51 of the Act does not apply to a distribution by a selling security holder if—

- (a) the distribution is conducted by or through a registered company;

- (b) the issuer of the security being distributed has been a public issuer for at least twelve months immediately preceding the date of commencement of the distribution;
- (c) no selling or promotional expenses are incurred in connection with the distribution except for services customarily performed by a registered company;
- (d) the distribution takes place through the facilities of a registered marketplace, or any marketplace similarly registered in a foreign jurisdiction that is acceptable to the Commission;
- (e) at the time of the distribution, the selling security holder does not have knowledge or possession of any undisclosed material information in respect of the public issuer;
- (f) if the securities being distributed have been acquired by the selling security holder under a prospectus exemption, at least six months have elapsed from the date of the initial exempt distribution; and
- (g) notice of the intention to distribute securities in a trading transaction is disclosed by press release and filed with the Commission no less than three business days and no more than ten business days prior to the first sale by the selling security holder.

(2) The exemption in sub-regulation (1) is not available unless—

- (a) the first sale takes place no less than three business days and no more than ten business

days after the date of issue of the press release required by sub-regulation (1)(g); and

- (b) the final sale takes place no later than the sixtieth day after the date of issue of the press release required by sub-regulation (1)(g).

Distribution to employees.

114. The requirement to file a prospectus under section 51 of the Act does not apply to a distribution by an issuer of securities of its own issue or that of an affiliate to its directors, officers or employees or the directors, officers or employees of an affiliate if—

- (a) in the case of employees, the employees are not induced to purchase the securities by expectation of employment or continued employment with the issuer; and
- (b) no commission or other remuneration is paid or given for the distribution except for professional services or for services other than the solicitation of employees.

Notices.

115.—(1) No later than five days prior to the first sale of securities using any exemption set out in this Division, the issuer shall provide the Commission

Schedule I.

with the required details of the offering in accordance with Form 19 of Schedule I.

(2) The issuer shall give notice to the Commission within five days after any subsequent sale of securities under the same exemption.

Resale restrictions.

116.—(1) The first trade in securities previously acquired pursuant to an exemption contained in regulations 110 and 111, other than a further trade under an exemption in the Act or Regulations, is deemed to be a distribution, unless—

- (a) the issuer is and has been a public issuer for the twelve months immediately preceding the date of the trade;
- (b) the trade is not a control block distribution;
- (c) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;
- (d) no extraordinary commission or consideration is paid to a person in respect of the trade;
- (e) if the vendor is an insider of the public issuer, such seller has no reasonable grounds to believe that the public issuer is in default of securities laws; and
- (f) at least six months have elapsed from the date of the initial distribution.

(2) A person who purchases a security pursuant to an exemption from the prospectus requirement at a time when the condition set out in sub-regulation (1)(f) has not been satisfied shall be in the same position as the vendor for the remainder of the period specified in sub-regulation (1)(f).

(3) Where a security of an issuer is distributed on conversion or exchange of another security of the same issuer at a time when the condition set out in sub-regulation (1)(f) has not been satisfied in respect of the convertible or exchangeable security, a person who takes such security distributed on conversion or exchange shall be in the same position for the remainder of the period specified in such paragraph as if such conversion or exchange had not occurred.

*Sub-Part 3**General***Supplementary information.**

117. The Commission shall have the authority to require the vendor or other involved party to provide additional information, reports, materials or attachments in connection with a distribution or exempt distribution and may also require that the prospectus or other disclosure document contain additional information or attachments which are not specified in these Regulations.

Prohibition.

118. No person shall distribute written or printed material in respect of a security, whether in the course of a distribution to the public or otherwise, except in accordance with these Regulations or any applicable exemption.

PART IX*Continuing Disclosure Obligations of Public Issuers**Sub-Part 1**Reporting***Annual financial statements.**

119.—(1) For purposes of section 68(1) of the Act, the audited annual financial statements of a public issuer shall be filed with the Commission by the 120th day after the end of its financial year.

(2) The financial statements required by sub-regulation (1) shall include—

- (a) a statement of comprehensive income, a statement of changes in equity, and a cash flow statement for the applicable periods referred to in sub-regulation (3); and
- (b) a statement of financial position as at the end of the applicable periods referred to in sub-regulation (3).

(3) The applicable periods are—

- (a) the period that commenced on the date of incorporation or organization and ended as of the close of the first financial year or, if the public issuer has completed a financial year, the last financial year, as the case may be; and
- (b) the period covered by the financial year next preceding the last financial year, if any.

(4) Where a change has been made in the ending date of a financial year of a public issuer, the public issuer shall provide the Commission with a notice of the change and the reasons for it no later than the 10th day after the decision is made to change the date.

(5) The annual financial statements of a public issuer shall be approved—

- (a) if the public issuer is organized or constituted as a company, by the directors of the public issuer, and the approval shall be evidenced by the signatures of two directors duly authorized to signify the approval; and
- (b) if the public issuer is organized or constituted other than as a company, by any two persons authorized to sign on behalf of the public issuer, and the approval shall be evidenced by the signatures of two such persons duly authorized to signify the approval.

120.—(1) For purposes of section 69(1) of the Act, the interim financial statements of a public issuer shall be filed with the Commission within 60 days of the end of the first, second, third and fourth quarter interim period to which they relate.

**Interim
financial
statements.**

(2) The interim financial statements of a public issuer shall include—

- (a) a statement of comprehensive income, a statement of changes in equity, and a cash flow statement for the most recent financial year-to-date period for which the interim financial statements are prepared and comparative financial information for the corresponding period in the immediately preceding financial year; and
- (b) a statement of financial position as at the date to which the interim financial statements are prepared and a comparative statement of financial position as at the end of the corresponding period in the immediately preceding financial year.

(3) The interim financial statements shall include notes.

(4) The directors of a public issuer shall review its interim financial statements prior to being filed with the Commission.

(5) The directors of a public issuer may permit the audit committee of the board of directors to conduct the review required by sub-regulation (4).

Annual report.

121.—(1) For purposes of section 70(a) of the Act, an annual report of a public issuer shall be filed with the Commission by the 120th day after the end of each financial year.

Schedule I.

(2) The annual report of the public issuer shall contain the information required by Form 20 of Schedule I.

Management discussion and analysis.

122.—(1) For purposes of section 70(b) of the Act, a public issuer is required to prepare and file a management discussion

and analysis concurrently with the filing of the annual financial statements of the public issuer.

(2) The management discussion and analysis of a public issuer shall be prepared in accordance with Form 21 of Schedule I.

Schedule I.

(3) Notwithstanding sub-regulation (2), a management discussion and analysis of a public issuer may discuss such other matters which the public issuer reasonably believes are necessary for a full, true and complete understanding of the financial results, financial position and future prospects of the public issuer.

(4) The management discussion and analysis that a reporting issuer is required to file under sub-regulation (1) shall be approved by the board of directors before being filed.

(5) For purposes of section 71(1)(d) of the Act, a public issuer is required send its annual management discussion and analysis to all security holders to whom it sends its annual audited financial statements.

123.-(1) The issuer shall provide the Commission with a copy of the press release issued in connection with a material change immediately upon its release to the media.

Notice of material change.

(2) For the purposes of section 66(1)(c) of the Act, the prescribed report is information submitted in accordance with Form 22 of Schedule I.

Schedule I.

Sub-Part 2

Proxies

124.-(1) A public issuer shall, concurrently with the giving of notice of a meeting of its security holders, send a prescribed form of proxy and any other prescribed document to each

Solicitation of proxies.

holder of voting securities who is entitled to receive notice of the meeting at the latest address of the security holder shown on the securities register of the issuer.

(2) A person shall not solicit proxies unless—

- (a) in the case of solicitation by or on behalf of the management of the public issuer, a prescribed management proxy statement accompanies the notice of the meeting; or
- (b) in the case of any other solicitation, a prescribed dissident proxy statement stating the purpose of the solicitation,

is sent to the auditor of the public issuer, to each security holder whose proxy is solicited, to each director, and if paragraph (b) applies, to the public issuer

(3) A person soliciting proxies shall, concurrently with sending the proxy material required in sub-regulation (2), provide the Commission with a copy of each document sent to security holders.

Security holder proposals.

125.—(1) A holder of securities that are entitled to be voted at a meeting of security holders may—

- (a) submit to the public issuer notice of a proposal; and
- (b) discuss at the meeting any matter about which the security holder would have been entitled to submit a proposal.

(2) If a public issuer receives notice of a proposal and the public issuer solicits proxies, it shall set out the proposal in the management proxy statement required by regulation 124 or attach the proposal to the proxy statement.

(3) If so requested by the person who submits notice of a proposal, the public issuer shall include in the management proxy statement, or attach to it, a statement in support of the proposal from the person submitting the proposal and the name and address of that person.

(4) The proposal referred to in sub-regulation (2) and the statement referred to in sub-regulation (3) shall together not exceed any maximum number of words prescribed by the Commission.

(5) A proposal may include nominations for the election of directors if the proposal is signed by one or more holders of shares representing in the aggregate not less than five per cent of the shares or five per cent of the shares of a class or series of shares of the public issuer entitled to vote at the meeting to which the proposal is to be presented, but this sub-regulation does not preclude nominations being made at a meeting of security holders.

(6) A public issuer is not required to comply with sub-regulations (2) and (3) where—

- (a) the proposal is not submitted to the public issuer at least sixty days before the anniversary date of the last annual meeting, if the matter is proposed to be raised at an annual meeting, or at least sixty days before a meeting other than the annual meeting, if the matter is proposed to be raised at a meeting other than the annual meeting;
- (b) it clearly appears that the primary purpose of the proposal is to enforce a personal claim or redress a personal grievance against the public issuer or its directors, officers, or security holders;

- (c) it clearly appears that the proposal does not relate in a significant way to the business or affairs of the public issuer; or
- (d) substantially the same proposal was submitted to security holders in a management proxy statement or a dissident proxy statement relating to a meeting of security holders held within two years preceding the receipt of the security holder's request and the proposal was defeated.

(7) No public issuer or person acting on its behalf incurs any liability by reason only of circulating a proposal or statement in compliance with this regulation.

(8) If a public issuer refuses to include a proposal in a management proxy statement, the public issuer shall, within 10 days after receiving the proposal, send to the person who submitted the proposal notice of its intention to omit the proposal from the management proxy statement and the reasons for the refusal.

(9) On the application of a person submitting a proposal who claims to be aggrieved by a public issuer's refusal under sub-regulation (8), the Commission may restrain the holding of the meeting to which the proposal is sought to be presented and make any further order it thinks fit.

(10) The public issuer or any person aggrieved by a proposal may apply to the Commission for an order permitting the public issuer to omit the proposal from the management proxy statement, and the Commission, if it is satisfied that sub-regulation (6) applies, may make such order as it thinks fit.

(11) In this regulation, "proposal" means a matter that a holder of securities entitled to be voted proposes to raise at a meeting of security holders.

126.-(1) For the purposes of regulation 125 the-

- (a) the prescribed requirements for the management proxy statement are as specified in Form 23 of Schedule I; and
- (b) the prescribed requirements for the dissident proxy statement are as specified in Form 24 of Schedule I.

(2) The information in a management proxy statement or a dissident proxy statement shall-

- (a) be given as of a specified date not more than thirty days prior to the date upon which the proxy statement is first sent to any of the security holders of the public issuer;
- (b) where practicable and appropriate, be presented in table form; and
- (c) state all required amounts in figures.

(3) A form of proxy required by regulation 125 shall indicate prominently-

- (a) the meeting at which it is to be used; and
- (b) whether the proxy is solicited by or on behalf of the management of the public issuer; and
- (c) the date on which it is sent or a statement that it shall be deemed to be sent on the date indicated by the means of communication used.

(4) A form of proxy, an accompanying management proxy statement or a dissident proxy statement shall-

Prescribed
material- forms
of proxy
and proxy
statement.
Schedule I.

- (a) indicate prominently that the security holder may appoint a proxyholder, other than a person designated in the form of proxy, to attend and act on their behalf at the meeting, and shall contain instructions on the manner in which the security holder may make the appointment; and
- (b) state that the shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the security holder on any ballot that may be called for and that, if the security holder specifies a choice with respect to any matter to be acted upon, the shares shall be voted accordingly.

(5) If a form of proxy shows a person as designated proxyholder, it shall provide a means for the security holder to designate some other person as proxyholder.

(6) A form of proxy shall provide a means for the security holder to specify that the shares registered in the security holder's name—

- (a) shall be voted for or against each matter or group of related matters identified in the notice of meeting, management proxy statement, dissident proxy statement or a security holder proposal under regulation 126, other than the appointment of an auditor, the remuneration of the auditor and the election of directors; and
- (b) shall be voted or withheld from voting in respect of the appointment of an auditor, the remuneration of the auditor or the election of directors.

(7) A form of proxy may confer authority as to a matter for which a choice is not specified by the security holder in accordance with sub-regulation (6)(a) if the form of proxy,

management proxy statement or dissident proxy statement states prominently how the proxyholder will vote the shares in respect of each matter or group of related matters.

127.—(1) Discretionary authority may be conferred by way of a form of proxy in respect of amendments or variations to matters identified in the notice of meeting or other matters that may properly come before the meeting where—

Discretionary authority.

- (a) the person by or on whose behalf the solicitation is made is not aware within a reasonable time before the solicitation that the amendments or other matters are to be presented for action at the meeting; and
- (b) the form of proxy, management proxy statement or dissident proxy statement states specifically that it confers such discretionary authority.

(2) Discretionary authority to vote shall not be conferred for –

- (a) the appointment of an auditor or the election of a director unless a good faith proposed nominee for the appointment or election is named in the form of proxy, a management proxy statement, a dissident proxy statement or a security holder proposal under regulation 126; or
- (b) any meeting other than the meeting specified in the notice of meeting or any adjournment of that meeting.

128. The Commission may issue an order prohibiting a public issuer from holding a scheduled meeting of security holders or from transacting any business at such a meeting, even after a notice of meeting has been sent.

Commission authority.

PART X

Misconduct

Policies and procedures to prevent insider trading.

129. Any market participant that may, in the course of that person's business, have access to material information about an issuer or its securities shall establish and maintain policies and procedures to prevent the use or transmission of that information in a manner contrary to law.

Exemption to prohibited representations.

130.—(1) The prohibition in sub-section 111(1) of the Act regarding a representation that any person will resell or repurchase a security, shall not apply to a representation that is contained in an enforceable written agreement and the person to whom the representation is made is an accredited investor.

(2) The prohibition in sub-section 111(3) of the Act regarding a representation regarding listing of a security on a securities exchange, shall not apply if the securities exchange has granted approval to the listing, conditional or otherwise, or has consented to, or indicated that it does not object to the listing representation.

PART XI

Reporting by Security Holders of Public Issuers

Insider reports.

131. The report required to be filed with the Commission under section 155 of the Act shall be—

Schedule I.

(a) made in accordance with Form 25 of Schedule I; and

(b) filed with the Commission and sent to the public issuer no later than the fifth day after the date of the event triggering the obligation to file a report under section 155 of the Act.

132.—(1) A public issuer shall keep an up-to-date register of its directors, officers and significant security holders that shall contain details of all holdings of and transactions in the securities of the public issuer carried out by those persons, including all information required by section 155 of the Act.

Register of security holders or public issuer.

(2) The register shall be kept at the issuer's registered office or at the place where the issuer's register of security holders is kept and be open to inspection for a reasonable period each business day.

(3) Inspection of the register shall be permitted—

(a) without charge to any security holder of the issuer; and

(b) to any other person by payment of such sum as may be prescribed.

(4) The register shall be produced at the commencement of the issuer's annual general meeting and be kept open and accessible during the meeting to any person attending the meeting.

(5) Any person may require a copy of the whole or any part of the register on payment of such sum as may be prescribed.

PART XII

Civil Liability for Misrepresentations

133. For the purposes of section 160(1)(d) of the Act, the prescribed period is two years.

Promoter liability for misrepresentation in a prospectus.

PART XIII

General Provisions

Register.

134.—(1) The Commission's Register maintained in accordance with section 180 of the Act shall contain information on current and former—

- (a) registrants;
- (b) approved auditors;
- (c) public issuers;
- (d) persons registered under Part III of the Act; and
- (e) recognised or registered mutual funds.

(2) The information required under sub-regulation (1) shall include—

- (a) the status of the registration or recognition and if cancelled or suspended the date on which it was cancelled or suspended;
- (b) for registrant companies and persons registered under Part III of the Act, the securities activities which the registrant has permission to undertake;
- (c) for mutual funds, whether the fund is a registered public fund or a recognised professional fund;
- (d) for public issuers, a link to the website maintained by the public issuer on which the information filed with the Commission may be found;

- (e) final decisions of any disciplinary or criminal proceedings by any regulatory or judicial authority, domestic or foreign; and
- (f) orders arising from any bankruptcy, insolvency, or similar filing, whether domestic or foreign.

(3) The Official Register may contain any other information that the Commission deems necessary or appropriate.

(4) The Commission shall make the Official Register available to the public through its website or such other mechanism as it shall decide.

PART XIV

Transition

135.-(1) Notwithstanding regulation 34(2)(a), a person other than a person licensed by or subject to regulation by the Commission, who –

- (a) on the effective date, was carrying on securities business in or from within Belize and was not previously required to be registered, licensed, or otherwise authorized;
- (b) applies for registration as a registered company under this Act before the transition date; and
- (c) trades in securities as principal;

shall be entitled, for a period of one year from the date on which their application for registration is granted, to hold initial capital of \$600,000.

(2) Where a person benefits from the transitional provision in sub-regulation (1), the Commission may allow

Transition provisions-capital and liquidity requirements.

that person to hold initial capital of a specified amount between \$600,000 and \$1,000,000 for a period of one further year, subject to such conditions as the Commission considers appropriate.

(3) Regulation 34(12) shall take effect from a registered company's second financial year after the transition date.

(4) A person who—

- (a) on the effective date, was licensed to carry on securities business from within Belize;
- (b) applies for registration as a registered company under this Act before the transition date; and
- (c) had permission from the Commission on the effective date to hold regulatory capital outside Belize,

may, for a period of six months from the date on which it submits its application, continue to hold regulatory capital outside Belize, provided that it does not increase the amount of assets held outside Belize.

Extension of time.

136. The Commission may, at its discretion, grant one extension of up to one year to any time period set out in this Part.

Commencement.

137.—(1) These Regulations Act shall come into force on a date appointed by the Minister on the advice of the Commission, by Order published in the *Gazette*.

(2) An Order under sub-section (1) may appoint different dates for the commencement of different provisions of these Regulations.

SCHEDULE I

FORMS

FORM 1

*[regulation 7]***Application for Recognition as an Approved Auditor****Item 1 – Name of Applicant**

State full legal name of the Applicant.

Item 2 – Type of Application

State whether the Applicant is applying for recognition as an individual or as a firm of accountants.

Item 3 - Full Contact Details of Applicant

State the Applicant's principal business address and provide email address(es), telephone numbers and website addresses. If the Applicant operates at more than one address in Belize, provide details for each office.

Item 4 – Details of Qualification of Applicant

Provide names, addresses and qualifications of the Applicant (if individual application) or of all professional members of firm (if application is on behalf of a firm); include membership status of each named person with the Institute of Chartered Accountants of Belize and whether he/she is licensed under the Accountancy Profession Act.

Item 5 – Discipline History

State whether the Applicant or any member of the Applicant firm has ever been –

- (a) barred or suspended by the Commission from acting on behalf of or being associated with any stock exchange, clearing facility, registered company, public issuer, or other person in Belize,
- (b) barred or suspended from acting on behalf of or being associated with any financial institution or other regulated entity by any domestic regulatory authority,

- (c) refused registration or recognition or been suspended, censured, or disciplined by any overseas regulatory authority, or
- (d) disciplined by any professional association or been denied admission, renewal or had its membership revoked.

If so, please provide full details.

Item 6 – Name and Address of Senior Official of Applicant Responsible for this Application

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

Item 7 – Additional Information

Include any other information known to the Applicant (a) required to establish the Applicant's qualifications and suitability for recognition, and (b) to make this application true, complete and not misleading.

Item 8 – Date, Certification and Signature

Date the application. Unless applying for recognition as an individual, two senior partners of the Applicant shall certify the following statement by signature or other specified means:

“We, the undersigned, hereby affirm that to the best of our information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

“We are aware of the requirements imposed on Approved Auditors under the Securities Industry Act, 200[7] and the Regulations, and if this application is granted, we undertake that the Applicant will comply with these requirements.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

An application fee shall be submitted with this application. The appropriate fee can be found in Schedule II.

FORM 2
[regulation 8]

**NEW APPROVED AUDITOR NOTIFICATION UNDER SECTION
80(1) OF THE ACT**

Item 1 – Name of Approved Auditor

State full legal name of the Approved Auditor.

Item 2 – Relevant public issuer, registrant or regulated person

State the full legal name of the person under Part III of the Act, registered company or public issuer to which the report relates.

Item 3 – Nature of report

Indicate which of the three reasons below have prompted you to make this report. You may indicate more than one reason where applicable.

- (a) a matter is present that could give rise to a qualification in the audit report on the financial statements;
- (b) a material deficiency, weakness, or non-compliance with any provision in this Act is present; or
- (c) there is evidence indicating involvement in fraudulent or criminal activities.

Item 4 – Substance of report

Provide a brief statement of:

- (a) the matter, deficiency, or evidence;
- (b) how, when and by whom it was identified.

Supporting information may be provided as attachments.

Item 5 – Date, Certification and Signature

Date the application. An individual who is recognised as an approved auditor shall certify the following statement by signature or other specified means:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

FORM 3
[regulation 8]

**NOTICE OF APPOINTMENT, TERMINATION OR RESIGNATION
OF AUDITORS**

Item 1 – Names and Addresses of Affected Parties

State the names, principal business addresses and provide email address(es), telephone numbers and website addresses of:

- (a) the person under Part III of the Act, registered company or public issuer giving the notice;
- (b) the newly appointed auditor;
- (c) the auditor whose appointment is being terminated or is resigning (if any).

Item 2 – Description of Change and Effective Date

Provide information regarding–

- (a) The reason for the appointment, termination, or resignation of auditors;
- (b) The effective date of the appointment, termination, or resignation;
- (c) Whether the auditor's report for either of the past two years included an adverse opinion, a disclaimer of opinion or any qualification of the auditor's opinion;
- (d) Whether there were disagreements with the former auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure that if not resolved to the satisfaction of the former auditor, would have caused the auditor to make reference to the subject matter of the disagreement in the report. If there were such disagreements, provide details of the relevant issues.

Item 3 – Contact Person

Give the name, business telephone number and email address of a senior officer of the person under Part III of the Act, registered company or public issuer who is knowledgeable about the change, and who may be contacted to discuss it.

Item 4 – Date the Report

Item 5 – Certification and Signature

A senior officer shall certify the following statement by signature or other specified means:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

A fee is required to be submitted with this form. The appropriate fee can be found in Schedule II.

FORM 4
[regulation 14]

**APPLICATION FOR REGISTRATION AS A MARKETPLACE OR
SELF-REGULATORY ORGANISATION**

Item 1 – Name of Applicant

State the full legal name of the Applicant.

Item 2 – Type of Application

State whether the Applicant is applying for registration as a marketplace or self-regulatory organisation.

Item 3 – Full Business Contact Details of Applicant

State the Applicant's principal business address and provide email address(es), telephone numbers and website addresses. If the Applicant operates at more than one address in Belize, provide details for each office.

Item 4 – Full Details on Security Holders, Directors and Officers

Provide completed Form 5 for each security holder¹ director and officer of the Applicant.

If the securities of the Applicant are traded on a securities exchange in any jurisdiction, provide full details of the listing.

Provide a list of all affiliates of the Applicant and indicate nature of relationship, business the affiliate is in, where it is incorporated etc.

Item 5– Discipline History

State whether the Applicant or any director, officer or significant security holder of the Applicant has ever been–

- (a) disciplined by any stock exchange, regulatory authority or professional association in any jurisdiction or been denied admission, registration or renewal or had its membership or registration revoked;
- (b) declared bankrupt, been convicted of a crime, or been sued under any commercial law, securities law, companies law or law concerning fraud;

¹ Note that where the Applicant is a publicly traded entity in Belize or elsewhere, Form 5 is only required to be provided for significant security holders of the Applicant.

- (c) involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn;
- (d) dismissed from any office or employment or barred from entry to any profession or occupation; and
- (e) compulsorily wound up or made any arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims.

If so, please provide full details.

Item 6 – Operational Capabilities

Provide a detailed description of the Applicant's operational capabilities, including the physical premises, trading system, clearing and settlement systems, security, communication and market surveillance systems, and staff resources, as applicable.

Item 7 – Policies and Procedures

Provide a summary of the Applicant's written supervisory, internal controls and risk management policies and procedures. Attach a complete copy of these policies and procedures.

Item 8 – Rules

Provide a summary of the Applicant's rules/proposed rules including rules regarding membership, listing, business conduct, and clearing and settlement, as applicable. Attach a complete copy of these rules.

Item 9 – Financial Statements

The following shall be submitted—

Where the Applicant has been established within six months of the date of application and the Applicant has not commenced operations—

- (a) a statement from a senior officer of the Applicant confirming that the Applicant has not commenced trading since the date of establishment and that no financial statements have been produced or dividends declared; and
- (b) an audited statement of financial position, showing the minimum financial resources required as at a date not more than 21 days before the date of the application.

For all other Applicants–

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

If the Applicant has any significant security holders that are companies, the Applicant shall also submit for each such security holder –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

Item 10 – Proposed Fees

Provide a summary of the proposed fee schedule, including, as applicable, fees for membership, listing, execution of trades, clearing and settlement and any other charges. Attach a copy of the complete schedule.

Item 11 – Other Regulatory Approvals

If the Applicant is registered, licensed or authorized by any other regulatory authority in Belize or elsewhere, provide details of that status, including the name of the regulatory authority, type of registration, license or authorization, date of approval, registration number, etc.

Item 12 – Business Plan

Provide a summary of the Applicant's business plan for the next three years, which shall include financial and operational projections, staffing requirements and listing projections, as applicable. Attach a complete copy of the detailed plan.

Item 13 – Contact Person at Applicant

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

Item 14 – Date the Application

Item 15 – Certification and Signature

The Chief Executive Officer and Treasurer shall certify the following statement by a signature or other specified means:

“We, the undersigned, hereby affirm that to the best of our information, knowledge and belief:

- a. The Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. The contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Required attachments:

1. Copy of the Applicant’s written supervisory, internal controls and risk management policies and procedures.
2. Evidence of the Applicant’s good standing with the Registrar of Companies.
3. Certified copy of the Applicant’s Memorandum and Articles of Association, or equivalent incorporation documents.
4. Copies of required financial statements.
5. Copy of the rules of the marketplace or clearing facility, including rules regarding membership, listing, business conduct, and clearing and settlement, as applicable.
6. A schedule of the proposed fees, including fees for membership, listing, execution of trades, clearing and settlement and any other charges.
7. Evidence of the Applicant’s registration with any other regulatory authority, if applicable.
8. Copy of the Applicant’s detailed business plan for the next three years, including financial and operational projections, staffing requirements and listing projections, as applicable.
9. Completed Form 5s for each security holder, director and officer.

10. An application fee shall be submitted with this application. The appropriate fee can be found in Schedule II.

FORM 5*[regulations 81, 83 and 90]*

**PERSONAL QUESTIONNAIRE FOR DIRECTORS, OFFICERS
AND SECURITY HOLDERS OF PERSONS REGISTERED UNDER
PART III OF THE ACT OR REGISTERED COMPANIES OR
MUTUAL FUNDS**

General Instructions:

If insufficient space is provided, please attach additional information.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

A. Personal details

1. Name of the registered person (marketplace, company etc.) in connection with which this questionnaire is being completed.	
2. Full legal name of Applicant: Surname, Given names	
3. List any previous names of the Applicant.	
4. Indicate role(s) for which approval is sought	Director: <input type="checkbox"/> Officer: <input type="checkbox"/> Security holder: <input type="checkbox"/>
5. If applying as security holder, set out number and class of securities of entity listed in 1. held/proposed to be held Indicate if Applicant is a significant security holder of the entity listed in 1. above	Number & class of securities: Significant security holder: Yes: <input type="checkbox"/>
6. Home address	

7. Previous home addresses during the last ten years (with relevant dates)	Previous address 1: Dates at this address: Previous address 2: Dates at this address: Previous address 3: Dates at this address:
8. Date of Birth Place of birth (including town, state and country)	
9. Citizenship	Belize <input type="checkbox"/> Other <input type="checkbox"/> _____
10. Identification number (Passport No., National Identification No., Social Security No.,)	Number: Type:

B. Employment and Educational History

11. Present occupation or employment including: <ul style="list-style-type: none"> • the name and address of the employer, • the nature of business, • title of position held, and • relevant start date Provide the name, position, telephone number of a reference	
12. Prior occupations and employment during the last ten years, including: <ul style="list-style-type: none"> • the name and address of the employer, • the nature of business, • title of position held, and • relevant dates, leaving no period unaccounted for 	

For each employer, provide the name, position & telephone number of a reference	
<p>13. List companies of which the Applicant –</p> <p>(a) currently is a director or significant security holder</p> <p>(b) has been a director or significant security holder at any time during the last ten years?</p> <p>(Specify the name of the entity, the country of incorporation, and the nature of business in each case)</p>	<p>(a) Current director or significant security holder</p> <p>(b) Previous director or significant security holder</p>
14. Describe the formal education or training the Applicant has (including professional qualifications or degrees and year in which they were obtained).	
15. Are you or have you ever been a director, officer, security holder, or employee of any other entity registered with the Commission? If yes, please provide details	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
16. Have you ever been licensed as a securities representative or similar capacity in any other jurisdiction?	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details, including copy of evidence of such registration)</p>

C. Discipline History

17. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction, been disciplined by any stock exchange, securities regulatory body or professional association or been denied admission, registration or renewal or had a membership or registration revoked?	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
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<p>18. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction ever been declared bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>19. Have you at any time been involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>20. Have you, in any jurisdiction, been dismissed from any office or employment or barred from entry to any profession or occupation?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>21. Has any person with which you were associated as a director, manager, officer or security holder, in any jurisdiction, been compulsorily wound up or made any arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it.</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>22. In carrying out your duties will you be acting on the directions or instructions of any other person?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading and that I am in compliance with all the applicable provisions of the Act. I undertake that, as long as I continue to be a director, security holder, manager, officer, or security holder of the registered person named in item 1, I will

- Continue to comply with all the applicable provisions of the Act, and
- Notify the Commission immediately of any material changes affecting the completeness of the answers to any of the questions above.

"I also hereby authorize the Commission to make such enquiries and seek such further information as it thinks appropriate in verifying the information given in this Personal Questionnaire, or in any other documents submitted as part of this application, for the purposes of performing its due diligence and background checks. I understand that the results of these checks may be disclosed to the person who submitted this application."

Date:	Signature:
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Other documents to be attached:

1. A copy of Work Permit or Permanent Residence Permit (for non-Belize citizens)
2. A copy of the relevant pages of the applicant's passport (to include name, date of birth, nationality, signature, expiration date and photograph.
3. Applicant's current Police Certificate (not more than three months old).
4. Three recent photographs of Applicant, individually signed on the back by the Applicant.

FORM 6*[regulations 19 and 44]***NOTICE OF CHANGE OF INFORMATION REGARDING A
PERSON REGISTERED UNDER PART III OF THE ACT OR
REGISTERED COMPANY****Item 1 – Name of Registered Person**

State full legal name of the person registered under the Act.

Item 2 – Full Business Contact Details of Registered Person

State the person's principal business address and provide email address(es), telephone numbers and website addresses.

Item 3 – Category of Registration

State the person's category or categories of registration under the Act.

Item 4 – Details of Changes Giving Rise to Notice

Information on Application Form: Indicate any change to any information set out in the person's application to the Commission for registration.

Events under regulations 19 or 44: State the particulars of any event required to be disclosed under the Regulation.

Item 5 – Contact Person at Registered Person

Give the name, business telephone number and email address of a senior official of the registered person who is knowledgeable about the notice and who may be contacted to discuss it.

Item 6 – Date the Notice**Item 7 – Certification and Signature**

A senior officer shall certify the following statement by signature or other specified means:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

FORM 7
[regulations 26 and 38]

**NOTICE OF PROPOSED ISSUE OR TRANSFER OF SECURITIES
OF A PERSON REGISTERED UNDER PART III OF THE ACT OR
REGISTERED COMPANY**

Item 1 – Name of Registered Person

State full legal name of the person registered under the Act.

Item 2 – Full Business Contact Details of Registered Person

State the person's principal business address and provide email address(es), telephone numbers and website addresses.

Item 3 – Category of Registration

State the person's category or categories of registration under the Act.

Item 4 – Details of Proposed Transaction

Provide details of the proposed issue or transfer of securities of the registered person, including number of securities to be issued or transferred, the names of the selling security holder(s) and acquiring security holder(s), the percentage holdings of each person before and after the proposed transaction and the date of the proposed transaction.

Provide a completed Form 5 for each acquiring person.

Item 5 – Contact Person at Registered Person

Give the name, business telephone number and email address of a senior official of the registered person who is knowledgeable about the notice and who may be contacted to discuss it.

Item 6 – Date the Notice

Item 7 – Certification and Signature

A senior officer shall certify the following statement by signature or other specified means:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

FORM 8
[regulation 27]

**ANNUAL INFORMATION UPDATE FORM PERSONS
REGISTERED UNDER PART III OF THE ACT**

General Instruction: If space is insufficient, please attach additional information.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Section A – Details of the Registered Person

Name:		
Securities Activity Carried On:		
Address:		
P.O. Box:		
Telephone:	Website address:	Email:

Section B –Officer Details.

Chief Executive Officer:	
Direct line:	Email:
Treasurer:	
Direct line:	Email:

Other Officers

NAME	TITLE

Section C – Directors and Ownership Details

Names of Directors

Security holders:

Where the regulated person is a publicly traded entity in Belize or elsewhere, information is only required to be provided for significant security holders.

Names	Number and type of securities held

Section D – General Information

Financial Year End:
Number of Employees:

Please indicate any additional changes with respect to the registered person that are considered important or appropriate to report and provide any additional information needed to explain the changes.

Declaration:

The Chief Executive Officer shall certify the following statement by signature or other specified means:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief that:

- (a) the contents of this form and any attachments provided with this form are true, correct and not misleading; and
- (b) all of the information filed with the Commission is current and applicable."

FORM 9
[regulation 29]

**APPLICATION FOR REGISTRATION AS A REGISTERED
COMPANY**

Item 1 – Name of Applicant

State full legal name of the Applicant.

Item 2 – Type of Registration Application

State the securities activity or activities for which registration is sought –

- Trading in securities as agent
- Trading in securities as principal
- Arranging transactions in securities
- Managing securities
- Providing investment advice
- Providing custodial services with respect to securities
- Providing administration services with respect to securities

Item 3 - Full Business Contact Details of Applicant

State the Applicant's principal business address and provide email address(es), telephone numbers and website addresses. If the Applicant operates at more than one address in Belize, provide details for each office.

Item 4 – Full Details on Security holders, Directors and Officers

Provide completed Form 5 for each security holder,² director and officer of the Applicant.

If the securities of the Applicant are traded on a securities exchange in any jurisdiction, provide full details of listing.

Provide a list of all affiliates of the Applicant and indicate nature of relationship, business the affiliate is in, where incorporated etc.

Item 5 – Full Details on Persons to be Carrying on Securities Business on Behalf of Applicant

Provide completed Form 10 for each person who is to carry on securities business on behalf of the Applicant.

² Note that where the Applicant is a publicly traded entity in Belize or elsewhere, Form 5s are only required to be provided for significant security holders of the Applicant.

Item 6 – Discipline History

State whether the Applicant or any director, officer or significant security holder of the Applicant has ever been—

- (a) disciplined by any stock exchange, regulatory authority or professional association in any jurisdiction or been denied admission, registration or renewal or had its membership or registration revoked;
- (b) declared bankrupt, been convicted of a crime, or been sued under any commercial law, securities law, companies law or law concerning fraud;
- (c) involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn;
- (d) dismissed from any office or employment or barred from entry to any profession or occupation; and
- (e) compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims.

If so, please provide full details.

Item 7 – Operational Capabilities

Provide a detailed description of the Applicant's operational capabilities, including the physical premises, risk management systems, banking, clearing and custody arrangements, communication capabilities, as applicable.

Provide names and addresses of principal bankers, custodians, and other service providers.

Item 8 – Policies and Procedures

Provide a summary of the Applicant's written supervisory, internal controls and risk management policies and procedures, including portfolio management, front and back-office operations, operational controls, reporting policies, code of conduct, etc. as applicable. Attach a complete copy of these policies and procedures.

Item 9 – Financial Statements

The following shall be submitted:

Where the Applicant has been established within six months of the date of the application and Applicant has not commenced operations—

- (a) a statement from a senior officer of the Applicant confirming that the Applicant has not commenced trading since the date of establishment and that no financial statements have been produced or dividends declared; and
- (b) an audited statement of financial position, showing the minimum financial resources required under Regulation 34 as at a date not more than 21 days before the date of the application.

For all other Applicants–

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the audited financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

If the Applicant any significant security holders that are companies, the Applicant shall also submit for each such security holder –

- (a) audited financial statements for the two financial years immediately prior to the date of the application or, if shorter, since the date of establishment;
- (b) the auditor's report accompanying the audited financial statements; and
- (c) the most recent interim financial statements certified by the Chief Executive Officer and the Treasurer to be true and complete.

Item 10 – Other Regulatory Approvals

If the Applicant is registered, licensed or authorized by any other regulatory authority in Belize or elsewhere, provide details of that status, including name of authority, type of registration, license or authorization, date of approval, registration number, etc.

Item 11 – Business Plan

Provide a summary of the Applicant's business plan for the next three years, which shall include financial and operational projections and staffing requirements, a description of the products and services offered and the

method by which they are to be offered, and the nature of the clientele of the firm. Attach a complete copy of the detailed plan.

Item 12 – Contact Person at Applicant

Give the name, business telephone number and email address of a senior official of the Applicant who is knowledgeable about the application and who may be contacted to discuss it.

Item 13 – Date the Application

Item 14 – Certification and Signature

The Chief Executive Officer and Treasurer shall certify the following statement by signature or other specified means:

“We, the undersigned, hereby affirm that to the best of our information, knowledge and belief that

- a. the Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. the contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Required attachments:

1. Copy of the Applicant’s written supervisory, internal controls and risk management policies and procedures.
2. The arrangements made for execution and settlement of securities transactions and for custody of securities on behalf of customers.
3. An organizational chart for the company together with job descriptions for each position. (Include total number of employees in the company).
4. Evidence of the Applicant’s good standing with the Registrar of Companies.
5. Certified copy of the Applicant’s Memorandum and Articles of Association, or equivalent incorporation documents.
6. Copies of required financial statements.
7. Evidence that the company has adequate indemnity insurance on behalf of its directors, officers and employees.
8. Evidence of the Applicant’s registration with any other regulatory authority, if applicable.
9. Copy of the Applicant’s detailed business plan for the next three years, which shall include financial and operational projections, staffing requirements, a description of the products and services

offered and the method by which they are to be offered, and the nature of the clientele of the company.

10. Completed Form 5 for each security holder, director and officer.
11. Completed Form 10 for the Chief Executive Officer, Compliance Officer and each representative to be registered to act for the company.
12. An application fee shall be submitted with this application. The appropriate fee can be found in Schedule II.

FORM 10

[regulations 47 and 52]

APPLICATION FOR REGISTRATION AS CEO, COMPLIANCE OFFICER OR SECURITIES REPRESENTATIVE OF REGISTERED COMPANY

General Instructions: If insufficient space is provided, please attach additional information.

WARNING: *Intentional misstatement or failure to disclose information may constitute an offence.*

A. Personal details

1. Name of the registered company.	
2. Full legal name of Applicant: Surname, Given names	
3. List any previous names of the Applicant.	
4. Indicate role(s) for which applying	Chief Executive Officer: <input type="checkbox"/> Compliance Officer: <input type="checkbox"/> Securities Representative: <input type="checkbox"/>
5. Indicate if this is an application for reinstatement of a previous registration	No <input type="checkbox"/> Yes <input type="checkbox"/> (if yes, attach full details)
6. Home address	
7. Previous home addresses during the last ten years (with relevant dates)	Previous address 1: Dates at this address: Previous address 2: Dates at this address: Previous address 3: Dates at this address:

<p>8. Date of Birth</p> <p>Place of birth (including town, state and country)</p>	
<p>9. Citizenship</p>	<p>Belize <input type="checkbox"/></p> <p>Other <input type="checkbox"/> _____</p>
<p>10. Identification number (Passport No., Voters Registration No., National Identification No., Social Security No., Tax Identification No. or specify other type)</p>	<p>Number:</p> <p>Type:</p>

B. Employment and Educational History

<p>11. Present occupation or employment including:</p> <ul style="list-style-type: none"> - the name and address of the employer, - the nature of business, - title of position held, and - relevant start date <p>Provide the name, position, telephone number of a reference</p>	
<p>12. Prior occupations and employment during the last ten years, including:</p> <ul style="list-style-type: none"> - the name and address of the employer, - the nature of business, - title of position held, and - relevant dates, leaving no period unaccounted for <p>For each employer, provide the name, position and telephone number of a reference</p>	
<p>13. List companies of which the Applicant –</p> <p>(a) currently is a director or significant security holder</p>	<p>(a) Current director or significant security holder</p>

<p>(b) has been a director or significant security holder at any time during the last ten years</p> <p>(specify the name of the entity, the country of incorporation, and the nature of business in each case)</p>	<p>(b) Previous director or significant security holder</p>
<p>14. Describe the formal education or training the applicant has in securities related activities (including qualifications and year in which they were obtained).</p>	
<p>15. Do you have any other professional qualifications (e.g., lawyer, accountant, etc.)?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>16. Are you or have you ever been a director, officer, security holder, or employee of any other entity registered with the Commission? If yes, please provide details</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>17. Have you ever been licensed as a registered representative or similar capacity in any other jurisdiction?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details, including copy of evidence of such registration)</p>

C. Discipline History

<p>18. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction, been disciplined by any stock exchange, securities regulatory body or professional association or been denied admission, registration or renewal or had a membership or registration revoked?</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>
<p>19. Have you or any person with which you were associated as a director, security holder, manager, officer or significant security holder, in any jurisdiction ever been declared</p>	<p>No <input type="checkbox"/></p> <p>Yes <input type="checkbox"/> (if yes, attach full details)</p>

bankrupt, been convicted of a crime or been sued under any commercial law, securities law, companies law or law concerning fraud?	
20. Have you at any time been involved with an application for regulatory approval in any jurisdiction where that application has been refused or withdrawn?	No <input type="checkbox"/> Yes <input type="checkbox"/> (if yes, attach full details)
21. Have you, in any jurisdiction, been dismissed from any office or employment or barred from entry to any profession or occupation?	No <input type="checkbox"/> Yes <input type="checkbox"/> (if yes, attach full details)
22. Has any person with which you were associated as a director, manager, officer or security holder, in any jurisdiction, been compulsorily wound up or made any arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not yet received full settlement of their claims, either while you were associated with it or within one year after you ceased to be associated with it.	No <input type="checkbox"/> Yes <input type="checkbox"/> (if yes, attach full details)
23. In carrying out your duties will you be acting on the directions or instructions of any other person?	No <input type="checkbox"/> Yes <input type="checkbox"/> (if yes, attach full details)

I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any documents provided with this form are true, correct and not misleading and that I am in compliance with all the applicable provisions of the Act. I undertake that, as long as I continue to be the Chief Executive Officer, Compliance Officer or securities representative of the registered company, I will

- continue to comply with all the applicable provisions of the Act, and
- notify the Commission immediately of any material changes affecting the completeness of the answers to any of the questions above.

I also hereby authorize the Commission to make such enquiries and seek such further information as it thinks appropriate in verifying the information given in this Application, or in any other documents submitted as part of this application, for the purposes of performing its due diligence and background checks. I understand that the results of these checks may be disclosed to the registered company that submitted this application.

Date:	Signature:
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Sponsoring Registered Company

Provide intended date of employment of this Applicant:	
Notice: The Registered Company is required to give immediate notice to the Commission if the Applicant does not commence employment with the Registered Company on the date noted above.	

Authorization from Senior Officer or Director of Registered Company

Date:	Signature:
	Title:

Other documents to be attached:

1. A copy of Work Permit or Permanent Residence Permit (for non-Belize citizens).
2. A copy of the relevant pages of the applicant's passport (to include name, date of birth, nationality, signature, expiration date and photograph).
3. Applicant's current Police Certificate (not more than three months old).
4. Three recent photographs of Applicant, individually signed on the back by the Applicant.
5. Copy of any relevant degree, educational course(s) passed.
6. An application fee shall be submitted with this application. The appropriate fee can be found in Schedule II.

Section C – Directors and Ownership Details

Names of Directors	
Security holders:	
Names	Number and type of securities held

Section D – General Information

Assets Under Management:		
Financial Year End:		
Number of Employees:		
Insurance Coverage: (specify separately for each type of insurance held)		
Type:		
From	To	Amount

Please indicate any additional changes with respect to the registered company that the company considers important or appropriate to report with any additional information needed to explain the changes.

Declaration:

The Chief Executive Officer shall certify the following statement by signature or other specified means.

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief that:

- a. the contents of this form and any attachments provided with this form are true, correct and not misleading; and
- b. all of the information filed with the Commission by the Registered Company is current and applicable.”

FORM 12
[regulation 39]

**NOTICE OF EMPLOYMENT OF PERSONNEL TO CARRY ON
SECURITIES BUSINESS ON BEHALF OF REGISTERED
COMPANY**

Item 1 – Name and Address of Registered Company

State full legal name of the registered company giving notice. Provide principal business address, email address(es), telephone numbers and website addresses.

Item 2 – Nature of Notice:

State nature of notice:

- (a) employment of individual(s) registered with the Commission; or
- (b) employment of unregistered individual who will be applying for registration.

Item 3 - Employment of Individual Previously Registered with the Commission

Provide the name, address and telephone number for each new employee. Attached a completed Form 10 for each such employee and include details of his or her registration, e.g., licence number, date, status. Provide the date that each such individual is to begin employment with the registered company.

Item 4 – Employment of Previously Unlicensed Individual

Provide name, address and telephone number for each new employee who has never been registered with the Commission. Attach a completed Form 10 for each employee. Provide the date that each such individual is to begin employment with the registered company.

Item 5 – Senior Officer

Give the name, business telephone number and email address of a senior officer of the registered company who is knowledgeable about this notice and who may be contacted to discuss it.

Item 6 – Date the Report

Item 7 – Certification and Signature

A senior officer shall certify the following statement by signature or other specified means:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Notice: The Registered Company is required to give immediate notice to the Commission if a person named in this form does not commence employment with the Registered Company on the date set out in this form.

FORM 13
[regulation 40]

**NOTICE OF TERMINATION, RESIGNATION OR RETIREMENT
OF REGISTERED INDIVIDUAL BY REGISTERED COMPANY**

Item 1 – Name and Address of Registered Company

State full legal name of the registered company giving notice. Provide principal business address, email address(es), telephone numbers and website addresses fax numbers.

Item 2 – Name of Terminated, Resigned or Retired Individual

Provide full details on the relevant individual:

- full name, address, telephone number, date of birth;
- registration information, e.g., licence number, date, category, status.

Item 3 – Effective Date of Termination, Resignation or Retirement

Provide relevant effective date.

Item 4 – Summary of Circumstances

Provide a brief summary of the reasons for the registered individual leaving the employment of the company.

Item 5 – Senior Officer

Give the name, business telephone number and email address of a senior officer of the registered company who is knowledgeable about the notice, and who may be contacted to discuss it.

Item 6 – Effect of Termination

Include the following statement on the notice:

"The termination of employment of a registered individual results in the immediate suspension of that person's registration, until such time as notice of reinstatement of registration has been given by the Commission."

Item 7 – Date the Report

Item 8 – Certification and Signature

A senior officer shall certify the following statement by signature or other specified means:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

A fee shall be submitted with this Form. The appropriate fee can be found in Schedule II.

Note: A copy of the completed Form is to be provided to the Commission and to the individual to whom it relates.

FORM 14
[regulations 41, 42 and 78]

**FINANCIAL AND OPERATIONAL REPORT – REGISTERED
COMPANY**

As of and for the Period ending: _____
(Specify - Annual or Quarterly Report)

WARNING: Intentional misstatement or failure to disclose information may constitute an offence

**SUMMARY FINANCIAL INFORMATION
SUMMARY FINANCIAL INFORMATION**

A. CORE TIER 1 CAPITAL

Refer to SIA Regulations 2022 Schedule III

1	Share capital	\$
2	Additional paid-up capital	\$
3	Retained earnings	\$
4	Reserves	\$
5	Intangible Assets	\$
6	Losses for current year	\$
7	Accumulated losses for previous years	\$
8	CORE TIER 1 CAPITAL (sum of lines 1 to 4, less lines 5, 6 and 7)	\$

B. ADDITIONAL TIER 1 CAPITAL

Refer to SIA Regulations 2022 Schedule III

9	Eligible convertible bonds	\$
10	Associated share premium accounts	\$
11	ADDITIONAL TIER 1 CAPITAL (sum of lines 9 and 10)	\$

C. TIER 2 CAPITAL

Refer to SIA Regulations 2022 Schedule III

12	Paid-up capital on qualifying preference shares	\$
13	Share premium on qualifying preference shares	\$

14	Balances on subordinated debt	\$
15	Other approved reserves	\$
16	TIER 2 CAPITAL (sum of lines 12-15)	\$

D. NET RELEVANT EXPENDITURE*Refer to SIA Regulations 2022 Schedule III*

17	Total revenue	\$
18	Retained losses	\$
19	Profit before taxation	\$
20	Guaranteed bonuses	\$
21	Profit shares and other appropriations of profit	\$
22	Shared commissions	\$
23	Fees and charges for executing, registering or clearing transactions	\$
24	Interest payable to counterparties	\$
25	Interest payable on borrowings	\$
26	Pre-approved exceptional items.	\$
27	NET RELEVANT EXPENDITURE (sum of lines 17 and 18, less lines 19-26)	\$

E. RISK SCALAR CALCULATION VALUES*Refer to SIA Regulations 2022 Schedule III*

28	Overall net open foreign exchange position (state whether long or short)	\$
29	Position risk calculation value	\$
30	Counterparty risk calculation value	\$

F. LIQUID ASSETS*Refer to SIA Regulations 2022 Schedule III*

31	Cash and short-term deposits	\$
32	Securities, after appropriate haircuts	\$

33 Fees, commissions and trade receivables, where \$
applicable, after 50% haircut

In addition to the above information, the Commission may require a registered company to submit to the Commission:

1. its full capital calculation;
2. any part of that calculation; or
3. any data needed to assess the capital or liquidity position of the registered company.

TRADING

STATISTICS

Publicly Traded

Securities:

Listed

Unlisted

Total number of trades executed		
--	--	--

Number of securities traded for period

Bought		
Sold		

Value of securities traded for period

Bought		
Sold		

Certification regarding reconciliation and segregation of client assets

The Registered Company is in compliance with the reconciliation and segregation requirements of Division 2 of Part VI of the Regulations.	Yes <input type="checkbox"/> No <input type="checkbox"/> (if no, attach full details, including the actions that are being taken to rectify the problems.)
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The Chief Executive Officer, Treasurer or other senior officer shall certify the following statement by signature or other specified means:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief that

- a. The Applicant is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. The contents of this form and any attachments provided with this form are true, correct and not misleading."

A fee is required to be submitted with this form. The appropriate fee can be found in Schedule II.

FORM 15
[regulation 80]

ADVERTISEMENT MADE IN BELIZE

Item 1 – Name and Address of Registered Company

State full legal name of the Registered Company submitting the advertisement for approval and provide full contact details – mailing address, phone number and email address.

Item 2 – Registration Status of Registered Company

Give full details on the Applicant's registration with the Commission, if any, including types of business authorized to carry on, registration number etc.

Item 3 – Details of Advertisement or Other Public Invitation

Describe where the advertisement will be published, including the name of newspaper, journal or other media.

Provide a copy of the proposed advertisement or the complete text of advertisement, if it is to be distributed via electronic means, such as on the radio, television or internet.

Item 4 - Senior Officer

Give the name, business telephone number and email address of a senior officer of the Registered Company who is knowledgeable about the application and who may be contacted to discuss it.

Item 5 – Date the Form

Item 6 – Certification and Signature

A senior officer shall certify the following statement by signature or other specified means:

“I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading.”

Required attachments:

- (a) Copy of proposed advertisement as noted in item 3.
- (b) Any other relevant information as requested by the Commission.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

FORM 16*[regulations 81 and 90]***NEW APPLICATION FOR REGISTRATION OF PUBLIC MUTUAL FUND AND RECOGNITION OF PROFESSIONAL FUND****Item 1 – Name of Fund**

State full legal name of the Fund.

Item 2 – Type of application

State whether the application is for:

- (a) registration of a public mutual fund;
- (b) recognition of a professional fund; or
- (c) appointment of functionary to a regulated mutual fund.

For a type (c) application, only Items 1, 2, 3, 6, 8, 9 and 10 need to be provided.

Item 3 – Full Business Contact Details of Fund

State the Fund's principal business address and provide email address(es), telephone numbers and website addresses.

Item 4 – Constitution of the Fund

State whether the fund is constituted as a company, partnership or trust and give details of the country and date of incorporation and applicable law.

Provide names for all directors or trustees as applicable, and a completed Form 5 for each director and for any trustee that is not a body corporate.

Item 5 – Characteristics of the Fund

Provide the following information about the fund:

- a. Whether the fund has been registered, recognized or authorised by any regulatory body. If so, provide details.
- b. Whether the fund is quoted on any stock exchange. If so, provide details.
- c. Launch date and place
- d. Dealing frequency – daily/weekly/other (specify)
- e. Pricing – forward/historic/other (specify)
- f. Currency

- g. Fund type and assets (equity/bond/hedge/fund of funds/master-feeder/umbrella/other (specify))
- h. Fee structure:
 - i. Charges payable by investor (type and level)
 - ii. Charges payable by the fund (type and level)
- i. Investment objective

Item 5 – Prospectus or other offering document

Application for registration as a public mutual fund:

- a. provide a copy of the mutual fund prospectus prepared in accordance with Form 17;
- b. provide details of any receipt or similar offered for the prospectus by a regulatory authority or self-regulatory organisation in another jurisdiction.

Application for recognition as a professional fund:

- a. provide a copy of the fund's offering document;
- b. provide details of any receipt or similar offered for the prospectus by a regulatory authority or self-regulatory organisation in another jurisdiction.

Item 6 – Functionaries

For each functionary, state the function to be carried out by that functionary and provide the principal business address, email address(es), telephone numbers and website addresses fax numbers.

Provide details of each functionary's registration in Belize and any applicable registration the functionary holds with other regulatory authorities or self-regulatory organisations outside Belize.

State whether any functionary is a connected person of any other functionary and, if so, provide details.

State whether any directors or officers of any functionary are also directors or officers of another functionary and, if so, provide names of those individuals.

Describe any arrangements in place to achieve functional independence of each functionary.

For a type (c) application, state clearly which functionary or functionaries the application relates to.

Item 7 – Auditor

State the auditor's principal business address and provide email address(es), telephone numbers and website addresses fax numbers.

Provide practising certificate from Belize Institute of Chartered Accountants.

Provide details of licence/registration with any accounting body outside Belize.

Item 8 – Contact Person at Applicant

Give the name, position, business telephone number and email address of a senior official who is knowledgeable about the application and who may be contacted to discuss it.

Item 9 – Date the Application

Item 10 – Certification and Signature

A Director or trustee of the fund as the case may be and a senior officer of the fund administrator shall certify the following statement by signature or other specified means:

“We, the undersigned, hereby affirm that to the best of our information, knowledge and belief that

- a. the Fund is currently in compliance with all the applicable provisions of the Act and these Regulations; and
- b. the contents of this form and any attachments provided with this form are true, correct and not misleading.”

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Required attachments:

13. The fund’s constitutional documents;
14. Certification of incorporation, formation or registration or equivalent document, if any;
15. Prospectus issued or proposed to be issued by or on behalf of the fund;
16. Functionary agreements;
17. Valuation policy;
18. Completed Form 5 for each director.
19. An application fee shall be submitted with this application. The appropriate fee can be found in Schedule II.

FORM 17
[regulation 83]

PUBLIC MUTUAL FUND PROSPECTUS

A prospectus for a public mutual fund shall contain at least the following information presented as far as possible in an accessible format and non-technical language:

1. The name, legal form and registered office address of the fund;
2. Date of establishment of the fund and duration, if limited;
3. The name, function and registered office address of the operator, administrator, investment manager, custodian and auditor of the fund;
4. Any conflicts of interests arising from the relationship between any functionary of the fund and measures in place to manage them;
5. Investment objectives of the fund including its financial objectives (e.g., capital growth or income), investment policy (e.g., specialisation in geographical or industrial sectors), any limitations on that investment policy and an indication of any techniques and instruments or borrowing powers which may be used in the management of the common fund;
6. The costs and charges payable by an investor in the fund;
7. The key risks associated with investing in the fund, taking into account its investment strategy and assets;
8. Details of the types and main characteristics of the units in the mutual fund;
9. Procedures and conditions of issue, sale, and repurchase or redemption of units;
10. Where applicable, indication of any marketplaces where the units are traded;
11. Liquidity management tools which may be deployed by the fund and circumstances in which they may be deployed;
12. Rules for determining and applying income;
13. Rules for the valuation of assets;
14. Determination of the sale or issue price and repurchase or redemption price of units, in particular the method and frequency of calculation of those prices; where and how frequently prices are published; charges related to the sale, issue, repurchase or redemption of units;
15. The costs reimbursed and remuneration payable by the fund to the functionaries and other third parties.

FORM 18
[regulation 100]

PROSPECTUS

THE PURPOSE OF A PROSPECTUS

The objective of a prospectus is to provide information concerning the issuer that an investor needs in order to make an informed investment decision. This Form sets out specific disclosure requirements that are in addition to the general requirement under the Act to provide full, true and plain disclosure of all material information relating to the issuer and the securities to be distributed.

GENERAL INSTRUCTIONS

In determining the degree of detail required, a standard of materiality should be applied. Materiality is a matter of judgment in a particular circumstance and should generally be determined in relation to an item's significance to investors and other users of the information. An item of information, or an aggregate of items, is considered material if it is probable that its omission or misstatement would influence or change an investment decision with respect to the issuer's securities. In determining whether information is material, take into account both quantitative and qualitative factors. The potential significance of items should be considered individually rather than on a net basis, if the items have an offsetting effect.

The disclosure requirements set out in this Form apply to both the prospectus and any amended prospectus. Unless explicitly stated otherwise, references to 'prospectus' also include any amended prospectus.

Details concerning the price and other matters dependent upon or relating to price, such as the number of securities being distributed, may be left out of the prospectus at the time of submission, along with specifics concerning the plan of distribution, to the extent that these matters have not been decided.

The disclosure shall be understandable to readers and presented in an easy-to-read format. If technical terms are required, clear and concise explanations should be included.

No reference need be made to inapplicable items and, unless otherwise required in this Form, negative answers to items may be omitted.

Where the term "issuer" is used, it may be necessary, in order to meet the requirement for full, true and plain disclosure of all material facts, to also include disclosure with respect to the issuer's material affiliates. An affiliate will generally be considered material if it contributes more than ten percent

of the revenue or constitutes more than ten percent of the assets of the issuer, taken on a consolidated basis.

If disclosure is required as of a specific date and there has been a material change or change that is otherwise significant in the required information subsequent to that date, present the information as of the date of the change or a date subsequent to the change instead.

If the term "class" is used in any item to describe securities, the term includes a series of a class.

If an issuer discloses financial information in a prospectus in a currency other than the Belize dollar, prominently disclose the currency in which the financial information is denominated.

PART A - COVER PAGE DISCLOSURE

1. Required Language

State in italics at the top of the cover page the following:

"The Belize Securities Commission has not expressed any opinion about the merits of these securities or determined that this prospectus is accurate or complete. It is illegal for anyone to tell you otherwise."

2. Basic Disclosure about the Offering

State the following, immediately below the disclosure required under sections 1 and 2, with the bracketed information completed as applicable:

[AMENDED] PROSPECTUS

*[INITIAL PUBLIC OFFERING OR NEW ISSUE AND/OR
SECONDARY OFFERING]*

[Date]

[Name of Issuer]

*[number and type of securities qualified for distribution under
the prospectus and the price per security]*

3. Name and Address of Issuer

State the full corporate name of the issuer. Include the issuer's address and telephone number of the issuer's registered office, head or management office, its e-mail address, its website address, its jurisdiction of incorporation or organization and the statute under which it was incorporated or organized.

4. Market for Securities

- (1) Identify the exchange(s) and quotation system(s), if any, on which securities of the issuer of the same class as the securities being offered are traded or quoted and the market price of those securities as of the latest practicable date.

- (2) If no market for the securities being offered in the distribution exists or is expected to exist after the distribution, state the following in bold type: **"There is no market through which these securities may be sold, and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See Risk Factors."**

5. Underwriter(s)

- (1) State the name of each underwriter.
- (2) If applicable, comply with the requirements of Part L – Underwriter Conflicts of Interest, for cover page prospectus disclosure.
- (3) If an underwriter has agreed to purchase a specified number or principal amount of the securities at a specified price, state that the securities are to be taken up by the underwriter, if at all, on or before a date not later than 42 days after the date of the receipt for the prospectus and provide the anticipated date for closing of the offering, if known.
- (4) If there is no underwriter involved in the distribution, provide a **statement in bold type to the effect that no underwriter has been involved in the preparation of the prospectus or performed any review of the contents of the prospectus.**

PART B - SUMMARY OF PROSPECTUS

7. **Information Summary** - Include near the front of the prospectus, but after the cover page, the following summary information about issuer and the securities to be distributed –
 - (a) the history of the issuer;
 - (b) a description of the principal activities and business of the issuer;
 - (c) a description of the relationship between the issuer and its affiliates;
 - (d) the names of the directors and senior officers of the issuer;
 - (e) the names and addresses of any promoters; and
 - (f) the security holdings in the issuer of the persons named in (d) and (e), and their expected security holdings following completion of the distribution.
8. **Investor Warning** - Include a warning statement at the beginning of the summary to the effect that the information which follows is only a summary of the information contained in the prospectus, and that prospective purchasers are advised to read the entire prospectus prior to deciding whether to invest in the securities being distributed.

PART C - DETAILS OF THE DISTRIBUTION

- 9. Details of the Distribution** – State the following dates in respect of the distribution –
- the opening and closing dates of the distribution;
 - the date for the allotment of securities; and
 - the date of listing of the securities on a securities exchange, if any.
- 10. Securities to be Distributed** – Provide the full details of –
- the number and type of securities to be distributed;
 - the classes of securities and rights attaching to the securities regarding voting, dividends, liquidation and any special rights;
 - the number of securities proposed to be distributed to different groups of purchasers;
 - the terms and conditions for each class of securities of the issuer where there is, or is to be, more than one class of securities of the issuer outstanding; and
 - if, in conjunction with the distribution, securities of the same or another class are sold or subscribed under a prospectus exemption, the nature of such sale or subscription and the number and characteristics of the securities concerned.
- 11. Pricing of Securities** – Provide the full details concerning the pricing of securities, including –
- prices applied to different classes of purchasers; and
 - the basis for determining the offering price, and if estimates are provided, explain the prices used in determining the estimates.
- 12. Proceeds** – Provide the full details concerning –
- the estimated net proceeds to be received by the issuer or selling security holder;
 - in the case of an offering to be made on a best efforts basis, the minimum amount, if any, of net proceeds to be received by the issuer or selling security holder from the sale of the securities offered; and
 - the minimum subscription amount needed to be raised in order to satisfy the purposes of the distribution.
- 13. Principal Purposes**
- Describe in reasonable detail each of the principal purposes, with approximate amounts, for which the net proceeds will be used by the issuer, including for –
 - the acquisition of specified property or other specified assets;

- (b) specified capital expenditures;
 - (c) repayment of debt;
 - (d) general working capital;
 - (e) expenses relating to the distribution;
 - (f) commissions and brokerage fees; and
 - (g) the time frame for full utilisation of the proceeds from the distribution.
- (2) If the closing of the offering is subject to a minimum subscription, provide disclosure of the use of proceeds for the minimum and maximum amounts.
- (3) If more than 10 percent of the net proceeds will be used to reduce or retire indebtedness and the indebtedness was incurred within the two preceding years, describe the principal purposes for which the proceeds of the indebtedness were used and, if the creditor is an insider, associate or affiliate of the issuer, identify the creditor and the nature of the relationship to the issuer and the outstanding amount owed.

If it would aid investors in understanding this information, set it out in a table.

- 14. Expenses** – State the expenses incurred by the issuer in connection with the distribution on an aggregate basis, including the aggregate remuneration paid for services of experts.
- 15. Yield on Debt Securities** – If debt securities are being distributed at a premium or a discount, **state in bold type** the effective yield if held to maturity.
- 16. Selling Security holders** – If a security is being distributed for the account of a selling security holder, state the name of the security holder and a cross-reference to the applicable section in the prospectus where further information about the selling security holder is provided. State the portion of the expenses of the distribution to be borne by the selling security holder, including a statement to that effect and discuss the reason why this is the case.
- 17. Redemption or Repurchase of Securities Being Distributed** – If securities of the class being distributed may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.

Part D - BUSINESS OF THE ISSUER

- 18. Historical Information About the Issuer** – Disclose the following historical information about the issuer –

- (a) the history of the business or enterprise including the general development of the business of the issuer over its three most recently completed financial years, and any subsequent period to the date of the prospectus, including only major events or conditions that have influenced the general development of the business of the issuer;
- (b) the changes in the business of the issuer that are expected to occur during the current financial year of the issuer;
- (c) any significant acquisition or disposition completed by the issuer during the most recently completed financial year or the current financial year;
- (d) all changes in the authorized, issued and paid-up capital of the issuer, and changes therein in the three years immediately preceding the date of the prospectus, including the date of allotment, number and type of securities allotted, consideration given and cumulative issued and paid-up capital, issue price, and disclose whether any capital was fully or partly paid-up for noncash consideration and describe the non-cash consideration, and whether any capital remains not fully-paid at the date of the prospectus; and
- (e) details of outstanding warrants, options, convertible securities and uncalled capital, including date of issue, exercise price, number outstanding, and expiry dates.

19. Business Overview – Disclose the following regarding the issuer –

- (a) the relationship between the issuer and its affiliates, including a list of affiliates and the percentage equity and voting interest held in each affiliate by the issuer, and the following additional information for each material affiliate:
 - (i) date and jurisdiction of incorporation;
 - (ii) brief history;
 - (iii) principal business activities, products and services;
 - (iv) the interest of the issuer in the affiliate;
 - (v) issued and paid-up capital; and
 - (vi) affiliates of the material affiliate;
- (b) a diagram showing the relationship between the issuer and its affiliates;
- (c) the principal business activities of the issuer;
- (d) the types of products manufactured, or services provided by the issuer;
- (e) the principal technology used or to be used by the issuer in conducting its principal business activities;

- (f) any brand names, patents, trademarks, licences, technical assistance agreements, franchises and other intellectual property rights pertaining to the issuer, and where any of these intellectual property rights are licensed, state the identity of the licensor and the relationship between the issuer and the licensor, and provide a summary of the salient terms of the licence agreement;
- (g) the estimated market coverage of the issuer, position and share which are supported by studies and/or reports;
- (h) any significant new or proposed products or services;
- (i) the principal markets for the products or services of the issuer, and if exported, the relative percentage and names of countries exported to;
- (j) the types, sources and availability of raw materials and inputs used by the issuer;
- (k) the quality control procedures or quality management programmes implemented by the issuer;
- (l) full details of any interruptions in the business of the issuer which may have had a significant effect on the operations of the issuer during the twelve months immediately preceding the date of the prospectus;
- (m) information on employees of the issuer, other than those who are directors or senior officers, including total number of employees in Belize and elsewhere;
- (n) the marketing, distribution, sales strategy and procedures of the issuer;
- (o) the production and operating capacities and output of the issuer;
- (p) the major customers and major suppliers of the issuer;
- (q) locations of the issuer's:
 - (i) principal assets, both tangible and intangible;
 - (ii) production facilities;
 - (iii) principal place of business; and
 - (iv) marketing and distribution network;
- (r) any approvals, major licences and permits obtained, conditions attaching (if any) and status of compliance, in respect of the principal business activities of the issuer; and
- (s) any material land and buildings owned by issuer including:
 - (i) approximate age of buildings;
 - (ii) tenure and date of expiry of leases, if not owned by the issuer;
 - (iii) description and existing use of the land or building; and

(iv) details of last valuation conducted, if any.

20. Industry Overview – For each industry in which the issuer operates, disclose the following –

- (a) a description of the industry and the position of the issuer within the industry;
- (b) each sub-segment or sector within the industry material to the issuer;
- (c) growth prospects for the industry;
- (d) competitors and competition within the industry;
- (e) relevant laws and regulations of any jurisdiction governing the industry and peculiarities of the industry;
- (f) demand and supply conditions within the industry;
- (g) substitute products and services; and
- (h) industry's reliance on, and vulnerability to, imports.

21. Future Plans, Strategies and Prospects – Disclose the following in respect of the issuer –

- (a) a description of the business development plans (if any) and future plans of the issuer as well as steps taken (including time frame) to realise those plans; and
- (b) growth strategies of the issuer in the light of the industry prospects, outlook, conditions, and competition.

PART E – RISK FACTORS

22. Risk Factors – Describe the factors material to the issuer that a reasonable investor would consider relevant to an investment in the securities being offered.

INSTRUCTIONS

Include –

- (a) Risks associated with the issuer's financial position;*
- (b) Business factors that may adversely affect the issuer's operations;*
- (c) Other factors that may adversely affect the issuer's financial results; and*
- (d) Other factors that may adversely affect the value or market price of the securities being offered.*

PART F – FINANCIAL INFORMATION

23. Financial Statements

- (1) **Interpretation of “issuer”** – The financial statements of an issuer required under this Part to be included in a prospectus shall include –
 - (a) the financial statements of any predecessor entity that formed, or will form, the basis of the business of the issuer, even though the predecessor entity is, or may have been, a different legal entity, if the issuer has not existed for three years;
 - (b) the financial statements of a business or businesses acquired by the issuer within three years before the date of the prospectus or proposed to be acquired, if a reasonable investor reading the prospectus would regard the primary business of the issuer to be the business or businesses acquired, or proposed to be acquired, by the issuer; and
 - (c) the restated combined financial statements of the issuer and any other entity with which the issuer completed a transaction within three years before the date of the prospectus or proposes to complete a transaction if the issuer accounted for or will account for the transaction as a continuity of interests.

Annual financial statements

- (2) Include audited annual financial statements of the issuer consisting of –
 - (a) statement of comprehensive income, a statement of changes in equity and a cash flow statement for each of the three most recently completed financial years ended more than 120 days before the date of the prospectus,
 - (b) a statement of financial position as at the end of the three most recently completed financial years described in paragraph (a),
 - (c) notes to the financial statements, and
 - (d) the auditor's report on the financial statements.
- (3) If the issuer has not completed three financial years, include the financial statements described under subsection (2) for each completed financial year ended more than 90 days before the date of the prospectus.
- (4) If the issuer has not included in the prospectus financial statements for a completed financial year, include the financial statements described under subsection (2) or (3) for a period from the date the issuer was formed to a date not more than 90 days before the date of the prospectus.
- (5) If an issuer changed its financial year end during any of the financial years referred to in this section and the transition year is less than nine months, the transition year is deemed not to be a financial year for the

purposes of the requirement to provide financial statements for a specified number of financial years in this section.

- (6) Notwithstanding subsection (5), all financial statements of the issuer for a transition year referred to in subsection (5) shall be included in the prospectus.
- (7) If financial statements of any predecessor entity, business or businesses acquired by the issuer, or of any other entity are required under this section, then include –
 - (a) statements of comprehensive income, statements of changes in equity and cash flow statements for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statements of comprehensive income, statements of retained earnings, and cash flow statements are included in the prospectus, the results of the entities or businesses, either separately or on a consolidated basis, total three years,
 - (b) statement of financial positions for the entities or businesses for as many periods before the acquisition as may be necessary so that when these periods are added to the periods for which the issuer's statement of financial positions are included in the prospectus, the financial position of the entities or businesses, either separately or on a consolidated basis, total three years,
 - (c) if the entities or businesses have not completed three financial years, the financial statements described under paragraphs (a) and (b) for each completed financial year of the entities or businesses for which the issuer's financial statements in the prospectus do not include the financial statements of the entities or businesses, either separately or on a consolidated basis, and ended more than 120 days before the date of the prospectus; and
 - (d) the auditors reports for the financial statements required by this subsection.

Interim financial statements

- (8) Include comparative interim financial statements of the issuer for the most recent interim period, if any, ended –
 - (a) subsequent to the most recent financial year in respect of which annual financial statements of the issuer are included in the prospectus, and
 - (b) more than 45 days before the date of the prospectus.
- (9) The interim financial statements referred to in subsection (8) shall include –

- (a) a statement of financial position as at the end of the interim period and a statement of financial position as at the end of the immediately preceding financial year, if any,
- (b) a statement of comprehensive income, a statement of changes in equity and a cash flow statement, all for the year-to-date interim period, and comparative financial information for the corresponding interim period in the immediately preceding financial year, if any,
- (c) notes to the financial statements.

24. Discussion of Financial Results (MD&A) – Provide the management discussion and analysis in the form prescribed by Form 21 for the most recently completed financial year of the issuer for which audited financial statements are required.

25. Consolidated Capitalization – Provide a summary of the share and loan capital of the issuer and describe any material change in, and the effect of the material change on, the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's current annual financial statements, including any material change that will result from the distribution of the securities being offered under the prospectus.

INSTRUCTIONS

An issuer may provide the disclosure required by section 25 in a table showing in the first column consolidated capitalization as of the latest annual period for which financial statements have been prepared, then showing the same information in a second column to reflect any material changes since the date of those financial statements (if any) to the latest practical date before the date of the prospectus and finally, showing the same information in a third column as adjusted to reflect the offering (pro forma). If the only changes are those resulting from the offering, the second column can be omitted.

26. Acquisition Since the Date of the Last Audited Annual Financial Statements

- (1) If issuer has made a significant acquisition since the date of its last audited financial statements or the proceeds, or any part of the proceeds, of the securities to be issued is to be applied directly or indirectly to a significant acquisition, include –
 - (a) statements of comprehensive income for the acquired business for the preceding three fiscal years, certified by an approved auditor; and
 - (b) a statement of financial position, similarly certified, as of a date not more than 90 prior to the date of the prospectus or at the date

- of the acquisition if it took place more than ninety days before the filing of the prospectus.
- (2) For the purposes of this provision, a significant acquisition is the purchase of the securities or assets of another entity that is expected to contribute at least fifteen per cent (15%) to either the (a) net assets or (b) profit before taxation and extraordinary items of the issuer, measured as at the end of its last fiscal year prior to the acquisition.
 - (3) In the case of a smaller acquisition of a business or assets, state brief details of the consideration paid or payable and how satisfied, the assets and liabilities and profits and losses for the last complete financial year of the entity acquired.

27. Financial Forecast

- (1) A forecast may be included in a prospectus only if –
 - (a) the forecast is identified as such in the prospectus;
 - (b) the forecast is for a period of twelve months or less in the future;
 - (c) a disclaimer immediately follows the forecast stating in substance that the forecast is only a forecast and actual results may differ materially from the forecast; and
 - (d) the assumptions upon which the forecast is based are disclosed.
- (2) Where a forecast is to be included in the prospectus, it shall be reported upon by the issuer's approved auditors who shall report on the assumptions on which the forecast is based, and for which the directors alone are responsible, the calculations and any other aspect which in the opinion of the auditors is relevant to investors.
- (3) The report of the auditors shall be set out in the prospectus.
- (4) For these purposes, a "forecast" means an estimate of the most probable results of operations of an issuer, alone or together with one or more of its affiliates, that contains any or all of –
 - (a) an estimate of earnings or a range of earnings;
 - (b) an estimate of the most probable financial position; and
 - (c) an estimate of changes in financial position, for one or more periods that are future periods not completed when the estimate is made but does not include an estimate that is prepared in the ordinary course of business and without reference to a specific distribution of securities.

- ## 28. Accounting matters
- Describe any changes in and disagreements with accountants or auditors on accounting and financial disclosure. In the event that an independent auditor resigned or was dismissed over accounting or financial policies, or had offered an adverse, disclaimed, modified or qualified opinion, the issuer shall set out details of the same.

PART G – DIVIDENDS OR DISTRIBUTIONS

- 29. Amount** – Disclose the amount of cash dividends or distributions declared per security for each class of the issuer's securities for each of the three most recently completed financial years and its current financial year.
- 30. Restrictions** – Describe any restrictions that could prevent the issuer from paying dividends or distributions.
- 31. Policy** – Disclose the issuer's dividend or distribution policy and any intended change in dividend or distribution policy.

PART H – ISSUANCE OF THE SECURITIES

- 32. Disclosure of Market Out for Firm Underwriting** – If securities are offered by an underwriter under a firm underwriting and the underwriter's obligations are subject to conditions, include a statement in substantially the following form, with the bracketed information completed and with grammatical and other modifications necessary to reflect the terms of the offering:

"Under an agreement dated • between • [name of issuer or selling security holder] and • [name of underwriter], as underwriter, • [name of issuer/selling security holder] has agreed to sell and the underwriter has agreed to purchase on • [date] the securities at a price of •, payable in cash to • [name of issuer or selling security holder] against delivery. The obligations of the underwriter under the agreement may be terminated at its discretion on the basis of its assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The underwriter is, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the agreement."

- 33. Best Efforts Offering** – Outline briefly terms and conditions governing the offering of any securities being offered other than on the basis described in section 32.
- 34. Over-Allotments** – If the underwriter has any arrangement with the issuer, such as an over-allotment option, under which the underwriter may purchase additional securities in connection with the offering, indicate that this arrangement exists and state the amount of additional securities that the underwriter may purchase under the arrangement. Give a brief description of the securities.

35. Minimum Offering – If a minimum amount of funds is required under the issue and the securities are being offered on a best efforts basis, state the minimum needed and the maximum that could be raised. Also indicate that the offering will not continue for a period of more than 90 days after the date of the receipt for the prospectus if subscriptions representing the minimum amount of funds are not obtained within that period unless each person who subscribed within that period consents to the continuation. State that until the closing of the offering, funds received from subscriptions will be held by a depository who is a licensed dealer, bank or trust company, and if the minimum amount of funds is not raised, the funds will be returned to the subscribers.

36. Listing Application – If application has been made to list or quote the securities being offered on a stock exchange, include a statement in substantially the following form with the bracketed information completed:

"The issuer has applied to [list/quote] the securities offered under this prospectus on the [name of exchange or other market]. [Listing/Quotation] will be subject to the issuer fulfilling all the listing requirements of the [name of exchange or other market]."

37. Conditional Listing Approval – If application has been made to list or quote the securities being offered and conditional listing approval has been received, include a statement in substantially the following form, with the bracketed information completed:

"The [name of exchange or other market] has conditionally approved the [listing/quotation] of these securities. [Listing/Quotation] is subject to the [name of the issuer] fulfilling all of the requirements of the [name of exchange or market] on or before [date], [including offering of these securities to a minimum number of public security holders]."

PART I – DESCRIPTION OF SECURITIES BEING OFFERED

38. Equity Securities – If equity securities are being offered, state the description or the designation of the class of the equity securities and describe all material attributes and characteristics of the securities including, as applicable, –

- (a) dividend rights;
- (b) voting rights;
- (c) rights upon dissolution or winding up;
- (d) pre-emptive rights;
- (e) conversion or exchange rights;

- (f) redemption, retraction, purchase for cancellation or surrender provisions;
- (g) sinking or purchase fund provisions;
- (h) provisions permitting or restricting the issuance of additional securities and any other material restrictions; and
- (i) provisions requiring a security holder to contribute additional capital.

39. Preferred Shares or Debt Securities

- (1) If preferred shares are being offered, provide the information required by section 38 as applicable, as well as any information required by Part J of this Form.
- (2) If debt securities are being offered provide the disclosure required by section 43 in lieu of the information set out in section 38.

40. Other Securities – If securities other than equity securities or debt securities are being offered, describe fully the material attributes and characteristics of those securities. Consult with the Commission to obtain information as to additional required disclosure.

41. Modification of Terms – Describe provisions as to modification, amendment or variation of any rights or other terms attached to the securities being offered. If the rights of holders of securities may be modified otherwise than in accordance with the provisions attached to the securities or the provisions of the governing statute relating to the securities, explain briefly.

42. Other Attributes

- (1) If the rights attaching to the securities being offered are materially limited or qualified by the rights of any other class of securities, or if any other class of securities ranks ahead of or equally with the securities being offered, include information about the other securities that will enable investors to understand the rights attaching to the securities being offered.
- (2) If securities of the class being offered may be partially redeemed or repurchased, state the manner of selecting the securities to be redeemed or repurchased.
- (3) List the documents (other than the securities laws or other legislation) that affect the rights of security holders and state that these have been filed with the Commission. State that copies are available from the issuer or any underwriter free of charge, and (if applicable) are available on the Internet. If the information is posted on a website, provide the complete web address.

INSTRUCTIONS

This Part requires only a brief summary of the provisions that are material from an investment standpoint. The provisions attaching to the securities being offered or any other class of securities do not need to be set out in full.

PART J – DEBT SECURITIES AND PREFERRED SHARES

43. Debt Securities – If debt securities are being offered, describe all material attributes and characteristics of the indebtedness and the security, if any, for the debt, including –

- (a) provisions for interest rate, maturity and premium, if any;
- (b) conversion or exchange rights;
- (c) redemption, retraction, purchase for cancellation or surrender provisions;
- (d) sinking or purchase fund provisions;
- (e) the nature and priority of any security for the debt securities, briefly identifying the principal properties subject to lien or charge;
- (f) provisions permitting or restricting the issuance of additional securities, the incurring of additional indebtedness and other material negative covenants including restrictions against payment of dividends and restrictions against giving security on the assets of the issuer or its subsidiaries and provisions as to the release or substitution of assets securing the debt securities;
- (g) the name of the trustee under any indenture relating to the debt securities and the nature of any material relationship between the trustee or any of its affiliates and the issuer or any of its affiliates; and
- (h) any financial arrangements between the issuer and any of its affiliates or among its affiliates that could affect the security for the indebtedness.

44. Earnings Coverage Ratios

- (1) If the securities being offered are preferred shares or debt securities having a term to maturity in excess of one year, disclose the following earnings coverage ratios adjusted in accordance with subsection (2) –
 - (a) the earnings coverage ratio based on the issuer's annual financial statements for its most recently completed financial year; and
 - (b) the earnings coverage ratio based on the 12-month period ended on the last day of the most recently completed period for which interim financial statements of the issuer have been included in the prospectus.
- (2) Adjust the ratios referred to in subsection (1) to reflect –

- (a) the issuance of the securities being offered under the prospectus, based on the price at which these securities are expected to be offered;
 - (b) in the case of an offering of preferred shares;
 - (i) the issuance of all preferred shares issued since the date of the annual or interim financial statements; and
 - (ii) the repurchase, redemption or other retirement of all preferred shares repurchased, redeemed, or otherwise retired since the date of the annual or interim financial statements and of all preferred shares to be repurchased, redeemed, or otherwise retired from the proceeds to be realized from the sale of securities under the prospectus;
 - (c) the issuance of all long-term financial liabilities, as determined in accordance with International Financial Reporting Standards ("IFRS");
 - (d) the repayment, redemption or other retirement of all long-term financial liabilities, as determined in accordance with IFRS, since the date of the annual or interim financial statements and all long-term financial liabilities to be repaid or redeemed from the proceeds to be realized from the sale of securities offered under the prospectus; and
 - (e) the servicing costs that were incurred, or are expected to be incurred, in relation to the adjustments.
- (3) If the earnings coverage ratio is less than one-to-one, disclose in the prospectus the dollar amount of the earnings required to achieve a ratio of one-to-one.
- (4) If the prospectus includes a pro forma statement of comprehensive income, calculate the pro forma earnings coverage ratio and disclose it in the prospectus.

INSTRUCTIONS

- (1) *Cash flow coverage may be disclosed but only as a supplement to earnings coverage and only if the method of calculation is fully disclosed.*
- (2) *Earnings coverage is calculated by dividing an entity's earnings (the numerator) by its interest and dividend obligations (the denominator).*
- (3) *For the earnings coverage calculation –*
- (a) *the numerator should be calculated using consolidated net income before interest and income taxes,*
 - (b) *imputed interest income from the proceeds of an offering should not be added to the numerator,*

- (c) *an issuer may also present, as supplementary disclosure, a coverage calculation based on earnings before discontinued operations and extraordinary items,*
- (d) *for offerings of debt securities, the appropriate denominator is interest expense determined in accordance with IFRS, after giving effect to the new debt issue and any retirement of obligations, plus the amount of interest that has been capitalized during the period,*
- (e) *for offerings of preferred shares*
 - (i) *the appropriate denominator is dividends declared during the period, together with undeclared dividends on cumulative preferred shares, after giving effect to the new preferred share issue, plus the issuer's annual interest requirements, including the amount of interest that has been capitalized during the period, less any retirement of obligations, and*
 - (ii) *dividends should be grossed-up to a before-tax equivalent using the issuer's effective income tax rate, and*
- (f) *for offerings of both debt securities and preferred shares, the appropriate denominator is the same as for a preferred share issue, except that the denominator should also reflect the effect of the debt being offered pursuant to the prospectus.*

(4) *The denominator represents a pro forma calculation of the aggregate of an issuer's interest obligations on all long-term debt and dividend obligations (including both dividends declared and undeclared dividends on cumulative preferred shares) with respect to all outstanding preferred shares, as adjusted to reflect –*

- (a) *the issuance of all long-term debt and, in addition in the case of a distribution of preferred shares, all preferred shares issued, since the date of the annual or interim financial statements,*
- (b) *the issuance of the securities that are being offered under the prospectus, based on a reasonable estimate of the price at which these securities will be offered,*
- (c) *the repayment or redemption of all long-term debt since the date of the annual or interim financial statements, all long-term debt to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus and, in addition, in the case of a distribution of preferred shares, all preferred shares repaid or redeemed since the date of the annual or interim financial statements and all preferred shares to be repaid or redeemed from the proceeds to be realized from the sale of securities under the prospectus, and*
- (d) *the servicing costs that were incurred, or will be incurred, in relation to the above adjustments.*

(5) *For debt securities, disclosure of earnings coverage shall include language similar to the following–*

“[Name of the issuer]’s interest requirements, after giving effect to the issue of [the debt securities being offered under the prospectus], amounted to \$• for the 12 months ended •. [Name of the issuer]’s earnings before interest and income tax for the 12 months then ended was \$•, which is • times [name of the issuer]’s interest requirements for this period.”

(6) For preferred share issues, disclosure of earnings coverage shall include language similar to the following –

“[Name of the issuer]’s dividend requirements on all of its preferred shares, after giving effect to the issue of [the preferred shares being offered under the prospectus], and adjusted to a before-tax equivalent using an effective income tax rate of •%, amounted to \$• for the 12 months ended •. [Name of the issuer]’s interest requirements for the 12 months then ended amounted to \$•. [Name of the issuer]’s earnings before interest and income tax for the 12 months ended • was \$•, which is • times [name of the issuer]’s aggregate dividend and interest requirements for this period.”

(7) If the earnings coverage ratio is less than one-to-one, disclose the dollar amount of the coverage deficiency (i.e., the dollar amount of earnings required to attain a ratio of one-to-one).

(8) Other earnings coverage calculations may be included as supplementary disclosure to the required earnings coverage calculations outlined above as long as their derivation is disclosed, and they are not given greater prominence than the required earnings coverage calculations.

45. Credit Ratings – If any credit ratings have been received from an approved rating organization for the securities being offered and the ratings continue in effect, disclose –

- (a) each security rating, including a provisional rating, received from an approved rating organization;
- (b) the name of each approved rating organization that has assigned a rating for the securities being offered;
- (c) a definition or description of the category in which each approved rating organization rated the securities being offered and the relative rank of each rating within the organization’s classification system;
- (d) an explanation of what the rating addresses and what attributes, if any, of the securities being offered are not addressed by the rating;
- (e) any factors or considerations identified by the approved rating organization as giving rise to unusual risks associated with the securities being offered;

- (f) a statement that a security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency; and
- (g) any announcement made by, or any proposed announcement known to the issuer to be made by, an approved rating organization that the organization is reviewing or intends to revise or withdraw a rating previously assigned and required to be disclosed under this paragraph.

PART K – SELLING SECURITY HOLDER

46. Selling Security Holder – If any of the securities are being offered for the account of a selling security holder, state the following –

- (a) the name and address of the security holder;
- (b) the number or amount of securities of the class being offered presently owned by the security holder;
- (c) the number or amount of securities of the class being offered for the account of the security holder;
- (d) the number or amount of securities of the issuer of any class to be owned by the security holder after the offering, and the percentage that number or amount represents of the total outstanding; and
- (e) whether the securities referred to in paragraph (b), (c) or (d) are owned both of record and beneficially, of record only, or beneficially only.

PART L – UNDERWRITER CONFLICTS OF INTEREST

47. Relationship between Issuer or Selling Security Holder and Underwriter – If the issuer or selling security holder is one of the underwriters or an associate or affiliate of an underwriter, or if the issuer or selling security holder is indebted to an underwriter or an associate or affiliate of an underwriter, provide the information required by Appendix A.

PART M – INTEREST OF EXPERTS

48. Names of Experts – Provide the name and address of each person –

- (a) who is named as having prepared or certified a statement, report or valuation in the prospectus or an amendment to the prospectus; and
- (b) whose profession or business gives authority to the statement, report or valuation made by the person.

49. Interest of Experts

- (1) Disclose all registered or beneficial interests, direct or indirect, in any securities or other property of the issuer or of one of the issuer's associates or affiliates –
 - (a) held by an expert named in section 48 and, if the expert is not an individual, by the designated professionals of that expert, when that expert prepared the report, valuation, statement or opinion referred to in paragraph 48(a);
 - (b) received by an expert named in section 48 and, if the expert is not an individual, by the designated professionals of that expert after the time specified in paragraph (a); or
 - (c) to be received by an expert named in section 48 and, if the expert is not an individual, by the designated professionals of that expert.
- (2) For the purposes of subsection (1), a "designated professional" means, in relation to an expert named in section 48, –
 - (a) each partner, employee or consultant of the expert who participated in and who was in a position to directly influence the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a); and
 - (b) each partner, employee or consultant of the expert who was, at any time during the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a), in a position to directly influence the outcome of the preparation of the report, valuation, statement or opinion, including, without limitation –
 - (i) any person who recommends the compensation of, or who provides direct supervisory, management or other oversight of, the partner, employee or consultant in the performance of the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a), including those at all successively senior levels through to the expert's chief executive officer;
 - (ii) any person who provides consultation regarding technical or industry specific issues, transactions or events for the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a); and
 - (iii) any person who provides quality control for the preparation of the report, valuation, statement or opinion referred to in paragraph 48(a).
- (3) For the purposes of subsection (1), if the person's or company's interest in the securities represents less than one per cent of the issuer's outstanding securities of the same class, a general statement to that effect is sufficient.

- (4) Despite subsection (1), an auditor who is independent in accordance with the auditor's rules of professional conduct in the jurisdiction is not required to provide the disclosure in subsection (1) if there is disclosure that the auditor is independent in accordance with the auditor's rules of professional conduct.
- (5) If a person or a director, officer or employee of a person or company referred to in subsection (1) is or is expected to be elected, appointed or employed as a director, officer or employee of the issuer or of any associate or affiliate of the issuer, disclose the fact or expectation.

50. Exemption – Section 49 does not apply to –

- (a) auditors of a business acquired by the issuer provided they have not been or will not be appointed as the issuer's auditor subsequent to the acquisition, and
- (b) the issuer's predecessor auditors, if any, for periods when they were not the issuer's auditor.

PART N – PROMOTERS

51. Promoters – For a person that is, or has been within the two years immediately preceding the date of the preliminary prospectus, a promoter of the issuer or of a subsidiary of the issuer state –

- (a) the person's name and address;
- (b) the number and percentage of each class of voting securities and equity securities of the issuer or any of its subsidiaries beneficially owned, directly or indirectly, or over which control is exercised by the person;
- (c) the nature and amount of anything of value, including money, property, contracts, options or rights of any kind received or to be received by the promoter, directly or indirectly, from the issuer or from a subsidiary of the issuer, and the nature and amount of any assets, services or other consideration received or to be received by the issuer or a subsidiary of the issuer in return; and
- (d) for an asset acquired by the issuer or by a subsidiary of the issuer from a promoter within the two years before the date of the preliminary prospectus or to be so acquired –
 - (i) the consideration paid or to be paid for the asset and the method by which the consideration has been or will be determined;
 - (ii) the person making the determination referred to in subparagraph (i) and the person's relationship with the issuer, the promoter, or an affiliate of the issuer or of the promoter; and

- (iii) the date that the asset was acquired by the promoter and the cost of the asset to the promoter.

PART O – DIRECTORS AND SENIOR OFFICERS

52. Identification – State the following with respect to each director and senior officer of the issuer –

- (a) name, occupation and professional qualifications;
- (b) summary of business and management experience;
- (c) designation and functions;
- (d) beneficial security holdings (both direct and indirect) in the issuer; and
- (e) directorships and major security holdings in any public issuer in the three years immediately preceding the date of the prospectus.

53. Compensation

- (1) State the aggregate cash remuneration and other cash or non-cash benefits paid to the directors and senior officers of the issuer for services rendered in all capacities to the issuer for the last past two years, the current year and any future commitments of the issuer in tabular format identifying the number of directors and senior officers at each of the following compensation levels –
 - (a) zero to five hundred thousand dollars
 - (b) five hundred thousand dollars to one million dollars
 - (c) one million dollars to two million dollars; and
 - (d) Greater than two million dollars.
- (2) Report the aggregate amounts of remuneration waived or deferred for each of the previous two years and the current year.
- (3) Report the cash and non-cash remuneration separately.
- (4) Remuneration shall include, without limitation, cash, bonuses, securities, options, insurance, pensions, the payment of any expenses including housing, automobiles, lodging, relocation etc., reimbursements of any kind, non-cash gifts, forgiveness of debts and extension of loans.

54. Audit Committee – Disclose the members of the audit committee of the issuer.

- 55. Key Employees** – For each key employee³ of the issuer who is not a director or senior officer, including key technical personnel, disclose the following:
- (a) name and professional qualifications;
 - (b) profile including business and management or technical experience;
 - (c) designation and functions; and
 - (d) beneficial security holdings (both direct and indirect) in the issuer.
- 56. Regulatory History etc.** – For each person identified in the prospectus as a promoter, director, senior officer or key employee, disclose the following in respect of each person –
- (a) if a petition under any bankruptcy or insolvency law was filed (and not struck out) against such person, or any partnership in which he was a partner, or any corporation of which he was a director or senior officer, in any jurisdiction in the ten years immediately preceding the date of the prospectus;
 - (b) if such person was convicted in a criminal proceeding in any jurisdiction in the ten years immediately preceding the date of the prospectus, or is a named subject of a pending criminal proceeding in any jurisdiction; or
 - (c) if such person was the subject of any order, judgment or ruling of any court or competent jurisdiction or regulatory authority temporarily enjoining him from acting as a market actor (or equivalent) or as a director or employee of an issuer or financial institution and engaging in any type of business practice or activity in any jurisdiction, in the ten years immediately preceding the date of the prospectus.
- 57. Relationships** – Provide full details of any relationships or associations between the major security holders, promoters, directors, senior officers or key employees. This should include information direct and indirect security holdings in the issuer of directors and significant security holders before and after the distribution.
- 58. Employment Agreements** – Provide a summary of any existing or proposed service, management, or employment agreements between the issuer and its directors, senior officers and key employees.

³

Key employees include personnel may not hold an officer title but who make or are expected to make significant contributions to the business of the company – such as senior software designers at a computer software company.

- 59. Large Security holders** – Disclose at least the following information about any security holder who beneficially owns in excess of ten percent of any class of securities of the issuer –
- a) name of security holder;
 - b) class and number of any securities held;
 - c) nationality or jurisdiction of incorporation; and
 - d) where securities are held under a nominee name or trustee arrangement, state that fact.

PART P –RELATED PARTY TRANSACTIONS

60. Related-Party Transactions

- (1) If the financial statements included in a prospectus, or the notes thereto, disclose related-party transactions, provide full details of the related party transaction including:
 - (a) the parties to the transaction;
 - (b) the date of the transaction;
 - (c) the relationship of each of the parties to the issuer;
 - (d) the value of the transaction;
 - (e) any security holder approvals obtained in connection with the transaction; and
 - (f) any future transactions involving the parties.
- (2) Provide full details of and discuss any conflict of interest or potential conflict of interest between the issuer and any of its directors, senior officers, key employees, or security holders.
- (3) Disclose any conflict of interest or potential conflict of interest in respect of any expert named in the prospectus or who has filed a consent with the Commission under the Regulations.

- 61. Loans to a director of affiliate or the issuer** – Provide the names and relevant particulars of any loan in excess of ten thousand dollars to any senior officer, director, security holder, or person directly or indirectly controlling or controlled by the issuer.

PART Q – REPORT OF THE DIRECTORS

- 62. Directors' Report** – Include in the prospectus a report signed by the directors of the issuer stating whether, after due inquiry by them, in relation to the interval between the date to which the most recently completed financial year of the issuer for which audited financial statements of the issuer are include in the prospectus and the date of the prospectus, –

- (a) the business of the issuer has, in their opinion, been satisfactorily maintained;
- (b) there has, in their opinion, arisen any circumstances which have adversely affected the trading or the value of the assets of the issuer;
- (c) the current assets of the issuer appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are any contingent liabilities by reason of any guarantees or indemnities given by the issuer; and
- (e) there have been any changes in the published reserves or any unusual factors affecting the financial position of the issuer.

PART R – OTHER REQUIRED DISCLOSURE

- 63. Legal Proceedings** – Provide details of any material legal proceedings to which the issuer is a party, or of which any property or assets of the issuer is the subject matter, and any such proceedings known to the issuer to be contemplated, including the name of the court or agency; the date instituted; the principal parties to the proceedings; the nature of the claim; the amount claimed, if any; if the proceedings are being contested; and the present status of the proceedings.
- 64. Transfer Agent and Registrar** – If securities are to be distributed, state the names and addresses of the transfer agent(s) and registrar(s) of the issuer and the location of the register(s) of transfers of that class of securities.
- 65. Register of Securities** – If securities, other than equity or preferred shares, are to be distributed, state the location of each register on which transfers of the securities may be recorded.
- 66. Constatng Documents** – If the articles and by-laws of the issuer or other constating or organizational documents of the issuer –
- (a) restrict in any way the transfer of securities of the issuer;
 - (b) provide for the remuneration of directors;
 - (c) provide voting and borrowing powers of directors, including voting powers in relation to proposals, arrangements or contracts in which they are interested; or
 - (d) provide for changes in capital and variations of class rights,
- provide a summary of such terms and provisions.
- 67. Optioned Securities** – If any capital of the issuer is under option, or agreed conditionally or unconditionally to be put under option, disclose the following if not disclosed elsewhere in the prospectus –

- (a) the number, description and amount of the securities concerned;
- (b) the period during which the option is exercisable;
- (c) the exercise price;
- (d) the consideration given or to be given for the option; and
- (e) the names of the grantees, provided that, where options have been granted or agreed to be granted to all security holders or holders of debt securities, or to any class thereof, or to directors and employees under a share option scheme, it shall be sufficient, so far as the names are concerned, to record that fact without giving the names of the individual grantees.

68. Rights Offerings – If the securities are being distributed by a way of rights or allotted to the holders of an outstanding security, disclose the pro-rata entitlement and the last date on which transfers were or will be accepted for registration for participation in the distribution. Include a statement of the treatment of any fractions, whether the documents of title are renounceable and whether approval has been obtained from the security holders of the issuer.

69. Convertible Debt – Disclose the amount of any outstanding convertible debt securities of the issuer and the conditions governing, and the procedures for, conversion, exchange or subscription of such securities.

70. Share Ownership Schemes – If the issuer has a share ownership scheme for participation by employees, disclose details of the scheme.

PART S – OTHER MATERIAL FACTS

71. Other Material Facts – Give particulars of any material facts about the securities being offered that are not disclosed under any other items and are necessary in order for the prospectus to contain full, true and plain disclosure of all material information relating to the securities being offered, and not to make any misrepresentation likely to affect the value or market price of the securities.

PART T – PURCHASER’S STATUTORY RIGHTS

72. Statutory Rights – Include the statement of rights given to a purchaser of securities in the form set out below:

“The Belize Securities Industry Act 2021, and the Regulations made under the Act, provide a purchaser with remedies for rescission and repayment of the purchase price or for damages if the prospectus or any amendment contains a misrepresentation. The purchaser should refer to the Securities Industry Act, 2021 and the regulations made

under that Act, for the particulars of these rights or consult with a legal adviser.”

PART U – MATERIAL CONTRACTS AND DOCUMENTS AVAILABLE FOR INSPECTION

73. Material Contracts – Identify and give particulars of every material contract, other than contracts entered into in the ordinary course of business, that were entered into within the two years immediately preceding the date of the prospectus, by the issuer, and state a reasonable time and place in Belize at which the contracts or copies of the contracts may be inspected, without charge, during the period of distribution of the securities under the prospectus. Any management contract or contract providing for special bonuses or profit-sharing arrangements shall be deemed a material contract.

74. Documents to be Made Available for Inspection

- (1) Identify the documents to be made available by the issuer for inspection pursuant to regulation 101. (These documents are listed in section 3 of Appendix B.)
- (2) State a reasonable time and place in Belize at which the documents set forth in paragraph (1) may be inspected, without charge, during the period of distribution of the securities under the prospectus.

PART V – CERTIFICATES

75. Certificates – Include the certificates required under regulations 103 [*Prospectus Certificates*] or 108 [*Prospectus Amendment*].

76. Date of Certificates – The certificates in a prospectus or an amendment to prospectus shall be dated not more than two business days before the date of filing the prospectus or amendment, as applicable.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

A fee shall be submitted with all prospectuses. The appropriate fees can be found in Schedule II.

APPENDIX A TO FORM 18

UNDERWRITER CONFLICTS OF INTEREST

Required Information for Front Page of the Prospectus

1. A statement **in bold type**, naming each underwriter that the issuer or the selling security holder is an associate or affiliate of, or indebted to.
2. A summary of the basis on which paragraph 1 applies to the distribution.
3. A cross-reference to the applicable section in the body of the prospectus where further information concerning the relationship between the issuer or selling security holder and underwriter is provided.

Required Information for the Body of the Prospectus

4. A statement naming each underwriter that the issuer or the selling security holder is an associate or affiliate of or indebted to.
5. The basis on which the issuer or selling security holder is an associate or affiliate of each underwriter referred to in paragraph 4.
6. If the issuer or selling security holder or an associate or affiliate is indebted to the underwriter or an associate or affiliate of the underwriter, provide –
 - (a) the amount of the indebtedness;
 - (b) the extent to which the issuer or selling security holder is in compliance with the terms of the agreement governing the indebtedness;
 - (c) the extent to which a related issuer has waived a breach of the agreement since its execution;
 - (d) the nature of any security for the indebtedness; and
 - (e) the extent to which the financial position of the issuer or selling security holder or the value of the security has changed since the indebtedness was incurred.
7. Disclosure as to whether the issue was required, suggested or consented to by the underwriter or an associate or affiliate of the underwriter and, if so, on what basis.
8.
 - (a) Information about the extent to which the proceeds of the issue will be applied, directly or indirectly, for the benefit of the underwriter or an associate or affiliate of the underwriter, or

- (b) If the proceeds will not be applied for the benefit of the underwriter or an associate or affiliate of the underwriter, a statement to that effect.
- 9. If a portion of the proceeds of the distribution is to be directly or indirectly applied to or towards the payment of indebtedness referred to in paragraph 6, particulars of the indebtedness or securities in respect of which the payment is to be made and of the payment proposed to be made.
- 10. Any other material facts with respect to the relationship between the issuer and the underwriter that could negatively affect the impartiality of the underwriter.

APPENDIX B TO FORM 18

**MATERIALS TO BE PROVIDED TO THE COMMISSION AND
MADE AVAILABLE FOR PUBLIC INSPECTION**

- Materials to be provided with prospectus 137.
- (1) An issuer that files a prospectus shall –
 - (a) file the following concurrently with the prospectus –
 - (i) a signed copy of the prospectus;
 - (ii) a certificate, dated as of the date of the prospectus, executed on behalf of the issuer by one of its executive officers certifying that the issuer is in full compliance with the requirements of all applicable securities legislation, and that offering will not result in a breach or violation of securities legislation; and
 - (iii) a copy of each report or valuation referred to in the preliminary prospectus for which a consent is required to be filed under regulation 104 [Expert opinions]; and
 - (b) deliver to the Commission, concurrently with the filing of the preliminary prospectus, the experts' consents required to be filed under regulation 105 [Experts' consents].
 - (2) The following documents shall be filed with the prospectus prior to the issuance of any receipt –

- (a) a copy of any agreement made with an underwriter;
 - (b) a copy of the legal opinion or opinions regarding the legality of the issue;
 - (c) a copy of all material contracts referred to in section 73 of this Form, but no disclosure shall be required of any portion of any such contract if the Commission determines that disclosure of such portion would impair the value of the contract and would not be necessary for the protection of investors;
 - (d) a certified copy of the issuer's memorandum and articles of association;
 - (e) a copy of underlying agreements or indentures affecting any stock, bonds or debentures offered or to be offered;
 - (f) A submission to jurisdiction and appointment of agent for service of process of the issuer in the form set out in Appendix C, if an issuer is incorporated or organized in a foreign jurisdiction and does not have an office in Belize;
 - (g) A submission to jurisdiction and appointment of agent for service of process of the selling security holder or promoter, as applicable, in the form set out in Appendix D, if a selling security holder or promoter of an issuer is incorporated or organized under a foreign jurisdiction and does not have an office in Belize or is an individual who resides outside of Belize; and
 - (h) copies of any other documents the Commission deems necessary.
- (3) At least two days before the issuance of any receipt, the issuer shall provide the Commission with blacklined copies of the prospectus

- Required documents for an amendment 138.
- showing all changes from the prospectus as originally filed.
- (4) The fee specified in Schedule II shall be submitted concurrently with the filing of the prospectus.
- An issuer that files an amendment to a prospectus shall –
- (a) file a signed copy of the amendment;
 - (b) deliver to the Commission a copy of the amended prospectus blacklined to show the changes;
 - (c) file or deliver any supporting documents required to be filed or delivered with a prospectus unless the documents originally filed or delivered with the prospectus are correct as of the date the amendment is filed;
 - (d) file any consent letter required to be filed with a prospectus, dated as of the date of the amendment; and
 - (e) file the appropriate fee as set out in Schedule II.
- Documents to be available for public inspection 139.
- Copies of the following documents shall be made available for public inspection during normal business hours at a place in Belize throughout the period of distribution of the securities under the prospectus –
- (a) a copy of any agreement made with an underwriter;
 - (b) a copy of the legal opinion or opinions in respect to the legality of the issue;
 - (c) a copy of all the relevant opinions of experts contained in this Form;
 - (d) a copy of all material contracts referred to in section 73 of this Form, but no disclosure shall be required of any portion of any such contract if the Commission determines that disclosure of such portion would impair the value of the contract and would not be

necessary for the protection of investors;

- (e) a certified copy of the issuer's memorandum and articles of association;
- (f) a copy of underlying agreements or indentures affecting any securities, bonds or debentures offered or to be offered; and
- (g) copies of any other documents the Commission deems necessary.

APPENDIX C TO FORM 18

**SUBMISSION TO JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS – ISSUER**

1. Name of issuer:

2. Jurisdiction of incorporation of issuer:

3. Address of principal place of business of issuer:

4. Description of Securities (the “Securities”) being distributed:

5. Date of Prospectus (the “Prospectus”) pursuant to which the Securities are offered:

6. Name of agent for service (the “Agent for Service”)

7. Address for service of process on Agent for Service in Belize:

8. The issuer designates and appoints the Agent for Service at the address of the agent stated above as its agent upon whom may be served any notice,

writ, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the "Proceeding") arising out of, or relating to, or concerning, the distribution of the securities made or purported to be made pursuant to the Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.

9. The issuer irrevocably and unconditionally submits to the non-exclusive jurisdiction of Belize in any proceeding arising out of, or related to, or concerning, the distribution of the Securities made or purported to be made pursuant to the Prospectus.

10. This Submission to Jurisdiction and Appointment of Agent for Service of Process shall be governed by and construed in accordance with the laws of Belize.

Dated: _____ :
[Issuer]

By: _____

[Name and Title]

The undersigned accepts the appointment as Agent for Service of process of _____

[Name of Issuer]

pursuant to the terms and conditions of the foregoing Appointment of Agent for Service of Process.

Dated: _____ :
[Agent]

By: _____

(Print the name of person signing and, if the Agent is not an individual, the title of the person signing on behalf of the Agent.)

APPENDIX D TO FORM 18

**SUBMISSION TO JURISDICTION AND APPOINTMENT OF
AGENT FOR SERVICE OF PROCESS**

SELLING SECURITY HOLDER OR PROMOTER

1. Name of issuer:

2. Jurisdiction of incorporation of issuer:

3. Address of principal place of business of issuer:

4. Description of Securities (the "Securities") being distributed:

5. Date of Prospectus (the "Prospectus") pursuant to which the Securities are offered:

6. Name of Selling Security Holder or Promoter Filing Form ("Filer") & Relationship to Issuer:

7. Jurisdiction of Incorporation or Residence of Filer:

8. Address of Filer:

9. Name of agent for service (the “Agent for Service”)

10. Address for service of process on Agent for Service in Belize:

11. The Filer designates and appoints the Agent for Service at the address of the agent stated above as its agent upon whom may be served any notice, writ, pleading, subpoena, summons or other process in any action, investigation or administrative, criminal, quasi-criminal, penal or other proceeding (the “Proceeding”) arising out of, or relating to, or concerning, the distribution of the securities made or purported to be made pursuant to the Prospectus, and irrevocably waives any right to raise as a defence in any such Proceeding any alleged lack of jurisdiction to bring such Proceeding.

12 The Filer irrevocably and unconditionally submits to the non-exclusive jurisdiction of Belize in any proceeding arising out of, or related to, or concerning, the distribution of the Securities made or purported to be made pursuant to the Prospectus.

13. This Submission to Jurisdiction and Appointment of Agent for Service of Process shall be governed by and construed in accordance with the laws of Belize.

Dated: _____ :
[Filer]

By:

[Name and Title]

The undersigned accepts the appointment as Agent for Service of process of

[Name of Filer]

pursuant to the terms and conditions of the foregoing Appointment of Agent for Service of Process.

Dated: _____ [Agent]

By: _____

(Print the name of person signing and, if the Agent is not an individual, the title of the person signing on behalf of the Agent.)

FORM 19
[regulation 115]

NOTICE OF EXEMPT TRANSACTION

Item 1 – Name and Address of Issuer and Vendor

State the name of the issuer of the securities and include its business address and jurisdiction of incorporation or organization. If the vendor is other than the issuer, provide the vendor's name, address and jurisdiction of incorporation or organization, if relevant.

Item 2 – Date of Transaction(s)

State the date or dates the transactions closed/took place.

Item 3 – Nature of Transaction

Indicate the exemption used for the transaction.

Item 4 – Summary of Transaction

Provide a summary of the transaction, including type of securities issued, number or principal amount of securities issued, terms, etc.

Item 5 – Investors

Provide names, addresses and purchase amounts for each investor. Attach evidence that each investor is an accredited investor, if required for the exemption used.

Item 6 – Senior Officer

Give the name, business telephone number and email address of the vendor (if an individual) or a senior officer of the issuer or vendor who is knowledgeable about the transaction, and who may be contacted to discuss it.

Item 7 – Date the Report

Item 8 – Certification and Signature

The person identified in Item 6 shall confirm the Notice and certify the following statement by signature or other specified means:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

A fee shall be submitted with this form. The appropriate fee can be found in Schedule II.

FORM 20*[regulation 121]***ANNUAL REPORT****Item 1 – Name and Address of Public Issuer**

Include the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business. Include the issuer's address and telephone number of the issuer's registered office, head or management office, its e-mail address, its website address and its jurisdiction of incorporation or organization.

Item 2 – Annual Financial Statements and Auditor's Report

Include the latest audited annual financial statement of the issuer prepared as required under the Act.

Item 3 – Management Discussion and Analysis of Financial Condition and Operating Performance

Include the latest Management Discussion and Analysis prepared as required.

Item 4 – Report from the Board of Directors

Provide a report from the Board of Directors containing an overview of the performance of the issuer and its prospects.

Item 5 – Information on Directors and Officers

For each director of the issuer, provide his or her name, current principal occupation and any prior occupation during the past 5 years and the periods that the director served as a director of the issuer.

For each senior officer of the issuer, provide his or her name, current position with the issuer and any prior occupation, with the issuer or otherwise, during the past 5 years.

Item 6 – Information on any Holding Company or Material Subsidiaries

Provide the names, addresses and jurisdiction of incorporation of the holding company, if any, and any material subsidiary of the public issuer.

Item 7 – Advisors and Service Providers

Provide the names and addresses of the legal advisors, auditors, principal bankers, registrar and transfer agent(s) and any other significant service providers to the issuer.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

FORM 21*[regulation 122]***MANAGEMENT DISCUSSION AND ANALYSIS****GENERAL PROVISIONS****(a) What is Management Discussion and Analysis?**

Management discussion and analysis ("MD&A") is a narrative explanation, through the eyes of management, of how the issuer performed during the period covered by the financial statements and of the issuer's financial condition and future prospects. MD&A complements and supplements the issuer's financial statements but does not form part of the financial statements.

The objective when preparing the MD&A should be to improve the issuer's overall financial disclosure by giving a balanced discussion of the issuer's results of operations and financial condition including, without limitation, such considerations as liquidity and capital resources - openly reporting bad news as well as good news. The MD&A should –

- help current and prospective investors understand what the financial statements show and do not show;
- discuss material information that may not be fully reflected in the financial statements, such as contingent liabilities, defaults under debt, off-balance sheet financing arrangements, or other contractual obligations;
- discuss important trends and risks that have affected the financial statements, and trends and risks that are reasonably likely to affect them in the future; and
- provide information about the quality, and potential variability, of the issuer's earnings and cash flow, to assist investors in determining if past performance is indicative of future performance.

(b) Date of Information

In preparing the MD&A, the issuer should take into account information available up to the date of the MD&A. If the date of the MD&A is not the date it is filed, ensure the disclosure in the MD&A is current so that it will not be misleading when it is filed.

(c) Explain the Analysis

Explain the nature of, and reasons for, changes in the issuer's performance. Do not simply disclose the amount of change in a financial statement item from period to period. Avoid using boilerplate language. The discussion should assist the reader to understand trends, events, transactions and expenditures.

(d) Focus on Material Information

Focus the MD&A on material information. There is no need to disclose information that is not material. Exercise judgment when determining whether information is material.

(e) What is Material?

Would a reasonable investor's decision whether or not to buy, sell or hold securities in the issuer likely be influenced or changed if the information in question was omitted or misstated? If so, the information is likely material. This concept of materiality is consistent with the financial reporting notion of materiality under generally accepted accounting principles.

Given that Belize is vulnerable to the impact of climate change⁴, issuers should consider whether information relating to the impact of physical climate change, transition to a carbon-neutral economy, and adaptation to climate change is material or changes their view of what other information is material.

(f) Forward-Looking Information

Issuers are encouraged to provide forward-looking information if there is a reasonable basis for making the statements. Preparing the MD&A necessarily involves some degree of prediction or projection. For example, MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect the issuer's business. However, MD&A does not require that the issuer provide a detailed forecast of future revenues, income or loss or other information.

All forward-looking information shall contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, the material assumptions and appropriate risk disclosure and cautionary language.

The issuer shall discuss any forward-looking information disclosed in the MD&A for a prior period which, in light of intervening events and absent further explanation, may be misleading. Examples include statements that were unreasonably optimistic or aggressive, lacked objectivity or were not adequately explained. The issuer's timely disclosure obligations might also require that the issuer publish a news release and file a material change report in these circumstances.

(g) Development Stage Issuers Without Significant Revenues

If the issuer is in its development stage and does not have significant revenues from operations, focus the discussion and analysis of results of operations on

⁴ See, for example, Belize's profile in the ND-GAIN database.

expenditures and progress towards achieving the business objectives and milestones of the issuer.

(h) Numbering and Headings

The numbering, headings and ordering of items included in this Form are guidelines only. There is no need to include the headings or numbering or follow the order of items in this Form. Disclosure provided in response to any item need not be repeated elsewhere.

(i) Omitting Information

There is no need to respond to any item in this Form that is inapplicable.

(j) Defined Terms

If a term is used but not defined in this Form, refer to the Securities Industry Act, 2021 and the Securities Industry Regulations 2022.

(k) Plain Language

Write the MD&A so that readers are able to understand it. If technical terms are used, explain them in a clear and concise manner.

CONTENT OF ANNUAL MD&A

Item 1 – Date

Specify the date of the issuer's MD&A. The date of the MD&A shall be no earlier than the date of the auditor's report on the financial statements for the issuer's most recently completed financial year.

Item 2 – Overall Performance

Provide an analysis of the issuer's financial condition, results of operations and cash flows. Discuss known trends, demands, commitments, events or uncertainties that are reasonably likely to have an effect on the issuer's business. Compare the issuer's performance in the most recently completed financial year to the prior year's performance. The analysis should address at least the following –

- (a) operating segments that are reportable segments as those terms are used in generally accepted accounting principles;
- (b) other parts of the issuer's business if –
 - (i) they have a disproportionate effect on revenues, income or cash needs; or
 - (ii) there are any legal or other restrictions on the flow of funds from one part of the issuer's business to another;
- (c) industry and economic factors affecting the issuer's performance;

- (d) why changes have occurred or expected changes have not occurred in the issuer's financial condition and results of operations; and
- (e) the effect of discontinued operations on current operations.

INSTRUCTIONS

When explaining changes in the issuer's financial condition and results, include an analysis of the effect on continuing operations of any acquisition, disposition, write-off, abandonment or other similar transaction.

Financial condition reflects the overall health of the company and includes the issuer's financial position (as shown on the balance sheet) and other factors that may affect the issuer's liquidity, capital resources and solvency. A discussion of financial condition should include important trends and risks that have affected the financial statements and trends and risks that are reasonably likely to affect them in the future.

Include information for a period longer than two financial years if it will help the reader to understand a trend better.

Item 3 – Selected Annual Information

Provide the following financial data derived from the issuer's financial statements for each of the three most recently completed financial years –

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis;
- (c) net income or loss, in total and on a per-share and diluted per-share basis;
- (d) total assets;
- (e) total long-term financial liabilities; and
- (f) cash dividends declared per-share for each class of share.

Discuss the factors that have caused period to period variations including discontinued operations, changes in accounting policies, significant acquisitions or dispositions and changes in the direction of the business. Include in the discussion any other information the issuer believes would enhance an understanding of, and would highlight trends in, financial condition and results of operations.

INSTRUCTION

Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial

statements have been reconciled to or from foreign accounting principles, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

Item 4 – Results of Operations

Discuss the analysis of the issuer's operations for the most recently completed financial year, including –

- (a) net sales or total revenues by operating business segment, including any changes in such amounts caused by selling prices, volume or quantity of goods or services being sold or the introduction of new products or services;
- (b) any other significant factors that caused changes in net sales or total revenues;
- (c) cost of sales or gross profit;
- (d) for issuers that have significant projects that have not yet generated operating revenue, describe each project, including the issuer's plan for the project and the status of the project relative to that plan, and expenditures made and how these relate to anticipated timing and costs to take the project to the next stage of the project plan;
- (e) factors that caused a change in the relationship between costs and revenues, including changes in costs of labour or materials, price changes or inventory adjustments;
- (f) commitments, events, risks or uncertainties that the issuer reasonably believes will materially affect the issuer's future performance including net sales, total revenue and income or loss before discontinued operations and extraordinary items;
- (g) effect of inflation and specific price changes on the issuer's net sales and total revenues and on income or loss before discontinued operations and extraordinary items;
- (h) a comparison in tabular form of disclosure made previously about how the issuer was going to use proceeds (other than working capital) from any financing, an explanation of variances and the impact of the variances, if any, on the issuer's ability to achieve its business objectives and milestones; and
- (i) unusual or infrequent events or transactions.

INSTRUCTION

The discussion under paragraph (d) of Item 4 should include –

- (i) *whether or not the issuer plans to expend additional funds on the project; and*

(ii) any factors that have affected the value of the project(s) such as change in commodity prices, land use or political or environmental issues.

Item 5 – Summary of Quarterly Results

Provide the following information in summary form, derived from the issuer's financial statements, for each of the eight most recently completed quarters –

- (a) net sales or total revenues;
- (b) income or loss before discontinued operations and extraordinary items, in total and on a per-share and diluted per-share basis; and
- (c) net income or loss, in total and on a per-share and diluted per-share basis.

Discuss the factors that have caused variations over the quarters necessary to understand general trends that have developed and the seasonality of the business.

INSTRUCTIONS

In the case of the annual MD&A, the most recently completed quarter is the quarter that ended on the last day of the most recently completed financial year.

The issuer does not have to provide information for a quarter prior to the issuer becoming a public issuer if the issuer has not prepared financial statements for those quarters.

For Items 2, 3, 4 and 5 consider identifying, discussing and analysing the following factors –

- (A) changes in customer buying patterns, including changes due to new technologies and changes in demographics;*
- (B) changes in selling practices, including changes due to new distribution arrangements or a reorganization of a direct sales force;*
- (C) changes in competition, including an assessment of the issuer's resources, strengths and weaknesses relative to those of its competitors;*
- (D) changes in the operating or commercial environment arising from physical impacts of climate change, adaptation to climate change, or transition to a carbon-neutral economy;*
- (E) the effect of exchange rates;*

- (F) changes in pricing of inputs, constraints on supply, order backlog, or other input-related matters;*
- (G) changes in production capacity, including changes due to plant closures and work stoppages;*
- (H) changes in volume of discounts granted to customers, volumes of returns and allowances, excise and other taxes or other amounts reflected on a net basis against revenues;*
- (I) changes in the terms and conditions of service contracts;*
- (J) the progress in achieving previously announced milestones;*
- (K) for resource issuers with producing mines, identify changes to cash flow caused by changes in production throughput, head-grade, cut-off grade, metallurgical recovery and any expectation of future changes; and*
- (L) if the issuer has an equity investee that is significant to the issuer, the nature of the investment and significance to the issuer.*

Indicate the accounting principles that the financial data has been prepared in accordance with, the reporting currency, the measurement currency if different from the reporting currency and, if the underlying financial statements have been reconciled to or from foreign accounting principles, provide a cross-reference to the reconciliation that is found in the notes to the financial statements.

Item 6 – Liquidity

Provide an analysis of the issuer's liquidity, including –

- (a) its ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the issuer's capacity, to meet the issuer's planned growth or to fund development activities;
- (b) trends or expected fluctuations in the issuer's liquidity, taking into account demands, commitments, events or uncertainties;
- (c) its working capital requirements;
- (d) liquidity risks associated with financial instruments;
- (e) if the issuer has or expects to have a working capital deficiency, discuss its ability to meet its obligations as they become due and how the issuer expects to remedy the deficiency;
- (f) balance sheet conditions or income or cash flow items that may affect the issuer's liquidity;
- (g) legal or practical restrictions on the ability of subsidiaries to transfer funds to the issuer and the effect these restrictions have

had or may have on the ability of the issuer to meet its obligations;
and

- (h) defaults or arrears or significant risk of defaults or arrears on –
- (i) dividend payments, lease payments, interest or principal payment on debt;
 - (ii) debt covenants; and
 - (iii) redemption or retraction or sinking fund payments,
- and how the issuer intends to cure the default or arrears or address the risk.

INSTRUCTIONS

In discussing the issuer's ability to generate sufficient amounts of cash and cash equivalents, describe sources of funding and the circumstances that could affect those sources that are reasonably likely to occur. Examples of circumstances that could affect liquidity are market or commodity price changes, economic downturns, defaults on guarantees and contractions of operations.

In discussing trends or expected fluctuations in the issuer's liquidity and liquidity risks associated with financial instruments discuss –

- (A) provisions in debt, lease or other arrangements that could trigger an additional funding requirement or early payment. Examples of such situations are provisions linked to credit rating, earnings, cash flows or share price; and*
- (B) circumstances that could impair the issuer's ability to undertake transactions considered essential to operations. Examples of such circumstances are the inability to maintain investment grade credit rating, earnings per-share, cash flow or share price.*

In discussing the issuer's working capital requirements discuss situations where the issuer shall maintain significant inventory to meet customers' delivery requirements or any situations involving extended payment terms.

In discussing the issuer's balance sheet conditions or income or cash flow items, present a summary, in table form, of contractual obligations including payments due for each of the next five years and thereafter. An example of a table that may be adapted to the issuer's particular circumstances follows:

Contractual Obligations	Payments Due by Period				
	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Long Term Debt					
Capital Lease Obligations					
Operating Leases					
Purchase Obligations ¹					
Other Long Term Obligations ²					
Total Contractual Obligations					

¹ "Purchase Obligation" means an agreement to purchase goods or services that is enforceable and legally binding on the issuer that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

² "Other Long-Term Obligations" means other long-term liabilities reflected on the issuer's balance sheet.

The table may be accompanied by footnotes to describe provisions that create, increase or accelerate obligations or other details to the extent necessary for an understanding of the timing and amount of the issuer's specified contractual obligations.

Item 7 – Capital Resources

Provide an analysis of the issuer's capital resources, including –

(a) commitments for capital expenditures as of the date of the issuer's financial statements including –

(i) the amount, nature and purpose of these commitments;

- (ii) the expected source of funds to meet these commitments; and
 - (iii) expenditures not yet committed but required to maintain the issuer's capacity, to meet the issuer's planned growth or to fund development activities;
- (b) known trends or expected fluctuations in the issuer's capital resources, including expected changes in the mix and relative cost of these resources; and
- (c) sources of financing that the issuer has arranged but not yet used.

INSTRUCTIONS

Capital resources are financing resources available to the issuer and include debt, equity and any other financing arrangements that the issuer reasonably considers will provide financial resources to the issuer.

In discussing the issuer's commitments discuss any exploration and development, or research and development expenditures required to maintain properties or agreements in good standing.

Item 8 – Off-Balance Sheet Arrangements

Discuss any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the issuer including, without limitation, such considerations as liquidity and capital resources.

In the discussion of off-balance sheet arrangements, the issuer should discuss their business purpose and activities, their economic substance, risks associated with the arrangements, and the key terms and conditions associated with any commitments. The discussion should include –

- (a) a description of the other contracting party(ies);
- (b) the effects of terminating the arrangement;
- (c) the amounts receivable or payable, revenues, expenses and cash flows resulting from the arrangement;
- (d) the nature and amounts of any other obligations or liabilities arising from the arrangement that could require the issuer to provide funding under the arrangement and the triggering events or circumstances that could cause them to arise; and
- (e) any known event, commitment, trend or uncertainty that may affect the availability or benefits of the arrangement (including any termination) and the course of action that management has taken, or proposes to take, in response to any such circumstances.

INSTRUCTIONS

Off-balance sheet arrangements include any contractual arrangement with an entity not reported on a consolidated basis with the issuer, under which the issuer has –

- (A) any obligation under certain guarantee contracts;*
- (B) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement that serves as credit, liquidity or market risk support to that entity for the assets;*
- (C) any obligation under certain derivative instruments; or*
- (D) any obligation under a material variable interest held by the issuer in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the issuer, or engages in leasing, hedging or, research and development services with the issuer.*

Contingent liabilities arising out of litigation, arbitration or regulatory actions are not considered to be off-balance sheet arrangements.

Disclosure of off-balance sheet arrangements should cover the most recently completed financial year. However, the discussion should address changes from the previous year where such discussion is necessary to understand the disclosure.

The discussion need not repeat information provided in the notes to the financial statements if the discussion clearly cross-references to specific information in the relevant notes and integrates the substance of the notes into the discussion in a manner that explains the significance of the information not included in the MD&A.

Item 9 – Transactions with Related Parties

Discuss all transactions involving related parties as defined by generally accepted accounting principles and include the disclosure required by generally accepted accounting principles to the extent not contained in the notes to the financial statements.

INSTRUCTION

In discussing the issuer's transactions with related parties, the discussion should include both qualitative and quantitative characteristics that are necessary to understand the transactions' business purpose and economic substance. Discuss –

- (A) the relationship and identify the related person or entities;*
- (B) the business purpose of the transaction;*

(C) the recorded amount of the transaction and the measurement basis used;

(D) any ongoing contractual or other commitments resulting from the transaction;

(E) any additional disclosure required by generally accepted accounting principles.

If the disclosure required by this item is provided in a note to the issuer's financial statements, the issuer may provide a cross reference to the note and otherwise omit this discussion in the MD&A.

Item 10 – Fourth Quarter

Discuss and analyse fourth quarter events or items that affected the issuer's financial condition, cash flows or results of operations, including extraordinary items, year-end and other adjustments, seasonal aspects of the issuer's business and dispositions of business segments.

Item 11 – Proposed Transactions

Discuss the expected effect on financial condition, results of operations and cash flows of any proposed asset or business acquisition or disposition if the issuer's board of directors, or senior management who believe that confirmation of the decision by the board is probable, have decided to proceed with the transaction. Include the status of any required security holder or regulatory approvals.

INSTRUCTION

The issuer does not have to disclose this information if the issuer has filed a Material Change Report [Form 22] regarding the transaction on a confidential basis and the report remains confidential.

Item 12 – Critical Accounting Estimates

Provide an analysis of the issuer's critical accounting estimates. The analysis should –

(a) identify and describe each critical accounting estimate used by the issuer including –

- (i) a description of the accounting estimate;
- (ii) the methodology used in determining the critical accounting estimate;
- (iii) the assumptions underlying the accounting estimate that relate to matters highly uncertain at the time the estimate was made;

- (iv) any known trends, commitments, events or uncertainties that the issuer reasonably believes will materially affect the methodology or the assumptions described; and
 - (v) if applicable, why the accounting estimate is reasonably likely to change from period to period and have a material impact on the financial presentation;
- (b) explain the significance of the accounting estimate to the issuer's financial condition, changes in financial condition and results of operations and identify the financial statement line items affected by the accounting estimate;
- (c) discuss changes made to critical accounting estimates during the past two financial years including the reasons for the change and the quantitative effect on the issuer's overall financial performance and financial statement line items; and
- (d) identify the segments of the issuer's business that the accounting estimate affects and discuss the accounting estimate on a segment basis if the issuer operates in more than one segment.

INSTRUCTIONS

An accounting estimate is a critical accounting estimate only if –

- (A) *it requires the issuer to make assumptions about matters that are highly uncertain at the time the accounting estimate is made; and*
- (B) *different estimates that the issuer could have used in the current period, or changes in the accounting estimate that are reasonably likely to occur from period to period, would have a material impact on the issuer's financial condition, changes in financial condition or results of operations.*

As part of the description of each critical accounting estimate, in addition to qualitative disclosure, provide quantitative disclosure when quantitative information is reasonably available and would provide material information for investors. Similarly, in the discussion of assumptions underlying an accounting estimate that relates to matters highly uncertain at the time the estimate was made, provide quantitative disclosure when it is reasonably available, and it would provide material information for investors. For example, quantitative information may include a sensitivity analysis or disclosure of the upper and lower ends of the range of estimates from which the recorded estimate was selected.

Item 13 – Changes in Accounting Policies including Initial Adoption

Discuss and analyse any changes in the issuer's accounting policies, including –

- (a) for any accounting policies that the issuer has adopted or expects to adopt after the end of the issuer's most recently completed financial year, including changes the issuer has made or expects to make voluntarily and those due to a change in an accounting standard or a new accounting standard that the issuer does not have to adopt until a future date, the issuer should –
- (i) describe the new standard, the date the issuer is required to adopt it and, if determined, the date it plans to adopt it;
 - (ii) disclose the methods of adoption permitted by the accounting standard and the method the issuer expects to use;
 - (iii) discuss the expected effect on the issuer's financial statements, or if applicable, state that the issuer cannot reasonably estimate the effect; and
 - (iv) discuss the potential effect on the issuer's business, for example technical violations or default of debt covenants or changes in business practices; and
- (b) for any accounting policies that the issuer has initially adopted during the most recently completed financial year, the issuer should –
- (i) describe the events or transactions that gave rise to the initial adoption of an accounting policy;
 - (ii) describe the accounting principle that has been adopted and the method of applying that principle;
 - (iii) discuss the effect resulting from the initial adoption of the accounting policy on the issuer's financial condition, changes in financial condition and results of operations;
 - (iv) if the issuer is permitted a choice among acceptable accounting principles –
 - (A) state that the issuer made a choice among acceptable alternatives;
 - (B) identify the alternatives;
 - (C) describe why the issuer made the choice that the issuer did; and
 - (D) discuss the effect, where material, on the issuer's financial condition, changes in financial condition and results of operations under the alternatives not chosen; and

- (v) if no accounting literature exists that covers the accounting for the events or transactions giving rise to the initial adoption of the accounting policy, explain the decision regarding which accounting principle to use and the method of applying that principle.

INSTRUCTION

The issuer does not have to present the discussion under paragraph (b) of Item 13 for the initial adoption of accounting policies resulting from the adoption of new accounting standards.

Item 14 – Financial Instruments and Other Instruments

For financial instruments and other instruments –

- (a) discuss the nature and extent of the issuer’s use of, including relationships among, the instruments and the business purposes that they serve;
- (b) describe and analyse the risks associated with the instruments;
- (c) describe how the issuer manage these risks, including a discussion of the objectives, general strategies and instruments used to manage the risks, including any hedging activities;
- (d) disclose the financial statement classification and amounts of income, expenses, gains and losses associated with the instrument; and
- (e) discuss the significant assumptions made in determining the fair value of financial instruments, the total amount and financial statement classification of the change in fair value of financial instruments recognized in income for the period, and the total amount and financial statement classification of deferred or unrecognized gains and losses on financial instruments.

INSTRUCTIONS

“Other instruments” are instruments that may be settled by the delivery of non-financial assets. A commodity futures contract is an example of an instrument that may be settled by delivery of non-financial assets.

The discussion under paragraph (a) of Item 14 should enhance a reader’s understanding of the significance of recognized and unrecognized instruments on the issuer’s financial position, results of operations and cash flows. The information should also assist a reader in assessing the amounts, timing, and certainty of future cash flows associated with those instruments. Also discuss the relationship between liability and equity components of convertible debt instruments.

For purposes of paragraph (c) of Item 14, if the issuer is exposed to significant price, credit or liquidity risks, consider providing a sensitivity analysis or tabular information to help readers assess the degree of exposure. For example, an analysis of the effect of a hypothetical change in the prevailing level of interest or currency rates on the fair value of financial instruments and future earnings and cash flows may be useful in describing the issuer's exposure to price risk.

For purposes of paragraph (d) of Item 14, disclose and explain the income, expenses, gains and losses from hedging activities separately from other activities.

Item 15 – Additional Disclosure for Issuers Without Significant Revenue

If the issuer has not had significant revenue from operations in either of its last two financial years, it should disclose a breakdown of the material components of –

- (a) capitalized or expensed development costs;
- (b) expensed research and development costs;
- (c) deferred development costs;
- (d) general and administration expenses; and
- (e) any material costs, whether capitalized, deferred or expensed, not referred to in paragraphs (a) through (d),

for each of the two most recently completed financial years.

This disclosure is not required if the information has been disclosed in the financial statements to which the MD&A relates.

FORM 22
[regulation 123]

MATERIAL CHANGE REPORT

Item 1 – Name and Address of Public Issuer

State the name of the public issuer, and include its principal business address, email address(es), telephone numbers and website addresses fax numbers.

Item 2 – Date of Material Change

Item 3 – Press Release

State the date that the press release disclosing the material change was issued and describe the method of dissemination.

Item 4 – Description of Material Change

Provide sufficient disclosure regarding the material change to enable a reader to appreciate the significance and impact of the material change without having to refer to any other sources.

Examples of matters that would be subject to disclosure include: dates, parties, terms and conditions, effect on financial condition, value, reasons for the change, purpose of the change, and a general comment on the probable impact of the material change on the public issuer.

Item 5 – Senior Officer

Give the name, business telephone number and email address of a senior officer of the public issuer who is knowledgeable about the material change and who may be contacted to discuss it.

Item 6 – Date the Report

Item 7 – Certification and Signature

A senior officer shall certify the following statement by signature or other specified means:

"I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading."

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

FORM 23*[regulation 126]***MANAGEMENT PROXY STATEMENT****Item 1 – Name and Address of Public Issuer**

Include the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business. Include the issuer's complete mailing address and telephone number of the issuer's executive offices, its e-mail address, its website address and its jurisdiction of incorporation or organization.

Item 2 – Date, Time and Place Information

State the date, time and place of the meeting of security holders.

On the first page of the proxy statement, state the date on which the proxy statement and form of proxy are first sent or given to security holders.

Item 3 – Revocability of Proxy

State whether or not the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

Item 4 – Solicitation

State that the solicitation is made by the issuer.

Give the name of any director of the issuer who has informed the issuer in writing that the director intends to oppose any action intended to be taken by the company and indicate the action which the director intends to oppose.

Describe the method(s) of solicitation of security holders.

State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly and the total amount estimated to be spent and the total expenditure to date in connection with the solicitation of security holders.

If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state –

- i. the material features of any contract or arrangement for such solicitation and the identity of the parties;
- ii. the anticipated costs thereof; and
- iii. the approximate number of such employees or any other person (naming such other person) who will solicit security holders.

Item 5 – Voting Securities and Principal Holders of Voting Securities

Provide –

- (a) The number of securities of each class of securities of the issuer entitled to be voted at the meeting and the number of votes to which each security of each such class is entitled on each matter to be acted upon at the meeting.
- (b) The name of each person who, to the knowledge of the directors or officers of the issuer, beneficially owns or exercises control or direction over securities carrying more than 10 per cent of the voting rights attached to any class of outstanding voting securities of the issuer entitled to be voted at the meeting, the approximate number of the securities so owned, controlled or directed by each such person and the percentage of the class of outstanding voting securities of the issuer represented by the number of voting securities so owned, controlled or directed.
- (c) If a change in the effective control of the issuer has occurred since the beginning of its last financial year, the name of the person who, to the knowledge of the directors or officers of the issuer, acquired control, the date and description of the transaction in which control was acquired and the percentage of voting rights attached to all outstanding voting securities entitled to be voted at the meeting now owned, controlled or directed by the person.
- (d) The percentage of votes required for the approval of any matter to be submitted to a vote of security holders that requires approval by more than a majority of the votes cast on the matter at the meeting.

Item 6 – Election of Directors

If directors are to be elected, provide –

- (a) A statement of any right of any class of security holders to elect a specified number of directors or to cumulate their votes and of any conditions precedent to the exercise of the rights.
- (b) In table form, so far as practicable, with respect to each person proposed by management for nomination for election as a director and each director whose term of office will continue after the meeting –
 - i. the name of each person, the time when his or her term of office or the term of office for which he or she is a proposed nominee expires and all other major positions and offices with the issuer or any of its significant affiliates currently held by the person, indicating which of the persons are proposed nominees for election as directors at the meeting;

- ii. the present principal occupation or employment of each such person, the name and principal business of any company or other organization in which the occupation or employment is carried on and similar information as to all principal occupations or employments of each such person within the five preceding years, unless the person is now a director and was elected to his or her present term of office by a vote of security holders at a meeting the notice of which was accompanied by a proxy statement containing that information;
 - iii. if any such person is or has been a director of the issuer, the period or periods during which the person has so served;
 - iv. the number of securities of each class of voting securities of the issuer and of its holding body corporate beneficially owned, directly or indirectly, or over which control or direction is exercised by each such person; and
 - v. if more than 10 per cent of the votes attached to voting securities of any class of the issuer or of its holding body corporate are beneficially owned or subject to control or direction by any such person and the person's associates, the number of each class of voting securities so owned, controlled or directed by the associates and the name of each associate.
- (c) The details of any contract, arrangement or understanding between any proposed management nominee and any other person, except the directors and officers of the issuer acting solely in such capacity, pursuant to which the nominee is to be elected, including the name of the other person.

Item 7 - Directors' and Officers' Remuneration

Provide a statement of executive compensation completed in accordance with section 53 of Form 18 [*Prospectus Form*] of the Regulation.

Item 8 – Interests of Insiders in Material Transactions

Provide the details of any material interest of –

- i. a director or senior officer of the issuer;
- ii. a proposed management nominee for election as a director of the issuer;
- iii. a significant security holder; and
- iv. an associate or affiliate of every person referred to in subparagraphs i, ii and iii,

in any transaction since the beginning of the issuer's last completed financial year or in any proposed transaction that has materially affected or will materially affect the issuer or any of its affiliates. Include, where practicable, the approximate amount of the direct or indirect material interest.

Include the name and address of each person whose interest in a transaction is disclosed and that person's relationship to the issuer.

Where a material transaction referred to in this Item involves the purchase or sale of assets by the issuer or any affiliate otherwise than in the ordinary course of business, include the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within the two years prior to the transaction.

Item 9 – Appointment of Auditors

If a new auditor is proposed for appointment, provide the name of the proposed auditor, the name of each auditor appointed within the preceding five years and the date on which each auditor was first appointed.

Item 10 – Particulars of Matters to Be Acted Upon

List separately all items to be considered and voted upon by the security holders, such as, election of directors, compensation issues, corporate matters including amendments to articles or byelaws, mergers, consolidations, acquisitions and similar matters, property issues, election of independent accountants, capitalization matters and other corporate items.

List separately any proposal by a substantial security holder or dissenter.

If there is any challenge to any of the items on the agenda or any contrary or additional proposal by any substantial security holder or dissenter, the company shall include and provide their information and recommendations regarding such items or proposals.

If any matter on the agenda is not required to be submitted to a vote of the security holders, give the reasons for so submitting it and the action intended to be taken by management in the event of a negative vote by the security holders.

Along with the above items listed, the company may provide additional information about each item and may express its recommendations as to whether the security holder should approve, reject or abstain from the proposal.

In all cases, provide sufficient details on the items to be considered so that the security holders may form a reasoned judgment concerning the matter.

Item 11 – Dissent & Appraisal Rights

Provide a statement of the rights of appraisal or similar rights of dissenters with respect to any matter to be acted upon and include a brief summary of any statutory procedure required to be followed by dissenting security holders to perfect such rights.

Item 12 – Financial Information

Include the issuer's certified financial statements and the auditor's report thereon for the issuer's most recently completed fiscal year.

Item 13 – Approval of Directors

Include a statement, signed by a director or officer of the issuer, that the contents and the sending of the proxy statement have been approved by the directors.

Item 14 – Certification of Distribution

A management proxy statement that is provided to the Commission shall be accompanied by a statement signed by a director or officer certifying that a copy of the statement has been sent to –

- (a) each director;
- (b) each security holder entitled to notice of the meeting to which the circular relates; and
- (c) the auditor of the issuer.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

A fee shall be submitted with this form. The appropriate fee can be found in Schedule II.

FORM 24
[regulation 126]

DISSIDENT PROXY STATEMENT

Item 1 – Name of Public Issuer

Include the full corporate name of the issuer or, if the issuer is an unincorporated entity, the full name under which the entity exists and carries on business.

Item 2 – Date, Time and Place Information

State the date, time and place of the meeting of security holders.

On the first page of the proxy statement, as delivered to security holders, state the date on which the proxy statement are first sent or given to security holders.

Item 3 – Revocability of Proxy

State whether or not the person giving the proxy has the power to revoke it. If the right of revocation before the proxy is exercised is limited or is subject to compliance with any formal procedure, briefly describe such limitation or procedure.

Item 4 – Solicitation

Provide -

- 1) Details of the identity and background of each dissident, including –
 - the dissident's name and address;
 - the dissident's present principal occupation or employment and the name, principal business and address of any company or other person in which the occupation or employment is carried on;
 - all material occupations, offices or employments during the preceding five years, with starting and ending dates of each and the name, principal business and address of the body corporate or other business organization in which each such occupation, office or employment was carried on; and
 - whether the dissident is or has been a dissident within the preceding ten years and, if so, the body corporate involved, the principals and the dissident's relationship to them, the subject matter and the outcome of the solicitation.
- 2) The circumstances under which each dissident became involved in the solicitation and the nature and extent of activities as a dissident.

- 3) Details of the interest of each dissident in the securities of the issuer to which the solicitation relates, including –
 - (a) the number of securities of each class of voting securities of the issuer that the dissident owns beneficially, directly or indirectly, or over which the dissident exercises control or direction;
 - (b) whether the dissident is or was within the preceding year a party to a contract, arrangement or understanding with any person in respect of securities of the issuer, including joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits or the giving or withholding of proxies and, if so, the names of the parties to, and the details of the contract, arrangement or understanding;
 - (c) the number of each class of securities of an affiliate of the issuer that the dissident owns beneficially, directly or indirectly, or over which the dissident exercises control or direction; and
 - (d) the number of securities of each class of securities of the issuer that each associate of the dissident beneficially, directly or indirectly, owns or exercises control or direction over and the name and address of each such associate.
- 4) Describe the method(s) of solicitation of security holders.
 - (a) State the names of the persons by whom the cost of solicitation has been or will be borne, directly or indirectly and the total amount estimated to be spent and the total expenditure to date in connection with the solicitation of security holders.
 - (b) If specially engaged employees, representatives or other persons have been or are to be employed to solicit security holders, state –
 - i. the material features of any contract or arrangement for such solicitation and the identity of the parties;
 - ii. the anticipated costs thereof; and
 - iii. the approximate number of such employees or any other person (naming such other person) who will solicit security holders.

Item 5 – Election of Directors

If the dissident is proposing directors for election, provide –

- 1) In table form, so far as practicable, with respect to each person proposed by the dissident for nomination for election as a director and each director whose term of office will continue after the meeting;
 - (a) the name of each person, the time when his or her term of office or the term of office for which he or she is a proposed nominee expires

and all other major positions and offices with the issuer or any of its significant affiliates currently held by the person, indicating which of the persons are proposed nominees for election as directors at the meeting;

- (b) the present principal occupation or employment of each such person, the name and principal business of any body corporate or other organization in which the occupation or employment is carried on and similar information as to all principal occupations or employments of each such person within the five preceding years, unless the person is now a director and was elected to his or her present term of office by a vote of security holders at a meeting the notice of which was accompanied by a proxy statement containing that information;
 - (c) if any such person is or has been a director of the issuer, the period or periods during which the person has so served;
 - (d) the number of securities of each class of voting securities of the issuer and of its holding body corporate beneficially owned, directly or indirectly, or over which control or direction is exercised by each such person; and
 - (e) if more than 10 per cent of the votes attached to voting securities of any class of the issuer or of its holding body corporate are beneficially owned or subject to control or direction by any such person and the person's associates, the number of each class of voting securities so owned, controlled or directed by the associates and the name of each associate.
- 2) The details of any contract, arrangement or understanding between any proposed dissident nominee and any other person, except the directors and officers of the issuer acting solely in such capacity, pursuant to which the nominee is to be elected, including the name of the other person.

Item 6 – Interests of Insiders in Material Transactions

Provide details on any material interest of –

- (a) a proposed dissident nominee for election as a director of the issuer,
- (b) a dissident; and
- (c) an associate or affiliate of every person referred to in subparagraphs (a) and (b),

in any transaction since the beginning of the issuer's last completed financial year or in any proposed transaction that has materially affected or will materially affect the issuer or any of its affiliates. Include, where practicable, the approximate amount of any direct or indirect material interest of the person.

Include the name and address of each person whose interest in a transaction is disclosed and that person's relationship to the issuer.

Where a material transaction referred to in this Item involves the purchase or sale of assets by the issuer or any affiliate otherwise than in the ordinary course of business, include the cost of the assets to the purchaser and the cost of the assets to the seller if acquired by the seller within the two years prior to the transaction.

Item 7 – Particulars of Matters to be Acted Upon

List separately all items to be considered and voted upon by the security holders for which the dissident is soliciting proxies, such as, election of directors, compensation issues, corporate matters including amendments to articles or by-laws, mergers, consolidations, acquisitions and similar matters, property issues, capitalization matters and other corporate items.

In all cases, provide sufficient details on the items to be considered so that the security holders may form a reasoned judgment concerning the matter.

Item 8 – Approval of Dissident

Include a statement, signed by the dissident or a person authorized by the dissident, that the contents and the sending of the circular have been approved by the dissident.

Item 9 – Certification of Distribution

A dissident proxy statement that is provided to the Commission shall be accompanied by a statement signed by the dissident or a person authorized by the dissident certifying that a copy of the statement has been sent to –

- (a) each director;
- (b) each security holder entitled to notice of the meeting to which the circular relates;
- (c) the auditor of the issuer; and
- (d) the issuer.

WARNING: Intentional misstatement or failure to disclose information may constitute an offence.

Attachment:
Yes: _____ No: _____

5. Remarks

I, the undersigned, hereby affirm that to the best of my information, knowledge and belief the contents of this form and any attachments provided with this form are true, correct and not misleading. It is an offence to file a report that, at the time and in light of the circumstances in which it is made, contains a misrepresentation.

1. Signature

Name (Block letters)	Signature	Date of Report		
		Day	Mo	Yr

INSTRUCTIONS

No report shall be filed if:

- The insider does not own or have control or direction over securities of the public issuer, or
- There has been no change in such person’s ownership or direction or control over securities of the public issuer since the last report filed.

BOX 1 Name of the public issuer

Provide the full legal name of the public issuer. Use a separate report for each public issuer.

BOX 2 Person connected to public issuer data

Indicate all of your relationship(s) to the public issuer using the following codes:

- | | |
|---|---|
| Significant security holder | 1 |
| Director of the public issuer | 2 |
| Senior officer of the public issuer | 3 |
| Director or senior officer of a significant security holder referred to in 1 | 4 |
| Director or senior officer of an affiliate of the public issuer, other than in 2, 3 and 4 | 5 |

If you have filed a report before, indicate whether your relationship to the public issuer has changed.

Specify the date of the last report you filed, and if it is an initial report, the date on which you became an insider.

BOX 3 Name, address and telephone number of the insider

Provide your name, address and business telephone number.

BOX 4 Insider holdings and changes

Show direct and indirect holdings separately, both in the initial report and where a transaction is reported. Indicate only one transaction per line.

For an initial report complete only:

- A. Designation of class of securities held.
- D. Present balance of class of securities held.
- E. Nature of ownership (see List of Codes).
- F. Identification of the registered holder where ownership is indirect.

If you acquired or disposed of securities while an insider, complete sections A to F:

- A. Indicate a designation of the securities traded that is sufficient to identify the class, including yield, series, and maturity.
- B. Indicate the number of securities, or for debt securities, the aggregate nominal value of the class held, directly and indirectly, before the transaction that is being reported.
- C. Indicate for each transaction:
 - the date of the transaction (not the settlement date);
 - the nature of the transaction (see List of Codes below);
 - the number of securities acquired or disposed of, or for debt securities, the aggregate nominal value;
 - the unit price paid or received on the day of the transaction, excluding the commission.
 - if, with prior Commission agreement, the report is in American dollars, check the space under "\$ US"

LIST OF CODES***Nature of transaction***

Acquisition or disposition in the public market	1
Acquisition or disposition carried out privately	2
Acquisition or disposition under a prospectus	3
Acquisition or disposition under a prospectus exemption	4

Acquisition or disposition pursuant to a takeover bid, merger or acquisition	5
Acquisition or disposition under a purchase/ownership plan	6
Stock dividend	7
Conversion or exchange	8
Stock split or consolidation	9
Redemption/retraction/cancellation/repurchase	10
Short sale	11
Compensation for property	12
Compensation for services	13
Acquisition or disposition by gift	14
Acquisition by inheritance or disposition by bequest	15
<i>Issuer Derivatives</i>	
Grant of options	16
Exercise of options	17
Expiry of options	18
Grant of warrants	19
Exercise of warrants	20
Expiry of warrants	21
Grant of rights	22
Exercise of rights	23
Expiry of rights	24
<i>Third Party Derivatives</i>	
Acquisition or disposition (writing) of third-party derivative	25
Exercise of third-party derivative	26
Other settlement of third-party derivative	27
Expiry of third-party derivative 2	28
<i>Miscellaneous</i>	
Change in nature of ownership	29
Other	30

- D.** Indicate the number of securities, or in the case of debt securities, the aggregate nominal value, of the class held, directly or indirectly, after the transaction that is being reported.
- E.** Indicate the nature of ownership, control or direction in respect of the class of securities held using the following codes:
- | | |
|---|---|
| Direct ownership | 0 |
| Indirect ownership (identify the registered holder) | 1 |
| Control or direction (identify the registered holder) | 2 |
- F.** For securities that are indirectly held, or over which control or direction is exercised, identify the registered holder.

BOX 5 Remarks

Add any explanation necessary to make the report clearly understandable.

If space provided for any item is insufficient, attach additional sheets. Additional sheets shall refer to the appropriate Box and shall be properly identified and signed.

Commission staff are not permitted to alter a report.

BOX 6 Signature and filing

The report shall be certified by a signature or other specified means by each individual making the report and dated.

The names of each individual signing the report and, where the report is filed on behalf of a company, partnership, trust or other entity, the name of that entity, shall appear legibly after the individual signature or certification.

If the report is signed on behalf of an individual by an agent, file a duly completed power of attorney with the first report signed by the agent.

File the report with the Commission within the prescribed time limits.

SCHEDULE II
[regulation 5]

FEES

Category of Registration under Part III of the Act	Application Fee (BZ\$)	Registration Fee (BZ\$)	Annual Renewal Fee (BZ\$)
(a) Marketplace	25,000.00	50,000.00	50,000.00
(b) Clearing Facility	10,000.00	25,000.00	25,000.00
(c) Self-Regulatory Organisation	5,000.00	15,000.00	15,000.00
(d) Ancillary Facility	5,000.00	15,000.00	15,000.00
Registered Company Registration by category of securities activity			
(a) Dealing in Securities (trading in securities as agent or principal)	3,000.00	30,000.00	30,000.00
(b) Managing Securities	3,000.00	25,000.00	25,000.00
(c) Advising on Securities	3,000.00	15,000.00	15,000.00
(d) Arranging deals in Securities	3,000.00	10,000	10,000.00
(e) Providing custodial services with respect to securities	1,000.00	3,000.00	3,000.00
(f) Providing administration services with respect to securities	1,000.00	3,000.00	3,000.00
(g) Persons seeking to register for more than one category under (a) – (d) above	6,000.00	Full fee for function with the highest fee and \$5000.00 for each additional category	Full fee for function with the highest fee and \$5000.00 for each additional category

Fund registration or recognition

(a) Recognition of professional fund	1,500.00	7,500.00	7,500.00
(b) Registration of mutual fund	1,500.00	10,000.00	10,000.00

Category of Individual Registration or other appointment

(a) Appointment by a licensee/registrant of a Chief Executive Officer	500.00	1,500.00	1,500.00
(b) Appointment by a licensee/registrant of a Compliance Officer	500.00	1,000.00	1,000.00
(c) Appointment of a body corporate to provide compliance function services for and on behalf of a licensee/registrant	2,000.00	4,000.00	4,000.00
(d) Securities Representative	500.00	1,000.00	1,000.00
(e) Recognition as an Approved Auditor (firm of accountants)	1,000.00	2,500.00	2,500.00
(f) Recognition as an Approved Auditor (individual account)	500.00	1,500.00	1,500.00

Description**Filing Fee**

(a) Filing of Preliminary Prospectus		4,000.00
(b) Filing - Final Prospectus		0.1% of issue value of \$50,000 of securities value minimum

(c) Filing Prospectus on an amended Final Prospectus	1,800.00
(d) Filing Transaction of Exempt Transaction	6,000.00
(e) Filing of Takeover Bid Document	0.1% of value of bid
(f) Filing of Director's Circular	4,000.00
(g) Filing Statement of Management Proxy Statement	1,800.00
(h) Filing Statements of Interim Financial Statement	No fee (if filed within prescribed time)
(i) Filing Statements of Audited Financial Statements	No fee (if filed within prescribed time)

**Administrative Fees
Description**

(a) Liquidation, surrender, or variation of a licence, condition, or approval	1,000.00
(b) Change of address of principal office of conducting business if different from registered office	300.00
(c) Change in directorship or senior management position other than Chief Executive Officer or Compliance Officer	1,000.00
(d) Cause, permit or acquiesce in a sale, transfer, charge, merger, amalgamation or consolidation, or other disposition of any significant interest, or part thereof of a licensee/registrant	1,200.00
(e) issue or allot any shares or cause, permit, or acquiesce in any other reorganisation of the share capital that results in—	
(i) a person acquiring a significant interest in the licensee/registrant; or	1,200.00
(ii) a person who already owns or holds a significant interest in the licensee/registrant increasing or decreasing the size of his or her interest	1,200.00
(f) Letters of Good Standing	600.00
(g) Certified copy of a licence/registration (per certificate)	600.00
(h) Replacement of Certificates (per certificate)	600.00
(i) Name Change	500.00

(j) Filing of a notification of termination/registration/retirement of a registered individual (Form 13)	500.00
(k) Submission of Financial and Operational Report (Form 14)	No fee (if filed within prescribed time)
(l) Change of appointment of an auditor	2,000.00
(m) Change of corporate structure of licensee/registrant	500.00
(n) Approval to incorporate or operate a subsidiary, branch, or representative office outside Belize	500.00
(o) Use of an Agent	500.00
(p) Any service for which a fee is not prescribed	250.00

Late payment fees

Late payment of annual renewal fee	The payment of the annual renewal fee is due within thirty-days after the annual renewal date of 1 st January in any given year. The late fee is equal to the relevant annual renewal fee ⁵ for each month or part of a month during which the fee is unpaid up to six months (6) after the annual renewal date
Late filing (submitted after due date) of any interim or audited financial statement	\$1000.00 for each month or part of a month until the relevant financial statement is submitted

⁵ Pursuant to Regulation 6(2) the late fee is in addition to the relevant annual renewal fee; therefore, e.g., if the annual renewal fee is \$1,000.00, the fee due is \$2,000.00 for each month or part a month during which the fee is unpaid.

Late filing (submitted after due date) of Financial Operational Form (From 14) or other regulatory

\$1000.00 for each month or part of a month until the Financial Operational Form (From 14) or other regulatory filing is submitted

SCHEDULE III
[regulation 34]

Capital and liquidity requirements

(under regulation 34)

A Regulatory capital requirement

1. A registered company's regulatory capital requirement shall be calculated as follows:

Regulatory capital requirement = Initial capital + operations scalar + sum of applicable risk scalars + applicable supervisory adjustment

2. The regulatory capital requirement is an amount in Belize dollars (BZ\$).

A1 Composition of regulatory capital

3. The composition of regulatory capital shall at all times satisfy the following requirements:
 - (a) 50% or more shall be Core Tier 1 Capital;
 - (b) No more than 50% shall be Additional Tier 1 Capital;
 - (c) No more than 25% shall be Tier 2 Capital.
4. 'Core Tier 1 Capital' means:

The sum of the following:

- (a) issued and fully paid-up capital in the form of ordinary shares;

- (b) issued and fully paid-up capital in the form of perpetual non-cumulative preference shares;
- (c) capital paid in excess of par value of qualifying ordinary and perpetual non-cumulative preference shares (share premium);
- (d) capital raised by the licensee from an issue of its shares to a Government agency or undertaking pursuant to an arrangement for the provision of financial assistance to the licensee for the purpose of its restructuring;
- (e) eligible reserves, as approved by the Commission.

LESS the sum of:

- i) losses for the current year
- ii) accumulated losses for previous years; and
- iii) any goodwill, start-up expenses and other intangible assets.

5. 'Additional Tier 1 Capital' means:

- (c) capital instruments issued directly by the registered company where the instruments: -
 - i) are fully paid up;
 - ii) are not owned by the registered company or its affiliates;
 - iii) rank below Tier 2 instruments in the event of the registered company's insolvency;
 - iv) are neither secured nor subject to a guarantee that enhances the seniority of claims made by the registered company or any affiliated entity;
 - v) are not subject to any contractual or other arrangement that enhances the seniority of the claim under the instruments in insolvency or liquidation;
 - vi) the instruments are perpetual, and their governing provisions include no incentive for the institution to redeem them;
 - vii) any early redemption options are exercisable only at the sole discretion of the issuer and may only be exercised five or more years after the issuance date, with the prior approval of the Commission;
 - viii) distributions are cancellable without triggering a default event and are not amended on the basis of the credit standing of the registered company or its parent;
 - ix) the provisions governing the instruments require that, upon the occurrence of a trigger event, the principal amount of the instruments be written down on a permanent or temporary basis or the instruments be converted to Common Equity Tier 1 instruments; and
- (d) share premium accounts related to the instruments referred to in point (a).

6. 'Tier 2 Capital' means:
- (a) qualifying paid-up capital in the form of perpetual cumulative preference shares;
 - (b) qualifying paid-up capital in the form of term preference shares with an original term to maturity of five years or more;
 - (c) capital paid in excess of par value of qualifying perpetual cumulative and term preference shares (share premium);
 - (d) remaining balances on subordinated debt;
 - (e) subordinated debt issued to the Government of Belize or an agency of the Government of Belize for the purpose of effecting financial assistance;
 - (f) other reserves as approved by the Commission.

A2 Initial capital

7. The initial capital amount is the highest amount in Regulation 34(2) specified for any securities business the firm carries out.

A3 Operations scalar

8. The operations scalar applies to all registered companies. It acts as a proxy for the scale of operational risk to which the registered company is exposed.
9. The operations scalar is an amount equal to 25% of the registered company's net relevant expenditure for the previous year, where:

Net relevant expenditure = Total revenue + retained losses – aggregated deductions.

11. 'Aggregated deductions' means the sum of the following items:
- (a) profit before taxation;
 - (b) guaranteed bonuses;
 - (c) profit shares and other appropriations of profit;
 - (d) commissions shared, other than with employees, directors, or other representatives of the company;
 - (e) fees, brokerage and other charges paid to securities investment business intermediaries for the purposes of executing, registering or clearing transactions;
 - (f) interest payable to counterparties;
 - (g) interest payable on borrowings; and
 - (h) exceptional or extraordinary items, with the prior written approval of the Authority.

A4 Risk scalars

12. The risk scalars apply to some registered companies according to the securities business they carry out.

13. The risk scalars are:

- (a) Position risk, which addresses market risk and aspects of credit risk
- (b) Counterparty risk
- (c) Exchange rate risk

A4.1 Position and counterparty risk scalars

14. The position risk and counterparty risk scalars apply to:

- (a) Any registered companies carrying out the following securities business:
 - i) dealing as principal;
 - ii) dealing as agent; and
- (b) Any other registered company which maintains long or short positions in securities or derivatives.

15. The position risk scalar is calculated in accordance with **Table 1**.

16. The counterparty risk scalar, which includes provision for concentration risk, is calculated in accordance with **Table 2**.

Table 1: calculation of position risk scalar

17. The position risk scalar is 10% of the sum of the position risk calculation value of the long or short positions held in securities, derivatives or other investments as follows. A registered company shall calculate a position risk value for each instrument in Table 1 which is the value specified in the table. The position risk calculation value is the total of the position risk values for each item.

Debt and equity instruments		Position risk value			
		Per centage of market value, by duration			
		<90 days	90 days – 1 year	1 – 5 years	>5 years
Debt	Highly-rated government debt securities	2%	2%	5%	10%
	Government debt securities holding	2%	5%	10%	10%

	an investment grade credit rating				
	Other Belizean government debt	2%	5%	10%	15%
	Issued or accepted by an authorised bank	2%	5%	10%	15%
	Other marketable investments	5%	10%	15%	20%
	Floating rate notes which are marketable investments	Under 20 years		Over 20 years	
		5%		10%	
Equities	Listed on a regulated securities exchange	25%			
	Traded on a regulated securities exchange	35%			
Other instruments		Position risk value			
Futures, options and contracts for difference	Exchange-traded futures	4x initial margin requirement			
	OTC futures	Relevant per centage of market value for the underlying position given in first half of the table (debt/equities)			
	Purchased options	Relevant per centage of market value for the underlying position given in first half of the table (debt/equities), limited to the value of the option			
	CFDs	40%			
Other	Unit-linked bonds and units in a regulated CIS unless covered below	25% realizable value			
	Units in higher volatility and property funds	50% realizable value			
	With profit life policies	20% surrender value			

	Any other investment	100% asset value
Total value		

Table 2: calculation of counterparty risk scalar

18. The counterparty risk scalar is 10% of the sum of the counterparty exposure calculation value determined as follows. Categories in which there is no entry, or the net calculation value is negative are to be treated as nil.

Exposure	Note												
Cash against document transactions	<p>Where a registered company has unsettled bargains in any securities it shall calculate the price difference to which it is exposed and then multiply this by the appropriate per centage below to give the calculation value.</p> <table border="1"> <thead> <tr> <th>Business days after settlement</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>0-15</td> <td>Nil</td> </tr> <tr> <td>16-30</td> <td>25%</td> </tr> <tr> <td>31-45</td> <td>50%</td> </tr> <tr> <td>46-60</td> <td>75%</td> </tr> <tr> <td>Over 60</td> <td>100%</td> </tr> </tbody> </table>	Business days after settlement	Percentage	0-15	Nil	16-30	25%	31-45	50%	46-60	75%	Over 60	100%
Business days after settlement	Percentage												
0-15	Nil												
16-30	25%												
31-45	50%												
46-60	75%												
Over 60	100%												
Free deliveries	Where a registered company has either (a) made payment to a counterparty in respect of securities but not received the appropriate certificates, or (b) provided certificates in respect of securities to a counterparty but not received payment, and settlement is more than three business days overdue, the full value shall be counted as the calculation value.												
Options purchased for a counterparty	Where a registered company has purchased an option on behalf of a counterparty on terms which do not impose on the counterparty any actual or contingent margin requirement, or liability to make any payment other than the initial purchase price of the option, and the counterparty has not paid the price by three days after trade date, the calculation value is the amount by which the purchase price exceeds the current realisable value of the option.												

	Where a registered company has purchased a traditional option for its own account or on behalf of a counterparty who has not paid the registered company, then, if the registered company has paid the option premium to the writer, it shall include a calculation value equal to the option premium.						
Amounts owed in respect of exchange-traded margined transactions	Where, as a result of an exchange traded margined transaction, a counterparty of the registered company has an initial margin and/or variation margin requirement and has not met it fully with cash, acceptable collateral or a positive equity balance not used to meet variation margin, and more than three business days have passed since the shortfall occurred, the full value shall be included in the calculation value.						
Concentrated risk from one counterparty	<p>If the total amount due to a registered company for free deliveries or other debts attracting a calculation value from a single counterparty (treating as one counterparty several counterparties grouped together by the registered company for margin or credit treatment) exceeds 25% of the registered company's annual net relevant expenditure it shall add an additional calculation value by multiplying the value of the free deliveries or other debts attracting a calculation value by the appropriate percentage below:</p> <table border="1" data-bbox="298 915 951 1045"> <thead> <tr> <th>Proportion of annual net relevant expenditure</th> <th>Multiple for additional calculation value</th> </tr> </thead> <tbody> <tr> <td>25-50%</td> <td>15%</td> </tr> <tr> <td>Over 50%</td> <td>40%</td> </tr> </tbody> </table>	Proportion of annual net relevant expenditure	Multiple for additional calculation value	25-50%	15%	Over 50%	40%
Proportion of annual net relevant expenditure	Multiple for additional calculation value						
25-50%	15%						
Over 50%	40%						
Investments subject to repurchase, reverse repurchase, stock borrowing or stock lending transactions	A calculation value shall be added equal to the exposure of the items if that exposure is not in the registered company's favour.						
Over-the-counter derivatives	A calculation value shall be added equal to the current replacement cost of all contracts which have positive values when marked to market. To obtain a figure for potential future credit exposure (except in the case of single currency "floating/floating interest rate swaps" in which only the current replacement costs will be calculated), multiply the notional principal amounts or						

	values underlying the registered person's aggregate positions by the following percentages:									
	<table border="1"> <thead> <tr> <th>Residual Maturity</th> <th>Interest Rate Contracts</th> <th>Foreign Exchange Contracts</th> </tr> </thead> <tbody> <tr> <td>One year or less</td> <td>Nil</td> <td>1%</td> </tr> <tr> <td>More than one year</td> <td>0.5%</td> <td>5%</td> </tr> </tbody> </table>	Residual Maturity	Interest Rate Contracts	Foreign Exchange Contracts	One year or less	Nil	1%	More than one year	0.5%	5%
Residual Maturity	Interest Rate Contracts	Foreign Exchange Contracts								
One year or less	Nil	1%								
More than one year	0.5%	5%								
Other receivables and accrued income	Any item not covered in notes 1 - 15 or 38 - 44 above shall attract a calculation value of 100% from the time that they become due.									
Total calculation value	[Sum of the above calculation values]									

A4.2 Exchange risk scalar

19. The exchange risk scalar applies to any securities company that holds assets or liabilities in any currency other than Belize dollars.
20. The exchange risk scalar is 10% of the overall net open foreign exchange position calculated as follows:
 - (a) Calculate the net open position in each single currency position, which is the sum of:
 - i. The net spot position, consisting of all asset items less all liability items including accrued interest, denominated in the currency in question;
 - ii. The net forward position, consisting of all amounts to be received less all amounts to be paid under forward foreign exchange transactions in the currency in question;
 - iii. Guarantees and similar transactions that are certain to be called and are likely to be irrevocable;
 - iv. Any other item representing a profit or loss, such as accrued interest or expenses, in the foreign currency.
 - (b) Convert the nominal amount or net present value of the net open position in each foreign currency into Belize dollars at spot rates.
 - (c) Calculate the sum in Belize dollars of all net short positions and of all net long positions.
 - (d) Whichever of the total net short position or total net long position is the larger amount is the overall net open foreign exchange position for capital purposes.
 - (e) Multiply the overall net open foreign exchange position by 10% to give the exchange risk scalar.

A5 Applicable supervisory adjustment

21. The supervisory adjustment is an additional amount of regulatory capital which the Commission may require a firm to hold to reflect its risk profile. The Commission may apply an adjustment to all registered companies with a specified characteristic, or to a particular registered company.

B Liquidity requirement

22. The liquidity requirement applies to any registered company carrying out any securities business other than:

- (a) Arranging transactions in securities; and/or
- (b) Providing investment advice.

23. A registered company to which the liquidity requirement applies shall hold at all times liquid assets equivalent to at least one third of the operations scalar.

24. The liquidity requirement shall be constituted of any of the following assets:

- Cash;
- Short term deposits held in an unencumbered short-term deposit account with:
 - an unaffiliated bank registered in Belize; or
 - the Central Bank of Belize; or
 - a bank or Central Bank in a G7 jurisdiction with the prior permission of the Commission and the Central Bank of Belize;
- Unencumbered securities referred to in **Table 3**, with the haircuts specified in that Table, held with:
 - an unaffiliated registered company in Belize with permission to provide custodial services;
 - the Central Securities Depository (CSD) of Belize; or
 - a registered custodian or CSD in a G7 jurisdiction with the prior permission of the Commission and the Central Bank of Belize.

25. Where a registered company does not deal on own account as principal or agent, it may additionally use fees, commissions or trade receivables that are due within 30 days as liquid assets for the purposes of the liquidity requirement, provided that such assets:
 - a. are subject to a haircut of 50%;

- b. comprise no more than one third of the liquid assets requirement.
26. Any assets held to satisfy the liquidity requirement shall be appropriately diversified, available for the registered company to monetize within 30 days through standard trading or repurchase arrangements, and, unless the Commission directs otherwise, shall be denominated in currencies commensurate with the currencies in which net liquidity outflows would arise.
27. Cash, short term deposits or securities belonging to clients, even where held in the own name of the registered company, shall not be treated as liquid assets for the purpose of the liquidity requirement.
28. Registered companies may, in exceptional circumstances, and with prior permission of the Commission, reduce the amount of liquid assets held for a maximum of 30 days.

Table 3: haircuts applicable to securities used to fulfil the liquidity requirement

29. The haircut is a per centage of the market value of a security by which the market value shall be reduced to determine its contribution to the liquidity requirement. (For example, where a security has a haircut of 10%, the value of the security for the purposes of the liquidity requirement is 90% of the market value).

Instrument	Haircut
Certificates of Deposit	0%
Assets representing claims on, or guaranteed by, multilateral development banks or international organisations	0%
Assets representing claims on, or guaranteed by, a highly-rated government	5%
Assets representing claims on, or guaranteed by, a government holding an investment-grade credit rating	15%
Listed investment-grade corporate debt securities	25%
Units in mutual funds authorized or recognized in the US or Belize, except those investing in real estate or infrastructure	30%
Shares that form part of a major stock index	30%
Securities listed on a regulated stock exchange in a G7 country not covered above for which there is a liquid market,	50%

Securities which are eligible as collateral against the margin requirement of an authorized central counterparty in a G7 country	50%
Units in mutual funds authorized or recognized in a G7 country other than the US, except those investing in real estate or infrastructure	50%
Virtual currencies	100%

MADE by the Minister responsible for finance, on the advice of the Financial Services Commission, this 28th day of November, 2023.



HON. JOHN BRICEÑO
Prime Minister
(Minister responsible for finance)