



ANNUAL REPORT 2 0 2 1



FINANCIAL INTELLIGENCE UNIT

Director

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June 30, 2022

Honourable John Briceño
Prime Minister and Minister of Finance,
Economic Development and Investment
Office of the Prime Minister
Sir Edney Cain Building
BELMOPAN

Dear Prime Minister:

FIU Annual Report 2021

Pursuant to Section 19 (1)(b) of the Financial Intelligence Unit (FIU) Act, I am pleased to present to you the FIU's Annual Report for 2021.

The Annual Report reflects the Unit's efforts during 2021 to further strengthen our national capacity to counter money laundering and the financing of terrorism and proliferation of weapons of mass destruction, all with a view to the safeguarding of Belize's financial system. Through these efforts Belize contributes to the protection of the global financial system from criminal abuse.

The FIU commits to continuing collaboration and cooperation with the other member institutions of the National Anti-Money Laundering Committee to ensure that Belize is compliant with the anti-money laundering and countering the financing of terrorism Recommendations of the Financial Action Task Force.

Respectfully yours,

A handwritten signature in black ink, appearing to read 'Kent D. Clare'.

Kent D. Clare
Director

TABLE OF CONTENTS

4	Organizational Chart
7	List of Tables, Figures, Charts and Appendix
9	Acronyms and Abbreviations
12	Director's Message
14	Country Overview
20	Financial Intelligence Unit
26	National Anti-Money Laundering Committee
32	National Country Risk
36	Analysis and Intelligence
48	Supervision and Enforcement
63	Investigations and Prosecutions
76	Staff Training, Meetings and Conferences



Vision

A premier agency supporting a robust and dynamic economy by safeguarding Belize from money laundering, terrorist financing, and other financial crimes.

To contribute to the economic and social stability of Belize by:

- Safeguarding its financial and business sectors from abuse without obstructing legitimate business operations;
- Engaging in tactical and strategic intelligence gathering, analysis and sharing; and
- Securing compliance with the highest international standards and best practices for combating money laundering and terrorist financing.

Mission



INTEGRITY

ACCOUNTABILITY

LEADERSHIP

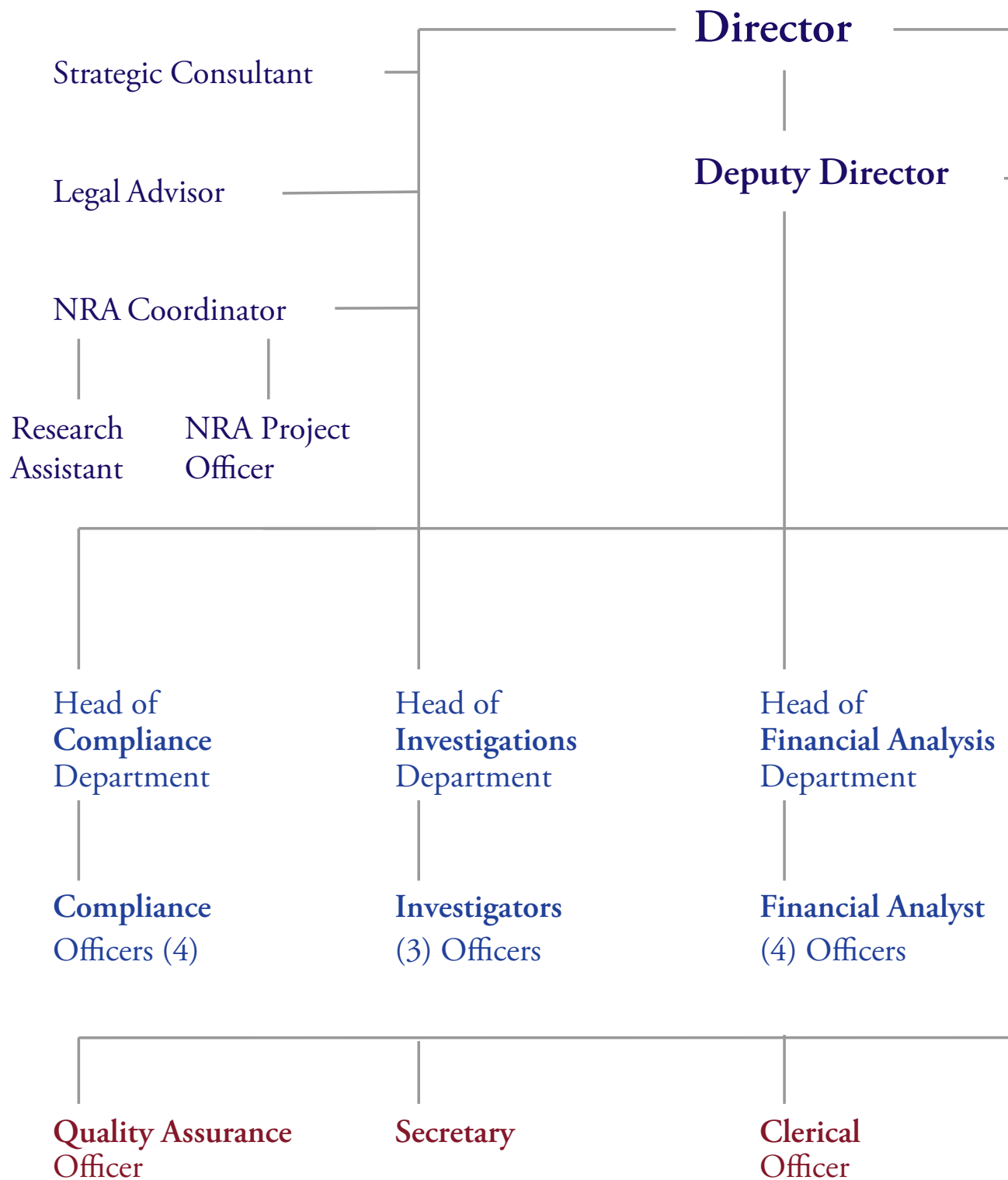
PROFESSIONALISM

TEAMWORK

COMMITMENT

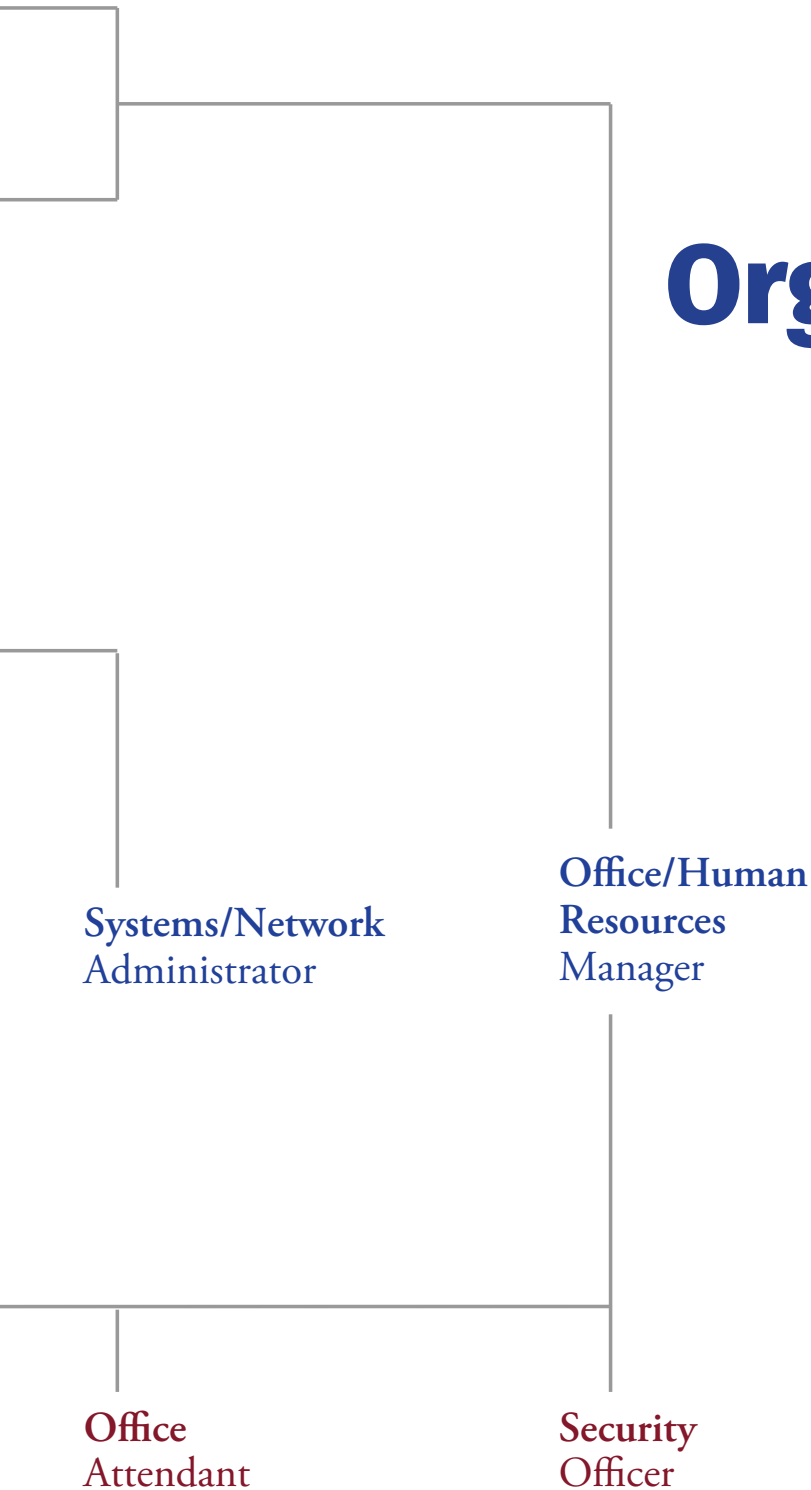
RESULTS DRIVEN

Core Values





Organizational Chart



LIST OF TABLES, FIGURES, CHARTS AND APPENDIX

Tables

Table 1:	Belize: Selected Indicators
Table 2:	Reporting Entities under the MLTPA
Table 3:	STRs by Entity Type
Table 4:	STRs by Offence Type
Table 5:	STRs in Millions of Currency Units
Table 6:	STRs by Geographic Origin
Table 7:	DNFBP Registrations by Sector
Table 8:	Geographical Distribution of DNFBPs
Table 9:	DNFBP De-Registrations 2019 – 2021
Table 10:	Number of MLCO Approvals
Table 11:	Cases Investigated in 2021
Table 12:	New Cases Investigated in 2021
Table 13:	Number of Cases Under Investigation 2018 – 2021
Table 14:	Source of Funds Queries
Table 15:	Cases Investigated with Assistance from FCWG
Table 16:	Foreign Information Requests by Basis for Inquiry
Table 17:	Staff Training Sessions in 2021
Table 18:	Meetings and Conferences 2021
Table 19:	FIU Training Sessions for Credit Unions

Figures

- Figure 1: The Intelligence Cycle
- Figure 2: Reporting and Information Sharing Cycle
- Figure 3: STR Reporting 2017 – 2021
- Figure 4: Status of STRs Received in 2021
- Figure 5: Allocation of Supervisory Authority
- Figure 6: Number of Registered DNFBPs
- Figure 7: Initial DNFBP Registration by Sector
- Figure 8: Registration Updates by Sector
- Figure 9: DNFBP Re-Registrations by Sector

Charts

- Chart 1: Registered DNFBPs by District
- Chart 2: Types of Alleged Offences Investigated in 2021
- Chart 3: Requests for Information 2018 – 2021
- Chart 4: Main Countries Submitting RFIs during 2021

Appendix

- Appendix 1: Requests for Information Submitted by Countries 2019 - 2021

ACRONYMS AND ABBREVIATIONS

AAFS	American Academy of Forensic Sciences
AML	Anti-money laundering
AMLFC	Anti-Money Laundering and Financial Crimes Institute
ANU	Anti-Narcotics Unit
BPD	Belize Police Department
BZD	Belize dollar
CARICOM IMPACS	Caribbean Community Implementation Agency for Crime and Security
CBB	Central Bank of Belize
CBSI	Caribbean Basin Security Initiative
CCCPJ	Commission on Crime Prevention and Criminal Justice
CDD	Customer due diligence
CFATF	Caribbean Financial Action Task Force (an FSRB)
CFT	Combating the financing of terrorism
COVID or COVID-19	An infectious disease responsible for a global pandemic beginning in 2019
CPF	Countering the proliferation of weapons of mass destruction
DEA	Drug Enforcement Administration
DNFBPs	Designated non-financial businesses and professions
ECOFEL	Egmont Centre of FIU Excellence and Leadership
EUR	Euro
FATF	Financial Action Task Force
FBI	Federal Bureau of Investigation
FCWG	Financial Crimes Working Group
FIU	Financial Intelligence Unit
FSRBs	FATF-style regional bodies
G7	Group of 7 major developed countries (United States, United Kingdom, Germany, Canada, France, Italy, Japan)
GBP	UK pound sterling
GDP	Gross domestic product
HoFIU(s)	Heads of FIU(s)
ICITAP	International Criminal Investigative Training Assistance Program

IDB	Inter-American Development Bank
IFSC	International Financial Services Commission
IMF	International Monetary Fund
INL	Bureau of International Narcotics and Law Enforcement Affairs
IOM	International Organisation for Migration
IRS	Internal Revenue Service (US)
JICC	Joint Intelligence Coordinating Centre
KYC	Know your customer
ML	Money laundering
MLCO	Money Laundering Compliance Officer
MLTPA	Money Laundering and Terrorism (Prevention) Act
NAMLC	National Anti-Money Laundering Committee
NGOs	Non-governmental organisations
NPOs	Non-profit organisations
NRA	National Risk Assessment
OECD	Organisation for Economic Cooperation and Development
OSIPP	Office of the Supervisor of Insurance and Private Pensions
OTA	Office of Technical Assistance of the US Treasury
PADF	Pan-American Development Foundation
PEPs	Politically Exposed Person(s)
PF	Proliferation financing
PPE	Personal protective equipment
RBA	Risk-based approach
RFI	Request for information
RUSI	Royal United Services Institute
SAR	Suspicious activity report
SEC	Securities and Exchange Commission
STR	Suspicious transaction report
TF	Terrorism financing
TWG	Technical Working Group
UN	United Nations
UNCITRAL	UN Commission on International Trade Law
UNODC	United Nations Office on Drugs and Crime
US, USA, United States	United States of America
USD	US dollar
VA/VASP	Virtual assets/Virtual assets service provider

A photograph of a man in a white button-down shirt, holding a smartphone with a dark, patterned case. He is wearing a gold watch on his left wrist. In the background, there is a bouquet of colorful flowers. The image is partially covered by a large, dark blue, curved graphic element on the left side.

DIRECTOR'S MESSAGE

2021 saw the completion of another year dominated by the ravages of the COVID pandemic. Citizens were perplexed with the metamorphosis of the virus as it claimed additional lives, appearing to circumvent vaccine protections. We are thankful to the Almighty that hope began to be restored near the end of the year with the appearance of more contagious but less deadly strains. Eventually the mask mandate was removed, and life seemed to return to a semblance of normalcy.

In its wake, however, was a decimation of public finances, supply chain interruptions, business continuity disruptions and the hint of the beginnings of a global recession. The neologism 'stagflation' began to appear regularly in media as it seemed to accurately capture the idea of global stagnation combined with hyperinflation. These are complex issues that require high level cooperation, self-sacrifice, and inventive thinking.

Unfortunately, not everyone was focused on using their creative abilities for the public good. We saw, and continue to see, evidence of innovative scams across the globe and in Belize. Phishing scams (with the intent of stealing customer banking credentials to compromise their accounts), romance scams (confidence tricksters taking advantage of well-intentioned seekers of romantic engagements), advance fee frauds (promising exorbitant gifts, winnings or other reward contingent on the victim paying some upfront fee), ATM hacking, sale of fake vaccine cards, et al. The victims of these fraud suffer severe financial and psychological damage and lose trust in human goodwill. Furthermore, these frauds force financial institutions, regulators, and law enforcement to expend tremendous resources at stemming the tide, often incurring

additional costs which are ultimately borne by the public.

In most of these cases, the fraudsters are non-resident and utilize local 'money mules' to facilitate the scams on their behalf, requiring them to handle the proceeds of crime and repatriate stolen funds to them. When queried, the local proxies plead ignorance and seek to make the case that they were acting in good faith. Despite our numerous warnings (and similar advice from their financial institutions) persons in Belize often fail to see the harm in others 'renting their bank accounts'. Because ultimately that is what it is.

The Financial Intelligence Unit (FIU) has been restrained in its dealings with local persons who are, in effect, co-conspirators. In many cases we have declined to prosecute on the promise of restitution. However, because scammers will not have a change of heart and will continue to approach naïve persons, our strategic response must be robust enough to counter the existing risk to the financial system. The Unit warns that it will continue to sound the alarm, and future dealings with the proceeds of crime will attract severe legal consequences, notwithstanding any protestation of innocence. The National Anti-Money Laundering Committee (NAMLC) (especially the anti-money laundering supervisory authorities) have worked assiduously to increase financial inclusion in Belize. Owning a bank account is a privilege and there are persons who truly appreciate having such an asset, especially those who currently are unable to access such. We have a duty to the law abiding to protect these assets and increase the ease of doing business, which financial inclusion facilitates.

COUNTRY OVERVIEW



During 2021, and continuing from 2020, the COVID-19 disease disrupted economic operations and social activities and forced changes in behaviour patterns throughout the country. The number of new confirmed cases in 2021 totalled 22,219, compared with 10,805 in 2020, the disease having been first detected in the country in March of 2020. As the numbers suggest, the medical impact since 2020 was considerable. COVID-19 deaths (at 360 in 2021 as against 258 in 2020) numbered among the top ten causes of death in 2020 and 2021, replacing heart-related ailments in 2021 as the leading cause (accounting for 14.4% of total deaths as against 14.3% for heart issues) compared with 11.9% for COVID-19 and 14.6% for heart conditions in 2020, after being in second place in the earlier year. Expansion in the provision of hospital and related medical services, including staff overtime given personnel shortages, continued from 2020 levels, and involved preparation for a countrywide vaccination programme that started during the first quarter of 2021 when the first supplies of anti-COVID vaccines were received.

The negative economic impact continued to be substantial in 2021, despite positive results from the coping strategies adopted in both the private and public sectors and, particularly towards year-end, following the beginning of recovery in tourism arrivals. The initial direct economic impact of COVID-19 had fallen on tourism, the country's largest single industry and source of employment apart from agriculture, with visitor arrivals declining by some 70% in 2020, central government revenue and grants declining by 4% of Gross Domestic Product (GDP), while recurrent and capital spending rose by 3.3% of

GDP (GDP itself having declined by 16.7% in 2020). The public debt rose to 133% of GDP from 96.3% in 2019 as central government's already negative primary and overall fiscal balances deteriorated sharply.

The rise in government expenditure despite the revenue decline resulted from the emergency medical spending together with a sharp rise in the need for social support following substantial job-losses across the economy, resulting not only from the direct impact of contraction in visitor arrivals, but also from the protocols introduced in an effort to inhibit transmission of the disease. The protocols included: mask-wearing; physical distancing; a switch to online instruction (unfamiliar to both teachers and students) as schools were closed; restrictions on the size of social gatherings (including weddings, funerals, church services and sporting events), and on the operations of restaurants; a ban on sidewalk food-vending and on the operations of bars and gyms; and the institution of night-time curfews. These measures continued throughout most of 2021, with meetings and related interactions in public and private sector offices moving online with staff members working from home wherever possible, with limited relaxation of the protocols taking place towards year-end as the vaccination programme accelerated and as tourism arrivals restarted slowly, following special visitor arrangements having been put in place in designated hotels, with evidence of recent negative test results being required of visitors arriving by air. Land and sea borders remained mostly closed, except for returning nationals for whom mandatory quarantining was required.

The slow resumption of visitor arrivals in the last quarter of 2021 together with substantial effort at fiscal recovery on the part of the public sector (the latter including substantial external debt restructuring, a temporary 10% reduction in public service salaries, and strengthened efforts to collect taxes) were reflected in a 9.8% rise in GDP during 2021, an increase in government revenue and a decline in spending, both in proportion to GDP, sharp declines in the overall fiscal balance and in the outstanding public debt, and a turnaround to a positive primary balance. GDP growth, though substantial, was, however, not enough to compensate for the sharp decline in 2020, and output and incomes in 2021 remained below 2019 levels.

While the impact of the COVID-19 pandemic on drug trafficking through Belize in 2021 could not be ascertained with any accuracy, there were several reported aborted attempts at aircraft landings during the year, the aborted landings resulting from the presence of both domestic security forces as well as security forces from neighbouring jurisdictions. At least 15 actual landings were known to have taken place (compared with 10 in 2020), two of which resulted in the seizure of drugs suspected to be cocaine together with the arrest of individuals, including members of the domestic security services. Aircraft involved in the unauthorised landings were either seized mostly intact by the authorities when they were able to identify the landing locations in time, or they were destroyed by the drug traffickers (usually burnt) following removal of the cargo. Cocaine seized from the two aircraft landings in 2021 that the security forces intercepted was subsequently

destroyed. Investigations and prosecutions in respect of aircraft movements are handled by the Anti-Narcotics Unit (ANU) of the Belize Police Department (BPD); and it has been Government policy to dispose of seized aircraft by auction once all legal processes have been completed. There were no reports of drug transportation by sea in Belizean waters.

Belize's physical location, topography, and porous borders make it an attractive location for transshipping illegal drugs from South to North America. Aircraft landings and attempted landings on improvised landing strips and on the country's roads during 2021 were in continuation of a pattern observed in past years, and have resulted in both the establishment of a special drug interdiction unit within the domestic security services, and in enhanced cooperation with neighbouring jurisdictions and the utilisation of their intelligence assets, as unauthorised aircraft operations have been taking place in those jurisdictions as well. At the same time, particularly given the size and estimated value of actual shipment seizures, there has been no evidence of the use of the domestic financial system for the management of the financial proceeds of drug trafficking. Cocaine shipments from the south through Belize have been thought to be trans-shipped to Mexico, and probably on to the United States.

While operations and activities in the FIU were adversely affected by COVID-19 during 2021, mainly as a result on the inability to conduct on-site examinations of those reporting entities Designated Non-Financial Businesses and Professions (DNFBPs) subject to Anti-money laundering/



Combating the financing of terrorism (AML/CFT) oversight, desk examinations were conducted via online meetings, and entities continued to submit required information in a timely manner. Similar timely information inflow, particularly from financial institutions, was experienced in relation to reports of suspicious transactions (STRs) via an electronic portal specially established for that purpose.

Considerable effort during the year went into preparation for the upcoming mutual evaluation of the jurisdiction's AML/CFT technical compliance with the Financial Action Task Force (FATF) Recommendations and the effectiveness of the arrangements that have been put in place to implement the Recommendations. These activities reflect the core of the work of the FIU and the other AML/CFT Supervisory Authorities. Following the completion of the National Risk Assessment (NRA) and the identification of areas of deficiency, an Action Plan to address the deficiencies was prepared, with implementation commencing in 2021. The effort was strengthened during the year with the start of an evaluation simulation exercise, under which the state of technical compliance was to be addressed, followed by a review of effectiveness by persons in Belize trained in conducting those assessments. At year end, the simulation exercise was underway.

The activities undertaken to meet the mutual evaluation requirements were conducted alongside the regular functions of the jurisdiction in meeting its AML/CFT/CPF obligations, with all activities and functions being undertaken by NAMLC, meeting under the chairmanship of the Director

of the FIU. NAMLC meetings were held online during the year, reflecting the COVID constraints. The view was expressed that holding meetings virtually, eliminating the need for physical presence, in fact made meetings somewhat easier to arrange, although the constraints imposed by the wide range of responsibility of individual NAMLC members did affect the frequency of meetings.

During 2021 the risk assessment work benefited from two sets of assistance from the World Bank. In one case the Bank assisted by providing a computer-based system for the capture of information on the proceeds of crime. The system requires the participation of a range of public sector institutions involved both in revenue collection and in interaction with the general public. The intention is that the FIU will function as the central repository for data collected by the participating agencies, and the expectation is that the process will substantially reduce the data collection constraints encountered during the preparation of the NRA. In the second case the World Bank provided an updated module for the analysis of operations of Non-profit organisations (NPOs) and Non-governmental organisations (NGOs). The original module that had been utilised during the NRA exercise had not included a focus on the possible use of these entities, wittingly or unwittingly, for the financing of terrorism. This issue has now been addressed in the module update, and work is underway to assess the extent of risk-exposure of NPOs and NGOs in this area.

During the second half of the year the FIU co-chaired, along with the International Financial Services Commission (IFSC), a Technical

Working Group (TWG) drawn from private and public sector stakeholders and established to provide recommendations to the authorities on a framework for a legislated regime to satisfy the

technical compliance requirements of the updated FATF Recommendation dealing with virtual assets and virtual assets services providers. At year-end the work of the TWG was ongoing.

TABLE 1: BELIZE – Selected Indicators

Items	2017 ^R	2018 ^R	2019 ^R	2020 ^R	2021 ^P
Population (000) ^E	387.9	398.1	408.5	419.2	432.5
Population Growth Rate (%) ^E	2.6	2.6	2.6	2.6	3.2
Real GDP Growth Rate (%)	1.7	2.9	2.0	(16.7)	9.8
Non-Financial Public Sector Debt/GDP (%)	96.4	96.0	96.3	133.1	111.0
Non-Financial Public Sector External Debt/GDP (%)	68.4	68.2	68.0	91.7	74.4
Overall Central Government Fiscal Surplus/GDP (%)	(1.4)	(1.0)	(4.7)	(10.3)	(0.7)
Unemployment Rate (% of Labour Force) ^E	9.0	9.4	7.7	13.7	10.2
Consumer Prices Index (% Change, End of Period)	1.1	0.3	0.2	0.3	4.9
Coronavirus Confirmed Infections	0	0	0	10,805	22,219
COVID-19 Deaths	0	0	0	258	360

Data Sources: Statistical Institute of Belize
Ministry of Health and Wellness
IMF 2022 Article IV Consultation Report

Notes: Numbers in brackets are negative
E=Estimate
P=Preliminary
R=Revised

FINANCIAL INTELLIGENCE UNIT



The FIU was established in Belize in 2002 by the FIU Act, No. 35 of 2002, in keeping with the arrangement proposed by the G7 countries in 1989 to establish global arrangements to counter financial crime generally and money laundering in particular. The FATF, located within the Organisation for Economic Cooperation and Development (OECD), was created as the apex institution to guide the international effort, with its anti-money laundering mandate being subsequently extended to counter the financing of terrorism and prohibiting the financing of proliferation of weapons of mass destruction. FATF's operations are supported by the work of FATF-style regional bodies (FSRBs) that are FATF associate members, and whose activities are guided from FATF headquarters in Paris. Belize is a member of the Caribbean Financial Action Task Force (CFATF), an FSRB located in Trinidad & Tobago.

Implementation of the FATF mandates has resulted in the development of 40 Recommendations which, if followed globally, are expected to result in major negative impact on ML/FT/PF activities, and, in consequence, a reduction in predicate offences and financial crime generally. The Recommendations are reviewed and updated from time to time to reflect developments in the global financial environment.

The FIU is one of four domestic public sector agencies in Belize charged with the responsibility (as Supervisory Authorities) of implementing the AML/CFT arrangements as set out in the Money Laundering and Terrorism (Prevention)

Act (MLTPA), with all four agencies operating, in addition, under specific legislation covering their individual areas of operation. The other three institutions are the Central Bank of Belize (CBB), the Office of the Supervisor of Insurance and Private Pensions (OSIPP), and the IFSC. Under these arrangements the FIU is charged with the responsibility for AML/CFT supervision of DNFBPs.

The four domestic Supervisory Authorities cooperate with each other and coordinate their activities on three levels. At the most formal level, the heads of the Supervisory Authorities are members, along with the heads of other designated public sector agencies, of the NAMLC, a body established by Section 77(B) of the MLTPA to, among other things, advise the Minister on AML/CFT/CPF matters and related policies. This body is chaired by the Director of the FIU. At a second level, the four Supervisory Authorities coordinate and cooperate with each other within the context of a formal Memorandum of Understanding that came into effect in 2020. At a third, and informal, level, the authorities consult each other on matters of mutual interest, and share information relevant to the achievement of the overall objectives of the MLTPA.

The MLTPA is the primary AML/CFT/CPF legislation in Belize. It sets out, in particular, the obligations of reporting entities, which are entities whose regular occupation or business involves the carrying on of any activity listed in the First Schedule of the Act. It establishes a

framework to address the proceeds of crime, and it empowers the FIU and the other Supervisory Authorities to carry out a broad range of oversight and enforcement activities.

Unlike FIUs in a number of other jurisdictions, the Belize FIU is both an oversight and investigations agency, and one authorised to prosecute and to impose penalties administratively and through the judicial process for breaches of the rules. It maintains strong links with peer institutions in other countries for the purposes of collaboration in addressing financial crime and information sharing. It is a member of the Egmont Group of FIUs, and represents Belize at the CFATF. The CFATF arranges periodic peer reviews, conducted by its members, of each jurisdiction in its membership group to assess technical and effectiveness compliance with the FATF Recommendations. The results of these assessments are publicly available.

The FIU is headed by a Director, appointed by the Governor General on the advice of the Prime Minister, and is assisted by a Deputy Director. FIU operations are conducted through main functional areas: Analysis, Compliance, Investigations, and national risk assessment; with human resources, financial management, and operations and information management support being provided by a Human Resources Department and by Systems Administration.

The Analysis Department reviews and analyses trends and patterns in financial flows, including

the size and composition of flows, origins and destinations, transactions purposes, and, in particular, unusual behaviour patterns. Patterns in transactions involving property that have no stated financial value are also reviewed for indications of possible money laundering predicate activity. While much of the department's work is based on analyses of STRs involving both domestic and cross-border transactions, other reports of behaviour patterns and criminal activity that may result in financial proceeds or proceeds of value involving other than financial instruments are also taken into account. Findings from analytical reviews are passed on to the Investigations Department as appropriate.

The Compliance Department is responsible for the registration and AML/CFT compliance reviews of DNFBPs, entities that are private business firms whose primary business is not that of a financial institution¹. Under the MLTPA, each reporting entity (DNFBP, or an institution supervised by any of the other three Supervisory Authorities) is expected to have an anti-money laundering compliance officer (MLCO), who is the main point of contact between the reporting entity (which is responsible for discharging its obligations under the MLTPA) and the Supervisory Authority as the latter seeks to ensure that the business operation conducts ongoing due-diligence reviews of its clients and suppliers, and of transactions conducted or attempted by those clients and suppliers, and to report (AML/CFT) suspicious transactions to the FIU. The Compliance Department engages in ongoing outreach sessions

¹ Other business entities, including financial institutions, are supervised by the other three AML/CFT Supervisory Authorities.

with DNFBPs to familiarise them with their behavioural and reporting obligations, and, under normal circumstances, conducts both desk-based and on-site examinations to ensure that DNFBPs are operating in accordance with their obligations.² Reports from the Compliance Department, including STRs from DNFBPs, are reviewed by the Analysis Department.

The work of the Investigations Department is in keeping with the FIU's legal mandate to investigate and prosecute activities involving ML, TF, and financial crime generally. This department works closely with other law enforcement agencies, both domestic and foreign, with the department head serving as Deputy Chairperson of the Financial Crimes Working Group (FCWG), a subcommittee of NAMLC, that is chaired by the BPD.

With the continuing expansion and intensification of international cooperation in addressing financial crime in response to ongoing growth in cross-border criminal activity, countries have found it increasingly necessary, in line with the FATF Recommendations, to bring a risk-based approach to the effort. The FIU, as chair of NAMLC, coordinated the completion of the country's first NRA in 2020, followed by an action plan to address issues and weaknesses identified in the process, with work being concentrated in the risk assessment functional area. Much of 2021 was spent in implementing the action plan, and in the preliminary stages of a simulation exercise to assess the results of that ongoing work. Not only

was the workload involved in these two exercises substantial, but some effort also went into updating parts of the NRA in line with continuing changes in the domestic and international environment. All this, together with the need to provide ongoing oversight of the design and implementation of response approaches and mechanisms to address changing money laundering and terrorism financing typologies given the FIU's role as the NAMLC Secretariat, will require further strengthening of the national risk area of operations within the FIU.

During the year, the FIU participated in discussions on changes in legislation and on changes in administrative arrangements affecting the business sector. Among the areas reviewed were:

- Securities legislation;
- new Companies legislation;
- conversion of the International Financial Services Commission into the Financial Services Commission with responsibility for the maintenance of a single, comprehensive business registry for both domestic and offshore entities;
- a civil asset forfeiture regime alongside the existing criminal procedures; and
- a framework for the management of virtual assets and virtual asset services providers.

² Similar activities are undertaken on an ongoing basis by the other Supervisory Authorities in respect of the entities that report to them, with STRs from all supervised entities going directly to the FIU.



It was recognised that aspects of the MLTPA needed to be amended to reflect the changing domestic and international environment, and that particular effort was required to complete work on legislation to cover the activities of real estate agents.

Given the COVID-19 protocols, the FIU's participation in numerous meetings and conferences during the year was overwhelmingly online, even within the organisation, with sessions involving participants both fully within Belize as well as with

participants located abroad. Much of the training and support provided to FIU staff, whether directly from CFATF, FATEF, the UN, the World Bank or other regional or international institutions, was provided via the internet. The FIU represented Belize at Plenary and Working Group sessions of the CFATF; participated in meetings of Heads of FIUs in the CFATF region; and, in particular, actively participated as a member of the assessment team in the mutual evaluation of technical and effectiveness compliance of the St Kitts and Nevis jurisdiction



with the FATF Recommendations. Work on this last-mentioned assignment was undertaken by the head of the Risk Assessment functional area.

Staff numbers remained unchanged at 28 during the year, although unanticipated changes at a senior level in one department during the year did feed through to other functional areas, particularly the risk assessment area, resulting in the need for sharply increased effort in that functional area at a time when staff members were already fully

occupied, with activities being further constrained by the need to observe the COVID-19 protocols. Despite precautions, some members of staff in the FIU did in fact contract the disease and quarantined away from the office; fortunately, there were no permanent adverse effects.

More information on the activities of the FIU during 2021 is provided in subsequent sections of this Report.

NATIONAL ANTI-MONEY LAUNDERING COMMITTEE



The NAMLC was formally established in 2014 by an amendment to the MLTPA as reflected in Section 77B of that Act. Chaired by the Director of the FIU, NAMLC is charged with:

- advising the Minister on matters relating in relation to the detection and prevention of money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction, and on the development of a national plan of action to include recommendations on maximizing the capacity of domestic law enforcement agencies to suppress financial crime;
- advising the Minister on Belize's participation in the international AML/CFT/CPF effort and on effective cooperation arrangements with external law enforcement agencies to that end; and
- advising the Minister on the development and maintenance of effective AML/CFT/CPF policies and strategies.

Given its composition and responsibilities, the overall success of the effort to counter financial crime is highly dependent on the level of involvement and participation of NAMLC members and the institutions they represent, the effectiveness of NAMLC's activities, and the level of support provided to the FIU in its role as the NAMLC Secretariat.

NAMLC met on four occasions during 2021 (in April, June, August and October) to address matters requiring formal consultation involving the Committee as a whole, although members maintained informal contact with each other on specific issues. As a result of COVID-19 and the associated anti-disease-transmission protocols, all the meetings were held virtually, chaired by the Director of the FIU from the FIU's offices.

The following is a list of the senior public sector officials who were members of NAMLC, or who participated in NAMLC meetings during 2021:

- the Director of the FIU
- the Solicitor General
- the Financial Secretary
- the Governor of the Central Bank of Belize
- the Commissioner of Police
- the Chief Executive Officer of the Ministry responsible for the Police Department
- the Director of Public Prosecutions
- the Comptroller of Customs
- the Director General of the International Financial Services Commission
- the Director General of the Belize Tax Service Department
- the Supervisor of Insurance and Private Pensions
- the Director of Immigration

NAMLC has established a sub-committee, called the FCWG, chaired by the BPD, with the Senior Investigator in the FIU functioning as its Deputy Chairperson. The FCWG focuses on special financial criminal investigations, and particularly on matters arising from the operations of NAMLC institutions. Members of the FCWG in 2021 were:

- the Belize Police Department
- the Financial Intelligence Unit
- the Office of the Director of Public Prosecutions
- the Director General of the International Financial Services Commission
- the Director of the Belize Tax Service Department
- the Comptroller of Customs
- the Director of Immigration

During 2021, NAMLC meetings considered or dealt with a number of issues, the major items being:

- the status of ongoing implementation of the Action Plan that had been prepared to address deficiencies identified during the preparation of the NRA, which had been completed in 2020;
- arrangements for undertaking a gap analysis in preparation for the CFATF-led mutual evaluation of technical and effectiveness compliance with the FATF Recommendations and Immediate Outcomes that was expected to commence late in 2023. The gap analysis would simulate an evaluation in an effort to identify inadequacies to be addressed prior to the formal mutual evaluation;
- a need for ongoing effort to strengthening AML/CFT supervision of reporting entities following identification of inadequate knowledge of AML/CFT policies, practices, and procedures in many of them, together with limited capacity within them to recognise and report suspicious transactions and to provide the required ongoing level of training to their staff members. NAMLC members recognised the resource constraints, mainly in relation to staffing, within the Supervisory Authorities themselves. Some concern was expressed regarding the capacity of the NAMLC institutions to complete implementation of the Action Plan as well as the simulation exercise in time for the mutual evaluation;
- the development of arrangements for asset recovery and forfeiture utilising civil procedures, alongside the existing criminal procedures, in order to accelerate the process of addressing suspected wrongdoing, and to consider the introduction of unexplained wealth orders as part of the AML toolkit;
- establishment of a legal and institutional framework for the approach to and management of virtual asset and virtual asset service provider operations. A TWG that drew on a broad public and private sector stakeholder base was established after mid-year, and held a series of meetings on the issue during the year, with a formal report due during the first half of 2022;
- an expression of appreciation to the World Bank for arranging for the establishment locally of a Proceeds of Crime database, as part of the effort to address the data and information gaps that had been encountered during the preparation of the 2020 NRA. During the year the World Bank also provided an updated module for assessing the terrorism financing risk facing NPOs and NGOs. The earlier module had focused on money laundering risk, and had not covered risks associated with the financing of terrorism;
- an expression of appreciation to the Office of Technical Assistance (OTA) of the US Treasury, and to personnel of the US Embassy in Belize, for their ongoing support provided for AML/CFT/CPF activities in Belize, both generally and to individual Supervisory Authorities;

- reviewed the activities of the FCWG with a view to strengthening its operations;
- the need to develop a formal AML/CFT policy and strategy for the jurisdiction. While considerable focused AML/CFT work was underway, formalizing the approach and activities would facilitate broad public dissemination of the country's objectives, and would help to promote observance of the legal and operational requirements; and
- the Chairman's report to the Minister on AML/CFT/CPF operations and on issues affecting NAMLC and the capacity of its member-institutions, including the FIU, to deliver on the expanding mandates that they were facing. The Chairman noted that he had paid particular attention to the upcoming mutual evaluation and the issues related to it.

NAMLC participants also considered a presentation made by the FIU Director on the current operations of both the Supervisory Authorities and NAMLC, together with suggested approaches both to assess the effectiveness of those operations as well as to enhance inter-institutional cooperation and collaboration in order to respond to increasing criminal sophistication and expanding performance mandates with limited resources. He identified a number of areas for closer attention. Among them:

- tax evasion;
- cross-border currency movements;
- human smuggling and organised migration; and
- a national information dissemination strategy for AML/CFT/CPF matters.



NATIONAL COUNTRY RISK



In 2020, Belize completed its first NRA, in line with the FATF Recommendation that countries utilise a risk-based approach in assessing their exposure to and combating money laundering, the financing of terrorism, and provision of support for the proliferation of weapons of mass destruction (ML/TF/PF). This assessment was led and coordinated by the FIU, and utilised the services of staff members in the public sector in seven working groups for data collection and analysis. Utilising a risk-assessment tool provided by the World Bank, there was extensive consultation with public and private sector stakeholders during the process, with presentations of the findings to private sector reporting entities in their respective category groupings prior to a final review by staff members of the World Bank, and a final presentation to stakeholders in early 2021, with the participation of the Bank, prior to final publication of the NRA. The exercise had initially commenced in 2016, so that not only was some of the information utilised in the analyses dated, but in many cases required data were not available in usable form. As a result, it was recognised that an updated NRA would need to be undertaken more quickly than would ordinarily have been the case.

As was expected, given the fact that a 3rd Round mutual evaluation in 2011 led by CFATF had identified substantial weaknesses in Belize's AML/CFT regime, and despite substantial legislative and institutional restructuring as a result, several areas of risk requiring attention, together with a number of other areas that would benefit from increased oversight and guidance, were uncovered during the NRA process. With the issues identified for attention falling within the areas of

operation of most of the institutions headed by members of NAMLC, the active participation of NAMLC institutions in the implementation of a detailed time-based Action Plan developed by the FIU to address the deficiencies identified by the NRA was agreed. The Action Plan included provisions both for amendments to existing law and for new legislation, as well as for the reorganization of existing institutional structures and the strengthening of oversight and compliance arrangements in Supervisory Authorities. In many cases a need for additional resource support was identified. It was also agreed that progress reports on Action Plan implementation would be provided to the FIU for sharing with NAMLC members. Based on reports received, the FIU's National Risk Coordinator was able to identify for members during NAMLC meetings substantial steps that had already been taken by Supervisory Authorities, along with those that were currently ongoing, in the processes of Action Plan implementation.

In parallel with this, and in view of a planned 4th Round mutual evaluation scheduled to commence in 2023, the FIU proposed, with NAMLC's agreement, a simulation exercise utilising a questionnaire provided by the CFATF Secretariat. Based on the work achieved to date in the ongoing effort to improve the functioning of the AML/CFT/CPF regime, sections of the questionnaire, designed to assess the current state of FATF Recommendations compliance, would be assigned to the appropriate public sector institutions for completion. The completed sections would be consolidated by the FIU, and a small team of assessors, already trained in mutual evaluation procedures, would review the questionnaire data

and assign compliance scores on the same basis as would take place in a formal mutual evaluation. If completed in time, the simulation should provide not only a clear indication of the likely outcome scores from the forthcoming formal evaluation, but should also identify areas for priority attention in advance of the evaluation. At year-end, most of the questionnaire responses had been submitted and the consolidation process was underway.

During the course of the year, substantial and useful assistance, apart from participation in the NRA review and in stakeholder presentations already mentioned, was provided by World Bank staff members to Belize. Two areas of assistance were particularly appreciated. The Bank provided software for the establishment and maintenance of a “Proceeds of Crime” database, and at year-end training was underway for staff in a number of public sector agencies likely to be able to identify criminal behaviour, including bribery and corruption. It was expected that this would help to fill the data gaps and mismatches that had been identified during preparation of the NRA. When established, the intention was that the central database would be managed by the FIU, and would be maintained utilising a pre-established data-submission schedule involving the participating public sector agencies.

The second major area of Bank assistance involved the inclusion of a terrorism financing module for NPOs and NGOs in the broader risk-assessment tool for the NRA. At the time of preparation of the 2020 NRA, only a money laundering assessment module had been available for this group of institutions. It had been recognised that these

institutions, particularly those in receipt of funding from abroad, were at particular risk of unwitting use as conduits for funding terrorist activity.

During the year, work was started on the development of a national AML/CFT/CPF policy and strategy as part of the effort to broaden public knowledge and appreciation of the issues involved, and to improve the focus of public sector entities and staff members of their roles in addressing financial crime.

Staff members in the risk management function participated extensively in the discussions between the Belize AML/CFT Supervisory Authorities and CFATF representatives following completion and assessment of questionnaire responses submitted by Belize early in 2020 as part of a programme, funded by the British and Canadian authorities, intended to assess and improve aspects of technical and effectiveness compliance with the FATF Recommendations. A high level of involvement of senior management staff in the discussions was a consequence both of the cross-cutting nature of the risk issues and the mitigation measures generally, and of those affecting the FIU as the Supervisory Authority for DNFBPs in particular, all in the context of the comments, observations and queries from CFATF. In addition, unanticipated staffing developments at a senior level within the FIU resulted in an increase in internal oversight responsibility for the risk management function during a period of already heightened activity in preparation for the expected 2023 mutual evaluation. Contributing to the workload for the area was the participation of the Unit Head, as a

trained assessor, in a CFATF-led mutual evaluation of St Kitts and Nevis, with participation falling onto the FIU when the domestic public sector agency originally tipped to provide a team member was unable to do so. The CFATF subsequently expressed its appreciation to the FIU for the effectiveness of its involvement in the exercise, and at short notice.

The new year will further test the capacity of the risk management function, and the FIU generally, as the performance mandate continues to expand.





ANALYSIS AND INTELLIGENCE

A core function of the FIU is the receipt, analysis and dissemination of information relating to suspected ML, TF and other activities involving financial crime. This function is carried out by the FIU's Analysis Department. This department also reviews and analyses trends and patterns in financial flows, including the size and composition of flows, origins and destinations, transactions purposes, and, in particular, departures from trends, and provides the results of its analyses and recommendations, including policy recommendations, to management. The output of this department is an important information source for the Investigations Department, law enforcement agencies and for other competent authorities.

The Analysis Department obtains its information from a variety of sources, including STRs from domestic entities; research and assessments of business behaviour patterns in the various sectors of the domestic economy; general and specialized databases in the public and private sectors; public and private reports on changing typologies of

criminal behaviour both locally and abroad, with particular reference to crimes that generate financial proceeds; and inquiries and responses from peer entities in foreign jurisdictions.

Domestically, the department liaises with the other AML/CFT Supervisory Authorities in Belize (CBB, IFSC, and the OSIPP); and works closely with the FIU's Compliance Department to help ensure that reporting entities supervised by the FIU are aware of their obligations under the MLTPA to report suspicious transactions.

During the year, information analysis followed an established intelligence cycle, a five-step process during which raw information is transformed into an intelligence product on which a management decision on whether further investigation is necessary, can be taken. New information from a given source is combined with information from other sources, including existing databases, and the integrated output is assessed against the requirements of the MLTPA, and in particular the prohibitions set out in Part II of that Act, as

well as against typologies associated with ML and TF activities. Figure 1 below summarizes

the intelligence cycle, while Figure 2 shows the directions of information flow.

FIGURE 1: Intelligence Cycle

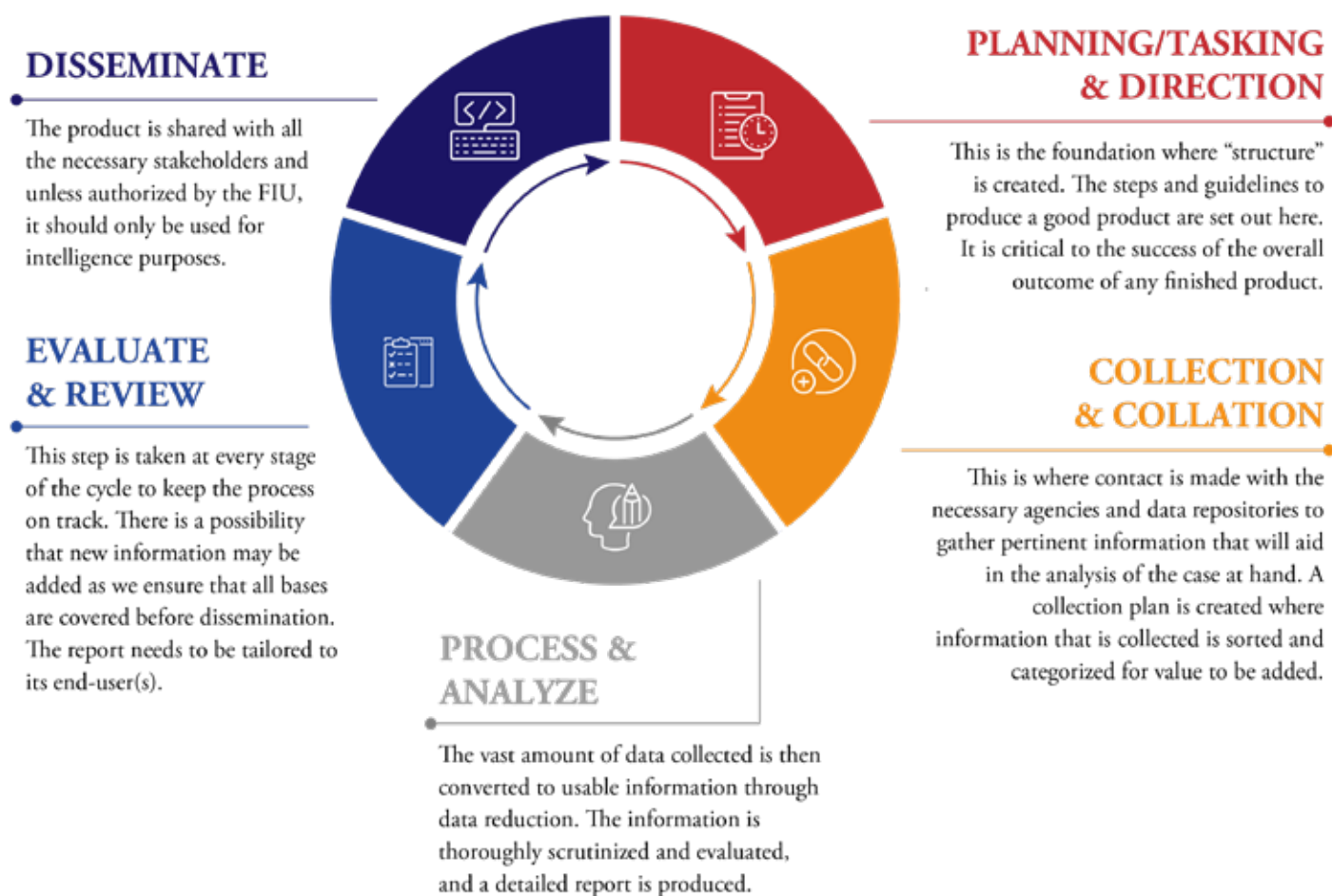


FIGURE 2: Reporting and Information Sharing Cycle

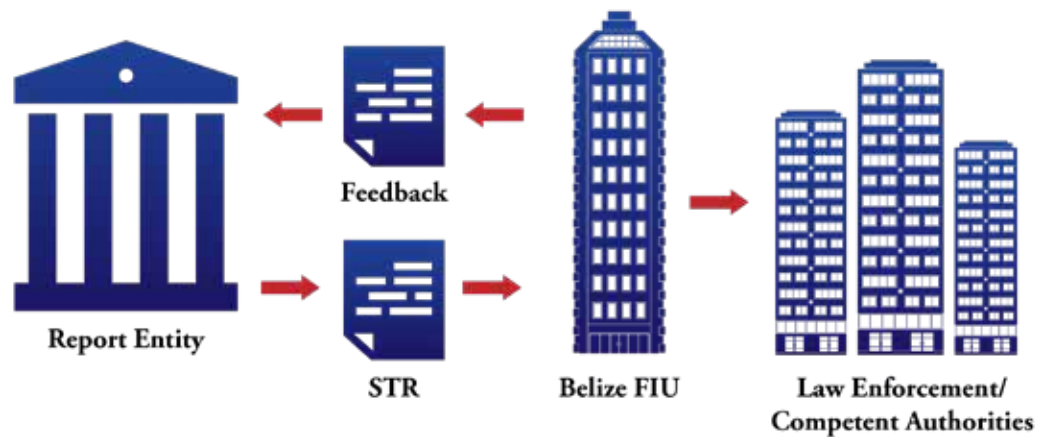


TABLE 2: Reporting Entities Under the MLTPA

Financial Entities	Non-Financial Entities
Domestic and International Banks	Attorneys-at-Law
Credit Unions	Accountants/Auditors/Tax Advisors
International Financial Service Providers	Casinos and Gaming Establishments
Remittance Service Providers	Trust and Corporate Service Providers
Domestic and International Insurance Businesses	NGOs
Moneylenders	NPOs
Pawnbrokers	Businesses Operating in a Free Zone Area
	Real Estate Agents
	Dealers in Precious Metals and Stones
	Dealers in Vehicles

STRs are an important data source for the Analysis Department. Both financial and non-financial reporting entities whose regular occupation or business is the carrying on of any activity listed in the First Schedule of the MLTPA are required to file STRs with the FIU whenever they encounter transactions, or attempted transactions, that

give them reasonable grounds to suspect that the transaction may involve ML/TF activities. Table 2 lists the reporting entities that are subject to STR reporting, and that are required, among other obligations, to follow KYC protocols and CDD reviews.

STR Reporting

Figure 3 shows the number of STRs submitted by reporting entities over the period 2017 to 2021, while Table 3 identifies the types of entities making the submissions. As noted, an STR is prepared and submitted to the FIU whenever a reporting entity suspects that a transaction, or attempted transaction, involves or is related to ML/TF, or represents the proceeds of criminal activity. STR

forms are available on the FIU's website; completed forms are submitted on a confidential basis. It is an offence (referred to as "tipping off") under the MLTPA for entities filing reports to inform or alert persons that an STR has been or is being submitted on them, and the FIU maintains strict confidentiality with respect to STR submissions.

FIGURE 3: Number of STR Submissions 2017-2021

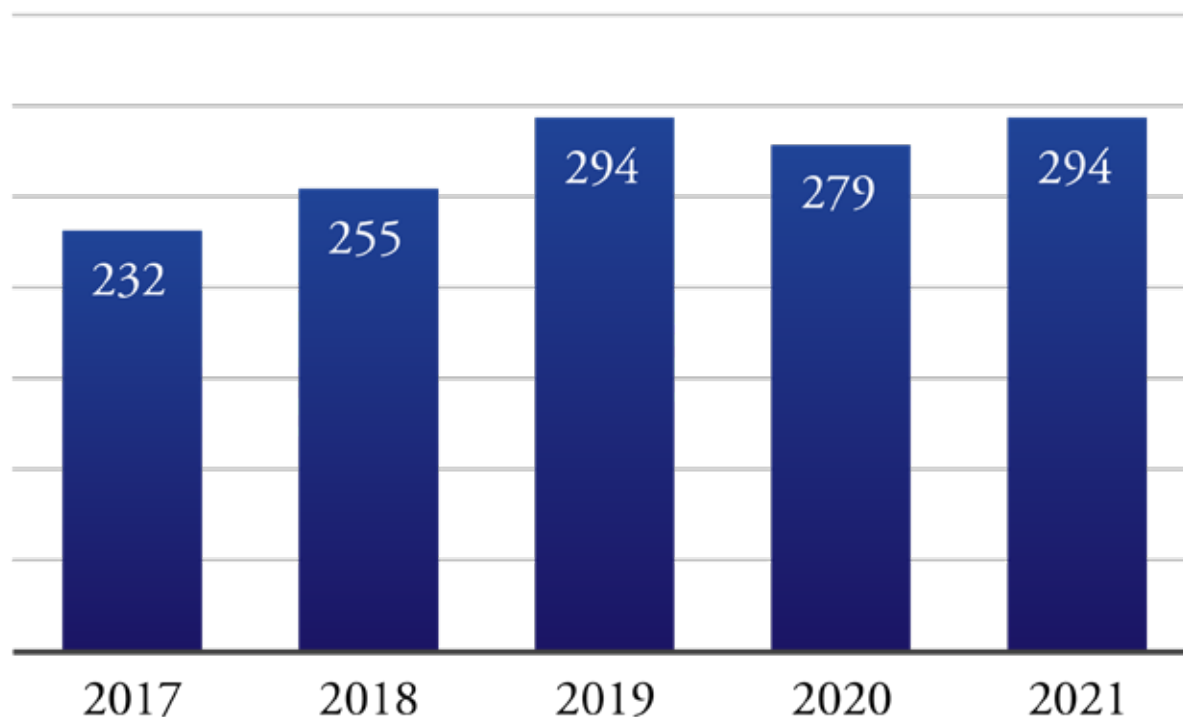


Figure 3 shows that, except for 2020 when the number of total STR filings declined somewhat from the previous year, the number of STRs has been on a general upward trend. As shown in Table

3, Credit Unions, Banks, and Remittance Service Providers have been accounting for the majority of the filings.

TABLE 3: STR Submissions by Reporting Entity Sector 2017 – 2021

Reporting Entity	Number of Submissions				
	2017	2018	2019	2020	2021
Domestic Banks	94	71	117	126	74
International Banks	27	30	34	27	20
Financial Service Providers	29	21	16	12	12
Credit Unions	37	72	72	72	127
Attorneys at Law	0	4	0	3	1
Remittance Service Providers	38	45	42	30	33
Casinos	0	0	1	0	0
Domestic and International Insurance	5	8	8	3	6
Supervisory Authorities	1	4	0	0	5
Moneylenders	0	0	2	0	2
Real Estate Agents	0	0	0	6	4
Other	1	0	2	0	10
Total	232	255	294	279	294

Table 4 classifies STRs by type of suspicious transaction. Over the five-year reporting period, the “fraud” category has dominated the listing, although “unauthorised currency exchange”

attempts and “unwillingness to declare sources of funds” have become increasingly prevalent. As the table shows, the number of STRs involving fraud has been declining from its 2019 peak.

TABLE 4: STRS by Suspicious Transaction Type 2017-2021

Suspicious Transactions Type	2017	2018	2019	2020	2021
Fraud	70	78	85	64	54
Money Laundering	8	11	10	17	20
Activity Outside Customer Profile	18	38	47	39	30
Drug Trafficking	5	3	8	12	15
Embezzlement	0	0	3	7	2
Unauthorized currency exchange	22	6	7	45	57
Large Cash Transactions	16	26	28	29	21
Tax Evasion	9	9	14	23	9
Structuring	41	30	26	25	29
Failure to Disclose Required KYC Information ³	12	5	10	16	7
Operating without License	11	5	2	1	3
Unwilling to Declare Source of Funds	17	25	29	30	54
Terrorist Financing	0	1	0	0	0
Other	12	23	25	9	20
Total	241	260	294	317	321

Value

The monetary value of STRs is generally reported in either BZD, USD, or Euro (EUR). These values represent the funds reported in either attempted

or completed suspicious transactions. See Table 5 below.

TABLE 5: Annual Value of STRs in Millions of Currency Units

Currency	2017	2018	2019	2020	2021
BZD	11.7	61.2	29.0	156.4	75.1
USD	56.9	17.1	18.1	102.4	44.8
EUR	0.7	n/a	0.007	0.005	1.0
GBP	10.9	n/a	0.005	n/a	n/a

³ The category that was previously reported as “Incompliant with KYC obligations” has now been renamed. “Failure to disclose required KYC information” to make it clear that the suspicion involves customer inability or refusal to provide information or documentation required by the reporting entity.

Geographic Location of Activities Reported in STRs

Of the 294 STRs submitted, 279 related to activities occurring in Belize while 15 related to activities occurring in foreign jurisdictions, although all STRs were received from domestic institutions. Of the activities occurring in Belize, the Belize District

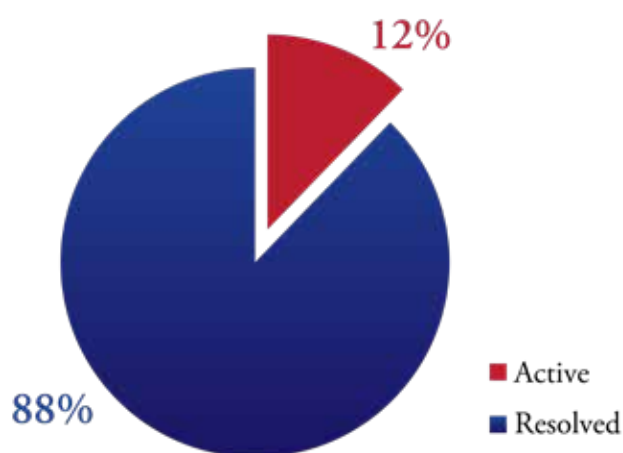
accounted for the majority (121 or 43%) of the total submissions, with 16 from Ambergris Caye. The Corozal District had the fewest (5 or 1.8%) STR submissions involving activities within Belize. Details are shown in Table 6 below.

TABLE 6: STRs by Geographic Origin of Reported Events

STRs Involving Activities within Belize (by District)	Number of STRs
Belize	121
Cayo	27
Corozal	5
Orange Walk	109
Stann Creek	11
Toledo	6
Total Involving Domestic Activities	279

STRs Involving Activities outside Belize	Number of STRs
UAE	2
Switzerland	1
Canada	1
USA	3
Cyprus	5
Austria	1
Unspecified	2
Total Involving External Activities	15

**FIGURE 4: Year-End
Status of STRs Received in
2021**



Resolution

Following receipt an STR is analysed and evaluated and remains in “active” status until a decision regarding further action is taken, at which point the status is changed to “resolved”. Further action may include a written report to the Investigations Department, feedback to the entity that submitted the STR, or reference filing in the database.

Behaviour Patterns and Typologies

The FIU has a responsibility to monitor behaviour patterns and typologies in financial transactions, and to take appropriate action when those patterns involve breaches of the law. Financial institutions are required to familiarise themselves with the legal requirements and to report suspicious transactions behaviour to the FIU. The following summary is based on STRs submitted to the FIU, with the trends over time observable in Table 4.

Details on some of the behaviour patterns and typologies are set out below.

- Unauthorized currency exchanges
- Structuring
- Avoid declaring source of funds (domestic banks);
- Avoiding approval from the Central Bank of Belize (remittance service providers).
- Unwillingness to declare source of funds
- Fraud
- Social Media Market Scam
- Invoice Redirection fraud
- Fraudulent document

Unauthorized Currency Exchanges

The FIU has noticed an increase in the number of foreign currency transactions taking place other than through the approved procedures. Individuals have been attempting to deposit cash in BZD currency in the accounts of residents of Belize in local financial institutions, in return for those residents transferring deposits of equal value in foreign currency from their accounts in foreign institutions to the accounts of the local providers of the BZD deposits. This breaches the exchange control regulations, and local financial institutions have not been allowing the local transactions to

take place, and have been reporting the attempts. Penalties are attached to breaches of the exchange control regulations. The rules require residents holding or receiving foreign exchange in business transactions to sell such foreign exchange as soon as possible to a local authorised dealer for local currency, unless they have received special permission from the CBB to hold foreign exchange abroad; and to purchase foreign exchange from an authorised dealer whenever they need to make external payments.

Structuring

The practice in which persons sending funds abroad, particularly through remittance service providers, sought to utilise multiple transactions to send funds to the same recipient, continued. This approach was undertaken to avoid exceeding the

individual transaction-size limit, beyond which formal Central Bank approval would be required. The more popular devices involved transacting through agents at different locations, or visiting the same location on different days.

Unwillingness to Declare Source of Funds

An increasing number of transactions not completed involved unwillingness on the part of persons seeking to deposit funds in a financial institution, or attempting other transactions involving payments to or through a financial institution, to declare the source of funds to be

used in the transactions. Financial institutions are required to satisfy themselves regarding the legitimacy of sources of funds. Where the source of those funds is not declared to the satisfaction of the financial institution, the transaction is refused.

Social Media Market Scams

Widespread access to the internet has contributed to its growing use in doing business, and in particular to serve as a convenient marketplace for the sale and purchase of goods and services. Increasingly, alongside genuine transactions, fraudsters have been

taking advantage of loopholes in the arrangements that have developed in which items are offered for sale, orders are placed, and third parties offer to handle payments and manage goods deliveries. Not surprisingly, there have been increasing reports

of scams involving both purported purchasers and sellers, as well as fake third-party intermediaries. In some cases, orders are placed, bogus evidence of payment (forged bank deposit slips or card receipts) is provided via electronic messaging systems, and the items ordered are collected by a third-party courier service on behalf of an individual who cannot subsequently be located. In other cases, items are offered for sale and delivery by non-

existent sellers on a remittance service provider pre-payment basis, with neither the items ordered being delivered nor a refund being available from the remittance provider. In a few cases, the goods offered for sale are described in ambiguous terms, and the buyer does not receive what he thought he had ordered but has little recourse because the items received satisfy the published description.

Invoice Re-Direction Fraud

Company A places an order for items or services to be supplied by Company B, with the two companies agreeing on pricing and on payment arrangements. Scammer C hacks either Company A's system or Company B's system to obtain transactions information, and then, pretending to be Company B, communicates with Company A and modifies the payment instructions that Company A had

received from Company B. Company A then pays in accordance with the modified instructions. Company B is unaware of the development until it enquires about payment from Company A. Communication between Companies A and B then reveals what has taken place: Company A's payment has been diverted to an unknown entity.

Fraudulent Documents

Persons fraudulently altering or generating documents for personal gain. An altered or fabricated document is presented to a financial institution from which some type of financial accommodation is being sought. The document provides information regarding the financial status (e.g. employment status, source of income, salary level, letter of credit, financial statement) of the proposed client, and these are used to establish

an account or loan facility. The fraud is typically revealed when the client fails to meet the conditions of the financial accommodation, after it is provided. Increasingly, however, careful due diligence and verification work by the financial institution in advance of providing the financial accommodation prevents the fraud and leads to prosecution of the would-be fraudster.

STR Confidentiality

In response to the COVID-19 pandemic, the FIU uses a portal that was created for the secure transmission of confidential information between the FIU and individual reporting entities. The FIU

is still utilizing this medium of communication as it has shown itself as being effective and efficient for communication between the FIU and reporting entities.



SUPERVISION & ENFORCEMENT



As set out in the MLTPA and Statutory Instrument No. 9 of 2014 (the DNFBP Regulations) issued under that Act, entities classified as DNFBPs are directly supervised by the FIU for compliance with Belize's AML/CFT regime. Overall responsibility for supervision of compliance with AML/CFT legal obligations is shared among the FIU, CBB, IFSC, and the OSIPP, with the figure below showing the distribution of supervisory responsibility in accordance with the First and Third Schedules of

the MLTPA. At the same time, Parts II and III of the MLTPA provide that all persons in Belize are required to observe the provisions of the Act, with the FIU being authorized to take appropriate legal action in conjunction with law enforcement agencies and the other supervisory authorities in respect of breaches of the provisions of the Act. The FIU is also authorized under the FIU Act to investigate and prosecute financial crime.

FIGURE 5: Allocation of AML/CFT Supervisory Responsibility



The Compliance Department of the FIU is responsible for carrying out the Unit's AML/CFT supervision of DNFBPs. The adjustments to its supervisory activities that had begun in early 2020 in response to the challenges of the Covid-19 pandemic, continued in 2021. The economic impact of the official pandemic response measures included the temporary closure of several DNFBP entities in various sectors during the first half of the year. The DNFBPs sector comprises:

- Lawyers, notaries, and other independent legal professionals⁴;
- Accountants, auditors, and tax advisers;
- Casinos, gambling houses and online gaming;
- Dealers in precious metals and precious stones;
- Businesses operating in a free zone area;
- Non-Governmental organizations;
- Non-profit organizations;
- Real estate agents; and
- Vehicle dealers.

In ensuring that DNFBPs satisfy their AML/CFT obligations, the FIU focuses its supervisory activities on the following key areas:

- verifying entity registration with the FIU and the maintenance of registration, together with detailed documentation

review at initial registration and at registration updates⁵;

- ensuring the appointment and maintenance within each DNFBP of a senior member of staff as the MLCO, with the appointment requiring the prior approval of the FIU;
- conducting regular desk-based and on-site compliance reviews and examinations, focusing on reviews of AML/CFT policies, procedures, operations, and manuals;
- ensuring as far as practicable that independent audits of AML/CFT policies and procedures of DNFBPs are submitted by the entities;
- enforcing compliance with AML/CFT obligations through the imposition of administrative sanctions;
- ensuring awareness of AML/CFT obligations and new ML and TF typologies and trends affecting DNFBPs through outreach sessions and ongoing provision of advice and training;
- issuing instructions, guidelines, and recommendations to assist DNFBPs to comply with their AML/CFT obligations; and
- incorporating planned thematic reviews in the work programme for the forthcoming year primarily on lower-risk entities in the various DNFBP sectors, while maintaining oversight of high-risk entities.

⁴ Lawyers, notaries, and legal professionals are reporting entities when they carry out the following activities for their clients: buying and selling of real estate, management of client money, securities, or other assets, management of bank savings or securities accounts, organization of contributions for the creation, operation, or management of companies, or creation, operation or management of legal persons or arrangements, and buying and selling of business entities.

⁵ The DNFBP registration documentation requirements are set out in Section 5 of the DNFBP Regulations, Statutory Instrument No. 9 of 2014, available on the FIU website.

Registration of DNFBPs

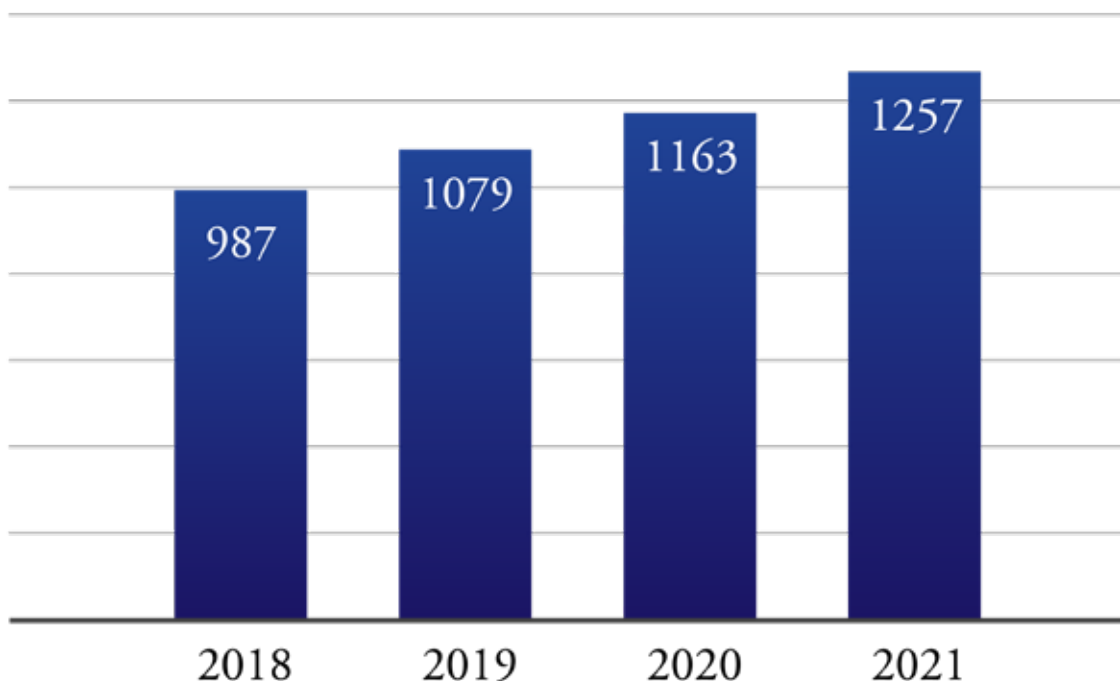
In accordance with Section 85B of the MLTPA and Section 5 of the DNFBP Regulations, any person who intends to carry on or is carrying on business as a DNFBP must register with the FIU. Entities that fall under the DNFBP category are required to submit their applications for registration along with their initial registration application fee to the FIU. There is an annual fee payable on each anniversary of the first registration. Once registered with the FIU, DNFBPs remain on the register, unless they are de-registered. Each DNFBP is required to update its registration information promptly whenever there is material change in its ownership or management, or in its circumstances and activities; and the legislation provides for penalties for failure or undue delay in updating the registration information.

Over the years, the FIU has recorded continuous increases in the total number of registered DNFBPs. There was an increase of 7.8% from 2019 to 2020. From 2020 to 2021 the growth was 8.1%. There were no applications submitted to the FIU that were refused registration during 2021. To prevent criminals and their associates from operating in

any of the DNFBP sectors, due diligence reviews are conducted on all directors, shareholders and MLCOs on the application documents to ensure as far as possible that each person satisfies the fit and proper requirements set out in the Regulations. Where a submitted application may require additional documentation, such application is placed on hold and the entity is advised of areas needing attention for the requirements to be fully met within a stipulated time-frame.

Figure 6 shows the growth in the number of registered DNFBPs for calendar years 2018, 2019, 2020, and 2021. Despite the pandemic and the lower level of economic activity in 2020 and 2021 compared with 2019, the number of registered entities continued to grow. NPOs, real estate agents, vehicle dealers, and businesses operating in the freezone sectors remained as the sectors with the largest number of registered entities in 2021. The real estate sector, at 17.4% from 2020 to 2021, showed the largest percentage increase in the number of registered entities, followed by NPOs at 12.2% increase over the same period.

**FIGURE 6: Number of Registered DNFBPs:
Dec 2018 – Dec 2021**



For 2021, the FIU recorded 116 new registrations and 22 de-registrations, for a year-end total of 1,257 entities registered with the FIU. This was an 8.1% increase in the number of DNFBPs registered with the FIU over calendar year 2020.

Table 7 below shows the changes in DNFBP registrations at the end of 2021 compared with one year earlier. The table shows each sector's new registrations and de-registrations together with the situation at year-end. As in 2020, the NPO sector led total registrations with 358 registered entities, followed by 276 businesses operating in the freezone, 216 real estate agents, and 175

vehicle dealers. Collectively, these four sectors accounted for 81.5 % of registered DNFBPs. The small increase in the total number of registrations in 2021 compared with the lower rate of increase in 2020 could reflect some expansion in business activity and some relaxation of the COVID-19 prevention protocols that accompanied the initial reopening of tourism late in 2021, compared with the high level of restrictions that had been imposed during the early 2020 start of the pandemic in the country.

The table below shows the number of DNFBPs registered by sector for the years 2019 – 2021.

TABLE 7: DNFBP Registration Activity by Sector

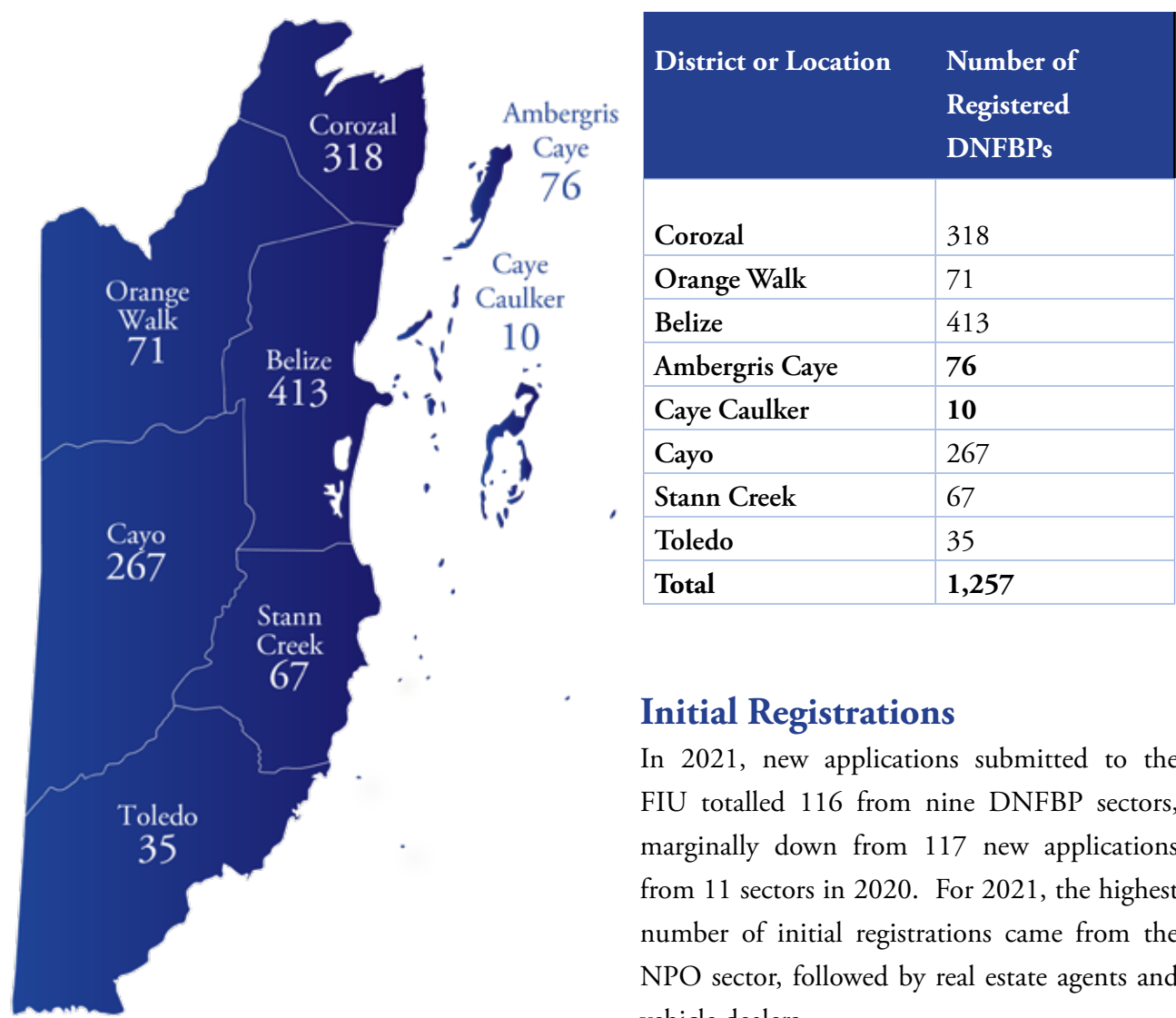
Sector	REGISTRATIONS				
	2019 Total	2020 Total	2021 New Registrations	2021 De- Registrations	2021 Total
Casinos	7	8	0	0	8
Gambling Houses and Online Gaming	22	24	1	2	23
Real Estate Agents	171	184	36	4	216
Dealers in Precious Metals and Stones	38	38	0	0	38
Non-Profit Organizations	267	319	42	3	358
Non-Governmental Organizations	48	52	4	0	56
Vehicle Dealers	169	170	14	9	175
Other Independent Legal Professions	10	15	2	0	17
Lawyers/Notaries	58	59	6	2	63
Accountants	17	19	3	0	22
Auditors	6	6	0	1	5
Businesses Operating in a Free Zone	266	269	8	1	276
TOTAL	1079	1163	116	22	1257

Registered DNFBPs by Geographical Location⁶

Reflecting the country’s population distribution and the location of commercial activity, the majority of registered DNFBPs were located in the Belize District, with 413 or 32.9% of the total number of

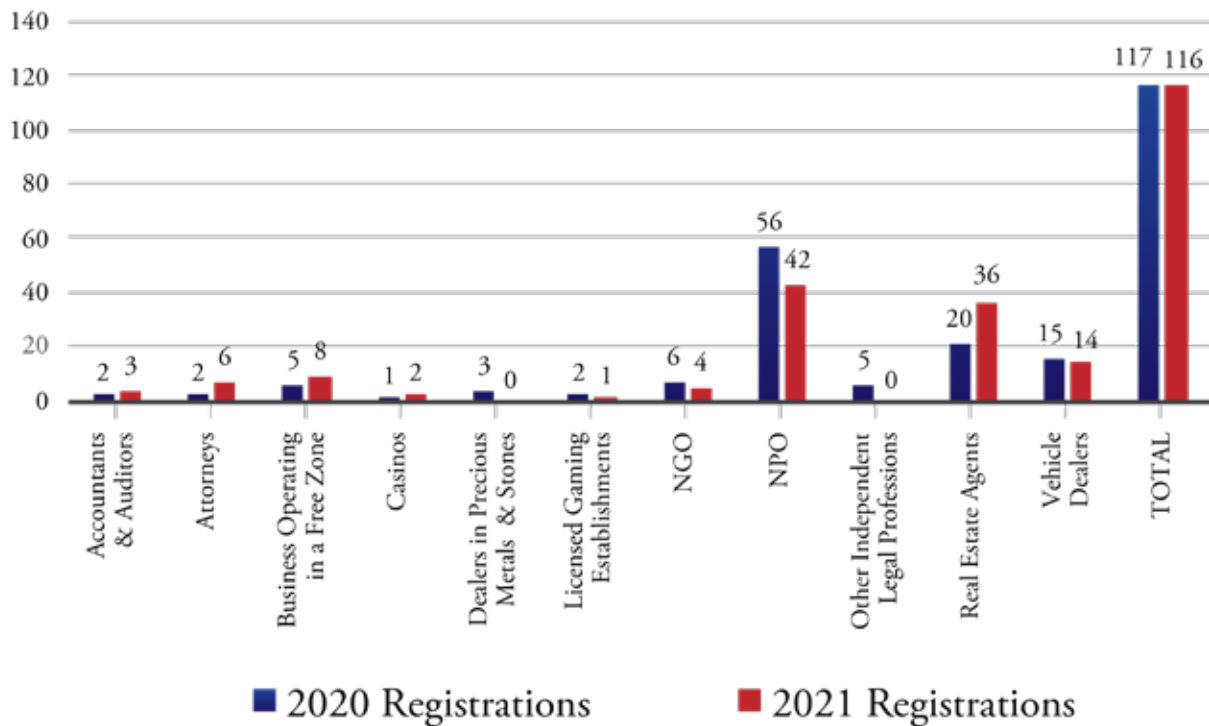
at the end of 2021. The geographic distribution of registered offices of DNFBPs as at the end of 2021 is shown in Table 8.

TABLE 8: Geographical Distribution of Registered Offices of DNFBPS 2021



⁶ Ambergris Caye and Caye Caulker are administratively located within and form part of the Belize District, but given their importance as tourist destinations the number of DNFBP entities registered in those two islands are shown separately from the Belize District total.

FIGURE 7: Initial Registration by Sector 2020-2021



Registration Updates

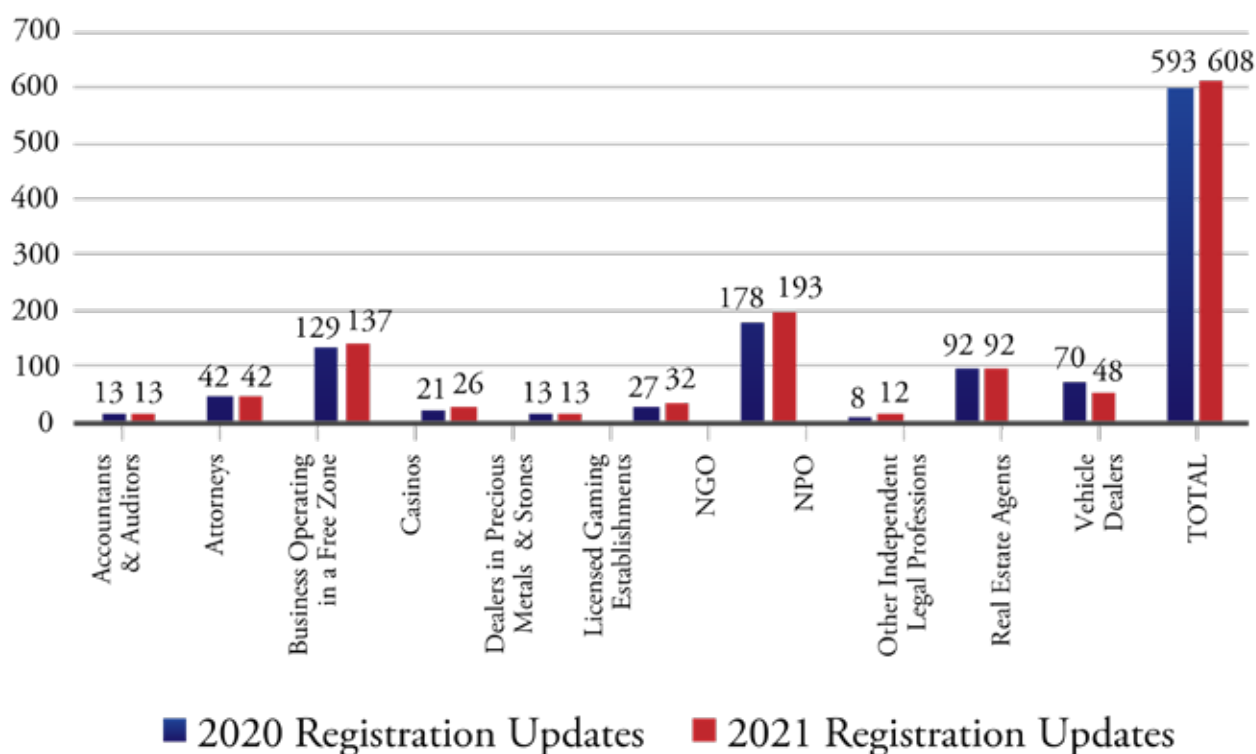
DNFBPs are required to update their registration information on file with the FIU whenever there is material change in their ownership, management, business activities, or in their legal status. Despite the obligation on the part of DNFBPs to inform the FIU of material changes in their circumstances, the FIU took the opportunity, at the time of collection of annual fees, to confirm the accuracy of registration information on file.

At the end of 2021, 608 entities had provided updated registration information during the year. This was an increase from the previous year's total

of 593. During 2021, the FIU continued to send reminder notices to the entities and worked along with them to meet their registration obligations and assisted them with queries related to their registration renewals.

Figure 8 below shows the number of registration updates by sector for 2020 and 2021. The sectors that reflected increases in the number of registration updates for 2021 were businesses operating in a free zone, dealers in precious metals and stones, NGOs, NPOs, and other independent legal professionals.

FIGURE 8: Registration Updates by Sector 2020-2021



De-registration Process

Regulation 8 (I) of the DNFBP Regulations states the Supervisory Authority may de-register a DNFBP if the DNFBP applies to be de-registered. An entity may be de-registered by the FIU for the following reasons:

- (a) Where the DNFBP ceases to conduct business;
- (b) Where the DNFBP ceases to conduct activities that qualifies it as a DNFBP;
- (c) Where the FIU has reasonable grounds to believe that:
 - (i) the DNFBP is in contravention of the AML/CFT legislation or has failed to satisfy any of its AML/CFT obligations;
 - (ii) the DNFBP does not have the capacity or willingness to comply with its AML/CFT obligations;
 - (iii) the DNFBP or its business represents a significant ML/TF risk;
 - (iv) any of the DNFBP's directors, senior officers, owners, or their associates have committed a serious criminal act; or
 - (v) it is in the public interest that the DNFBP be de-registered; or
- (d) Where a DNFBP applies to be de-registered for reason (a) or (b) above.

The FIU noted a reduction in the number of de-registrations for 2021. In 2020, the FIU de-

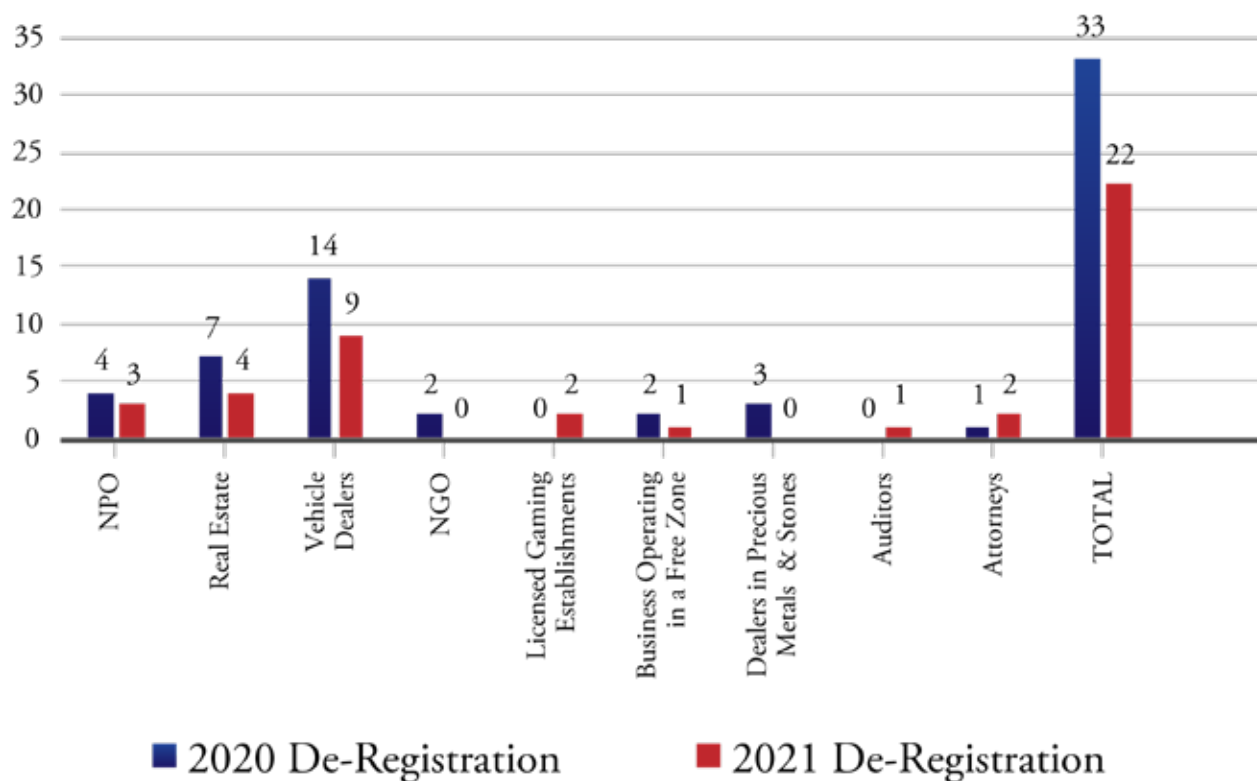
registered 33 entities on the basis that they had ceased to engage in specific “DNFBP” activities. In 2021, the number of de-registrations was 22, a decrease which reflected one-third of the de-registration total from the previous year. The department continues to send automated reminders to entities to update their registrations with the FIU or to advise if their business operations no

longer qualified for DNFBP status so that the FIU could proceed with de-registration. Of the total number that were deregistered in 2021, 41% were vehicle dealers who advised that they were no longer operational (a likely result of the pandemic-related border restrictions); followed by the real estate agents with 18.2% of the number of de-registrations.

TABLE 9: DNFBP De-Registrations 2019 - 2021

Year	Number of De-Registrations
2019	69
2020	33
2021	22

FIGURE 9: De-Registration by Sector 2020 -2021



In December 2021, the Compliance Department commenced a review of past-due registration updates, the objective being the identification of entities with expired registrations in the database. The first phase of the review involved sending reminder notices to entities with past-due updates in an effort to verify whether business operations were continuing or had ceased. The department intends to make follow-up calls beginning early in 2022. A reduction in the number of past-due registration updates is expected, as either operations that are continuing will update their registrations, or entities that are no longer operating will be de-registered. The entire exercise is expected to be completed during 2022.

Enabling Compliance

In addition to registering with the FIU, DNFBP entities are required to comply with legal obligations to mitigate the ML and TF risks faced by their businesses. Legal obligations include the development of a written Compliance Programme that contains internal controls and procedures for implementing a risk-based approach, the monitoring suspicious transactions, independent audits to test compliance, ongoing employee training, and the effective functioning of the designated MLCO, appointed in accordance with Section 18A of the MLTPA.

Approval of the MLCO

The role of the MLCO is fundamental in the design and implementation of entities' AML/CFT regime. One of the prescribed functions of the MLCO is responsibility for oversight of the entity's AML/CFT compliance programme as set out in the MLTPA under Section 18. Sections

18 and 18A of the MLTPA require each reporting entity, including DNFBPs, to appoint as MLCO a staff member, subject to prior approval by the appropriate AML/CFT Supervisory Authority (the FIU in the case of DNFBPs). In order to discharge the function effectively, the MLCO should have an appropriate level of seniority and authority within the organization.

Applications for the appointment of MLCOs in DNFBPs are scrutinized by the FIU against "fit and proper" criteria, including a background check for previous criminal convictions, before they are approved or rejected by the FIU. More broadly, MLCOs' responsibilities focus on risk-assessments, staff training in AML/CFT activities and operations, and on the implementation and monitoring of AML/CFT measures set out in Sections 18 and 18A of the MLTPA. They include:

- establishing and maintaining the reporting entity's manual of AML/ CFT compliance procedures;
- receiving and considering internal reports on unusual transactions and suspicious activities;
- where appropriate, submitting STRs to the FIU;
- AML/CFT operations reviews, reporting, and record keeping; and
- serving as liaison between the reporting entity and the FIU, or the appropriate Supervisory Authority.

Table 10 below shows the number of annual MLCO approvals in all sectors of DNFBPs from

2019 to 2021. The FIU recorded a decrease in the number of MLCO approvals in 2021.

TABLE 10: Number of DNFBP MLCO Approvals

Year	Total
2019	163
2020	151
2021	116

AML/CFT Examinations

The MLTPA requires all reporting entities, including DNFBPs, to implement an AML/CFT compliance programme. A typical AML/CFT compliance programme should, at minimum, entail the following:

- **Business Risk Assessment:** each reporting entity should assess and clearly understand the ML/ TF risks facing the business and should use that understanding to prepare a risk management programme and allocate compliance resources to mitigate the risks;
- **Establishing Policies and Procedures:** these would be part of the risk mitigation arrangements and would be specific to the requirements of each business operation. Policies and procedures should also be subject to independent review and audit for effectiveness on a regular basis, and updated as needed;
- **Customer Due Diligence (CDD):** policies and procedures should be put in place in each entity to establish the *bona fides* of customers, to understand customers' businesses, and to verify, on an ongoing basis, that customers' business practices and transactions do not result in ML/TF difficulties for the entity. CDD is an ongoing activity, and includes a requirement on the part of each business entity to "know your customer" (KYC);
- **Establishing Sources of Funds and Sources of Wealth of Customers.** This would be a specific aspect of CDD;
- **Establishing and Understanding the Commercial Rationale** for customers' businesses, business structures, and transactions;
- **Risk Rating of Customers:** customers should be risk-rated based on the level of ML/TF risk they present to the entity. Particular attention needs to be paid to Politically Exposed Persons (PEPs), both domestic and foreign, and to country risk, especially where cross-border business

transactions are involved. This area requires enhanced due diligence.

- **Appointing an MLCO** and facilitating the activities of the MLCO;
- **Providing AML/CFT Training** for all staff, including regular refreshers;
- **Monitoring Transactions and Reviewing Files:** the MLTPA requires ongoing

monitoring of all business relationships and enhanced monitoring in cases of higher risk;

- **Submitting Suspicious Transaction Reports (STRs)** to the FIU without alerting the subject(s) of any such report regarding the submission of STRs; and
- **Maintaining Business Records** for a minimum period of five years.

Due to the ongoing Covid-19 pandemic, the FIU conducted only one on-site examination; this was undertaken in January 2021. A feedback report was provided to the entity identifying deficiencies and recommending arrangements to address the deficiencies to be implemented within a stipulated time-frame. The entity subsequently submitted its responses to the FIU's feedback report, advising that the deficiencies had been addressed and that an independent AML audit had been scheduled to be completed within the allotted time-frame.

An on-site examination schedule had been prepared for the second quarter of 2021. However, due to unanticipated human resources constraints in the department and the issues involved in observing the Covid-19 protocols, the examinations were postponed until the first quarter of 2022, when it is hoped that the FIU would be able to re-commence both on-site and desk-based examinations, beginning with high-risk entities in the real estate, vehicle dealers and attorneys sectors, areas in which examinations had not previously been undertaken.

Examinations will be conducted utilizing a risk-based approach that would take into consideration factors such as income generation, location of the entity, international affiliations, client-base profile, risk profiles of the shareholders and directors of an entity, PEPs, and the type of business activities in which the entity is engaged.

The examination schedule for 2022 also proposes that on-site examinations of all casinos would be completed by year-end. The department has reached out to technical advisors for training in conducting effective examinations in the casino sector, and this is expected to be completed by the second quarter of 2022.

Training, Awareness and Outreach

Representatives from the US Treasury's OTA visited the FIU in late 2021 and conducted training sessions for staff members of the Compliance Department. The assistance covered guidelines and manuals on the conduct of effective on-site examinations, desk-based and thematic reviews, and outreach programs

for the DNFBP sectors. The sessions also reviewed the tasks, timelines, final reporting and follow-up activities that are required for the effective execution of examinations. Further involvement with OTA staff is anticipated during 2022, particularly in the area of outreach to DNFBPs, given the reduced level of interaction with these entities both as a result of the Covid-19 protocols, and the fact that some DNFBPs, including those in the Corozal Free Zone, partly as a result of the closure of our land-borders, had temporarily ceased operations. In anticipation of the additional support, the department prepared sector-specific guides as part of the outreach presentations for review by OTA staff.

Beginning in 2020 and continuing through most of 2021, both the Compliance Department and the FIU as a whole, as well as the other three AML/CFT Supervisory Authorities, were engaged with a CFATF supervision advisor on measures to improve technical compliance and effectiveness in implementing the FATF Recommendations. Several virtual meetings were held in 2020 and 2021 with the advisor in furtherance of the objective.

Enhancing Supervisory Activities

Given the Covid-19 pandemic and the response protocols, the FIU was challenged in conducting supervisory activities for the DNFBPs. To remain effective in its supervision mandate and to assist DNFBPs in meeting their obligations under the MLTPA, the FIU communicated closely with the entities electronically and promptly addressed queries related to initial registrations, registration

Risk Assessment of DNFBP sectors

As set out in the FATF Recommendations, countries are required to apply an RBA to ensure that measures to prevent or mitigate ML and TF are commensurate with the risks identified. For high-risk entities, proper risk assessment of or by an entity should provide a comprehensive understanding of the different types and intensity of risks an entity faces, and should help in the design and implementation of effective risk-mitigation measures.

In December 2021, the department engaged in assessing its risk rating methodology for DNFBPs, and it determined that the risk-rating of all of its reporting entities needed to be updated. It was agreed that the questionnaires from the NRA exercise that were being revised at year-end would be shared with reporting entities in order to obtain their views and responses and to develop an effective risk-rating matrix. The matrix would help to determine the risk-category in which an entity would be classified. As part of the exercise, the department reviewed recommendations of the OTA team on the use of a risk-rating tool to assist with the risk-rating of reporting entities.

renewals, and documentation requirements; and provided ongoing guidance to all sectors to improve their capacity in meeting their AML/CFT obligations. High levels of AML/CFT effectiveness outcomes are critical if the FIU is to deliver on its mandate, and if Belize is to meet its international obligations in these areas. Improved performance within DNFBPs will require increased

knowledge and capacity in meeting their AML/CFT obligations.

In addition to updating risk ratings for all entities based on a risk-based approach to supervision, the department was engaged at year-end in reviewing its Standard Operating Procedures and its Manuals in an effort to improve its effectiveness in its monitoring, examination, and sanctioning activities, and to fully satisfy its supervisory obligations.

Two critical areas requiring attention in the Compliance Department involve the establishment and maintenance of the required level of human resources capacity, and increased effort to encourage compliance by reporting entities through the use of sanctions where willingness to comply is identified as an issue.

INVESTIGATIONS & PROSECUTIONS



The FIU, as stipulated under the FIU Act, is required to investigate and prosecute financial crime, including money laundering and the financing of terrorism. Staff members of the Investigations Department have received substantial training, and utilise a range of techniques and instruments in their investigative work, ranging from interviews and searches to forensic analyses; and they have collaborated and coordinated with other law enforcement agencies both locally and internationally.

The Investigations Department currently consists of four investigators. The key task of the FIU investigators is to obtain information relating to alleged financial crimes; to criminally prosecute those who may be involved in breaches of the FIU Act or the MLTPA, and to prepare case files for the prosecution of those breaching the law. The use of new technologies and enhanced regional coordination between law enforcement agencies now enable a wide range of intelligence-sharing to inform case-file development and to facilitate

the provision of much more comprehensive information to the prosecution function than was the case in the past. Furthermore, investigators can utilize various judicial orders for the acquisition and processing of information, for the interception and monitoring of communications, and for the recovery of illegally acquired assets.

During 2021, 26 cases were investigated, including eight brought over from previous years, and six acquired from the FCWG. The other 12 were new cases that were being jointly investigated by the BPD and FIU for money laundering and for predicate offences. Investigative work was completed in respect of 12 of the 26 cases, four of which were before the court at year-end. Some of the cases involved more than one suspected offence. The FIU also assisted with two cash-seizure cases. There was one application for cash seizure at the Magistrates' Court and a total of 21 requests for assistance from other agencies, which included BPD, the Belize Coast Guard, the Joint Intelligence Coordination Center (JICC) and Belize Interpol.

**TABLE 11: Cases Investigated During 2021
Cases Brought Over from 2020 from the FCWG**

No.	Investigating Agency	Suspected Offence	Offence Charged	Suspected/ Approximate Value Involved	Investigation Status
1.*	FIU	Theft, Money Laundering	"Money Laundering"	BZ \$1,731,000.00	Completed. Matter before the court
2.*	FIU	Obtaining property by deception, Theft, money laundering	N/A	BZ \$119,000.00	Under Investigation
3.*	FIU	Obtaining property by deception, uttering a false document, theft, Money Laundering	(3) Counts "Uttering upon a false document," (1) count "Obtaining property by deception" and (3) Counts obtaining money transfers by deception"	US \$552,000.00	Completed. Matter before the court.
4.*	FIU	Money Laundering	No charge levied.	N/A	Completed. No charge was levied.
5.*	BPD	Theft, Money Laundering	"Theft" and "Money Laundering"	BZ \$54,000.00	Completed. Theft and Money Laundering charges before the court.
6.*	FIU/BPD	Theft, Money Laundering	"Theft"	N/A	Partial closed. Theft is completed and before the court. The ML matter still under investigation

A total of six cases were brought over from 2020 from the FCWG; two of those cases remained under investigation, one of which was partially closed, while work was completed on four.

Other Cases Brought Over from Previous Years

No.	Agency	Nationality	Potential Offence	Offence	Cash Value Involved	Investigation Status
1.	FIU/BPD	Belizeans	Money Laundering, Theft	Theft	BZ\$52,083.90	Theft case before Court, ML Under Investigation
2.	FIU	Belizeans	Money Laundering, Fraud	N/A	BZ\$87,000.00	Under Investigation
3.	FIU/BPD	Belizeans	Money Laundering, Drug Offenses	No Charge levied.	N/A	Completed. No charge was levied.
4.	FIU	Belizeans	Money Laundering and Obtaining Property by deception	No Charge levied.	N/A	Completed. To be treated as a civil matter.
5.	FIU	Belizeans	Money Laundering, Obtaining Property by deception and fraud	No Charge levied.	N/A	Completed. To be treated as a civil matter.
6.	FIU	Belizeans/Foreigners	Phishing Scheme	No charge levied.	N/A	Completed. No Charge levied.
7.	FIU	Belizeans/Chinese	Money Laundering	N/A	N/A	Under Investigation
8.	FIU	Belizeans	Money Laundering, theft and Obtaining Property by deception	N/A	N/A	Under Investigation

The table above shows that of the eight cases that were brought over from previous years, four were completed while four remained under investigation at year-end.

TABLE 12: New Cases Investigated in 2021

No.	Agency	Nationality	Potential Offence	Offence Charged	Cash Value Involved	Investigation Status
1.	FIU/BPD	Belizeans	Money Laundering and Obtaining Property by Deception	N/A	N/A	Under Investigation
2.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
3.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
4.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
5.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
6.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
7.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
8.	FIU/BPD	Belizeans	Money Laundering and Gang related offences Drug Offenses	N/A	N/A	Under Investigation
9.	FIU/BPD	Belizeans	Money Laundering, Theft	"Theft"	BZ\$65,440.06	Completed. Matter before the court.
10.	FIU/BPD	Belizean/Chinese National	Money Laundering, Human Trafficking	N/A	N/A	Under Investigation
11.	FIU	Belizean	Money Laundering and Fraud	No charge levied.	N/A	Completed. No charge levied.
12.	FIU	Belizean	Fraud/Forgery	"Providing false and misleading information"	N/A	Completed. Matter before the court.

TABLE 13: Cases Under Investigation 2018 to 2021

Year	Cases Brought Forward	New Cases Investigated	Cases Investigated along with those Brought Forward	Cases Under Investigation at Year-end	Cases Closed	Cases Before the Court
2018	1	13	14	8	6	2
2019	8	10	18	13	5	1
2020	9	8	17	15	2	1
2021	14	12	26	14	12	4

Source of Funds Queries

Section 38 of the MLTPA authorizes the seizure of cash by Customs or Police officers where officers have reasonable grounds to suspect that the cash represents the proceeds of crime as defined in that Section. **Table 14** below shows three instances

where action was taken. One of the cases was closed without charges being laid, as the persons involved were able to establish the legitimacy of the source of funds.

TABLE 14: Source of Funds Queries

No.	Agency	Nationality	Location	Cash Involved	Value	Investigation Status
1.	FIU/BPD	Belizeans	Corozal	BZ \$80,100.00 US \$670.00 MX\$ 10,000.00		Closed Source of Funds Established and cash returned.
2.	FIU/BPD	Belizean	Belmopan City	BZ \$5,000.00		Open FIU is applying for cash seizure.

Financial Crimes Working Group

The FCWG was created by NAMLC in 2017. As indicated in the section on NAMLC, FCWG includes several NAMLC member agencies, and is chaired by a senior member of the BPD with the Senior Investigator in the FIU serving as Deputy Chairperson. The FCWG objectives include pursuing money laundering and related predicate offences, recovering the proceeds of crime, sharing learned experiences from case development, and improving the operational capacity of members.

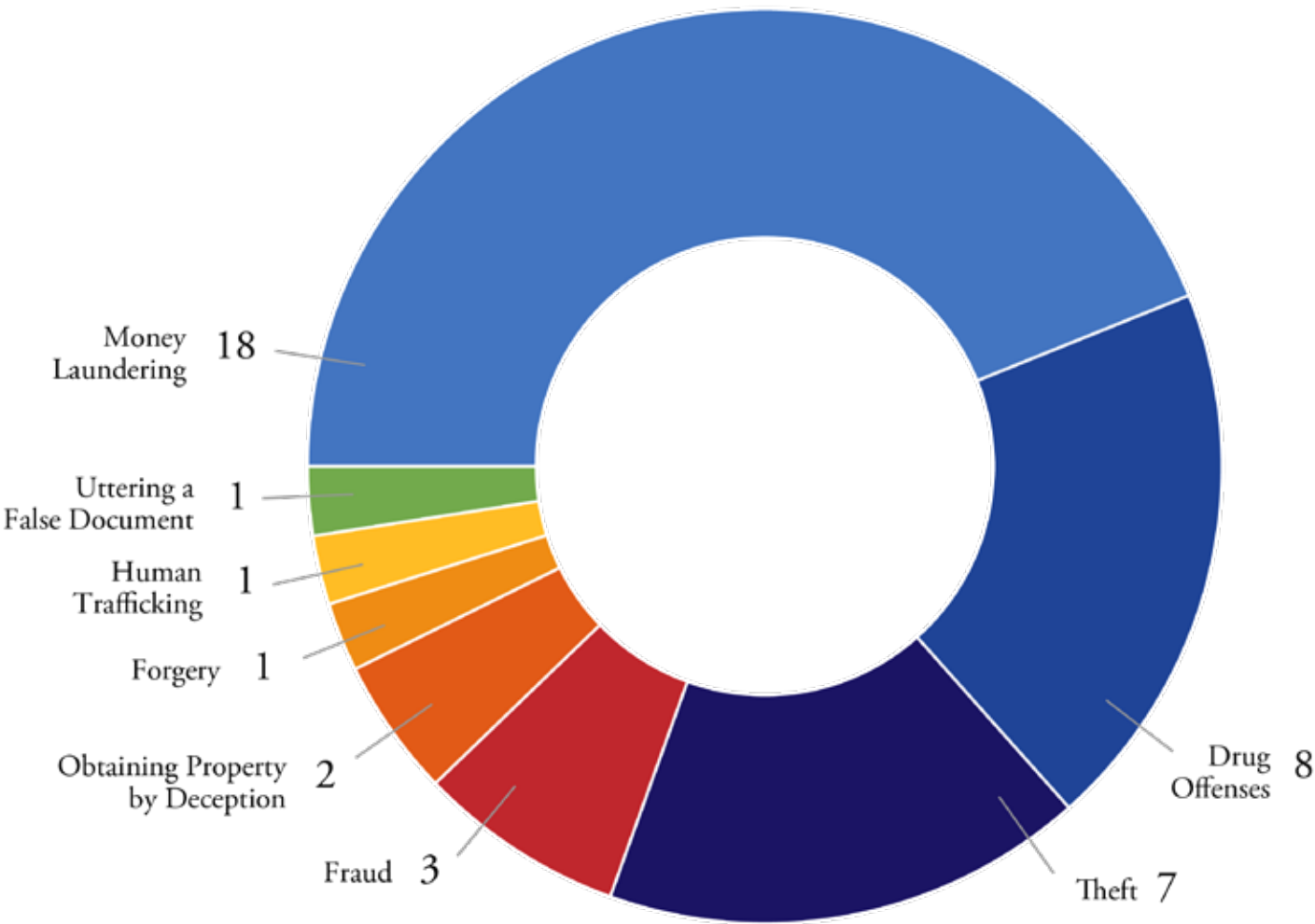
During 2021, the FCWG met four times, virtually due to COVID-19. A total of six cases were brought over from 2020; two of those cases remained under investigation at year-end, while four were closed.

**Table 15: Cases investigated with
the assistance of the FCWG**

No.	Investigating Agency	Suspected Offence	Offence Charged	Suspected/ Approximate Value Involved	Investigation Status
1.*	FIU	Theft, Money Laundering	"Money Laundering"	BZ \$1,731,000.00	Closed. Matter before the court
2.*	FIU	Obtaining property by deception, Theft, money laundering	N/A	BZ \$119,000.00	Open Under Investigation
3.*	FIU	Obtaining property by deception, uttering a false document, theft, Money Laundering	(3) Counts "Uttering upon a false document," (1) count "Obtaining property by deception" and (3) Counts obtaining money transfers by deception"	US \$552,000.00	Closed. Matter before the court.
4.*	FIU	Money Laundering	No charge levied.	N/A	Closed. No charge levied.
5.*	BPD	Theft, Money Laundering	"Theft" and "Money Laundering"	BZ \$54,000.00	Closed. Theft and Money Laundering charges before the court.
6.*	FIU/BPD	Theft, Money Laundering	"Theft"	N/A	Partially closed. Theft is completed and ML matter still under investigation

Chart 2 below shows the types of alleged offences that resulted in action being taken by the FIU in coordination with other law enforcement agencies.

CHART 2: Types of Alleged Offences Investigated in 2021

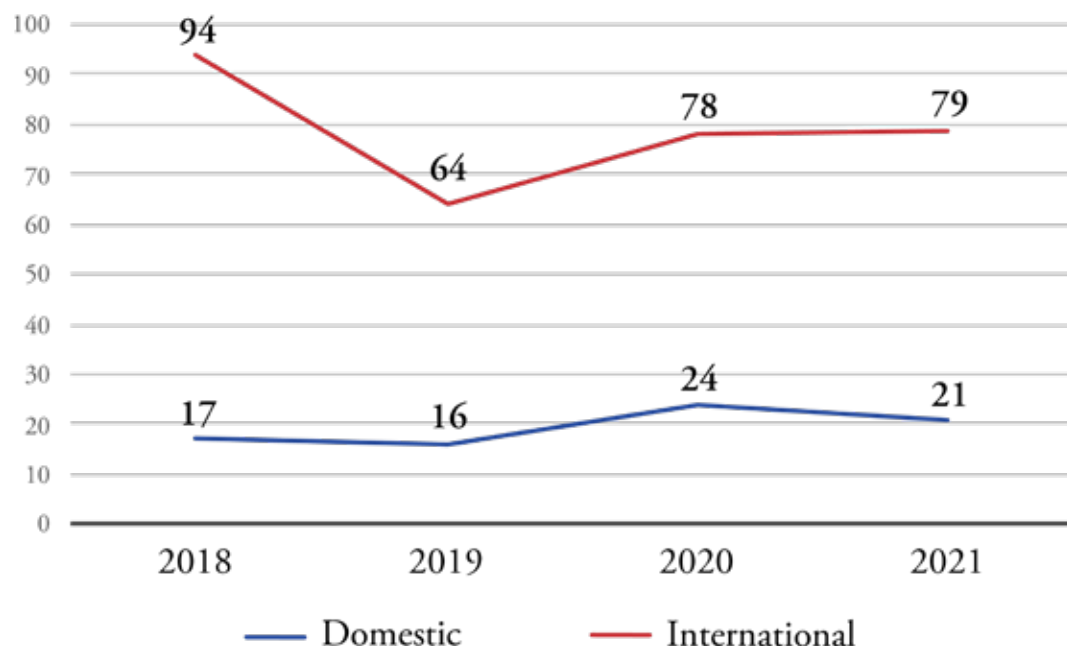


Inter-Agency Cooperation

As previously indicated, the FIU worked jointly with other local law enforcement authorities as part of the process of sharing intelligence in order to facilitate investigations. Collaboration and coordination were undertaken both formally through NAMLC and the FCWG, and informally

with NAMLC and FCWG members. During the period under review, a total of 24 formal requests for information were forwarded to the FIU through domestic agencies. Of the 24 requests, 15 originated from local agencies, while nine came via Interpol.

CHART 3: Requests for Information 2018 - 2021



During 2021, a total of 100 Requests for information (RFIs) were received by the FIU, marginally less than the 102 received in 2020. Of the 100 RFIs received, 21 were forwarded by local law enforcement agencies, while the remaining 79 originated from foreign FIUs and law enforcement agencies, the pattern being similar to that in previous years.

INVESTIGATIVE TOOLS

Production Order

An Order issued by the Supreme Court, requiring the production of documents, devices or information that may assist the Police or an authorized officer of the FIU in investigations in relation to suspected ML/TF offences.

Monitoring Order

An Order issued by the Supreme Court, directing reporting entities to provide the Police or the FIU with information for a specified period of time regarding transactions conducted through accounts held by particular persons in relation to whom there are reasonable grounds for suspecting that they have committed, or are about to commit, or were involved in or have benefited or are about to benefit directly or indirectly, from the commission of an offence.

Interception of Communication Order

An Order issued by the Supreme Court, requiring communication service providers to intercept and retain specified communications or communications of a specified description, received or transmitted, and to further allow the Police or the FIU to enter the providers' premises to install devices to intercept and retain specified communications or communications of a specified description related to ML/TF investigations.

Freezing Order

An administrative order issued by the FIU to any reporting entity to freeze for seven business days funds or other financial assets or economic resources of any person or entity, to facilitate any investigation, prosecution or proceedings for ML/TF offences. An application must be made to the Supreme Court to extend a freezing order beyond seven business days.

International Cooperation

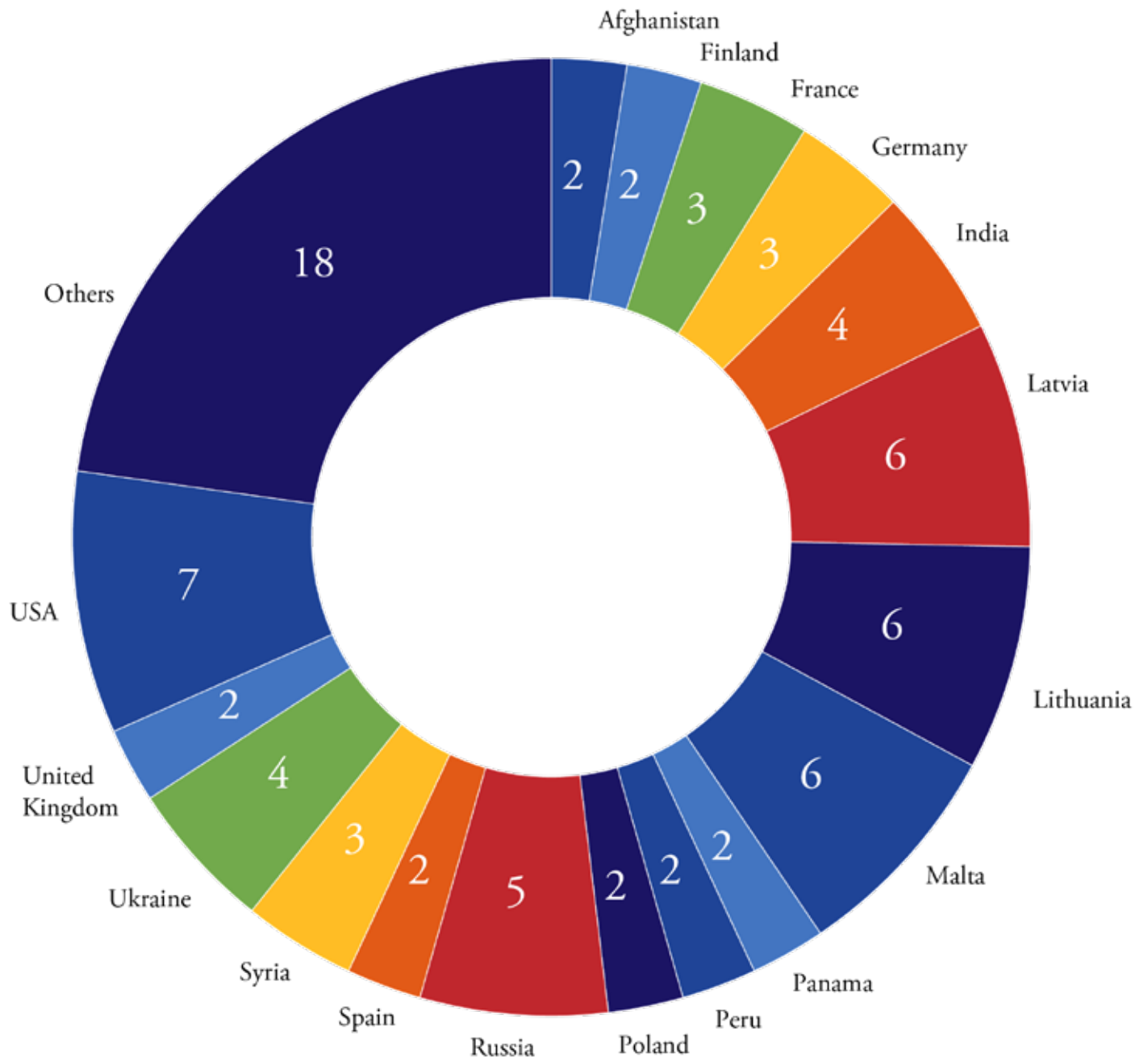
In the global fight against ML/TF, coordination and cooperation at the national, regional and international levels are pivotal, given the ease with which people and financial resources can cross borders. In support of the international effort, Belize continued its collaboration and coordination with domestic and international institutions throughout the year, with both the MLPTA and the FIU Act providing for such engagement on the part of the FIU.

Continuing the trend of previous years, suspected money laundering accounted for the largest number of incoming information requests in 2021. Other categories (e.g. "Analysis", Financial Investigation", and "STRs") indicated that information collection activity was currently underway.

**TABLE 16: Foreign Requests for Information by Basis for Inquiry
2019 – 2021**

CLASSIFICATION	2019	2020	2021
Analysis	0	0	10
Bribery	0	0	0
Corruption	0	0	1
Due Diligence	0	0	1
Drug Trafficking	3	0	5
Embezzlement	0	0	0
Fraud	12	20	13
Financial Investigation	0	6	9
Money Laundering	29	33	38
Murder	0	0	0
Sex Crime	1	0	0
Suspicious Transaction Reports	0	10	0
Tax Evasion	2	11	14
Terrorist Financing	3	1	5
Theft	1	1	2
Other	7	2	0
TOTAL	58	84	98

Chart 4: Main Countries Submitting RFIs in 2021



Other Countries Submitting RFIs in 2021	
Algeria	1
Belgium	1
Benin	1
Bulgaria	1
Dominican Republic	1
Guatemala	1
Israel	1
Jersey	1
Kazakhstan	1
Luxembourg	1
Malaysia	1
Mauritius	1
Moldova	1
Montenegro	1
Nepal	1
Norway	1
Romania	1
Sri Lanka	1

STAFF TRAINING, MEETINGS & CONFERENCES



As part of the effort to maintain and enhance the capacity of FIU staff to deliver effectively on the increasing performance requirements being placed on the institution, staff members attended and participated in a range of workshops and

seminars conducted by institutions with which the FIU collaborates on an ongoing basis. The table below shows details of the training sessions attended by FIU staff members. Given the impact of COVID-19, the sessions were all held online.

TABLE 17: Training Sessions in 2021

Month	Workshop/Seminar	Attendees	Organiser
January	Caribbean Digital Assets Program	Deputy Director NRA Coordinator	US Department of State
	Financial Crimes Combatting Cash Smuggling	Legal Advisor Investigators Analysts Administration	UNODC
February	Counterfeit Currency	Investigators	CARICOM IMPACS
February – March	Stress Management for Optimal Functioning for Frontline Officers	Investigators	CARICOM IMPACS
March	Counter Proliferation Financing	Investigators	RUSI
	Use of PPE Training	Investigators	INTERPOL
	Stress Management for Optimal Functioning of Leaders, Managers and Supervisors	Investigators	INTERPOL
	The Relevance of UNCITRAL Texts for the Digital Economy	Investigators	Law Association of Trinidad and Tobago
	Workshop on Public-Private Partnerships in Financial Investigations into Wildlife Crime	Investigators	ECOFEL

April	Belize/US Regulators Joint Training Program	Deputy Director NRA Coordinator NRA Research Assistant Strategic Consultant Analysts Compliance Investigators	US Securities and Exchange Commission/ Belize IFSC
	Conspiracy & Complex Investigations	Legal Advisor	US Department of Justice/DEA
May	Risk Based Supervision	NRA Coordinator	FATF
	International Money Laundering Networks: building an effective framework to trace, seize and recover criminal proceeds	Investigators	UNODC-CCPCJ/ INTERPOL
	Workshop on Anti-Money Laundering	Investigators	Global Cooperation & Training Framework
July	The Flexible, Consistent Information Exchange Standards – Moving to Production	Legal Advisor Compliance	Egmont Group of FIUs
	Introduction of the New Egmont Secure Web and Egmont Biennial Census 2021	Network Administrator Quality Assurance Officer Senior Financial Analyst	Egmont Group of FIUs
	Combatting Online Child Sexual Abuse and Exploitation: One Year Later	Analysts Investigators	Egmont Group of FIUs
	Tackling Human Trafficking	Analysts	Egmont Group of FIUs
August	NPO Risk Assessment Module	NRA Coordinator	World Bank
	Improving STR SAR Quality	NRA Coordinator Analyst	ECOFEL
	Drug Unit Commander's Course (FACE to FACE)	Senior Investigator	DEA and INL

September	Proceeds of Crime Database Tool	NRA Coordinator Analyst	World Bank
	Consultation on Smuggling of Migrants	Legal Advisor	CARICOM IMPACS/IOM
	Risk Assessment of Legal Persons and Legal Arrangements	NRA Coordinator Legal Advisor	World Bank
	Trafficking in Persons in Latin America and the Caribbean	Deputy Director Analyst	IDB
	Introduction to the Illicit Financial Data Collection Tool	Legal Advisor	World Bank
October	Trade-Based Money Laundering	Analysts	UNODC/Caribbean IMPACS
	Beneficial Ownership and Virtual Assets	NRA Coordinator Legal Advisor Investigators	UNODC
	Financial Crime in Latin America & Caribbean	NRA Coordinator Senior Compliance Officer	Global Financial Integrity
	Gender Inclusiveness in Law Enforcement	Legal Advisor Analysts Investigators	US Embassy
	Addressing Money Laundering Risks in Free Zones	NRA Consultant Analysts Compliance Investigators	CBSI/UNODC
	Session about Gangs - MS13 (FACE to FACE)	Investigators	FBI
	The Drug Trade & Illicit Finance	Analysts	US Department of State & International Narcotics & Law Enforcement Affairs
	Regional Cybercrime Investigation and Cybersecurity Training for Law Enforcement Professionals	Senior Investigator	CARICOM IMPACS

November	International Public Corruption with Foreign Corruption Practices and Money Laundering Violations	Director Deputy Director NRA Coordinator Legal Advisor NRA Consultant Strategic Consultant Investigators Compliance Analysts NRA Research Assistant Secretary	US: IRS
	FATF Introductory E-Learning Course	NRA Consultant Compliance	FATF Academy
	CFATF Virtual Standards Training Course	Senior Compliance Officer	CFATF/FATF Academy
	Illicit Financial Flows Data Collection Tool (Part 2)	NRA Coordinator Legal Advisor Analyst	World Bank
	Workshop on Financial Crime and Migrant Smuggling	Investigator	INTERPOL
November - December	Completed FATF Introductory Course	Strategic Consultant NRA Project Officer Compliance	FATF Academy
	Pandora Papers Exposed	HR Manager Compliance	Compliance Aid/AMLFC Institute

Meetings and Conferences 2021

In addition, staff members partook in several virtual meetings, conferences, and webinars which are highlighted in Table 18 below, held both locally and internationally throughout 2021.

TABLE 18: Meetings and Conferences in 2021

Date	Meeting/Conference/Webinar	Organiser
January	Meeting to discuss Guidelines on Interviewing	INL/PADF
	Meeting to discuss Witness Protection in Belize	US Embassy
January-February	National Risk Assessment Outreach Sessions with Reporting Entities	FIU
February	Presentation to public and private sector stakeholders on Electronic Transfers of Funds Crimes Bill	IFSC
	Meeting to discuss Witness Protection in Belize	US Embassy
	Meeting with “Global Financial Integrity”: Trade-Based Money Laundering: Illicit Financial Flows	Global Financial Integrity/ FIU
February-March	Meetings with Central Bank of Belize, Atlantic Bank Ltd and Corozal Free Zone Management on Corozal Free Zone operations	FIU
March	IMF: Article IV Consultation	Central Bank of Belize
	Presentation by consultants on drafting of legislation to address electronic transactions and data filing	Attorney General’s Ministry
	Meeting of Group of ML/TF/PF Supervisors	FIU
April	“E-Kyash” presentation by Belize Bank Ltd	Belize Bank Ltd
	US: SEC presentations on a range of issues for consideration in drafting securities legislation	IFSC
	Meeting of NAMLC	FIU
May	CFATF Plenary and Working Group Meeting	CFATF
	Risk Based Supervision	FATF
June	Meeting with Cayman Authorities on FATF mutual evaluation issues	FIU
	Meeting with IFSC and Cayman Authorities on Virtual Assets issues	FIU
	Meeting with Supervisory Authorities on NRA Action Plan	FIU
	Meeting of NAMLC	FIU
	Meeting between FIU and Ministry of Trade on trade and payments with Central American countries	Ministry of Trade
	Egmont Group Plenary Meeting	Egmont
	Meeting between FIU and Customs Department on cross-border trade issues	FIU

July	Presentation by CipherTrace to IFSC and FIU on Virtual Assets	IFSC
	HoFIU Webinar 1: FIUs and the Risk Based Approach: An Environmental Scan and Implementation	Egmont Group of FIUs
	HoFIU Webinar 1: Making A Difference: Enhancing Capacity and Capability of FIUs in Producing High quality Financial Intelligence through the Risk Based Approach	Egmont Group of FIUs
	HoFIU Webinar 2: FIU Processes and Data Protection in the Application of the Risk Based Approach	Egmont Group of FIUs
August	NRA outreach to NPOs by FIU and World Bank	FIU
	Inception Meeting of Technical Working Group on Virtual Assets and Virtual Assets Services Providers, involving public and private sector stakeholders. Seven subsequent meetings held between August and November, some of which included presentations from external entities (CFATF, CipherTrace, Bahamas, Bermuda, US SEC).	IFSC and FIU
	Cooperation meeting between FIU and US Embassy	US Embassy/FIU
	Meeting of NAMLC	FIU
	Meeting of Group of ML/TF/PF Supervisors	FIU
September	FATF Recommendations on Technical Compliance Self-Assessment Exercise	FATF
October	Meeting of NAMLC	FIU
	UNODC Annual meeting: Beneficial Ownership and Virtual Assets	UNODC
	Webinar on Digital Evidence	ICITAP-AAFS
	Gender Inclusiveness in Law Enforcement	US Embassy
November	CFATF Plenary and Working Group Meeting	CFATF
December	IMF Staff Consultation	Central Bank of Belize
	Meeting with Delegation from Belize American Chamber of Commerce	BACC
	5th Global Conference on Criminal Financing	Europol/Interpol/Basel Institute of Governance
	Caribbean Conference on Corruption, Compliance, and Cybercrime	Caribbean Development Bank
	Meeting with delegation from Office of Technical Assistance	OTA

Training Sessions held by the FIU in 2021

As the Supervisory Authority for DNFBPs, the FIU is charged with the responsibility of ensuring that the entities it supervises are fully aware of their AML/CFT roles, responsibilities and obligations. The item below identifies a face-to-face AML/CFT training session which the staff of FIU conducted for DNFBPs.

Date	Outreach Session Held	Conducted by which Department
May 5, 2021	Outreach training to new vehicle dealers	Compliance

The table below identifies two outreach sessions conducted by the FIU in 2021 for credit unions.

TABLE 19: FIU Training Sessions for Credit Unions

Date	Outreach Session Held	Conducted by which Department
November 10, 2021	Virtual Outreach training to La Inmaculada Credit Union on “Recognising and Report Suspicious Transaction” (entire staff & all branches)	Analysis
December 16, 2021	Virtual Outreach training to St. John’s Credit Union on “Anti-Money Laundering Obligation (Identifying and Reporting Suspicious Transaction)”	Analysis

APPENDIX 1:

RFIs Submitted by Foreign Countries 2019 - 2021

No.	Country	2019	2020	2021
1	Afghanistan	0	0	2
2	Albania	0	0	0
3	Algeria	0	0	1
4	Argentina	1	0	0
5	Armenia	0	1	0
6	Aruba	0	0	0
7	Austria	0	1	0
8	Belarus	0	5	0
9	Belgium	1	0	1
10	Benin	0	0	1
11	Brazil	0	0	0
12	British Virgin Islands	0	1	0
13	Bulgaria	0	3	1
14	Canada	0	0	0
15	Cayman Islands	0	1	0
16	China	2	0	0
17	Croatia	3	0	0
18	Denmark	0	1	0
19	Dominican Republic	0	0	1
20	Finland	0	0	2
21	France	1	0	3
22	Gabon	1	0	0
23	Germany	5	2	3
24	Ghana	1	0	0
25	Greece	0	1	0
26	Guatemala	0	0	1
27	Guyana	0	1	0
28	Hungary	0	1	0
29	India	1	0	4
30	Israel	1	2	1

31	Isle of Man	0	1	0
32	Italy	0	0	0
33	Japan	1	0	0
34	Jersey	0	0	1
35	Kazakhstan	1	0	1
36	Kyrgyz Republic	2	1	0
37	Latvia	2	3	6
38	Lithuania	2	3	6
39	Liechtenstein	0	2	0
40	Luxembourg	0	0	1
41	Macedonia	2	1	0
42	Malaysia	0	0	1
43	Mauritius	0	0	1
44	Malta	3	4	6
45	Moldova	0	1	1
46	Monaco	3	0	0
47	Mongolia	1	1	0
48	Montenegro	0	0	1
49	Namibia	0	1	0
50	Nepal	0	0	1
51	Netherlands	1	0	0
52	New Zealand	1	0	0
53	Norway	0	0	1
54	Panama	1	0	2
55	Palestine	0	1	0
56	Paraguay	0	0	0
57	Peru	0	0	2
58	Poland	1	2	2
59	Romania	0	0	1
60	San Marino	0	2	0
61	Senegal	1	0	0
62	Serbia	1	0	0
63	Spain	1	2	2
64	Sri Lanka	0	0	1
65	Syria	0	0	3
66	Romania	1	0	0

67	Russia	7	11	5
68	Seychelles	0	0	0
69	Slovakia	0	0	0
70	Sri Lanka	0	1	0
71	St. Vincent and the Grenadines	0	0	0
72	Switzerland	0	4	0
73	Tajikistan	0	0	0
74	Turkmenistan	1	0	0
75	Ukraine	0	7	4
76	United Kingdom	3	3	2
77	USA	11	7	7
78	Venezuela	0	0	0
	TOTAL	64	78	79

During 2021, the number of requests for information from other countries remained almost unchanged from that of the previous year. No particular country pattern was readily apparent in the RFIs.



ANNUAL REPORT 2 0 2 1

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