

MORGAN & MORGAN IN BELIZE



**HEAD OFFICE
MORGAN & MORGAN PANAMA**



Swiss Tower

THE MORGAN & MORGAN LAW FIRM & GROUP

Morgan & Morgan is the largest and the most internationally oriented Law Firm of Panama and Central America. Its extensive general practice covers all areas of the law, with specialized teams of attorneys concentrating in specific practice areas including banking and securities, business and corporate law, environmental, estate planning government contracts, immigration, insurance and reinsurance, intellectual property, labor and employment, litigation, mergers and acquisitions, project finance, ship finance and registration, shipping and admiralty litigation, tax, among others. **Morgan & Morgan's** extensive and powerful network of correspondent Law firms, which include some of the world's leading firms, allows us to provide an effective and efficient response to the needs of our clients worldwide.

The headquarters of the Law Firm are located in Panama City, Republic of Panama, where Dr. Eduardo Morgan A. (1902-1988) began his law practice in the year 1923. As its professional activities grew **Morgan & Morgan** incorporated new partners and associates and today in addition to its attorneys at law, counts in Panama with specialized professionals in areas such as management, finance, accounting, information technology, and marketing.

In order to better serve its clients, The **Morgan & Morgan Law Firm** has developed around its legal practice an integrated an multidisciplinary service group of companies known as **The Morgan & Morgan Group** which includes among other companies, an international license bank in The Commonwealth of The Bahamas (since December 1996) and a General License Bank in Panama (since November 2002).

Morgan & Morgan has also been very successful in developing an international tax planning and fiduciary services practice, as well as a leading maritime practice in Panama, which today includes a very strong team of admiralty litigation attorneys. Since 1970, it has been establishing a network of offices in important financial and shipping centers around the world. These offices, managed by internationally trained attorneys and other professionals, provide selected clients with tax planning and fiduciary services which include worldwide incorporation services. In the maritime practice, **Morgan & Morgan** offers practical advice to shipping companies regarding shipowning schemes, ship financing, and ship and mortgage registration services. Presently, this international network includes fully staffed law services offices in Panama, London, Madrid, the British Virgin Islands and Belize; fiduciary, corporate, asset protection, trusts, tax and estate planning services companies in Geneva, Zurich, The Bahamas, Lugano, Luxembourg, Beijing, Shanghai and Ecuador; and representative offices in Piraeus, Hong Kong, Singapore, New York, Argentina and Brazil.

B E L I Z E



MORGAN & MORGAN TRUST CORPORATION (BELIZE) Ltd. (Morgan & Morgan-Belize)

The Firm and Group presence in Belize is Morgan & Morgan Trust Corporation Belize, Ltd. and Morgan & Morgan.

Morgan & Morgan through its subsidiaries in Belize is licensed to act as Registered Agent of Belize International Business Companies (IBC) and as Shipping Agent of ships registered under the International Merchant Marine Register of Belize (IMMARBE). As such Morgan & Morgan can offer to its clients the service of company formation and administration and of registration of ships and mortgages thereon in Belize.

Through its Belize in-house counsel, Morgan & Morgan offers full legal services in connection with company and commercial, admiralty and maritime, intellectual property, immigration and labor, trusts and estate planning, mutual funds and foreign investments in Belize.

It is the purpose of this booklet to provide our clients with an instrument of easy reference to understand the services available to international businessmen and shipowners from Belize. At the same time, we hope that the information contained herein will facilitate the use of our professional services thereto.

THE COUNTRY OF BELIZE

Belize is an independent country situated on the Caribbean coast of Central America. It has an area of approximately 9,000 square miles; 174 miles at its longest point by 68 miles at its widest.

The total population is estimated at 240,000 people. Although the capital city is Belmopan, most of its commercial activities are concentrated in Belize City, which has around 80,000 inhabitants. The primary language is English, but Spanish is widely spoken. The population is ethnically diverse with a mixture of West Indians, Maya, Caucasians, and Chinese.

Belize has a long history of peace, stability and democracy. It was the British Colony known as British Honduras from 1862 until it gained complete independence and self-rule in 1981. Belize is a member of the British Commonwealth, the United Nations, the IMF, the World Bank, OAS and the WTO, among other international organizations.

The Law of Belize follows the English common law, supplemented by local legislation. The court system is also similar to that of England and contract and commercial law is based on the English law model. The political system is based on the British Westminster model. Executive authority is exercised by the cabinet under the leadership of the Prime Minister, subject to approval by a 29 member House of Representatives elected by universal adult suffrage every five years.

Belize enjoys excellent communications with international air carriers flying daily to and from the United States and Central America. A satellite earth station provides excellent telephone, telex and fax communications, with direct telephone dialing to most countries. International courier services are also well established.

The GDP of the country has averaged 7% per year growth over the last three years with agriculture as a major activity but with increasing contribution from tourism and the financial services sector. Agricultural economic performance is based on sugar, citrus and bananas. Other significant exports are garments and marine products.

THE INTERNATIONAL BUSINESS COMPANY OF BELIZE (IBC)

Companies incorporated under the International Business Companies Act, 1990, (The Act), offer the following advantages:

- Prompt and efficient incorporation due to a well managed and organized IBC Registry Office, with clear and simple procedures.
- Foreign language names are permitted.
- Only one subscriber and thereafter one shareholder (who could be a corporate person) is required.

- No restrictions concerning nationality and domicile of the directors, officers, and shareholders. Directors can be corporate and need not be Belize residents.
- Directors and Officers need not be Shareholders.
- Flexible structure of the shares: nominative and/or bearer shares. No limitations on capital, which need not be paid at the time of incorporation.
- Optional registration of the names of Directors, Officers, Shareholders and Attorneys in Fact at the IBC Registry.
- Meeting of the Board of Directors or Shareholders may be held in any country.
- Directors and Shareholders can attend meetings personally, by proxy, telephone or any other electronic means.
- Resolutions of the Board of Directors and Shareholders ratified by a majority are valid, without the necessity of a meeting.
- Exemption from all forms of local taxation including Stamp Duty.
- Competitive registration fees and annual license fees.
- No restrictions on establishing branch offices abroad.
- IBC's ' can be incorporated for a specific purpose and once that object is fulfilled or the life span of the company is completed the company is struck off automatically from the IBC Registry. These are the **Limited Duration Companies (LDC)**.

It is recommended that prior professional advice be obtained in relation to what is intended to be accomplished by using a Belize IBC.

INCORPORATION PROCEDURE

1. Name of the Corporation

The name of a company shall be registered in Roman scripts but a company may elect to register as an alternative name an accurate translation of the name registered in Roman script, and said name may be expressed in any language, including Chinese.

A company shall not be incorporated or continued that contains the word “Insurance”, “Assurance”, “Bank”, “Trust” unless it is licensed under an enactment authority to carry on such business or activities. Furthermore, the words: “Building Society”, “Chamber of Commerce”, “Chartered”, “Cooperative”, “Imperial”, “Municipal”, and “Royal” are prohibited.

The word “Limited”, “Corporation”, “Incorporated”, “Sociedad Anonima”, “Societe Anonyme” and “Aktiengesellschaft” or the abbreviation thereof must be part of the name of the company.

2. Object of the Corporation

The object of the company is unlimited as long as lawful, and irrespective of corporate benefit.

However, a company may not:

- a) carry on business with persons resident in Belize;
- b) own an interest in real property situated in Belize, other than a lease (as referred to in the Act);
- c) carry on banking business, unless it is licensed to do so under the Banking Act;
- d) carry on business as an insurance, or reinsurance company, unless licensed to do so;
- e) carry on the business of providing the registered office for companies;
- f) carry on trust business, unless it is licensed under an enactment authorizing it to carry on such business; or
- g) carry on collective investment schemes, unless it is licensed to carry on such business.

An International Business Company shall not be treated as carrying on business with persons resident in Belize, by reason only that:

- a) it makes, or maintains deposits with a person carrying on banking business within Belize;
- b) it makes, or maintains professional contact with solicitors, barristers, accountants, bookkeepers, trust companies, administration companies, investment advisers or other similar persons carrying on business within Belize;
- c) it prepares, or maintains books and records within Belize;
- d) it holds, within Belize, meetings of its directors or members;
- e) it holds a lease of property, for use as an office, from which to communicate with members, or where books, and records of the company are prepared or maintained;
- f) it owns a vessel or vessels registered in Belize in accordance with the Registration of Merchant Ships Act (1989)

3. Capital

There is no minimum capital requirement for a Belize IBC company. Our standard form of Memorandum of Association provides for a registered capital of US\$50,000.00, which is the maximum registered capital for the minimum annual corporation tax (US\$100.00).

There is no need to have a correlation between the registered capital of the company and its paid up capital as shares may be issued at any time after the incorporation; however, all issued shares must be fully paid.

4. Directors and Officers

The Board of Directors and the Officers shall be one or more natural or corporate persons of any nationality and not necessarily resident in Belize. MORGAN & MORGAN (BELIZE) may provide nominee Directors and Officers services if required. Our nominee Directors will only act upon specific instructions of the principal of the Company subject to our due diligence requirements.

5. The Registered Office

A Company must have at all times a registered office and agent in Belize. Documents such as the Memorandum and Articles of Association, appointment/resignation of directors and officers, share register, and all corporate resolutions are required to be kept at the registered office of the company, or at any other such place that the directors may determine. Optional registration of these documents can be made at the IBC Registry.

6. DIRECTORS, OFFICERS AND POWERS OF ATTORNEY

Subject to any limitations in its Memorandum or Articles, the business and affairs of a company shall be managed by a board of directors that consists of one or more persons who may be individuals or companies.

The first directors of a company shall be elected by the subscribers to the Memorandum; and thereafter, the directors shall be elected by the members for such term as the members may determine and where permitted by the Memorandum or Articles, the directors may also elect directors for such term as the directors determine.

The Board of Directors may grant powers of attorney to any third party, in order to act on behalf of the Company.

7. SHARES AND SHAREHOLDERS

Shares may be issued in bearer or nominative form. The name(s) of the Shareholders(s) or of the certificate number (in case of bearer shares) must be recorded in the stock ledger or stock register book.

The Code of Conduct of Belize's International Financial Services Practitioners (IFS Practitioners), provides for:

- a) Confidentiality:
IFS Practitioners have a duty of confidentiality towards clients in the management and administration of the client's companies.
A breach of such duty by the IFS Practitioner is sanctioned with severe penalties.
- b) The Immobilization of Bearer Shares:
The IFS Practitioner of an IBC when acting upon instructions of a client who is not a lawyer, an accountant, a company formation agent or a professional intermediary of a similar nature, shall retain at all times the possession of the bearer share certificates. In all other cases, the professional intermediary client will hold at his end the bearer share certificates, as is standard practice, but will be contractually obliged with the registered agent of the IBC company to apply the standards of the Code of Conduct in compliance with his/her "know your customer" duty.
- c) Morgan & Morgan is a licensed IFS Practitioner.

8. CONTINUATIONS

A company incorporated under the laws of a jurisdiction other than Belize can continue as a company incorporated under the International Business Company Act upon production of the following requirements:

- a) articles of continuation, written in the English language or with a certified English translation thereof and, approved by a majority of the directors, or in a manner required by its constitution.
- b) the articles of continuation must contain:
 - (i) the name of the company and the name under which it is being continued,
 - (ii) the jurisdiction under which it is incorporated,
 - (iii) the date on which it was incorporated,
 - (iv) all other information as required by the IBC Act,
 - (v) the amendments to its Memorandum and Articles, or their equivalent, that are to be effective upon the registration to the articles of continuation.
- c) Evidence satisfactory to the Registrar that the company is in good standing

9. BOOKS, RECORDS AND COMMON SEAL

According to the IBC Act, every company incorporated under the Act shall keep such accounts

and records as the directors consider necessary or desirable in order to reflect the financial position of the company.

A company incorporated under the Act shall also have a common seal and an imprint thereof shall be kept at the registered office of the company. All records of the company may be kept confidentially at the registered office of Morgan & Morgan-Belize.

10. WINDING UP AND DISSOLUTION

To dissolve an International Business Company, it is necessary to produce either:

- a) Resolution thereof adopted by the directors upon the expiration of such time as may be prescribed by its Memorandum and Articles of Incorporation of the company; or
- b) A director's Resolution thereof if the Company has never issued shares; or
- c) A shareholder's Resolution thereof if the Company has issued shares.

The directors shall appoint a liquidator who may carry on the liquidation of the company in the best interests of its creditors and members. Morgan & Morgan Liquidator Services, when acting as liquidators, shall require from principals a certification of "non-activity" and an indemnity letter.

11. REGISTRATION AND ANNUAL LICENSE FEES

- a) The Annual License fee for companies with authorized capital of US\$50,000.00 or less is US\$100.00.
- b) The Annual License fee for companies with authorized capital of US\$50,000.00 or less and some or all of its shares have no par value is US\$350.00
- c) The Annual License fee for companies with authorized capital of more than US\$50,000.00 is US\$1,000.00.

The cost of incorporation of a company includes the following:

- a) First year annual license fee;
- b) Registered Agent and Registered Office fee for the first year;
- c) Nominee Board of Director's services for the first year, if requested;
- d) Appointment of First Directors and Officers;

All companies whose names appear in the Registry on the 31st of December of any year must pay the Annual license or registration fee before the 31st of July of the following year. Failure to pay the License fee by July 31st will cause a penalty of 10% of the fee. Failure to pay it before October 31st, will cause a penalty of 50% of the fee. The Registrar shall strike off the name of a Company if the registration fees have not been paid by the 31st of December. Such striking off has no effect on claims, debts, obligations and liabilities of the Company.

OTHER INFORMATION ON THE BELIZE IBC

An IBC can be incorporated within 24 hours. However, ready-made companies with a wide selection of names are available. The MORGAN & MORGAN GROUP international network of offices keeps a stock of ready-made companies available to clients.

All companies are provided with a complete company kit, including Minutes of Issuance of Shares, Share Certificates, Memorandum and Articles of Association, Certificate of Incorporation, First Appointment of Directors and Company Seal. We can also obtain, in addition, Certificates of Good Standing, as well as, other corporate certificates such as Tax Exemption Certificates, Incumbency Certificates, etc. Our in house counsel can issue legal opinions and can advice in legal matters pertaining the IBC Act or other laws of Belize.

SHIP REGISTRATION SERVICES IN BELIZE

The International Merchant Marine Registry of Belize (IMMARBE) is open to any type of vessels. Vessels may be registered through a Designated Office or through our office in Belize. We also act as shipping agents for Belize flagged vessels.

A Belize flagged vessel may be owned by a company or person from any part of the world. The Registry is known as the “friendly flag” and offers, among other features:

- Fast and Efficient Service
- Competitive Fees
- High Standard of Safety and Registration Security (for mortgages)
- Worldwide Representation
- Dependable Common Law Legal System
- Annual fees discount based on safety record of the ship
- Friendly and supportive ship administration

TRADEMARKS REGISTRATION SERVICE IN BELIZE

All trademarks are capable of being registered in Belize. Applications for registration must be in accordance with standard forms which must contain the following information:

- Request for Registration
- Name and Address of Applicant
- Statement of the Goods or Services in relation to which it is sought to register the Trademark
- Representations of Trademarks
- A Form of Authorization of a Local Agent

Under the current legislation a person who has filed an application for protection of a trademark in a convention country has a right to priority for the purposes of registering the same trademark for a period of six months from the date of filing the first application. The registration of a person as a proprietor of a trademark is deemed *prima facie* evidence and can only be overturned on very strong and conclusive evidence to the contrary.

OUR PROFESSIONAL FEES

A table of fees is available at this or any of the MORGAN & MORGAN GROUP offices upon request.

EXHIBIT A: FORM M

FORM M

TO BE REMITTED BY ALL NEW CLIENTS PRECEEDING THEIR REQUEST FOR OUR ASSISTANCE ON ANY ASSIGNMENT.

Name _____

Photocopy of Passport or ID
Representing the following company _____

Whose permanent address is _____

Our firm was recommended to you by _____

Whose present address is _____

You may request references from the following: (world re-known bank, trust company, CPA or law firm)

Company/Attn:	Phone	Fax:
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1. _____

2. _____

3. _____

(Please provide at least 3 references and name of the persons to contact, their phone and fax numbers)

With this request for your professional assistance I bind myself responsible for the professional fees and expenses which your firm will incur in the assignment listed below or any assignments which I may request in the future. Also, I acknowledge the fact that there is no professional privilege of secrecy in criminal cases related to drug trafficking and other crimes harmful to humanity.

Responsible Signature