

- ❖ Part VII Section 40 (1) and (2) of the Exchange Control Regulation sets out certain prerequisites before the sale of property between resident persons and non-resident persons or companies incorporated in foreign countries can legally take place. ***Exchange Control Regulation Act – Revised Edition 2003.***
- ❖ More specifically, in accordance with Section 40 (1), it is unlawful, except with Central Bank of Belize permission, for any resident of Belize to transfer any land situated in Belize by way of sale, exchange, gift or mortgage to a non-resident person or company incorporated in a foreign country. ***Exchange Control Regulation Act – Revised Edition 2003.***
- ❖ The same restriction is applied to non-residents under Section 40 (2), which states that it is unlawful, except with Central Bank of Belize permission, for any non-resident to transfer land situated in Belize by way of sale, exchange, gift, or mortgage to any person resident in Belize. ***Exchange Control Regulation Act – Revised Edition 2003.***
- ❖ Payment for the Transfer of Land, Buildings or Other Hereditaments Situated in Belize should be made as follows; ***Exchange Control Direction Number 15/2014 - Revised December 2014.***
  - (a) in Belize dollars from an External Account;
  - (b) from funds eligible for credit to an External Account; or
  - (c) from the proceeds of foreign currency sold to a domestic bank in Belize.

**For more information visit the Bank's website at:**

<https://www.centralbank.org.bz/laws-regulations/exchange-control-act>

**Or you can send questions to:**

[research@centralbank.org.bz](mailto:research@centralbank.org.bz)

We hope this guide will prove both informative and useful to all those working in the area and we thank you for your support.

# FACT SHEET



The Exchange Control Regulations (ECR) are essential for protecting Belize's fixed exchange rate regime. A stable currency is considered necessary for sustainable growth and development. Compliance with the ECR ensures that foreign currency inflows are pooled and made available to meet the needs of the general public. Each resident contributes to safeguarding the fixed exchange rate through obedience to the law.

## LAND TRANSACTIONS IN BELIZE

**Section 40 of the Exchange Control Regulations (ECR), Revised Edition 2003**, stipulates that Exchange Control permission must be obtained where a non-resident is involved in any transaction relating to the transfer by way of sale, exchange, gift or mortgage of any land, buildings or other hereditaments situated in Belize. The Central Bank's permission is required for the following:

- A.) Any purchase of land situated in Belize from a resident to a non-resident;
- B.) Any purchase of land situated in Belize by a resident from a non-resident ;

## REQUEST FOR PERMISSION TO OWN LAND IN BELIZE

To be in compliance with the Exchange Control Regulation, a formal request must be made to the Central Bank, detailing:

- A.) names and addresses of buyers and sellers
- B.) description of property being transferred
- C.) terms of payment

Exchange Control Request must be accompanied by:

- i. draft sales agreement
- ii. amortization schedule for payments on terms
- iii. copy of current land documents
- iv. notarized copies of passports.

A condition of this approval is to provide a signed copy of the transfer certificate of title for the land and proof that funds have been deposited with a domestic bank to the Central Bank once the transaction has been completed.

## PAYMENT FOR LAND SITUATED IN BELIZE

Payments for land in Belize, whether in lump sum or over a prolonged period of time by a non-resident, must be paid in foreign currency into a domestic bank in Belize. To do otherwise is a contravention of ECR 1 and 2, unless approval has been obtained from the Central Bank.

Realtors dealing in real estate activities in Belize must be cognizant that they should not be requiring that payments for land are deposited into an account abroad, unless they are given permission by the Central Bank of Belize to do so under ECR 22.

## REGISTRATION OF FOREIGN INVESTMENTS (LAND) IN BELIZE

Investments in Belize are encouraged and non-residents investors are advised to register investment in land with the Central Bank in order to facilitate the repatriation of investments once the land is sold.

Registration can be done through a domestic bank in Belize who will submit the XCH8 application to register foreign investment in Belize on behalf of the non-resident client to the Central Bank of Belize.

## REPATRIATION OF INVESTMENTS (LAND)

An application for foreign exchange must be completed and substantiated with source documents, such as, sale agreement, land certificate, passport and income tax clearance before Exchange Control permission is granted to transfer abroad the proceeds from land sale to the non-resident seller.