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Question: Can a foreigner own property outright in Belize?

Answer: Absolutely! Belize is part of the British Commonwealth and the legal system is based on British common law. A foreigner has the same rights as a Belizean citizen to freehold property ownership.

Question: Are any special permits required for a foreigner to purchase property?

Answer: No. Many Belize real estate websites make reference to an 'Alien Land Holding License' and development requirements. This is confusing. The fact is that the Alien Landholding Act was abolished in the early part of 2001. There are no more licenses, permits, special permissions or conditions needed for a foreigner to take title to freehold land in Belize.

Question: How are Ambergris Caye properties titled?

Answer: Presently, You can take title to freehold property on Ambergris Caye in one of 3 ways. The oldest form of title is taken via a Deed of Conveyance (or Deed of Encumbrance), which originates from the British colonial days. Presently all lands north of the 'River' of San Pedro Town are titled via Conveyance. Ownership by Conveyance can be subsequently converted to a Transfer Certificate of Title (TCT) via an application for first registration. A TCT is a physical title,

whereas ownership via Conveyance is a registered right to ownership of a particular parcel of land. Either form of ownership is equally secure and mortgageable, however it is slightly more costly to transfer title on a TCT than on a Deed of Conveyance.

In 1987, the Government passed the Registered Land Act and certain areas of Belize were subsequently declared compulsory registration areas, which included nearly all of Ambergris Caye from the 'River' to the south tip of the island. Under this act, the conveyed properties were re-issued new physical Land Certificate Titles with parcel number designations that replaced the old Meets and Bounds references on the original conveyed properties. The Government is in the process of re-registering all freehold lands under the Registered Land Act so as to eventually have a uniform nationwide system of land ownership.

Question: How do I ensure the property that I want to buy has clear title?

Answer: By having your legal representative research the title and issue a title opinion. The title is researched in the Lands Registry, and in the Companies Registry if the land is held under a company. Liens, judgments and encumbrances are valid only if properly lodged. A title opinion for land which is not in the new registration section, such as conveyed land, takes a little longer as an abstract of title must first be prepared that goes back no less than 30 years. The statute of limitations on land claims is 30 years. An opinion of 'good and clear title' will be issued once the attorney has satisfactorily examined the abstract in fine detail.

Question: What about titles to 'condominiums'?

Answer: It should be noted that true condominiums only exist in the New Registration zones where the Strata Act is applicable. That we know of, San Pedro Town, Seine Bight and Belize City are the only locations that have true condos with Strata Titles. Strata Title enables one to pass physical title to a 'slice of air with a building in it' without owning the land that is below it. ie: one can purchase and take title to a 3rd floor unit without owning the shadow footprint of the land below. Many developers around the country erroneously refer to their projects as 'condos' when they are not located in a new registration zone. If the 'condos' are not in the new registration zone then they should be referred to as 'units' or 'residences' and, in most cases, they will be titled via corporate share certificate(s). This ownership structure is popular and is known to North Americans as "Co-op's. The advantages of Co-operative Corporate ownership are minimal closing costs and a higher degree of isolation from personal liability. The downside is that share certificates cannot be mortgaged by a lending institution. In most cases, purchasers feel equally comfortable with both forms of ownership and there are many popular Co-op's that exist within the Strata zones.

Question: Can I take title to my property under an entity other than myself?

Answer: Yes. This is one area where purchasers are generally lacking in their due diligence. In many cases, it is prudent to form a Belizean company and take title to the property under this structure. The cost to form a company runs around \$US 1000 and around \$US 150 annually to maintain it in good standing. One should always think re-sale when investing in property. If you purchase a Belizean company that holds the property then you will be subject to only a 3% tax on the value of the purchase price. If you purchase a property, which is titled in the seller's name,

then you will be subject to a 10% transfer tax on the purchase price. On sales under corporate ownership the savings on the closing costs for the purchaser is always a 'deal sweetener'.

One can also take title under a foreign LLC however we have never run into a situation where a foreign LLC was purchased along with the property. It might behoove some foreign purchasers to take title under a domestic LLC but we have yet to figure out any logical reason to do this, other than to afford the owner some degree of domestic liability shielding. A foreign LLC, just like a Belizean company, must have a Belizean registered office (an attorney or CPA) and be kept in good standing locally via annual filings.

One can also take title to property via an offshore vehicle, be it a foreign trust or International Business Corporation (IBC). An IBC is the most popular and is simply an anonymous company that is housed in one of many offshore jurisdictions around the world. The ownership of the IBC is via bearer shares so there is no record in any registry of the actual shareholders of the company. The bearer shares can be issued in ones' names or in the name of the attorneys of the registered office for additional shielding. In most offshore jurisdictions the registered agent must hold the bearer shares under lock and key.

Under Belizean law, only a foreign IBC can hold title to shares of a company that owns real estate in Belize. Here is an example of the mechanics of an offshore ownership structure:

1. The purchasers would hire a Belizean attorney to remotely form a Panamanian IBC through the Belizean attorney's corresponding Panamanian law firm. Bearer shares would be issued in the name of the purchasers and would be held in trust at the IBC's Panamanian registered office.
2. The purchaser would then form a Belizean company and issue the shares to the Panamanian IBC. The directors of the Belizean company can be either the purchasers or the Purchasers' Belizean attorney.
3. Title to the property would then be taken under the name of the Belizean company. Under this ownership structure, the purchaser would have complete anonymity of ownership and absolute isolation from any personal liability. The cost to set up this structure would be approximately \$US 1500 for the IBC, \$US 1000 for the Belizean Company and around \$US 1500 per year to keep both companies in good standing. Ownership under this structure can be very appealing to purchasers of larger commercial facilities and to individuals requiring high degrees of privacy.

Question: Can North American Governments investigate my investment activities in Belize?

Answer: Yes and No. Belize is an offshore nation that does not have a tax treaty with the USA or Canada. However Belize will co-operate with these countries if there is sufficient evidence that a person or entity has been involved in criminal activities and/or money laundering. Belize has modern offshore banking legislation, including a tough anti money laundering act, which is designed to repel illicit monies and persons from using our offshore protectionism. A legitimate foreign investor can invest in Belizean property through offshore instruments and enjoy all of the benefits of complete offshore privacy.

Question: Can I get title insurance?

Answer: Yes but it is not necessary unless it is tied into some form of international bank financing package on a sizeable purchase. Stewart Title out of Texas issued its first policies in Belize about 10 years ago. Belize is the only country, that we know of, where an A+ American title company has felt comfortable enough with the security of a Central American nation to guarantee title. In our opinion, a TCT, Land Certificate or clear Deed of Conveyance, which are all guaranteed by the Government of Belize, are as secure a title as one can obtain in any commonwealth country or in the USA and Canada.

Question: What are typical closing costs?

Answer: This is very straightforward. In Belize, we do not have a capital gains tax so the Government assesses a 5% 'stamp tax' on the declared purchase price of the property at the time of transfer of title. There is an additional tax of 5% for foreigners and persons who have resided in Belize for less than 3 years. On an outright purchase, legal fees for title research and title transfer typically run at 2% of the purchase price. Legal fees for drafting and recording an Agreement For Sale and Caution run between \$US 300-750. It is customary that the purchaser pays for all closing costs under Belize transactions.

Question: Do I have to retain an attorney to purchase property?

Answer: Not necessarily. There are some very experienced and reputable paralegals in San Pedro who have been dealing with Ambergris Caye properties since day one. In most cases, they will be ultimately more familiar with the title history of our local properties than the Belize City based law firms. One will find that the paralegals will be more efficient in communications and finalizing one's purchase. Obviously the decision as to which way to go should be analyzed on a case-by-case basis.

Question: Are most purchases consummated in US Dollars?

Answer: The majority of properties on Ambergris Caye are bought and sold in US Dollars. This gives the purchaser a high degree of security against taking a local 'currency hit'.

Question: Is local financing available?

Answer: Yes, however most non-residents will balk at the interest rates. Effective local interest rates are currently in the range of 12-14% with fixed terms of only 12 months. At the end of every year the loan is closed out and then renewed at the current lending rate. Local borrowing is only permitted in Belize dollars and thus is not applicable under most property purchasing scenarios. However we can assist a purchaser in borrowing US dollars through Belizean offshore banking

institutions. Effective interest rates are approximately 12% and the banks usually require that they be 50% collateralized. Belizean offshore banks are not permitted to loan to persons residing in Belize.

Question: What are the procedures for seller financing and how am I protected?

Answer: In most instances on Ambergris Caye, the seller financing your purchase would be a North American developer or landowner. Most people are familiar with a Land Contract and the Belizean equivalent is called an Agreement For Sale or Memorandum of Sale. An Agreement or Memorandum, under Belize law, is a valid and binding contract that vests the purchaser with an equitable interest in the property concerned. Once such an agreement has been registered or recorded at the Land Registry, it constitutes notice of that person's interest as 'Equitable Estate'. The 'Legal Estate' does not pass to the purchaser at this point but the registered Agreement or Memorandum acts as a lien and security for such title being eventually transferred. The titleholder can no longer enter into any other contract on the property or mortgage the property. Legal Estate will be passed at such time when the purchaser satisfies all conditions of the agreement, which is when full payment has been made to the seller. When an Agreement or Memorandum is associated with property falling under the New Registration Act, an additional document called a 'Caution' is lodged in the property's register to act as a similar lien in the Registered Lands Department.

Question: What is the process for purchasing a property in Belize?

Answer:

1. The first step is to submit an offer to the seller. The offer form is legally binding to both parties and includes an adequate due diligence period for the purchaser.
 2. Upon acceptance by the seller, the purchaser will then retain a local attorney. Once satisfactory title research is completed, a recordable Agreement For Sale, or original title transfer instrument will then be drawn up based on the particulars of the original purchase offer.
 3. The balance of the monies payable for either the down payment or the full purchase price will be due for deposit to our stateside company escrow account at the time specified on the purchase offer or Agreement for Sale.
 4. The transfer documents will then be executed and delivered to the purchaser's attorney for review. The attorney will then send us copies and notify us that the documents are in order and will instruct us to release the seller's escrowed funds.
 5. The executed documents will subsequently be processed at the Lands Registry and an original title or certified copy of an Agreement for Sale will then be presented to the new owner in due course.
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Question: How long does it take to close a sale?

Answer: Typically 30 to 60 days.

Question: Should I involve my US attorney in my Belizean property purchase?

Answer: US property law is significantly different from British property law. Unless your attorney is a British property law specialist, with a sub-specialty in Belizean property law, we recommend that you do not incur the additional costs and headaches involved with retaining two attorneys. We can recommend an experienced Belizean law firm to represent your interests if needed.

Question: Do I have to be in Belize to buy or sell property?

Answer: No. Many transactions are completed where either the purchaser or the seller is not in Belize. The documents are Fedex'd to the absent party and executed in front of a notary public. Purchase offers can be completed by facsimile, which is legally binding in Belize.

Question: Can I open a bank account in Belize if I am not a resident?

Answer: Yes, it is simple to open up a Belize dollar account with any of our local banks. All that is needed is a copy of your passport, a mailing address and a bank reference letter. One can also open up a US dollar account through one of our Belizean offshore banks. The requirements are similar to the above but one cannot be a resident of Belize and hold an account. However one can however form an IBC, which is considered non-resident, and maintain a US dollar account through this company.

Question: What are the rates for property taxes on Ambergris Caye?

Answer: Taxes are very affordable. Most properties are taxed at 1.5% of the assessed value. Assessments are usually at 10-30% of the market value.

Question: Tell me about Belizean surveys?

Answer: Most Belizean surveyors are educated in the UK or Canada. Surveying in Belize is not taken lightly and there is a strict apprenticeship process that one must go through before becoming licensed. We have found our surveyors to be efficient and extremely precise. The survey plat of a parcel or sub-division is only valid once registered, examined and approved by the Commissioner of Lands. [Click here](#) to see an example of a completed survey.

Question: Are Squatters a concern in Belize?

Answer: No. Belize has tough anti squatting laws unlike Costa Rica and other Central American countries. One can only claim title to a land or easement upon proof to the Supreme Court of Belize that one has had continuous and undisturbed possession for 30 years on National and Conveyed lands and for 12 years on Registered lands.

Question: What about property insurance?

Answer: Good all perils (including Hurricane) insurance is available here on buildings and structures through local insurance companies who are re-insured through US and European carriers. Rates run from 1.5% for concrete structures to 2.5% for wooden structures. Deductibles are normally 5% of the sum insured on storms and less for fire.

Question: Do I need to be concerned about hurricanes?

Answer: We have to be on the lookout for hurricanes while people in other countries need to be on the lookout for tornados, earthquakes, forest fires, floods and most recently, big terrorist bombs. These are the realities of life. Fortunately, Belize is tucked down in the South West corner of the Caribbean, which is far from the steering currents of the hurricanes and thus out of the traditional hurricane paths. Historically, Belize has experienced a major hurricane every 20-30 years. Ambergris Caye was hit by a hurricane in 1942 and then in 2000. We went through the 2000 hurricane. It wasn't pleasant but no one was seriously hurt, the insurance companies paid off nicely and our island was back in full operation within 60 days.