

# Belize. Securing your future



The global economy is unstable. WCR interviews Caye International Bank's Luigi Wewege on the reasons Belize should be considered as an investment location



*The start of this new decade has brought some of the biggest changes and challenges the world has ever seen. As we navigate this new reality, individuals and families are faced with decisions and choices that will affect their legacy and investing abroad is an effective way to protect personal portfolios. World Commerce Review interviews Luigi Wewege, the Senior Vice President and Head of Private Banking at Caye International Bank, who are based in the tropical paradise of Belize, an investment location that is well worth taking into consideration*

## **The global economy is challenging at the moment. How would you describe the current local economic climate and prospects for the future in Belize?**

With agriculture and tourism, the key elements of Belize's economy, the country has a core strength to help it bounce back from global economic instability. The land, the ocean and the reef are sustainable natural resources that will help with its recovery.

## **For someone who is thinking of starting a new business or relocating an existing one, what significant advantages does Belize offers as a business location?**

Belize offers major tax advantages for foreign investors. In fact, since the International Business Companies Act of 1990, IBCs set up for non-residents of Belize have the ability to operate tax-free. The country also offers ease of doing business. Foreign entities can start businesses in Belize with very similar requirements to local residents.

Bank accounts can even be opened remotely. Belize's location in the Americas offers easy travel from the US, and access to export markets. While it is hard to quantify, one of the biggest benefits of operating in Belize is a more relaxed way of doing business, which leads to a much more personable approach.

## **Asset protection is vitally important to the investor. What are the pros and cons of investing abroad in general, and Belize in particular?**

Investing abroad is a great way to assure privacy and asset protection. This is a unique way of diversifying a

portfolio to be separate from the economic, political and other varying conditions in your home country. I would say that one of the Belize pros is that the country has a stable currency tied to the US dollar. Belize's banks have legally required liquidity rates of at least 24 per cent, which are very high, roughly four to five times those required in the United States for their domestic banks.

Also, for those who choose to live near their investments, the country is a tropical paradise. As for the cons, Belize is still considered to be in the 'third world' category, with coinciding risk and lack of infrastructure in certain areas of the country.

*Offshore bank accounts are some of the most powerful financial tools that you can employ for managing personal wealth with safety, privacy and asset protection*



## **How is the Belize government encouraging foreign investment and foreign business ownership? What are the short- and long-term goals?**

Belize encourages foreign investment to help rapidly increase GDP and develop local capabilities. This includes joint venture and partnership investments, as well as 100 per cent foreign ownership.

The government offers incentive programmes in numerous investment sectors, including agriculture, agro-processing, aquaculture, fisheries, logistics, light manufacturing, offshore outsourcing, sustainable energy, and tourism-related industries.

There are also duty-free Export Processing Zones with multi-decade income-tax holidays. In addition, Belize is a member of CARICOM, enhancing many opportunities for trade within the Caribbean region.

Short-term goals for the country's government include the need to continue efforts to rein in public debt and narrow the fiscal deficit. A longer-term goal for the country is economic diversification, since Belize's economy relies primarily on tourism and exports of marine products, citrus, sugar and bananas. Tourism is one of the biggest growth areas for Belize's economy, meaning on-going demand for new businesses and existing business growth catering to visitors.

## **Do you see Caye International Bank having a role in the economic growth of Belize?**

Yes, absolutely. As mentioned, tourism is one of the biggest growth areas for Belize's economy, meaning on-going demand for new businesses and existing business growth catering to visitors.

Caye International Bank plays a role in providing not just a place for offshore savings accounts, but also a source of funds for investment in these and other opportunities for supporting the country's economy.

The biggest impact is through local financing of everything from commercial mortgages to residential construction loans, which allow foreigners to participate in the economic growth of Belize.

### **How can foreign ownership of businesses and property benefit the citizens of Belize?**

Foreign investment can make a big difference. Belize is a very small country, so investment from external resources is quite important. The Belize government particularly encourages investment in export-oriented businesses and the associated increased employment and development of local technological capacity.

Real estate is one of the prime movers of economic development in Belize. While some of the development comes from domestic sources, a significant amount results from actions of international investors and buyers. It's not just people who plan on retiring to the country eventually who help drive the real estate market growth, but also business owners who seek to purchase and develop properties.

### **How skilled and knowledgeable is the local workforce? Do you think the foreign business owner or investor has a role to play in the development of these capabilities?**

English is the official language of Belize, providing a leg-up for the local workforce in basic skills and development

capability, especially in interacting with international customers. More than 70 percent of the country's population has completed secondary education.

Today, while agriculture and tourism make up almost half of the industry in Belize, roughly the other half of the labour force is in services and professional occupations. Also, women are now entering the workforce in greater numbers, thus creating a need for more jobs to be created by the government, so as to keep unemployment down.

Foreign business owners and investors create demand for more workers, often with specific skills not taught through the Belizean education system. Fortunately, most of the developmental training needed is available somewhere in the world and can fairly easily be used to upskill the local workforce through online education modules.

**We hear a lot about digitalisation and fintech. What steps has Belize taken to adapt to the digital age vis-à-vis digital infrastructure?**

Yes, Belize has not just developed a strategy, but also taken action in the last decade to expand its digital capabilities, partly through the implementation of state-of-the-art fibre-optic connectivity.

Belize's prime minister, Dean Barrow, says that this will give the country core data infrastructure on a par with London, New York, Singapore or even Seoul. This expansion of broadband penetration has enabled an increased rate of GDP growth for the country over the last decade.



## **There is an increasing concern about the prevalence of money laundering in the global economy. What steps is Belize taking to address these concerns?**

Sadly, criminal operations and money laundering are potential concerns in every country of the world. That is why the US passed the Money Laundering Control Act of 1986 and continues extensive activities to prevent money laundering on an on-going basis. Belize passed its own Money Laundering and Terrorism (Prevention) Act in 2008, with additional legislation in 2013 and 2018.

Belize has completed a national risk assessment and is preparing a national plan of action to address those risks. The March 2020 *International Narcotics Control Strategy Report on Money Laundering* from the US State Department recognises Belize's rigorous anti-money laundering legal, policy and regulatory framework and praises the strong political will to combat money laundering. Thus, I believe progress has been made and the right things are happening to minimise risk.

## **What does Caye International Bank offer as a partner for foreign investors in Belize?**

Offshore bank accounts are some of the most powerful financial tools that you can employ for managing personal wealth with safety, privacy and asset protection.

One of the great things about having offshore savings, checking and investment accounts is that they remain relatively untouched by whatever is happening within your home jurisdiction, such as a local recession or a political shift.



Assets held in offshore accounts aren't subject to judgments awarded by domestic courts. With offshore bank accounts in place, people can have a foundation for getting back on their feet after personal or national setbacks.

Diversification can also allow investors to engage in currency exchanges, which makes it possible to build more wealth. Caye International Bank fulfils the dual role of facilitating this investment and acting as caretaker.

**You have a long history of involvement with the financial services industry, particularly with regards to developments in technology. What does the financial sector need from its senior managers to adapt to the quickly-changing financial environment?**

Leaders who are able to develop an adaptive vision and implement responsive systems to meet clients' new needs are the ones who will be the most successful.

There are two ways of dealing with rapid change. One way is through reactive protectionism. This is often through trying to stop the bleeding when change is forced upon you. This can be done by tweaking costs here and there to still be in the black for each quarterly budget.

The other is a nimbler, proactive approach. Knowing that most changes are not short-term, recognise that the first inkling of any change is a signal of potential opportunity.

Leaders who are able to develop an adaptive vision and implement responsive systems to meet clients' new needs are the ones who will be the most successful. Often the big breakthrough successes come from leveraging disruptive change.



It's important to note that getting to this point also requires helping employees develop skills to deal with this rapid change and as always, communicating 'what' and 'why' is critical to success. ■

### EXECUTIVE PROFILE

*Luigi Wewege is the Senior Vice President and Head of Private Banking at [Caye International Bank](#). Outside of the bank he serves as an Instructor at the FinTech School which provides online training courses on the latest technological and innovation developments within the financial services industry. Luigi is also the published author of *The Digital Banking Revolution* which is available in audio, Kindle and paperback formats throughout all major international online bookstores and is now in its third edition.*

