



ISSUES RELATING TO FINANCE

BELIZE Barrow & Williams

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1. **What instruments are used to create a lien on real estate to secure an indebtedness (e.g., a mortgage or deed of trust)?**

Liens on real estate to secure an indebtedness are in the form of mortgages, charges, auction, restriction and inhibitions.

2. **Describe [national] [state] [territorial] [provincial] or local mortgage recording or other similar taxes payable on making a loan secured by real estate or perfecting a lien on real property.**

Taxes attached to a loan secured by real estate or perfecting a lien on real property are stamp duty of 1.5% of loan amount, USD\$7.50 registration fee, and general sales tax of 10% on legal services.

3. **Describe manner in which a lien secured by real property is foreclosed.**

Liens secured by real property are foreclosed by auctioning the property. Before auctioning, notice must be placed in the government Gazette and local newspaper for three consecutive issues then the auction is held by an auctioneer who sells the property to the highest bidder.

4. Describe any significant costs of or impediments to foreclosing a lien on real property.

A significant cost to foreclosing is the auctioneer's fee of 5% of the sale price. A significant impediment would be securing a buyer.

5. What is the customary time period for foreclosing a lien on real property?

Two months.

6. Are there [national] [state] [territorial] [provincial] or other local governmental permissions, approvals or licenses required for foreign banks or other foreign lenders to make real estate loans secured by real property? If so, please describe.

The foreign bank or lender must be registered as an overseas company. Foreign banks and foreign lenders must acquire the Central Bank of Belize's approval in order to secure real estate loans by real property and the actual deed or mortgage or charge must be recorded.

7. What legal limits are imposed on the amount of interest which may be charged on a loan secured by real property?

There are no legal limits imposed on the amount of interest which may be charged on a loan secured by real property.

8. Describe any laws that restrict the ability to make a borrower or guarantor personally liable for indebtedness secured by real property.

There are no laws that restrict a borrower or guarantor from being personally liable for indebtedness secured by real property except for the Companies Act which protects directors of limited liability companies from being liable for the debts of the company.