

Date Revised: 26 October 2021

The Emergency Business Support Program

The Government of Belize (Government) and Central Bank of Belize (Central Bank) have partnered to launch the Emergency Business Support Program, which will provide support to businesses that have been impacted by the COVID-19 pandemic. The entity, COVID-19 Financing Ltd., has been established to provide low interest loans to participating financial institutions for on-lending to eligible borrowers.

See the FAQs to learn more about the program.

Emergency Business Support Program FAQs

1. What is the Emergency Business Support Program (EBSP)?

The Government of Belize and the Central Bank of Belize have partnered to establish the Emergency Business Support Program (EBSP), which will provide financing through participating domestic banks and the Development Finance Corporation (DFC) to eligible borrowers to help them reinvest, restart, and recover from the economic effects of the COVID-19 pandemic.

As such, a special purpose vehicle (SPV) called the “COVID-19 Financing Ltd.” was created to manage the EBSP. An SPV is a distinct company with its own assets and liabilities, as well as its own legal status. In this case, the Investors to the COVID-19 Financing Ltd. (the Government and Central Bank) jointly assume the risk along with the participating lenders on the loans being offered. The participant lender is considered a Trustee and will facilitate the management of credit facilities to Eligible borrowers.

2. Who is eligible? Who qualifies?

Micro, small, medium, and large business entities that existed prior to March 2020 and have been impacted by the COVID-19 pandemic can apply:

- to restart operations,
- to recover from pandemic effects,
- for working capital, or
- for expansion of foreign exchange earning or import substitution business.

Once you have documentation to support your claim that your business was in operation prior to March 2020 and has been negatively affected by the pandemic, you may be eligible for the financing program.

N.B. Eligible borrowers should not have any non-performing loan at any lending institution prior to 31 March 2021.

3. What is the interest of rate on loans?

The COVID-19 Financing Ltd. will offer loans to participating institutions at a rate of 4.5% per annum. However, other fees may apply to account for loan origination and annual servicing fees. These fees may add another 200 basis points or 2% per annum.

Emergency Business Support Program FAQs

4. How does the Program work?

Participating banks and the DFC have agreed to partner with the Government and Central Bank to provide eligible borrowers with low interest loans to help support their businesses during the ongoing pandemic.

5. Is there a deadline for applications?

The deadline for applications is **30 April 2022**. Interested borrowers are encouraged to contact a participating bank or the DFC for more information.

6. Where do I apply?

Micro businesses can submit applications to the DFC and the National Bank of Belize Ltd., while small, medium, and large businesses should submit their applications to participating banks or the DFC.

The list of participating financial institutions will be updated as the program continues.

7. Do I need to be a customer of a bank to apply for a loan?

No. While being a customer of one bank may make it easier to establish your standing, prospective borrowers are encouraged to shop around for the loan that offers terms and conditions that work best for their individual situation. This might mean securing the loan with another institution.

8. What documents do I need to apply?

These are dependent on the financial institution and the size of the loan, but may include:

1. Business plan;
2. Audited and/or in-house financial statements;
3. Cash flow projections;
4. Collateral to secure the loan; and
5. Borrower's background information.

9. Are there any other details I should be aware of?

Fees and conditions that are specific to your situation may apply. Be sure to discuss these with the financial institution that you contact.

10. Who can I contact for more information?

You may contact your financial institution or send an email to ebsp@centralbank.org.bz.