

BELIZE:

CENTRAL BANK OF BELIZE (AMENDMENT) ACT, 2021

ARRANGEMENT OF SECTIONS

1. Short title.
2. Repeal and replacement of section 34.
3. Addition of new sections.



No. 3 of 2021

I assent,

(SIR COLVILLE N. YOUNG)

Governor-General

15th March 2021

AN ACT to amend the Central Bank of Belize Act, Chapter 262 of the Substantive Laws of Belize, Revised Edition 2011; to provide for emergency programs and facilities in unusual and exigent economic, financial or systemic circumstances; and to provide for matters connected therewith or incidental thereto.

(Gazetted 20th March, 2021).

BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

Short title.

**CENTRAL BANK OF BELIZE (AMENDMENT)
ACT, 2021,**

CAP. 262.
19 of 2016
28 of 2017.
8 of 2018.

and shall be read and construed as one with the Central Bank of Belize Act, which, as amended, is hereinafter referred to as the principal Act.

Repeal and
replacement of
section 34.

2. Section 34 of the principal Act is repealed and replaced with the following—

“Advances to
Government.

34. With a view to offsetting fluctuations between receipts and payments of the Government, the Bank may make direct advances to the Government provided that at any one time the total outstanding amount of such direct advances shall not exceed twelve per cent of the current revenues of the Government collected during the preceding financial year.”.

Addition of
new sections.

3. The principal Act is amended by the addition of the following new sections—

“Emergency
programs or
facilities.

67.—(1) In unusual and exigent economic, financial, or systemic circumstances, the Bank may, through banks, financial institutions, statutory corporations or other similar bodies, establish emergency programs or facilities with limited or broad based eligibility.

(2) The programs or facilities that may be established under sub-section (1) include—

- (a) the purchase of financial assets, including debt or equity instruments or other securities from any participant in any program or facility;
- (b) the granting of credit facilities to any participant in any program or facility; or

- (c) the discounting of notes, drafts, bills of exchange and securities for any participant in any program or facility.

(3) Emergency programs or facilities established under sub-section (1) shall be for such period as determined by the Board.

(4) Every emergency program or facility established by the Bank shall be subject to such limitations, restrictions and regulations as prescribed by the Board.

(5) The Board shall not establish any emergency program or facility under this section without the prior approval of the Minister.

(6) For the purposes of this section, a program or facility that is structured to remove assets from the balance sheet of a single and specific company, or that is established for the purpose of assisting a single and specific company avoid bankruptcy, shall be prohibited.

Polices and procedure to govern emergency programs and facilities.

68.-(1) The Board shall, by regulations, establish the policies and procedures to govern emergency programs and facilities established under section 67.

(2) Policies and procedures established under section 67 (4) shall-

- (a) ensure that any emergency program or facility is for the purpose of providing liquidity to

- the financial system, and not to aid a failing financial company;
- (b) ensure that the security for any emergency program or facility is sufficient to protect taxpayers from losses;
 - (c) ensure that any program or facility is terminated in a timely and orderly fashion; and
 - (d) prohibit borrowing from programs and facilities by borrowers that are insolvent.”.