



**BELIZE**

**CENTRAL BANK OF BELIZE ACT  
CHAPTER 262**

**REVISED EDITION 2020**

**SHOWING THE SUBSTANTIVE LAWS AS AT  
31<sup>ST</sup> DECEMBER, 2020**

This is a revised edition of the Substantive Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2020.

This edition contains a consolidation of amendments made to the law by Acts No. 19 of 2016, No. 28 of 2017, No. 8 of 2018 and Act No. 2 of 2020.





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**CHAPTER 262**

**CENTRAL BANK OF BELIZE**

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CHAPTER 262

CENTRAL BANK OF BELIZE

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2 of 2020.

[11<sup>th</sup> November, 1982]

PART I

*Preliminary*

1. This Act may be cited as the Central Bank of Belize Act. Short title.
2. The provisions of this Act shall be deemed to have come into force on the 1st day of January, 1982. Commencement.
- 3.-(1) In this Act, unless the contrary intention appears, the expression— Interpretation.  
  
“Authority” means the Monetary Authority of Belize established by section 4 of the Monetary Authority of Belize Ordinance, 1976; 9 of 1976.  
  
“the Bank” means the Central Bank of Belize established by section 4;

- CAP. 263. “bank”, “banking business” and “financial institution” carry the meanings assigned to them in section 2 of the Domestic Banks and Financial Institutions Act;
- “the Board” means the Board of Directors of the Bank;
- 30 of 2001. “forward contract” means a contractual obligation between two parties to exchange a particular property, security or commodity at a set price on a future date;
- 30 of 2001. “futures contract” means an agreement, originally between two parties, a buyer and a seller, to exchange a particular property, security or commodity for a particular price at a date in the future, all of which terms are specified in a contract common to all participants in a market on an organised futures exchange;
- “Government” means the Government of Belize;
- “Governor” and “Deputy Governor” mean Governor and any Deputy Governor respectively of the Bank;
- 30 of 2001. “hedging instrument” means a contract, security or other instrument which can partially or fully offset some type or element of risk;
- 20 of 1995.  
CAP. 263. “licensed financial institution” means any company licensed under the Domestic Banks and Financial Institutions Act to conduct financial business;
- “Minister” means the Minister of the Government of Belize for the time being responsible for Finance;
- 14 of 1998. “notes and coins” means notes and coins issued by the Bank;
- 30 of 2001. “option contract” means a stipulated privilege of buying or selling a particular property, security or commodity at a given price within a specified time;
- “public sector entity” means–

- (a) any entity established by Government and specified by the Bank for the purposes of this Act; or
- (b) any public company incorporated under the Companies Act in which the Government or the Government-owned statutory corporations hold in the aggregate at least twenty *per cent* of the issued share capital of the company;

CAP. 250.

“swap contract” means a contractual agreement to exchange a particular property, security, commodity, or a stream of periodic payments with a counterparty;

30 of 2001.

“year” means the financial year of the Bank, which shall be the twelve calendar months ending on the thirty-first day of December in each year.

(2) Grammatical variations of any expression defined in sub-section (1) shall be construed accordingly.

## PART II

### *Establishment and Objectives of the Bank*

4.-(1) A Bank to be known as the Central Bank of Belize shall be and is hereby established as an autonomous institution governed by the provisions of this Act.

Establishment of Bank.

(2) The Bank may exercise any of its functions entrusted to it by or in accordance with the provisions of this Act or any other Act or by or under any international agreement to which Belize is a party or which is otherwise binding on Belize, and may do any other banking business incidental or ancillary to or consequential upon the performance of its functions.

Bank to be body corporate.

5.-(1) The Bank shall be a body corporate having perpetual succession and a common seal and, subject to the provisions of

this Act, shall have power to acquire, hold and dispose of movable and immovable property of whatever kind and to enter into contracts and to do all things necessary for the fulfilment of its objectives.

(2) The Bank may sue and be sued in its own name and shall for all purposes be described by that name.

(3) The seal of the Bank shall be authenticated by the signatures of the Governor or a Deputy Governor and one other director authorised by the Board of Directors to act for that purpose, and the seal thus authenticated shall be judicially and officially noticed.

(4) All documents made by the Bank, other than those required by law to be made under seal, shall be signified under the hand of the Governor or of a Director or official of the Bank authorised by the Board of Directors to act on behalf of the Bank.

(5) The Bank shall have its principal place of business in Belize City or at such place in Belize as the Board may decide.

(6) The Bank may establish branches in any location within Belize or elsewhere as it considers necessary.

(7) The Bank may appoint agents or correspondents within and outside Belize.

Objectives of the Bank.

**6.** Within the context of the economic policy of the Government, the Bank shall be guided in all of its actions by the objectives of fostering monetary stability, especially as regards stability of the exchange rate, and promoting credit and exchange conditions conducive to the growth of the economy of Belize.

7.-(1) The Bank may employ such officers, other employees and agents at such remuneration and on such terms and conditions as it considers necessary or appropriate for the proper conduct of its business.

Officers of the Bank.

(2) *Repealed.*

6 of 2010.

(3) Where an officer in the public service is seconded or temporarily transferred for duty to an office in the Bank from a pensionable office within the meaning of the Pensions Act, which Act shall apply to him as if his service in the Bank were pensionable service in a civil capacity under the Government.

CAP. 30.

(4) Where an officer in the public service is transferred to an office in the Bank and retires on pension from or dies while in service in the Bank, his service in the public service shall rank as qualifying service or pensionable service, as the case may be, for purposes of determining eligibility for pension or other similar benefit from the Bank.

(5) Notwithstanding any contrary provision in the Pensions Act or any enactment amending or replacing that Act, where a person employed in a pensionable office in the Bank is transferred to a pensionable office in the public service, his service in the Bank shall rank as qualifying service or pensionable service, as the case may be, for purposes of determining his eligibility for a gratuity or pension under the Pensions Act.

CAP. 30.

(6) Any person who was in the employment of the Authority on the day immediately preceding the day on which the Bank is established shall, with his consent, be appointed to the staff of the Bank on terms and conditions of service not less favourable than those enjoyed by him under the Authority.

## PART III

*Capital and Reserves*

Capital of the  
Bank.  
19 of 2016.

**8.**-(1) The Bank shall have an authorised capital of twenty million Belize dollars.

19 of 2016.

(2) *Repealed.*

19 of 2016.

(2A) The paid up capital of the Bank is ten million dollars.

(3) Subject to the approval of the House of Representatives, the Board may decide to increase the authorised and paid-up capital of the Bank by such amounts, in such manner and at such times as may be decided.

19 of 2016.

(4) Notwithstanding sub-sections (1) and (2A), an increase in the authorised capital or paid up capital, as the case may be, that has effect on or after the date of commencement of the Central Bank of Belize (Amendment) Act, 2016 shall be paid from the retention of the share of the net profits of the Bank that would have otherwise been paid into the Consolidated Revenue Fund, until such time as the increase in capital is fully paid up.

General Reserve  
Fund.

**9.**-(1) The Bank shall establish a General Reserve Fund into which shall be paid twenty *per cent* of the net profit made by the Bank during each financial year and the remainder of such profit after deducting any sum paid into reserve under this sub-section shall be paid by the Bank to the Accountant General for the Consolidated Revenue Fund,

Provided that whenever the General Reserve Fund is equal to or exceeds the amount of the paid-up capital of the Bank, ten *per cent* of the net profit of the Bank shall be paid into the General Reserve Fund and the remainder shall be paid by the Bank to the Accountant General for the Consolidated Revenue Fund.

(2) For the purpose of this section and subject to the provisions of section 50, net profit shall be determined by deducting from gross income all expenses together with allowance for depreciation of assets, contributions to staff benefit funds, provision for bad and doubtful debts and such other contingencies and accounting provisions as are usually made by banks.

(3) If the General Reserve Fund is in any year insufficient to cover any net loss of the Bank recorded in its Profit and Loss Account, an amount equivalent to the deficiency is hereby appropriated and shall be debited to the account of the Government with the Bank.

PART IV

*Administration*

**10.** There shall be a Board of Directors of the Bank, constituted as provided in section 11 and the Board shall be the policy making organ of the Bank.

Board of  
Directors.

**11.**-(1) The Board of Directors shall consist of the following persons—

Constitution of  
the Board.  
21 of 1989.  
20 of 1995.

- (a) the Governor, a Deputy Governor and the Financial Secretary who shall be *ex officio* members; and
- (b) not less than three nor more than four other members.

(2) The Governor shall be appointed by the Governor-General on the advice of the Prime Minister, and a Deputy Governor shall be appointed by the Minister, for such period not exceeding five years as may be specified in the instruments appointing them,

20 of 1995.

20 of 1995.

provided that both the Governor and a Deputy Governor shall be eligible for reappointment.

(3) The Directors referred to in sub-section (1) (b) shall be appointed by the Minister for such period not exceeding four years as may be specified in the instruments appointing them,

20 of 1995.

provided that any such Director retiring on the expiration of his term of office shall, subject to section 15, be eligible for reappointment.

31 of 1999

(4) The Minister shall appoint one of the members as the Chairperson of the Board, and the members shall elect one of their number as the Vice-Chairperson of the Board.

(5) The Chairperson shall preside at all meetings of the Board at which he is present and in his absence the Vice-Chairperson shall preside at the meetings.

(6) If a Director referred to in sub-section (1) (b) suffers from an incapacity which is likely to be prolonged, the Minister may, subject to section 15, appoint a person to act for such Director during the period of incapacity and any person so appointed shall have the full powers of that Director until such time as the Minister determines that the incapacity has ceased.

Meetings of the Board.

**12.-(1)** The Board shall meet as often as the business of the Bank requires but not less frequently than ten times in each year.

21 of 1989.

(2) The Chairperson, or in his absence the Vice-Chairperson, shall summon a special meeting of the Board within seven days of a requisition for that purpose addressed to him by any two Directors.



(3) A quorum for any meeting of the Board shall be three Directors, one of whom shall be the Governor or a Deputy Governor. 20 of 1995.

(4) Decisions of the Board shall be by majority of the votes cast, provided that in any case in which the voting is equal, the Chairperson presiding at the meeting shall have a second or casting vote.

(5) The Board shall employ the services of an official or other member of the staff as secretary and shall ensure that records are kept of its acts and decisions.

**13.**-(1) The Governor shall be the chief executive officer of the Bank and, subject to the general policy decisions of the Board, shall be responsible for the management of the Bank including the organisation, appointment and dismissal of staff in accordance with the general terms and conditions of service established by the Board.

Duties of Governor.

(2) The Governor shall be the principal representative of the Bank and shall, in that capacity, have the authority—

- (a) to represent the Bank in its relations with other institutions and with Government;
- (b) to sign individually or jointly with other persons contracts concluded by the Bank, notes or securities issued by the Bank, reports, balance sheets and other financial statements, correspondence and other documents of the Bank; and
- (c) to delegate his powers provided for in paragraphs (a) and (b) to other officers of the Bank.

20 of 1995.

(3) There shall be appointed two Deputy Governors to assist the Governor in the discharge of his duties under this Act.

Duties of Deputy Governor.

**14.** A Deputy Governor shall perform such functions as may be assigned to him from time to time by the Governor and shall act for the Governor whenever the Governor is unable to perform the functions of his office whether by reason of illness or any other cause whatsoever.

Disqualifications to be a Director.

**15.-(1)** No person shall be appointed or remain a Director who—

(a) is a member of the National Assembly; or

20 of 1995.

(b) is a director, officer or other employee of a licensed bank or licensed financial institution.

(2) The Governor-General may terminate the appointment of the Governor and the Minister may terminate the appointment of a Deputy Governor or any other Director only if the Governor, Deputy Governor or such Director, as the case may be—

(a) by writing under his hand addressed to the person who appointed him resigns his office;

(b) becomes subject to any of the disqualifications specified in sub-section (1);

(c) becomes bankrupt or insolvent, compounds with his creditors or benefits under the law for the relief of a bankrupt or makes any assignment in whole or in part of his income for the benefit of such creditors;

(d) is convicted of an offence involving dishonesty;

(e) becomes totally or permanently incapable of performing his duties,

is guilty of gross misconduct.

(3) The Minister may terminate the appointment of a Director of the Board referred to in section 11 (1) (b), who absents himself from three consecutive meetings of the Board without leave from the Board.

21 of 1989.

(4) The names of all members of the Board as first constituted, their terms of office and every change in the membership shall be published in the *Gazette*.

**16.**-(1) The Governor and Deputy Governors shall owe their duty entirely to the Bank and shall not engage in any paid employment or professional or business activity outside of the duties of their respective offices except as permitted under sub-section (2).

Functions of  
Governor and  
Deputy  
Governors.  
20 of 1995.

(2) Notwithstanding sub-section (1), the Governor and any Deputy Governor may, with the approval of the Minister—

- (a) serve on any committee or commission appointed by the Government to inquire into any matter affecting currency or banking or into any economic or financial matters relating to Belize;
- (b) serve on any international financial institution of which Belize is or becomes a member; and
- (c) serve on the Board of any company, corporation or other body in which the Government or the Bank holds stock or shares or otherwise participates.

20 of 1995.

(3) If the Governor or a Deputy Governor engages in any paid employment or professional or business activity outside the duties of his office contrary to sub-section (1), the Governor-General in the case of the Governor, and the Minister in the case of a Deputy Governor, may terminate his appointment.

Salaries and allowances of Governor and Deputy Governors.  
20 of 1995.

**17.**-(1) The Governor and Deputy Governors shall be paid by the Bank such salary and allowances as may be determined from time to time by the Minister but such salary and allowances payable to any such Governor or Deputy Governors may not be reduced during their term of office.

21 of 1989.

(2) The Directors of the Board referred to in section 11 (1) (b) and any person appointed to act for any such Director shall be paid by the Bank such fees as may be determined from time to time by the Minister.

Disclosure of information prohibited.

**18.**-(1) Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any law a Director, officer or other employee of the Bank shall not disclose to any person any information which he has acquired in the performance of his duties or the exercise of his functions.

2 of 2020.

(1A) The Central Bank is authorised to enter into an arrangement with the Deposit Insurance Corporation for information sharing and to provide information to the Deposit Insurance Corporation that relates to a function of the Corporation under the Deposit Insurance Act

(2) Any person who contravenes sub-section (1), shall be liable on summary conviction to a fine of five thousand dollars or to imprisonment for twelve months, or to both such fine and imprisonment.

## PART V

*Currency*

**19.**-(1) The unit of currency of Belize shall be a dollar to be known as the Belize dollar which shall be divided into one hundred cents.

Currency of Belize.

(2) The symbol “BZ\$” may be used as the abbreviated reference to the Belize dollar.

**20.**-(1) The par value of the Belize dollar shall be equivalent to fifty cents of a United States of America dollar.

Parity of Belize dollar.

(2) Notwithstanding the provisions of sub-section (1), the Minister may after consultation with the Bank, vary by Order the parity of the Belize dollar in terms of either—

- (a) another amount of United States of America dollars;
- (b) an amount of Sterling; or
- (c) an amount or a relationship otherwise specified,

in accordance with international agreements to which Belize is a party or which are otherwise binding on Belize. The par value or other relationship so varied shall be published in the *Gazette*.

**21.** To be valid in Belize, all monetary contracts, obligations or transactions in Belize, whether imposed or authorised by a law or otherwise, shall be deemed to be expressed and recorded and shall be settled or discharged in Belize dollars unless specifically provided otherwise.

Contracts, etc., to be expressed in Belize dollars. 6 of 2010.

Sole right to issue notes and coins.

22.-(1) The Bank shall have the sole right to issue notes and coins in Belize and, subject as aforesaid, only such notes and coins issued by the Bank shall be legal tender in Belize.

(2) The Bank may determine that any issue or denomination of notes or coins issued by the Bank shall cease to be legal tender with effect from any date. The Bank shall cause notice of such determination to be published in the *Gazette* and any such notice shall give holders of the notes and coins to be withdrawn a reasonable time within which such notes or coins shall be exchanged by the Bank at their face value for other currency which is legal tender.

(3) Legal tender notes shall be accepted throughout Belize without limitation as to amount in settlement of any public or private debt or monetary obligation.

(4) Legal tender coins shall be accepted throughout Belize in settlement of any public or private debt or monetary obligation—

- (a) up to any amount of twenty-five dollars in the case of coins of a denomination not exceeding fifty cents;
- (b) up to an amount of one hundred dollars in the case of coins of a denomination exceeding fifty cents but not exceeding one hundred dollars; and
- (c) for the amount of such face value in the case of coins of a denomination exceeding one hundred dollars.

(5) All notes and coins which were legal tender immediately before the establishment of the Bank shall be deemed to have been issued by the Bank.

(6) A note or coin which has been impaired, damaged, diminished in size (otherwise than by fair wear and tear), mutilated, lightened, defaced by stamping, engraving, piercing, cutting or otherwise, shall not be a legal tender.

**23.** The Bank may prescribe the conditions under which the mutilated, defaced or otherwise defective notes or coins may be exchanged at the Bank.

Defective notes  
and coins.

Denominations  
of notes and  
coins.

**24.**-(1) The denominations, inscriptions, form, material and other characteristics of notes and coins shall be determined by the Bank with the approval of the Minister.

(2) The Bank shall publish in the *Gazette* the denominations and other characteristics of notes and coins issued by it.

Assets to cover  
currency in  
circulation.

**25.**-(1) The Bank shall at all times hold assets of an amount in value sufficient to cover fully the value of the total amount of its notes and coins for the time being in circulation.

(2) The Bank shall maintain at all times a reserve of external assets of not less than forty *per cent* of the aggregate amount of notes and coins in circulation and of the Bank's liabilities to customers in respect of its sight and time deposits.

(3) The reserve of external assets shall consist of all or any of the following—

- (a) gold in any form and at such a valuation as may be determined by the Bank;
- (b) foreign exchange in the form of,
  - (i) demand or time deposits with foreign central banks or with the Bank's agents or correspondents abroad;
  - (ii) documents and instruments customarily used for the making of payments or transfers in international transactions;
  - (iii) notes and coins;
- (c) securities of, or securities guaranteed by, foreign governments or international financial institutions;



- (d) Belize's drawing facility equivalent to its reserve position in the International Monetary Fund; and
- (e) Belize's holdings of special drawing rights in the International Monetary Fund.

(4) The House of Representatives may by resolution vary by not more than five *per cent* on any occasion the percentage referred to in sub-section (2). Such resolution shall not become effective until the date of its publication in the *Gazette*.

## PART VI

### *Foreign Exchange Transactions*

**26.**-(1) The Bank may buy or sell or otherwise deal in foreign exchange in any form.

Dealing in  
foreign  
exchange.

(2) The Bank may hold balances denominated in foreign currencies with foreign central banks or monetary authorities or with the Bank's agents or correspondents abroad and, in its discretion, may invest such balances in marketable foreign securities.

(3) The Bank may act as agent for and accept deposits from—

- (a) foreign central banks and monetary authorities or foreign banking or financial institutions;
- (b) foreign governments or agencies of foreign governments; and
- (c) international financial institutions.

(4) The Bank may make arrangements or enter into agreements with any foreign central bank or foreign banking or financial institution to borrow in such manner, at such rates of

interest and upon such terms and conditions as it may think fit any foreign currency which the Bank may think it expedient to acquire.

Conditions regarding dealing in foreign exchange transactions.

**27.** The Bank may determine the terms and conditions under which it will engage in transactions in foreign exchange, provided that the buying and selling rates involved in such transactions shall be in accordance with international agreements to which Belize is a party or which are otherwise binding on Belize.

With whom bank may engage in foreign exchange transactions. 8 of 2018.

**28.-(1)** The Bank may engage in transactions in foreign exchange only with—

- (a) the Government;
- (b) banks and other financial institutions;
- (c) any specified public sector entity;
- (d) foreign central banks or foreign banking or financial institutions;
- (e) foreign governments or agencies of foreign governments; and
- (f) international financial institutions.

(2) Notwithstanding, sub-section (1), the Bank, with the approval of the Minister, may engage in transactions in foreign exchange with a specified foreign entity for the purpose of facilitating transactions in foreign exchange with an entity referred to in sub-section (1) (d) or (f).

(3) The Minister, when giving approval under sub-section (2), may determine or authorize the Board to determine the terms and conditions under which the Bank may engage in transactions in foreign exchange with the specified foreign entity.”

Exchange  
Control  
Regulations Act  
powers.  
CAP. 52.  
S.I. 30 of 1976.

**29.** The Bank may exercise any powers or functions conferred upon or entrusted to the Controller or Competent Authority by or under the Exchange Control Regulations Act, or any other law for the time being in force relating to exchange control.

**30.** The Bank may administer any payments agreement entered into by or on behalf of the Government of Belize.

Bank to act on behalf of Government.

**31.** The Bank shall be the fiscal agent for all the transactions of the Government with international financial institutions.

Bank fiscal agent of Government.

**32.** The Bank shall act as depository for the Belize dollar holdings of international financial institutions of which Belize is or becomes a member.

Bank to act as depository.

**32A.**-(1) The Bank may, with the approval of the Minister, effect contracts of the kind set out in the Schedule, for the purpose of—

Power to effect derivative transactions.

(a) managing risks associated with interest rates, currency rates, commodities or other factors of a financial or commercial nature which affect its business or the national financial or commercial interest; or

(b) reducing the cost of borrowings and effecting savings.

(2) Every contract entered into by the Bank pursuant to sub-section (1), shall be laid by the Minister on the Table of the House of Representatives at its next practicable sitting.

(3) The Minister may from time to time by Order published in the *Gazette* amend the Schedule.

(4) Every Order made by the Minister under sub-section (3), shall be laid before the House of Representatives at its next practicable sitting and shall be subject to negative resolution.

## PART VII

*Relations with the Government*

Bank to act as  
banker to  
Government, etc.

**33.**-(1) The Bank may act as fiscal agent and trustee of, and as banker to, the Government.

(2) The Bank may also perform the functions of fiscal agent and trustee of, and banker to any specified public sector entity in accordance with and within the scope determined by any special arrangements made between the Bank and the public sector entity concerned.

20 of 1995.

(3) The Bank may perform functions as agent for the Government for trading in Government securities.

Advances to  
Government.  
12 of 1993.  
6 of 2010.

**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 eight and one half *per cent* of the current revenues of the Government collected during the preceding financial year. Any such advances outstanding at the end of a financial year shall be repaid not later than three months after the end of that financial year; and if any such advances are not so repaid the power of the Bank to make further direct advances to the Government may not be exercised until the outstanding advances have been repaid.

Bank to buy or  
sell Treasury  
Bills, etc.  
12 of 1993.

**35.**-(1) The Bank may at its discretion purchase or sell—

- (a) Treasury Bills or Treasury Notes issued or guaranteed by the Government;
- (b) securities issued or guaranteed by the Government of a period to maturity not exceeding ten years.

(2) The Bank shall not at any time hold whether as a result of purchase or as collateral for any of its loans and advances any Treasury Bills or Treasury Notes or securities in accordance with sub-section (1) in an aggregate amount exceeding thirty times the aggregate amount at that time of the paid-up capital and General Reserve Fund of the Bank.

12 of 1993.  
3 of 2006.  
6 of 2010.  
19 of 2016.  
28 of 2017.

**36.** Except as provided in sections 34, 35 and 41, the Bank shall not extend any credit directly or indirectly to the Government or any public sector entity.

Limitation of sections  
34, 35 and 41.  
21 of 1989.

**37.**-(1) It shall be the duty of the Bank to advise the Government on any matter which in its opinion is likely to affect the achievement of the principal objectives of the Bank.

Advice to Government.

(2) The Bank may advise the Government on any matter within the jurisdiction of the Bank whenever necessary and the Government may request the Bank to render advice on particular measures, situations or transactions, or on monetary, banking and credit conditions in Belize.

(3) The Government and the specified public sector entities shall furnish the Bank at such time and in such manner as the Bank may request with such information and data as the Bank may require for the proper discharge of its functions and responsibilities.

## PART VIII

### *Relations with Banks, etc.*

**38.** The Bank shall open accounts for and accept deposits from, collect money and other monetary claims for and on account of licensed banks or such other licensed financial institutions as the Bank may in its discretion decide and generally act as banker to such banks or financial institutions.

Bank to open account in favour of licensed financial institutions.  
20 of 1995.

Transactions of  
the Bank.

**39.** The Bank may purchase from, sell to, and rediscount on behalf of banks bills of exchange, promissory notes and other credit instruments bearing at least the endorsement of a bank, maturing within ninety days from the date of rediscount or acquisition by the Bank and issued or made for the purpose of financing—

- (a) the importation or exportation of goods and products;
- (b) the trading of goods and products within Belize;
- (c) the storage of goods and products which are not perishable and which are duly insured or deposited under conditions assuring their preservation in warehouses approved for the purposes of the Customs Regulation Act, or in other places approved by the Bank; and
- (d) industrial or agricultural production in Belize, provided that the Bank may require the credit instruments accepted by it under this section to be secured by a pledge, hypothecation or assignment of the related products or crops.

CAP. 49.

Loans, etc., to  
banks.  
26 of 1984.

**40.** The Bank may grant loans or advances for fixed periods not exceeding six months to banks which pledge the following as collateral security for such loans and advances—

- (a) the credit instruments referred to in section 39;
- (b) negotiable securities of the Government of Belize,

provided that it shall be lawful for the Bank, with the approval of the Minister, to grant such loans and advances and on such collateral security as is mentioned in the foregoing

provisions of this section for such longer period as may be approved by the Minister.

**41.**-(1) The Bank may on-lend to banks and financial institutions in Belize (whether or not public sector entities) funds obtained directly or indirectly from bilateral or multilateral sources for the specific purpose of on-lending to such banks and financial institutions and for further lending to ultimate borrowers to finance specified projects.

On-lending by the Bank to banks and financial institutions for specified projects.  
21 of 1989.

(2) For the purpose of sub-section (1), the Bank may borrow funds locally or from foreign entities, or manage funds on behalf of the Government or other agencies.

(3) The on-lending referred to in sub-section (1) shall be—

- (a) on such terms and conditions as may be agreed between the Bank and the aforementioned banks and financial institutions subject to such conditions as may be specified by the bilateral or multilateral institutions providing the funds or in any agency or funds management agreement;
- (b) secured by such instruments or arrangements as may be determined in each case by the Bank.

(4) For the purpose of this section, “specified projects” means such projects as may from time to time be specified by the Minister by Order published in the *Gazette*.

20 of 1995.

(5) The financial transactions authorised by this section shall be kept separate and distinct from other transactions of the Bank and the Bank shall not use its own ordinary resources to finance lending to banks and financial institutions in Belize for the purposes mentioned in this section.

(6) In this section, the expression “financial institution” shall have the meaning assigned to it by section 2 of the Domestic Banks and Financial Institutions Act.

20 of 1995.  
CAP. 263.

Terms and conditions regarding credit to banks.

**42.** The Bank may determine the general terms and conditions under which it extends credit to banks. In particular, the Bank shall determine and announce the rates of interest it will charge for rediscounting eligible paper under section 39 and granting loans or advances to banks under section 40.

Application of section 16 of Domestic Banks and Financial Institutions Act. CAP. 263. 20 of 1995.

**43.-(1)** The Bank may vary the proportion which the average minimum balance required to be held under section 13 of the Domestic Banks and Financial Institutions Act by every bank or financial institution on an account with the Bank shall bear to the deposit liabilities of such bank or financial institution,

provided that such proportion shall not be more than twenty *per cent*.

(2) Subject to the limit specified in sub-section (1), the Bank may prescribe different proportions for different types of liabilities and may further prescribe the method of computing the required balances.

(3) Any increase in the proportion prescribed under sub-section (1)–

20 of 1995.

(a) shall be effected so as not to exceed two percentage points in any period of thirty days; and

20 of 1995.

(b) shall not be required without at least thirty days’ notice to the banks or financial institutions concerned.

(4) The Bank may require that the proportion to be applied to a financial institution which is a bank shall differ from the proportion to be applied to a financial institution which is not a bank provided that the same proportion shall be applied to every



bank and every member of the same category of financial institution.

**44.**-(1) Subject to the provisions of sub-section (1) the Bank may by notice published in the *Gazette* vary the proportion which the average aggregate of approved liquid assets held by every bank or financial institution is required to bear to the deposit liabilities of such bank or financial institution under section 14 of the Domestic Banks and Financial Institutions Act, provided that such proportion shall not be more than thirty-five *per cent*.

Liquid assets.  
CAP. 263.  
20 of 1995.

(2) Subject to the provision of sub-section (3)(b) the Bank may also require a bank to maintain assets consisting of claims payable in the currency of Belize and other assets situate in Belize in such minimum proportion of its deposit liabilities as the Bank may from time to time prescribe.

6 of 2010.

(3) Any increase in the proportion prescribed under sub-sections (1) and (2)–

20 of 1995.  
6 of 2010.

(a) shall be so effected as not to exceed five percentage points in any period of thirty days; and

(b) shall not be required without at least thirty days' notice to the banks or financial institutions concerned.

**45.** The Bank may, having regard to the viability of banking business, determine and announce the maximum or minimum rates of interest and other charges which banks may–

Power to control  
rates of interest.

(a) impose for specific types of loans, advances or other credits; and

(b) pay on deposits.

Requirements  
regarding loans,  
etc.

**46.** The Bank may after consultation with the banks, issue orders prescribing, in respect of the loans, advances or investments of banks—

- (a) the purposes for which they may or may not be granted;
- (b) the maximum maturities or in the case of loans and advances the type and maximum amount of the security which shall be required and in the case of letters of credit, the minimum amount of margin deposits;
- (c) the limits for any particular categories of loans advances or investments or for their total amount outstanding;
- (d) particular categories of loans advances or investments to be preferred by licensed financial institutions in the allocation of credit facilities and target dates by which specified increases in the amounts outstanding shall have been implemented,

provided that the target date prescribed in any order shall not be less than six months after the date of that order.

Control on credit.

**47.-(1)** The Bank may after consultation with the specified financial institutions issue orders to control the volume, terms and conditions of credit including instalment credit extended through loans, advances or investments by such institutions.

(2) Any person who contravenes the provisions of any orders in pursuance of section 46 or sub-section (1), commits an offence and shall on summary conviction be liable to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding twelve months, or to both such fine and imprisonment.

Information by  
banks and  
financial  
institutions.

**48.**-(1) Every bank and specified financial institution shall furnish to the Bank at such time and in such manner as the Bank may prescribe such information and data as the Bank may require for the proper discharge of its functions and responsibilities.

(2) The Bank may publish in whole or in part at such times as it may decide the information or data furnished under sub-section (1) provided that no information shall be published which would disclose the financial affairs of any person unless the consent of that person has been obtained in writing.

(3) Any person who is concerned with furnishing information or data required by the Bank under sub-section (1) who fails or neglects to furnish the information or furnishes such information or data knowing the same to be false or misleading in a material particular commits an offence and shall be liable on summary conviction thereof to a fine not exceeding two thousand dollars or to imprisonment for a term not exceeding two years, or to both such fine and imprisonment.

**49.** Subject to the provisions of this Act, the Bank may do any banking business or anything that is incidental to or consequential upon the exercise of its powers or the discharge of its functions under this Act or any other enactment, including the promotion of the establishment and maintenance of a bankers' clearing house in Belize.

Acts in  
furtherance of  
provisions of  
Act.  
19 of 2016.

## PART IX

### *Miscellaneous*

**50.** Profits or losses from any revaluation of the Bank's net assets or liabilities in gold, special drawing rights, foreign exchange or foreign securities as a result of any change in the par value of the Belize dollar, or of any change in the par value of the currency unit of any other country shall be excluded from the computation of the annual profits and losses of the Bank. All

Calculation of  
profits and  
losses.

such profits or losses shall be carried in a special account called Revaluation Account,

provided that no profits shall be credited to the General Reserve Fund or paid to the Government under section 9, whenever the Revaluation Account shows a net loss. Such profits shall be credited to the Revaluation Account in an amount sufficient to cover the loss.

Loans to employees.

**51.** The Bank may make loans to its officers and employees for such purposes and on such terms and conditions as may be approved by the Board.

Exemption from income tax, stamp duty, etc.

**52.** The Bank shall be exempt from the provisions of any law relating to income tax or customs duties and from the payment of stamp duty.

By-laws.

**53.** The Bank may make by-laws under the seal of the Bank for the good order and management of the Bank.

Training.

**54.** The Bank shall promote the training of persons in monetary matters, banking statistics, finance and other subjects and with that object may bear, or contribute towards the payment of, the cost of training whether in Belize or elsewhere of meritorious or promising employees of the Bank.

Yearly reports.

**55.** The Bank shall submit to the Minister yearly reports on the state of the national economy with special reference to financial developments, and on policies being followed by the Bank.

Submission of budget estimates. 21 of 1989.

**56.** The Bank shall, in such form and by such dates as may be prescribed by the Financial Secretary, prepare and submit to the Minister estimates of income receivable and the expenditure to be incurred during each financial year (including any supplementary estimates), and Minister shall present the said estimates to the National Assembly with such amendments, if any, as he may consider necessary.

Audit of accounts.

**57.**-(1) The accounts of the Bank shall be audited annually by external auditors appointed by the Board with the approval of the Minister.

(2) Without prejudice to the provisions of sub-section (1), the Minister may at any time request the Auditor General to examine and report on the accounts of the Bank as a whole or on any aspect of the Bank's operations and the Bank shall provide the Auditor General with all necessary and proper facilities for such an examination.

**58.** Within four months after the end of each financial year, the Bank shall submit to the Minister a report on its operations during that year together with a copy of the annual statement of accounts of the Bank certified by the auditors.

Annual report.

**59.**-(1) After submission to the Minister, the Bank shall publish the annual report and annual statement of accounts and auditors' report.

Publication of reports and statement of accounts, etc.

(2) The Bank shall as soon as practicable after the last working day of each month cause to be made and published in the *Gazette* and transmit to the Minister a statement showing its assets and liabilities at the close of business on that day.

**60.** The Bank may also issue such other publications as it considers to be in the public interest.

Other publications.

**61.** The Minister, after consultation with the Board, may make regulations as may be required from time to time for carrying into effect the provisions of this Act.

Regulations.

**62.** Immediately upon the coming into operation of this Act, all assets and liabilities whether actual, accrued or contingent of the Authority shall be transferred to the Bank and all such assets hereby vest in, and all such liabilities shall hereby be enforceable against the Bank.

Assets and liabilities of the Monetary Authority to vest in Bank.

Reference to Monetary Authority; how construed. Repeal of 9 of 1976.

**63.** As soon as the transfers specified in section 62 have been effected, the Monetary Authority of Belize Ordinance 1976 shall be and is hereby repealed. Any reference in any Act, Ordinance or Statutory Instrument to the Monetary Authority of Belize shall hereafter be construed as a reference to the Central Bank of Belize.

Notes printed and coins minted under authority of Monetary Authority.

**64.** The Bank is hereby empowered to issue as though they were notes and coins of the Bank any currency notes and coins printed or minted respectively under the authority of the Monetary Authority of Belize referred to in section 62 and remaining unissued at the date of the coming into operation of this Act.

Acts done by the Authority from 1st January, 1982 and prior to the date of this Act.

**65.** All acts done between the first day of January, 1982 and the date of this Act by the Authority shall be deemed to be acts done by the Bank, and all acts done by the Board of Directors of the Authority shall be deemed to be acts done by the Board of Directors of the Bank and shall be and are hereby declared to be valid and effectual for all purposes whatsoever.

Power of Minister to give general directions.

**66.** The Minister may from time to time after consultation with the Board of Directors give to the Bank in writing such directions of a general nature about its policy and operations as appear to the Minister to be necessary in the public interest.

SCHEDULE

Derivative Transactions

*[Section 32A]*

1. Forward contracts.
2. Futures contracts.
3. Hedging instruments.
4. Option contracts.
5. Swap contracts.