



CENTRAL BANK
of BELIZE

EXCHANGE CONTROL DIRECTION

No. 10/2014

(Revised December 2014)

TO: AUTHORISED DEALERS AND AUTHORISED DEPOSITARIES

Foreign Currency Accounts

1. Foreign currency accounts may be opened for Belizean residents, subject to the following conditions:
 - (a) The entity must be engaged in an activity that generates at least US\$50,000 per annum and also need to make regular payments to foreign suppliers.
 - (b) Entities that automatically qualify for a foreign currency account are businesses which operate in the Commercial Free Zone (CFZ) or in Export Processing Zones (EPZ), Diplomats and Foreign Embassies.
 - (c) Properly completed application forms for foreign currency accounts that have been approved and opened by the Authorised Dealer must be forwarded to the Central Bank within 4 working days after the date the account was approved.

2. When processing or reviewing applications, the Central Bank will take into consideration:
 - (a) The volume of inflows and outflows of foreign exchange,
 - (b) The value of planned investments, and;
 - (c) The value of foreign exchange earnings to be generated by such investments.

3. Applications for permission by residents to open and operate foreign currency accounts with Authorised Dealers must include:-
 - (a) The bank with which the account is proposed to be maintained;
 - (b) The currency in which the account is to be maintained;
 - (c) The nature and volume of receipts and payments that are to pass through the account;
 - (d) The maximum credit balance which is expected to be retained in the account and the basis for determining this amount; and

- (e) The reason why a foreign currency account is considered necessary.
4. The following general conditions will apply to all foreign currency accounts held by residents in addition to any specific conditions which may be prescribed in relation to any particular account:-
- (a) That all payments from the account shall be confined to those for which the approval was granted;
 - (b) That all payments from the account shall be confined to those for the account holder only;
 - (c) That under no circumstances, proceeds of Belize dollar conversions be credited to the account without the prior approval of the Central Bank;
 - (d) That under no circumstances, payments in Belize be made from the accounts in any currency other than the Belize dollar without the prior approval of the Central Bank;
 - (e) That cheques shall not be written against the account by account holders and issued to third parties;
 - (f) Unless covered by specific authorisations, payments/withdrawals from the foreign currency accounts shall be those for which Authorised Dealers have delegated authority to approve. For example, payments for imports must be fully supported by documentary evidence, and advance payments for imports must be properly approved. Payments outside the delegated authority of Authorised Dealers must be referred to the Central Bank;
 - (g) An application for foreign exchange form (XCH1) must be properly completed for all payments/withdrawals and transfers from a foreign currency account;
 - (h) No XCH1 is required, however, for the transfer of funds from a foreign currency account to a Belize dollar account held by the same person or entity with the same authorised dealer.
 - (i) Any transfer of foreign currency to another Authorised Dealer or to another foreign currency account or to another holder of a Belize dollar account even within the same Authorised Dealer for whatever purpose requires that an XCH1 be properly completed;
 - (j) Payments from foreign currency accounts of Commercial Free Zone entities or the trading of goods and rental of property within the Commercial Free Zone do not require an XCH1. Any transfers for the payment of goods or any other transactions outside the Commercial Free Zone require adequate documentation and a properly completed XCH1;
 - (k) The account is not to be overdrawn without the permission of the Central Bank;

- (l) Except as otherwise approved by the Central Bank, any funds in excess of the approved maximum credit balance for retention in the account should be sold to the Authorised Dealer with whom the account is being maintained.
- (m) A copy of the monthly bank statement including particulars of debits and credits must be submitted to the Central Bank no later than 21 days after the end of the month to which the statement relates by all principal offices.
5. Authorised Dealers are required to take particular care to ensure that the provisions of Exchange Control Regulations are not contravened in the operation of foreign currency accounts.
 6. Authorised Dealers should make sure that their customers understand that permission to operate a foreign currency account does not in any way affect their obligation to observe the provisions of the Exchange Control Regulations.
 7. For purposes of record, at the end of each quarter, Authorised Dealers are required to furnish the Central Bank with a list of all foreign currency accounts held by their customers giving the following information:-
 - (a) Name and address of account holder;
 - (b) Currency in which the account is maintained;
 - (c) Status, for example if account is closed, active etc.
 8. Authorised Dealers shall, in accordance with the Domestic Banks and Financial Institutions Act, 2012 Section 121, pay to the Central Bank all funds from foreign currency accounts that are abandoned.
 9. In granting approval for and operating foreign currency accounts, Authorised Dealers are required to abide by the “know your customer” principle and exercise all due diligence and care to ensure that the provisions of the Exchange Control Regulations, Exchange Control Guidelines and Procedures and the Money Laundering and Terrorism (Prevention) Act, 2008 are not contravened in any way.



Controller of Foreign Exchange
CENTRAL BANK OF BELIZE