



CENTRAL BANK
of BELIZE

EXCHANGE CONTROL DIRECTION
NUMBER 19
September 2016

TO: AUTHORISED DEALERS

Requirements for Authorised Dealers to Sell Foreign Currency and Limits on Foreign Investments of Authorised Dealers

1. In those instances where the domestic interbank market is ineffective in facilitating the public's access to foreign currency to meet bona fide external needs and obligations, the Central Bank of Belize may direct domestic banks, whose foreign asset availability position (FAAP) exceeds the aggregate FAAP of domestic banks, to sell to the Central Bank a portion or all of the foreign assets that cause their individual FAAP to exceed the aggregate position of the domestic banks after taking into account outstanding obligations to meet the requirements of Direction 18.
2. The foreign asset availability position is defined as:
 - a. The ratio of the foreign assets (FA) less foreign investments approved by the Central Bank (AFI) less short-term foreign liabilities (STFL) less foreign currency deposits of customers (FCD) to the FA less AFI.
$$\text{FAAP} = \frac{(\text{FA} - \text{AFI} - \text{STFL} - \text{FCD})}{(\text{FA} - \text{AFI})}$$
 - b. The calculation will be done using figures taken from the bank returns submitted for the penultimate week of the most current month.
3. The foreign assets held by Authorised Dealers are required to be purely transactional in nature and Central Bank approval is thus required for any investments by Authorised Dealers in sovereign and/or commercial securities.

4. Authorised Dealers are required to adjust their foreign asset investments to meet these requirements no later than three months after the effective date of this Direction.

A handwritten signature in black ink, appearing to read "D. H. ...", written above a horizontal line.

Controller of Foreign Exchange
CENTRAL BANK OF BELIZE