



CENTRAL BANK
of BELIZE

Guidance Notice to Banks

Suspension of Dividend Payments

The Central Bank of Belize (Central Bank) issues this Guidance Notice further to the Guidance Notice on Forbearance Measures for Customers Affected by the COVID-19 pandemic that was issued on 16 December 2020.

As a part of its heightened oversight of the financial system in light of the ongoing COVID-19 pandemic, the Central Bank has applied a forward-looking approach aimed at ensuring that capital and liquidity levels in the financial system are maintained at levels sufficient to ensure long-term financial stability.

The impact of the pandemic can affect a bank's funding and liquidity position, which may result in liquidity constraints. As a measure to ensure that banks' capital and liquidity positions are not compromised by the potential economic fallout of the pandemic, and to protect the availability of foreign currency during this time, the Central Bank hereby advises that, effective immediately and until the 30 June 2021, a temporary suspension has been placed on all payments of cash dividends and repatriation of profits. During this period, each bank is to retain all profits realized, in order to provide additional capital buffers to withstand any potential deterioration in its financial position.

Your usual cooperation in this matter is appreciated.

29 December 2020
