



CENTRAL BANK
of BELIZE

Guidance Notice to Banks

Suspension of Dividend Payments

This Guidance Notice supersedes the Guidance Notice to Banks on the Suspension of Dividend Payments, issued by the Central Bank of Belize (Central Bank) on 29 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.

To ensure that banks' current and future capital and liquidity positions are not compromised by the economic fallout of the pandemic, and to protect the availability of foreign currency during this critical period, the Central Bank hereby advises that a temporary suspension has been placed on the declaration and payment of cash dividends, repatriation of profits, and share buy-backs. Loans and advances to related parties and affiliates will require prior notice to the Central Bank. This Guidance Notice is effective immediately and will remain in effect until 31 December 2021. In addition, banks should review their management fee payment arrangements to mitigate their effects on profitability and equity levels. During this period, each bank is to retain all profits realized, in order to provide adequate capital buffers to withstand deterioration in its financial position as a consequence of the pandemic crisis and other events.

Your usual cooperation in this matter is appreciated.

19 April 2021