



FOR IMMEDIATE RELEASE

Withdrawal of Practice Direction No. 7 – Regulation of Fees and Charges

Belize City, 30 April 2024: The Central Bank of Belize (Central Bank) has withdrawn Practice Direction No. 7 (PD No. 7) following deliberate negotiation and collaboration with Belize Bank Limited, National Bank of Belize Limited, Heritage Bank Limited, and Atlantic Bank Limited (collectively, “the banks”).

On 19 December 2023, acting pursuant to its powers under the Domestic Banks and Financial Institutions Act, the Central Bank issued PD No. 7, which placed restrictions on the imposition of certain fees and penalties by domestic banks regulated under the said Act. By Fixed Date Claim Form dated 29 January 2024, Belize Bank Limited instituted Claim No. 836 of 2023 – the Belize Bank Limited v Central Bank of Belize, challenging the legality of PD No. 7 on a number of grounds.

Accordingly, further discussions were held between the Central Bank and the representatives of the banks with a view to resolve any objections relative to PD No. 7 and to compromise Claim No. 836 of 2023. The following decisions arose from these discussions:

- i. The banks have undertaken to voluntarily implement the agreed upon measures as follows:
 1. *As of 1 June 2024:*
 - a) No fee is payable for accounts closed within one to three months of opening.
 - b) No fee is payable for the issuance of letters for the purpose of salary release or cancellation.
 - c) Fees for withdrawals at ATMs of the same institution from which the funds are being withdrawn are to be capped at \$0.25.
 - d) The fee for early pay-out of residential mortgages will be reduced from six to three months on new loan agreements from 1 June 2024, that fee being the interest which would have been payable over the three-month period.
 - e) No fee is payable for transfers between accounts amongst the bank’s own networks.
 - f) No fee is payable for loan payment waivers.
 2. *As of 1 October 2024*, no fee is payable for savings account maintenance, excluding dormant accounts.



- ii. The Central Bank, in the exercise of its powers under the Domestic Banks and Financial Institutions Act and all powers so enabling, has undertaken to revoke PD No. 7, *ab initio*. Further, Belize Bank Limited has undertaken to discontinue Claim No. 836 of 2023 upon the revocation of PD No. 7.

The Central Bank reiterates its commitment to promoting transparent and fair banking practices toward the stability of the monetary and financial systems for the wellbeing of Belize.

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ISSUED BY:
THE OFFICE OF THE
GOVERNOR
CENTRAL BANK OF BELIZE

1 GABOUREL LANE.
BELIZE CITY, BELIZE
T: +501 223 6194