



CENTRAL BANK  

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*of* BELIZE

LICENSING PROCESS:  
DOMESTIC AND  
INTERNATIONAL BANKS

# Licensing of Banks

The Central Bank of Belize is the competent authority in Belize for the granting of banking licenses in accordance with Section 18(4) of the Domestic Banks and Financial Institutions Act as it relates to Domestic Banks, and Section 8 of the International Banking Act as it relates to International Banks.



# Procedures for Obtaining a Banking License: Domestic and International Banks

## INTRODUCTORY MEETING

Interested parties are invited to introduce themselves to the Central Bank of Belize (Central Bank) to discuss the application. The application package is given to the applicant at this meeting.

## PRE-FILING MEETING

The applicant or a representative should contact the Central Bank to schedule a pre-filing meeting. This meeting will provide a forum to clarify any areas of the application and licensing processes that are not fully understood by the organizer(s). At the pre-filing meeting, a member of the organizing group must be identified as spokesperson to represent the organizer(s) in all subsequent contacts with the Central Bank.

## APPLICATION ACCEPTANCE AND PROCESSING

Upon receipt of the application form of the licensing application package, the Central Bank begins processing the application. Organizers are expected to provide the following information concerning the proposed bank, and pay a non-refundable application fee of BZ\$5,000 at the time the application package is submitted to the Central Bank:

### Content of Licensing Application Package

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<b>Application Form</b> Completed application form as provided by the Central Bank at Introductory Meeting	<b>Biographical Reports</b> Personal Biographical Report and Financial Statements of Directors, Officer, and Officials.	<b>Proposed Activities</b> Details of the types of banking business in which the applicant or applicant group proposes to engage.	<b>Company Documents</b> Basic corporate documents including memorandum and articles of association.
<b>Location of Operation</b> Principal place of business and proposed branch offices.	<b>Capitalization</b> Proposed capitalization and proof of source of funding.	<b>Business Plan</b> Detailed business plan with pro-forma financial statements for at least three years.	<b>Historical Financials</b> Historical statements (balance sheet, income statement and cash flows) for at least 3 prior years of operation (if available)

The Central Bank reviews the package to ensure that all required sections of the application have been completed. If the package is found to be incomplete, the spokesperson for the proposed bank is informed. Missing information must be provided before the Central Bank can accept the application. Failure to provide the requested information and/or meet the requirements will delay or cancel the processing of the application.

Following acceptance of an application, an in-depth review of the application is conducted by the Central Bank. The processing of an application is carried out in two parts. Under Part 1, the Central Bank conducts due diligence on the applicant(s). If the information provided under Part 1 is satisfactory, the Central Bank will proceed to Part 2, which is the processing of the application. The decision to recommend approval or disapproval is based on the prospects for success of the proposed bank.

### **RECOMMENDATION AND DECISION TO APPROVE OR DENY APPLICATION**

After reviewing the application, the Central Bank decides whether a license will be issued.

### **ORGANIZATION OF THE NEW BANK**

If approval is granted for issuance of a license, the principals are expected to proceed with organizing the new bank in a timely manner and to abide by all relevant laws, regulations and conditions.

**Note:** Applications from parallel-owned banks will not be accepted; that is where a bank in one jurisdiction has the same as, or is similar to, the ownership as a bank in another jurisdiction and where one is not a subsidiary of another.

## **Contact Information**

All comments or queries regarding the process outlined herein should be forwarded to the Supervision Department of the Central Bank as follows:



Manager  
Supervision Department  
Central Bank of Belize  
P.O. Box 852  
Belize City, Belize



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# General Requirements for Banks and Financial Institutions' License

	Domestic Banks	International Banks	Financial Institutions
License, Regulation, and Supervision	Central Bank of Belize		
Governing Law	Domestic Banks and Financial Institutions Act	International Banking Act	Domestic Banks and Financial Institutions Act
Incorporation	Incorporated in Belize under the <i>Belize Companies Act</i> , or foreign bank proposing to establish a branch	Incorporated or registered in Belize under the <i>Belize Companies Act</i> as a company limited by shares, or it is a foreign bank	Incorporated in Belize under the <i>Belize Companies Act</i>
Memorandum and Articles of Association	Yes		
Minimum Capital Requirements	Local bank: BZ\$10,000,000  Foreign bank: BZ\$100,000,000	Unrestricted "A" Class International Bank (Local): US\$3,000,000  Unrestricted "A" Class: International Bank (Foreign) US\$25,000,000  Restricted "B" Class International Bank (Local): US\$1,000,000  Restricted "B" Class International Bank (Foreign): US\$15,000,000	Local Financial Institutions: BZ\$500,000  Foreign bank: BZ\$500,000
Application Fee ( <i>non-refundable</i> )	BZ\$5,000	US\$2,500	BZ\$5,000
Initial License Fee	BZ\$25,000	Unrestricted "A" Class: US\$20,000  Restricted "B" Class: US\$15,000	BZ\$10,000
Executive Officers Residing in Belize	At least two	N/A	At least two