

<p><b>SUPERVISION PROFILE</b></p> <p><b>CENTRAL BANK OF BELIZE</b></p>
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1. (a) **SUPERVISORY AGENCY**

Central Bank of Belize

(b) **CATEGORIES OF FINANCIAL INSTITUTIONS FOR WHICH IT HAS REGULATORY OVERSIGHT**

<b>Categories</b>	<b>Activities</b>
Commercial Banks	Commercial banking business
International Banks	International banking business
Money Transfers Services	Wire transfer services
Building Societies	Primarily home mortgage lending
Finance Houses or Finance Companies	Financing of hire purchase and installment credit, financing accounts receivable, trade and inventory financing, factoring, block discounting and lease financing.
Leasing Corporations	Lease Financing
Merchant Banks or Investment Banks	Trading, floating and underwriting stocks, shares, bonds and all other types of securities; Loan syndication; Providing consultancy and investment management services and corporate advisory services; Acceptance credit; Project development; Lease financing; Foreign exchange dealing; Inter-Bank Financing.
Mortgage Institutions	Mortgage lending
Collective Investment	A scheme carried on by a company, a partnership or a unit trust that issues equity interests, the purpose or effect of which is the pooling of investor funds with the object of spreading investment risks and enabling investors in the scheme to receive profits or gains from the acquisition, holding, management or disposal of investments, provided that the pooling of funds by banks and insurance companies shall not be deemed to be within this definition.
Credit Card Business	Issuing payment, credit or debit cards and, in cooperation with such others including other financial institutions, operating a payment, credit or charge card plan.
Financial Services	Providing financial services relating to forward contracts, futures contracts or options in relation to foreign exchange and commodities and all other contracts or instruments commonly known as financial derivatives where the underlying assets are commodities, foreign exchange, securities, indices, etc.

## 2. NUMBER AND NAMES OF ENTITIES SUPERVISED UNDER EACH CATEGORY

Categories	No. of Entities	Name of Entities Supervised
Commercial Banks	6	<ul style="list-style-type: none"> <li>• Atlantic Bank Limited</li> <li>• Belize Bank Limited</li> <li>• FirstCaribbean International Bank (Barbados) Limited</li> <li>• Heritage Bank Limited</li> <li>• National Bank of Belize Limited</li> <li>• Scotiabank (Belize) Limited</li> </ul>
International Banks	6	<ul style="list-style-type: none"> <li>• Atlantic International Bank Limited</li> <li>• Belize Bank International Limited (formerly British Caribbean Bank International Limited)</li> <li>• Caye International Bank Limited</li> <li>• Choice Bank Limited</li> <li>• Heritage International Bank &amp; Trust Limited</li> <li>• Market Street Bank Limited</li> </ul>
Credit Unions	11	<ul style="list-style-type: none"> <li>• Blue Creek Credit Union Limited</li> <li>• Citrus Growers Credit Union Limited</li> <li>• Civil Service Credit Union Limited</li> <li>• Evangel Credit Union Limited</li> <li>• Holy Redeemer Credit Union Limited</li> <li>• La Immaculada Credit Union Limited</li> <li>• Police Credit Union Limited</li> <li>• Saint Francis Xavier Credit Union Limited</li> <li>• Saint John's Credit Union Limited</li> <li>• Saint Martin's Credit Union Limited</li> <li>• Toledo Teachers Credit Union Limited</li> </ul>
Money Transfer Services	2	<ul style="list-style-type: none"> <li>• Western Union</li> <li>• Money Gram</li> </ul>
Finance House	1	<ul style="list-style-type: none"> <li>• MicRoe Finance Company Limited</li> </ul>

### 3. PRUDENTIAL INFORMATION/DATA REQUIRED OF LICENSED INSTITUTIONS AND REPORTING INTERVALS

Categories	Type of Return	Interval
Commercial Banks	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Report of Liquid Assets</li> <li>• Loans by Economic Sector</li> <li>• Report of Interest Rates on Loans and Deposits</li> <li>• Report of Incomes and Expenses</li> <li>• Report of Capital Adequacy</li> <li>• Maturity Ladder of Financial Assets and Financial Liabilities</li> <li>• Twenty Largest Deposits and Loans exceeding 10% of bank capital</li> <li>• Report on Structural Composition of Deposits and Loans</li> <li>• List of Non-performing Loans</li> <li>• List of Non-performing Loans by Economic Sector</li> <li>• Audited Financial Statements</li> <li>• Government Loans and Government Guaranteed Loans</li> <li>• Related Party Transactions equal to or greater than \$100,000</li> <li>• Abandoned Properties</li> <li>• Report of Financial Risk Assessment</li> <li>• Report of Loans and Advances by Geographical Location</li> <li>• Report of Write-offs of Loans and Advances by Sector</li> </ul>	<p>Weekly/Monthly</p> <p>Weekly/Monthly</p> <p>Monthly</p> <p>Monthly</p> <p>Monthly/Quarterly</p> <p>Monthly</p> <p>Quarterly</p> <p>Monthly</p> <p>Semi-annually</p> <p>Monthly/Quarterly</p> <p>Quarterly</p> <p>Annually</p> <p>Quarterly</p> <p>Weekly</p> <p>Annually</p> <p>Monthly</p> <p>Semi annually</p> <p>Monthly</p>
International Banks	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Report of Liquid Assets</li> <li>• Report of Incomes and Expenses</li> <li>• Maturity Ladder of Financial Assets/ Liabilities</li> <li>• Report of Capital Adequacy</li> <li>• List of Non-performing Loans</li> <li>• List of Non-performing Loans by Economic Sector</li> <li>• Audited Financial Statements</li> <li>• Related Party Transactions equal to or greater than \$100,000</li> <li>• Twenty Largest Deposits and Loans exceeding 10% of bank capital</li> <li>• Government Loans and Government Guaranteed Loans</li> <li>• Abandoned Properties</li> <li>• Report of Financial Risk Assessment</li> </ul>	<p>Monthly</p> <p>Quarterly</p> <p>Monthly/Quarterly</p> <p>Quarterly</p> <p>Quarterly</p> <p>Monthly/Quarterly</p> <p>Semi-Annually</p> <p>Annually</p> <p>Monthly</p> <p>Monthly</p> <p>Quarterly</p> <p>Annually</p> <p>Monthly</p>

Credit Unions	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Loans by Economic Sector</li> <li>• Report of Interest Rates on Loans and Deposits</li> <li>• Twenty Largest Loans and Deposits</li> <li>• List of Non-performing Loans</li> <li>• Audited Financial Statements</li> <li>• Report of Liquid Assets</li> <li>• Government Loans and Government Guaranteed Loans</li> <li>• Report on the Structural Composition of Loans and Deposits</li> <li>• PEARLS Report</li> <li>• Report of Financial Risk Assessment</li> </ul>	Monthly Monthly Monthly Quarterly Monthly/Quarterly Annually Weekly Monthly Semi-Annually Monthly Monthly
Money Transfer Services	<ul style="list-style-type: none"> <li>• Report of Total Inflows and Outflows and Net Settlement</li> <li>• Inflows by Economic Transactions</li> </ul>	Monthly Monthly
Financial Institution	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Report of Incomes and Expenses</li> <li>• Audited Financial Statements</li> <li>• List of Non-performing Loans</li> <li>• Report of Financial Risk Assessment</li> </ul>	Monthly Monthly Annually Monthly/Quarterly Monthly

#### 4. PRUDENTIAL INFORMATION/DATA PUBLISHED BY THE AUTHORITY AND PUBLICATION INTERVAL

Categories	Publication	Interval
Commercial Banks	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Report of Incomes and Expenses</li> <li>• Audited Financial Statements</li> </ul>	Quarterly Quarterly Annually
International Banks	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Report of Incomes and Expenses</li> <li>• Audited Financial Statements</li> </ul>	Quarterly Quarterly Annually
Credit Unions	<ul style="list-style-type: none"> <li>• Report of Assets, Liabilities and Capital</li> <li>• Report of Incomes and Expenses</li> </ul>	Quarterly Quarterly

#### 5. PRINCIPAL PIECES OF LEGISLATION GOVERNING THE OPERATION OF BANKING/FINANCIAL LICENSEES ARE AS FOLLOWS

- Central Bank of Belize Act, Revised Edition 2003
- Central Bank of Belize (Amendment) Act of 2010
- Domestic Banks and Financial Institutions Act, 2012
- Domestic Banks and Financial Institutions (Amendment) Act, 2012
- Domestic Banks and Financial Institutions (Amendment) Act, 2014

- International Banking Act, Revised Edition 2003, Regulations and Circulars
- International Banking (Amendment) Act of 2010
- Money Laundering and Terrorism (Prevention) Act. 2008
- Money Laundering and Terrorism (Prevention) (Amendment) Act. 2013
- Money Laundering and Terrorism (Prevention) (Amendment) Act, 2014
- Credit Unions Act, Revised Edition 2003
- Credit Unions Amendment Act 2005
- Credit Unions Amendment Act 2007
- Financial Intelligence Unit Act, 2002

## **6. MAJOR CHANGES TO BANKING/FINANCIAL STATUTES OVER THE PAST TEN YEARS**

The past decade has seen a number of significant legislations these are:

- Domestic Banks and Financial Institutions (Amendment) Act, 2014
- Domestic Banks and Financial Institutions (Amendment) Act, 2012 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Domestic Banks and Financial Institutions Act, 2012 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Banks and Financial Institution (Fees) Regulations 2010 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- International Banking (Amendment) Act of 2010 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- International Banking (Fees) Regulations 2010 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Money Laundering and Terrorism (Prevention) (Amendment) Act, 2014
- Money Laundering and Terrorism (Prevention) (Amendment) Act, 2013 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) Guidelines for Banks, Financial Institutions, Credit Unions & Money Transfer Service Providers, implemented June 2010 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Money Laundering and Terrorism (Prevention) Act, 2008 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Credit Unions Amendment Act 2007 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- Credit Unions Amendment Act 2005 (See [www.centralbank.org.bz](http://www.centralbank.org.bz))

## **7. AREAS IDENTIFIED FOR FURTHER LEGISLATIVE CHANGES AND DETAILS/STATUS OF ANY NOW IN PROCESS**

### **a) Revision of the International Banking Act (IBA)**

The IBA has been in existence since 2003 and covers all aspect of banking activities and provides guidance on the operations of international banks.

The Central Bank proposes to revise the IBA to further strengthen prudential standards and to standardize the general requirements for all licensees. The propose revision seek to achieve three main objectives namely:

- (i) to further enhance the supervisory standards of international bank to bring them in line with the recently revised international standards and best practices set by the Basel Committee on Banking Regulation and Supervisory Practices;

- (ii) to improve efficiency by setting administrative penalties for non-compliance with the requirements of law; and
- (iii) to revamp the resolution process of a bank.

**b) Revision of the Credit Union Act (CUA)**

The Central Bank of Belize will revise the Credit Unions Act (CUA) to enhance supervisory and regulatory authority. The proposed revisions will achieve the following objectives:

- I. to enhance prudential standards to foster institutional strengthening;
- II. to establish prompt corrective actions for insolvent and problematic credit unions; and
- III. to implement administrative penalties for non-compliance with the requirements of law.

The revision of the CUA will align credit unions with the “Model Laws and Regulations for Credit Unions” established by the World Council of Credit Unions.

**8. FORMAL PRACTICE DIRECTIONS, CIRCULARS, POLICIES AND REGULATIONS ISSUED BY SUPERVISORY AUTHORITY TO LICENSEES**

Practice Directions issued to Domestic Banks are as follows:

- DBFIA Practice Direction No. 1: Requirements for Treatment of Interest on Loans & Other Interest-Bearing Assets (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- DBFIA Practice Direction No. 2: Classification of Loans and Other Assets for Banks and Financial Institutions (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- DBFIA Practice Direction No. 3: Loan Loss Reserves for Domestic Banks and Financial Institutions (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- DBFIA Practice Direction No. 4: Treatment of Interest on Savings Deposits (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- DBFIA Practice Direction No. 5: Disclosure of Interest and Other Charges on Consumer Loans (See [www.centralbank.org.bz](http://www.centralbank.org.bz))

The Circulars to International Banks are as follows:

- IBA Circular No. 1: Classification of Loans and Other Assets (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- IBA Circular No. 2: Loan Loss Reserves (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- IBA Circular No. 3: Treatment of Interest on Loans & Other Interest-Bearing Assets (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- IBA Circular No. 4: Calculation of Capital Requirements (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- IBA Circular No. 5: Requirement for Assets Acquired for Sale (See [www.centralbank.org.bz](http://www.centralbank.org.bz))

Requirements to Credit Unions are as follows:

- CUA Requirements No. 1: Classification of Loans and Other Assets (See [www.centralbank.org.bz](http://www.centralbank.org.bz))
- CUA Requirements No. 2: Allowance for Loan Losses and Impaired Assets (See [www.centralbank.org.bz](http://www.centralbank.org.bz))

9. **STATUS OF JURISDICTION VIS A VIS BASEL CORE PRINCIPLES OF BANKING SUPERVISION**

During the Financial Sector Assessment Program, the IMF team assessed Belize in regards with its compliance with the revised Basle Core Principles. It was noted that Belize was non-compliant with 5 core principles, partial compliant on 15 and compliant on 5. The new Domestic Banks and Financial Institutions Act, 2012 (DBFIA) which was enacted on 1 January 2013 has addressed six (6) of the principles that we were partially compliant with and we are now compliant with 11 Core Principles. Presently, we have completed a draft Practice Direction on Corporate Governance and have commenced working on the guidelines for Consolidated Supervision that will make us compliant with these Core Principles. We intend to complete these Practice Directions by the end of 2014.

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