

**BELIZE:**

**DEPOSIT INSURANCE ACT, 2019**

**ARRANGEMENT OF SECTIONS**

PART I

*Preliminary*

1. Short title.
2. Interpretation.
3. Objective.

PART II

*Deposit Insurance Corporation*

4. Establishment of the Corporation.
5. Capital of the Corporation.
6. Board of the Corporation.
7. Chief Executive Officer.
8. Staff of the Corporation.
9. Relationship with the Central Bank and Government.
10. Seal of the Corporation.

## *Deposit Insurance*

---

### PART III

#### *Deposit Insurance Fund*

11. Establishment of the Fund.
12. Membership in the Fund.
13. Payments into the Fund.
14. Minimum target size of Fund.
15. Use of the Fund.
16. Investment of the Fund.
17. Borrowing for the Fund.

### PART IV

#### *Fund Contributions and Premiums*

18. Duty to pay contribution and premium.
19. Central Bank contribution to the Fund.
20. Review of annual premium.
21. Recalculation and refund.
22. Late payment fees.
23. Consequences for failure to pay.
24. Extraordinary premium.

## *Deposit Insurance*

---

### PART V

#### *Payment to Insured Depositors*

25. Covered events.
26. Insured depositor.
27. Insurable deposits.
28. Insured limit, generally.
29. Insured limit, credit unions.
30. Exclusion from deposit insurance.
31. Time and manner of payment.
32. Deposit insurance without prejudice to claim.
33. Subrogation.
34. Priority of claims in liquidation.

### PART VI

#### *Offences*

35. Falsification of deposit information.
36. Offences by Fund member.
37. False statement about Fund membership.
38. Accepting deposits without Fund membership.

# *Deposit Insurance*

---

## PART VII

### *Miscellaneous*

39. Confidentiality.
40. Access to information.
41. Immunity.
42. Indemnity.
43. Internal audit.
44. External audit and reports.
45. Exemption from Insurance Act.
46. Act binds the Crown.
47. Regulations.
48. Commencement.
49. Consequential amendments.



No. 2 of 2020

I assent,

(SIR COLVILLE N. YOUNG)

*Governor-General*

10<sup>th</sup> January, 2020.

**AN ACT to provide for the establishment of a Deposit Insurance Corporation and a Deposit Insurance Fund for the protection of insured deposits against the risk of loss within an insured limit; and to provide for matters connected therewith or incidental thereto.**

*(Gazetted 18th January, 2020.)*

***BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:-***

PART I

*Preliminary*

1. This Act may be cited as the

Short title.

**DEPOSIT INSURANCE ACT, 2019,**

## Interpretation.

## 2. In this Act—

“Board” means the Board of the Corporation established under section 6;

## CAP. 262.

“Central Bank” means the Central Bank of Belize established by section 4 of the Central Bank of Belize Act;

“conflict of interest” means a situation in which a person’s personal interest, including a financial or non-financial benefit to the person, a family member, business associate, friend or close acquaintance, may influence or appear to influence or affect a decision or the impartial and objective performance of a duty by that person;

“Corporation” means the Deposit Insurance Corporation established under section 4;

## CAP. 314.

“credit union” has the meaning assigned to it in section 2 of the Credit Unions Act;

## Act No. 11 of 2012.

“domestic bank” means a bank that is licensed under the Domestic Banks and Financial Institutions Act;

“effective date” means the date which the Minister, on the advice of the Corporation, declares by Order as the date for the commencement of the Fund under section 48(2);

## Act No. 11 of 2012.

“financial entity” has the meaning assigned to it in section 2 of the Domestic Banks and Financial Institutions Act;

## Act No. 11 of 2012.

“financial institution” has the meaning assigned to it in section 2 of the Domestic Banks and Financial Institutions Act;

“Fund member” means a domestic bank or credit union which is a member of the Fund under section 12;

“Fund” means the Deposit Insurance Fund established by the Corporation under section 11;

“insurable deposit”, means an amount held by a person which is included in the insurable deposits of a Fund member under section 27;

“insured deposit” means the portion of an insurable deposit that is within the insured limit;

“insured depositor” means a person described in section 26;

“insured limit” means the maximum sum that is payable as compensation under section 28 and 29 in respect of an insured deposit;

“international financial entity” means a financial entity that is licensed or registered outside of Belize; and

“Minister” means the Minister with responsibility for finance.

**3.** The objective of this Act is to contribute to the financial stability of Belize by protecting insured deposits held at domestic banks and credit unions.

**Objective.**

## PART II

### *Deposit Insurance Corporation*

**4.**—(1) The Deposit Insurance Corporation is established as a body corporate for the administration of this Act and the management of the Fund.

**Establishment  
of the  
Corporation.**

(2) The Corporation is authorised to do anything that is necessary for, incidental to or conducive to the management of the Fund or the discharge of its functions under this Act.

(3) Without limiting the authority of the Corporation under subsection (2), the Corporation, in accordance with this Act, is authorised to—

- (a) manage the assets of the Fund;
- (b) collect contributions, premiums, charges and fees levied on Fund members;
- (c) determine the eligibility and entitlement of an insured depositor to compensation;
- (d) make payments of compensation to insured depositors out of the Fund;
- (e) claim from a Fund member or liquidator of a Fund member, reimbursement of the amount of deposit insurance paid to the insured depositors of that Fund member, together with any interest accrued; and
- (f) educate the public about deposit insurance and the Fund.

**Capital of the Corporation.**

**5.**—(1) The authorised capital of the Corporation shall be ten thousand dollars or such greater amount as the Board determines and declares in a Notice published in the *Gazette*.

(2) Within three months of the commencement of this Act, the Central Bank shall fully subscribe to and pay the Corporation for the authorised share capital of ten thousand dollars.

(3) The Central Bank shall be the sole subscriber of the capital of the Corporation.



**6.**–(1) There shall be a Board of the Corporation which shall be responsible for the policy direction and supervision of the operations of the Corporation including the authority to–

**Board of the Corporation.**

- (a) decide the general and internal policies of the Corporation;
- (b) establish or approve the strategies or plans for all matters concerning the management and operations of the Corporation including–
  - (i) human resource management;
  - (ii) budgets and financial management;
  - (iii) risk management;
  - (iv) information management and record keeping;
  - (v) internal audit and control; and
  - (vi) public awareness and education;
- (c) establish or approve policies, plans, approaches or procedures related to the management and administration of the Fund including–
  - (i) the target levels of the Fund;
  - (ii) investment of the Fund;
  - (iii) calculation and collection of premiums; and
  - (iv) compensation of insured depositors;

- (d) approve and adopt a Code of Ethics and Conduct for the Corporation;
- (e) ensure compliance with the approved internal audit and control procedure and reporting requirements; and
- (f) approve and issue regulations, rules of procedure and other instruments related to the functions of the Corporation.

**Schedule I.**

(2) The Board of the Corporation shall be constituted and operate in the manner set out in Schedule I.

**Chief Executive Officer.**

7.-(1) The Board shall appoint a person with academic qualification and experience in economics, finance, banking or law as the Chief Executive Officer of the Corporation.

(2) The Board may appoint, re-appoint or extend the appointment of a Chief Executive Officer for a maximum period of five years at a time.

(3) A person shall not be appointed or continue to hold an appointment as the Chief Executive Officer unless that person satisfies the qualification for a Board membership set out in paragraph 2 of Schedule I.

**Schedule I.**

(4) The Chief Executive Officer shall be responsible for—

- (a) managing or conducting the daily operations of the Corporation in accordance with the policies, strategies, plans and decisions of the Board;
- (b) implementing the approved policies, strategies, decisions, regulations, rules of procedure and decisions of the Board;

- (c) recommending the policies, strategies, decisions, regulations and procedure for approval by the Board;
- (d) preparing the financial statements, annual reports and proposed annual budget of the Corporation;
- (e) managing the staff of the Corporation;
- (f) representing the Corporation and executing documents on behalf of the Corporation with the approval of the Board; and
- (g) performing other functions and duties assigned in accordance with this Act.

(5) The Chief Executive Officer shall be appointed on a full-time basis and shall not engage in any other business or occupation, whether or not for gain, except in exceptional circumstances and with the approval of the Board.

**8.**—(1) The Corporation may employ such staff as required for the performance of its functions, on terms and conditions approved by the Board.

**Staff of the Corporation.**

(2) The Chief Executive Officer and other staff of the Corporation have a fiduciary obligation to the Corporation and shall—

- (a) place the interest of the Corporation before any personal or other interest; and
- (b) avoid any situation that is likely to give rise to a conflict of interest.

(3) The Chief Executive Officer or other staff of the Corporation shall not accept any gift, benefit, reward or remuneration, whether financial or otherwise, from any person or in respect of any matter connected with the discharge of a function of or duty to the Corporation.

(4) The Chief Executive Officer or other staff of the Corporation who contravenes subsection (3) commits an offence and is liable on summary conviction to a fine of ten thousand dollars, a term of imprisonment for one year or both such fine and term of imprisonment.

**Relationship  
with the  
Central Bank  
and  
Government.**

**9.**—(1) In the performance of its functions and exercise of authority under this Act, the Corporation shall be financially and operationally independent of the Government, the Central Bank and any other entity.

(2) The Government, the Central Bank or any other entity shall not unduly interfere with the Corporation in the exercise of its functions, operations and authority under this Act.

(3) At the request of the Corporation or in accordance with an arrangement between the Corporation and the Central Bank, the Central Bank and the Corporation shall provide information to each other that concerns the performance of a function under this Act, including information relating to—

- (a) the assets, financial statements and other records of a Fund member;
- (b) the issue of a license to a domestic bank or registration of a credit union after the commencement of this Act;
- (c) the financial condition of a Fund member;

- (d) the occurrence or likelihood of the occurrence of a covered event under section 25; and
- (e) the report and findings of an examination, special examination, inquiry or investigation of—
  - (i) a domestic bank under section 80 or 82 of the Domestic Banks and Financial Institutions Act; or
  - (ii) a credit union under section 60 of the Credit Unions Act.

Act No. 11 of  
2012.

CAP. 314.

(4) The Corporation may enter into arrangements, on terms and conditions which do not undermine the independence of the Corporation, with—

- (a) the Central Bank, for the provision of technical, human resource and information technology support and facilities by the Central Bank to the Corporation; and
- (b) the Central Bank or the Government, for loans or guarantees to the Corporation or the issue of bonds or securities by the Corporation.

(5) The provision of information by the Central Bank under subsection (3) and the carrying out of an arrangement under subsection (4) with the Central Bank or Government does not, on its own, constitute undue interference of the Corporation.

**10.**—(1) The Corporation shall have a common seal which shall be authenticated by the Chairperson and two other Board members.

Seal of the  
Corporation.

(2) If the use of the seal is not required by law, a decision, instrument or other document of the Corporation may be signed by the Chairperson or any other Board member who is authorised by the Board for this purpose.

(3) The seal of the Corporation shall be kept in the custody of the Chairperson or any other Board member who is authorised by the Board for this purpose.

### PART III

#### *Deposit Insurance Fund*

**Establishment  
of the Fund.**

**11.** The Corporation shall establish and maintain a Fund to be known as the Deposit Insurance Fund for the purpose of providing coverage for the insured deposits of Fund members.

**Membership in  
the Fund.**

**12.**—(1) Subject to section 23, a domestic bank that is licensed and a credit union that is registered at the commencement of this Act shall be a Fund member from the effective date.

(2) Subject to section 23, a domestic bank that is licensed or a credit union that is registered, after the commencement of this Act shall be a Fund member from the date on which it is licensed or registered.

(3) The Corporation shall issue a certificate of membership to each Fund member and the Fund member shall prominently display a copy of the certificate at each place of business.

**Payments into  
the Fund.**

**13.** There shall be paid into the Fund—

- (a) all initial contributions, annual premiums, charges and fees paid by Fund members;

- (b) all amounts collected or recovered by the Corporation for a purpose related to the Fund;
- (c) all interest, dividend and other income derived from the investment of amounts in the Fund;
- (d) all amounts appropriated by the Legislature or paid by Government or the Central Bank to the Fund or a purpose related to this Act;
- (e) all amounts borrowed for a purpose related to the Fund;
- (f) all reimbursements from a Fund member or a liquidator of a Fund member; and
- (g) other amounts received or realized for or from the Fund.

14.–(1) The Corporation shall manage the Fund with the objective of achieving—

**Minimum target size of the Fund.**

- (a) within ten years from the effective date, a minimum Fund coverage ratio of 4 percent; and
- (b) after ten years from the effective date, the minimum target size of the Fund set by the Board, under subsection (3).

(2) The Board shall annually review the size of the Fund in relation to the actual and potential payments into and use of the Fund.

(3) For the purpose of achieving a Fund that allows for adequate protection to insured depositors, the Board may set a minimum target size for the Fund that is higher than the target in subsection (1)(a)—

- (a) at any time after the expiration of ten years from the effective date; and
- (b) based on the findings of a review under subsection (2).

(4) In this section, “Fund coverage ratio” means the percentage of the total value of the Fund to the total insured deposits of Fund members.

**Use of the Fund.**

**15.** The Fund may be used to pay—

- (a) compensation to insured depositors in accordance with this Act;
- (b) all expenses incurred in or incidental to—
  - (i) the establishment and maintenance of the Fund;
  - (ii) the administration and management of the Fund;
  - (iii) the investigation, assessment and payment of deposit insurance claims; or
  - (iv) the performance of other duties and functions of the Corporation under this Act;
- (c) reasonable fees to an auditor, consultant and other professionals for the provision of services related to the management, administration and maintenance of the Fund;
- (d) the principal and interest to be repaid in respect of an amount borrowed for a purpose related to the Fund; and



- (e) a refund of any excess amount paid to the Fund.

**16.**—(1) In accordance with the investment strategy, plan and procedures of the Corporation as approved by the Board, the Corporation may invest the Fund in low risk assets and securities.

**Investment of the Fund.**

(2) The investment strategy, plan and procedures of the Corporation shall—

- (a) be consistent with international best practices;
- (b) prioritise safety and liquidity over returns; and
- (c) seek to maintain adequate levels of liquidity while increasing the real value of the Fund.

(3) The Corporation shall not invest the Fund with or in the asset of a Fund member.

**17.**—(1) The Corporation may borrow from the Government, a bank, a financial institution or an international financial entity for the purpose of the Fund if—

**Borrowing for the Fund.**

- (a) the Corporation has made or is likely to make payments out of the Fund that have exhausted or are likely to exhaust the Fund; or
- (b) it is necessary to meet the short term deficiency in the liquidity of the Fund.

(2) The Corporation shall not borrow from a bank, financial institution or international financial entity under subsection (1) at a rate of interest that is higher than the equivalent interest rate on Government securities of similar maturity.

## PART IV

*Fund Contributions and Premiums*

**Duty to pay contribution and premium.**

**18.**—(1) A member of the Fund shall pay into the Fund—

- (a) an initial contribution within 6 months of the date on which it becomes a member under section 12; and
- (b) an annual premium in respect of each year of membership in the Fund, commencing 12 months from the date on which it becomes a member under section 12.

(2) The annual premium shall be—

- (a) a percentage of the average of the insurable deposits held by a Fund member at the beginning and end of the preceding 12 months; and
- (b) paid in two equal installments on or before the 31 January and the 31 July each year, in the manner directed by the Corporation.

(3) The initial contribution and annual premium for each Fund member shall be calculated in the manner set out in Schedule II.

**Schedule II.**

**Central Bank contribution to the Fund.**

**19.** On the effective date, the Central Bank shall pay into the Fund an initial contribution of one million dollars.

**Review of annual premium.**

**20.**—(1) At any time after the expiration of 3 years from the effective date, the Board may increase, the rate of the annual premium (percentage of the average insurable deposits) for the purpose of achieving the target size of the Fund under section 14.

(2) The Board may at any time reduce the rate of the annual premium if the Fund has reached the minimum target size.

(3) An increase or decrease of the rate of annual premium shall come into force by an Order to amend Schedule II made by the Minister, on the advice of the Corporation, and published in the *Gazette*.

Schedule II.

**21.**—(1) If the Corporation determines that a Fund member has paid an initial contribution or annual premium in excess of the amount payable under section 18, the Corporation shall refund the Fund member the amount paid in excess.

Recalculation and refund.

(2) If the Corporation determines that a Fund member has paid an initial contribution or annual premium that is less than the amount payable under section 18, the Corporation shall require the Fund member to pay the difference between the amount paid and the amount payable within the time directed by the Corporation.

**22.** A Fund member who fails to pay an initial contribution or annual premium at the time required under section 18, shall pay the late payment fee prescribed by the Corporation for every day that the payment remains outstanding.

Late payment fees.

**23.**—(1) If a Fund member fails to pay an initial contribution, annual premium or late payment fee within six months from the date on which it was payable, the Corporation may suspend or cancel the membership of that Fund member, after consultation with all the Fund members.

Consequences for failure to pay.

(2) A domestic bank or credit union shall not accept deposits if membership as a Fund member is suspended or cancelled.

(3) Without prejudice to any other remedy, an amount due and payable by a Fund member under this Act is recoverable by the Corporation as a debt due and may be recovered summarily by the Corporation in civil proceedings.

**Extraordinary premium.**

**24.**—(1) The Corporation may, with the approval of the Minister, impose extraordinary premiums on Fund members in addition to the annual premium under section 18 if the Fund is or is likely to be exhausted as a result of the payment of deposit insurance from the Fund.

(2) The rate of extraordinary premium imposed on a Fund member in any year shall not exceed 1 percent of the average insurable deposit held by that Fund member the preceding 12 month period.

(3) An extraordinary premium shall be paid by the Fund member at such time and in such manner as the Corporation directs.

(4) Sections 22 and 23 apply in respect of the late payment of or failure to pay an extraordinary premium.

## PART V

### *Payment to Insured Depositors*

**Covered events.**

**25.**—(1) The Corporation shall pay compensation to an insured depositor of a Fund member in accordance with this Act if one of the following covered events occurs in respect of that Fund member, on or after the effective date—

- (a) the appointment of a liquidator;
- (b) the voluntary or compulsory winding-up or dissolution of the Fund member; and

- (c) the revocation of the licence of a domestic bank or the cancellation of the registration of a credit union.

(2) The occurrence of a covered event in subsection (1) refers to the occurrence of that event under the Domestic Banks and Financial Institutions Act or the Credit Unions Act in respect of a Fund member that is a domestic bank or a credit union, respectively.

Act No.11 of  
2012.  
CAP. 314.

**26.**—(1) A person is an insured depositor of a Fund member if that person holds an insured deposit with the Fund member—

Insured  
depositor.

- (a) in his, her or its own right;
- (b) in his, her or its own right jointly with one or more other persons in a joint account;
- (c) as trustee for a specifically named beneficiary;  
or
- (d) for a client, as the attorney-at-law, accountant, estate agent or other professional with a fiduciary responsibility to the client, in an account which is—
  - (i) named, designated or otherwise described as a client account; and
  - (ii) separate and distinguishable from an account or funds of the attorney-at-law, accountant, estate agent or other professional.

(2) A person in subsection (1) is not an insured depositor unless that person is—

- (a) an individual;
- (b) an individual who holds an account in the name of a partnership, an unincorporated entity or sole proprietorship;
- CAP. 250 (c) a company registered under the Companies Act or incorporated by statute;
- CAP. 314 (d) a credit union registered under the Credit Unions Act; or
- (e) a person or class of persons, prescribed under this Act.

**Insurable deposits.**

**27.**—(1) Subject to subsection (2), the insurable deposits of a Fund member—

**Act No. 11 of 2012.**

- (a) that is a domestic bank, are the deposits as defined in section 2 of the Domestic Banks and Financial Institutions Act; and
- (b) that is a credit union, is the aggregate of—
  - (i) the unpaid balance of amounts received or held by the credit union from or on behalf of a person for which the credit union has an obligation to give credit on—
    - (aa) a passbook, savings, chequing, demand, time account;
    - (bb) the ordinary share account of a credit union member; or
    - (cc) any other type of account or liability that is prescribed.

- (ii) the interest or dividends payable on an amount in subparagraph (i); and
- (iii) the amounts of an outstanding cheque, certificate, money order, draft or other instrument received by the credit union and for which the credit union is liable.

(2) An insurable deposit in subsection (1) does not include an account or amount which is—

- (a) an amount set aside in accordance with a set off agreement between the Fund member and the depositor in respect of a debt owing to a Fund member; or
- (b) a preference or debenture share of a credit union member.

**28.**—(1) Subject to subsections (2), (3) and (4) and section 29, on the occurrence of a covered event in section 25 in respect of a Fund member, the Corporation shall pay to an insured depositor a maximum of twenty thousand dollars in respect of the total insurable deposit held by the insured depositor with that Fund member on the date the event occurred.

**Insured limit, generally.**

(2) If the insured depositor holds the insurable deposit in more than one account with the Fund member, the Corporation shall pay a maximum of twenty thousand dollars in respect of—

- (a) the aggregate insurable deposits held by an individual or an individual in the name of a sole proprietorship or other unincorporated entity on accounts in his or her own right;

- (b) the aggregate insurable deposits held by a company or other corporate entity, in its own right;
- (c) each joint account, prorated equally among the joint holders or according to the interest of each joint holder as specified on the records of the account; and
- (d) each insurable deposit held by the insured depositor as trustee for a different named beneficiary or for a different client.

(3) Subsection (2)(b) shall not apply in respect of an insurable deposit held by an insured depositor as trustee or for a client, if in the opinion of the Corporation, it is held primarily to facilitate the payment or increase the payment of deposit insurance to the beneficiary or client.

(4) If an insured depositor is in default of a payment due to a Fund member in respect of a debt, the Corporation shall deduct from a deposit insurance payment under this section, the amount due to the Fund member.

(5) A “debt” in subsection (4) includes an unsecured obligation, a called in guarantee and an outstanding overdraft.

**Insured limit,  
credit unions,  
Schedule III.**

**29.** If the insured depositor is a credit union, the maximum compensation for the credit union will be calculated in the manner set out in Schedule III.

**Exclusion  
from deposit  
insurance.**

**30.**—(1) The Corporation shall not pay deposit insurance compensation to the following or in respect of the insurable deposits of the following—

- (a) a person who has been a party to or directly contributed to the circumstances that caused the event in section 25;



- (b) a person who has profited from the circumstances that caused the event or from the event in section 25;
- (c) a shareholder of a Fund member, other than the ordinary shareholder of a credit union;
- (d) a financial institution, as defined in section 2 of the Domestic Banks and Financial Institutions Act;
- (e) an insurer, as defined in section 2 of the Insurance Act; or
- (f) a central or local government body or entity.

Act No. 11 of  
2012.

CAP. 251

**31.**—(1) The Corporation shall pay compensation to insured depositors, in the manner it considers appropriate, within one month of the covered event under section 25.

Time and  
manner of  
payment.

(2) Within two days of the occurrence of a covered event under section 25, the Corporation shall publish a notice in the *Gazette*, in at least one newspaper in circulation in Belize, on its website and other communication channels to notify the public of—

- (a) the occurrence of the covered event;
- (b) the manner in which the payments will be made to insured depositors;
- (c) the dates, times and places for collection of the payments, if applicable; and
- (d) any other information that is relevant to the timely and efficient payment to insured depositors.

(3) The Corporation may pay the deposit insurance in a single payment or a series of payments within the period in subsection (1).

**Deposit insurance without prejudice to liquidation claim.**

**32.** Notwithstanding, the payment of deposit insurance to an insured depositor under this Act, the insured depositor may claim from the liquidator of the Fund member the balance of the insurable deposit which exceeds the maximum deposit insurance paid under sections 28 or 29.

**Subrogation.**

**33.**—(1) When the Corporation pays compensation to an insured depositor, the Corporation, to the extent of the compensation paid, shall subrogate to the rights, interests, remedies and obligation of—

- (a) the insured depositor against the Fund member; and
- (b) the beneficiary or client, if the payment was made to an insured depositor as a trustee for a named beneficiary or for a client in a client account.

**Priority of claims in liquidation.**

**34.**—(1) In liquidation, the Corporation shall have priority in respect of rights to which it is subrogated over the rights of other unsecured creditors.

(2) The claims of depositor of a Fund member in respect of the balance of the insurable deposit which exceeds the insured limit, an insurable deposit that is excluded under section 30 and a deposit that is not an insurable deposit under this Act shall rank in the liquidation—

- (a) of a domestic bank, according to the priority of claims provided for in section 116 of the Domestic Banks and Financial Institutions Act; and

- (b) of a credit union, according to priority determined by the liquidator under section 72(c) of the Credit Unions Act.

CAP. 314.

## PART VI

*Offences***35.** A person who—**Falsification  
of deposit  
information.**

- (a) falsifies a passbook, certificate of deposit, bank deposit, statement or any document in respect of a deposit with a Fund member;
- (b) fraudulently claims to be a depositor or insured depositor; or
- (c) fraudulently obtains deposit insurance,

commits an offence and is liable on summary conviction to a fine of twenty five thousand dollars or to a term of imprisonment of two years, or to both such fine and term of imprisonment.

**36.** An officer or director of a Fund member who—**Offences by  
Fund member.**

- (a) willfully destroys or conceals from the Corporation any material information relating to the affairs of the Fund member;
- (b) provides false or misleading information to the Corporation; or
- (c) falsifies or tampers with accounts, records, papers or documents of the Fund member with the intent to mislead the Corporation,

commits an offence and is liable on summary conviction to a fine of seventy five thousand dollars or to a term of imprisonment of two years, or to both such fine and term of imprisonment.

**False statement about Fund membership.**

**37.** A person who knowingly or recklessly makes a false or misleading statement as to whether or not—

(a) a person is a Fund member; or

(b) a deposit or other financial product is insured,

commits an offence and is liable on summary conviction to a fine of one hundred thousand dollars or to a term of imprisonment of four years, or to both such fine and term of imprisonment

**Accepting deposits without Fund membership.**

**38.** A domestic bank or credit union that accepts a deposit without being a Fund member or when membership in the Fund is suspended or terminated commits an offence and is liable on summary conviction to a fine of one hundred thousand dollars or to a term of imprisonment of four years, or to both such fine and term of imprisonment.

## PART VII

### *Miscellaneous*

**Confidentiality.**

**39.**—(1) Any information provided to or otherwise obtained by the Corporation shall be confidential and shall be used by the Corporation solely for the performance of its functions under this Act.

(2) A Board member, Chief Executive Officer, other officer, staff member or person in the service of the Corporation who for any reason has access to or acquires any record, document, material or information relating to the business and affairs of the Corporation, a Fund member

or a customer of a Fund member shall not divulge, publish or otherwise disclose to any person such document, material, or information unless the disclosure is required or provided—

- (a) under the provision of any law;
- (b) to comply with a court order;
- (c) in the interest of the Corporation in legal proceedings;
- (d) to perform the duties and functions of the Corporation;
- (e) to be given to the external auditor of the Corporation; or
- (f) under an arrangement with a deposit insurance corporation or similar entity in the Caribbean region if—
  - (i) that entity undertakes to treat the document, material, or information as confidential; and
  - (ii) the document, material or information do not disclose the financial affairs of a specified or identifiable person, unless the consent of that person has been obtained in writing.

(3) This section shall not apply to any document, material or information which at the time of the disclosure is or has already been lawfully made available to the public from any source.

(4) A person who has any document, material or information which to their knowledge has been disclosed in contravention of subsection (2) shall not in any manner disclose it to any other person.

(5) A person who contravenes subsection (2) or (4) commits an offence and is liable on summary conviction to a fine of fifty thousand or to a term of imprisonment of two years, or to both such fine and term of imprisonment.

Access to  
information.

**40.**—(1) The Corporation may, by notice in writing, require from a Fund member or any director, manager, auditor, officer, employee or agent of a Fund member, any information relating to the business of that Fund member that is relevant to a function of the Corporation, as specified in the notice.

(2) A Fund member shall provide all requested information to the Corporation.

(3) A Fund member shall maintain records of deposits and depositors in a format directed by the Corporation in order to expedite the payment of compensation for insured deposits.

(4) The Corporation may undertake on-site and off-site examinations to verify the reliability of a Fund member records of deposits and depositors and to examine the capability of the Fund member to provide accurate information.

(5) A director, manager, auditor, officer or agent of a Fund member who is required to provide information to the Corporation under this Act shall not be regarded as being in breach of a duty to the Fund member for providing such information.

(6) A Fund member, an officer of a Fund member or other person who fails to comply with a notice of the

Corporation for information under subsection (1) within the period of time stipulated, commits an offence and is liable on summary conviction to a fine of seventy five thousand dollars or to a term of imprisonment of two years, or to both such fine and term of imprisonment.

(7) Notwithstanding subsections (1) to (6), the Corporation shall not exercise the authority to access information from a Fund member independently, if that information may be reasonably obtained—

(a) from the Central Bank under section 9; or

(b) otherwise, in cooperation with the Central Bank.

**41.** A Board member, Chief Executive Officer, other officer, staff member and any other persons in the service of the Corporation, including persons previously holding such positions, shall not be personally liable for actions or omissions in the discharge of their duties under this Act, unless it is proven that these actions or omissions were committed in bad faith.

**Immunity.**

**42.**—(1) The Corporation shall indemnify a Board member, Chief Executive Officer, other officer, staff member or any other person in the service of the Corporation for all costs, charges and expenses reasonably incurred in respect of any proceedings arising from the discharge of their duties under this Act, including costs incurred in defence of a legal action brought against such persons, and costs to settle an action or to satisfy a court ruling.

**Indemnity.**

(2) Subsection (1) shall not apply where a Board member, officer, employee or any other person in the service of the Corporation has acted in bad faith.

**Internal audit.**

**43.**—(1) The Corporation shall develop an internal audit function which shall report directly to the Board.

(2) The Corporation shall develop internal audit procedures and practices for proper risk management and, once such principles and practices have been instituted, supervise their implementation and review their effectiveness on a continuing basis and such practices shall include the conduct of internal audits.

**External audit and reports.**

**44.**—(1) The accounts of the Corporation shall be audited at least annually in accordance with the International Standards on Auditing by an independent external auditor appointed by the Board, who is—

- (a) professionally qualified and has knowledge and experience in the audits of financial and insurance institutions satisfactory to the Board;
- (b) in good standing as a member of an association of chartered or public accountants or a similar body; and
- (c) authorised to practise in Belize.

(2) The external auditor shall not be appointed for a period exceeding seven years consecutively.

(3) The Corporation shall publish the annual auditor's report on its website or by any other means that allows for public access.

**Exemption from Insurance Act. CAP. 251.**

**45.** The Insurance Act does not apply to the Corporation for the purposes of this Act.

**Act binds the Crown.**

**46.** This Act binds the Crown.



**47.** The Corporation, after consultation with the Central Bank, may make regulations—

**Regulations.**

- (a) to provide for any matters required to be provided for by this Act; and
- (b) generally for the efficient operation of this Act.

**48.**—(1) This Act shall come into force on the day appointed by the Minister by Order published in the *Gazette*.

**Commencement.**

(2) Notwithstanding the commencement of this Act, the Fund shall commence on the date declared by the Minister on the advice of the Corporation, by Order published in the *Gazette*.

**49.** The Acts in Column 1 of the following Table are amended to the extent indicated in Column 2:

**Consequential amendments.**

<i>Column 1</i> <b>Act -Short Title</b>	<i>Column 2</i> <b>Extent of Amendment</b>
Domestic Banks and Financial Institutions Act, No. 11 of 2012	<p>Section 12(1) of the Act is amended by inserting, immediately after the words “under this Act” the words “and being a member of the Deposit Insurance Fund under the Deposit Insurance Act, 2019”.</p> <p>Section 19(1) of the Act is amended by inserting the following paragraphs in the appropriate alphabetical sequence:</p>

	<p>“(ba) if membership of the domestic bank in the Deposit Insurance Fund is cancelled;</p> <p>(ia) if the Deposit Insurance Corporation has been provided with false, misleading or inaccurate information by or on behalf of a domestic bank in connection with deposit insurance under the Deposit Insurance Act, 2019;”.</p> <p>Section 84(2) of the Act is amended by inserting immediately after paragraph (a), the following:</p> <p>“(ab) to the Deposit Insurance Corporation, which relates to its functions under the Deposit Insurance Act, 2019;”.</p> <p>Section 116(2) of the Act is amended –</p> <p>(a) by deleting paragraph (a) and substituting the following:</p> <p>“(a) firstly, claims of the Central Bank and the Deposit Insurance Corporation in respect of,</p> <p>(i) credits extended to the licensee until the appointment of the liquidator; or</p> <p>(ii) deposit insurance payment to insured depositors.”; and</p> <p>(b) in paragraph (e), by inserting immediately after the word “fifthly,” the words “to a depositor who has not been paid deposit insurance compensation,”.</p>
--	--

Credit Unions Act, CAP. 314	<p>Section 8(1) of the Act is amended by inserting, immediately after paragraph (b), the following paragraph:</p> <p>“(ba) unless it is a member of the Deposit Insurance Fund under the Deposit Insurance Act, 2019;”.</p> <p>Section 20(1) of the Act is amended by inserting, immediately after paragraph (c), the following paragraphs:</p> <p>“(d) if membership of the credit union in the Deposit Insurance Fund is terminated; or</p> <p>(e) if the Deposit Insurance Corporation has been provided with false, misleading or inaccurate information by or on behalf of the credit union in connection with deposit insurance under the Deposit Insurance Act, 2019.”.</p> <p>Section 32 of the Act is amended by inserting, after the words “confidential information”, the words “, other than as permitted or required under any law,”.</p>
Central Bank of Belize Act, CAP. 262	<p>Section 18 of the Act is amended by inserting immediately after subsection (1), the following subsection:</p> <p>“(1A) The Central Bank is authorised to enter into an arrangement with the Deposit Insurance Corporation for information sharing and to provide information to the Deposit Insurance Corporation that relates to a function of the Corporation under the Deposit Insurance Act, 2019.”.</p>

**SCHEDULE I***[section 6]***THE BOARD OF THE CORPORATION****Composition  
of the Board.**

1. (1) The Board shall comprise—
  - (a) the Governor of the Central Bank, as the *ex officio* Chairperson;
  - (b) two representatives of the Ministry with responsibility for finance, nominated by the Minister; and
  - (c) two other members who have qualifications and experience in accounting, auditing, banking, finance, insurance, law or a related discipline, nominated as follows—
    - (i) one member nominated by the members of the Bankers Association that are domestic banks; and
    - (ii) one member nominated by the Credit Union League.

(2) In the event that the Bankers Association or Credit Union League are unable to or do not nominate a member under subparagraph (1)(c), the Central Bank shall nominate a person with the required qualifications and experience.

(3) Subject to subparagraph (4), a Board member under subparagraph (1)(b) and (c) shall be appointed by the Central Bank for a period of three years.

(4) The period of appointment of the Board members under subparagraph (1)(b) and (c) shall not coincide and shall be scheduled to terminate at least one year apart.

2. A person is not qualified to be appointed or remain appointed as a Board member under subparagraph (1)(b) and (c) if that person—

**Qualification  
for Board  
membership.**

- (a) is a member of Parliament;
- (b) is a director, officer or auditor of a Fund member;
- (c) was a director, officer or auditor of a Fund member during the 3 years preceding his proposed appointment or appointment;
- (d) is a shareholder holding more than 5 per cent of the voting shares of a domestic bank;
- (e) is a magistrate or a Judge of the Supreme Court;
- (f) has been convicted of a criminal offence involving fraud, dishonesty, breach of trust or fiduciary duty;
- (g) is an undischarged bankrupt;
- (h) has been disqualified or suspended from practicing a profession for professional misconduct ; or
- (i) has been declared by a medical professional to be mentally incompetent or is unable to perform the duties of a Board member due to ill health.

3.—(1) The Board shall meet as is necessary to carry on the functions of the Board under this Act but shall meet at least once in every calendar quarter.

**Meetings.**

(2) A meeting shall be held at the place and time convened by the Chairperson.

(3) The Chairperson or the Board member designated by the Chairperson shall preside over a meeting of the Board.

(4) The Agenda for a meeting shall be decided by the Chairperson and circulated to Board members—

- (a) at least seven days in advance; or
- (b) if and to the extent that notice is possible, in cases of emergency.

(5) The minutes of a meeting of the Board once adopted by the Board shall be signed by the Chairperson.

**Secretary to the Board.**

**4.**—(1) The Board shall appoint a Secretary to the Board from among the staff of the Corporation who shall be responsible for—

- (a) making arrangements for meetings of the Board;
- (b) recording and keeping minutes of meetings and other records related to the functions of the Board; and
- (c) other matters assigned by the Board.

(2) The Secretary to the Board shall attend the meetings of the Board but shall not have a right to vote.

**Quorum and voting.**

**5.**—(1) The quorum for a meeting of the Board shall be four members, including the Chairperson.

(2) The decisions of the Board shall be by majority vote of the Board members and the Chairperson shall have a casting vote if the votes are equal.

6. (1) The Board may appoint Board Sub-Committees consisting of members of the Board to carry out such functions as assigned by the Board.

Committees.

(2) The Board may appoint Advisory Committees comprising both members of the Board and representatives of the private sector, Government and academia for specific purposes as directed by the Board.

(3) A decision of a Board Sub-Committee or an Advisory Committee is not a decision of the Board until the decision has been ratified or adopted by the Board, respectively.

7.–(1) A Board member has fiduciary obligation to the Corporation and shall–

Disclosure and  
conflict of  
interest.

- (a) place the interest of the Corporation before any personal or other interest; and
- (b) avoid any situation that is likely to give rise to a conflict of interest

(2) A Board member shall not accept any gift, benefit, reward or remuneration, whether financial or otherwise, from any person or in respect of any matter connected with the discharge of a function of the Board or duty to the Corporation.

(3) A Board member shall not provide professional services to the Corporation for financial gain and a former Board member shall not be eligible to provide professional services, for financial gain or otherwise, to the Corporation until the expiration of two years from the last date on which the person was a Board member.

(4) If a Board member has an interest in a Fund member and a matter concerning that Fund member is under

consideration by the Board, that Board member shall disclose the interest at the beginning of the deliberation and shall not participate in the deliberation or voting on the matter.

(5) A disclosure under subparagraph (3) shall be recorded in the minutes of the meeting.

(6) If a Board member, other than an *ex-officio* member, fails to disclose an interest which the Board considers to be a material conflict of interest, the Central Bank may, by order in writing, suspend the member from office for a maximum period of one year.

**General  
procedure.**

**8.** Subject to the provisions of this Act, the Board may regulate its own proceedings.



**SCHEDULE II**  
*[section 18 & 20]*

CALCULATION OF INITIAL CONTRIBUTION AND ANNUAL PREMIUM

**A. Initial Contribution**

The initial contribution of each Fund member shall be calculated as follows:

$$\frac{\text{Total Insurable Deposits of Fund Member}}{\text{Total Insurable Deposits of All Fund Members}} \times \$1,000,000$$

**B. Annual Premium**

The annual premium of each Fund member shall be calculated as follows:

$$0.1\% \times \text{Average Insurable Deposits}$$

The average insurable deposits shall be calculated as follows:

$$\frac{\text{Insurable Deposit at Start of Year} + \text{Insurable Deposit at End of Year}}{2}$$

**SCHEDULE III***[section 29]*

## CALCULATION OF INSURED LIMIT FOR CREDIT UNIONS

The insured limit of a credit union (Credit Union A) if a covered event occurs in respect of a Fund member (Fund member A) shall be calculated as follows:

Total Insured Deposits of Credit Union A X Credit Union A's Deposits  
in Fund member A Total Insurable Deposits of Credit Union A