

Government of the Republic of China (Taiwan) - Amendment No. 2 to Loan Agreement No. 025-106001, Loan Amendment Motion, 2023.

WHEREAS, the Government of Belize, through its bi-lateral program of economic cooperation and development with the Government of the Republic of China (Taiwan), requested and received financial support in 2017, from the Government of that country, for general financing purposes;

AND WHEREAS, the financial support received was in the form of a long-term concessionary loan from the Mega International Commercial Bank Co. Ltd. of the Republic of China (Taiwan), in the principal amount of US\$25 million;

AND WHEREAS, the interest rate for this loan agreement, signed between the Government of Belize and Mega International Commercial Bank Co. Ltd., is currently based on the London Interbank Offered Rate (LIBOR);

AND WHEREAS, the LIBOR interest rates will cease to exist on 30th June 2023, and will be replaced with the Secured Overnight Financing Rate (SOFR); (SOFR being a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities);

AND WHEREAS, the Mega International Commercial Bank Co. Ltd. has informed the Government of Belize of its move to adopt the SOFR as its new lending reference rate for its loan portfolio in Belize;

AND WHEREAS, the transition to this new lending rate will require amending the signed loan agreement with Mega International Commercial Bank Co. Ltd., to indicate the following: “That commencing from 14th August 2023, the Borrower shall pay to the Lender interest on the outstanding balance of the Loan disbursed by way of Advances on each Interest Payment Date for the Interest Period(s) then ending at the rate of six (6) months Term SOFR plus Credit Adjustment Spread of zero point two percent (0.2%) and two point five percent (2.5%) per annum”;

AND WHEREAS, the Government of Belize is required to obtain the prior authorization of the National Assembly, by way of a Resolution, for such Amendment;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that this Amendment is necessary and in accordance with international best practices, approves and confirms that the Government of Belize may enter into Amendment No. 2 to Loan Agreement No. 025-106001 with the Mega International Commercial Bank Co. Ltd. of the Republic of China (Taiwan) as set out above, and further authorizes the Minister of Finance to execute and deliver the said Loan Amendment Agreement and all other documents and agreements connected therewith.