



CENTRAL BANK
of BELIZE

PRESS RELEASE

**Central Bank of Belize Announces Measures for the Financial Sector
amid the COVID-19 Pandemic**

Belize City, 18 March 2020: The Central Bank of Belize (Central Bank) released a set of monetary and macro-prudential instruments in response to the COVID-19 (coronavirus) pandemic. The National Oversight Committee, the Belize Bankers Association, the Belize Credit Union League, and credit unions support the use of these instruments, which aim to strengthen the resilience of the financial system against the emerging threat of the pandemic.

The instruments will help financial institutions to remain safe, sound, and able to honour their obligations. In turn, financial institutions will be better able to assist their customers to meet their financial obligations in response to tightened credit conditions. In so doing, the instruments will minimize the economic impact of COVID-19 on the financial system as a whole.

The sector-specific instruments are:

- Reduce the statutory cash reserve requirements;
- Extend the time period to classify targeted non-performing loans in sectors such as restaurants, transportation and distribution companies, and other affected areas, from 3 months to 6 months;
- Encourage domestic banks and credit unions to provide grace periods for servicing interest and/or principal components of commercial loans and ancillary loans, as needed and where commercially viable;
- Reduce risk-weights for banks on loans in the tourism sector from 100% to 50%; and
- Review financial institutions' business continuity and cybersecurity plans to ensure that an adequate level of financial services will be available to the public.

The Central Bank reiterates the important messages from the Ministry of Health and will continue to do what it takes to safeguard the Belizean economy.

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