

DEVELOPMENT FINANCE CORPORATION ACT, 2009
ARRANGEMENT OF SECTIONS

1. Short title.
2. Interpretation.
3. Establishment of the Development Finance Corporation.
4. Purposes.
5. Powers.
6. Share capital, subscription for shares, shareholder's liability.
7. Funds and resources of the Corporation.
8. Board of Directors.
9. Functions of the Board.
10. Procedural matters.
11. Interested directors.
12. Regulations and policy guidelines
13. Government loans.
14. Retained earnings, capital adequacy.
15. Borrowing.
16. Acquisition of mortgaged property.
17. Accounts and audit.
18. Submission of budget estimates.
19. Secrecy and Code of Conduct.
20. Annual Report.
21. Exemption of Income and Business Tax.
22. General Manager.
23. Corporation acting as an Agent.
24. Repeal and savings.
25. Transitional provisions.



No. 1 of 2009

I assent,

(SIR COLVILLEN. YOUNG)

Governor-General

3rd February, 2009.

AN ACT to make new and better provisions for the Development Finance Corporation; to repeal the Development Finance Corporation Act, Chapter 279 of the Substantive Laws of Belize, Revised Edition 2000-2003; and to provide for matters connected therewith or incidental thereto.

(Gazetted 3rd February, 2009.)

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

1. This Act may be cited as the

Short title.

**DEVELOPMENT FINANCE
CORPORATION ACT, 2009.**

Interpretation.

2. In this Act, unless the context otherwise requires

“Annual Report” means the report referred to in section 20;

“Belize Mortgage Company 2002-1” or “BMC” means the company established in March 2002 under the Companies Law of the Cayman Islands for the purpose of issuing Mortgage Loan Collateralized Bonds, Series 2002-1, in the North American market, which is wholly owned by DFC;

“Board” means the Board of Directors established under section 8;

“capital” means the sum of share capital, reserves, and retained earnings of the Corporation;

“Code of Conduct” or “Code” means the statement of principles of the Corporation as well as guidelines which will guide the directors, managers, and employees of the Corporation, in the execution of their functional responsibilities and duties in service to the Corporation;

“Corporation” means the Development Finance Corporation established by section 3;

“director” means a member of the Board of Directors;

“financial year” in relation to the Corporation, means the period of twelve months terminating on 31st of December in any year;

“General Manager” means the chief executive officer appointed to manage the day-to-day affairs of the Corporation as provided in section 22;

“long-term capital” means either a debt with a term to maturity in excess of five years, or equity;

“management” means the collective including the General Manager, the Heads of Divisions, the Heads of Departments, the Corporate

Secretary of the Corporation and any other positions as approved by the Board;

“manager” means a person holding a management position with the Corporation;

“microfinance” means the provision of financial services to a person who, or an entity which, cannot normally obtain access to the services of formal financial institutions and normally involves smaller transaction amounts;

“Minister” means the Minister for the time being responsible for Finance;

“North American Securitization” or “NAS” means the securitization of certain mortgages by BMC in the North American market, which had been previously sold to BMC by DFC;

“North American Securitization Documents” or “NAS documents” means the following documents

- (i) Purchase and Sale Agreement dated February 1, 2002 between BMC as Issuer of the Bonds and DFC as Seller of the mortgages;
- (ii) Indenture dated February 1, 2002 between BMC as Issuer, DFC as Servicer and the Bank of New York as Trustee;
- (iii) Servicing Agreement dated February 1, 2002 between BMC as Issuer, DFC as Servicer and the Bank of New York as Trustee;
- (iv) Guarantee dated February 1, 2002 issued by the Government of Belize in favour of BMC; and
- (v) any and all other documents relating to the North American Securitization to which DFC is

a party or in which DFC has some functions to perform;

“policies” means statements approved by the Board that provide guidance on significant topics that indicate priorities, rules of conduct and guidelines to be adhered to by director, managers, and staff of the Corporation in the conduct of the business of the Corporation;

“project plan” means the technical documentation submitted and approved as the basis for a loan that outlines the sequence of project implementation activities and expenditures;

“related group or party” means the persons and entities that are related, by business association or family kinship, with the borrower, the borrower’s business or someone involved in the affairs of the Corporation;

“shareholder” means a shareholder in the Corporation;

“strategic business plan” means a document that contains a plan for the conduct of the business of the Corporation for a specified period of time based on a consideration of the internal strengths and weaknesses of the Corporation and of the external opportunities and threats it faces in its business environment, which document provides goals, performance targets, planned performance results, initiatives and other expected outcomes, which once approved by the Board, will be a guide to management of the Corporation in the conduct of its affairs during the planned period.

3. (1) There is hereby established a body to be called the Development Finance Corporation which shall be a body corporate with perpetual succession and a common seal with power to purchase, take, hold and dispose of land and other property of whatever kind, to enter into contracts, to sue and be sued in its corporate name and to do all things necessary for the purposes of this Act.

(2) The seal of the Corporation shall be affixed to any instrument in the presence of the Chairman, but shall not be so affixed except by the authority of a resolution of the Board, and shall be authenticated by the joint signatures of one director of the Corporation and the General Manager.

(3) The seal of the Corporation shall be kept in the custody of the General Manager.

4. (1) The purposes of the Corporation shall be to expand and strengthen the economy of Belize by providing funding on an economically sustainable and environmentally acceptable basis to those individuals or groups of individuals seeking financing for specifically approved purposes, and who would otherwise be unable to fund their requirements from other sources on reasonable terms and conditions, by

Purposes.

- (a) supplying finance, either alone or in association with others, for the development of agriculture, forestry, fishing, industry, agro-industry, tourism, education and housing;
- (b) providing funding to microfinance entities that are on lending to customers that are within the target group of customers to be served by the Corporation;
- (c) providing funding to other financial intermediaries on specific prudential terms that serve the purposes of the Corporation as an economical means of serving population segments that are within the target group of customers of the Corporation;
- (d) facilitating and supporting, separately or collaboratively with others, eligible finance applicants and borrowers in the prudent and successful administration of their businesses and in the structuring and servicing of financial commitments;

- (e) promoting, advising on and facilitating the provision of long-term capital, both domestic and foreign, for larger entities and projects; and
- (f) undertaking, promoting and facilitating economic and financial studies as a guide to investment;
- (g) to perform all the functions required to be performed by the Corporation under the NAS documents or under other pre-existing contractual or other arrangements.

(2) The Board may sanction other activities and commitments for the Corporation to engage in, which are conducive to the purposes of the Corporation.

Powers.

5. In carrying out its purposes, the Corporation may exercise all or any of the following powers

- (a) provide or facilitate the provision of finance in the form of loans, leases, and other products and services that would be appropriate to meet the financial requirements of approved borrowers;
- (b) borrow funds for the purposes of the business of the Corporation from sources either in Belize or abroad and give security for any loans obtained;
- (c) invest idle funds and reserves of the Corporation in such securities as will yield competitive returns on acceptable conditions appropriate to the financial needs of the Corporation;
- (d) acquire, hold, take or give on lease or hire, mortgage, pledge and sell, or otherwise dispose of, any immovable or movable property;

- (e) accept, before the date on which it is due, any payment in respect of a loan granted by the Corporation;
- (f) open deposit accounts with any financial institution on competitive terms and conditions;
- (g) draw, accept, or endorse bills of exchange for the purposes of the business of the Corporation;
- (h) give any guarantee or indemnity to, and enter into any arrangements with, the Government, any local authority, or any body corporate or other person, in order to obtain any rights, concessions and privileges that are conducive to any object of the Corporation;
- (i) make appropriate provision for the welfare of employees of the Corporation and of their dependants through contributions to appropriate and competitive employee benefit plans; and
- (j) do all such other things as are incidental or conducive to the attainment of its purposes

Provided that in exercising any or all of its powers, the Corporation shall act subject to the approval of the Board, which approval may be given either specifically or in policy or planning guidelines which shall be provided to management prior to making any commitments on behalf of the Corporation.

6. (1) Subject to this section, the authorized share capital of the Corporation shall be one hundred million Belize dollars (BZ\$100,000,000) divided into ordinary shares of the par value of ten Belize dollars (BZ\$10.00) each.

Share capital
subscription
for shares,
shareholder's
liability.

(2) The Government of Belize may subscribe for the ten million shares (10,000,000) mentioned in subsection (1) or for such other number as the Minister may from time to time determine.

(3) Any person may subscribe for and hold shares in the Corporation subject to rules as may be made by the Board with the approval of the Minister in that behalf.

(4) The liability of any shareholder shall be limited to the amount unpaid on his share.

(5) The authorized share capital of the Corporation may be increased by a resolution of the Board passed at a general meeting by shareholders holding at least seventy-five per centum of the issued and fully paid up share capital of the Corporation.

(6) The Corporation shall maintain a Register of Shareholders in which particulars of shareholders and shares held by them, including details of any transfer of shares, shall be entered.

(7) The Board may transfer shares in the Corporation in accordance with the Regulations made by the Corporation.

(8) Notwithstanding subsection (7) above, the Board may refuse to transfer shares

(a) on which the Corporation has a lien;

(b) where the Board has been expressly authorized not to transfer shares by a resolution of shareholders holding at least seventy five per centum of the issued shares of the Corporation.

Funds and
resources of
the
Corporation.

7. (1) The funds and resources of the Corporation shall consist of

(a) equity capital;

- (b) such sums as may from time to time be placed at its disposal by the National Assembly;
- (c) such sums as may be allocated to the Corporation from time to time by way of grant or otherwise;
- (d) all sums from time to time received by or falling due to the Corporation in respect of repayment of any loan made by the Corporation and the interest and other charges payable thereon;
- (e) moneys earned or arising from any property investments, mortgages or debentures acquired by or vested in the Corporation;
- (f) any property, mortgages, debentures or investments acquired by or vested in the Corporation;
- (g) sums borrowed by the Corporation for the purposes of meeting any of its obligations or discharging any of its functions;
- (h) funds deposited in the Corporation by virtue of this Act or any other enactment; and
- (i) any other sums or property that may become payable to or vested in the Corporation in respect of any matter pertaining to or incidental to its functions.

8. (1) There shall be a Board of Directors of not more than nine (9) persons appointed by the Minister, of whom six (6) shall be persons not holding offices of emolument in the public service in Belize, and three (3) shall be Government representatives serving as *ex-officio* directors.

Board of
Directors.

(2) In accordance with subsection (1), the Board shall comprise

- (a) one (1) person, not being a person holding an office of emolument in the public service of Belize, appointed by the Minister in his sole discretion;
- (b) the following three (3) Government representatives

 - (i) the Financial Secretary or a representative appointed by him;
 - (ii) the Chief Executive Officer of the Ministry of Economic Development or a representative appointed by him; and
 - (iii) the Chief Executive Officer of the Ministry of Agriculture or a representative appointed by him;
- (c) five (5) representatives of the private sector nominated by the following organizations

 - (i) one person nominated by the Belize Chamber of Commerce and Industry;
 - (ii) one person nominated by the Belize Bar Association;
 - (iii) one person nominated by the Belize Institute of Chartered Accountants of Belize;
 - (iv) subject to subsection (4) (b), one person nominated by the Association of Tertiary Level Institutions of Belize;

- (v) subject to subsection (4) (b), one person nominated by the Belize Credit Union League.

(3) The organizations referred to in subsection (2) (c), shall appoint candidates of good character, integrity and who possess capacity in at least one of the following fields

- (a) law;
- (b) accounting;
- (c) finance;
- (d) banking;
- (e) agriculture;
- (f) industry;
- (g) commerce;
- (h) education;
- (i) tourism; or
- (j) micro-enterprises

Provided however, that no person who has any of the attributes outlined in subsection (15) (a) to (e) shall be nominated or appointed as director.

(4) Where

- (a) one or more of the organizations referred to in subsection (2) (c) do not nominate a person to serve as director of the Corporation in accordance with this section; or
- (b) the Board decides that a different private sector organization should comprise membership of the Board in substitution for the organization representative stipulated in subparagraph (iv) or (v) of subsection (2) (c),

the Board shall, by resolution, identify a private sector organization suitable for representation on the Board and shall

request of that organization a nomination for appointment by the Minister.

(5) The person appointed pursuant to subsection (2) *(a)* shall be the Chairman of the Board.

(6) The Chairman shall hold office for a period of three (3) years from the date of appointment but may be re-appointed by the Minister for a second term.

(7) The Board shall select a director from among its membership, to serve as Deputy Chairman for a period of one (1) year.

(8) The Deputy Chairman shall exercise the functions of the Chairman in case the Chairman is absent or unable to act.

(9) The Minister may appoint another person to act as a director in place of a director who is temporarily absent or unable to act as such and such appointment shall be for the period of the absence of the director and be made in accordance with this section in relation to the original selection for appointment of that absent director.

(10) *(a)* A director appointed under subsection (2) *(c)* shall hold office for a period of two years from the date of appointment but may be re-appointed for an additional term upon the recommendation of the organization which made the nomination.

(b) No director appointed under subsection (2) *(c)* shall serve for more than two successive terms.

(11) No member of the National Assembly shall be appointed a director.

(12) *(a)* A quorum of members of the Board shall be a minimum of five (5) directors including the Chairman, or the

Deputy Chairman, as the case may be, at least one (1) director from among the representatives referred to in subsection (2) (b), and at least three (3) directors from among the representatives referred to in subsection (2) (c).

(b) The Board will meet at least ten (10) times in each year but not including meetings of Board sub-committees.

(13) A director who is not holding an office of emoluments in the public service may resign his post by giving the Minister, through the Chairman, a written notice of resignation outlining his reasons for resignation, and a copy of the notice shall be sent to the Governor of the Central Bank of Belize. The Chairman may resign his post by giving written notice of resignation to the Minister outlining his reasons for resignation, and a copy of the notice shall be sent to the Governor of the Central Bank of Belize.

(14) The names of the directors appointed and every change and new appointment shall be published in the *Gazette*.

(15) Upon the advice of the Board, the Minister shall terminate the appointment of any director if such director

- (a) becomes of unsound mind or is incapable of carrying out his duties;
- (b) becomes bankrupt or compounds with, or suspends payment to, his creditors;
- (c) is convicted and sentenced to a term of imprisonment or to death;
- (d) is convicted of any offence involving dishonesty;
- (e) is guilty of misconduct in relation to his duties;
- (f) fails to carry out any of the duties or functions conferred or imposed on him under this Act; or

- (g) refuses to act, or withholds information as required to be disclosed under section 11(1).

(16) A director's seat on the Board, including the seat of the Chairman, shall become vacant if that director

- (a) dies;
- (b) resigns by writing under his hand addressed to the Chairman, or the Minister, as the case may be;
- (c) is absent, except on leave granted by the Board, from three consecutive meetings of the Board;
- (d) becomes disqualified under subsection (15) from being a director; or
- (e) in the case of private sector directors, is found by two thirds (2/3) of all members of the Board to be unable to discharge his functions, whether arising from infirmity of mind or body or any other cause, or for misbehavior, serious neglect or misconduct in office.

(17) The remuneration payable to directors shall be approved by the Minister, and be published in the Annual Report of the Corporation each year.

Functions of
the Board.

9. (1) The Board of Directors shall provide effective governance over management and the administration of the Corporation and be accountable to its owners for fulfilling the purposes of the Corporation.

(2) Without prejudice to the generality of the foregoing, the Board shall

- (a) lead the preparation of strategic business plans;
- (b) ensure that policies are developed and adhered to as guidelines for effective prudential management to managers and staff of the Corporation;
- (c) ensure that effective internal controls are defined and adhered to in controlling the activities of the Corporation;
- (d) ensure that financial and operational performance is monitored regularly against annual plans and budgets;
- (e) ensure that risks are being managed within parameters set by the Board; and
- (f) ensure that other duties are performed that guarantee that the Corporation is being prudently managed in the fulfillment of its purpose.

(3) The Board shall establish an Audit Committee and a Credit Committee and may establish such other special purpose committees to deal with important matters, such as providing oversight to the credit, and financial matters of the Corporation and providing direction on human resource matters respectively.

(4) The Board shall ensure that no payment out of the funds of the Corporation in an amount related to a commitment greater than one hundred thousand Belize dollars (BZ\$100,000) is made unless it has been authorized in writing in advance and authenticated by the joint signatures of the Chairman or one director authorized to act in that behalf, and of the General Manager.

(5) The Board may designate officers of the Corporation as authorized signing officers for purposes of making payments and making deposits at any of the Corporation's authorized bank accounts. Managers of the Corporation who are specifically

authorized by the Board, may effect disbursements for lesser commitments than that referred to in subsection (4).

(6) The Board shall ensure that any loan or investment made by the Corporation is consistent with the purpose of the Corporation as stipulated in section 4.

(7) The Board shall ensure that any loan made by the Corporation is utilized for the purpose for which it was made, is disbursed in accordance with an approved project plan, is closely monitored in regard to repayment and is collected in accordance with the terms and conditions of the loan, and that any acceptable deviation from this provision shall be approved by the Board in advance in writing.

(8) A restructuring or major change to a loan agreement, whether relating to the timing of payments, amount of repayment, interest rate or other concession, including loan forgiveness, shall require approval by the Board effected by a resolution, and done in advance of formalizing the change with the borrower in respect of all loans in excess of one hundred thousand Belize dollars (BZ\$100,000) and for all groups of loans with an aggregate value exceeding one hundred thousand Belize dollars (BZ\$100,000). The nature and overall amount of all such significant changes shall be presented in the Annual Report.

(9) The Board shall establish interest rates for its lending programs in accordance with sound banking principles that reflect a consideration of the cost of funds, administrative costs and the risk of loan losses, all with a view to earning a reasonable spread on all lending activities of the Corporation.

(10) The Board shall ensure that every application to the Corporation for a loan receives prompt attention and is considered strictly on its financial and economic merits and in the light of recommendations from management as to the character and creditworthiness of the applicant.

(11) All loans to and investments in related groups and related parties that are in aggregate in excess of \$1.5 million will be separately disclosed in the Annual Report of the Corporation.

(12) The Board shall ensure that the Corporation's financial statements and internal accounts are based on the application of International Financial Reporting Standards.

(13) The Board shall furnish the Minister and the Central Bank of Belize with the audited financial statements of the Corporation on a timely basis after the conclusion of the annual audit.

(14) The Board and every Committee established under this Act, shall record a summary of its deliberations and decisions in the form of minutes and those minutes shall contain a record of any abstentions or contrary votes of directors in attendance.

(15) The Board shall ensure that the external auditor is supplied with a copy of the financial statements of the Corporation for the period under audit, on a timely basis.

(16) The Board shall approve the appointment and remuneration package for all management positions.

10. (1) Management shall provide the Board with relevant, accurate and timely information to enable it to discharge its duties.

**Procedural
matters.**

(2) The appointment of directors to special purpose committees established pursuant to section 9 (3) shall be based on the respective professional credentials and business experience of the director as are appropriate to the expected work of each respective committee.

(3) Every committee established pursuant to section 9 (3) shall report on a regular basis to the Board on findings, issues requiring Board attention, and on recommendations made to the Board on any matter.

(4) The minutes of meetings of the Corporation shall, if duly signed by the Chairman or Deputy Chairman presiding at the meeting, be receivable in evidence in all legal proceedings without further proof, and every meeting of the Corporation in respect of which minutes have been signed shall be deemed to have been duly convened and held and all the directors present at the meeting shall be deemed to have been duly qualified to act.

(5) A Director objecting to a resolution of the Board may request that the reason for his abstention from voting or his contrary vote be recorded in the minutes of the meeting of the Board at which the resolution was passed.

**Interested
directors.**

11. (1) A member of the Board whose interest is likely to be affected or has been affected by a decision of the Board or a transaction to which the Corporation is a party shall make a written disclosure to the Board of the nature of his interest to be affected or affected soon after the relevant facts have come to his knowledge.

(2) The Board shall forthwith transmit a copy of the disclosure to the Minister.

(3) Such member shall not attend the meetings of the Board while the matter affecting his interest is being dealt with.

(4) A Director is not permitted to borrow from the Corporation or to supply it with goods or services either personally or through related persons or companies or business entities without the prior written resolution of the Board.

(5) The annual aggregate value of transactions under this section, which transactions are in excess of fifty thousand Belize dollars (BZ\$50,000) shall be published in the Annual Report of the Corporation.

**Regulations
and policy
guidelines.**

12. (1) The Board may, subject to the approval of the Minister, make Regulations generally for the better carrying out of the purposes and objects of this Act.

(2) The Board may issue policy guidelines to management for the good conduct of business in each of the functions of the Corporation.

13. (1) For the purposes of its business, the Corporation may borrow from the Government, and the Government may lend to the Corporation from the Consolidated Revenue Fund or from funds borrowed by the Government, in accordance with such conditions as may be agreed between the Corporation and the Government.

Government loans.

(2) Every sum in repayment of such loan shall be paid to the Accountant General who shall credit it to the Consolidated Revenue Fund or to the fund from which it was lent.

14. (1) The Corporation shall set aside in each year, out of the net profits of the Corporation, a minimum of ten *per centum* of such profits towards a General Reserve Fund until the amount standing to the credit of such General Reserve Fund shall equal the paid up share capital of the Corporation.

Retained earnings, capital adequacy.

(2) The General Reserve Fund created under subsection (1) may be used to meet contingencies and for such other purposes as the Corporation may think fit, but this fund shall not be used for distribution of profits to shareholders.

(3) Notwithstanding subsections (1) and (2) above, the Corporation shall retain accumulated earnings and shall not distribute profits to shareholders until the aggregate value of retained earnings and capital have provided sufficient amounts to attain a prudential debt-to-equity ratio to ensure being able to meet commitments related to borrowing.

(4) The Board shall ensure that the size of loans or investments in related groups or parties do not exceed a maximum of 20% of the capital of the Corporation.

15. (1) The Corporation may, with the approval of the Minister, and subject to principles of sound fiscal management, borrow sums domestically or internationally, as required by it for meeting any of its obligations or discharging any of its functions.

Borrowing.

(2) The Corporation may issue debentures or bonds for the purpose of exercising its borrowing powers under this Act.

(3) In consideration of the resultant contingent liability on the balance sheet of Government, the Corporation must obtain approval of the National Assembly to increase its amount of foreign debt.

(4) An aggregate domestic debt in excess of five millions Belize dollars (BZ\$5,000,000) shall be subject to prior approval of the National Assembly.

**Acquisition
of mortgaged
property.**

16. Where any property mortgaged as security for a loan made under this Act is acquired by the Corporation, the Corporation may manage and hold such property or carry on any business with or sell or otherwise dispose of such property as it may think fit.

**Accounts and
audit.**

17. (1) The Corporation shall keep proper accounts of all its financial transactions, of assets and liabilities, and complete record of all other matters relating to its finances and shall prepare annually a statement of accounts in a manner satisfactory to the Board and in conformity with International Financial Reporting Standards.

(2) The accounts of the Corporation shall be audited annually by an independent external auditor appointed by the Board.

(3) The external auditor of the Corporation shall be professional in regard to the expression of an opinion on the financial statements of the Corporation and in compliance with generally accepted auditing principles. The external auditor shall, in fulfillment of the responsibilities as auditor, be supplied access to the accounts, documents, personnel and operations of the Corporation as are appropriate to support the expression of an opinion related to the financial statements of the Corporation.

(4) The auditor shall transmit to the Board copies of the auditor's report, and the Board shall forward a copy to the Minister.

(5) Representatives of the Audit Committee of the Board shall interview the external auditor on the contents of the auditor's report and on the auditor's observations on the effectiveness of internal controls and internal processes.

(6) The Corporation shall appoint an internal auditor whose role shall be to ensure the effective adoption of internal controls, adherence to policies and guidelines prepared by the Board and adherence to risk parameters set by the Board.

(7) Copies of all reports of the internal auditor shall be submitted to the Audit Committee of the Board and the Audit Committee shall, at regular intervals, interview the internal auditor on the results of the auditor's work and shall make recommendations on its findings to the Board.

(8) The Central Bank of Belize is authorized to carry out inspections, examinations and financial assessments at its convenience, of the arrangements within the Corporation on the financial affairs of the Corporation, on the effectiveness of the governance and risk management regimes that have been established by the prudential guidelines of the Central Bank of Belize, and to report on its findings to the Board and to the Minister.

(9) Notwithstanding anything in this section, the Minister may, at any time and in his discretion, require the Auditor-General or any other relevant qualified authority, to examine the report on the accounts as well as the accounts of the Corporation, in which event the Board shall afford the Auditor-General, or any other relevant qualified authority, all facilities for examination as the Auditor-General may require.

(10) All the expenses incurred for the purpose of auditing shall be paid out of the funds of the Corporation.

Submission
of budget
estimates.

18. The Corporation shall, in such form and by such dates as may be prescribed by the Financial Secretary, prepare and submit to the Minister, its completed annual budget each financial year (including any supplementary estimates), and the Minister shall present the estimates to the National Assembly with such amendments, if any, as he may consider necessary.

Secrecy and
Code of
Conduct.

19. (1) The Board shall ensure that a Code of Conduct is established, and the Code shall outline the moral and ethical basis on which the business of the Corporation shall be conducted by its directors, managers and other employees and shall provide for the appointment of external independent referees who can respond to complaints relating to the behaviour of any director, manager or employee of the Corporation, which contravenes the Code of Conduct.

(2) Every Director, Manager and other employee of the Corporation will be required as a condition of continuing in his capacity with the Corporation to read the Code of Conduct and execute same to attest to having read and understood the contents of that document and to abide by its rules and regulations accordingly.

(3) A Director, manager or other employee who identifies a significant breach of the Code of Conduct will report such breach to an independent named party who shall keep secret the name of the complainant to avoid jeopardizing the employment or appointment of the complainant.

(4) Except in so far as may be necessary for the performance of his duties, every director, manager and other employee of the Corporation shall preserve and aid in preserving secrecy with regard to all matters relating to the affairs of the Corporation that may come to his knowledge in the course of his duties.

(5) A director, manager or other employee who communicates any matter to any person other than a member of the Board or any officer of the Corporation authorized in that behalf by the General Manager, or who suffers or permits a

unauthorized person to have access to any books, papers or records relating to the Corporation, commits an offence and is liable on summary conviction to a fine of five thousand dollars or to imprisonment for a term not exceeding twelve months, or to both fine and term of imprisonment.

20. (1) The Board shall prepare an Annual Report of its activities within six months after the close of each financial year.

Annual Report

(2) Without limitation on the discretion of the Board as to matters to be included in the annual report, it shall specifically include

- (a) a description of the Corporation's activities during the year under review;
- (b) a statement of the assistance given by the Corporation to enterprises in the various categories listed in section 4 (a);
- (c) an assessment of the quality of the Corporation's loan and investment portfolios, and of related provisions and write-offs, and of any risks faced by the Corporation together with comments on provisions to mitigate against serious adverse threats to the Corporation or to the conduct of its business;
- (d) an assessment of the effect of the Corporation's activities on the economy of Belize;
- (e) a description and assessment of the Corporation's financial and operational performance for the year;
- (f) information on any studies made under section 4(d);
- (g) a copy of the audited accounts;
- (h) specific information disclosures referred to in other sections of this Act.

(3) The Annual Report shall be submitted to the Minister of Finance not later than six months after the close of the Corporation's financial year and shall be laid on the table of the National Assembly.

(4) The Annual Report will be issued to the public within one month after it has been presented to the Minister.

**Exemption of
Income and
Business Tax.**

21. (1) The profits of the Corporation shall not be liable to any taxes.

CAP. 55.

(2) Dividends paid on shares in the Corporation shall not be taken into account in ascertaining the chargeable income of shareholders under the Income and Business Tax Act.

(3) Subsection (2) shall not apply to any shareholder who would become liable under the laws of his country to pay income tax on dividends or shares in the Corporation as a result of those dividends not being subject to income tax in Belize.

**General
Manager.**

22. (1) The Board shall, subject to the approval of the Minister, appoint on such terms and conditions as it may determine from time to time, a qualified and competent person, which attributes shall be defined by the Board but are subject to subsection (2), to be the General Manager of the Corporation.

(2) The General Manager shall possess a Master of Science Degree in Finance, Banking, Accounting, or Economics or an equivalent certification in any or more of those subjects, and shall have at least five years experience in the financial sector as a senior manager.

(3) The General Manager shall be the Chief Executive Officer of the Corporation and shall be responsible for the day to day management, direction and control of the business of the Corporation.

(4) The General Manager, together with members of his management team, shall seek each year to implement the strategic business plan prepared under the direction of the Board and shall be accountable to the Board for performance and results.

(5) The Board may appoint and employ, at such remuneration and on such terms and conditions as it thinks fit, managers, agents, and servants, as it may think necessary for the efficient performance of the business of the Corporation.

23. (1) Notwithstanding anything to the contrary in this Act, the Corporation may act as an agent for the Government or for a department or a Ministry of the Government, or for a statutory corporation, in connection with any matter or for any purpose enabled by this Act;

Corporation
acting as an
Agent.

(2) The Corporation shall administer agency programs in accordance with its rules and regulations and internationally accepted best practices.

(3) The Board shall reserve the right to refuse agency programs that are in conflict with the objectives of the Corporation.

(4) An agency program, where it is accepted for administration by the Corporation, shall be administered in consideration of an agency fee for services to be mutually agreed to between the parties.

24. (1) This Act shall come into force on a day to be appointed by the Minister by Order published in the *Gazette*.

Commencement,
repeal and
savings.

(2) On the coming into force of this Act, the Development Finance Corporation Act shall stand repealed.

CAP. 279.

(3) Notwithstanding the repeal under subsection (2), an action taken or anything done in exercise of a power conferred by or under the repealed Act shall be deemed to have been taken or done under this Act.

(4) Until Regulations are made pursuant to section 12 of this Act, Regulations made under section 10 of the repealed Act shall, in so far as it is not inconsistent with the provisions of this Act, continue in force as if made under section 12 of this Act.

Transitional provisions.

25. (1) Unless otherwise provided by or under this Act, all agreements, contracts or other instruments subsisting or having effect immediately before the coming into force of this Act in respect of which the former Development Finance Corporation was a party or which enured to the benefit of the former Development Finance Corporation shall, in so far as they relate to the undertaking of the former Development Finance Corporation, remain valid in favour or otherwise of the new Corporation, and may be acted upon by or against the new Corporation.

(2) Where immediately before the coming into force of this Act any action, appeal or other legal proceeding is pending by or against the former Development Finance Corporation in respect of the functions of the former Development Finance Corporation that action, appeal or other legal proceeding may be continued or prosecuted by or against the new Corporation.

(3) On the day this Act comes into force, all property of the former Development Finance Corporation becomes the property of the new Corporation and is vested in the new Corporation without transfer, conveyance or assurance.

(4) An employee of the former Development Finance Corporation who on the coming into force of this Act is employed by the former Development Finance Corporation shall be transferred to the new Corporation and become an employee of the Corporation and all benefits accruing to an employee at the time of the transition shall continue to accrue as if this Act had not been passed.