BELIZE

DEVELOPMENT FINANCE CORPORATION ACT
CHAPTER 279

REVISED EDITION 2003
SHOWING THE SUBSIDIARY LAWS AS AT 31ST OCTOBER, 2003

This is a revised edition of the Subsidiary Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2000.

ARRANGEMENT OF SUBSIDIARY LAWS
DEVELOPMENT FINANCE CORPORATION ACT
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This edition contains a consolidation of the following laws-

DEVELOPMENT FINANCE CORPORATION REGULATIONS 3-13
CHAPTER 279

DEVELOPMENT FINANCE CORPORATION REGULATIONS

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1. These Regulations may be cited as the DEVELOPMENT FINANCE CORPORATION REGULATIONS.

2. In these Regulations unless the context otherwise requires the following words and expressions have the meanings herein assigned to them:

   “Act” means the Development Finance Corporation Act;
   “agricultural” includes agriculture, forestry and fisheries;
   “industrial” includes manufacturing, tourism and services;
   “BS$” means Belizean dollars;
   “Board” means the Board of Directors of the Corporation;
   “borrower” means an applicant who has obtained a loan from the Corporation;
   “Corporation” means the Development Finance Corporation established under the Act.

3. Every application for a loan shall be made in duplicate on the form Applications.
4. The applicant shall furnish the Corporation with such information about the projects for which the loan is required and about the security offered in respect thereof as the Corporation may require.

5. (1) The Corporation may grant a loan for any purpose which in the opinion of the Corporation is conducive to development of the territory and in particular for the promotion, establishment and expansion of the agricultural, industrial, housing and estate development, and any other use which the Board may sanction from time to time.

(2) Without prejudice to the generality of the preceding sub-regulation the Corporation may grant loans for the following purposes:

(a) the purchase, development and improvement of land for agricultural, industrial, and housing purposes; and the discharge of liabilities incurred in respect of the development, maintenance or improvement of such land development purposes;

(b) the purchase, and erection of buildings including houses, farm buildings, factories, hotels, guest houses and restaurants;

(c) the purchase and installation of plant, machinery and equipment;

(d) the purchase and installation of processing and storage and packaging facilities;

(e) the payment of labour and service, and the purchase of materials and supplies;
(f) the establishment of irrigation, drainage, piping and erosion control measures;

(g) the purchase of infrastructure and water supply, and electrical systems;

(h) the purchase of boats, vessels and engines.

6. In cases where the applicant cannot readily finance the operation cost of a project, the Board may approve loans for such use on terms and conditions as may be determined by the Board.

7. In special cases the Corporation may grant loans for re-financing as part of a wide loan for an enterprise on such terms and conditions as the Board may determine.

8. In exceptional circumstances as the Board may deem fit, and on such terms and conditions as the Board may determine, the Corporation may take equity investment in projects which offer attractive financial and development benefits to Belize.

9. (1) The Corporation shall require security for loans by one or more of the following:

(a) first charge or mortgage on fixed assets especially land and building adequately insured;

(b) Bill of Sale over goods, machinery, and chattels accompanied by adequate insurance;

(c) financial assets as bonds, shares, and bank saving deposits;

(d) an insurance policy on the life of the Borrower with
the estate of the insured borrower named as beneficiary;

(e) secured third party guarantee including government guarantee;

(f) first line on agricultural products;

(g) such other security as the Corporation may deem fit.

(2) Where the Corporation makes a short term loan to a Cooperative Society, any member to whom part of the loan has been distributed shall sign a financing contract with the society and shall guarantee his loan with a first lien on the product for which it has been obtained, or the Corporation may obtain a third party guarantee. This contract, together with a promissory note signed by the member, shall be endorsed by the society in favour of the Corporation. The procedure described in this sub-regulation shall not absolve a co-operative society from its collective liability to repay the whole of the loan to the Corporation.

10. An applicant shall pay all legal fees and disbursements incurred in securing his loan and such fees and disbursements may be paid from the proceeds of the loan.

11. (1) Where an application is made for a loan for the purpose of erecting a building or developing land used or to be used in connection with an enterprise, the Corporation may approve a loan based on the estimated enhanced value of the land on which the building is to be erected or development is to take place and the proceeds of such a loan shall be disbursed by such installments as may be determined by the Corporation having regard to the progress of the construction of the building or the development.

(2) When a loan for the purchase of machinery or other equipment...
or item or for making improvements to an enterprise has been approved the proceeds of such loan shall be disbursed by such installments as the Corporation may determine having regard to the purchase made or the progress of the improvements.

(3) When the loan is for the procurement of an item or service to an approved enterprise the Corporation may make arrangement for direct payment for such item or service.

12. Every borrower shall insure the building, equipment, chattels, stock and products mortgaged to the Corporation as security for a loan for the duration of the mortgage against loss or damage by fire and such other hazards as the Corporation may specify, for such amount not in excess of their full insurable value as the Corporation may require, and shall assign, and if required, deliver to the Corporation the policy or policies of insurance. In the event that the borrower does not take out any or adequate insurance as required, the Corporation has the right to ensure the fulfillment of this condition with all charges due on the borrower and recovered from the proceeds paid.

13. Where equipment of any kind is taken as security for a loan the borrower shall not replace such security without the permission in writing of the Corporation.

14. (1) Interest shall be charged on loans and advances at such rate as the Board may from time to time determine.

(2) The borrower may at any time pay off all or any part of the principal money for the time being owing together with the whole interest due on the principal outstanding at the time of payment, or such interest as may otherwise be determined by the Board.

15. Where a borrower abandons, neglects or without the consent of the Corporation attempts to sell or dispose of all or any part of his security for a loan, the Board shall be entitled to recover forthwith the whole or any outstanding
portion of the loan.

Duty of Borrower to keep proper records.

16. Every borrower shall keep or cause to be kept proper accounting records relating generally to the business in respect of which the loan has been made and in particular to the use of the loan funds.

Surcharge.

17. The Board may provide in the loan agreement for the imposition of a surcharge on the amount of the loan granted and overdue.

Right of Corporation to suspend disbursement of loan.

18. It shall be a condition of every loan that the Development Finance Corporation shall have the right to suspend disbursement of that loan if the borrower defaults in any obligations cast upon him by these Regulations or by every agreement to which he is a party.

Application of payment.

19. Every payment made by or on behalf of a borrower in respect of a loan shall be credited to the borrower’s account in the following order:

(a) charges other than interest that have been added to the amount of the loan;

(b) interest owing;

(c) principal owing;

(d) principal not yet due.

Restrictions in making loans.

20. The Corporation may make loans available on such terms and conditions as the Board thinks fit.

PART II
PROCEDURES OF THE BOARD OF DIRECTORS

Vacancies.

21. The directors may act notwithstanding any vacancy in their body.
22. The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined three Directors shall be a quorum.

23. A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Regulations for the time being vested in or exercisable by the Directors generally:

Provided nevertheless that when all the Directors present at any meeting except a number less than requisite to form a quorum, or except one director is disqualified from the voting on any resolution by reason of the provisions of section 9 of the Act, such lesser number of directors or sole director as the case may be shall be entitled to consider and pass such resolution and shall for the aforesaid purposes be deemed to be a valid and effective quorum.

24. A director may at any time and the General Manager of the Corporation shall at the request of a Director convene a meeting of Directors.

25. Questions arising at any meeting of the Directors shall be decided by a majority of votes, and in case of an equality of votes the Chairman of the Board of Directors or the Director presiding at such meeting (as the case may be) shall have a second or casting vote.

26. A resolution passed without any meeting of the Directors and of which notice has been given to all the directors for the time being in Belize and evidenced by writing under the hands of a majority of the Directors for the time being in Belize, shall, subject to the provisions of the Act, be as valid and effectual as a resolution duly passed at a meeting of the Directors called and held in accordance with the provisions of these Regulations. A statement signed by the General Manager or other person authorised in that behalf by the Director certifying the
absence from Belize of any Director shall for the purpose of this regulation be conclusive.

27. All acts done by any meeting of the Directors or by any other person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such director or person acting as aforesaid, be as valid as if every such person had been duly appointed and was qualified to be a Director.

28. The Directors shall cause minutes to be made in books to be provided for the purpose of the following matters, that is to say:

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors present at each meeting of the Directors;

(c) of the resolutions and proceedings of all general meetings;

(d) of the resolutions and proceedings of all meetings of the Directors;

(e) of all orders made by the Directors;

(f) of the use of the Corporation’s Seal.

29. All such minutes shall be signed by the person, or one of the persons, who shall preside as Chairman at the general meeting or the Board Meeting at which the business minuted shall have been transacted, or by the person or one of the persons who shall preside as Chairman at the next ensuing general meeting, or Board Meeting respectively; and all minutes purporting to have been signed by any Chairman of any general meeting or Board meeting respectively shall, for all purposes whatsoever, be prima facie evidence of the actual and regular passing of the resolutions and the actual and regular
transaction or occurrence of the proceedings and other matters purporting to be recorded, and of the regularity of the meeting at which the same shall appear to have taken place, and of the Chairmanship and signature of the person appearing to have signed as Chairman, and of the date on which such meeting was held.