



CARIBBEAN COURT OF JUSTICE

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MEDIA RELEASE

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CCJ GRANTS BELIZE BANK PERMISSION TO ENFORCE BZ\$36M ARBITRATION AWARD

Port of Spain, Trinidad and Tobago. In the case of *The Belize Bank Ltd. v The Attorney General of Belize*, the Caribbean Court of Justice (CCJ) today granted permission for the Belize Bank Limited to enforce a 2013 arbitration award against the Government of Belize. The arbitration award, made by a Tribunal of the London Court of International Arbitration, required the Government to pay the Bank the sum of BZ\$36,895,509.46 together with interest at 17% and arbitration costs of £536,817.71. The CCJ's ruling means that the award now has the same effect as if it had been a judgment given by the Supreme Court of Belize. In addition, the Court also granted the Bank its legal costs in the CCJ and Belize's Court of Appeal and Supreme Court.

In 2004, the Government made a guarantee for a loan from the Bank to a private company, Universal Health Services (UHS), after the original guarantor, the Development Finance Corporation, a statutory body, fell into financial difficulty. The Government's support for the UHS project came out of its policy to reform the country's health care system by promoting the expansion of health care facilities, the costs of which would be met by a national health insurance programme. In 2007, the parties entered into an arrangement to settle the sums owed under the guarantee. However, no prior Parliamentary approval was obtained before that arrangement was made. The Government later defaulted on payment which prompted the Bank to initiate arbitration proceedings. Those proceedings eventually led to the arbitration award. The Bank later applied to the Supreme Court for permission to enforce that award but its application was refused on the basis that enforcement would be contrary to public policy. The Bank appealed to the Court of Appeal which agreed with the Supreme Court's decision. The Bank further appealed to the CCJ.

In rejecting the Government's arguments that enforcement would be against public policy, the CCJ noted that the 2007 agreement had already been found to be legally valid by the Privy Council, which was then Belize's highest court of appeal. The CCJ further stated that the 2007 arrangement in no way required payment without Parliamentary approval. The Court also reinforced the need

to uphold treaty obligations, noting that they are “an important factor for foreign investment and economic development given the advantages of predictability, certainty and reliability of the global network of arbitration arrangements.” The arbitration award was therefore determined to be enforceable.

The application was heard on 17 October 2017 by the Bench of the CCJ comprising the Right Honourable Sir Dennis Byron, President of the CCJ, and the Honourable Justices Saunders, Wit, Hayton and Anderson. The Bank was represented by Mr. Eamon Courtenay SC and Ms. Angeline Welsh while the Attorney General of Belize was represented by Mr. Anthony Astaphan SC, the Solicitor General, Mr. Nigel Hawke, and Ms. Agassi Finnegan.

The full decision of the Court can be accessed via the CCJ’s website at www.ccj.org.

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