



CHRONICLE OF CENTRAL BANK POLICY

1972 – 2004

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Contents

<i>Preface</i>	v
<i>Chronological Summary</i>	vi-xxv
<i>Chronicle</i>	1
Legal Cash Reserve Requirement for Commercial Banks	1
Securities Requirements for Commercial Banks	1
Selective Credit Control	2
Hire-Purchase Controls	5
Central Bank's Advances, Rediscounts and Short-term Lending to Commercial Banks	6
Special Schemes of the Export Credit Insurance and Guarantees Department	9
Interest Rates	14
Exchange Control – Summary	17
Details of Exchange Control Changes	20
CARICOM	25
Exchange Rates and Foreign Currency Dealings	27
International Financial Business Sector	30
General	31
 <i>Appendix</i>	
Table 1 Reserve and Government Security Requirements for Commercial Banks	36
Table 2a Stipulations for Hire-Purchase Agreements February 9, 1977	38
Table 2b Stipulations for Hire-Purchase Agreements (Amendment) September 28, 1977	40
Table 2c Stipulations for Hire-Purchase Agreements (Amendment) November 23, 1978	41
Table 2d Stipulations for Hire-Purchase Agreements (Amendment) August 20, 1979	41
Table 2e Stipulations for Hire-Purchase Agreements (Amendment) March 18, 1982	42
Table 2f Stipulations for Hire Purchase Agreements (Amendment) March 18, 1982	42
Table 2g Stipulations for Hire-Purchase Agreements (Amendment No. 1) May 22, 1986	43
Table 2h Stipulations for Hire-Purchase Agreements (Amendment No. 2) November 21, 1986	43
Table 3 Central Bank Rates for Discounts and Advances .	44
Table 4 Central Bank Ceiling on Treasury Bills	46
Table 5 Regulation of Interest Rates at Financial Institutions	46
Table 6 Mortgage Interest Rates	50
Table 7 Bank Branches and Agencies - Selected Years	51



PREFACE

The first chronicle of Central Bank policies prepared by Muriel Saunders and published by the Central Bank of Barbados proved an extremely useful reference. It covered the period 1973-1979 and appeared in our **Quarterly Report** for March 1980. An update was published in 1987, as a separate paper entitled **Chronicle of Central Bank Policies**. A revised version was issued in 1997.

The present publication brings the information up-to-date to the end of December 2004. All aspects of Central Bank activity are included in so far as they were intended to have an impact on the performance of the economy. The major highlights include the phase liberalisation of foreign exchange controls. To this end the Exchange Control section has been changed to show the chronological movements of major segments such as imports, travel, business, investment and relations with CARICOM.

In addition to credit, interest rate, exchange rate and exchange control policies, the chronicle lists activities by the Central Bank to make finance available to exporters, small businesses and other producers.

It also mentions initiatives by the Central Bank in the offshore financial sector.

The information in this chronicle is summarised from various Annual Reports, Press Releases and Circulars to Financial Institutions. Anyone wishing further information or clarification of any item is invited to write to the Director, Research Department, Central Bank of Barbados, P.O. Box 1016, Bridgetown, Barbados, or contact Ms. Celeste Wood, Deputy Director, (Statistics) at telephone number 436-6870.

January 2005

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1973					
Oct. 08				Floating interest rates	
Oct. 17				Ceiling on Interest Rates re-established	
Dec. 03	Cash reserve ratio of 2% and a treasury bill requirement of 1% introduced		Introduction of special rediscounting scheme		
1974					
Jan. 25					Repatriation of Guyana dollars terminated
Jan. 30					Repatriation of Jamaica dollars terminated
Jan. 31	Treasury bill requirement increased to 2%				
Feb. 28	Treasury bill requirement increased to 3%				EC dollar ceased to be a legal tender in Barbados
Mar. 01		Restrictions on foreign borrowing by commercial banks			
Apr. 30					British Caribbean Currency Board coins ceased to be a legal tender
Aug. 14			Scheme expanded to include non-sugar, manufacturing & tourism		

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1974 (cont'd)					
Sept. 05	Cash reserve ratio increased to 4% and treasury bill holdings to 4% of total deposits				
Sept. 12			Commercial banks allowed to borrow for liquidity purposes		
Oct. 31	Treasury bill requirement increased to 5%				
Nov. 30	Treasury bill requirement increased to 6%				
1975					
Feb. 01				New interest rate structure	
Feb. 12					Central Bank regulates buying and selling rates of U.S. dollars
Mar. 01			Bank rate was reduced to 9.5% and discount rates under special schemes reduced by 1% point .		
Mar. 24	Security requirement increased to 8% and was redefined to include debentures				
Jun. 01			Bank rate was reduced to 8.5 % and discount rates reduced by 1 % point.		
July 05					Barbados dollar pegged to US dollar

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1975 (cont'd)					
Aug. 01	Requirements increased to 6% for treasury bills and 3% for debentures				
Oct. 01			Reduction of 1 % in bank rate to 7.5 % and all other discount rates by 1% point.		
Oct. 17		Hire Purchase Credit Sale and Hire Purchase Control Act came into force			
1976					
May 01			Bank rate reduced to 7% and discount rates lowered by 0.5% point.	A ceiling of 10% on mortgage loans	
May 31				Reduction of prime and average lending rates	
Sept. 10				Negotiation and commitment fees fixed for trust companies	
Dec. 01			Reduction in Bank rate to 6 % and discount rates by 1% point.		
Dec.31	Requirements increased to 8% for treasury bills and 4% for debentures				
1977					
Jan. 21		Consumer credit frozen			

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1977 (cont'd)					
Feb. 09		Guidelines set for instalment agreements			
May 03					Central Bank regulates sale of Canadian dollars
May 19		No refinancing of consumer debts			
July 11					Central Bank regulates dealing in Deutsche mark
July 16					Barbados signs CMCF Agreement
Aug. 02			Temporary advances to commercial banks limited to seven days		
Aug. 03		Credit ceilings placed on distri- bution and personal sectors			
Aug. 18	Cash reserve ratio increased to 8%				
Sept. 16			Extension of special scheme to include small retailers		
Sept. 27		New and existing mortgages exempted			

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1977 (cont'd)					
Sept. 28		Minimum down-payments and re-payment periods for instalment credit revised			
Nov. 09				Loans funded from abroad excluded from average lending rate	
Dec. 01					Central Bank offers swap transactions in US dollars
1978					
Aug. 01				Minimum rate on savings increased to 3%	
Nov. 01		Home improvement loans with a maturity of five years or over exempted from personal sector limit			
Nov. 23		Stipulations on instalment credit changed			
1979					
Feb. 14		Ceiling on credit to distribution sector increased by 10%			
Aug. 20		Stipulations on instalment credit revised			

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1979 (cont'd)					
Dec. 24		Limits on distribution and personal sector redefined. Additional exemptions allowed from personal sector credit limit			
1980					
Apr. 15			Bank rate increased by 1 % point to 7%		
Apr. 16		Two categories of housing loans no longer eligible for exemption			
May 01				Minimum savings rate and average loan rate increased to 5% and 11% respectively and prime lending rate to 9.5%	
Jun. 01		Ceiling on credit to personal sector reviewed			
Sept. 22		Ceiling on credit to distribution sector raised			
Oct. 27		Insurance loans for small property exempted from personal sector limit			

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1981					
Jan. 01			Increase in Bank rate to 10%	Minimum saving rate increased to 7%, average loan rate to 12.5 % and prime lending rate to 9.5%	
Apr. 07					Repatriation of Trinidad dollars terminated
Aug. 27			Increases in the spread between the Central Bank discount rate and commercial banks on-lending rate		
Sept. 07		Loans for solar water heaters exempted from personal sector limit			
Sept. 11		Amendments made to instalment credit schedule			
Oct. 01		Lowering of limit on credit to personal sector	Increase in bank rate to 18%	Minimum rate on savings deposits increased to 8%, average lending rate to 14.5%, and prime lending rate to 13%. Mortgage rate on residential mortgages increased to 12% and 14% for commercial mortgages	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1981 (cont'd)					
Oct. 26			Bank rate increased to 22%		
Oct. 27				Average lending rate increased to 15%	
Nov. 04	Requirements increased to 12% for treasury bills and 5% for debentures				
1982					
Mar. 31	Requirement for treasury bills increased to 14%				
Mar. 18		A concession made on instalment credit stipulations for locally manufactured stereo equipment			
Mar. 22			Increase in all discount rates		
Oct. 01			The bank rate was reduced to 20% and discount rates reduced by 1% point.	Minimum interest rate on savings deposits was lowered to 7%, the minimum lending rate to 12% and the average lending rate to 14%	
Oct. 11			Rate for non-sugar agriculture reduced by 1% point.		

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1982 (cont'd)					
Nov. 19	Government guaranteed bonds of BSIL included in stipulated securities				
Dec. 01				Minimum interest rate on savings deposits was reduced to 6%, the minimum lending rate to 10%, the average lending rate to 13% and mortgage rate for residential mortgages to 11% and for commercial mortgages to 13%	
1983					
Jan. 10					Jamaica formalized parallel market
Feb. 21					Barbados dollar floated against the Jamaica dollar
Mar. 31					CMCF suspended

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1983 (cont'd)					
Apr. 01		Bridging loans for house construction exempted from personal limit	Bank rate reduced to 16%	Minimum rate on savings deposits reduced to 5% , minimum lending rate to 9%. The average lending rate was reduced in two stages: 12% by April 30 and 11.5 % by June 30.	
May 03					Buying and selling rate for Venezuelan Bolivar now fixed by Central Bank
Jun. 13				Maximum rate under interest rate act reduced to 9% for deposits	
Oct. 01				Mortgage rates reduced to 10% for residential mortgages and 12% for commercial	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1983 (cont'd)					
Dec. 15				Interest rate act amended	
1984					
Jan. 11					Guyana specified the composite basket of currency which determine the Guyana dollar exchange
Mar. 09		House repair loans made through Housing Guarantee Loan Fund exempted from interest on personal sector			
Apr. 01				Rate on new mortgages set at 1% point above rate on existing mortgages	
Jun. 19		Credit ceiling on distribution sector redefined and frozen			

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1984 (cont'd)					
July 01				Average lending rate raised to 12% and the rate on existing and new residential mortgages to 11% and 13% respectively	
Nov. 01			Increases in the spread between the Central Bank discount rate and commercial banks on-lending rate		
1985					
Feb. 01				Average lending rate lowered by 1% point to 11%	
Apr. 01				Maximum interest rate on some mortgages reduced by 1% point	
May 15		Ceiling on credit to distribution sector increased by 10%		Average lending rate and maximum deposit rates lowered to 10% and 4% respectively	
May 20			Bank rate lowered to 13%		

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1985 (cont'd)					
Sept. 01				The maximum interest rate on all residential mortgages was reduced to 11% . Rates on commercial mortgages no longer subject to control	
Dec. 01			Central Bank discount rate lowered by 1% point for manufacturing and tourism. Commercial banks' on-lending rate reduced by 2% points.		
Dec. 18					Trinidad and Tobago dollar devalued by 33.33%
1986					
Apr. 01				Average lending rate decreased to 9.5 % and maximum rate on variable residential mortgages lowered to 10%	
Apr. 03			Bank rate reduced by 2% points to 11%		
May 22		Instalment credit schedule amended in respect of motor vehicles			
Sept. 15			Bank rate reduced by 3% points to 8%	Minimum interest rate on savings decreased by 1% point to 3%	
Sept. 17	Required holdings of debentures increased from 5% to 8%				

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1986 (cont'd)					
Oct. 01				Maximum rate on residential mortgages was reduced to 9% p.a.	
Nov. 21		New instalment credit stipulations introduced for refrigerators and stoves			
1987					
Jun. 05		Credit ceiling removed from distribution and personal sectors			
1988					
Feb. 01				The average lending and minimum savings deposit rates increased to 10.5% and 4% respectively	
Aug. 17					Trinidad & Tobago dollar was devalued
1989					
Sept. 20			Bank rate increased 3.5% points to 11.5% p.a.		

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1989 (cont'd)					
Oct. 16		Credit controls re-introduced to banks and financial institutions. They are required to reduce their level of credit to the personal and distributive sectors, and consumer instalment credit by 5%			
Nov. 06				Average lending rate set at 12.5% and minimum savings rate at 6% p.a.	
Dec. 04			Bank rate increased by 2% points to 13.5%		
1990					
Jun. 01		Credit for solar water heaters and medical expenses exempted from credit ceiling	More funds made available to commercial banks for on-lending to selected industries	Minimum savings rate lowered to 5.5% and the average lending rate to 11.5% p.a.	
Nov. 01					Jamaica suspended its bilateral clearing arrangements between regional Central Banks
1991					
Feb. 21					Guyana adopted a floating exchange rate
May 02		Land purchases, loans for houses already built and home improvements were lifted from the ceiling on the personal sector		Mortgage rate for new houses increased from 9% to 10% p.a.	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1991(cont'd)					
Aug.01			The discount rate for special schemes increased by 1.5% points.	Minimum savings rate raised to 7% p.a. and the ceiling on residential mortgage for existing and new houses was fixed at 11% p.a. The ceiling on the average lending rate was removed	
Aug. 15	The required treasury bill holdings raised from 14% to 16%				
Sep. 01			Bank rate was raised to 16%.		
Oct. 16	Holdings of treasury bills increased by 1% point to 17%				
Oct. 30					Existing trade payment arrangement with Jamaica no longer applicable
Nov. 11			Bank rate moved from 16% to 18%		
Dec. 04		Indicative monthly credit limits set for commercial banks			
1992					
Jun. 12				The Rate of Interest Order 1973 was revoked	
Jul. 01			Bank rate lowered by 3% points to 15%		

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1992 (cont'd)					
Aug. 17				The minimum savings rate was reduced to 6% p.a.	
Sept. 11			Reduction in bank rate to 12%		
Sept. 15	Treasury bill requirement reduced to 15%			The minimum savings rate was lowered to 4% p.a. The residential mortgage rate was deregulated	
Sept. 28		Hire purchase limits on selected items were removed			
1993					
Apr. 19					Trinidad & Tobago moved from a fixed exchange rate to a floating system. Central Bank no longer provide rates to authorised dealers
May 01	Cash reserve ratio was lowered to 6%	All ceilings on credit and credit controls were discontinued	The bank rate lowered by 4% points to 8%		
Nov. 01				The minimum savings rate moved up 1% point to 5% p.a.	
1994					
Mar. 15				The minimum rate on all interest bearing deposits was set at 4% p.a.	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
1994 (cont'd)					
Dec. 01			Increase in bank rate to 9.5 %	The minimum rate on all interest bearing deposits was raised to 5% p.a.	
1995					
Nov. 27			Bank rate raised to 12.5 %		
1997					
May 31	Cash reserve ratio was reduced to 5% and the security requirement moved to 20% of deposit liabilities		Bank rate moved to 9%	The minimum interest rate on all interest bearing deposits was lowered to 4% p.a.	
1999					
May 04			Bank rate increased to 10%		
May 31	Cash reserve ratio was increased from 5% to 6%				
Nov. 22				The minimum interest rate on deposits was raised to 5% p.a.	
2000					
Sept. 01	The security requirement was reduced from 20% to 19% of deposits			The minimum rate of interest payable on deposits reduced from 5% to 4.5% p.a.	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
2001					
Feb. 01	Individual ratios in respect of holdings of treasury bills and debentures were replaced with a single security ratio of 19% applicable to all stipulated Government securities				
April 01			Bank rate reduced from 10% to 9.5%	The minimum rate of interest payable on deposits reduced from 4.5% to 4% p.a.	
July 18	Total reserve requirement was reduced from 25% to 24% of deposit liabilities with the cash reserve ratio moving from 6% to 5%		Discount rate on temporary advances reduced from 9.5% to 8.5%	Indicative weighted average lending rate of interest on loans should be no higher than 10% by August 01, 2001 and 9.5% by September 01, 2001. The minimum rate of interest payable on deposits was reduced from 4% to 3.5% p.a.	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
2001(cont'd)					
Oct. 16				Indicative weighted average rate of interest on loans from commercial banks was reduced. The weighted average lending rate was to be no higher than 9% by November 01, 2001 and 8.5% by December 01, 2001. The minimum rate of interest payable on deposits was reduced from 3.5% to 3% p.a.	
Dec. 27			The discount rate on temporary advances reduced from 8.5% to 7.5%		
2002					
Mar. 15	The total reserve requirement was reduced from 24% to 23% of deposit liabilities, with securities requirement moving from 19% to 18% of deposit liabilities			Maximum weighted average lending rate, under the Central Bank Act, was set at 8.5% p.a.	

Chronological Summary

Effective Dates	Commercial Banks Cash Reserves and Security Requirements	Credit Controls	Advances & Rediscounts	Interest Rates	Exchange Rates
2002 (cont'd)					
Oct. 04				The Central Bank instructed commercial banks that by December 31, 2002 the weighted average lending rate should be reduced from 8.5% to 8% and the minimum interest rate on deposits from 3% to 2.5% p.a.	
Nov. 01	The securities requirement was reduced from 18% to 16%				
Dec. 31				Minimum deposit rate dropped to 2.5% and average weighted lending rate to 8.0%	
2003					
April 14				The indicative weighted average rates of interest on loans from commercial banks were discontinued.	
2004					
Feb. 16	The securities requirement was reduced from 16% to 12%				
Mar. 15				The minimum interest rate on deposits was reduced from 2.5% to 2.25%	



CHRONICLE OF CENTRAL BANK POLICY

Legal Cash Reserve Requirement for Commercial Banks

December 03, 1973

The Central Bank introduced a 2% legal cash reserve requirement on total commercial bank deposit liabilities (excluding inter-bank deposits) to be met in the form of a non-interest-bearing deposit with the Central Bank.

September 05, 1974

The cash reserve requirement was doubled to 4% of total deposit liabilities. Commercial banks were allowed to include cash holdings (in Barbados currency) along with their balances at the Central Bank.

August 01, 1975

The cash reserve requirement was increased from 4% to 6%.

August 18, 1977

The ratio was further increased to 8%.

September 30, 1991

The maximum legal penalty rate charged by the Central Bank on commercial banks overdraft position and on reserve deficiencies with the Central Bank, increased to 32%.

November 28, 1991

The penalty interest rate was increased to 36% from 32%.

May 01, 1993

The cash reserve ratio was reduced to 6%.

May 31, 1997

The cash reserve ratio was reduced to 5%.

May 31, 1999

The cash reserve was increased from 5% to 6%.

July 18, 2001

The cash reserve moved from 6% to 5%.

Securities Requirements for Commercial Banks

December 03, 1973

The Central Bank stipulated that commercial banks maintain not less than 1% of their total deposit liabilities (excluding inter-bank liabilities) in Government of Barbados treasury bills. Banks were allowed three months (to the end of February 1974) to meet the requirement, with holdings to increase by at least 1% point during each of these months.

September 05, 1974

Commercial banks were required to increase their minimum holdings of government securities (treasury bills and debentures) from 3% to 6% of total deposits, by 1% point each month at the end of September, October and November 1974.

March 24, 1975

Commercial banks were required to hold a minimum of 8% of their total deposits in treasury bills and debentures, the latter to constitute at least 2%.

August 01, 1975

The requirement was further increased to 9%; banks should hold a minimum of 6% in treasury bills and a minimum of 3% in debentures. The Central Bank agreed to treat holdings of bonds issued by statutory bodies as part of debenture holdings. As a temporary measure, excess holdings of treasury bills were allowed to cover any deficiencies in debenture holdings.

December 31, 1976

Commercial banks were directed to increase their holdings of government securities from 9% to 12% of deposit liabilities with holdings of Government debentures constituting at least 4%. The latter requirement could be covered with holdings of bonds issued by statutory bodies. The Treasury bill holding should be at least 8%.

November 04, 1981

Commercial banks were required to increase their

holdings of government securities to 17% of their total deposit liabilities of which debenture holdings should not be less than the equivalent of 5% of deposits, and treasury bills 12%.

March 31, 1982

The Central Bank further increased the securities requirement to 19%. Debentures remained at the 5% minimum, but treasury bills increased to 14%.

November 19, 1982

The Central Bank advised commercial banks that holdings of Barbados Sugar Industry Bonds could be used to satisfy the required holdings of government securities.

September 17, 1986

The securities requirement was increased from 19% to 22%, distributed as follows: treasury bills 14% and debentures 8%, an increase of 3% points.

August 15, 1991

The securities requirement was raised by 2% points to 24% of deposits with a minimum of 8% in debentures or other long-term bonds, and 16% in treasury bills.

October 16, 1991

The securities requirement was raised by a further 1% point to 25% of deposits, 17% in treasury bills and 8% in debentures or other government guaranteed bonds.

September 15, 1992

The securities requirement was reduced by 2% points to 23% of deposits with 15% in treasury bills and not less than 8% in debentures or government guaranteed bonds.

May 31, 1997

The securities requirement was lowered from 23% to 20% with treasury bills constituting 12% and not less than 8% in debentures or Government guaranteed bonds.

September 1, 2000

The securities requirement for commercial banks was lowered from 20% to 19% of deposits, with treasury bills at 11% and debentures or Government guaranteed bonds remaining at 8%.

February 01, 2001

The individual ratios in respect of holdings of treasury bills and debentures were replaced with a single liquid assets ratio of 19% of deposits applicable to stipulated Government securities.

March 15, 2002

Securities requirement moved from 19% to 18% of deposit liabilities.

November 01, 2002

Securities requirement was reduced from 18% to 16%.

February 16, 2004

Securities requirement was reduced from 16% to 12%.

Selective Credit Controls

March 01, 1974

Foreign borrowing by commercial banks to finance domestic credit operations was restricted. All such borrowings were to be referred to the Central Bank.

June 15, 1976

Commercial banks operating in Barbados were required to hold locally any provisions set aside to cover bad and doubtful debts. Provisions held at head offices abroad were to be repatriated to Barbados or set off against profits payable to head offices.

January 21, 1977

The Central Bank directed commercial banks not to expand consumer instalment credit - excluding credit for home improvement, real estate and consolidation of debt - beyond the level existing at January 21, 1977. They were also to effect a progressive reduction to 75% of the total on that date, by the end of December 1977. Banks were advised that credit for tourist travel would fall within this limit.

May 19, 1977

Banks were advised not to refinance consumer debts contracted after the implementation of the Hire Purchase and Credit Sale Orders dated February 9, 1977 in the form of consolidation of debt.

August 03, 1977

A ceiling was placed on credit outstanding for the distribution and personal sectors at the level obtained on June 30, 1977. It was agreed that banks could exceed the ceiling to honour existing commitments, but not to accommodate new loans or increases in existing lines of credit. Banks were also requested to restrict to periods not exceeding nine months, their advances for foreign travel either directly to customers or under arrangements with travel agents and airlines.

September 27, 1977

New and existing mortgage loans were excluded from the limit set at June 30 if the original or extended maturities exceeded 15 years.

October 05, 1978

The Central Bank allowed banks to grant new loans or increases in existing lines of credit for the distributive and personal sectors, provided these were completely offset by equivalent reductions in the unused credit limits of other customers in the sectors concerned.

November 01, 1978

Loans for house repairs and home improvement with maturity of five years or more were exempted from the limit for personal loans.

February 14, 1979

The limit set for the distribution sector was adjusted; a 10% increase over the average for the three-month period, November 1978 to January 1979, was permitted for the year ended December 1979.

December 24, 1979

For 1980, an increase of 10% was allowed on balances outstanding on December 12, 1979 for the distribution and personal sectors. This increase was to take place in two stages, the first 5% by June 30, 1980 and a further 5% by December 30, 1980.

Mortgage loans with an original or extended maturity exceeding 15 years and loans for house repairs and home improvement with a maturity of five years or more were exempted.

Consumer instalment credit was to be maintained at a level no greater than 75% of the total outstanding on January 21, 1977. This limitation excluded consumer

instalment credit for "home improvement and real estate" and "consolidation of debts", provided they could be accommodated within the limit to the personal sector.

April 16, 1980

The Central Bank decided that loans in two categories relating to housing were no longer eligible for exemption from the limits on personal loans. These were:

1. Mortgage loans with an original or extended maturity of 15 years or less.
2. Loans for house repair, home improvement and real estate with a maturity of five years or more.

June 01, 1980

As of June 1, 1980, credit to the personal sector was not to exceed a limit 5% above the level outstanding at December 31, 1979.

The following loans were exempted:

1. Mortgage loans with a maturity exceeding 15 years, and with a minimum of 25% down payment.
2. Mortgage loans of \$15,000 and less.
3. House repair loans of \$5,000 or less.

September 22, 1980

The credit ceiling for the distribution sector was raised to 12.5% for the period December 31, 1979 to December 31, 1980. Personal sector credit remained at the level set at June 30, 1980.

October 27, 1980

Loans for insuring small properties were exempted from the limits imposed on the personal sector provided the following conditions were met:

1. The insurable value of the property was less than \$30,000.
2. The rates charged on the contracts were less than \$10 per thousand dollars insured value.

3. Payment of the premium was made directly by the lending bank to the insurance company.

December 30, 1980

Commercial banks were instructed to maintain the level of credit outstanding to the personal and distributive sector, at the ceiling set at September 22, 1980, for an indefinite period.

September 07, 1981

Loans of \$5,000 or less for the installation of solar water heaters were exempted from the limit on personal loans.

October 01, 1981

The limit on credit to the personal sector set at September 22, 1980 was reduced by 10% over the period ending March 31, 1982. Total credit outstanding for consumer durables and consolidation of debt was reduced by 10% of total consumer credit outstanding at August 31, 1981, for the period ending March 31, 1982.

Credit to the distribution sector was to be maintained at the ceiling set at December 30, 1980.

Credit which was not specifically allocated to any sector was frozen at the level outstanding at the end of September 1981.

April 01, 1983

Bridging loans for house construction were exempted from the limit on lending to the personal sector.

March 09, 1984

House repair loans of \$8,000 or less made through discounts under the Housing Guarantee Loan Fund were exempted from the limit on lending to the personal sector.

June 19, 1984

The credit ceiling on the distribution sector was fixed at the level outstanding at March 31, 1984. This limit was not to be exceeded to meet commitments under unutilized lines of credit.

The limit on mortgage loans for chattel houses was raised from \$15,000 to \$25,000.

May 15, 1985

The ceiling on credit to the distribution sector was increased by 10% calculated in the following manner:

1. The existing limit of each bank was increased by 5%.
2. The remaining 5% was distributed in such a way that each bank received an equal dollar allocation.

The ceiling on credit to the personal sector set at March 31, 1982 remained unchanged. However, all lending for housing related activities was exempted from credit limits. The exemptions were as follows:

1. Mortgage loans for the purchase of land and houses.
2. Loans for the purchase of chattel houses.
3. House repair loans.
4. Bridging loans for house construction.
5. Loans made through discounts under the Housing Guarantee Loan Fund.
6. Loans of \$5,000 or less for the installation of solar water heaters.

The ceiling on consumer credit also remained unchanged. However, loans to buy taxis, commercial vehicles and rented cars were exempted from the limit. Exemptions from the limit on consumer credit were:

1. Loans for home improvement and real estate.
2. Loans for the purchase of commercial vehicles, taxis and rented cars.

June 05, 1987

The credit ceilings were removed from all credit extended by commercial banks and non-bank financial institutions to the distribution and personal sectors (including consumer credit).

October 16, 1989

Credit ceilings were re-introduced, commercial banks and non-bank financial institutions were directed to reduce, by December 31, their credit outstanding to the distributive and personal sectors and also the level of consumer credit outstanding by 5% of the total credit outstanding at August 31, 1989.

June 01, 1990

Banks were advised that companies whose main activity is in the distributive sector, but are also involved in activities in the tourism, agricultural or manufacturing sectors, could now have new credit for these activities exempted from the limit to the distributive sector.

Credit for the installation of solar water heaters and for medical expenses was exempted from the ceiling on the personal sector.

May 02, 1991

The following loans were exempted from the credit ceiling on the personal sector:

1. Loans for the purchase of land.
2. Loans for houses built before April 2, 1991.
3. Loans for home improvement and house repairs.

December 04, 1991

Global credit ceilings were set for commercial banks for the months of December 1991, and January and February 1992. The ceiling for February was to be maintained through March 1992.

May 01, 1993

The ceilings on all credit extended by commercial banks and other non-bank financial institutions were removed.

August 1, 2001

Central Bank reintroduced selected credit controls by setting an indicative rate on credit to businesses.

Commercial Bank's weighted average lending rate on select loans was to be no more than 10%.

September 1, 2001

The indicative weighted average lending rate on select loans was not to exceed 9.5%.

October 11, 2001

Commercial Banks were allowed to omit credit cards (personal) from the calculation of the weighted average lending rate.

November 1, 2001

The indicative weighted average lending rate on select loans was not to exceed 9.0%.

December 1, 2001

The indicative weighted average lending rate on select loans was reduced to 8.5%.

March 15, 2002

The Central Bank's select credit control policy of setting maximum weighted average lending rate was published in the Official Gazette.

December 31, 2002

The Ceiling on the weighted average lending rate was lowered to 8.0%.

April 14, 2003

The Central Bank discontinued the setting of the ceiling on the weighted average lending rates on select loans.

Hire Purchase Controls

October 17, 1975

The Hire Purchase Credit Sale and Hire Purchase Control Act, 1975-34 came into force. This Act gave the Central Bank the power under ministerial supervision to control all credit in these areas by issuing statutory orders.

February 09, 1977

Guidelines were set for instalment agreements, stipulating minimum percentage down payments and maximum repayment periods for items sold under hire purchase contracts. See Table 2a.

September 28, 1977

The minimum down payments on instalment credit were increased and most repayment periods reduced. See Table 2b.

November 23, 1978

The stipulations changed as shown in Table 2c.

August 20, 1979

Stipulations amended as shown in Table 2d.

September 11, 1981

Amendments as shown in Table 2e.

March 18, 1982

A concession was offered on locally manufactured stereo equipment as shown in Table 2f.

May 22, 1986

Schedule amended in respect of motor cars as shown in Table 2g.

November 21, 1986

New stipulations were introduced which reduced the minimum down payments for stoves and refrigerators and lengthened the repayment periods for stoves. See Table 2h.

September 28, 1992

Stipulations on freezers, refrigerators, stoves and washing machines were removed from the schedule.

Central Bank's Advances, Rediscounts and Short-term Lending to Commercial Banks *

December 03, 1973

The rediscounting of commercial bank paper with the Central Bank was introduced in December 1973. Discounts were mainly for loans to the sugar industry under the Agricultural Aids Act (Laws of Barbados CAP 1973-28). The maximum allowable interest was 8%. The Central Bank charged a discount rate 1% point below the interest rate on the discounted note.

August 14, 1974

The Central Bank extended its rediscounting scheme to finance non-sugar agriculture, manufacturing and tourism. The rate of interest at which commercial banks could on lend was set at 9% for small firms and 11% for large businesses. The Central Bank's discount rate was set 1.5% points less than the rate charged by the commercial banks.

September 12, 1974

Temporary advances were made available to commercial banks for a period not exceeding 14 days at an interest rate of 10.5 %. This is the rate usually referred to as the 'bank rate'.

November 13, 1974

Funds were made available directly to the Sugar Industry Agricultural Bank to assist plantations in financing the planting and cultivation of sugar cane.

March 01, 1975

During the year 1975 the Central Bank reduced the bank rate and the discount rates under the special rediscounting schemes to commercial banks by 1% point on three occasions. In each case it was stipulated that the margin at which banks were permitted to on-lend was not to exceed the Central Bank rate by more than 1.5% points. On March 01, the bank rate was reduced to 9.5%, other discounts were set at 8.5 % for agricultural paper not under the Agricultural Aids Act, 6.5% for loans to small enterprises and 8.5% for loans to large enterprises in manufacturing and tourism.

June 01, 1975

The bank rate was reduced from 9.5% to 8.5%. Rates for all discounts were lowered by 1% point.

October 01, 1975

The bank rate was further reduced to 7.5 % per annum and all other rates were reduced by 1% point.

May 01, 1976

The bank rate was reduced to 7% and discount rates were lowered by 0.5% point.

December 01, 1976

The bank rate was reduced to 6% and discount rates

* See Table 3

were reduced by 1% point.

July 19, 1977

The Central Bank extended the special rediscount scheme to include market research for the promotion of exports.

August 02, 1977

The maximum period for which the Central Bank extended temporary advances to commercial banks was reduced from fourteen to seven days.

September 16, 1977

The Central Bank assigned \$1 million for rediscounts to small retailers. Commercial banks were allowed a difference of 2% points between their lending rate to small enterprises and the Central Bank rediscount rate. The differential for other discounts remained at 1.5% points. Credit extended to small retailers under this scheme was exempted from the limits imposed on commercial bank credit on June 30, 1977.

April 15, 1980

The bank rate was raised by 1% point to 7%. The rediscount rate for sugar marketing paper increased by 1% point to 6% per annum.

January 01, 1981

The bank rate was increased by 3% points to 10%.

A ceiling of BDS\$50 million was placed on credit for the marketing of sugar given by the Central Bank. The rate of discount for sugar marketing paper was also raised from 6% to 7.5 %.

August 27, 1981

Commercial banks were allowed an additional 0.5% point on the spread between Central Bank discount rates and their rates to customers. The Central Bank's rediscount rate for agricultural paper was 3% while the commercial bank's maximum on-lending rate was 5%. The Bank's discount rate for financing of non-sugar agriculture, industries, tourism and small retailers was 3% for small enterprises and 5% for large enterprises. Commercial banks were allowed to on-lend at 5.5% to small enterprises and 7% to large enterprises.

October 01, 1981

The bank rate was raised from 10% to 18%.

October 26, 1981

The Central Bank increased the bank rate from 18% to 22%.

March 22, 1982

The Central Bank's rate for agricultural paper was increased by 1% point; rates for other sectors increased by 2% points for small enterprises and by 3% points for large. For agricultural paper the maximum on-lending rate was 4% points above the Central Bank's rate; in other cases the spread was 3% points and 2% points, respectively, for small and large enterprises.

October 01, 1982

The bank rate was reduced by 2% points to 20%. The rates applicable under the Central Bank's special schemes for refinancing of commercial paper were reduced by 1% point for the tourism industry and small retailers.

October 11, 1982

Discount rates on commercial paper under the Central Bank's special schemes for financing non-sugar agriculture were reduced by 1% point for both small and large enterprises.

April 01, 1983

The bank rate was reduced by 4% points to 16%.

November 01, 1984

The Central Bank lowered its discount rate to commercial banks for manufacturing and tourism from 7% to 4% for small firms and from 9% to 5% for large enterprises. The maximum on-lending rates charged by banks were increased from 9% and 7% to 10% for all enterprises.

May 20, 1985

The bank rate was reduced from 16% to 13%.

December 01, 1985

The Central Bank rate to commercial banks for manufacturing and tourism fell from 4% to 3% for small enterprises and from 5% to 4% for large. The maximum

on-lending rates charged by banks were lowered from 10% to 8% for all enterprises.

April 03, 1986

The bank rate was lowered by 2% points to 11%.

September 15, 1986

The bank rate was reduced further to 8% per annum.

September 20, 1989

The bank rate increased by 3.5 % points to 11.5%.

November 09, 1989

The Bank enhanced its special rediscount scheme to make sure that funds were available to export industries, the manufacturing, tourism and the non-agricultural sectors. The Bank made additional funds available to commercial banks for on lending to customers for capital purposes such as for the purchase of new equipment and/or fixed assets.

The Bank also waived the requirement to submit written orders in support of requests for working capital finance.

December 04, 1989

The Bank Rate was raised from 11.5% to 13.5%.

June 01, 1990

The Bank agreed to make a further \$10 million available to commercial banks for on-lending to the tourism, manufacturing, non-sugar agriculture and export industries.

August 01, 1991

The discount rate charged under the Central Bank's special discount schemes was increased by 1.5% points.

September 01, 1991

The Bank Rate moved from 13.5% to 16%.

November 11, 1991

The Bank Rate was further increased by 2% points to 18%.

July 01, 1992

The Bank Rate was lowered by 3 % points to 15%.

September 11, 1992

The Bank Rate was reduced further to 12%.

May 01, 1993

The Bank Rate was reduced from 12% to 8% per annum.

December 01, 1994

The Bank Rate was increased from 8% to 9.5% per annum.

November 27, 1995

The Bank Rate was increased from 9.5% to 12.5% per annum.

May 01, 1997

The Bank Rate was reduced from 12.5% to 9% per annum.

May 04, 1999

The Bank rate to commercial banks increased from 9% to 10%.

April 1, 2001

The Bank rate to commercial banks was lowered from 10% to 9.5%.

July 18, 2001

The Bank rate on temporary advances to commercial banks was reduced from 9.5% to 8.5%.

December 27, 2001

The Bank rate on temporary advances from the Central Bank to commercial banks was reduced from 8.5% to 7.5%.

Central Bank Finance for the Barbados Development Bank

October 13, 1977

A \$4 million line of credit was approved for the Barbados Development Bank (BDB), at an interest rate of 5%.

July 01, 1978

The interest charged on the credit facility for the BDB was reduced to 4%.

July 14, 1980

The Central Bank increased its line of credit to the BDB to \$6 million. The rate of interest remained at 4%.

February 01, 1981

The Central Bank invested \$2 million in the equity of the BDB, using funds set aside in the Special Credit Trust established under section 4.1 of the Central Bank Act.

February 15, 1982

The Central Bank invested a further \$3 million in BDB equity.

March 17, 1983

The Central Bank invested another \$1 million in BDB equity, bringing its holdings to \$6 million.

May 09, 1984

The Bank made an additional \$1 million investment in BDB equity.

November 01, 1984

The rate of interest charged on the line of credit was increased to 5%.

March 20, 1986

The Bank increased its line of credit to the BDB from \$6 million to \$10 million. The rate of interest remained at 5%.

July 01, 1989

The rate of interest charged on the line of credit was increased to 6%.

December 31, 1995

The BDB ceased operations but continues as a legal entity until its assets and liabilities have been transferred to successor entities.

December 11, 1996

The Central Bank reduced the line of credit to the Barbados Development Bank from \$10 million to \$9 million.

Central Bank Limits on its Treasury Bill Holdings

January 10, 1974

The Board of Directors fixed a limit of \$10 million on the Central Bank's holdings of Barbados Treasury Bills.

May 23, 1974

The ceiling was raised to \$12 million on the understanding that \$2 million would be a float to facilitate open market operations.

February 18, 1975

The ceiling was raised to \$20 million.

August 26, 1976

The ceiling was raised to \$30 million.

January 20, 1977

The ceiling was raised to \$40 million.

November 17, 1977

The ceiling was raised to \$50 million.

July 23, 1981

The ceiling was raised to \$75 million.

September 17, 1981

The ceiling was raised to \$100 million.

Special Schemes of the Export Credit Insurance and Guarantees Department

Export Credit Insurance and Guarantees

June 30, 1978

The Central Bank implemented a scheme to provide export finance guarantees (pre-shipment) to commercial banks and export credit insurance (post-shipment) coverage for exporters. The export finance guarantees protected commercial banks against losses arising out of non-payment of pre-shipment financing by exporters. The export credit insurance protected exporters against trading risks as well as risks arising out of circumstances beyond the control of exporters and overseas buyers.

Credit Guarantee Scheme for Small Business

September 17, 1979

A Credit Guarantee Scheme was introduced to assist small enterprises unable to provide adequate security when applying for loans. Commercial banks and other financial institutions could obtain a guarantee to the extent of: (i) 80% of any loss incurred for advances guaranteed for up to one year and (ii) 70% of any loss incurred in excess of one year.

February 01, 1981

The maximum rate of interest to be charged on loans granted under this scheme was fixed at 11%. All new loans were to be guaranteed at 80%.

October 01, 1981

The maximum rate of interest under the scheme was fixed at 13%.

October 01, 1982

The maximum rate of interest was reduced to 12%.

December 01, 1982

The maximum rate of interest was reduced to 10%.

January 01, 1991

The Scheme was revised to enable small enterprises with higher levels of capital investment and sales to qualify for guarantee facilities.

The range of loan facilities eligible for guarantee was expanded to include tender bids and contract bonds. The maximum loan limit for working capital and the purchase of fixed assets and/or equipment was increased and the maximum repayment period extended. The maximum percentage of any loan to be guaranteed remained at 80%.

The maximum rate of interest commercial banks could charge on loans guaranteed under the scheme is the average lending rate for commercial banks as fixed by the Central Bank. The current rate remained at 11.5%.

August 29, 1991

The Central Bank advised commercial banks that the rate of interest to be charged on loans guaranteed under the scheme was not to exceed commercial banks' prime

lending rate.

August 01, 1994

In order to make the scheme more appealing to small prospective borrowers as well as the credit institutions financing their operations the following amendments were made:

1. *Percentage of Loan Guaranteed*

For new (start-up) businesses the percentage of loan guaranteed by the Central Bank was increased from 80% to 90% provided there is an equity contribution of at least 20% by the borrower and the business has not been in operation for more than eighteen months.

(N.B. this change is applicable only to new small businesses and does not apply to the already established small businesses).

2. *Loan Repayment Period*

The maximum period for loan repayment was increased from five (5) years to seven (7) years. The repayment period for working capital may be extended for the same period as that for repayment of fixed asset loans in cases where the working capital can be classified as "permanent working capital" and is directly related to loans granted for fixed asset purchases.

3. *Rate of Interest*

The maximum rate of interest to be charged by credit institutions on guaranteed loans under the scheme shall be "prime plus 2%".

4. *Technical Assistance Loans*

The category of medium term facilities has been expanded to include technical assistance loans up to a limit of BDS\$50,000 for any one borrower (i.e. within the overall limit of BDS\$100,000 for medium term facilities).

5. *Eligible Borrowers*

The range of loan facilities eligible for guarantee was expanded to include computer and information services, ancillary tourism services and other trades.

The maximum limits for loans eligible for guarantee

remain unchanged at \$50,000 for short-term facilities and \$100,000 for medium term facilities.

January 02, 1997

The following revisions were made to the Scheme:

1. The interest rate ceiling on guaranteed loans was removed.
2. The maximum limits on loans eligible for guarantee was increased.
3. The cost of preparing the loan proposal may be included in the principal sum to be guaranteed.
4. Commercial banks and other approved financial institutions were allowed to approve loans for guarantee under delegated authority.

May 15, 2001

The enactment of the Small Business Development Act, has necessitated the following amendment to the Credit Guarantee Scheme for Small Business.

To qualify as an eligible small business, the borrowers must **either** be a company incorporated under the Companies Act and approved as a Small Business in accordance with the Small Business Development Act, 1999-23 **or** meet the eligibility criteria listed below:

1. Gross sales/revenue must not exceed BDS\$2,000,000 per annum.
2. Stated or paid-up capital must not exceed BDS\$1,000,000.
3. Is majority Barbadian owned.
4. Is not controlled by a business whose reserves and/or capital or non-Barbadian ownership exceed the limits above.
5. For an enterprise engaged in agriculture, acreage under cultivation must not exceed 25 acres.

The following revisions were made:

1. The term commercial banks replaced with credit institutions.
2. The maximum guarantee for loss for loans to start-up enterprises were increased from 80% to 90%; and for existing companies from 75% to 80%.
3. Credit institutions registered under the scheme for at least one year and have a total of ten loans guaranteed to the satisfaction of the Central Bank **may** be granted delegated authority to approve loans up to \$25,000, an increase from \$20,000.
4. The equity contribution in the business reduced from 25% to 20%.
5. The first loss deductible for claims reduced from 20% to 10%.
6. The waiting period for submission of a claim reduced from 120 days to 60 days from the due date of payments or from the date of the notice of demand whichever is the later.
7. The Bank may designate any institution registered under the Financial Institutions Act and providing facilities to small businesses as a retailer of loans guarantees.

Export Rediscount Facility

December 1981

The Central Bank of Barbados in co-operation with the Venezuelan Trust Fund of the Inter-American Development Bank launched an Export Rediscount Facility using a short-term revolving line of credit of US\$1 million from the Venezuelan Trust Fund.

Barbadian exporters of non-traditional goods were offered discounts from commercial banks at preferential rates of interest to be rediscounted at the Central Bank. The Central Bank's rediscount rate to commercial banks was set at 8% and commercial banks' discount rate to exporters at 12%.

September 01, 1982

The Central Bank's rediscount rate to commercial

banks was increased to 9% and the commercial banks' discount rate to exporters to 13%.

December 01, 1982

The Central Bank's rediscount rate to commercial banks was reduced to 8% and the commercial banks' rate to exporters to 12%.

May 28, 1983

The IDB line of credit increased from US\$1 million to US\$2 million.

November 01, 1983

The Central Bank's rediscount rate was lowered to 7% and the commercial banks' rate to 11%.

September 01, 1991

The Central Bank's rediscount rate was increased from 7% to 8.5% per annum and the maximum on-lending rate to importers increased by 1% to 12% per annum.

November 15, 1992

The interest rate charged by Central Bank was lowered to 8% per annum. The on-lending rate to exporters was not to exceed 11.5% per annum.

October 17, 1995

The Central Bank's rate was reduced from 8% per annum to 6.5% per annum and the commercial banks' rate to exporters was not to exceed 9.5% per annum.

July 26, 1996

The line of credit from the IDB was not renewed. An alternate line of credit was made available from the Industrial Credit Fund in November 1996.

Barbados Investment Fund

July 10, 1992

The Barbados Investment Fund (BIF) is an equity capital fund established in 1992 by the Central Bank and the Caribbean Financial Service Corporation (CFSC). The Fund has been capitalized at BDS\$6 million, of which BDS\$5 million is contributed by the Central Bank and the other BDS\$1 million by CFSC, which is also the fund's manager.

The objective of the fund is to encourage and assist

in the provision of new equity investment for small and medium sized enterprises and to assist in the alleviation of problems of over reliance on loan capital from commercial banks and other lending institutions.

April 26, 1996

The Central Bank contributed an additional BDS \$3 million to the Fund's capital bringing the Bank's portion to BDS \$8 million.

December 31, 1997

An additional BDS\$1 million was contributed to the Fund's capital by the Central Bank. This brought the Central Bank's contribution to BDS\$9 million.

Industrial Credit Fund

September 30, 1983

The Industrial Credit Fund (ICF), administered by the Central Bank, was launched to provide medium and long-term credit to entrepreneurs. It was funded by a loan of US\$10.5 million from the World Bank. The ICF lends to financial intermediaries at a three-month variable rate applied to outstanding and new advances.

August 31, 1991

The European Investment Bank (EIB) agreed to make available to the Government of Barbados a loan of 4,200,000 ECUs for the purpose of assisting in the financing of projects in the industrial, agro-industrial and tourism sectors. Drawings on the loan which is administered by the Central Bank through the Industrial Credit Fund began in January 1992.

January 26, 2001

The resources of the Industrial Credit Fund, which is administered by the Central Bank, will fund the Tourism Loan Fund of BDS \$30 million, which was established by Government to provide loan financing at concessionary rates of interest to small, medium size hotels, and ancillary enterprises operating in the tourism sector.

May 02, 2001

The Industrial Credit Fund (ICF) has expanded its scope to include information and technology, construction and engineering, research and development, consulting services, health services, management and other professional services.

Special loan facilities have been provided for enterprises engaged in restructuring, retooling or re-equipping of operations as follows:

1. Additional loan facility of up to \$3.0 million to be made available to any one such ICF beneficiary.
2. Interest 2% above the ICF's rate to the financial intermediaries.
3. Repayment period: up to a maximum of fifteen (15) years.
4. This special loan facility cannot exceed 50% of any existing regular ICF loan.

Non-bank financial institutions registered under the Financial Institutions Act are eligible to access ICF funding, subject to their meeting satisfactory financial standards criteria as determined by the Bank.

The general terms and conditions for ICF loans have been amended as follows:

1. The ceiling for individual ICF loans have been increased from \$4.0 million to \$5.0 million.
2. The free limit for financial intermediaries have been increased from \$300,000 to \$450,000.
3. The percentage of project financing eligible for ICF funding has been increased from 70% to 80% for new projects, and 80% to 90% for project expansions.
4. Interest rate: Financial intermediaries will not be permitted to vary the interest rate on ICF loans by more than 2% (upwards or downwards) in any one (1) year.

The Tourism Loan Fund will be managed by the Enterprise Growth Fund and will provide direct financing to hotels with seventy-five (75) rooms or less and to businesses operating in the areas of natural, historical and cultural heritage.

Housing Credit Fund

February 01, 2004

The Central of Barbados assumes responsibility for the management of the Housing Credit Fund (HCF), previously administered by the Ministry of Housing, Lands and the Environment.

The HCF operates as a second tier mortgage market wholesaler and provides funds to financial institutions, which in turn on-lend to individual borrowers. The Fund commenced operations in 1982 with initial funding of Bds\$20.0. The Fund's portfolio is currently valued at over Bds\$100 million.

Enhanced credit guarantee scheme

This Scheme is sponsored and administered by the Central Bank of Barbados in recognition of the need to assist businesses in the foreign exchange-sectors which may be adversely affected by the events of September 11, 2001 in the U.S.A.

Eligible Borrowers

To be eligible the borrower may be an individual, partnership a corporate body, or an association of individuals, and must have the ability to contract loans and other credit facilities.

The following criteria must be met to qualify:

1. The enterprise must be a foreign exchange earner, or a supplier to an enterprise earning foreign exchange.
2. Foreign exchange earnings must be at least 75% of gross revenue, or 75% of gross revenue must be from sales to enterprises earning foreign exchange.

Credit Facilities Guaranteed

Credit facilities guaranteed should be net amount of new credit advanced to the enterprise.

The maximum amount of credit facilities eligible for guarantee should not exceed BDS\$2.0 million. Eighty percent (80%) of the loan will be guaranteed by the Central Bank.

Guarantees for medium-term facilities may be provided up to a maximum of ten (10) years. Only fixed term loans will be eligible for guarantee.

Extent of Guarantee

The Scheme offers commercial banks and other credit institutions protection against losses arising from the failure of borrowers to repay their loans. The risks covered under the guarantee are:

1. Insolvency of the borrower.
2. Protracted default by the borrower.

All advances given under short-term and/or medium term guaranteed facilities will remain covered. In the event of loss, the Central Bank will indemnify the credit institutions to the extent of 80% of the loss.

Rates of Interest and Premium

Interest on credit facilities guaranteed under the Scheme should not exceed the average cost of funds plus a margin of 3.5%.

A guarantee premium of 1.75% payable annually, in advance by the credit institution, on the amount guaranteed.

Interest Rates

When the Central Bank began operations in 1973 the maximum interest rate on deposits was fixed at 8% under the provisions of the Interest Rate Act 1970-47.

October 08, 1973

Interest rates were permitted to float.

October 17, 1973

Ceilings were re-established with maximum deposit rates as follows:

1. Deposits \$10,000 and under, 8%.

2. Deposits over \$10,000 and under \$25,000, 9%.
3. Deposits of \$25,000 and over, 10%.

February 01, 1975

A new structure of interest rates payable on deposits at commercial banks was introduced with maximum rates as follows:

1. For deposits of less than \$1,000, 7%.
2. For deposits over \$1,000, the maximum rates were fixed according to deposit maturity.
3. For maturities not exceeding six months, 8%.
4. For maturities over six months but not exceeding one year, 9%.
5. For maturities over one year but not exceeding two years, 9.5%.
6. For maturities over two years, 10%.

May 01, 1976

A ceiling of 10% was placed on the interest rates for mortgage loans made by trust companies, Barclays Finance Corporation (Barfincor) and other mortgage institutions. Limits were fixed for other charges collected on mortgages.

May 31, 1976

The Central Bank directed commercial banks to take steps to reduce their prime and average lending rates to not more than 8.5% and 10% per annum respectively. It was subsequently agreed that banks could exclude consumer instalment loans when calculating the average lending rate.

September 10, 1976

The Central Bank approved the following negotiation and commitment fees on private mortgages of Trust Companies and Barfincor:

1. *Negotiation Fees*
 1. \$50 on loans up to \$50,000;
 2. \$100 on loans in excess of \$50,000 but

not more than \$100,000.

3. Fees on loans over \$100,000 negotiable.

2. *Commitment Fees*

Two percent per annum could be charged after approval of a loan up to the date of disbursement of funds.

November 09, 1977

Commercial banks were advised that loans made with funds borrowed from abroad could be excluded when calculating the average lending rate of 10%.

August 01, 1978

Commercial banks were directed to increase the minimum rate paid on all savings deposits to not less than 3% per annum.

May 01, 1980

The Central Bank advised commercial banks to increase the minimum savings rate to 5% the average interest rate on loans to 11% and the prime lending rate to 9.5%.

January 01, 1981

The minimum interest rate on savings deposits was increased to 7% per annum; the average rate to 12.5% and the prime lending rate moved from 9.5% to 11%. The ceiling on mortgage rates remained at 10% for residential mortgages and 12% for commercial mortgages.

October 01, 1981

The minimum interest rate on savings deposits was raised from 7% to 8%. All other rates were increased by 2%. The prime lending rate was increased to 13%, the average lending rate to 14.5% and the mortgage rate to 12% for residential mortgages and 14% for commercial mortgages.

October 27, 1981

The average lending rate was increased 0.5% point to 15%.

October 01, 1982

Commercial banks were advised to reduce most

interest rates by 1% point. The minimum interest rate on savings deposits moved to 7%; the 'minimum lending rate' hitherto referred to as the 'prime lending rate' to 12% and the average lending rate to 14%.

December 01, 1982

The minimum interest rate on savings deposits was lowered to 6%, the minimum lending rate to 10%, the average lending rate to 13%, and the mortgage rate to 11% for residential and 13% for commercial mortgages.

April 01, 1983

The minimum rate on savings deposits was reduced to 5% and the minimum lending rate to 9%. The average lending rate was reduced in two stages, to 12% by April 30 and to 11.5% by June 30, 1983.

In computing the average lending rate the commercial banks were directed to exclude:

1. Consumer installment loans.
2. Foreign currency loans (made with funds borrowed from abroad).
3. Staff loans including staff mortgages.
4. Agricultural loans rediscounted with the Central Bank.
5. Non-interest bearing loans.

June 13, 1983

On the Bank's recommendation, the maximum rate set for deposits over one year under the rate of Interest Act was reduced by 1% point to 9%. This rate is applicable only to non-bank financial institutions.

October 01, 1983

Interest rates on mortgage loans were reduced to 10% for residential mortgages and 12% for commercial.

November 15, 1983

Under the Rate of Interest Act, the maximum interest rate payable on deposits for a term exceeding one year was reduced to 8%.

December 07, 1983

Loans made through discounts with the ICF were excluded from the computation of the average lending rate.

December 15, 1983

The Rate of Interest Act was amended to allow the Central Bank, subject to the approval of the Minister of Finance, to fix the rates and so avoid delays in implementing changes.

April 01, 1984

The Central Bank advised commercial banks and other residential mortgage institutions that the maximum rate on existing mortgages should remain at 10% but new residential mortgages given after April 1, 1984 should be at 11%.

July 01, 1984

The average lending rate was raised from 11.5% to 12%. The maximum rate on existing residential mortgages was increased to 11% per annum. The maximum rate for all other mortgages (including commercial mortgages) was not to exceed 13%.

February 01, 1985

The Central Bank lowered the average lending rate by 1% point to 11%.

April 01, 1985

The maximum interest rate on variable residential mortgages contracted on or after July 01, 1984, was reduced from 13% to 12%.

May 15, 1985

The minimum interest rate on savings deposits was reduced from 5% to 4%. The average lending rate was lowered to 10% from 11%.

September 01, 1985

The maximum interest rate on all residential mortgages was reduced to 11%. Central Bank's limits on commercial mortgage rates were removed.

April 01, 1986

The average lending rate was reduced by 0.5% point to 9.5% per annum, while the maximum rate on

variable interest residential mortgages was lowered from 11% to 10%.

September 15, 1986

The minimum interest payable on savings deposits was reduced from 4% to 3%.

October 01, 1986

The maximum rate on residential mortgages was reduced from 10% to 9%.

February 01, 1988

The minimum interest rate payable on savings deposits was increased from 3% to 4% per annum. The average lending rate was raised from 9.5% per annum to 10.5% per annum.

November 06, 1989

The minimum savings deposit rate was raised by 2% points to 6% and the average lending rate from 10.5% to 12.5% per annum.

June 01, 1990

The minimum savings deposit rate was lowered by 0.5% point to 5.5% and the average lending rate from 12.5% to 11.5% per annum.

May 02, 1991

The maximum interest rate on residential mortgages for new houses was increased from 9% to 10% per annum.

August 01, 1991

The ceiling on the average lending rate was removed. The minimum savings deposit rate was raised from 5.5% per annum to 7% per annum. The ceiling on the residential mortgage rate for old and new houses was increased and unified at 11% per annum.

June 12, 1992

The Rate of Interest Order, 1973 was revoked by the Minister.

August 17, 1992

The minimum savings deposit rate was reduced from 7% to 6%.

September 15, 1992

The minimum savings deposit rate was further reduced from 6% to 4%. The Central Bank deregulated the residential mortgage rate. Commercial banks and other non-bank financial institutions could now set their own mortgage rates.

November 01, 1993

The minimum savings deposit rate increased by 1% to 5% per annum.

March 15, 1994

The minimum rate of interest payable on all interest bearing deposit accounts at banks was fixed at 4% per annum.

December 01, 1994

The minimum rate of interest payable on all interest bearing deposit accounts at banks was raised from 4% to 5% per annum.

May 01, 1997

The minimum rate of interest payable on all interest bearing deposit accounts was lowered from 5% to 4% per annum.

November 22, 1999

The minimum interest rate on deposits was raised to 5% per annum.

September 1, 2000

The minimum rate of interest payable on deposits at commercial banks was reduced from 5% to 4.5%.

April 1, 2001

The minimum rate of interest payable on deposits at commercial banks reduced from 4.5% to 4%.

July 18, 2001

The minimum interest rate payable on deposits reduced from 4% to 3.5%.

Indicative weighted average lending rate of interest on loans should be no higher than 10% by August 01, 2001 and 9.5% by September 01, 2001.

October 16, 2001

The minimum interest rate payable on deposits at

commercial banks was reduced to 3%.

Indicative average lending rate was to be shifted down to 9.0% by November 01, 2001 and 8.5% by December 01, 2001.

December 31, 2002

The minimum interest rate on all deposits at commercial banks was lowered to 2.5%. Average lending rate was moved to 8.0%.

April 14, 2003

The indicative weighted average rates of interest on loans from commercial banks were discontinued.

March 15, 2004

The minimum interest rate on deposits at commercial banks was reduced to 2.25%.

Exchange Control

Summary

January 01, 1973

The Minister of Finance and Planning delegated his functions as Exchange Control Authority to the Central Bank.

February 28, 1974

The Exchange Control Act, Laws of Barbados CAP 71, was amended to provide for full Exchange Control System between Barbados and the rest of the world. (Previously, transactions between Barbados and other Sterling Area countries were not controlled). Payments to or on behalf of individuals and companies resident outside Barbados now required exchange control permission.

For exchange control purposes, non-resident refers to all persons, firms or companies resident outside Barbados. Their accounts were re-designated external accounts. All currencies other than the Barbadian dollar were considered foreign currency.

Residents holding securities in foreign currencies were required to deposit the certificate of title with the authorised depositories.

Purchase of Barbadian real estate by non-residents required exchange control permission; such purchases for private use could no longer be financed with local

credit.

March 01, 1974

All exchange control applications were to be submitted through authorised dealers and authorised depositories.

Foreign funds invested in Barbados were to be registered so as to facilitate repatriation of profits, dividends, amortisation, etc. The application for remittance must be accompanied by a duplicate copy of the form issued when funds were originally registered.

July 28, 1980

Permission to grant limited payments for sundry items was given to authorised dealers. See details in relevant section below.

October 05, 1982

Delegated authority to authorised dealers for the payments of imports of crude oil and derivatives was revoked. From this date all payments required the prior permission of the Central Bank.

November 15, 1988

The ceilings on the amount of foreign exchange commercial banks could approve without reference to the Central Bank, were raised for imports, education, travel, cash gifts. See relevant heads below for details.

April 05, 1994

The Central Bank further liberalised exchange control by delegating to commercial banks, additional authority to approve a greater number of foreign exchange transactions without reference to the Bank. These transactions included imports, travel, cash gifts, medical treatment and sundry payments. See relevant section below for details.

For the first time, banks were permitted to open foreign currency accounts in the names of companies operating in Barbados on the advice of the Central Bank, within prescribed limits.

January 23, 1995

Permission was given to issue a dual currency credit card in both US and Barbados dollars, subject to certain conditions.

March 01, 1995

The Central Bank introduced another phase of the Exchange Control liberalisation programme. Commercial banks were granted additional authority to release foreign exchange for dividends, profits and interest, imports, education, management fees and royalties, insurance and sundry payments. (See details below)

In addition, commercial banks were permitted to open foreign currency accounts for non-resident individuals and Barbadian nationals residing abroad, without limit, where the foreign exchange emanates from abroad.

Resident individuals earning at least BDS\$50,000 and companies operating in Barbados earning a minimum of BDS\$100,000 a year in foreign exchange and have regular payments to make, could now hold a foreign currency account without reference to the Central Bank.

May 25, 1995

Central Bank gave approval for the use of credit cards, denominated in foreign currency, to make foreign purchases within existing travel allowances, (excluding goods imported using sight drafts, trade credits etc.) but including advance payments for imports, mail orders, education or other purchases. Residents may continue to hold any cards held by them.

Commercial banks will continue to stamp passports in respect of all purchases abroad with the credit cards.

Settlements of purchases abroad by non-residents will continue to be from an external account of foreign currency source.

Where facilities have been exceeded, dealers must obtain the approval of the Central Bank before remitting the excess of the credit card dealer. Residents of Barbados are not allowed to use credit cards denominated in foreign currency in Barbados.

March 8, 1997

Refund of income tax to persons resident outside Barbados subject to the authorized amount by the Commissioner of Inland Revenue.

Refund of Value Added Tax to companies operating in the Offshore Sector subject to the amount authorized by the Comptroller of Customs.

October 01, 1997

The Central Bank implemented the third phase of the exchange control liberalisation programme. Banks were delegated additional authority to approve payments ranging from BDS\$5,000 to BDS\$250,000 without reference to the Central Bank.

The areas affected are travel, education, medical, imports and sundry. See details in relevant section.

Non-resident holders of foreign currency accounts no longer need to apply to Central Bank for approval to remit funds abroad.

Businesses may now issue change in the same currency in which tourists make purchases.

November 18, 1997

Additional authority was given to authorised dealers with respect to remittance of dividends, profits, interest and rentals from real estate to non-residents.

The Central Bank of Barbados will continue to consider applications for amounts in excess of BDS\$250,000 for Dividend/profits, interest, rentals or real estate. Special conditions apply. See details in relevant section.

In addition:

Authorised dealers have authority to give permission for certain payments to be made, which falls, outside the scope of other regulations (sundry payments). However, where management fees and royalties are payable the relevant documentation between residents and non-residents must first be approved by the Central Bank of Barbados before payments are made. In addition, authorised dealers must be satisfied that all the necessary documentary evidence is produced and that all procedures are followed before payments are made.

September 7, 1998

The Central Bank undertook the fourth phase of Exchange Control liberalization by delegating all transactions in East Caribbean dollars and increasing the emigration allowance. See relevant section for details.

April 20, 1998

Charges in respect of visa fees, examination fees, subscription to magazines periodicals, and books not for resale, cost of reports, telephone charges personal loans, maintenance, financial assistance and other

miscellaneous items limited to BDS\$500 per transaction.

No documentation is necessary. Where authorised dealers are unsure of the validity of the claim, it should be referred to the Central Bank of Barbados.

April 01, 2001

Commercial banks were permitted to approve all transaction in respect of payments outside of Barbados for education and medical treatment. See relevant sections for details.

June 03, 2002

Permission to release foreign currency for insurance and freight payments was given to authorised dealers. See details in relevant section below.

April 15, 2003

Amendments to sundry payments dated November 18, 1997. See details in relevant section below.

July 15, 2003

Commercial banks were given permission to approve applications for investment transactions. See details in relevant section below.

September 15, 2003

Commercial Banks were given permission to approve applications to transfer funds from Barbados to CARICOM countries in respect of all current transactions, with the exception of certain specified transactions. See details in relevant section below.

January 15, 2004

Commercial Banks in Barbados may, without the approval of the Central Bank, approve applications to transfer funds from Barbados to CARICOM countries for prepayments of imports and management services rendered. See details in relevant section below.

June 01, 2004

Commercial banks were given the authority to approve applications without limit in respect of investment transaction with CARICOM countries. There were also given authority to approve applications to transfer funds from Barbados to CARICOM countries. See details in relevant section below.

Details of Exchange Control Changes

Travel

March 29, 1974

Private travel allowances were increased from BDS\$1,000 to BDS\$1,500 per person per year.

Business travel allowances were increased from BDS\$1,000 to BDS\$4,500 per person per year.

Residents travelling abroad could carry cash equivalent to BDS\$100 and foreign currency up to the equivalent of BDS\$500 per person. Non-residents travelling outside of Barbados were allowed BDS\$500 per person per year for private or business travel. Additional funds could be obtained if payment was made from an external account in foreign currency, or with the proceeds of foreign currency previously brought into Barbados.

August 1, 1980

Allowances for business travel were revised to allow for BDS\$200 a day up to a maximum of BDS\$4,000 per person per year for travel within CARICOM and BDS\$200 a day up to a maximum of BDS\$6,000 a year for travel outside CARICOM.

September 26, 1984

The value of Barbados currency notes that residents travelling abroad may take out was increased to BDS\$200. The value of foreign currency notes remained at BDS\$500.

November 15, 1988

Holiday travel up to BDS\$2,000 per person per calendar year.

Business travel BDS\$500 per day up to a maximum of BDS\$10,000 per person per calendar year.

April 05, 1994

Holiday travel abroad BDS\$5,000 per person per calendar year.

Business travel abroad BDS\$40,000 per person per calendar year.

October 01, 1997

Up to a maximum of BDS\$7,500 per person is allowed per calendar year for private travel.

Business Travel BDS\$750 per day up to a maximum of BDS\$50,000 per person per calendar year.

Travellers from Barbados will be allowed to take out BDS\$1,000 in foreign currency notes and BDS\$500 in Barbados notes.

Education and Emigration

March 29, 1974

The allowance for educational expenses abroad was increased from BDS\$2,500 to BDS\$5,000 per person for an academic year.

The basic emigration allowance for nationals remained at BDS\$24,000 per family unit per year.

November 15, 1988

Education moved up to BDS\$20,000 for each academic year.

March 01, 1995

Education overseas up to BDS\$40,000 per person per academic year.

October 01, 1997

Education allowed up to BDS\$50,000 per person per academic year.

September 7, 1998

The normal emigration allowance was increased from BDS\$30,000 to BDS\$100,000 per annum per family unit.

April 01, 2001

Authorised dealers may, without the prior approval of the Central Bank of Barbados, approve applications for payments to residents of Barbados to cover the cost of the following items of expenditure arising from education outside Barbados:

1. Enrolment and tuition fees.
2. Boarding or accommodation charges whether payable to the educational institution or otherwise. Payment must not be made more than one academic year in advance.
3. The cost of books.

Authorised dealers should be satisfied that documentary evidence of a valid student's visa and a letter of acceptance from the institution concerned for the first academic year was presented; and if the resident is already abroad that a valid letter stating that he/she has been allowed to continue his/her education at that institution.

Medical

April 05, 1994

Medical treatment BDS\$50,000 per patient.

October 01, 1997

Payment for medical treatment overseas up to BDS\$100,000 per applicant per calendar year for residents of Barbados.

April 01, 2001

Authorised Dealers may, without the prior approval of the Central Bank of Barbados, approve resident's applications for the transfer of funds subject to the following conditions:

1. A certificate from the applicant's local physician that it is necessary for the applicant to go abroad for medical treatment.
2. Verification of the certificate by the Chief Medical Officer, Ministry of Health in Barbados.
3. The executing bank should mark the amount of foreign currency released on the certificate.
4. The executing bank must affix the registration number on the customer's Barbados Identification Card at Section 1 of the Form FC (Not for Imports) accompanied by the relevant documentary evidence.

External Accounts

May 17, 1974

Foreign nationals holding work permits in Barbados and operating bank accounts locally could freely credit their net salaries to an external account, provided they were treated as non-residents.

Debits from such accounts to other external

accounts could not exceed 25% of the net annual salary credited to the account concerned in any year without the permission of the Central Bank.

August 1, 1980

Payments by residents in Barbados to residents outside the CARICOM area, other than South Africa may be made in Barbados dollars to an external account with a bank in Barbados or in any foreign currency.

June 23, 1976

Authorised dealers were required to obtain permission from the Central Bank to redesignate as External Accounts, the local bank accounts of residents leaving Barbados to take up permanent residence abroad.

September 01, 2001

External Accounts may be credited with :

1. Payments from other External Accounts.
2. Bank interest payable on External Accounts and on accounts, which are subject to directions imposed under Section 36 of the Exchange Control Act, CAP 71.
3. Net dividends paid by companies in Barbados to non-resident shareholders of non-CARICOM countries not exceeding BDS\$250,000 per non-resident. Dividend warrants must be presented to authorised dealers.
4. The full amount of the net dividends paid by companies in Barbados to non-resident shareholders of CARICOM countries on presentation of dividend warrants to authorised dealers.
5. Other payments by residents of Barbados for which permissions have been given by the Central Bank of Barbados, either generally or specifically.
6. The proceeds of sale of foreign currency as defined in paragraph 3(b) of Exchange Control Circular Number 1 of February 28, 1974.

Foreign Currency Accounts

March 01, 1995

Commercial banks were permitted to open foreign currency accounts for non-resident individuals and Barbadian nationals residing abroad, without limit, where the foreign exchange emanates from abroad. Resident individuals earning at least BDS\$50,000 and companies operating in Barbados earning a minimum of BDS\$100,000 a year in foreign exchange and have regular payments to make, could now hold a foreign currency account without reference to the Central Bank.

October 01, 1997

Non-resident holders of foreign currency accounts no longer need to apply to Central Bank for approval to remit funds abroad.

Imports

November 15, 1988

Imports moved up to BDS\$20,000 (C.I.F).

April 05, 1994

Prepayments of merchandise imports up to BDS\$50,000 per transaction.

March 01, 1995

Prepayments for imports into Barbados up to BDS\$100,000 (C.I.F).

October 01, 1997

Advanced payments (prepayments) for imports BDS\$250,000 per non-resident beneficiary.

June 3, 2002

Authorised dealers were permitted to release foreign currency for insurance and freight payments relating to the importation of goods into Barbados in respect of the actual amount due to the insurance and freight companies /agents.

January 15, 2004

Imports from CARICOM were delegated fully to authorised dealers. See details under CARICOM.

Sundry Payments

July 28, 1980

Authorised dealers were allowed to grant

permission for limited amounts for sundry payments including:

1. Advertising by local firms.
2. Loan repayments by individuals.
3. Insurance and official payments.

November 15, 1988

Other selected sundry payments BDS\$500 per transaction.

April 05, 1994

Sundry payments such as commissions, periodical, books for personal use, advertising, dividends etc. BDS\$5,000 or actual amount.

March 01, 1995

Sundry payments up to BDS\$50,000 per non-resident beneficiary.

October 01, 1997

Other sundry payments such as advertising abroad, legal fees, fees for registration of trademarks, commission agents, film processing, architectural fees and refunds of deposits and reimbursement of over-paid accounts, Banks can approve up to BDS\$100,000 per non-resident beneficiary.

November 18, 1997

Payments can be made for:

1. Advertising by Barbadian firms and companies up to the limit of BDS\$100,000 per non-resident beneficiary.
2. Alimony and other maintenance payments due under Order of Court up to a limit of BDS\$50,000 per non-resident beneficiary.
3. Charges and fees in connection with the processing of legal documents abroad. Up to a limit of BDS\$100,000 per non-resident beneficiary.
4. Charges and fees in connection with grants and

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- registration, such as patents, designs and trademarks up to a limit of BDS\$100,000.
5. Commissions due by Barbadian firms and companies to their agents and representative outside Barbados up to a limit of BDS\$100,000 per non-resident beneficiary.
 6. Cost of correspondence courses entered into with foreign institutions, societies including deposits BDS\$50,000 for each course.
 7. Dividends due by companies up to an amount of BDS\$250,000 per transaction per non-resident beneficiary payable by a Barbadian company.
 8. Entrance and subscription fees due to clubs, societies and non-resident credit and travel card companies outside Barbados up to a limit of BDS\$50,000 per non-resident beneficiary. Payment on credit card for travel services outside Barbados is not allowed.
 9. Film processing up to a limit of BDS\$100,000 per non-resident beneficiary.
 10. Insurance payments and premiums excluding investment, pension and surplus funds. The full amount due is allowed to non-resident beneficiary.
 11. Insurance premiums (on policies expressed in foreign currencies which were issued prior to March, 1974). The actual amount of premium payable to non-resident company is allowed.
 12. Loan repayments by individuals where the loan was approved by the Central Bank of Barbados up to a limit of BDS\$50,000 per annum.
 13. Official payments by and remittance for services rendered to Government ministries, department, agencies and statutory boards. The amount must be certified by the Permanent Secretary, the Accountant General or the Chief Executive of the Board of the particular agency.
 14. Pensions (but not commutation of pensions) due to Barbadian nationals permanently residing abroad; up to the amount paid to any one recipient is allowed.
 15. Refund of income tax to persons resident outside Barbados. Limited to the amount of the refund authorised by the Commissioner of Inland Revenue.
Refund of Value Added Tax to companies operating in the Offshore Sector. Limited to the amount of the refund authorised by the Comptroller of Customs.
 16. Returns and refunds of deposits, reimbursement of overpaid accounts, and short postage payments. Limited to BDS\$100,000 per non-resident beneficiary.
- September 01, 2001*
- Sundry payments such as charges and fees in connection with grants and registration, etc. of patents designs and trademarks; the full amount due to the non-resident beneficiary is allowed.
- Authorised dealers must be satisfied from documentary evidence that payment is due, and is not made on behalf of a non-resident.
- Entrance and subscription fees due to clubs and societies BDS\$50,000 per non-resident beneficiary is allowed.
- Entrance and subscription fees due to non-resident credit and travel card companies outside Barbados, not including payments on credit cards for travel services outside Barbados, the full amount due to the non-resident beneficiary is allowed.
- June 3, 2002*
- Authorised dealers with relevant documentation were authorised to pay the full amount due to a non-resident beneficiary for the following:
1. Advertising by Barbadian firms and companies.
 2. Commissions and fees due by Barbadian firms and companies to their agents and representative outside Barbados.

Authorised dealers, base on documentary evidence, can make cash currency swaps by in-port ships and cruise-liners – limited to the amount of foreign currency received.

April 15, 2003

Authorised dealers with relevant documentation were authorised to pay the full amount due to a non-resident beneficiary for the following:

1. Entrance and subscription fees to clubs, societies and non-resident credit and travel card companies outside Barbados, but **not** payment on credit cards entitling holders to travel services outside Barbados.
2. Returns and refunds of deposits, reimbursement of overpaid accounts and short postage payments.
3. Subscriptions for magazines, etc., and cost of books purchased (in all cases for personal use and not for sale).

Cash Gifts

July 28, 1980

Barbadian residents were allowed a maximum of BDS\$100 per year through commercial banks for cash gifts without referring to the Central Bank.

November 15, 1988

Cash gifts increased to BDS\$500 per donor.

April 05, 1994

Cash gifts BDS\$1,000 per donor per calendar year.

October 01, 1997

Cash Gifts must not exceed BDS\$5,000 per donor per calendar year.

Credit Cards

Septembers 01, 1980

Residents may be issued credit cards for use exclusively for travel services abroad within their travel allowances.

Commercial banks must mark residents passports with the value of travel services obtained by them

abroad with the credit card. They should also check to make sure that the travel facilities have not been exceeded.

In the event where authorised facilities have been exceeded, banks should only reimburse credit card companies to the extent of the authorised limit only. The excess should only be remitted after Central Bank's approval is obtained.

Residents of Barbados are not allowed to use credit cards in Barbados. Non-residents may use credit cards in Barbados provided settlements are made from external accounts or from foreign currency sources.

May 25, 1995

Credit cards, denominated in foreign currency, could be used to make foreign purchases within existing travel allowances, (excluding goods imported using sight drafts, trade credits etc.) but including advance payments for imports, mail orders, education or other purchases. Residents may continue to hold any cards held by them.

Commercial banks will continue to stamp passports in respect of all purchases abroad with the credit cards. Settlements of purchases abroad by non-residents will continue to be from an external account of foreign currency source.

Where facilities have been exceeded, dealers must obtain the approval of the Central Bank before remitting the excess of the credit card dealer. Residents of Barbados are not allowed to use credit cards denominated in foreign currency in Barbados.

October 01, 1997

Subscription fees in respect of credit cards up to BDS\$50,000 per non-resident beneficiary.

Dividends, Profits and Interest.

March 01, 1995

Dividends, profits and interest up to BDS\$100,000 per transaction.

October 01, 1997

Dividends, profits and interest BDS\$250,000 per non-resident beneficiary. Special conditions apply.

November 18, 1997

Authorised Dealers may approve remittance abroad

of dividends and profits up to an amount of BDS\$250,000 per transaction per non-resident.

Remittance of interest abroad may be approved up to an amount of BDS\$250,000 per transaction per non-resident.

September 01, 2001

The full amount is allowed to non-resident beneficiaries in non-CARICOM countries up to an amount of BDS\$250,000 per transaction per non-resident beneficiary payable by a Barbadian company.

Management Fees and Royalties

March 01, 1995

Management fees and royalties up to BDS\$250,000 per transaction.

January 15, 2004

Commercial Banks, without the prior approval of the Central Bank were authorised to approve applications to transfer funds from Barbados to CARICOM countries for management services rendered to residents of Barbados by non-residents from CARICOM countries.

Loan Repayments

March 01, 1995

Loan repayments by individuals (principal and interest) up to BDS\$20,000 per annum.

October 01, 1997

Loan repayments by individuals are allowed (principal & interest) up to BDS\$50,000 per annum for principal and interest.

Insurance Payments

November 18, 1997

The full amount was allowed for official payments and for insurance payments, excluding investment, pension and surplus funds as long as the amount is approved by Supervisor of Insurance.

CARICOM

October 01, 1997

Authority has been given to the Securities Exchange of Barbados for the purchase and sale of shares listed on CARICOM Stock Exchanges to the value of BDS\$2 million.

September 7, 1998

The Central Bank delegated all transactions in East Caribbean dollars between residents of Barbados and residents of the Organisation of Eastern Caribbean States (OECS) to commercial banks.

September 01, 2001

No limit on dividends and profits remitted to non-resident beneficiaries of CARICOM.

June 03, 2002

Without reference to the Central Bank of Barbados, authorised dealers may approve applications in respect of bequest or inheritances due to beneficiaries resident in CARICOM countries under the terms of will or intestacies of persons who were treated as residents for Exchange Control purposes. No limit for CARICOM beneficiaries.

July 01, 2003

The limit for transactions which may be executed by the Barbados Stock Exchange without prior reference to the Central Bank has been increased from BDS\$3 million to BDS\$5 million.

This limit applies to the purchase and sale of shares and securities cross-listed and cross-traded on any of the stock exchanges in the member states of CARICOM, but does not include government securities.

All investment transactions over BDS\$5 million in listed equities in CARICOM countries must be approved by the Central Bank.

July 15, 2003

The Central Bank authorised commercial banks to approve applications up to a limit BDS\$250,000 in respect of investment transactions in private sector unlisted equities in CARICOM countries. The commercial banks are required to vet the authenticity and record details of the investment for periodic submission

to the Central Bank of Barbados.

September 15, 2003

The Central Bank delegated all current transactions between Barbados and CARICOM countries to be approved by Commercial banks.

The exceptions to the above to which special limits or restrictions apply are as follows:

1. Charges in respect of personal loans, maintenance and financial assistance* (excluding education related maintenance).
2. Cash Gifts*.
3. Private travel and business travel*.
4. Advance payments for imports into Barbados in excess of Bds\$250,000.
5. Management services rendered to residents of Barbados by non-residents of Barbados*.
6. Foreign Currency Accounts for resident individuals earning more than Bds\$50,000 a year in foreign currency.
7. Foreign Currency Accounts in the name of companies operating in Barbados.
8. Merchandise imports in excess of Bds\$5,000 without documentation, such as fruits, vegetables, and miscellaneous items from CARICOM countries on behalf of small traders.
9. Current payments, including principal and interest, in respect of loans not previously approved by the Central Bank.
10. Bona fide remittance requests without documentation are allowed up to Bds\$500. Commercial Banks may refer any request to the Central Bank when in doubt about its validity.
11. The existing limits on capital account transactions remain.

12. *The limits applicable to both CARICOM and non-CARICOM transactions will continue to apply.

January 15, 2004

All investments in corporate securities in the form of equities cross-listed and cross-traded on the stock exchanges in CARICOM may, without limit, be approved by the Barbados Stock Exchange without reference to the Central Bank of Barbados. However, this does not include any government securities cross-listed and cross-traded on these stock exchanges.

Authorised dealers may without the prior approval of the Central Bank of Barbados approve applications to transfer funds from Barbados to CARICOM countries in respect of the following current transactions:

1. Prepayment for imports into Barbados from CARICOM countries.
2. Management services rendered to residents of Barbados by non-residents from CARICOM countries.

June 01, 2004

Commercial banks may without the prior approval of the Central Bank of Barbados approve applications without limit in respect of investment transactions in private unlisted equities in CARICOM countries. Vetting the authenticity of the investments still apply as at July 15, 2003.

Commercial banks may without the prior approval of the Central Bank of Barbados, approve applications to transfer funds from Barbados to CARICOM countries in respect of personal loans, maintenance and financial assistance. Authorised Dealers are expected to ensure that all transactions involving the transferral of the funds are authentic, failing this transactions must be referred to the Central Bank of Barbados.

Pension Funds

October 01, 1997

Investors will be allowed to invest abroad the lesser of BDS\$250,000 or 25% of local funds available for investment per quarter.

Rentals From Real Estate

October 01, 1997

Rentals from real estate BDS\$250,000 per non-resident beneficiary.

November 18, 1997

Remittance abroad of rentals from real estate may be approved up to an amount of BDS\$250,000 per transaction per non-resident.

Rentals from Real Estate - Applicants should supply the following detail: name of owner of property and gross rental payable, income tax deducted and net amount to be transferred.

Estates and Intestacies of Deceased Residents of Barbados

June 03, 2002

No limit for CARICOM beneficiaries. See CARICOM section.

Authorised dealers may approve applications in respect of bequests or inheritances, which are due to beneficiaries not resident in CARICOM countries under the terms of wills or intestacies of persons who were treated as residents for Exchange Control purposes at the date of their death. Approval at the rate of BDS\$100,000 per non-resident beneficiary per annum is allowed.

The following documentary evidence must be presented:

1. A copy of the will or, in the case of an intestacy, a copy of the relevant letters of administration.
2. A certificate of clearance from the Commissioner of Inland Revenue that all taxes, duties and other payments payable by the estate of the deceased, have been discharged.
3. Confirmation by the applicant that at the date of the death of the deceased, the beneficiary was a non-resident of Barbados.

Applications in excess of BDS\$100,000 must be referred to the Central Bank of Barbados.

Exchange Rates and Foreign Currency Dealings

January 25, 1974

At the request of the Bank of Guyana, the Central Bank terminated its special arrangements for buying Guyana bank notes from commercial banks and repatriating them to the Bank of Guyana.

January 30, 1974

Arrangements for the purchase and repatriation of Jamaica bank notes were terminated, at the request of the Bank of Jamaica.

February 28, 1974

Bank notes issued by the East Caribbean Currency Authority ceased to be legal tender in Barbados.

April 30, 1974

British Caribbean Currency Board coins ceased to be legal tender in Barbados.

February 12, 1975

The Central Bank advised commercial banks that it was prepared to buy and sell US dollars. The Bank began to regulate the commercial banks' buying and selling rates to the public for transactions in US dollar notes, telegraphic transfers and demand/sight items in US currency.

July 05, 1975

The Minister of Finance and Planning, after consultation with the Central Bank, repegged the Barbados dollar to the US dollar at a central rate of BDS\$2 to US\$1. This ended the fixed relationship of BDS\$4.80 to £1(4s 2d sterling to one Barbados dollar), which had remained unchanged since 1938.

October 09, 1975

The Bank commenced the sale of Canadian dollars to commercial banks. The Bank had been purchasing Canadian dollars since 1974 when it began its foreign exchange operations.

April 22, 1977

Jamaica adopted a dual exchange rate system. The rate for official transactions and some specified

purchases remained unchanged, and a second rate (depreciated 37.5%) was introduced for all other transactions.

May 03, 1977

The Bank began to regulate the rates at which commercial banks should deal with their customers in Canadian dollars.

July 11, 1977

The Bank commenced dealings in Deutsche marks and set buying and selling rates for this currency.

December 01, 1977

Commercial banks were advised that the Bank was prepared to enter into six-month swap transactions in US dollars.

May 09, 1978

Jamaica abolished the dual exchange rate system and announced a new central rate of US\$1 = J\$1.55.

April 07, 1981

The Central Bank ceased accepting Trinidad and Tobago currency notes for repatriation, at the request of the Central Bank of Trinidad and Tobago.

April 13, 1981

The Central Bank commenced dealings in Austrian schilling currency notes and fixed the rates for banks' dealing with the public.

June 02, 1981

The Guyana Government announced that the value of the Guyana dollar would be linked to a basket of currencies comprising the US dollar, Pound sterling, Deutsche mark, Trinidad & Tobago dollar and the Japanese yen. The US dollar was the intervention currency. In fact, the basket was not employed and the official value of the Guyana dollar remained at the new June 02 parity of US\$1 = G\$3.

August 13, 1981

The margins on purchases of the Pound sterling, Deutsche mark and Canadian dollar were increased.

March 22, 1982

The selling rates for US dollars, Pound Sterling, Canadian dollars, Deutsche mark and the Austrian Schilling were increased by 0.25% over the respective par/base rates.

January 10, 1983

The Government of Jamaica introduced a formalized parallel foreign exchange market in which each commercial bank determined its own exchange rate on a daily basis.

February 21, 1983

The Central Bank of Barbados ceased the purchase and sale of Jamaican currency. Commercial banks were allowed to buy and sell Jamaican currency at whatever rate they wished.

May 03, 1983

The Central Bank extended its list of currencies to include Venezuelan bolivars. The buying and selling rates were fixed by the Central Bank.

May 18, 1983

Trading in Jamaica dollars was resumed with two rates in effect. All official payments by Government or Government owned institutions and by regional and international institutions were conducted at the official rate (US\$1 = J\$1.78). All other transactions were processed at a special CARICOM rate (US\$1 = J\$2.25).

November 24, 1983

The Government of Jamaica decided to unify its exchange rate system. The Bank of Jamaica agreed to advise on the settlement rate every two weeks. The rate for the first two weeks was US\$1.00 = J\$3.125.

January 11, 1984

The Government of Guyana decided that the composite basket of currencies which determine the Guyana dollar exchange rate would be the pound sterling, the Deutsche mark, the French franc, the Netherlands guilder and the Japanese yen. The US dollar, although not part of the revised basket remained as the intervention currency. The US dollar/Guyanese dollar exchange rate was announced on a weekly basis and was fixed initially at US\$1 = GY\$3.75.

March 20, 1984

Jamaica introduced a new foreign exchange system. The exchange rate in terms of the US\$ is determined by auction held twice weekly.

October 09, 1984

The rate for sales of US dollars by telegraphic transfers and drafts was increased from BDS\$2.03 to BDS\$2.035.

December 18, 1985

The Trinidad and Tobago dollar was devalued from TT\$2.40 = US\$1.00 to TT\$3.60 = US\$1.00.

August 17, 1988

The Trinidad and Tobago dollar was devalued from TT\$1.00=US\$0.2778 to TT\$1.00= US\$0.2353.

September 11, 1989

The margins applied to the base rate for sales of extra regional currencies traded by the Bank were increased between 0.125% and 0.5%.

November 01, 1990

The Bank of Jamaica suspended its existing bilateral clearing arrangements between regional Central Banks. As a result, the Central Bank advised commercial banks that it would no longer be able to provide cover for the J\$ at prescribed rates. Payments and receipts in respect of trade in goods and services with CARICOM countries will now be settled through the foreign exchange market operated by commercial banks.

November 11, 1990

The Central Bank advised commercial banks that payment made to Jamaica for goods and services should be paid in J\$. If invoiced in US\$, payment may be made in that currency. Any payments, which fall outside their delegated authority, should be referred to the Central Bank.

February 21, 1991

Guyana adopted a floating exchange rate. The special CARICOM rate was abolished.

June 20, 1991

The existing delegated authority given to banks by

the Central Bank, in respect of payment for goods and services from Jamaica was revoked. All applications for payments or remittances should be made to the Central Bank.

June 28, 1991

A new payment arrangement was set up between Barbados and Jamaica. Payments for trade and non-trade will now be conducted in BDS\$ and J\$ through a mechanism operated by the commercial banks. All applications for payments may now be made under the existing delegated authority given to the commercial banks.

October 30, 1991

The Central Bank advised commercial banks that due to the complete liberalisation of the exchange control system in Jamaica, the existing trade payment arrangement system was no longer applicable. Payments for imports and exports must now be made in US dollars.

December 16, 1991

The Central Bank revised the margins on dealings in foreign currencies. This applied to sales of the US dollar, Pound sterling, Canadian dollar, the Deutsche mark and the Austrian schilling. All other margins including the purchases and sales of regional currencies remained the same.

April 19, 1993

The Central Bank of Trinidad & Tobago advised that it was no longer providing rates to the authorised dealers in that country, for trading with the public in foreign currencies. As a result, the Central Bank of Barbados ceased providing rates for trading in Trinidad & Tobago dollars. Commercial banks were advised to settle payments to Trinidad & Tobago in US dollars or TT dollars and to provide the foreign exchange needed for settling such transactions from their own resources whenever possible.

CARICOM Multilateral Clearing Facility

June 16, 1977

The Central Bank was signatory to the CARICOM Multilateral Clearing Facility (CMCF). This scheme replaced the Intra-Regional Payments (IRP) scheme,

which was established in December 1969 and of which Barbados became a member in 1972 when the Central Bank was established. The total credit available to members under the facility was set at US\$40 million, with a limit for each participant.

February 01, 1978

The total credit extended by the facility was increased to US\$80 million. The limits on individual allocations to participants were removed.

June 16, 1980

Total credit lines were extended by US\$20 million to US\$100 million.

March 31, 1983

The CMCF reached its credit limit of US\$100 million and all transactions through the facility were suspended. Individual members re-established bilateral payments arrangements.

CARICOM Travellers Cheques

August 01, 1980

CARICOM travellers cheques were introduced and authorised dealers were allowed to issue only CARICOM travellers cheques to residents travelling within CARICOM countries other than Jamaica, Guyana and Belize.

Payments by Barbadian residents to other CARICOM countries could be made in Barbados dollars to an external account with a bank in Barbados or in the currency of the CARICOM country concerned.

December 31, 1993

The sale of these cheques was phased out at the end of December. Cheques issued before this date may be encashed for a period of one year at commercial banks. Thereafter, these cheques may only be encashed by the Central Bank of Trinidad and Tobago.

International Financial Business Sector

July 26, 1979

The Off-Shore Banking Act was introduced to encourage the development of Barbados as a responsible off-shore financial centre and to provide incentives by

way of tax deductions, exemptions and benefits for off-shore banking carried on from Barbados; and to enable citizens of Barbados to share in ownership, management and rewards of any activities resulting from off-shore banking.

Exempt Insurance Corporations

The Exempt Insurance Act 1983-9 was passed to accommodate off-shore risk management.

Exempt Insurance Corporations (EICs) are companies whose risks and premiums originate outside Barbados and whose profits are payable to shareholders who are not resident in Barbados. EICs pay no income or capital gains tax.

Foreign Sales Corporations

December 19, 1984

The Barbados Foreign Sales Corporations Act 1984-45 was enacted to make provisions for income tax and other concessions to Foreign Sales Corporations (FSCs).

A FSC is a corporation, which trades in goods manufactured outside the region as buyer, seller, agent, broker or dealer, or which provides services to non-residents of Barbados.

The Act exempts them from exchange control, income and other taxes, customs duty, and the preparation of financial statements.

February 28, 1985

FSCs were allowed to maintain foreign currency accounts for their foreign trade transactions. Authorised dealers are to notify the Central Bank of all foreign currency accounts within 7 days of opening them.

March 02, 1992

A new International Business Companies (IBC) Act, and Regulations came into force.

June 10, 2002

A new International Financial Services Act, 2002 was enacted.

This bill would among other things:

1. Repeal and replace the Off-shore Banking Act.
2. Make new provision with respect to the carrying on of international financial services in Barbados and provide for matters incidental thereto.
3. Enable business organised under the 'Societies with cap.318. Restricted Liability Act' to become licensees.
4. Enable certain businesses resident in Barbados to become customers of licensees.
5. Require all licensees to have a place of business in Barbados.
6. Enable the on-site examination of licensees.
7. Exempt businesses whose banking business is restricted to affiliates and associates from the requirement to be licensed under the Act.

August 23, 2002

The Central Bank revoked the licence of Keywest Swiss Investment Bank Inc., an offshore bank in operation in Barbados since 1995.

General

March 23, 1972

An act to provide for the establishment of a Central Bank of Barbados was proclaimed.

May 02, 1972

The Central Bank of Barbados Act 1972 came into operation.

December 03, 1973

The first national currency was issued, this issue consisted of three denominations \$1, \$5, and \$20 notes.

December 18, 1973

The \$10 notes and \$100 notes were put into circulation.

February 04, 1974

The Bank issued its own coins.

February 28, 1974

East Caribbean currency notes ceased to be legal tender.

March 31, 1974

Barbados ceased to be a member of the East Caribbean Currency Agreement (1965).

May 1974

The First National Bank of Chicago established a branch.

May 31, 1974

Coins issued by the East Caribbean Currency Board ceased to be legal tender.

July 01, 1974

The Central Bank took over from the Accountant General the responsibility for the management of the debenture component of the public debt. At this time the statutory borrowing limit under the Public Loans Act was \$100 million.

December 31, 1974

The official external reserves of the Government and the Government Savings Bank were taken over by the Central Bank. These assets that were held in sterling amounted to BDS\$18.5 million.

November 24, 1975

The Minister of Finance approved the transfer of his powers under the Banking Act 1963 - 45 to the Central Bank. The Act provides for the licensing of banks ensuring that capital and reserve requirements are observed and that their returns and accounts are submitted promptly.

January 27, 1977

The statutory limit on the Public Loans (Amendment) Act was increased to BDS\$150 million.

March 21, 1978

The Barbados National Bank (BNB) was established when the Government owned Barbados Savings Bank

assumed commercial banking functions.

March, 1978

The Bank of America which opened to business in January 1969, ceased operations. Its assets and liabilities were taken over by the Barbados National Bank.

January, 1979

The Bank of Chicago ceased operations.

1980

A two-dollar note was put into circulation.

October 14, 1980

The Central Bank acted as fiscal agent for a TT\$48 million Bond issued by the Government of Barbados on the Trinidad and Tobago market. This was the first time a foreign Government had been permitted to tap this market.

November 22, 1981

The Central Bank, as sole agent for the issue and management of Government Bonds placed the first issue of Government Savings Bonds BDS\$2.5 million on the market. The ceiling on borrowing under the Savings Bond Act of August 1980 was set at BDS\$25 million.

October 06, 1982

The Barbados Government made use of the resources of the International Monetary Fund in an amount of SDR 44 million. These funds were made available under a twenty-month stand-by arrangement of SDR 31.9 million together with SDR 12.6 million under the Compensatory Financing Facility.

October 01, 1984

The Caribbean Commercial Bank (CCB) commenced operations and took over the assets and liabilities of City Bank.

March, 1986

The ceiling on the Public Loans (1961) (Amendment and Validation) Act was increased to BDS\$250 million.

May, 1986

The CCB took over the operations of the Chase Manhattan Bank, which was established in February 1971.

October 7, 1986

The borrowing limit under the Savings Bond Act was increased to BDS\$50 million.

June 01, 1987

The Securities Exchange Act came into operation.

March 10, 1988

The statutory limit on the Public Loans (Amendment) Act was further increased to BDS\$350 million. The amendment consolidated the loans relating to the raising of local loans by the Government of Barbados and is now cited as the Local Loans Act 1988-1.

January 20, 1989

A BDS\$50 currency note was put into circulation.

November 08, 1990

The ceiling on the Local Loans Act was raised to BDS\$450 million.

January 10, 1991

The Financial Administration and Audit (Amendment) Act 1990 restricted Government's borrowing by means of temporary advances from any bank to an amount not exceeding 17.5 % of the estimated current revenue of Government for the fiscal year in which the advances were made.

July 05, 1991

The Central Bank suspended the operations of the Bank of Credit and Commerce International.

February 07, 1992

The Executive Board of the International Monetary Fund approved the use of fund resources, totalling SDR46.1 million for the Government of Barbados. A total of SDR23.9 million was made available under a sixteen-month stand-by arrangement and SDR22.2 million under the Compensatory and Contingency Financing Facility (CCFF).

July 07, 1992

The Financial Intermediaries Regulatory Act, 1992 came into operation. The Act regulated the operations of commercial banks, finance companies and other deposit taking companies.

October 23, 1992

The Mutual Finance Co. Ltd. bought over the assets of the Bank of Credit and Commerce International and established the Mutual Bank of the Caribbean Inc.

November 23, 1992

The Bank placed a newly designed \$10 note with enhanced security features into circulation.

December 17, 1992

The statutory limit on the Local Loans (Amendment) Act was set at BDS\$550 million.

March 01, 1993

The Mutual Bank of the Caribbean Inc. commenced operations. This brought the number of banks operating in Barbados to 7 (See Appendix).

June 03, 1993

The Central Bank issued a banking licence to CIBC Caribbean Ltd., a new entity which took over the assets of the Canadian Imperial Bank of Commerce, Barbados, Antigua, St. Lucia and St. Vincent.

September 06, 1993

The limit on the Local Loans (Amendment) Act was raised to BDS\$997 million.

April 11, 1994

The limit on the Local Loans (Amendment) Act was further increased to BDS\$1.3 billion.

December 29, 1994

The borrowing limit under the Savings Bond (Amendment) Act 1994-24 was raised to \$100 million.

August 07, 1995

The Financial Administration and Audit Act was amended. The amount Government could borrow by way of temporary advances from banks was restricted to 10% of estimated current revenue for the fiscal year.

October 23, 1995

The Bank started the process of upgrading the security features of its currency notes. A newly designed \$2 and \$5 note were put into circulation.

September 04, 1996

The Financial Intermediaries Regulatory Act Cap.324A was replaced and a new Financial Institutions Act, 1996-16 was passed in both Houses of Parliament. This Act will come into operation on a date to be fixed by proclamation of the Governor General.

November 25, 1996

A newly designed \$20 note was put into circulation.

March 03, 1997

The ceiling on the Local Loans (Amendment) Act was increased to BDS\$1.8 billion.

June 23, 1997

A new designed \$100 note was put into circulation.

July 01, 1997

The Financial Institutions Act, 1996-16 came into operation.

December 02, 1997

A newly designed \$50 note and an updated \$20 note were put into circulation.

January 29, 1998

A contribution of BDS\$1.0 million each was made to the Barbados Agency for Micro Enterprise Development Ltd. (Fund Access) and to the Enterprise Growth Fund Ltd.

September 09, 1999

The sum of BDS\$15,000 was approved and allocated to the Barbados Youth Business Trust, a private sector organization established to assist young entrepreneurs.

April 6, 2001

The Central Bank of Barbados, in association with the Anti-Money Laundering Authority prepared a revised "know your customer" guidelines for financial institutions. The guidelines apply to domestic and international banks and replace those issued in 1996.

They provide guidance to financial institutions on matters such as:

1. Knowing their customers and their source of funds.
2. Putting in place mechanisms to identify large, unusual, or suspicious transactions.
3. Maintaining records which facilitate the investigation of suspicious transactions; and
4. Providing training for their staff to detect suspicious transactions.

August 21, 2001

After careful analysis of the cost of services, and discussions with the relevant financial institutions, the Central Bank of Barbados in conjunction with the said institutions agreed that the following guidelines would apply:

1. No charges should apply for the encashment of cheques written on other banks.
2. A maximum charge of 1% would be applied where the value of coins being received/deposited exceeds BDS\$50.
3. No charges should apply for the third party withdrawals in the case of pensioners.
4. The charge for notification of dormant accounts should not exceed BDS\$10 per annum. This charge should be reversed on acknowledgement by the account holder. Interest should be paid on all dormant accounts.
5. A bank may apply reasonable charges for withdrawals either at the ATM or over the counter, but such charges should not apply to both services.
6. The minimum balance on which interest is to be paid should not exceed BDS\$300.

December 28, 2001

The Central Bank announced that effective January 01, 2002 the Euro banknotes and coins will be put into circulation in the ten member states.

March 28, 2002

The Trust Deed of the Tourism Loan Fund was amended in order to:

1. Broaden the purposes of the trust fund to include the provision of short-term loan of BDS\$10.0 million to the Enterprise Growth Fund Limited.
2. Broaden the definition of the Policy and Operations Statement.
3. Amend the procedure for the appointment of new trustees and/or for the removal of trustees.
4. Permit trustees to act notwithstanding a vacancy in their number.

July 04, 2002

The ceiling on the Local Loans (Amendment) Act was increased to BDS\$2.2 billion.

October 14, 2002

Barclays Bank Plc. and CIBC Caribbean Ltd. merged to become First Caribbean International Bank.

July 31, 2003

Republic Bank of Trinidad & Tobago purchased the Barbados National Bank.

December 4, 2003

The Bank of Butterfield purchased the Mutual Bank of Barbados.

February 23, 2004

After a careful analysis in January 2004 of the banks' fees, and after discussion with commercial banks the Central Bank in conjunction with the said institutions agreed that the following guidelines would apply:

1. No charges are to be applied for the encashment of cheques written on own banks.

-
2. Customers are not to be charged for making transfers between their accounts at their bank's ATM.
 3. Customers should not be charged for making account inquiries at their bank's ATM.
 4. Customers and the Central Bank must be notified at least 30 days prior to the implementation of any new charges.

The guidelines issued on August 21, 2001 are still in effect.

June 25, 2004

RBTT purchased the Caribbean Commercial Bank.

August 16, 2004

Mutual Bank's name was changed to Butterfield Bank (Barbados) following an earlier name change to Bank of Butterfield (Barbados) in February 2004.

August 23, 2004

Caribbean Commercial Bank was renamed RBTT Barbados Ltd.

November 24, 2004

The ceiling on the Local Loans (Amendment) Act was increased to BDS\$2.75 billion.

Table 1**Reserve and Government Security Requirements for Commercial Banks
(% of Deposits)**

Effective Dates	Cash Reserves	Government Securities			Total Reserve Requirement
		Total	Treasury Bills	Debentures	
1973, Dec. 03	2	1	1	-	3
1974, Jan. 31	2	2	2	-	4
1974, Feb. 28	2	3	3	-	5
1974, Sept. 05	4	4	4	-	8
1974, Oct. 31	4	5	5	-	9
1974, Nov. 30	4	6	6	-	10
1975, Mar. 24	4	8	6	2	12
1975, Aug. 01	6	9	6	3	15
1976, Dec. 31	6	12	8	4	18
1977, Aug. 18	8	12	8	4	20
1981, Nov. 04	8	17	12	5	25
1982, Mar. 31	8	19	14	5	27
1986, Sept. 17	8	22	14	8	30
1991, Aug. 15	8	24	16	8	32
1991, Oct. 16	8	25	17	8	33
1992, Sept. 15	8	23	15	8	31
1993, May 01	6	23	15	8	29

Cont'd

Table 1 (Cont'd)

**Reserve and Government Security Requirements for Commercial Banks
(% of Deposits)**

Effective Dates	Cash Reserves	Government Securities			Total Reserve Requirement
		Total	Treasury Bills	Debentures	
1997, May 31	5	20	12	8	25
1999, May 31	6	20	12	8	26
2000, Sept 01	6	19	11	8	25
2001, Feb 01	6	19	-	-	25
2001, Jul 18	5	19	-	-	24
2002, Mar. 15	5	18	-	-	23
2002, Nov 01	5	16	-	-	21
2004, Feb 16	5	12	-	-	17

Table 2a

Stipulations for Hire-Purchase Agreements, February 9, 1977

Item	Value \$	Down payment % of value	Period of repayment (months)
Motor cars (Non- commercial)	Up to 13,500	25	36
"	13,501 - 16,000	33.33	24
"	16,001 & over	50	12
Motor Cycles	Up to 3,000	33.33	24
"	3,001 & over	40	18
Television Sets	Up to 600	25	24
"	601 - 1,000	33.33	18
"	1,001 & over	50	12
Stereo Equipment*	Up to 250	10	18
"	251 - 500	25	18
"	501 - 1,000	33.33	12
"	1,001 & over	50	6
Refrigerators	Up to 900	25	24
"	901 - 1,500	33.33	18
"	1,501 & over	50	12
Freezers (Non-commercial)	Up to 1,000	25	24
"	1,001 - 1,500	33.33	18
"	1,501 & over	50	12

Cont'd

* Stereo equipment includes amplifiers, tuners, receivers, turntables, open-reel tape recorders, cassette tape recorders, eight-track tape recorders, stereo-compacts, speakers, radiograms.

Table 2a (Cont'd)

Stipulations for Hire Purchase Agreements, February 9, 1977

Item	Value \$	Down payment % of value	Period of repayment (months)
Stoves	Up to 500	25	24
"	501 - 1,000	33.33	18
"	1,001 & over	50	12
Washing Machines (incl. dish washers)	Up to 1,000	25	24
	1,001 & over	33.33	18
Water Heaters (excl. solar)	Up to 500	25	12
	501 & over	33.33	6
Cameras & Jewellery	Any amount	50	12

Table 2b

Stipulations for Hire-Purchase Agreements - (Amendment) September 28, 1977

Item	Value \$	Down payment % of value	Period of repayment (months)
Motor Cars (Non-commercial)	Up to 13,500	33.33	24
"	13,501 - 16,000	50	18
"	16,001 & over	50	12
Television Sets	Up to 600	33.33	18
"	601 - 1,000	50	12
"	1,001 & over	50	6
Stereo Equipment*	Up to 250	25	18
"	251 - 500	50	18
"	501 - 1,000	50	12
"	1,001 & over	50	6
Refrigerators	Up to 900	50	18
"	900 - 1,500	50	12
"	1,501 & over	50	6
Freezers (Non-commercial)	Up to 1,000	50	18
"	1,001 - 1,500	50	12
"	1,501 & over	50	6
Washing Machines	Up to 1,000	50	12
(incl. dish washers)	1,001 & over	50	18

Table 2c**Stipulations for Hire-Purchase Agreements - (Amendment) November 23, 1978**

Item	Value \$	Down payment % of value	Period of repayment (months)
Refrigerators	Up to 1,000	33.33	18
"	1,001 - 1,700	50	12
"	1,701 & over	50	6
Stoves	Up to 700	33.33	18
"	701 - 1,000	50	12
"	1,001 & over	50	6
Water Heaters	Up to 500	33.33	12
(excl. Solar)	501 & over	33.33	6

Table 2d**Stipulations for Hire-Purchase Agreements - (Amendment) August 20, 1979**

Item	Value \$	Down payment % of value	Period of repayment (months)
Motor Cars (Non-commercial)	Up to 20,000	33.33	24
	20,001 - 30,000	50	18
	30,000 & over	50	12
Motor Cycles	Up to 3,000	25	24
	3,001 & over	40	18

Table 2c**Stipulations for Hire-Purchase Agreements - (Amendment) March 18, 1982**

Item	Value \$	Down payment % of value	Period of repayment (months)
Motor Vehicles	Up to 13,500	33.33	24
(2 tons & under)	13,501 - 20,000	50	18
	20,001 - 30,000	50	12
	30,001 & over	100	-
Motor Cycles	Up to 3,000	33.33	18
	3,001 & over	50	12
Stereo Equipment*	Any amount	50	6
Cameras & Jewellery	Any Amount	50	9

Table 2f**Stipulations for Hire Purchase Agreements - (Amendment) March 18, 1982**

Item	Value \$	Down payment % of value	Period of repayment (months)
Stereo Equipment			
Locally manufactured	Up to 1,000	25	18
	1,001 & over	50	12
Stereo Equipment			
Video Cassette			
Recorders-Imported	Any amount	50	6

Table 2g**Stipulations for Hire-Purchase Agreements - (Amendment No. 1) May 22, 1986**

Item	Value \$	Down payment % of value	Period of repayment (months)
Motor Vehicles (2 tons & under)	Up to 16,100	33.33	21
	16,101 - 24,000	50	15
	24,001 - 36,000	50	12
	36,001 & over	100	-

Table 2h**Stipulations for Hire-Purchase Agreements - (Amendment No. 2) November 21, 1986**

Item	Value \$	Down payment % of value	Period of repayment (months)
Refrigerators	Up to 1,000	20	18
	1,001 - 1,700	25	12
	1,701 & over	50	6
Stoves	Up to 700	15	24
	701 - 1,200	25	18
	1,201 & over	33.33	12

Table 3

**Central Bank Rates for Discounts and Advances
(Percentages)**

Dates	Agriculture				Industry & Tourism		Retailers		Central Bank Rate for Short-term Borrowing	Sugar Market	
	Sugar		Non-Sugar								
	Central Bank Rate	Com Banks On-Lending Rate	Central Bank Rate	Com Banks On-Lending Rate	Central Bank Rate	Com Banks On-Lending Rate	Central Bank Rate	Com Banks On-Lending Rate		Central Bank	Com Bank
74/03/08	6.5	8.0	9.5	11.0	7.5	-	-	-	-	-	-
74/09/12	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	-	-	10.5	-	-
75/03/01	n.c.	n.c.	8.5	10.0	6.5* 8.5*	8.0	-	-	9.5	-	-
75/06/01	5.5	7.0	7.5	9.0	5.5* 7.5**	7.0* 9.0**	-	-	8.5	-	-
75/10/01	4.5	6.0	4.5* 6.5**	6.0* 8.0**	4.5* 6.5**	6.0* 8.0**	-	-	7.5	-	-
76/05/01	4.0	5.5	4.0* 6.0**	5.5* 7.5**	4.0* 6.0**	5.5* 7.5*	-	-	7.0	-	-
76/12/01	3.0	4.5	3.0* 5.0**	4.5* 6.5**	3.0* 5.0**	4.5* 6.5**	-	-	6.0	-	-
77/09/16	3.0	n.c.	n.c. n.c.**	5.0* 6.5**	n.c. n.c.**	5.0* 6.5**	3.0	5.0	n.c.	-	-
80/04/15	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	7.0	-	-
81/01/01	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	10.0	-	-
81/08/27	3.0	5.0	3.0* 5.0**	5.5* 7.0**	n.c. n.c.**	5.5* 7.0**	n.c.	5.5	n.c.	-	-
81/10/01	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	18.0	-	-
81/10/26	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	22.0	-	-
82/03/22	4.0	8.0	5.0* 8.0**	8.0* 10.0**	5.0* 8.0**	8.0* 10.0**	5.0* 8.0**	8.0* 10.0*	n.c.	-	-
82/10/01	n.c.	n.c.	n.c.	n.c.	4.0* 7.0**	7.0* 9.0**	4.0* 7.0**	7.0* -	20.0	-	-
82/10/11	n.c.	n.c.	4.0* 7.0**	7.0* 9.0**	n.c.	n.c.	n.c.	n.c.	n.c.	-	-

Cont'd

Table 3 (Cont'd)

**Central Bank Rates for Discounts and Advances
(Percentages)**

Dates	Agriculture				Industry & Tourism		Retailers		Central Bank Rate for Short-term Borrowing	Sugar Market	
	Sugar		Non-Sugar							Central Bank	Com Bank
	Central Bank Rate	Com Banks On-Lending Rate	Central Bank Rate	Com Banks On-Lending Rate	Central Bank Rate	Com Banks On-Lending Rate	Central Bank Rate	Com Banks On-Lending Rate			
83/04/01	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	16.0	-	-
84/05/20	n.c	n.c.	n.c.	n.n.	n.c.	n.c.	n.c.	n.c.	13.0	-	-
84/11/01	n.c.	n.c.	n.c.	n.c.	4.0* 5.0**	10.0* 10.0**	4.0*	10.0*	n.c.	n.c.	n.c.
85/12/01	n.c.	n.c.	n.c.	n.c.	3.0 4.0	8.0 8.0	n.c.	n.c.	n.c.	n.c.	n.c.
86/04/03	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	11.0	n.c.	n.c.
86/09/15	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	8.0	n.c.	n.c.
89/09/20	n.c.	n.c.	n.c.	n.c.	n.c	n.c.	n.c.	n.c.	11.5	n.c.	n.c.
89/12/04	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	13.5	n.c.	n.c.
91/08/01	5.5	9.5	4.5 5.5	9.5 9.5	4.5 5.5	9.5 9.5	4.5	9.5	16.0	7.5	11.5
91/11/11	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	18.0	n.c.	n.c.
92/07/01	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	15.0	n.c.	n.c.
92/09/11	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	12.0	n.c.	n.c.
93/05/01	4.5	8.5	3.5 4.5	8.5 8.5	3.5 4.5	8.5 8.5	3.5	8.5	8.0	6.5	10.5
94/12/01	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	9.5	n.c.	n.c.
95/11/27	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	n.c.	12.5	n.c.	n.c.

* Small Enterprises

** Large Enterprises

n.c. No Change

Table 4

Central Bank Ceiling on Treasury Bills

Date	Ceiling \$M
1974, Jan. 10	10.0
1974, May 23*	12.0
1975, Feb. 18	20.0
1976, Apr. 26	30.0
1977, Jan. 20	40.0
1977, Nov. 17	50.0
1981, Jul. 23	75.0
1981, Sept. 17	100.0

*Note: A float of \$2 million was introduced to facilitate open-market operations.

Table 5

Regulation of Interest Rates at Financial Institutions

Effective Dates	Regulations for all Institutions			
	Maximum Savings Deposit Rate	Ceilings by Deposit Size		
		1-10,000	10,001-25,000	Over 25,000
Prior to 1961	6.0	..	..	..
1961	8.0	..	..	..
1973, October	..	8.0	9.0	10.0

Cont'd

Table 5 (Cont'd)

Regulation of Interest Rates at Financial Institutions

Effective Dates	Regulations for Commercial Banks			Regulations for Finance Companies, Deposit Taking Companies				
	Minimum Savings Deposit Rate	Prime/ Minimum Lending Rate	Weighted Average Loan Rate	Deposits Under \$1,000	Ceiling by Term of Deposit Deposits \$1,000 or Over			
					up to 6m	6m - 1 yr	1 - 2 yrs	over 2 yrs
75/02/01	..	..	..	7.0	8.0	9.0	9.5	10.0
76/05/31	..	8.5	10.0	7.0	8.0	9.0	9.5	10.0
78/08/01	3.0	8.5	10.0	7.0	8.0	9.0	9.5	10.0
80/05/01	5.0	9.5	11.0	7.0	8.0	9.0	9.5	10.0
81/01/01	7.0	11.0	12.5	7.0	8.0	9.0	9.5	10.0
81/10/01	8.0	13.0	14.5	7.0	8.0	9.0	9.5	10.0
81/10/27	8.0	13.0	15.0	7.0	8.0	9.0	9.5	10.0

Cont'd.

Table 5 (Cont'd)

Regulation of Interest Rates at Financial Institutions

Effective Dates	Regulations for Commercial Banks				Regulations for Finance Companies, Deposit Taking Companies					
	Minimum Savings Deposit Rate	Minimum Deposit Rate	Prime/Minimum Lending Rate	Weighted Average Loan Rate	Deposits Under \$5,000	Ceiling by Term of Deposit Deposits \$5,000 or Over				
						Less than 3 mths	3 mths	Over 3 mths to 6 mths	6 mths to 1 yr	Over 1 yr
82/07/21*	8.0	..	13.0	15.0	9.0	9.0	10.0	11.0	11.5	12.0
82/10/01	7.0	..	12.0	14.0	9.0	9.0	10.0	11.0	11.5	12.0
82/10/15	7.0	..	12.0	14.0	8.0	8.0	9.0	10.0	10.5	11.0
82/12/01	6.0	..	10.0	13.0	8.0	8.0	9.0	10.0	10.5	11.0
82/12/09	6.0	..	10.0	13.0	7.0	7.0	8.0	9.0	9.5	10.0
83/04/01	5.0	..	9.0	13.0	7.0	7.0	8.0	9.0	9.5	10.0
83/04/30	5.0	..	9.0	12.0	7.0	7.0	8.0	9.0	9.5	10.0
83/06/13	5.0	..	9.0	12.0	6.0	6.0	7.0	8.0	8.5	9.0
83/06/30	5.0	..	9.0	11.5	6.0	6.0	7.0	8.0	8.5	9.0
83/11/15	5.0	..	9.0	11.5	5.5	5.5	6.0	6.5	7.0	8.0
84/07/01	5.0	..	9.0	12.0	5.5	5.5	6.0	6.5	7.0	8.0
85/02/01	5.0	..	9.0	11.0	5.5	5.5	6.0	6.5	7.0	8.0
85/05/15	4.0	..	9.0	10.0	5.5	5.5	6.0	6.5	7.0	8.0
86/04/01	4.0	..	9.0	9.5	5.5	5.5	6.0	6.5	7.0	8.0
86/09/15	3.0	..	9.0	9.5	5.5	5.5	6.0	6.5	7.0	8.0
88/02/01	4.0	..	10.5	..	..	..	..	..	..	..
89/11/06	6.0	..	12.5	..	..	..	..	..	..	..
90/06/01	5.5	..	11.5	..	..	..	..	..	..	..
91/08/01	7.0	..	..	..	..	..	..	..	..	..
92/08/17	6.0	..	..	..	..	..	..	..	..	..
92/09/15	4.0	..	..	..	..	..	..	..	..	..
93/11/01	5.0	..	..	..	..	..	..	..	..	..
94/03/15	..	4.0**	..	..	..	..	..	..	..	..

Table 5 (Cont'd)

Regulation of Interest Rates at Financial Institutions

Effective Dates	Regulations for Commercial Banks				Regulations for Finance Companies, Deposit Taking Companies					
	Minimum Savings Deposit Rate	Minimum Deposit Rate	Prime/ Minimum Lending Rate	Weighted Average Loan Rate	Deposits Under \$5,000	Ceiling by Term of Deposit Deposits \$5,000 or Over				
						Less than 3 mths	3 mths	Over 3 mths to 6 mths	6 mths to 1 yr	Over 1 yr
94/12/01	..	5.0**	..	..	..	..	..	..	..	..
97/05/01	..	4.0**	..	..	..	..	..	..	..	..
99/11/22	..	5.0**	..	..	..	..	..	..	..	..
00/09/01	..	4.5**	..	..	..	..	..	..	..	..
01/04/01	..	4.0**	..	..	..	..	..	..	..	..
01/07/18	..	3.5**	..	..	..	..	..	..	..	..
01/08/01	..	..	..	10.0(1)	..	..	..	..	..	..
01/09/01	..	..	..	9.5(1)	..	..	..	..	..	..
01/10/16	..	3.0**	..	9.5(1)	..	..	..	..	..	..
01/11/01	..	..	..	9.0(1)	..	..	..	..	..	..
01/12/01	..	..	..	8.5(1)	..	..	..	..	..	..
02/03/15	..	..	..	8.5	..	..	..	..	..	..
02/12/31	..	2.5**	..	8.0	..	..	..	..	..	..
03/04/14	..	..	..	..	..	..	..	..	..	..
04/03/15	..	2.25**	..	..	..	..	..	..	..	..

*Note: On April 14, 1982 deposits with banks, Trust Companies and the Barbados Mortgage Finance Company were exempted from the interest rate ceilings. The stipulations thereafter applied only to minor financial institutions and to public companies which accepted deposits.

** Minimum rate on any interest-bearing deposit

.. Not fixed

(1) Note that these are indicative rates

Table 6

**Mortgage Interest Rates
(Percentages)**

Effective Dates	Existing Residential	New Residential	Industrial/ Commercial
76/05/01	10.0	-	10.0
81/01/01	10.0	-	12.0
81/10/01	12.0	-	14.0
82/12/01	11.0	-	13.0
83/10/01	10.0	-	12.0
84/10/01	10.0	11.0	12.0
84/07/01	11.0	13.0	13.0
85/04/01	11.0	12.0	13.0
85/09/01	11.0	11.0	..
86/04/01	10.0	10.0	..
86/10/01	9.0	9.0	..
91/05/02	9.0	10.0	..
91/08/01	11.0	11.0	..
92/09/15	..	..	..

Note:

With effect from September 10, 1985, the Central Bank ceased to fix the maximum interest rate chargeable on commercial mortgages. From September 15, 1992, the Central Bank ceased to fix the maximum interest rate chargeable on residential mortgages.

.. Not Fixed

Table 7

Bank Branches and Agencies - Selected Years

Year	Barclays Plc.	R.B.C.	CIBC/ FCIB	BNS	FNCB/ Citibank/CCB/ RBTT	Bank of America	Chase Manh.	Bank of Chicago	BNB	BCCI Int.	Mutual Bank/ BOB	Total
1965	6	3	3	3	-	-	-	-	-	-	-	15
1966	6	4	3	4	-	-	-	-	-	-	-	17
1968	9	5	4	4	1	-	-	-	-	-	-	23
1969	9	6	4	4	1	1	-	-	-	-	-	25
1972	15	6	4	5	1	1	1	-	-	-	-	33
1974	19	6	6	5	2	1	1	-	-	-	-	40
1978	15	6	9	7	3	-	1	1	2	-	-	43
1983	12	6	9	7	2	-	1	-	7	1	-	45
1988	9	5	9	7	2	-	-	-	5	1	-	38
1990	9	5	10	7	4	-	-	-	5	1	-	41
1993	9	5	10	7	4	-	-	-	5	-	1	41
1995	9	5	9	7	4	-	-	-	5	-	2	41
1997	9	5	9	7	4	-	-	-	5	-	4	43
2002	6	7	8	8	4	-	-	-	6	-	4	43
2003	6	7	8	8	4	-	-	-	6	-	4	43
2004	-	7	9	8	4	-	-	-	6	-	4	38

