



GOVERNMENT OF BELIZE
Ministry of Finance
Belmopan, Belize

August 6, 2021

The Government of Belize – Second Amendment to U.S. Dollar Bonds due 2034
Publication of Issue Price of U.S. Dollar Bonds due 2034 Pursuant to Treas. Reg. Section
1.1273-2(f)(9)

The Government of Belize (“**Belize**”) is publishing this notice pursuant to U.S. Treasury Regulation § 1.1273-2(f)(9) (the “**Regulation**”) with respect to the amendment (the “**Amendment**”) of its U.S. Dollar Bonds due 2034 (the “**Bonds**”), approved by eligible holders pursuant to the consent solicitation statement, dated July 17, 2020. This notice is only intended to fulfill Belize’s notification obligation under the Regulation and does not constitute tax advice. Belize urges each holder of the Bonds to obtain professional tax advice to determine the implications of this notification on the determination of the holder’s income tax liabilities.

The Amendment was made to the Bonds by means of the Second Supplemental Indenture and came into effect on August 18, 2020 (the “**Effective Date**”). In connection with the Amendment, Belize, among other things, capitalized certain interest payments and paid a consent fee to holders of the Bonds equal to U.S. \$ 1.25 for each U.S. \$1,000 principal amount of the Bonds for which consents were validly delivered (and not validly revoked). Belize believes that the Amendment resulted in a deemed taxable exchange for U.S. federal income tax purposes of the Bonds in exchange for newly issued Bonds (the “**New Bonds**”) and that holders of the Bonds are deemed to hold, for U.S. federal income tax purposes, the New Bonds immediately after the Effective Date. The Regulation requires the issuer of a debt instrument that is issued in a taxable exchange for property to determine whether the debt instrument is traded on an established market for U.S. federal income tax purposes (within the meaning of the Regulation) as of the date of such exchange and, if so, the fair market value of the debt instrument as of the date of such exchange. This is needed in order to determine the issue price of the debt instrument.

Belize has determined that the New Bonds were traded on an established market for U.S. federal income tax purposes within the meaning of the Regulation as of the Effective Date. In addition, Belize has determined, and intends to take the position, that the fair market value of the New Bonds as of the Effective Date based on the average of buy and sell quotes available as of the Effective Date, and thus the issue price of the New Bonds, was equal to \$44.196 per \$100 principal amount of Bonds.

Belize’s determination is binding upon all holders of the Bonds unless a holder explicitly discloses, in accordance with the requirements of the Regulation, that its determination is different from Belize’s determination on the holder’s timely filed U.S. federal income tax return for the taxable year that includes the Effective Date.
