



CARIBBEAN COURT OF JUSTICE

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CCJ RULES THAT PROCEDURAL IRREGULARITY DID NOT INVALIDATE EMPLOYMENT CONTRACTS OF FORMER BELIZE TOURISM BOARD DIRECTORS

Port of Spain, Trinidad and Tobago. On Thursday, 8 October 2026, the Caribbean Court of Justice (CCJ) delivered its judgment in *Belize Tourism Board v Misty Michael* and *Belize Tourism Board v Karen Bevans* [2026] CCJ 14 (AJ) (BZ), two related appeals and cross-appeals from Belize which were heard together by the CCJ. The appeals concerned the validity of the employment contracts of Michael and Bevans with the Belize Tourism Board ('BTB'). The CCJ found that the contracts were valid despite the procedural irregularities involved in signing them.

Bevans and Michael had been employed by the BTB under contracts containing a "termination without cause" clause, which entitled them to the salaries, benefits, and remuneration that would have accrued for the remainder of their contractual terms. After their termination, they successfully claimed damages under that clause, in separate proceedings in the High Court. The Court of Appeal upheld the decisions of the trial judges.

The principal issue before the CCJ was whether the employment contracts were invalid because the Board of Directors of the BTB (the 'Board') had not formally approved the appointments before the contracts were executed by the Chairperson and Vice Chairperson of the Board.

The CCJ held that the statutory procedure under the BTB Act for the appointments had not been followed as the Board's approval was not acquired before the execution of the contracts. The Chairperson and Vice Chairperson, therefore, lacked actual authority to execute the contracts. However, the procedural irregularity did not invalidate the appointments or contracts. The BTB had statutory capacity to make the appointments, the Minister had approved the contractual terms, the employees had performed their functions, and the Board had knowingly allowed the arrangements to continue. In light of s 16 of the BTB Act, which provides that no act taken under the statute shall be questioned on the ground of any irregularity not affecting the merits of the cause, the Court concluded that Parliament could not have intended such an irregularity to invalidate otherwise lawful appointments.

The CCJ further held that Bevans and Michael were entitled to rely on the ostensible authority of the Chairperson and Vice Chairperson. The BTB's knowledge and acceptance also supported the conclusion that it was estopped from denying the validity of the contracts. The Court also rejected the BTB's argument that the termination clause was an unenforceable penalty clause. The termination clause was a contractual provision governing the consequences of the employer exercising an express right to terminate without cause. The employer was not in breach when exercising that right; rather, its obligation to make the specified payments was a primary contractual obligation. Since the rule against penalties applies only to secondary obligations arising from breach, the clause was not a penalty.

In the cross-appeals, Bevans and Michael alleged that the Court of Appeal was wrong to find that their appointments were procedurally irregular and non-compliant with the BTB Act. The CCJ agreed with the Court of Appeal that there had been a procedural irregularity in the appointments and that the Chairperson and Vice Chairperson lacked actual authority to execute the contracts. The Court also disagreed that by application of its decision in *Warrington v Dominica Broadcasting Corp* [2018] CCJ 31 (AJ), there had been statutory compliance. The CCJ distinguished *Warrington* because the facts and statutory framework in that case were materially different. In the present case, the BTB Act required Board approval for the appointments and the recording of the decisions of the Board in meeting minutes.

The CCJ emphasised the importance of good governance in statutory corporations, stressing that board members owe independent fiduciary duties and should not merely rubber-stamp ministerial decisions. It also endorsed consideration of regulations to promote greater transparency in senior appointments. All appeals and cross-appeals were dismissed, with no order as to costs.

The appeals were heard by the Honourable Mr Justice Anderson, President, and the Honourable Justices Rajnauth-Lee, Jamadar, Ononaiwu, and Eboe-Osuji. Mr Eamon H. Courtenay, SC and Ms Iliana N. Swift represented the Appellant, and the Rt. Hon. Dean O. Barrow, SC, Mr Nigel Ebanks, and Ms Darinka Muñoz represented the Respondents.

The full judgment is available on the Court's website at www.ccj.org.

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About the Caribbean Court of Justice

The Caribbean Court of Justice (CCJ) was inaugurated in Port of Spain, Republic of Trinidad and Tobago on 16 April 2005 and presently has a Bench of seven judges presided over by CCJ President, the Honourable Mr Justice Winston Anderson. The CCJ has an Original and an Appellate Jurisdiction and is effectively, therefore, two courts in one. In its Original Jurisdiction, it is an international court with exclusive jurisdiction to interpret and apply the rules set out in the Revised Treaty of Chaguaramas (RTC) and to decide disputes arising under it. The RTC established the Caribbean Community (CARICOM) and the CARICOM Single Market and Economy (CSME). In its Original Jurisdiction, the CCJ is critical to the CSME and all 12 Member States which belong to the CSME (including their citizens, businesses, and governments) can access the Court's Original Jurisdiction to protect their rights under the RTC. In its

Appellate Jurisdiction, the CCJ is the final court of appeal for criminal and civil matters for those countries in the Caribbean that alter their national Constitutions to enable the CCJ to perform that role. At present, five states access the Court in its Appellate Jurisdiction, these being Barbados, Belize, Dominica, Guyana, and Saint Lucia. However, by signing and ratifying the Agreement Establishing the Caribbean Court of Justice, Member States of the Community have demonstrated a commitment to making the CCJ their final court of appeal. The Court is the realisation of a vision of our ancestors, an expression of independence and a signal of the region's coming of age.

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