

**BELIZE:**

**FISCAL INCENTIVES REGULATIONS**

**ARRANGEMENT OF REGULATIONS**

**PART I**

*Preliminary*

1. Citation.
2. Interpretation.

**PART II**

*Application, Eligibility, Grant, Variation, Suspension, Revocation*

3. Application for fiscal incentives.
4. Eligibility for fiscal incentives.
5. Eligibility for one-off fiscal incentive.
6. Eligibility for fiscal incentives to MSMEs.
7. Notice of application.
8. Suspension of fiscal incentives.

**PART III**

*Miscellaneous*

9. Procedure for revocation of fiscal incentives.
10. Records and audited financial statements.

11. Administrative penalty.

12. Foreign Companies.

Schedule I.

Schedule II.

**BELIZE:**

**STATUTORY INSTRUMENT**

**No. 64 of 2023**

*REGULATIONS made by the Minister responsible for Investment in exercise of the power conferred upon him by section 26 of the Fiscal Incentives Act, Chapter 54 of the Substantive Laws of Belize, Revised Edition 2020, and all other powers thereunto him enabling.*

*(Gazetted 20<sup>th</sup> May, 2023)*

**PART I**

*Preliminary*

1. These Regulations may be cited as the

Citation.

**FISCAL INCENTIVES REGULATIONS, 2023.**

2. In these Regulations, unless the context otherwise requires,

Interpretation.

“beneficial owner” has the meaning assigned to it under the Money Laundering and Terrorism (Prevention) Act.

CAP. 104.

**PART II**

*Application, Eligibility, Grant, Variation, Suspension, Revocation*

3.–(1) An application for a fiscal incentive shall be in accordance with the Act and include–

Application for fiscal incentives.

- (a) particulars as to the nature of the company or business and the contribution which it is expected to make to the economy;

- (b) the estimated amount, purpose and source of the capital to be expended, initially and annually, during the period for which fiscal incentives may be granted;
- (c) particulars necessary to determine the level of sales in the local and other markets or foreign exchange savings;
- (d) the number of persons to be employed and the conditions of service for employees;
- (e) the date on which operations of the company or business commenced or will commence;
- (f) an undertaking that the company or business will produce a marketable product or service;
- (g) information satisfactory to the Minister that the company or business is or will adequately be financed and staffed with effective and competent management; or
- (h) such other information as the Minister may require.

**Schedule I.**

(2) An application for, the grant, renewal or variation of a fiscal incentive under the Act, shall be accompanied by the fees prescribed in Schedule I.

**Eligibility for fiscal incentives.**

4. In determining whether to grant a fiscal incentive to any person, other than an MSME, who makes an application under section 3 of the Act, the Minister shall have regard to the following requirements, including whether—

**No. 11 of 2022.**

- (a) a company or business is incorporated in accordance with the requirements under the Belize Companies Act;

- (b) a company that is a foreign company, is registered in accordance with the Belize Companies Act; No. 11 of 2022.
- (c) a company or business is registered and in good standing with the Belize Tax Service;
- (d) a company or business holds any trade license, relevant to the operations of its business, in accordance with any relevant law;
- (e) a company or business is the holder of an account at a financial institution in Belize, that is utilized only in relation to the funds of the company or business;
- (f) a company or business commits in its application that—
- (i) the activities of the company or business do not violate any environmental or other applicable law of Belize;
  - (ii) the company or business is engaged or intends to engage in an activity listed under the Act as an approved activity; or
  - (iii) the operations of the company or business are or will be labour or capital intensive;
- (g) the owners of the company or business are fit and proper persons;
- (h) an application for fiscal incentives includes—
- (i) a business plan which includes any relevant approvals;

- (ii) proof of financing in the form approved by the Ministry;
  - (iii) a list of the non-controlled items required for the activity or proposed activity of the company or business;
  - (iv) proof that that the company or business is the title owner of or has a notarised lease for the property it proposes to operate from;
  - (v) any intention by the company or business to diversify its activities;
  - (vi) the profitability and payback period of investment of the company or business;
  - (vii) the projected date for the commencement and completion of construction of the facilities, where relevant;
  - (viii) the level of training and knowledge the company or business has or will transfer to its employees;
  - (ix) the initial investment or expansion of the existing facilities of the company or business; or
  - (x) any other requirement as determined relevant by the Minister;
- (i) any principal of a business or shareholder of a company was penalised for non-compliance with any provision of the Act; or

- (j) the company or business satisfies any other requirement as determined necessary by the Minister.

5. In determining whether to grant a one-off fiscal incentive to a person other than an MSME, the Minister shall, have regard to whether–

Eligibility for one-off fiscal incentive.

- (a) the applicant–

(i) is conducting an activity prescribed in Scheduled I;

Schedule I.

(ii) is the owner of a Belize company incorporated under the Belize Companies Act;

No. 11 of 2022.

(iii) is the owner of a foreign company registered in accordance with the Belize Companies Act;

No. 11 of 2022.

(iv) provides a brief description of the project;

(v) is registered and in good standing with the Belize Tax Service; or

(vi) provides proof of financing in the form approved by the Ministry;

- (b) the application for the fiscal incentive includes–

(i) proof that the owner of the company or business is the title owner of or has a notarised lease for the property it proposes to operate from; and

(ii) a list of the non-controlled items required for the activity or proposed activity of the company or business; or

(c) meets any other requirements deemed relevant by the Minister.

Eligibility for fiscal incentives to MSMEs.

**6.** In determining whether to grant a fiscal incentive to an MSME under sections 5, 17, 19 or 20 of the Act, the Minister shall, have regard to whether the company or business—

(a) satisfies the requirements for the definition of an MSME;

(b) is engaged or intends to engage in an activity not prescribed in Schedule II of the Act;

(c) is—

(i) the holder of a registration certificate for a business name under the Business Names Act; or

(ii) is a Belize company incorporated under the Belize Companies Act;

(d) has been granted any relevant trade license, relevant to the operations of its business, in accordance with any law;

(e) where applicable, is registered with the Belize Tax Service;

(f) is the holder of an account at a financial institution in Belize, that is utilized only in relation to the funds of the company or business;

Schedule II;

CAP.247.

No. 11 of 2022.



- (g) includes in its application for fiscal incentives—
  - (i) a brief description of the project;
  - (ii) proof that the company or business is the title owner of or has a rent receipt for, the property it proposes to operate from; or
  - (iii) where applicable, a list of the non-controlled items required for the activity or proposed activity of the company or business; or
- (h) meets any other requirements as determined relevant by the Minister.

Notice of  
application.

7.—(1) Upon receipt of an application for a fiscal incentive under the Act, the Minister shall, within five working days of receipt of the application, cause a Notice of Application for a Fiscal Incentive to be published in a newspaper circulating in Belize, at two intervals of not less than one week between each, containing the relevant information relating to the company.

(2) A Notice of Application for a Fiscal Incentive shall include a clause stating that any person who desires to object to the grant of a fiscal incentive, may submit a letter of objection, to the Executive Director of BELTRAIDE, not more than seven days after the date of the second publication of the Notice of Application for the Fiscal Incentive.

(3) A letter of objection submitted under sub-regulation (2) shall be in writing, and include any evidence in support of any claims made.

(4) The Executive Director of BELTRAIDE shall inform the company to which the letter of objection relates, that an

objection was received, giving the company a period of seven days to respond to the claims made, in writing, providing reasons why the application should be approved.

(5) The Executive Director of BELTRAIDE shall consider every letter of objection and every response, to determine whether to recommend to the Minister that an application be approved or rejected.

(6) Where, after consideration of the relevant information, the Minister—

- (a) approves an application, he shall grant the fiscal incentive, in accordance with the Act; or
- (b) rejects an application, he shall issue a statement in writing, within five days of receipt of the recommendation under sub-regulation (5), giving reasons for his decision.

(7) This regulations shall not apply to—

- (a) an MSME; or
- (b) an application for a one-off fiscal incentive.

Suspension  
of fiscal  
incentives.

8.-(1) A fiscal incentive granted under the Act may be suspended where—

- (a) the approved enterprise—
  - (i) contravenes any provision of the Act on more than one occasion;
  - (ii) fails to pay a prescribed fee or an administrative penalty, for more than

- one month after the date upon which the fee or penalty becomes due; or
- (iii) is issued a second or subsequent penalty under the Act; or
- (b) the Ministry is notified by the Belize Tax Service, in writing, that an approved enterprise is in default of any tax due and payable by that approved enterprise.
- (2) Where an approved enterprise submits proof to the Ministry, of payment of the relevant taxes for which an incentive under sub-regulation (1)(b) was suspended, the Ministry shall reinstate the incentive.

### PART III

#### *Miscellaneous*

9.-(1) Where the Minister intends to revoke a fiscal incentive granted to an approved enterprise in accordance with any of the grounds listed under section 10 of the Act, the Minister shall issue, not less than three notices to the approved enterprise in four week intervals, giving reasons for the intention to revoke.

Procedure for  
revocation  
of fiscal  
incentives.

(2) An approved enterprise that is issued a notice under sub-regulation (1), may submit a response, in writing, to the Minister, within one month of receipt of a notice, showing cause as to why the fiscal incentive should not be revoked and, where the Minister is not satisfied with the reasons provided by the approved enterprise, the Minister may revoke the fiscal incentive.

(3) The Minister shall inform the approved enterprise of his decision in writing within one month of receipt of the

reasons submitted by the approved enterprise under sub-regulation (2), giving reasons for his decision.

(4) Where a fiscal incentive is revoked, the Minister shall revoke the Fiscal Incentive Order and cause a Notice of Revocation to be published in the *Gazette*, stating the date on which the enterprise shall cease or shall have ceased to be an approved enterprise.

(5) Upon a revocation of a Fiscal Incentive Order, the approved enterprise shall pay any import duty, revenue replacement duty or excise duty on such of the articles, as determined by the Comptroller, imported by the approved enterprise free of those duties, such duties being based on the value of the articles at the date of revocation, as assessed by the Comptroller.

(6) The duties payable under sub-regulation (5), may be recovered by the Comptroller in the manner provided under any law relating to the relevant duty.

Records  
and audited  
financial  
statements.  
CAP. 305.

**10.**—(1) Audited financial statements required under section 14 of the Act, shall be prepared by the holder of a valid practicing certificate issued in accordance with the Accountancy Profession Act.

(2) The audited financial statements of an approved enterprise shall include—

- (a) particulars of the capital expended by the approved enterprise, including capital investment and depreciation of the capital assets, revenues, expenditures, during the financial year in question; or
- (b) any other particulars relating to the approved enterprise as the Minister may require.

(3) Notwithstanding sub-regulation (1), where an approved enterprise does not intend to submit a copy of their audited financial statements within the time period specified under the Act, the approved enterprise may apply to the Ministry for an extension of time to submit audited financial statements.

(4) Any extension granted by the Ministry under sub-regulation (3), shall be for a period of not more than two months.

(5) An approved enterprise that due to exceptional and unforeseen circumstances, is unable to submit their audited financial statements within the period of extension granted by the Ministry under sub-regulation (4), may apply to the Ministry for a second extension of not more than two months, and provide proof to the satisfaction of the Ministry of the exceptional and unforeseen circumstances.

(6) An approved enterprise that fails to comply with the requirements under this regulation shall be liable to the administrative penalty in Schedule II.

Schedule II.

**11.**-(1) An approved enterprise that contravenes or fails to comply with a provision of the Act shall be liable to the administrative penalty, in Schedule II.

Administrative penalty.

Schedule II.

(2) Where an approved enterprise contravenes or fails to comply with a provision of the Act, the Minister shall issue a notice to the approved enterprise, stating the contravention or failure, penalty and date the penalty becomes due.

(3) A penalty under sub-regulation (1), shall be paid within fifteen working days of the date of receipt of the notice under sub-regulation (2).

(4) Where an approved enterprise is issued a notice under sub-regulation (2), and fails to pay the penalty within

the period stipulated under sub-regulation (3), the Minister may suspend or revoke the fiscal incentives granted to the approved enterprise in accordance with the Act.

Foreign  
companies.

**12.**-(1) An approved enterprise that is a foreign company shall submit, annually, a list of all shareholders and beneficial owners of the company, which list shall be certified via apostille, addressed to the Minister.

Schedule II.

(2) An approved enterprise that contravenes or fails to comply with sub-regulation (1), shall be liable to the administrative penalty in Schedule II.

## SCHEDULE I

## Fees

[Regulation 3]

<b>APPLICATION, VARIATION OR RENEWAL FEE FOR FISCAL INCENTIVE FOR MSME</b>		<b>\$</b>
Micro	New application for fiscal incentive	\$50
	Renewal of fiscal incentive	\$50
	Variation of Fiscal Incentive Order	\$50
Small	New application	\$250
	Renewal of fiscal incentive	\$125
	Variation of Fiscal Incentive Order	\$125
Medium	New application	\$500
	Renewal of fiscal incentive	\$250
	Variation of Fiscal Incentive Order	\$250
<b>ADMINISTRATION AND MONITORING FEE</b>		<b>\$</b>
	Micro enterprise	\$20
	Small enterprise	\$50
	Medium enterprise	\$100
<b>FISCAL INCENTIVES FOR OTHER COMPANIES</b>		<b>\$</b>
<b>APPLICATION OR RENEWAL FEE</b>		
	Investments of equal to or more than \$300,000.00 but not more than \$500,000.00	\$7,000
	Investments of more than \$500,000.00 but not more than \$1 million	\$15,000
	Investments of more than \$5 million	\$30,000
	Variation of Fiscal Incentive Order	\$3,500
	Administration and monitoring fee for fiscal incentive	\$1,000

**APPLICATION FEE FOR ONE-OFF  
FISCAL INCENTIVE**

Investments of between \$0 up to \$500,000.00	\$7,000
Investments of more than \$500,000.00 but not more than \$1 million	\$15,000
Administration and monitoring fee	\$1,000



## SCHEDULE II

## ADMINISTRATIVE PENALTIES

*[Regulation 8, 10, 11, 12]*

	<b>Contravention</b>	<b>Penalty</b>	<b>Corresponding Section/Regulation</b>
1.	<b>Failure to file any return required under the Income and Business Tax Act</b>	suspension	Section 5(5)
2.	<b>Failure to pay any tax for which no exemption was granted under the Act</b>	suspension	Section 10(c)
3.	<b>Failure to permit the Comptroller or any person authorised by the Minister to inspect the record and examine any goods</b>	suspension	Section 11(c)
4.	<b>Failure to submit progress report</b>	\$100 after receipt of notice after 15 days  \$100 per day for every additional day report remains outstanding, (up to 15 days)  Suspension of incentives after an accumulation of 30 days	Section 13(1)
5.	<b>Failure to submit records and audited financials</b>	\$100 after receipt of notice after 15 days	Section 14 Regulation 10

\$100 per day for every additional day records and audited financials remain outstanding, (up to 15 days)

Suspension of incentives after an accumulation of 30 days

- |           |   |                                 |            |
|-----------|---|---------------------------------|------------|
| <b>6.</b> | <b>Failure to inform of change of shareholders</b>      | \$125 per day and per violation | Section 15 |
| <b>7.</b> | <b>Failure to pay administration and monitoring fee</b> |                                 | Section 23 |
| (a)       | 1 – 30 business days late                               | \$50 per day                    |            |
| (b)       | 31 – 60 business days late                              | \$100 per day                   |            |
| (c)       | 61 – 90 business days late                              | \$150 per day                   |            |
| (d)       | 91 – 120 business days late                             | \$200 per day                   |            |
| (e)       | 121 – 150 business days late                            | \$250 per day                   |            |
| (f)       | 151 or more business days late                          | \$300 per day                   |            |

Made by the Minister responsible for Investment this 17th day of May, 2023.

A handwritten signature in black ink, appearing to read "John Briceño". The signature is fluid and cursive, with a large loop at the beginning and a period at the end.

**(HON. JOHN BRICEÑO)**

*Prime Minister, Minister of Finance, Economic Development  
and Investment*

*(Minister responsible for Investment)*