

BELIZE:

FISCAL INCENTIVES (AMENDMENT) ACT, 2024

ARRANGEMENT OF SECTIONS

1. Short title.
2. Amendment of section 2.
3. Amendment of section 10.
4. Insertion of new Part IIA.



No. 17 of 2024

I assent,

(H.E. DAME. FROYLA TZALAM)
Governor-General

13th August 2024

AN ACT to amend the Fiscal Incentives Act (Act No. 4 of 2023); to provide for exemption on import duty for foreign managers and foreign skilled workers employed by a person with investment of USD\$250,000,000.00 and above; and to provide for matters connected therewith or incidental thereto.

(Gazetted 17th August, 2024).

BE IT ENACTED, by and with the advice and consent of the House of Representatives and Senate of Belize and by the authority of the same, as follows:

1. This Act may be cited as the

Short title.

FISCAL INCENTIVES (AMENDMENT) ACT, 2024,

Acts No. 4 of 2023 and No. 41 of 2023.

and shall be read and construed as one with the Fiscal Incentives Act, which, as amended, is hereinafter referred to as the principal Act.

Amendment of section 2.

2. The principal Act is amended in section 2 by inserting the following term and definition in the appropriate alphabetical sequence—

““high investment company” means an approved enterprise that implements a project that meets the investment requirements and includes all the successors in title of that approved enterprise;”.

Amendment of section 10.

3. The principal Act is amended in section 10 by inserting the following new paragraph immediately after paragraph (c) as follows—

“(d) is a high investment company that is insolvent as determined by a court of competent jurisdiction.”.

Insertion of new Part IIA.

4. The principal Act is amended by inserting the following new Part immediately after Part II as follows—

“PART IIA

Incentives Granted in Relation to Investments of \$250,000,000 Million USD or Above

Interpretation of this Part.

16A. For the purposes of this Part—

“competent authority” means a person or entity that is designated as such by the Minister to perform the function under this Act;

“dependant” means the spouse or a child below the age of eighteen years of a person employed in a high investment company as a manager or skilled worker;

“dollar” means a unit of the currency of the United States of America, and the sign “\$” shall be construed accordingly;

CAP.63.

“GST” or “general sales tax” has the meaning assigned to it under the General Sales Tax Act; and

“investment requirements” mean an investment by way of debt and/or equity financing of not less than two hundred and fifty million dollars (\$250,000,000) for the implementation of a project in Belize;

“project” includes all the development, engineering, procurement, construction and infrastructure works in relation to a specific investment in Belize; and

“skilled worker” means a person who satisfies the Minister that such person is of good character and—

- (a) holds a certificate from a university accredited or recognised by the competent authority; or
- (b) possess the requisite qualifications, knowledge and experience, to perform the work for which he is employed.

Determination
of high
investment
company.

16B.—(1) Notwithstanding the requirements for eligibility under this Act, in determining whether to grant a Fiscal Incentive Order to a high investment company, the Minister shall, have regard to—

- (a) whether the company provides proof that—

- (i) the investment has met or will meet the investment requirements;
 - (ii) the company has a satisfactory financing plan; and
 - (iii) the company provides or will provide for effective and competent management;
- (b) a recommendation by the Executive Director of BELTRAIDE, in writing, indicating whether BELTRAIDE is in support of the application, and the justification for its recommendation; and
- (c) whether the Minister is satisfied that—
 - (i) the investment will be beneficial to the economy of Belize; and
 - (ii) it is expedient, after taking into account employment, the environment, and economic development, that the investment is in the public interest.

(2) An application by a high investment company shall be accompanied by an

application fee of \$50,000 payable to the Government of Belize.

(3) Where the recommendation of the Executive Director of BELTRAIDE does not support the application, the Executive Director of BELTRAIDE shall notify the company, in writing, and provide reasons for its recommendation.

(4) A company that is aggrieved by a recommendation of the Executive Director of BELTRAIDE may appeal to the Minister in the approved form.

(5) Upon the favourable determination of the matters outlined under this section, and after the approval of Cabinet, the Minister shall grant the Fiscal Incentive Order to the company.

Fiscal incentives to be granted to high investment companies.

16C.—(1) Notwithstanding section 5(2), or any other law, the incentives granted by the Minister to a high investment company may include exemption from—

- (a) import duty;
- (b) revenue replacement duty;
- (c) excise duty;
- (d) the payment of business tax including any withholding, business, income or other taxes (in connection with any dividends or interest paid by the high investment company); and

(e) general sales tax.

(2) An exemption from import duty under sub-section (1) (a) granted to a high investment company shall—

(a) be granted during the establishment and construction phases of the approved activity; and

(b) be in relation to—

(i) machinery and equipment;

(ii) utility and transport vehicles excluding spare parts or tires;

(iii) building materials and supplies excluding cement, aggregates and derivatives thereof;

(iv) fixtures, and fittings, excluding artwork;

(v) furniture, excluding furniture made from wood;

(vi) tools and specialized tools;

(vii) office equipment and appliances;

- (viii) restaurant equipment and appliances;
- (ix) raw materials and packaging;
- (x) spare parts on plant or plant related machinery;
- (xi) agricultural equipment and machinery;
- (xii) aircrafts and marine crafts; and
- (xiii) any other category as determined by the Minister.

(3) An exemption granted under this Part shall not include equipment, supplies and other items for which there exists locally produced substitutes.

(4) An exemption from general sales tax under sub-section (1)(e) shall be—

- (a) granted during the establishment and construction phases of the approved activity; and
- (b) in relation to the implementation of an investment that meets the investment requirements.

(5) The exemptions granted under this Part shall apply only to the activities of the

high investment company as set out in the Fiscal Incentives Order.

(6) A high investment company shall be exempt from all approval (but not notice) requirements under all applicable exchange control laws and regulations.

Incentives granted to managers and skilled workers for personal effects.

16D.—(1) Notwithstanding anything to the contrary contained under this Act or any other law, any person who is not a national of Belize, and who is employed by a high investment company as a manager or skilled worker shall be granted exemption from import duty, on all personal effects, including—

(a) furniture; and

(b) equipment

deemed by the Minister as necessary for relocation to Belize.

(2) For the purposes of this section, personal effects do not include motor vehicles.

(3) The exemption granted under subsection (1) shall be for a period of six months from the date when the manager or skilled worker relocates to Belize for employment with the high investment company.

(4) A manager or skilled worker who desires to be granted an exemption under this section may apply to the Minister in the approved form as outlined in Regulations.

(5) An exemption granted under this section shall be in relation to the personal

effects of any dependant of the manager or skilled worker who relocates with the manager or skilled worker.

Aspects of Exchange Control Regulations Act not applicable.

16E.-(1) A high investment company shall be exempt from the requirements under the Exchange Control Regulations Act to obtain consent or permission from the Central Bank of Belize for any matter stated in that Act that may be applicable to the high investment company.

(2) Notwithstanding sub-section (1), a high investment company shall not be exempt for the requirements under the Exchange Control Regulations Act to provide any notice to the Central Bank of Belize in relation to any matter stated in that Act that may be applicable to the high investment company.”.