

BELIZE:

**TAX ADMINISTRATION AND PROCEDURE (AMENDMENT)
BILL, 2024**

ARRANGEMENT OF CLAUSES

1. Short title.
2. Amendment of section 2.
3. Amendment of section 8.
4. Amendment of section 20.
5. Amendment of section 86.
6. Amendment of section 88.
7. Amendment of section 89.
8. Insertion of new sections 96A, 96B and 96C.
9. Insertion of new section 101A.
10. Insertion of new sections 109A and 109B.
11. Insertion of new section 110A.
12. Insertion of new section 111A.
13. Insertion of new section 112A.
14. Repeal and replacement of Schedule IV.
15. Commencement.

BELIZE:

BILL

for

AN ACT to amend the Tax Administration and Procedure Act Chapter 51 of the Substantive Laws of Belize, Revised Edition 2020; to improve tax administration and enhance tax compliance; to enable electronic tax invoicing; to make clarifying amendments; and to provide for matters connected therewith or incidental thereto.

(Gazetted, 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

**TAX ADMINISTRATION AND PROCEDURE (AMENDMENT)
ACT, 2024,**

CAP. 51.
Act. 19 of 2021.

and shall be read and construed as on with the Tax Administration and Procedure 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 terms and their corresponding definitions in their proper alphabetical sequence—

““invoice” means a document notifying an obligation to make a payment and includes an invoice that has been issued transmitted and received in a structured data format which allows for its automatic and electronic processing;

“taxpayer” means—

- (a) a person who is required to pay tax under a law or regulation to which this Act applies;

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- (b) a person who is required to withhold tax and pay it to the Department; or
- (c) a person whose liability to pay tax under a law or regulation to which this Act applies is in question, whether or not, in the event, the payment is waived or remitted or no amount is found to be payable.”.
3. The principal Act is amended in section 8 by inserting after sub-section (8), the following new sub-section—
- Amendment of section 8.
- “(9) The Director General may register a person as may be required by a tax law to which the Act applies who already has a TIN.”.
4. The principal Act is amended in section 20—
- Amendment of section 20.
- (a) in sub-section (10)(b), by inserting after the word “copy”, the words “or an electronic record”; and
- (b) by inserting after sub-section (10), the following new sub-sections—
- “(11) The requirements of the Electronic Transaction Act shall apply without prejudice to any other obligations under any other law to the requirements of this Act.
- Act No. 25 of 2021.
- (12) The requirements of record keeping as prescribed by the Belize Companies Act shall apply to a tax payer.”.
- Act No. 11 of 2022.
5. The principal Act is amended in section 86—
- Amendment of section 86.
- (a) in sub-section (11), by inserting after the word “penalty”, wherever it occurs, the words “and interest”; and
- (b) by inserting after sub-section (12), the following new sub-section—
- “(13) The requirements for an assessment under this section shall not apply to an assessment under section 33.”.
6. The principal Act is amended in section 88(1)—
- Amendment of section 88.
- (a) in paragraph (c), by deleting the word “or” at the end of the paragraph;

- (b) in paragraph (d), by deleting the full stop and substituting a semi-colon; and
- (c) by inserting after paragraph (d), the following new paragraph—

CAP. 63. “(e) fails to provide a receipt in the prescribed form and manner pursuant to section 36A of the General Sales Tax Act.”.

Amendment of section 89.

- 7.** The principal Act is amended in section 89, by repealing sub-section (1) and replacing it with the following—

“(1) A person who fails to file on or before the due date, a statement of emoluments, business tax return, GST return, withholding contract tax return, or a nil return for any tax type is liable to the administrative penalty listed in Schedule IV.”.

Insertion of new sections 96A, 96B and 96C.

- 8.** The principal Act is amended by inserting after section 96, the following new sections—

“Failure to comply with other requirements. **96A.** A person who fails to comply with any requirement of any tax law not mentioned in Part IX is liable to an administrative penalty of five hundred dollars for each failure.

Failure to register. **96B.** A person who fails to register with the Department and pay a tax due under a tax law is liable to an administrative penalty of one hundred dollars a day of default so long as such penalty shall not exceed fifty thousand dollars.

General administrative penalty. **96C.** A person who contravenes any section of any other tax law or commits an offence pursuant to any tax law to which this Act applies is liable to an administrative penalty in an amount not exceeding ten thousand dollars.”.

Insertion of new section 101A.

- 9.** The principal Act is amended by inserting after section 101, the following new section—

“Committal. **101A.**—(1) A Magistrate may commit a person to prison if—

(a) that person fails, without lawful excuse, to comply with a summons issued in relation to an offence under section 101; or

(b) that person defaults in paying a fine imposed by the court for an offence under section 101.

(2) A Magistrate may commit such person to prison for a term not exceeding six weeks or until payment of the sum ordered to be paid.

(3) No committal under sub-section (1), shall be ordered for default in payment unless it is proved to the satisfaction of the Magistrate that the person making default either has or has had since the date of the order the means to pay the sum in respect of which he has made default, and has refused or neglected, or refuses or neglects, to pay it.

(4) Proof of the means of the person making default may be given in such a manner as the Magistrate thinks just, and for the purposes of such proof, the debtor and any witness may be summoned and their attendance enforced by the same processes as in cases in which the Magistrate has summary jurisdiction in criminal matters, and such debtor and witnesses may be examined on oath.

(5) Every order of committal under this section shall be issued, obeyed, and executed in a manner similar to commitments by Magistrates in the exercise of their summary jurisdiction in criminal cases.

(6) Imprisonment under this section shall not operate as a satisfaction or extinguishment of the judgment debt.”.

10. The principal Act is amended by inserting after section 109, the following new sections—

Insertion of new sections 109A and 109B.

“Certificate prior to purchase of an entity or business.

109A.—(1) Every person or entity who wishes to purchase an entity or business shall first obtain a certificate in the prescribed form, issued by the Director General, certifying that all taxes due from such entity or business under this Act have been paid.

(2) Any person or entity that fails or neglects to obtain the certificate required under sub-section (1), is liable to pay to the Director General all arrears of tax due from such entity or business.

Closure of business.

109B.—(1) The Director General may apply to the court for an order to close any business premises for a period up to thirty days if, as at the date of the application, the owner of that business has been in repeated violation of any of the following provisions, in the manner specified, namely—

- (a) section 22, by failing to file returns for any tax type to which this Act applies;
- (b) section 44, by failing to pay any tax type to which this Act applies when due;
- (c) section 20, by failing to keep and maintain books and records;
- (d) section 27, by failing to provide the required information for the audit;
- (e) section 29, by obstructing and authorised officer or by failing to comply with request.”.

Insertion of new section 110A.

11. The principal Act is amended by inserting after section 110, the following new section–

“Independent audit.

110A.–(1) The Director General shall have the power to require the following companies to be audited by an independent audit firm in accordance with International Financial Reporting Standards (IFRS)–

- (a) an international business company with receipts of at least \$6,000,000 United States dollars (US\$);
- (b) a company operating in a designated processing area with receipts of at least \$500,000;
- (c) any other appropriate entity which meets at least two of the following criteria–
 - (i) entities listed on an approved stock exchange;
 - (ii) entities undergoing a restructure and liquidation or proposing to sell all of its assets through an auction;
 - (iii) entities regulated by the International Financial Services Commission;
 - (iv) entities and organisations subject to preparing consolidated financial statements; or
 - (v) any other business entities.

(2) For the purposes of sub-section (1)(c), the Director General shall have regard to total assets, revenues and the average number of employees during the reporting period;

(3) The procedural details of this requirement may be as prescribed.

(4) Every person who contravenes this section commits an offence.”.

12. The principal Act is amended by inserting after section 111, the following new section–

Insertion of new section 111A.

“Order to compel.

111A. In addition to any penalty that may be imposed by a court for an offence under this Act, a court may make an order compelling a person to carry out the acts for which the person was summoned before the court.”.

13. The principal Act is amended by inserting after section 112, the following new section–

Insertion of new section 112A.

“Amendment of Schedules.

112A. The Minister may, by Order published in the *Gazette*, amend Schedules I, II, or III of this Act.”.

14. The principal Act is amended by repealing Schedule IV and replacing it with the following–

Repeal and replacement of Schedule IV.

“SCHEDULE IV
[section 89]

Penalties for Income and Business Tax and General Sales Tax

Act & Section	Type of Penalty	Rate of Penalty	Length of Time for Penalty Charged
Income & Business Tax – Section 87	Failure to file Statement of emoluments paid	\$10.00 a day but not more than \$10,000	Daily
Income & Business Tax - Section 109 (2)	Failure to file Business Tax Return	10 percent of taxes due	24 months
Income & Business Tax Section 112(5)	Failure to withhold contract tax	\$100 or 10 percent of taxes due whichever	One time charge

		is greater	
General Sales Tax – Section 30	Failure to file return	10 percent of taxes due	One time charge
All tax types	Failure to fil nil return	\$10.00 a day but not more than \$10,000	Daily

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Commencement.

15. This Act shall come into force on the 1st day of January, 2025.

EXPLANATORY MEMORANDUM

OVERVIEW

The Stamp Duties (Amendment) Bill seeks to amend the Tax Administration and Procedure Act to improve tax administration and enhance tax compliance.

PROVISIONS OF THE BILL

1. Clause 2 of the Bill amends section 2 of the Act to provide definitions for the terms invoice, lawful excuse and taxpayer, which are used in the Act but not defined.
2. Clause 3 of the Bill amends section 8 of the Act to allow for the Director General to register a taxpayer for a tax type if the taxpayer already has a TIN.
3. Clause 4 of the Bill amends section 20 of the Act to allow for the applicability of the Electronic Transactions Act and the requirements for record keeping prescribed under the Belize Companies Act.
4. Clause 5 of the Bill amends section 86 of the Act to clarify that the requirements for an assessment under section 33 do not apply to an assessment under this section.
5. Clause 6 of the Bill amend section 88 of the Act to add an administrative penalty for receipt violations pursuant to the General Sales Tax Act.
6. Clause 7 of the Bill amends section 89 by adding a provision for the failure to file GST return, and nil returns.
7. Clause 8 of the Bill inserts new provision in the Act which allows for administrative penalties to be levied for violations that were under the General Sales Tax Act and further provides a general administrative penalty provision.

- 8.** Clause 9 of the Bill inserts a new provision in the Act that allows for a Magistrate to commit a person to prison if that person fails to comply with a summons or makes default in the payment of a fine.
- 9.** Clause 10 of the Bill inserts new provisions in the Act that requires persons purchasing an entity or business to obtain a certificate from the Director General certifying that all taxes have been paid. This clause also provided from the Director General to apply to the court for the closure of a business where the owner has repeatedly violated specific provisions of the Act.
- 10.** Clause 11 of the Bill inserts a new provision in that Act that allows the Director General to request independent audited financials from specific types of companies.
- 11.** Clause 12 of the Bill inserts a new provision in the Act that allows for the court to also make orders to compel a person to do certain acts.
- 12.** Clause 13 of the Bill inserts a new provision in the Act that allows for some Schedules of the Act to be amended by an Order.
- 13.** Clause 14 of the Bill amends Schedule IV by adding a penalty for PAYE.
- 14.** Clause 15 of the Bill provides for the Bill to come into force on January 1, 2025.