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**FISC 203**

### **OUTCOME OF PROCEEDINGS**

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From: General Secretariat of the Council  
To: Code of Conduct Group (Business Taxation)  
Subject: Belize's Export Processing Zones - EPZ enterprises regime (BZ002)  
– Final description and assessment

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- (a) the capacity to meet any prescribed standards applicable to the market the company proposes to supply;
- (b) the capacity to meet any conformity regime that applies to the proposed activity;
- (c) a detailed plan for the training and transfer of knowledge to the employees of the company; and
- (d) where applicable, a plan for research and development.

(4) A company shall not be eligible for a DPA status as a DPA Business unless the company has an agreement with a DPA Developer to operate a business within the DPA that is administered by the DPA Developer.

#### PART IV

#### ADMINISTRATION OF DPA

Obligations of company.

11. The obligations of an approved company shall include, to—

- (a) bear all costs associated with the administration of the DPA;
- (b) ensure compliance with all sanitary and phytosanitary requirements under the Belize Agricultural Health Authority Act, where applicable;
- (c) keep and maintain a physical and electronic record of inventory, production or sale of goods and services for inspection by the DPAC and the Customs and Exercise Department;

CAP. 211.

- (d) ensure that 85 percent of the persons employed in a DPA are nationals of Belize or another CARICOM Member State;
- (e) ensure that persons employed in a DPA who are not nationals of Belize or another CARICOM Member State, are employed as senior management or technical staff;
- (f) facilitate the inspection by the Customs and Excise Department, of any container of imported goods, that was granted pre-arrival clearance;
- (g) inform the DPAC, in writing, of any intention to change the ownership of the approved company; and
- (h) keep and maintain financial and other written records and report to the DPAC on DPA activities, performance, and developments, as specified by the DPAC.

12. The obligations of a DPA Developer shall include—

Obligations of  
DPA  
Developer

- (a) liability for any injury or damage caused to any person or property in a DPA, where the injury or damage is caused by the negligence of the DPA Developer;
- (b) to ensure that every company operating within the DPA is, an approved company or a permitted company under section 5(3);
- (c) leasing property within a DPA to an approved company on the terms and conditions as agreed between the parties;
- (d) to make improvements to the DPA and provide all relevant infrastructure, facilities,

utilities and services necessary to support the approved activities of the businesses within the DPA;

- (e) to provide security to safeguard the movement of persons and goods in and out of the DPA, including surveillance and fencing, where applicable;
- (f) to charge fees for any services or facilities provided by the DPA Developer within the DPA;
- (g) to adopt rules and regulations for the DPA, with the prior approval of the DPAC, to promote the safe and efficient operation of the DPA;
- (h) to promote and advertise the DPA locally and internationally; and
- (j) to provide an administration office for the DPA and an office to accommodate a customs officer when carrying out duties at the DPA.

Obligations of  
Special DPA.

13. The obligations of a Special DPA shall include,  
to—

- (a) make improvements to the DPA and provide all relevant infrastructure, facilities, utilities and services necessary to support the approved activities of the DPA;
- (b) provide security to safeguard the movement of persons and goods in and out of the DPA, including surveillance and fencing, where applicable;
- (c) conduct only those activities that are approved by the DPAC;

- (d) bear all costs associated with the regulatory services provided to the approved company; and
- (e) ensure compliance with any domestic standards or other relevant requirements, in accordance with the business plan submitted by the company.

14. The obligations of a DPA Business shall include, to —

Obligations of  
DPA.  
Business.

- (a) bear all costs associated with the regulatory services provided to the company;
- (b) conduct only those activities that are approved by the DPAC; and
- (c) ensure compliance with any domestic standards or other relevant requirements, in accordance with the business plan for the approved company.

15. (1) An approved company shall be issued a Certificate of Compliance including—

Certificate of  
Compliance.

- (a) the registration number of the Certificate of Compliance;
- (b) the registration number of the Certificate of Designation issued to the company, if any;
- (c) the date of issue and expiration of the Certificate of Compliance;
- (d) the name of the company;
- (e) the DPA status granted to the company;
- (f) the approved activity;



(g) the benefits granted to the company; and

(h) the location and description of the DPA.

(2) The Certificate of Compliance that is issued to a DPA Business shall include the registration number of the Certificate of Designation that was issued to the DPA Developer who administers the DPA within which the DPA Business will operate.

(3) The Secretariat shall by notice in the *Gazette*, publish the list of approved companies.

(4) An approved company may apply to the DPAC to vary, the information contained in the Certificate of Compliance including—

(a) the name of the company;

(b) the names of the shareholders of the company;

(c) the approved activity; and

(d) the description of the property that comprises the DPA.

Certificate of Designation.

16.(1) An approved company that is issued a DPA status as a DPA Developer or Special DPA, shall be issued a Certificate of Designation.

(2) The Certificate of Designation issued under subsection (1) shall include—

(a) the registration number of the Certificate of Compliance;

(b) the registration number of the Certificate of Designation;

- (c) the date of issue and expiration of the Certificate of Designation; and
- (d) the description of the property that comprises the DPA.

17. An approved company shall be a party to an Operations Contract between the company and the Chief Executive Officer of the Ministry outlining, among other things, the rights and obligations of the DPA status.

Operations  
Contract.

## PART V

### BENEFITS ATTACHED TO DPA STATUS

18. (1) An approved company shall be issued a DPA status for a period of not more than ten years.

Duration of  
benefits.

(2) A company that applies to the DPAC for a DPA status on the first occasion, shall be eligible for all benefits listed under subsection (3), for a period of up ten years.

(3) The benefits granted by the DPAC include exemption from—

- (a) customs and excise duties and taxes;
- (b) tariffs;
- (c) consumption tax on imports;
- (d) trade turnover tax; or
- (e) property and land tax.

(4) A company that applies to the DPAC to renew a DPA status may not be eligible for—

(a) all benefits granted by the DPAC; or

(b) benefits for a period of up to ten years.

(5) Notwithstanding subsection (2), the DPAC may refuse to grant or suspend a benefit, where the DPAC determines that the company—

(a) is not eligible for the grant of the benefit; or

(b) has contravened a provision of this Act for which suspension is the prescribed penalty.

(6) Where the DPAC suspends a benefit under subsection (5), the DPAC shall give reasons, in writing to the company, for its decision.

(7) A company shall be eligible for benefits on an annual quota for fuel if the fuel is utilised in relation to an approved activity and used for—

(a) the generation of steam or electricity; or

(b) the operation of a water pump.

(8) An approved company shall not be eligible for benefits for controlled items.

(9) For the purposes of this section—

(a) “controlled item” means,

(i) firearms and ammunition;

(ii) military equipment and materials; or

(iii) drugs.



- (b) “non-controlled item” means any good that is intimately related to the approved activity of the company.

(10) An company that receives a benefit for a non-controlled item shall not sell, hire, lend, give away or dispose of the non-controlled item within Belize, except after payment of import duty, stamp duty, excise and revenue replacement duty on the value of the non-controlled item at the date of the transaction as assessed by the Comptroller.

(11) An approved company that supplies transit goods to another approved company shall not be liable to the payment of any taxes.

(12) For the purposes of this section “transit goods” mean the customs procedure under which imported goods are transferred under customs control from the port of entry to another port for exportation.

(13) An approved company that incurs a total net loss over the period as specified in the Certificate of Compliance may carry the loss forward and deduct it against profits in the years following the expiration of the DPA status.

(14) A company that contravenes or fails to comply with the requirements of subsection (10), commits an offence and is liable on summary conviction to a fine equal to three times the value of the non-controlled item, as assessed by the Comptroller of Customs or to a fine of twenty thousand dollars, whichever is the greater, and in every case the item shall be forfeited.

19. (1) The following Acts shall not apply to a DPA—

- (a) the Trade Licensing Act;

Acts not applicable.

Cap. 66.

Cap. 195. (b) the Rent Restriction Act; and

Cap. 58 (c) the Land Tax Act.

Cap. 293. (2) The Supplies Control Act shall not apply to a DPA in relation to the importation of raw materials for the production of goods and services that are not for sale in Belize.

(3) An approved company shall be eligible to maintain a foreign currency account in a domestic or international bank that is located in Belize.

Cap. 52. (4) An approved company that is eligible under subsection (3) shall be subject to the Exchange Control Regulation Act.

(5) An approved company shall submit a monthly report to the Central Bank of Belize of all—

(a) transactions in the foreign currency accounts held by the company; and

(b) sales and purchases of the company.

## PART VI

### ADMINISTRATIVE PENALTIES

Administrative penalty. 20. A company that contravenes or fails to comply with the provisions of this Act shall be liable to pay the prescribed fine.

## PART VII

### REVOCAION OF A DPA STATUS

Revocation of DPA status. 21. The grounds for revocation of a DPA status shall be where—

- (a) an approved company, through its own fault, fails to initiate operations within two years from the date of issue of a DPA status to the company;
- (b) the DPA ceases to operate for two consecutive years
- (c) the DPAC revokes a DPA status of an approved company, based on a request by the company to revoke its DPA status;
- (d) an approved company repeatedly violates to the provisions of this Act;
- (e) the benefits of an approved company are suspended for more than twelve months; or
- (f) the principal of an approved company is convicted of an offence involving—
  - (i) fraud or dishonesty; or
  - (ii) firearms or illegal drugs.

## PART VIII

### FEES

22. (1) Notwithstanding any other provision of this Act or any other law to the contrary, there shall be levied and charged a social fee on the value of all goods imported into a DPA at the rate the Minister of Finance may from time to time, after consultation with the DPAC, prescribe by Order published in the *Gazette*.

Social Fee.

(2) An Order made by the Minister under subsection (1) shall be subject to negative resolution.

(3) The Comptroller of Customs shall be responsible for the collection of the social fee.

CAP. 49

(4) For the purpose of collecting and enforcing the payment of social fee, the Customs Regulation Act shall apply in the same manner as if the social fee were a Customs duty.

(5) The social fee shall become due and payable at the time when the goods are entered and shall be paid by the importer.

Consolidated  
Revenue  
Fund.

23. All fees and fines payable under this Act shall be paid into the Consolidated Revenue Fund or a separate fund approved by the Ministry of Finance.

## PART IX

### MISCELLANEOUS

Establishment  
of Appeal  
Board.

24. (1) There is established an Appeal Board which shall be appointed by the Minister by Order and comprise of the following—

- (a) two representatives from the Attorney General's Ministry;
- (b) the President of the Belize Chamber of Commerce and Industry; and
- (c) a representative from the private sector.

(2) The Minister shall appoint a member of the Appeal Board to be the Chair, who shall serve for a period of one year and be eligible for reappointment.



(3) A member of the Board may at any time, by notice to the Minister in writing, resign from the Board.

(4) The Minister may terminate the appointment of a member of the Board for inability or misbehaviour, or on the ground of any employment or interest which appears to the Minister to be incompatible with the functions of a member of the Board.

(5) No defect in the qualification or appointment of any member of the Board shall vitiate any proceedings of the Board.

**25.** (1) A company that is aggrieved by a decision of the DPAC may lodge an appeal with the Appeal Board.

Appeals.

(2) An application for an appeal shall—

- (a) be in writing;
- (b) include an application fee of two thousand dollars;
- (c) give the particulars of the decision to which the aggrieved company is requesting the appeal;
- (d) include any documentation the aggrieved company wants to be taken into account in the appeal;
- (e) give the address to which notices can be sent; and
- (f) be delivered to the address of the Appeal Board within twenty one working days of the date of notice of the rejection of the review.

(3) The Appeal Board may accept or reject an application under subsection (1) and submit a notice of its decision to the aggrieved company within sixty working days of the date of receipt of the application.

(4) Where the Appeal Board determines that it is equitable to do so, it may accept an application that is made after the time period stated under subsection (2)(f).

Review of  
DPAC  
decision.

26. (1) Notwithstanding section 25, before any appeal is instituted, a company that intends to appeal a decision of the DPAC shall, apply to the DPAC for review of a decision.

(2) An application for a review shall—

- (a) be in writing;
- (b) include an application fee of two thousand dollars;
- (c) set out or otherwise sufficiently identify the decision to be reviewed;
- (d) set out the grounds for the review and state briefly the facts on which the applicant relies;
- (e) give the address to which notices can be sent; and
- (f) be delivered to the address of the Secretariat within fourteen working days of the date of notice of the decision.

(3) The DPAC shall acknowledge receipt of an application under subsection (1), within ten working days of receipt of the application.

(4) The DPAC may confirm or reverse a decision under subsection (1), and submit a notice of its reviewed decision, within sixty working days of the date of receipt of the application.

(5) A decision that is confirmed under subsection (4) may be appealed.

27. The DPAC shall not be liable for any injury or damages to any person in a DPA that is caused by the negligence of the person.

Liability of DPAC.

28. The DPAC shall provide a quarterly report on the development of DPAs to the Ministry, within one month after the expiration of every quarter.

Quarterly report to the Ministry.

29. The Export Processing Zone Act is repealed.

Repeal. CAP. 280

30. (1) In this section “former Act” means Export Processing Zone Act repealed by this Act.

Transitional. Cap. 280

(2) Every Export Processing Zone (EPZ) Developer, EPZ Business or Special EPZ that was immediately before the commencement of this Act, administering or operating in, an Export Processing Zone, shall upon the coming into force of this Act, be deemed to be a DPA Developer, a DPA Business or a Special DPA, for a period of two years.

(3) A company under subsection (2) shall be eligible to apply to the DPAC under section 9 for the renewal of the DPA status.

(4) An application made within twelve months of the issue of a DPA status under subsection (3), shall be exempt from the payment of the application fee.

(5) Every EPZ Developer, EPZ Business or Special EPZ that was immediately before the commencement of

this Act, operating a casino, hotel, International Business Company or Bank within an Export Processing Zone under the former Act, may continue to operate that casino, hotel, International Business Company or Bank until June 30, 2021.

**Regulations.**

31. The DPAC may, with the approval of the Minister, make regulations for the better carrying out of the provisions of this Act, including for the following—

- (a) prescribing the criteria for obtaining a DPA status; or
- (b) prescribing application fees and administrative fees.

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