

BELIZE:

INCOME AND BUSINESS TAX (AMENDMENT) ACT, 2021

ARRANGEMENT OF SECTIONS

1. Short title.
2. Amendment of section 2.
3. Amendment of section 106.
4. Amendment of section 108A.
5. Amendment of section 109.
6. Amendment of section 113.
7. Amendment of Ninth Schedule.
8. Consequential Amendment.



No. 12 of 2021

I assent,

(H.E. MS. FROYLA TZALAM)

Governor-General

8th June 2021.

AN ACT to amend the Income and Business Tax Act, Chapter 55 of the Substantive Laws of Belize, Revised Edition 2011; to enhance Belize's competitiveness and stimulate renewed growth in the international financial services sector; and to provide for matters connected therewith or incidental thereto.

(Gazetted 12th June, 2021).

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.

**INCOME AND BUSINESS TAX (AMENDMENT)
ACT, 2021,**

CAP. 55.
5 of 2012.
7 of 2017.
26 of 2018.
8 of 2019.
24 of 2019.
25 of 2019.

Amendment of
section 2.

Act No. 15 of
2019.

and shall be read and construed as one with the Income and Business Tax Act, which, as amended, is hereinafter referred to as the principal Act.

2. The principal Act is amended in section 2 by inserting the following terms and definitions in the proper alphabetical order—

““holding company” means a company which—

- (a) is a holding body;
- (b) has as its primary function the acquisition and holding of shares or equitable interests in other companies; or
- (c) does not carry on any relevant activity for purposes of the Economic Substance Act as its primary function;

“pure equity holding company” means a company which only holds equity participations and earns only dividends and capital gains or related incidental income;

“related party” means a person that is related to an entity resident in Belize—

- (a) namely, a person or a close member of that person’s family is related to such resident entity if that person has control, joint control, or significant influence over the entity or is a member of its key management personnel;
- (b) if, among other circumstances, it is a parent, subsidiary, fellow subsidiary, associate, or joint venture of such resident entity, or it is controlled, jointly controlled, or significantly influenced or managed by a person under paragraph (a);”.

3. The principal Act is amended in section 106(5)(a) by deleting the word “foreign”. Amendment of section 106.
4. The principal Act is amended in section 108A(2)(a) by deleting the words “, other than those paid by a company”. Amendment of section 108A.
5. The principal Act is amended in section 109(1) by– Amendment of section 109.
- (a) deleting the full stop at the end of the third proviso and substituting a comma; and
 - (b) inserting the following new proviso after the third proviso–
- “Provided further that in the case of a company incorporated or existing under and by virtue of the International Business Companies Act, the returns shall be made annually and shall be filed on or before the 31st day of March following the end of a basis year.”. CAP. 270.
6. The principal Act is amended in section 113 by inserting the following new sub-section (2A)– Amendment of section 113.
- “(2A) Notwithstanding sub-section (2), a company which pays dividend shall not deduct tax from the dividend if the dividend will be paid to a related party or to a company which–
- (a) is a resident of a country other than a country on the European Union list of non-cooperative jurisdictions for tax purposes;
 - (b) has no permanent establishment in Belize; and
 - (c) self-certifies in the prescribed form that the dividend is taxable under the laws of the relevant country of residence.”.

Amendment
of Ninth
Schedule.

7. The principal Act is amended in the Ninth Schedule by–

(a) repealing paragraph (q) and replacing it with the following–

“(q) Receipts of registered agents and international trustees licensed by the International Financial Services Commission of Belize to provide international financial services 3%,

provided that if there is a commingling of receipts from international financial services with those from domestic services, the entire receipts shall be taxed at 6%.”;

(b) inserting the following new paragraph–

“(t) Pure Equity Holding Companies and Holding Companies not engaged in an active trade or business or in relevant activities for the purposes of the Economic Substance Act 0%”.

Act No. 15 of
2019.

Consequential
Amendment.
CAP. 270.

8. The International Business Companies Act is amended–

(a) in section 113(a) by deleting the figure “\$100” and substituting the figure “\$200”; and

(b) in section 114–

(i) in sub-section (1)(a), by deleting the figure “\$100” and substituting the figure “\$250”; and

(ii) by repealing sub-section (2).