



**BELIZE TAX SERVICE DEPARTMENT (BTSD)**

**PUBLIC RULING**  
**GENERAL SALES TAX**  
**SERVICES CONSUMED**  
**OUTSIDE BELIZE**

**BTSD PR NO. 04/2023**

**EFFECTIVE DATE: December 1<sup>st</sup>, 2023**

## TABLE OF CONTENTS

ACRONYMS.....	3
1.0 OBJECTIVE.....	4
2.0 DEFINITIONS.....	4
3.0 RELEVANT PROVISIONS OF THE LAW.....	5
4.0 THE LAW APPLIED TO REGISTERED AGENTS.....	6
5.0 EFFECTIVE DATE.....	6

## **ACRONYMS**

**BTSD** Belize Tax Service Department

**GST Act** General Sales Tax Act, Chapter 63 of the Laws of Belize, R.E. 2020

**ESA** Economic Substance Act, Chapter 273:01 of the Laws of Belize, R.E. 2020

**BCA** Belize Companies Act, 2022

## **1.0 OBJECTIVE**

1.1 The objective of this public ruling is to set out the Director General's position regarding the application of specific provisions of legislation contained herein. More specifically, the treatment of General Sales Tax related to International Business Companies (IBC) which have been abolished in Belize by the repeal of the International Business Companies Act, Chapter 270. Companies which were former IBCs are now covered by the Companies Act, 2022. With this change, the tax laws pertaining to these companies are no longer applied across the board, and its application may vary depending on the circumstances of each case.

1.2 The purpose is to achieve consistency in the administration of tax legislation and to provide guidance to the public and officers of the Belize Tax Service Department ("BTSD").

1.3 This public ruling is made pursuant to Section 9 of the Tax Administration and Procedure Act, ("TAPA") and is binding on the Director General until revoked. This public ruling is not binding on the taxpayers.

## **2.0 DEFINITIONS**

2.1 "Belize Tax Service Department" or "BTSD" means the Department created pursuant to Section 5 of the TAPA and which is under the overall control of the Minister responsible for Finance;

2.2 "Commercial entity" means an entity incorporated, registered or continued under the Belize Companies Act or any other law which the Minister, by Order, published in the Gazette for the purpose set out in the ESA;

2.3 "General Sales Tax" means the tax imposed under the GST Act, and includes any amount to the extent that it is treated as GST for the purposes of the Act, including interest or a penalty payable under the Act;

2.4 "Non-resident" means a person who is not a resident within the meaning of the term "resident" as defined herein;

“Registered Agent” means any person licensed under section 7 of the Financial Services Commission Act;

2.6 “Resident” a person, including a body, company, partnership, board, or trust, which is formed or created under the laws of Belize or which is managed and controlled in Belize; or any other person to the extent that the person carries on a business in Belize.

### **3.0 RELEVANT PROVISIONS OF THE LAW**

3.1 The relevant provision of the GST Act is:

#### *SCHEDULE II*

##### *Zero-Rated: Exported Services*

##### *Services Consumed Outside Belize*

*(10) A supply of services to a non-resident person who is outside Belize at the time the services are supplied, other than a supply of services–*

*(a) directly in connection with land, or improvements to land, situated in Belize;*

*(b) directly in connection with goods situated in Belize at the time the services are performed;*

*(c) that consist of refraining from or tolerating an activity, a situation, or the doing of an act in Belize, if the restraint or toleration is effectively used or enjoyed in Belize.*

3.2 The relevant provision of the ESA is:

*Section 3.–(3) A commercial entity may be considered tax resident in a jurisdiction other than Belize if the commercial entity is able to provide the competent authority with a letter or certificate–*

*(a) from or issued by the tax authority of its jurisdiction of residence, stating that the commercial entity is considered to be resident for tax purposes in that jurisdiction;*

*(b) showing a clear and specific period of validity; and*

*(c) showing an assessment of tax on the entity, a confirmation of self-assessment of tax, a tax demand, evidence of payment of tax, or any other equivalent document issued by the tax authority for the jurisdiction in question.*

3.3 The relevant provision of the BCA is:

*Section 308. The Economic Substance Act applies to a commercial entity, including a foreign company that is incorporated, registered, or continued under this Act.*

## **4.0 THE LAW APPLIED TO REGISTERED AGENTS**

4.1 Registered Agents who have been duly licenced to so act by the Financial Services Commission may be subject to varying GST obligations depending on whether the company to whom they provide services is a tax resident of Belize or not.

4.2 A company duly registered in Belize, and which has jurisdiction in Belize is considered a resident for the purposes of GST. If the company is a resident demonstrating substantial economic presence in Belize for the purposes of the ESA, Registered Agents are required to register for and charge General Sales Tax (once the threshold is met) at a rate of 12.5%, as the service would be considered a standard rated taxable supply.

4.3 A company duly registered in Belize but who has no jurisdiction in Belize, is a non-resident for GST purposes. If the company is a non-resident, the supply is considered exported for the purposes of Schedule II of the GST Act and is therefore a zero-rated supply to be charged GST at a rate of 0%. Registered agents who provide services to companies which are alleged non-residents must provide evidence to satisfy that the company has been determined to have jurisdiction in another country per Section 3 of the ESA.

## **5.0 EFFECTIVE DATE**

5.1 This Ruling is effective December 1<sup>st</sup>, 2023 and subsequent basis years, unless and until revoked by the Director General.

**ISSUED BY:  
MICHELLE LONGSWORTH  
DIRECTOR GENERAL**

**NOVEMBER 23, 2023**