

NOTICE TO REGISTERED AGENTS



General Sales Tax

Subject: Clarification Regarding Zero-Rated Services Exempt from GST

Further to the Ruling issued concerning Zero-Rated services exempt from GST and Schedule II paragraph (10) of the GST Act which delineates criteria for such exemptions:

SCHEDULE II

GENERAL SALES TAX ACT

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.

Please be informed that for an entity to be classified as non-resident for GST purposes, it must either lack jurisdiction in Belize or be a Belizean commercial entity possessing a Certificate of Tax Exemption from the Belize Tax Service Department. Therefore, if a company meets the GST threshold but provides services to a non-resident entity, it is exempt from charging GST to that entity. Conversely, if the entity is deemed a resident due to substantial economic presence in Belize, as outlined in accordance with the Economic Substance Act, the company must register for and charge GST on that entity.

**A notice from the Director General
of the Belize Tax Service Department**

May 3rd, 2024