



EXECUTIVE  
SUMMARY

**FY2024-FY2026**



A photograph of a stone staircase leading up to a stone wall with people standing on top, under a blue sky with clouds. The scene is set outdoors with trees and a clear sky. The text is overlaid on the right side of the image.

**TOGETHER WE  
BUILD OUR  
COUNTRY - YOUR  
CONTRIBUTION,  
OUR  
DEVELOPMENT**

# TABLE OF CONTENTS

EXECUTIVE SUMMARY	5
BTSD'S LEGAL FRAMEWORK	6
STRATEGIC GOALS	7
CONCLUSION	13

# EXECUTIVE SUMMARY

Tax administrations regionally and globally have been modernized through varying reform measures to improve the mobilisation of tax revenues whilst minimizing costs and deficiencies within adopted systems. Similarly, the Government of Belize has undertaken to develop a tax system marked by voluntary compliance, equitable administration of simplified laws, quality service and reduced compliance and administrative costs.

This Strategic Plan covering the three fiscal years of FY2024-FY2026 represents the collective efforts and inputs of the Director General, management, staff, and key external stakeholders of the BTSD. This plan is a vital communication tool to inform all players of their role and expected contributions. For employees, this means ensuring they are aware and understand how their work contributes to the overarching organisational goals and that it depends on the highest standards of professionalism, ethics, and performance. Likewise, external stakeholders and more specifically taxpayers will be apprised of innovative measures being deployed to strengthen stakeholder engagement, reduce compliance costs, promote customer-friendly services and boost confidence in BTSD's ability to prudently manage public funds.

*With this strategic plan the BTSD will assert itself as a major partner  
in assuring the growth and sustainability of the Belizean economy.'*

# BTSD'S LEGAL FRAMEWORK

The **Tax Administration and Procedure Act (TAPA), No.8 of 2019** confers the BTSD with its powers and establishes the legal basis for the coalesced organization. The Act notes its intention accordingly:

'To establish the Belize Tax Service Department; to facilitate the official and effective administration and collection of domestic taxes; to provide for tax procedures; to provide civil and criminal penalties for violating tax laws; and to provide for connected and incidental matters.'

TAPA also streamlines and integrates the administrative provisions of both Acts administered by the BTSD, these are, the **General Sales Tax Act, Chapter 63 of 2011** and the **Income and Business Tax Act, Chapter 55 of 2000**. In instances of inconsistencies the previous principal acts prevail.

General Sales Tax (GST) was introduced on 1st July 2006 and replaced the former Sales Tax. This Act imposes a tax of 12.5% on all importations and supplies deemed taxable under the regime.

**The Income and Business Tax Act** vests the BTSD with powers to assess and collect taxes for various categories of taxpayers including individuals, sole traders, companies, partnerships, trusts, et al. It also makes provision for the administration of the P.A.Y.E system including the verification and preparation of refunds. More specifically, the Income and Business Tax Act makes legislative provisions for the following taxes:

- Income tax for employee
- Income tax for petroleum operations
- Surcharge for petroleum operations
- Business tax for self-employed persons, firms, partnerships, and companies
- Withholding taxes

BTSD administers five (5) Double Taxation Agreements (DTAs) with Austria, the United Kingdom, Switzerland, CARICOM, and the United Arab Emirates. These DTAs foster a conducive environment for foreign direct investment and cross border trade by minimizing territorial taxation of the same income by Belize and other states with which they have entered into DTAs.

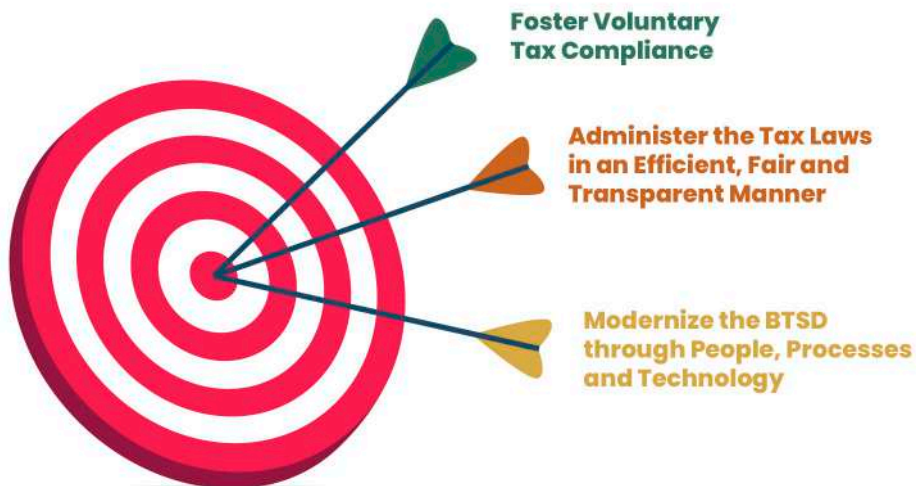
BTSD also entered into Tax Information Exchange Agreements (TIEAs) with twelve (12) countries, as prescribed under the Organization of Economic Co-operation and Development (OECD) Convention. These agreements promote international co-operation in tax matters through the exchange of information.

**STRATEGIC GOALS**

Tax reform requires efficient management and administration, as well as technical capabilities and relevant tax legislation. This coupled with simplified processes contributes to a better understanding of taxpayers’ obligations, their adherence to tax laws and an increase in taxpayer compliance.

Considering the foregoing, three (3) overarching Strategic Goals will guide the direction and actions of BTSD.

Figure 6: BTSD Strategic Goals



As efforts are pooled in achieving each goal, BTSD will move towards reaching its vision, achieving its mission, demonstrating value standards, and meeting the public’s expectations. BTSD’s goals are further defined with supporting objectives and outcomes which are outlined below.

Goal #1	Foster Voluntary Tax Compliance
Objectives	Outcomes
1.1 Improve service to taxpayers	1.1.1 Increased online access for taxpayers 1.1.2 Customer satisfaction improved 1.1.3 Service standards are implemented and communicated
1.2 Ensure access to taxpayer education and information	1.2.1 Risk-based outreach programs expanded 1.2.2 Taxpayer awareness of changes increased
1.3 Enhance stakeholder engagement	1.3.1 Private/public partnerships established
1.4 Enhance international cooperation	1.4.1 International cooperation stronger through enhanced exchange of information and monitoring of registrants

## **OBJECTIVE 1.1 IMPROVE SERVICE TO TAXPAYERS**

- 1.1.1 To compliment the improved online service currently available to taxpayers, BTSD will further implement the online registration function that will make it easier for new registrants to become part of the tax base and to begin fulfilling their tax obligations.
- 1.1.2 BTSD will develop a taxpayer service charter that applies to all taxes and clearly communicates its commitment to its clients about its service approach. Following this and to better meet taxpayers' needs, BTSD will conduct a customer satisfaction survey to receive feedback on the quality of services offered and input on areas requiring improvement.
- 1.1.3 Considering this input, BTSD will develop and consult on key service standards which it will implement. This will be an important tool to improve the awareness of taxpayers of what they can expect from a service perspective from BTSD and will also enhance the administration's accountability to its clients. The implementation of a taxpayer account model will enhance this.

## **OBJECTIVE 1.2 ENSURE ACCESS TO TAXPAYER EDUCATION AND INFORMATION.**

- 1.2.1 As part of its taxpayer education platform, BTSD will organize country-wide risk-based outreach programs to fully disseminate information and to educate tax payers. These programs will play a central role in increasing tax payer participation and more importantly engaging a broader cross section of the public, especially those subgroups who are more predisposed to non-compliance given their occupations and social conditioning. An example of the audience for a risk-based outreach program is the construction industry.
- 1.2.2 BTSD will ensure increased awareness by taxpayers of both legislative and process changes. Materials will be developed and distributed to taxpayers on forthcoming changes to the legislation to enhance voluntary compliance. BTSD will also develop materials to educate its clients on new or re-engineered business processes (e.g., registration, filing and payment) so that taxpayers are able to use these processes comfortably and reliably.

## **OBJECTIVES 1.3 ENHANCE STAKEHOLDER ENGAGEMENT**

- 1.3.1 In assuming customer-centricity, BTSD will embark on establishing various platforms to partner with stakeholders, with a view to improving service, compliance, and involvement in tax administration matters. An expanded partnership with the Belize Companies and Corporate Affairs Registry will allow for integrated access between the two organizations' systems, will reduce duplicative processes for taxpayers, and improve data integrity for BTSD.
- An enhanced partnership with the Customs and Excise Department will provide greater access to third-party data. This access to real-time data will provide opportunities for both administrations to improve their compliance work.
- Expanded partnerships with the Belize Chamber of Commerce and professional tax intermediaries will be a medium to improve the efficiency of taxpayer education. Cooperation agreements and a regularized dialogue and consultation process will be pursued with the aim of involving these entities in cooperative education opportunities with BTSD for the benefit of taxpayers.

## **OBJECTIVES 1.4 ENHANCE INTERNATIONAL COOPERATION**

- 1.4.1 International co-operation is key for the co-ordination of taxation between Belize and other jurisdictions around the world to lower risks associated with double taxation, stimulate foreign direct investment and international trade, and ensure global tax compliance. Towards this end, BTSD will review its draft guidance notes for the automatic exchange of information. It will develop a strategy to deal with Base Erosion and Profit Shifting (BEPS) issues to enhance the exchange of information through various instruments such as treaties. BTSD will also monitor the international companies registered in Belize to ensure proper payment of tax obligations.



Goal #2	Administer the tax laws in an effective, fair, and transparent manner
Objectives	Outcomes
2.1 Strengthen the legislative and administrative framework	2.1.1 Legislative framework strengthened 2.1.2 Anti-corruption policy established and implemented. 2.1.3 Enhanced rulings and interpretation's function
2.2 Ensure effective risk-based enterprise and compliance programs are in place	2.2.1 Enterprise and compliance plans updated and compliance is increasing 2.2.2 Risk management capability strengthened 2.2.3 Investigation and intelligence programs in place
2.3 Optimize revenue collection	2.3.1 Revenue targets apportioned, allocated and achieved 2.3.2 Tax base broadened 2.3.3 Tax incentive schemes reviewed and monitored 2.3.4 Arrears managed effectively 2.3.5 Audit coverage in high-risk sectors maximized

**OBJECTIVE 2.1  
STRENGTHEN THE LEGISLATIVE AND  
ADMINISTRATIVE FRAMEWORK**

2.1.1 For the BTSD to carry out its mandate it must rely on a suitable and robust legislative framework. One aspect of its legislative authority yet to be used is to have access to third-party information from financial institutions. In this regard, BTSD will develop a policy to access information from banks and will monitor the use of this legislative provision to ensure that it is effective.

BTSD will review its legislative framework to identify any harmonization issues with other pieces of legislation. As may be necessary, it will consider amendments to ensure the required harmony is in place.

Important recommendations regarding confidentiality and safeguarding of data for Belize will be addressed. Memoranda of Understanding will be established with multiple third parties to ensure the principles and practices of data exchange are clear.

2.1.2 Corruption has devastating effects on the integrity of any organization. For BTSD these effects could compromise the collection of revenue, impede tax compliance, negatively impact BTSD's image, and reduce public confidence in the administration's ability to objectively administer taxes.

As such, BTSD will develop an anti-corruption policy and implement it. To support this new policy, the

Employee Code of Conduct will be updated and enhanced to emphasize expected good behavior and practices.

2.1.3 Progress has been made in establishing a rulings and interpretation function at BTSD. This work will be enhanced and BTSD will expand its use by identifying technical areas that lack clarity and by increasing the issuance of rulings.

**OBJECTIVE 2.2  
ENSURE EFFECTIVE RISK-BASED  
ENTERPRISE AND COMPLIANCE  
PROGRAMS ARE IN PLACE**

2.2.1 In order to better address compliance issues across segments, the BTSD compliance plans will be updated for large, medium, and small enterprises. Annual targets will be prepared to incrementally increase compliance levels by all segments across all functions with a goal to reach at least 90% by 2025. BTSD will also develop an Institutional Risk Register and a corresponding mitigation strategy.

2.2.2 BTSD will strengthen its risk management capability to deal with ongoing and evolving issues. This will be done initially in registration and will subsequently expand to other areas.

2.2.3 Having strong investigations and intelligence programs are vital to enhance tax administration robustness.

Therefore, BTSD will establish a distinct and staffed investigation and intelligence unit.

**OBJECTIVE 2.3  
OPTIMIZE REVENUE COLLECTION**

- 2.3.1 Approved budget estimates set by the Ministry of Finance should be apportioned and allocated to the operational areas within the BTSD to stimulate ownership of targets and to improve accountability. These targets will be set annually before the beginning of each fiscal year.
- 2.3.2 Third party information will be utilised to bring errant and recalcitrant taxpayers into the tax net and to ensure that declarations are made, and taxes are paid. Memoranda of Understanding will be finalized with appropriate parties to enact this.
- 2.3.3 Tax gap analysis and data analytics will be utilised to ascertain the difference between what should have been collected and what was collected in taxes with the intention of identifying contributing sectors and

entities and subsequently implementing measures to minimize the tax gaps. This will be especially applied to review and monitor tax incentive schemes. It is also expected that cooperation and joint work with the Customs and Excise Department will increase compliance with exemptions.

- 2.3.4 It is critical for the good of the country that taxes owing be collected. It is imperative that BTSD address the outstanding tax debt by taxpayers and develop strategies to collect it or otherwise manage it. Strategies to address collectible debt and write offs will be developed and implemented along with an enforcement collections model.
- 2.3.5 Audits are an important tool for BTSD to ensure compliance. As a risk-based organization, BTSD will ensure its audit coverage in high-risk areas is maximized. As such, audit plans based on risk will be updated annually and implemented and be supported by an audit model.

Goal #3	Modernize the BTSD through people, processes, and technology
Objectives	Outcomes
3.1 Improve the technical and operational competence of staff	3.1.1 Overall employee capacity improved 3.1.2 Enhanced capacity to administer corporate income tax 3.1.3 Human resource planning implemented 3.1.4 Enhanced staff morale and productivity 3.1.5 Enhanced supervisory and managerial skills to deal with complex situations
3.2 Create an institutional framework for processes and procedures	3.2.1 Standard Operating Procedures drafted and enforced for all functional areas 3.2.2 Internal control procedures established 3.2.3 Increased use of functional management committees and managerial delegation
3.3 Establish robust Information Technology infrastructure	3.3.1 Robust Integrated Tax Administration System (ITAS) implemented 3.3.2 Auxiliary solutions to support BTSD' operations prioritized, evaluated, acquired, and rolled out 3.3.3 Enhanced disaster recovery and business continuity plans
3.4 Implement a strategic management framework	3.4.1 Strategic, operational, and work plans developed and implemented 3.4.2 Monitoring and evaluation mechanism instituted 3.4.3 Preparation for TADAT completed

### **OBJECTIVE 3.1 IMPROVE TECHNICAL AND OPERATIONAL COMPETENCE OF STAFF**

- 3.1.1 The BTSD is staffed with a cadre of highly qualified personnel, however increased technical proficiency is necessary in this increasingly demanding environment. BTSD realizes that its human resources are the core of its tax administration and are its most valuable assets. A skills gap analysis will be conducted to ascertain the training needs and devise output-based training programs. This analysis will be aligned with the re-engineered business processes and IT system. The priority training needs will be identified along with the requisite training materials. Delivery of this training will lead to increased job satisfaction, staff morale and motivation.
- 3.1.2 In addition to the overall assessment of training needs, particular attention will be paid to the administration's capacity to administer corporate income tax. Training will be prepared and delivered to enhance skills in this area.
- 3.1.3 In order to meet the department's future needs, it is important to undertake a comprehensive human resource planning program. This work will begin with a workforce planning strategy that is aligned with the evolving business processes (e.g., online filing) of BTSD so that a clear picture of what is currently available and what is needed is developed. Thereafter, a human resource planning strategy will be developed encompassing information on current staff profiles, training needs, opportunities for career development, succession planning, etc.
- 3.1.4 BTSD is committed to ensuring that its staff are motivated and productive. It will plan and execute a change management campaign involving all staff. BTSD will develop and implement a staff reward and recognition system to acknowledge good performance. A companion piece with this is the development and implementation of a supporting framework to the existing public service performance appraisal process that will outline the performance expectations of working in BTSD. This will enhance BTSD's ability to communicate work expectations and to assess performance.
- 3.1.5 With changing structures and processes in addition to new demands on supervisors to manage work in a pandemic, BTSD recognizes that it needs to invest in the

supervisory and managerial skills of these employees to help them deal with increasingly complex situations. Updated management training will be delivered to staff who execute these responsibilities.

### **OBJECTIVE 3.2 CREATE AN INSTITUTIONAL FRAMEWORK FOR PROCESSES AND PROCEDURES**

- 3.2.1 Given the decentralized operations of BTSD, it is important to standardize and harmonize processes throughout the organization to achieve national consistency in the delivery of our service. This will be achieved through the drafting and implementation of clear Standard Operating Procedures (SOPs). SOPs will be systematically reviewed and updated based on process improvements and to ensure that they continuously reflect the prevailing operational modalities.
- 3.2.2. Internal control procedures need to be established and assessed to provide assurance that the BTSD remains compliant with policies, procedures, regulations, and laws governing its operations. One particular focus will be an invoicing control model. These internal control procedures will be an important tool for the internal audit function in the delivery of its independent and objective assurance.
- 3.2.3 BTSD currently operates with one multi-purpose management committee. Best practice indicates that the use of key functional committees allows for greater focus on specific topics. For example, the overall management committee would be supreme in its decision-making but could be supported by an internal audit committee, a human resources committee, etc. Having dedicated committee meetings to discuss pertinent topics will increase attention on those topics and minimize distractions to other items. Similarly, BTSD will consider increasing managerial delegation on administrative matters to allow senior management to devote its attention to key matters.

### **OBJECTIVE 3.3 ESTABLISH ROBUST INFORMATION TECHNOLOGY INFRASTRUCTURE**

- 3.3.1 BTSD is implementing a robust Integrated Tax Administration System (ITAS) to meet the specific requirements of the core functionalities of the BTSD

and to improve service, efficiency, and compliance. The final steps in the implementation of ITAS will be completed. Follow up will ensure that training is delivered, and functionality is as expected.

assessment to identify and address any issues.

3.3.2 Auxiliary solutions are required to support BTSD's operations, and these will be prioritized and delivered. These additional solutions include ones for document management, e-learning, and management of exemptions.

3.3.3 The BTSD will ensure that it has enhanced disaster recovery and business continuity plans. Plans will be updated/created as necessary, approved, and communicated. In addition, training will be delivered as required.

#### **OBJECTIVE 3.4 IMPLEMENT A STRATEGIC MANAGEMENT FRAMEWORK**

3.4.1 Comprehensive planning is essential to ensure that an organization can position itself for its desired success. BTSD will finalize and seek approval of its Strategic Plan FY2024-FY2026 and will further develop annual operational plans and divisional workplans. This will allow for the high-level strategic plan to be institutionalized within the organization through more detailed plans at successive managerial levels and with clear identification of responsibilities. These detailed plans will contain specific targets for all aspects of the tax program (e.g., revenue and non-revenue functions) and will have corresponding KPIs to enable their monitoring. In this way all units and staff will understand how they contribute to the overall direction and success of the organization. Annual operational and workplans will be prepared at the start of each fiscal year.

3.4.2 The annual operational plans will be monitored at least quarterly for the first six months of the fiscal year and monthly thereafter. This will ensure that timely action can be taken to address any variances and issues before it is too late in the fiscal year to do so. The strategic plan will be reviewed annually to ensure that it remains relevant, and that appropriate progress is being made.

3.4.3 In preparation for the anticipated TADAT assessment conducted by the IMF and World Bank later during this strategic planning horizon, BTSD will undertake a self-

# CONCLUSION

This Strategic Plan will pave the way for BTSD to actualize the words in its mission statement; that of promoting the highest levels of voluntary compliance and achieving the maximum degree of public confidence in the Belize Tax Service Department.

The journey to become a modern tax administration supports the vision of the Government of Belize. BTSD is being modernized with technology that lends to the ease of doing business, re-engineered business processes that is in sync with the new revenue management system and staff that will be re-trained to build capacity and developed to be the tax professionals that will build confidence in the Public Service of Belize. The organization is focused on using a risk-based approach so that resources are earmarked for areas of high risk.

BTSD recognizes that taxpayers or “tax clients” should be at the forefront of everything. Whilst, paying of taxes is a responsibility of good citizens, the Department knows that to facilitate compliance, tax laws should be equitable and simple for everyone to understand. Taxpayer education is invaluable and will be a focus for all sectors.

Finally, yearly operational plans will be developed to achieve the strategic objectives.

*“Together We Build Our Country - Your Contribution, Our Development”.*

