



DESIGNATED PROCESSING AREA PROGRAM

QUICK FACTS

The **Designated Processing Area (DPA)** Program (DPA Act, No. 27 of 2018) is intended to support investments that engage in International Trade and Value Addition inclusive of technology transfer, generation of employment and production according to standards of the intended market.

WHAT ARE THE ELIGIBLE ACTIVITIES? Any Company that is formed and registered in Belize and is involved in any of the following activities: Manufacturing, Agro-processing, Aquaculture, Data Processing (IT Enabled Services), Developer of an Industrial or Business Park.

BENEFITS OF DPA PROGRAM (UP TO 10 YEARS WITH AN OPTION TO RENEW)

- Import Duty and Tax Exemptions
- Exemptions from property and land taxes on the designated area
- Exemptions from Excise and Consumption (GST) taxes on imported inputs
- Preferential Tax Rate based on Chargeable Income as per the Income and Business Tax Act (Amendment Act, No.26 of 2018)
- Opportunity to open foreign currency bank accounts in Belize
- Opportunity to sell, lease or transfer goods and services between DPA companies
- Customs inspection at the designated area for expediency
- Work permits may be granted for up to 15% of workers of the DPA (Senior Management or Technical Staff)
- Supplies Control and Import Licenses does not apply to inputs used for exports
- Exemption from the Trade Licensing Act

EXEMPTION CATEGORIES

ELIGIBLE CATEGORIES

Building Materials & Supplies
 Fixtures & Fittings
 Plant, Machinery
 Equipment
 Utility Vehicles
 Raw Materials
 Packaging Materials

INELIGIBLE CATEGORIES

Ammunition & Firearms
 Management Vehicles

TYPES OF DPA STATUS:

1. **Designated Processing Area Developer** – a Company that establishes a DPA Park to accommodate DPA Business(s). The DPA Developer status is granted by the issuance of a Certificate of Designation and Certificate of Compliance.
2. **Designated Processing Area Business** – a Company that conducts business activities, under the National Priority Sectors, in an approved area that is established and administered by a DPA Developer (DPA Park). The DPA Business status is granted by the issuance of a Certificate of Compliance.
3. **Special Designated Processing Area** – is a highly flexible status that allows a Company to operate from a convenient location to accommodate resource-based activities. The Special DPA status is granted by the issuance of a Certificate of Designation and Certificate of Compliance.

PROCESSING FEES OVERVIEW (NEW APPLICATION, REINVESTMENT & VARIATION OF CHANGE IN ACTIVITIES)

CAPITAL INVESTMENT	APPLICATION FEE
Below/Equal BZD \$500,000	BZD \$5,000
Between BZD \$500,001 – BZD \$1,000,000	BZD \$7,500
Between BZD \$1,000,001– BZD \$3,000,000	BZD \$10,000
Over BZD \$3,000,001	BZD \$12,500

NOTE: Yearly Industrial Roof Space (IRS) Fee - BZD \$0.25 per sq. ft. for first 7,500 sq. ft. & BZD \$0.20 per sq. ft. above 7,500 sq. ft.

NON- REFUNDABLE FEES OVERVIEW (NEW APPLICATION, EXTENSION & VARIATION)

APPLICATION TYPE	NON- REFUNDABLE FEE
New Application	BZD \$2,500
Re-Investment (Extension of DPA Status)	BZD \$2,500
Variation (Change in Designation & Change in Shareholder)	BZD \$1,250

For more information kindly contact BELTRAIDE via:
 Telephone: (501) 822-0175/3737
 E-Mail: beltraide@belizeinvest.org.bz
 Website: www.belizeinvest.org.bz

PROJECT PROPOSAL CONTENTS

In compiling the proposal, kindly ensure that information provided for each proposal item is accurate, and as thorough as possible. The Designated Processing Area Committee (DPAC) needs to be convinced that the economic and social benefits justify the granting of a DPA status. Please be advised that items with uncertainties will be prompted for further elaborations.

A properly bounded Project Proposal must be submitted in eighteen (18 copies) to the Belize Trade and Investment Development Service (BELTRAIDE) with the following proposal items:

1. **DPA APPLICATION FORM - SCHEDULE II, DPA REGULATIONS.** Please complete the attached FORM herein.

2. **FORMAL LETTER OF APPLICATION** addressed to the DPA Committee Secretariat, c/o Executive Director, Dr. Leroy Almendarez, Belize Trade and Investment Development Service (BELTRAIDE), and request for a site visit to be undertaken at the proposed project location. Please also include the following summaries in the letter:
 - Company Name and Location (address) of the operating business
 - Site Location
 - Description of the intended product/service
 - Justification for pursuing the DPA
 - Proposed Investment Value
 - Proposed Employment Number
 - Time Period requesting for DPA
 - Indication of Source of Funds: Capital Investment to allow commencement of operation.

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3. **BACKGROUND AND SCOPE OF PROJECT, to include:**
 - Location and size of property and company
 - Description and objective of the project
 - Description of facilities and products to be produced
 - Benefits of the project to the economy
 - Scope of project
 - Background on company and/or applicant (e.g., previous year's performance and assets and liabilities etc.)
 - Experience in the sector and awareness of other suppliers of similarity

- Please fulfill the respective Industry Specific details (reference Annex 01)

4. MARKETING PLAN, to include:

- Discuss how product/service will be distributed
- Market demand; size and demand of growth
- Past and future growth of sector
- Type and quality of goods/services
- Major problems and future development to impact on industry
- Existing prices of products/services
- Target consumers/customers and markets
- Sales & Advertising programme, where applicable
- Estimated sales revenues according to markets and products / services

5. PHYSICAL MASTER PLAN AND OVERALL LAYOUT, to include:

- Map of Location: Satellite Map / Google Earth, GPS coordinates of borders
- Size of property seeking DPA designation with clear demarcation on a map
- Size of buildings and/or facilities on the property with the respective sizes in square ft.
- Site Layout Plan to indicate structures, buildings, utilities, Customs office, security section

6. PROPOSED CONSTRUCTION SCHEDULE – complete A4 FORM

- Proposed implementation time and schedule
- Estimated implementation cost for each phase

7. TECHNOLOGY AND PRODUCTION, to include:

- Description of technology and process to be utilized
- Suggested plan layout - linked to Section 5
- Indication of plant capacity and efficiency
- Capacity and efficiency on production and sales
- Comparison of technology with competitors and describe possible linkage
- **Research & Development:** indicate the plans for R&D to enhance product/services, and indicate the percentage of the expenditure to be used in R&D.
- **Employee Training & Transfer of Knowledge Plan:** provide a training program, types of training and sequences over period of time
- **Capacity to meet Standards:** indicate the standards to be sought, the Certification Agency and Third-Party agency that will be contracted to provide Certification services.

8. CAPITAL COST ESTIMATE, to include:

- Estimate cost of local and foreign technologies
- Estimate cost of equipment
- Detailed capital cost estimate including: land, machinery, and equipment, etc.
- Source of financing

9. OWNERSHIP, STAFF AND MANAGEMENT ORGANOGRAM, to include:

- Organogram of staff and management
- Details of salaries and positions to be held in the company – complete A3 FORM

10. FINANCIAL PORJECTION AND CONTRIBUTIONS (TEMPLATE)

- **Ten (10) year Pro Forma Financial Statement:** complete (A1 / A2 EXCEL SHEET)
Details of all revenues from sales and recurrent expenditures over the next ten (10) years to run the day to day activity including: wages, utility, equipment, maintenance, utilities, social security payments, insurance, purchase of raw material which would include local raw material that would be used, fuel, equipment, marketing fees, etc. Please include financial data and key accounting assumptions supporting the statements, including calculations of sales and costs.
- Outline Corporate Social Responsibility (CSR) initiatives (e.g. benefits to the employees and communities).

11. PROOF OF SOURCE OF FUNDS

- Proposed Investment below/equal to BZD\$ 10 million: Provide a Banker's Reference from a recognized financial institution, outlining at least 10% of the total proposed investment.
- Proposed Investment over BZD\$ 10 million: Provide a Banker's Reference from a recognized financial institution, outlining at least 20% of the total proposed investment.
- **One Commercial Reference** on the company or its majority shareholder

NOTE: The official letter must be addressed to the Executive Director, BELTRAIDE, dated within the last three (3) months at the point of completed application submission. Please also articulate the fund-raising effort encompassing the balance of development phases.

12. PROOF OF LEGAL ACCESS TO THE INTENDED PROPERTY/ ANY OF THE FOLLOWING

- Certified Land Registry Report (issued by the Land Registry) in the name of the company
- Official Lease Agreement, providing legal access and rights to develop on the intended property, in the name of the applicant company, and witnessed by a Local Notary Public, and attached with the Certified Land Register Report (issued by the Land Registry)
- In the case of a DPA Business a letter from the DPA Developer is required

13. LIST OF NON-CONTROLLED ITEMS

- Applicants must submit a master list of goods considered necessary inputs for the operation of the DPA companies to undertake the activities. The list of goods must be in the format below and submitted to the Ministry for review. The list of goods submitted for review is not final and will only be used to fast track clearance since the items will be assessed with their respective justifications to give pre-approval.

CATEGORY	ITEM DESCRIPTION	HS CODE (OPTIONAL)	JUSTIFICATION

14. Company and Ownership Documents/ INCLUDING THE FOLLOWING:

- Copy of Certificate of Incorporation of the applicant company
- Copy of Memorandum and Articles of Association of the applicant company
- Copy of updated Shareholder and Director Registry (with stamp from the Belize Companies and Corporate Affairs Registry)
- **OPTION 1:** In the event that additional layers of shareholding companies are involved, the applicant shall provide an official Statutory Declaration, issued and notarized by a registered Notary Public in Belize, outlining and affirming the ultimate beneficial owners in natural person, inclusive of the Grantor(s) and/or Shareholders/ Beneficiaries of the associated Trust. Please do attach the copy of valid Passport Bio-Data Page for the shareholders / beneficial owners in natural person.
- **OPTION 2:** In the event that additional layers of shareholding companies are involved, the applicant shall provide an updated Shareholder and Directory Registry with stamp issued by the Country's Registrar accompanied by an APOSTILLE, outlining and affirming the ultimate beneficial owners in natural person, inclusive of the Grantor(s) and/or Shareholders / Beneficiaries of the associated Trust. Please also attach the copy of valid Passport Bio-Data Page for the shareholders/ beneficial owners in natural person.
- Copy of Valid (updated) Passport bio-data page of all shareholders of the company, in natural person, of the applicant company

15. **EXECUTED ENVIRONMENTAL CLEARANCE PLAN (ECP)**, encapsulating the intended Project and its associated components (activities), in the name of the applicant company. **NOTE:** Project components (activities) not approved within the ECP will not be eligible for consideration under the Designated Processing Area.
16. **NO OBJECTION LETTER FROM THE CENTRAL BUILDING AUTHORITY**, to ensure that all buildings and facilities are structurally sound and safe, in the name of the applicant company.
17. Provide **ANY OTHER INFORMATION** which the DPA Committee may require.
18. Make payment of the **non-refundable application fee BZ \$2,500.00** at the Belize City Treasury or any of the Sub-Treasuries countrywide with the following information. Please include payment receipt via the business plan.
 - Payment Details: Non-Refundable DPA Application Fee
 - Cost Center: 24017
 - Item: 11704
 - Programme: 120
 - Activity: 14

NOTE: After all the above items have been delivered to BELTRAIDE, in the form of a bounded consolidated Business Proposal, the applicant will be notified via electronic mail indicating whether the application requirements have been completed in accordance with the Standing Checklist. Thereafter, when the **Ministry of Finance, Economic Development and Investment** notifies that the application has been accepted, the DPA Committee has no more than sixty (60) days to make a decision.

For more information on the rules and procedures of processing a DPA application and responsibilities of DPAs in Belize, please peruse Designated Processing Areas Act, No. 27 of 2018.

KEY CONSIDERATIONS WHEN COMPILING THE PROPOSAL

- A. Companies must provide proof of ownership or a notarized lease of land, building or office space used to operate the DPA.
- B. Establish an on-site office for the Customs Department.
- C. Special DPAs are NOT allowed to share their compound with companies that are not DPA companies unless authorized by the DPAC.
- D. DPAs must maintain adequate surveillance and fenced area of operations;
- E. All DPA Companies are levied a Social Fee on the value of all goods and services imported into a Designated Processing Areas at the rate of 10% on fuel and 3% on general merchandise, on the value imported.
- F. 15% of the total labor employed by the DPA is allowed to be foreign, considering that the positions are senior management and technical.
- G. DPAs must indicate raw materials imported and sourced in Belize.

ANNEX1: INDUSTRY SPECIFIC GUIDING QUESTIONS

1. MANUFACTURING / AGRO-PROCESSING PROJECT

- Indicate the items to be manufactured
- Describe the manufacturing process
- State the primary machinery and equipment to be used and the condition
- Indicate the expected level of output in the First Year of operation
- Indicate the expected level of output at full capacity
- Indicate the source of raw materials
- Indicate any standards or certification to be attained

2. AQUACULTURE AND MARICULTURE PROJECT

- Indicate the type of species to be produced
- Indicate the number of acreage to be utilized
- Indicate the number and type of ponds, if applicable
- Indicate the growth and harvesting cycle
- Describe the culturing technique and practice
- Highlight the primary tools and equipment to be used
- Indicate any standards or certification to be attained

3. INFORMATION TECHNOLOGY ENABLED SERVICES

- Indicate the number of workstations
- Describe the intended operation
- Indicate the type and number of campaigns, if applicable
- Highlight the various technology and equipment to be used
- Highlight amenities for staff
- Indicate any standards or certification to be attained

ANNEX2: APPLICANT COMPANY OWNERSHIP BREAKDOWN

APPLICANT COMPANY
DIRECTOR REGISTRY / DATE

NAME	

SHAREHOLDER REGISTRY / DATE

NAME	# OF SHARES	JURISDICTION

SHAREHOLDING COMPANY
SUBSTANTIATION OF SHAREHOLDERS IN NATURAL PERSON

NAME	# OF SHARES	JURISDICTION

SECOND SCHEDULE
APPLICATION FOR DPA STATUS

[Regulation 5(1)]

1. Company Profile:

(a) Registered Name: _____
(As in business plan & company documents attached)

(b) Registered Address: _____
(As indicated in company documents)

i. Operational Address: _____

ii. Mailing Address: _____

iii. Electronic Mail: _____

(c) Telephone (Office): _____

(d) Manager: _____

i. Contact Person and Position: _____

ii. Applicant's mobile phone: _____

iii. Applicant's electronic mail: _____

(e) Type of Application (check where applicable):

New

Renewal of DPA Status

Variation (specify)

Change in Company Name

Change in Shareholder(s)

Change in Designated Area

Adjust Certificate of Compliance to include New Activities

2. Designation

(a) DPA Classification:

- DPA Developer DPA Business Special DPA

(b) Number of years requested for DPA Status:

_____ (Not more than 10 years)

(c) Designation Location:

- Corozal Belize Stann Creek
 Orange Walk Cayo Toledo

(d) Size of designation: _____ (square feet or acres)

(e) Industrial Roof Space (IRS) in Square Feet in first phase of operation:

(f) Industrial Roof Space (IRS) in Square Feet at full operation:

(IRS is considered to be space dedicated to the factory, administrative offices, corridors, and other areas which may be designated by the Ministry)

(g) DPA Business (Only):

i. Name of DPA Developer: _____

(Attach Letter from DPA Developer accepting the activity within their designated area)

3. Production

(a) Activities and business operations to be conducted by applicant for DPA designation:

- | | |
|---|--|
| <input type="checkbox"/> Agro-processing | <input type="checkbox"/> Manufacturing |
| <input type="checkbox"/> Aquaculture | <input type="checkbox"/> Developer of an Industrial or Business Park |
| <input type="checkbox"/> Data Processing including: BPO, KPO, ITO | |

(b) Specific Activities requested to be authorized by the DPAC to engage in:

(Must be the Activities listed in company documents)

(c) Expected commencement date of operations or when the company started operation:

(d) Expected date of maximum operations:

(e) If the company is already operating, what goods and services has the company been producing?

(f) Beginning and end date of financial year of company: _____

4. Other Company Information

(a) Shareholders of Company, Number and Percentage of Shares:

(Attach in business plan, details of each shareholder and copies of passport biodata page)

i. Indicate Person/Entity with Controlling Shares:

(b) Board of Directors:

(Attach in business plan, details of each director and copies of passport biodata page, **if necessary**)

5. Labour Force

(a) Number of personnel necessary to initiate operations:

(Attach List of Management, Skilled & Technical and Non-Skilled with details in business plan)

(b) Number of personnel necessary at maximum capacity:

(Attach List of Management, Skilled & Technical and Non-Skilled Posts with details in business plan)

INVESTMENT DESCRIPTION**NOTE: Please be consistent with the Statement of Comprehensive Income**

- i. Detail annual capital investment over the development and operating period in the business plan.

- ii. Total proposed investment over the projected period: \$_____ (10 years)

DUTY FREE INPUTS, MACHINERY AND EQUIPMENT

NOTE: Please be consistent with the Statement of Comprehensive Income

i. List the General Categories of Imported Inputs
(Detail in business plan and financial statements)

ii. List the General Categories of Local Inputs
(Detail in business plan and financial statements)

Date: _____

Signature: _____

Print Name: _____

Status in Company: _____

(If signee is not the Majority Shareholder, he/she needs to present a Power of Attorney)

Truth Statement:

If the information in this document is found untruthful, the application will be disqualified for 2 years.