BELTRAIDE
SBDCBelize
Small Business
Resource Guide
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Small Business Development Center (SBDCBELIZE)

What is the SBDCBelize?

The Small Business Development Centre (SBDCBelize) is a branch of the Belize Trade and Investment Development Service (Beltraide) which provides customized needs-based services to MSMEs with the aim of facilitating their competitiveness and export readiness.

Functions of the SBDCBelize, Beltraide

SBDCBelize helps existing and new small business owners to develop their management skills for a better chance of success. SBDCBelize, Beltraide provides the following services to small business owners.

• Advising
  ➢ SBDCBelize, Beltraide offers free confidential advising for small business on many topics

• Business plan Development
  ➢ Start-up information and general business counseling
  ➢ Bookkeeping: asset management, record keeping systems, and procedures
  ➢ Finance: ratio analysis, cash flow projections and source of financing
  ➢ Marketing: pricing, advertising and promotion, market analysis and distribution

• Training
  ➢ SBDCBelize offers low-cost workshops, conferences, and courses geared to the needs of Small businesses.
    ▪ Workshops help clients with:
      • Business plans
• Marketing information
• Accounting procedures
• Online tools
• Strategic planning
• Establishing your business

➢ **SBDCBelize** provides managers, owners, and potential owners with the tools to analyze and help resolve business problems.
Business Start-up Essentials

Steps and Information to Start a Small Business

1. **Evaluate your business idea and prepare a business plan:**
   Call the Small Business Development Center (**SBDCBelize**) at (+501) 223-3195, Fax: (+501) 223-7427

2. **Make an appointment with a SBDCBelize business advisor for free confidential advising:** call (+501) 223-3195.

3. **Decide on the legal structure of your business:**
   - Sole Proprietorship
   - General Partnership
   - Cooperation
   - Subchapter S Corporation
   - Limited liability Company
   - Limited Partnership
   - Registered Limited Liability Partnership

4. **Contact the appropriate local agencies to register your business:**
   **Sole Proprietorship**
   - Belize Company Registries
   - Mountain View Blvd., Belmopan
   - (+501) 822-0421

   **Partnership**
   We recommend that you contact an attorney regarding a partnership agreement.

   **Corporation or Limited Liability Company (LLC)**
   We recommend that you contact an attorney regarding a Corporation or LLC.

   - **Procedures to registering a business name**
     1. The applicant/representative completes an application form and submits the application to the Belize Companies registry in Belmopan City. The prescribed forms are 1, 2, or 3. You will need identification of all owners: a
Social Security card, Voters ID, Belize Passport. All owners need to sign the form. (See descriptions of forms below)

2. A form will be given to you where you will write your business name and phone number, then a name search will be conducted by the Registry of Companies to see if the name is unique or if it is not similar to any existing business, and to ensure compliance with the rules set out in the legislation. It takes approximately half an hour for the name search.

3. If the business name is available, a certificate of Business Name Registration is issued.

Fee: $25

According to section 12(1) of the Act, any other document (s) that the Registrar (or authorized person) may think necessary to ascertain whether or not such person or the firm of which he is a partner should be registered under this Act.

Foreigners will need to apply with a Belizean partner or someone with a permanent residence to be able to register a business name.

Forms:

**Form 1**: Application for Registration by an individual (sole proprietor)

**Form 2**: Application for Registration by a Firm (A firm means an unincorporated body of two or more individuals or one or more individuals, and one or more corporations or two or more corporations who have entered into partnership with one another with a view to carrying on business for profit) (partnership). A firm cannot have more than 7 members.

**Form 3**: Application for registration by a corporation.

Forms can be obtained at the Belize Companies Registry office or at their website http://www.belizecompaniesregistry.gov.bz/?page_id=3.

5. Contact Local City Office for building permits, construction permits, certificates of occupancy, zoning, building codes, licensing, regularity requirements, small business resources, and start-up services:

Belize City council
6. **Hiring Employees**  
   Labour Department  
   General office Belize City  
   (+501) 207-4027

7. **Select an accountant and an attorney**

8. **Open a business checking account and apply for a business loan (if applicable):**  
   Research local banks and credit unions for service fees, interest rates, and customer service

9. **Obtain proper business insurance/bonding:**  
   Some business may have specific insurance requirements; discuss your needs with a commercial insurance agent.

10. **Create business materials**  
    Business cards, brochures, logo and website.

11. **Develop a marketing plan for your products or services.**  
    In conducting business, it is vital to have an effective and efficient marketing strategy that will attract customers to a business’s product or service. In order to do so, a concept known as “Market Mix” is used as a means for marketing products to the target market. The market mix consists of 4 P’s: Product, Price, Promotion, and Place.
Business Legal Structure & Name

The decision regarding business structure is a decision that a person should make, in consultation with an attorney and accountant, and taking into consideration issues regarding, tax, liability, management, continuity, transferability of ownership interest, and formality of operation. The most common forms are the Sole Proprietorship, Corporation, or Limited Liability Company (LLC).

**SOLE PROPRIETORSHIP**

The sole proprietorship is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts.

**GENERAL PARTNERSHIP**

A general partnership must have two or more persons engaged in a business for profit. The business is not a separately taxed entity; rather, it is a conduit where the profit or loss flows through to the partners. The partners report their share of the partnership’s profit or loss on their individual income tax returns. All partners enter into partnership by either oral or written agreement that must cover all terms of the parties’ business relationship. There is little formality involved in creating a partnership. In fact, if someone can establish that you are in business with somebody else, then there is a general partnership.

**CORPORATION**

Corporation is the most common form of business organization, and one which is chartered by a state and given many legal rights as an entity separate from its owners. This form of business is characterized by the limited liability of its owners, the issuance of shares of easily transferable stock, and existence as a going concern. The process of becoming a corporation, call incorporation, gives the company
separate legal standing from its owners and protects those owners from being personally liable in the event that the company is sued (a condition known as limited liability). Incorporation also provides companies with a more flexible way to manage their ownership structure.

**SUBCHAPTER S**

The S corporation is often more attractive to small-business owners than a standard (or C) corporation. That’s because an S corporation has some appealing tax benefits and still provides business owners with the liability protection of a corporation. With an S corporation, income and losses are passed through to shareholders and included on their individual tax returns. As a result, there’s just one level of federal tax to pay.

**LIMITED LIABILITY COMPANY (LLC)**

The limited liability company (LLC) is a hybrid legal entity that has both the characteristics of a corporation and of a partnership. An LLC provides its owners with corporate-like protection against personal liability. It is, however, usually treated as a non-corporate business organization for tax purposes.

The owners of an LLC are called “members”. A member can be an individual, partnership, corporation, trust, or any other legal or commercial entity. Generally, the liability of the members is limited to their investment and they may enjoy the pass-through tax treatment afforded to partners in a partnership. As a result of federal tax classifications rules, an LLC can archive both structural flexibility and favorable tax treatment.

**LIMITED PARTNERSHIP**

A limited partnership is formed by two or more persons and having one or more general partners and one or more limited partners. The limited partnership operates in accordance with a partnership agreement, written or oral, of the partners as to the affairs of the limited partnership and the conduct of its business. This type of partnership is very common when people need funding for a business,
or when they are putting together an investment in a real estate development. A limited partnership requires a written agreement between the business management, who is (are) general partner or partners, and all of the limited partners.

**REGISTERED LIMITED LIABILITY PARTNERSHIP**

A Limited Liability Partnership is a form of general partnership that provides an individual partner protection against personal liability for certain partnership obligations. In order to limit the liability of its general partners, a general or limited partnership may opt to register as a limited liability partnership.

**Application shall be in the form of a Declaration and submitted in duplicate. The Declaration shall contain the following:**

1. A statement that the person making or on whose behalf the application is made is a person to whom section 3(2) of the Act, applies;

2. The proposed name of the limited liability partnership, such name to have at its end the words “Limited Liability Partnerships” or the abbreviations “LLP” or “L.L.P.”;

3. The intended address in Belize of the registered office of the limited liability partnership;

4. The name, home and business address and occupation of each person who is to be a partner in the limited liability partnership;

5. The address of service of each person who is to be a partner in the limited liability partnership;

6. The name of the designated partner;

7. The date on which it is proposed that registration of the limited liability partnership should take effect
Selecting and Protecting the Business Name

You should choose your business name with care, because the name of the corporation or the name under which a service or product will be sold has the potential to be a valuable asset to your business. Unless you take steps to select and protect the appropriate name, you may find that someone else is using a very similar name in some other part of the province or country - and that you can do nothing to prevent such use or, even worse, you may have to change your business name.

BELIPO

The Belize Intellectual Property Office (BELIPO), established under Part II of the Patents Act (Chapter 253), Revised Edition 2000, is the National Intellectual Property Registry for Belize, Central America.

Functions:

- To administer the intellectual property legislation of Belize.
- To advise the Government of Belize on intellectual property matters.
- To promote knowledge of intellectual property law in Belize.

What is Intellectual Property?

Intellectual property refers to creations of the mind such as trademarks, patents, industrial designs and copyright.

1. Copyright

Copyright is the legal protection given to creators of literary and artistic works. The Belize Copyright Act does not require the registration of a work as a precondition for securing copyright protection. Copyright protection is automatic upon creation of a work. No formalities are required in order to obtain copyright protection in Belize.
Fees:

The Belize Intellectual Property Office provides depository facilities for copyright owners. The cost of a copyright deposit is **BZ$50.00**.

### 2. Trademark

A trademark is a sign which is capable of distinguishing the goods or services of one undertaking from those of other undertakings.

**Fees:**

(i) BZ$75.00 - fee for application to register a mark. This fee is paid for each International Class contained in your application. A multi-class application shall only contain five International Classes;

(ii) BZ$250.00 – fee for publication of the notice of application for registration in the Intellectual Property Journal;

(iii) BZ$75.00 – fee for registration of a mark;

(iv) BZ$25.00 – fee for application for address for service. This fee is only required for an applicant whose residence or principal place of business is outside Belize or for a local applicant who is applying through an attorney.

**Note:** Total fee is **$600.00BZD** for small entities, who are local business owners, which personally apply at Belipo.

### 3. Patent

A patent is the exclusive right to make, use, or sell an invention for a specified period of time.

**Fees:**

(i) BZ$300.00 - fee for filing an application for a patent;
(ii) BZ$300.00 – fee for the grant of a patent;

(iii) BZ$250.00 – fee for publication of a grant of a patent;

(iv) BZ$50.00 – fee for recording an address for service of a patent. This fee does not apply to an applicant for a divisional patent.

**Note: $600BZD is charged to small entities, who are local business owners, which personally apply at BELIPO.**

4. **Industrial Design**

An industrial design is the ornamental or aesthetic qualities of a product.

**Fees:**

(i) BZ$100.00 – application fee for the first design in the application;

(ii) BZ$50.00 – application fee for each additional design;

(iii) BZ$100.00 – registration fee for the first design in the application;

(iv) BZ$50.00 – registration fee for each additional design;

(v) BZ$100.00 – fee for publication of the notice of application for registration in the Intellectual Property Journal;

(vi) BZ$25.00 – fee for application for address for service.

**Note: $200BZD is charged to small entities, who are local business owners, which personally apply to BELIPO.**
Business Start-up Costs

Business Owners at times underestimate the amount needed to start their new business. Entrepreneurs must properly calculate the different costs they will incur before investing their time and effort into their proposed business.

1. UTILITIES
You must understand the requirements of and have enough money available for deposits and fees required by utility companies that service your business:

• **Telephone**

  **Belize Telemedia Ltd.**

  Address: Corporate headquarters  
  St. Thomas St, Belize City, Belize  
  Phone (National Toll Free): 0-800-CALL-BTL or 227-7085  
  Fax: 223-1800  
  Website: http://www.belizetelemedia.net/

  **Requirements to operate business at home:**

  **Add an additional phone line**
  
  • Phone rates vary for residential and commercial use

  • Cost include
    ➢ $1000 installation fee  
    ➢ Deposits  
    ➢ Service fee

  • Monthly rates will vary depending on:
    ➢ Number of lines  
    ➢ Business plan chosen  
    ➢ Any additional plan chosen

• **Electricity**

  **Belize Electricity LTD (BEL)**

  Address: 2 ½ Mls Northern Hwy BZC  
  Phone: 227-0954
Your deposit is based on many factors:
- Location
- Type of business
- Electric requirements

Requirements for Installation:
- Business registration
- A letter requesting the service
- A certificate from a certified electrician will be required if there is no meter present
- Proof of ownership (tax receipts) is required for the owner of a building if you are renting the building
- Article of Association

Water

Belize Water Services
Address: 7 C A Blvd BZC
Phone: 222-4757
Website: http://www.bws.bz/

Requirements for Installation
- Valid ID
- Business certificate
- Authorization letter - letter head and state that whoever comes in to apply is a representative of the company
- ( $200 deposit $85 service fee)

2. COMMERCIAL LEASE AGREEMENT- Be aware that your lease agreement may contain “hidden” costs such as “triple net”.

3. BUSINESS INSURANCE- Just like deciding how much and what type of insurance is right for your car or home, you will want to evaluate the need for
business insurance. Shop around for direct writers (represent one insurance company) or independent agents (represent various companies) to advise and handle your insurance needs.

•The basic types of business insurance are:
  ▪ **Liability Insurance** insures against liability legally imposed upon your business because of the negligence of the business or its employees.
  ▪ **Casualty insurance** insures against loss or damage to the business. Some insurers will lump property and casualty insurance together and refer to the coverage as property and casualty insurance. In fact, packaged policies of property and casualty are often the best purchase a business owner can make.
  ▪ **Property insurance** insures against loss or damage to the location of the business and its contents. It can also insure the property of others in your control when the loss occurs. Property insurance can be for a specific risk.
  ▪ **Commercial Auto** insures against property damage to vehicles and damage caused to others by your business. If your business uses vehicles or anything that is required to be titled by your state, then you need a commercial auto policy.
  ▪ **Workers compensation** is a system where the employee is not allowed, by statute, to sue their employer for on-the-job injuries; but, in return, the employee must participate in a system that provides nearly automatic payment to the employee in case of injury for medical bills and damages.
  ▪ **Business interruption** insures against loss or damaged to the cash flow and profit of a business caused by the business being unable to operate because of interruption.

**INSURANCE COMPANIES**

• **Allied insurance LTD**
  Address: 110 Cemetery Rd BZC
  Phone: 227-0623

• **Atlantic Insurance Co Ltd**
  Address: Freetown Rd BZC
  Phone: 223-2657
4. TRADE LICENSES

If a business owner intends to operate in any municipality, whether Belize City or Belmopan, an application for a trade license is necessary. Trade licenses are obtained from the local city or town council.

Requirements for Application:

- Submit copy of Business Name Registration
- Submission of application form
- Interview with applicant
- Must be developing in a designated “commercial area” of the city
- Fees are calculated based on annual rental value of the property and are divided by sectors. Specifically, the rate of 3.5% is charged for supermarkets, grocery stores, furniture shops, and repair shops. The rate of 5% is charged for hardware stores, gas stations, and dentistry offices. The maximum rate charged is 25% for business in gaming or engaged in monopolies.
5. WEBSITE AND TECHNOLOGY EXPENSES
If possible, every new business should have an updated, well-detailed website that introduces their company and its different products and services. The website should be user-friendly and designed and maintained by skilled technical professionals. A company’s website development and maintenance incurs a cost and business owners need to consider other technological expenses, including computers and accessories with updated specialized software for their company.

6. OFFICE EXPENSES
Besides utilities, office expense can also include of rental fee of office space, office furniture, office supplies, etc. It can also include down payments and surcharges, inventory, maintenance, and company-related miscellaneous expenses.

7. MARKETING AND ADVERTISING COSTS
In order to gain public recognition and customers, businesses need to spend money on promoting their company and its products and services. Marketing materials can include anything from professional business cards and stationery; advertising campaigns; online and in-store promotional offers; public relations, company flyers and brochures; internet and telephone marketing, etc. Depending on the type of industry and marketing approach, this process can be very expensive.

8. SALARY
Business owners need to calculate how much their and their staff’s salary should be during the initial years of startup development. Entrepreneurs should take into consideration the cost of living, including rent or mortgage payments, car and gas expenses, food, clothing, and other personal costs that are needed to sustain themselves and their families for about a year. Keep in mind that the company may not experience profit during the first year of its opening.
9. LEGAL AND PROFESSIONAL FEES
Depending on the type of business, during the pre-startup phase and throughout a company’s progress, an entrepreneur will work with many collaborators (including attorneys, accountants, investors, writers, advisors, etc.) in ensuring the successful launch and development of their company. Many professionals do not charge a fee at a low cost.

10. TRAVEL EXPENSES
Depending on the type of business, travelling expenses will usually include any business-related activities outside of the company’s main operations.
Employer Responsibilities

As an employer, especially having employees, employers must be mindful of the influence they have over employees. Employers must ensure that they abide by the laws of the country and have an amicable working relationship with their staff. Also employers must ensure that they have taken the necessary actions to establish their business and have a safe and effective operation. The following must be considered by employers:

a) SOCIAL SECURITY:

Application for Social Security card and number can be obtained from the Social Security Board.

Employer’s Responsibilities

1. All employers should register within seven days from the starting date as an employer
2. MUST ensure that a new employee presents his Social Security card on or before the first day of work.
3. Both the employer and the employee MUST CONTRIBUTE to the scheme. The employer is liable to pay to the Social Security Board his own share of contribution and the share of his employee (Contribution is dependent on the amount of earnings earned)
4. Record all accidents or work-related disease allegedly suffered by your employees in an Accident File.
5. Inform the Social Security Board on work-related accidents or suspected illnesses immediately via telephone, fax, or by other means.
6. Ensure that the injured insured person is taken immediately to the nearest general practitioner for medical care - the employer is responsible for this transportation of injured person.
7. Facilitate investigation of the claim by Social Security Inspector by providing information relevant to the accident and by allowing access to witnesses to the accident.
8. If claim is disallowed the employee must pay for any medical bills incurred.
The employer should keep a register to record the following:

- Complete name, address and social security number of each employee
- The dates when the employee started and stopped working.
- The date and amount of earnings an employee is being paid.
- The amount of weekly contribution being deducted from each employee’s earnings.

*Note: The minimum wage rate for Belize is BZ $ 3.30 per hour for all category of workers. The new minimum wage rate became effective on 26th May 2012.*

**b) WORK PERMITS**

Applications for work permits can be obtained from the Department of Immigration. The Director of Immigration, after a review period of approximately six weeks, recommends the approval of the permit.

- The completed Temporary Employment Permit application form can be submitted along with three passport-size photos, a Bz$20.00 stamp, application fee, and a recommendation letter from the proposed employer.

**Application fees are as follows:**

- Professional workers: Bz$2,000.00 (US$1,000)
- Technical workers: Bz$1000.00 (US$500)
- Self-employed workers: Bz$2,000.00 (US$1,000)
- General Workers Bz$500.00 (US$250)

**c) FOOD HANDLER’S LICENSE**

Every person who comes in contact with food, whether it is preparation, serving, and delivery has to get a food handler’s license. Food Handlers License is applied at the local Public Health Office, Ministry of Health.
Procedures for applying:

1. You will need 2 passport size photos
2. Fill out an application to register for training
3. Pay a $20 fee
4. Obtain a date to sit training
5. Undergo training after which the person must take an exam

After passing the examination, certification is processed and an identification card is made available. The permit, the class and the test are renewed annually.

d) SANITARY CERTIFICATE FOR FOOD SAFETY
The Sanitary Certificate for Food Safety is carried out by the Belize Agriculture Health Authority for The Food Safety Department as mandate to monitor, evaluate and take action on any matters that may have a direct or indirect effect on the safety of the food supply. This is done not only for the export market, but for local consumption as well. Providing safe, wholesome and nutritious food is also regarded as a requirement under the World Trade Organization (WTO) agreement, to which Belize is a signatory.

The Process for Sanitary Certification:

✓ It is a two day process
✓ The cost is $25.00
✓ Ensures that the facility is clear from health hazard
✓ Ensure that the product is safe for consumption
Business Taxes

The form of business you operate determines what taxes you must pay and how you pay them. The following are the four general types of business taxes.

1. INCOME TAX
All businesses except partnerships must file an annual income tax return. Partnerships file an information return. The form you use depends on how your business is organized. Income tax is a pay-as-you-go tax. You must pay the tax as you earn or receive income during the year. An employee usually has income tax withheld from his or her pay. If you do not pay your tax through withholding, or do not pay enough tax that way, you might have to pay estimated tax. If you are not required to make estimated tax payments, you may pay any tax due when you file your return.

Persons who are earning more than $25,600 per year are charged a flat tax rate of 25%. Those who are employed and resident in Belize and whose total income per annum from all sources is less than $25,600 are exempt from Income Tax.

However, there is a 2-tier approach towards income tax deductions on income based on the announcement by the Government of Belize that came into effect in April 2010. For income earners earning over $25,600, the basic deduction or basic personal relief remains at 19,600.

Tax Year

You must figure your taxable income on the basis of a tax year and file an income tax return. A “tax year” is an annual accounting period for keeping records and reporting income and expenses. The tax years you can use are:

- Calendar Year—A calendar year is 12 consecutive months beginning January 1 and ending December 31
- Fiscal Year—A fiscal year is 12 consecutive months ending on the last day of any month except December.
**Other Facts:**

- **The filing date** for the Income Tax Return is 31st March, unless otherwise approved by the Commissioner of Income Tax.
- **Penalties:** 3% of the balance of the tax due for each month, or part of the month that your return is late, minimum of $10.00.
- **Interest charges:** if there is a balance of tax after 31st March, a rate of 1.5% per month is charged until final payment is made.
- A **refund** becomes due when the tax payable is less than the tax deducted from income, or if tax was deducted and total income was below the new threshold of $25,600.
- **Other reliefs:** Charity (maximum is $250); Education (maximum is $400 per child not your own).

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2. SELF-EMPLOYMENT TAX

Self-employment tax is a Social Security tax primarily for individuals who work for themselves. Your payments contribute to your coverage under the Social Security system. Social Security coverage provides Injury Benefits, Disablement benefit (pension or grant, Constant attendance allowance (based on medical certificate).

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3. EMPLOYMENT TAXES

When you have employees, you as the employer have certain employment tax responsibilities that you must pay and forms you must file. Employment taxes include Social Security and Medicare taxes.

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4. BUSINESS TAX

Any operation that is performed in Belize is required to pay business tax. The tax rates vary according to the business classification.

Business Tax is applicable to:

- Individuals practicing his profession or firm in Belize
- Partnerships
- Companies/Corporations operating in Belize
- Consultants, both Local (Resident) and Foreign (Non-Residents)
- Any person who is in the business of providing Goods and Services in Belize
- Organizations based on their taxable receipts
• Tour Operators, Tour Guides, Travel Agents, Commissions, Rental, Contracts, Dividends, Taxation of Non-Residents, Fishing, Books and Records of Accounts, Relationship to Sales Tax

Exemptions
As prescribed by the Income and Business Tax Act:
• Receipts of any local authority where income is not derived from a trade or business managed by the local authority.
• Earnings of any ecclesiastical, charitable or educational institutions
• Any pension paid by any person or authority outside Belize to a retired person who is residing in Belize.
• Payments received under any social security scheme or fund, whether made by a person resident in Belize or abroad, provided such payment are prove to the satisfaction of the Commissioner to be social security payments.
• Interest from any debentures, treasury bills, treasury notes or bonds issued by or under the authority of the Government of Belize.
• Interest payable by any person on capital used in specified development industries or projects
• Interest payable by the Government on monies borrowed by it from, or debts owed by it to, sources outside Belize.
• Earnings for other trade or business of less than $75,000 per annum and $25,600 for professions, vocations or occupations.
• The income from a scholarship, exhibition, bursary or any other similar educational donations held by a person receiving full time instruction at a university, college, school or other educational institutions.

Deductions
General Sales Tax must be deducted from total sales/receipts to arrive at Business Tax receipts:
• General Sales Tax collected
• Charitable contributions of a minimum of $500.00 and up to $30,000.00 per year
• Earnings Replacement Duty on fuel paid on importation
• Excise duty
• Supply sales by the quantity fuel importer to another quantity fuel supplier
• Funds received as an agent.
• Accommodation Tax provided for under the Hotels & Accommodation Act

The Business Tax Return and any taxes due must be filed by the 15th day of each month, covering all receipts for the previous month.

**Penalties**

Penalties are accounted for those individual or organizations who do not comply with the filing and payment deadlines and they are as follows:

• Late or Non-Filing – 10% of the tax due every month or part of the month that the return remains outstanding, minimum of $10.00 for a maximum of twenty-four (24) months.
• Late or Non-Payment – a charge of 1.5% per month on all unpaid balance from the time it was submitted to date of payment.
• Failure to File a return – A fine of at least $10,000 will be charged if taxpayers fail to return a file or two year imprisonment.

5. GENERAL SALES TAX (GST)

General Sales Tax (GST) is referred to as a Tax on consumer spending, collected in stages; that is, at the point of importation and on business transactions when goods change hands or services are performed. GST is administered by the Department of General Sales Tax. GST is charged at the rate of 12.5% is chargeable on both imports and domestically produced goods and services. With respect to domestically produced goods and services, the sales tax is applied at the retail stage and not at the manufacturing stage. In the case of imports, the sales tax is levied at the moment of importation.

**Registration**

A business that makes or intends to make taxable supplies, that is Sales or gross revenues of $75,000 or more per annum must register for GST. Where the business has been in operation for less than 12 months and the average taxable sales or revenues is $6,250 or more per month over a period of four months, the business is deemed to be eligible for registration, and must register for GST.
**Input Tax**
When goods are imported or a purchase of a goods or service is done for your business, GST is chargeable on the transaction. GST on purchases is called input tax. This tax can then be recovered from the Department of GST when a GST return is filed.

**Output Tax**
When a product from your business is sold or in the event in which your business provides services to consumers, if those goods or services are liable to GST, the final selling price charged on the good or service needs to incorporate GST. GST on sales is called output tax.

**Exemption**
GST does not apply if the goods or services are either exempt or zero rated. Exempt supplies include financial services, some medicines and medical supplies for human use and supplies connected with agriculture. Some zero-rated supplies are rice, flour, bread, eggs, fresh meat, beans, sugar and baby formula as well as locally produced fresh fruits and vegetables.

**Requirements**
Registered business operations will be required to have available proper books and records of business transactions for audit by General Sales Tax Officers. Proper books and records include:
- The GST account
- Books of account (on paper or computer)
- Till tapes
- Credit and debit notes
- Tax invoices
- Bank statements
- Invoices
- Stock-on-hand records
- Vouchers
- Motor vehicle logbooks
- System and program documentation that describes the accounting system
• Charts and codes of account
• Any other documents that verify transactions or entries in any books of account

6. STAMP DUTY/TRANSFER TAX
(Stamp Duties Act, Chapter 64 of the Laws of Belize)

Stamp Duty becomes payable on any transactions involving taxable land. Nationals and Foreign Investors alike are required to pay 5% of the value; however if the value of the land falls below US$10,000 then the transaction is tax exempt.
Trading Information

a) IMPORT PERMITS
The importation of some live animals, foodstuff, plant and plant materials, and veterinary vaccines requires an import permit from the Ministry of Agriculture and Fisheries and is subjected to inspection at the time of importation by quarantine inspectors from the Belize Agriculture and Health Authority (BAHA). BAHA is a statutory body mandated to ensure animal and plant health, bio and food safety and quarantine inspection upon imports.

b) IMPORT LICENCE
Some goods require approval of an import license upon importation from the Supplies Control Unit (SCU) of Belize Bureau of Standards (Ministry of Economic Development, Commerce, Industry and Consumer Protection). The procedure does not require licensing fees or administrative charges. Licenses are granted for each shipment and cannot be transferred between importers. There are no restrictions on the number of licenses that can be issued to a single importer. Imports into export processing zones and commercial free zones do not require a license. Licenses are automatic for the importation of furniture in non-commercial quantities, and for “unique wooden articles” for the tourism industry.

c) CUSTOMS AND DUTIES
Belize’s Customs and Excise Department oversees the importation and exportation of goods in Belize. Belize’s tariff schedule is based on CARICOM’s Common External Tariff (CET) and based on the Harmonized Commodity and Coding System (HS) 2002. The CET is based on bands of 10%, 15%, 20% and 40% and rates between 0 and 5%. Customs duties vary from 0% to as high as 70%. Some 53% of tariff lines carry a rate of 5%, some 18%, a rate of 20% and 10% carry a zero rate. Tariff rates between 50% to 70% apply to a variety of products, including plywood, pearls, diamonds, and other precious and semi-precious stones, articles of jewelry, watches, clocks and firearms.
Import Duties

Import duties are applied upon goods as they enter the country and payable upon time of arrival. Import duties are the liability of the importer. The Comptroller of Customs is responsible for the collection of import duties. Some goods have been recently exempted from import duties by the Revenue Appropriations Bill 2010/2011. Customs brokerages are necessary only when the commercial value of the imported good exceeds Bzd $200 or US$100.

General Sales Tax (GST)
Regarding imports, the tax is assessed on the basis of cost, insurance and freight (c.i.f), customs value plus the customs duty. Some goods are exempted from the payment of General Sales Tax at the time of importation. The Minister of Finance, through an order, may exempt goods and services from sales tax. A sales tax exemption certificate may be granted by the Commission of Sales tax for local purchases or imports of goods and services deemed “essential” for the production of final goods or the provision of services.

Environmental Tax
Environmental Tax of 2% is levied on all goods imported to Belize. Basic food items such as medicines and medical supplies for human use, and basic food stuffs, including rice, beans, potatoes, coffee, tea, butter and butter substitutes, cheese, margarine, cooking oil, shortening, lard and lard substitutes, powdered and condensed milk, baby formula, sardines, meat of swine (salted or in brine), corned beef, and salt are exempted. Domestic goods are not levied any environmental tax.

Revenue Replacement Duty (RRD)
RRD applies to specific goods. The only exception is ice cream, which is exempted from RRD when it originates in another CARICOM country.

Excise Duties
Belize applies excise duties to domestically produced rum, methylated spirits, tobacco products and aerated waters. An excise duty of $1.00 per barrel of locally extracted crude oil is also applied.
Land Acquisition and Development

National Lands
(National Lands Act, Chapter 191 of the Laws of Belize)

Submit application to the Commissioner of Lands and specify the location and acreage being sought. Applications for land in excess of 25 acres (0.1 km²), must also submit a development plan to the Minister of Natural Resources and the Environment. An Environmental Impact Assessment (EIA) is required for ventures entailing more than 500 acre (2.02 km²), as stipulated in the Environmental Protection Act Chapter 328 of the Laws of Belize. The Minister retains the authority to grant final approval on applications.

Private Property (Real Estate Agent)

In obtaining private property with a real estate agent, the following must be taken into consideration:

- Provide Agent with criteria for land/property being sought.
- Prepare a formal offer - based on value, 10% is held in escrow
- Title Transfer - prepared by an attorney or registered Agent - 1.5% or 2% value of land/property.
- Stamp duty payable - 5% value of transaction

Environmental Impact Assessment (EIA)

When an EIA is required, twelve (12) copies of the EIA are to be submitted to the Department of the Environment (DOE). A decision on an EIA is made within sixty (60) day after receipt by the DOE. The decision on the EIA will be made by the DOE on the advice of the National Environmental Appraisal Committee (NEAC).

Housing and Building Permits
(The Belize City Building Act, Chapter 131 of the Laws of Belize)

Any person who plans to construct, alter or demolish a building must first obtain permission from the nearest administrating municipality, with final approval being granted by the Local Building Authority. Upon completion of a building design, and prior to the commencement of construction, all plans and designs must be submitted to the local Building Authority. The average processing time is 2 weeks.
Developing a Business Plan

A good business plan helps entrepreneurs prepare for the future. A business plan is most often thought of as a tool to obtain financing. An effective business plan also aids the business in several other ways. While the development of a business plan does not guarantee securing a loan or achieving success, objective preparation will prepare the entrepreneur for what lies ahead.

Your business plan can vary in length depending on the complexity of the business. It is a matter of addressing the subject matter as thoroughly yet concisely as possible. Whether you use an online site, a workbook, or computer software, any complete business plan will cover the following major sections:

- **Introduction/Executive Summary**
  - An overview of the business and its objectives
  - Usually written last to be able to draw information and figures from the other sections

- **Product and Service Definition**
  - A clear explanation of the offerings of the business

- **Manufacturing/Operations**
  - A description of the location, physical facility, equipment, sources of supply, floor plan, inventory control and other factors that affect your ability to make your product or service available when and where the customer wants it.

- **Market Analysis**
  - Examine trends within your industry and target markets

- **Sales Strategy**
  - The types of advertising and promotional efforts you will do to let your customers know you are in business

- **Management Plan**
  - Personal work history and education of the owners (mini-resume)
  - An organizational chart
  - Resources available to the business (attorney, accountant, advisor, etc.)

- **Financial Analysis**
  - This is probably the most important section of your business plan. You should have a good description, with financial spreadsheets, for each of the following items:
• Startup costs – how much will it cost to open the doors?
• Funding sources – how much money do you need and where do you plan to get it?
• Financial projections – minimum 2-year forecast and budget

Free, confidential advising services are available at SBDCBelize, Beltraide to help with any aspect of your business plan. The only requirement is that you have a rough draft of your business plan prior to making an appointment with one of our business advisors. We can help develop your financial assumptions, your marketing plan, and guide you through the process of selecting the best way to present your loan request to the proper banks.
Institute for Economic Development Resources

**Beltraide**

The Belize Trade and Investment Development Service is a statutory body of the Government of Belize mandated to perform functions and duties related to:

1. Trade Development and Promotion
2. Investment Generation and Promotion
3. Enterprise Development and Facilitation

Telephone: 822-3737/0175
Website: [http://www.belizeinvest.org.bz/](http://www.belizeinvest.org.bz/)

**SBDCBelize, Beltraide**

The Small Business Development Center Belize is a branch of the Belize Trade and Investment Development Service (BELTRAIDE), which is a statutory body of the Government of Belize. The mission of the SBDCBELIZE is to create economic prosperity through entrepreneurial development, business innovation, and competitiveness.

Telephone: 223-3195
Website: [http://www.belizeinvest.org.bz/](http://www.belizeinvest.org.bz/)

**Belize Customs and Excise Department**

Belize Customs and Excise Department is identified as the country's largest source of revenue. It is responsible for providing around 53 percent of the total recurrent revenue. As well as the major revenue collection department, it is also one of the nation's major border enforcement agencies. It is also responsible for enforcing some thirty (30) Agency duties for other departments, which laws deal with a wide range of issues from moral to financial, and even protecting the environment.
**Bureau of Standards**

The Belize Bureau of Standards is a Government Department, which was formally established in 1992 by the Standards Act Chapter 295 of the Substantive Laws of Belize Revised Edition 2000-2003. The Bureau is the national standards body responsible for the preparation, promotion and implementation of standards in relation to goods, services, and processes.

Belize Bureau of Standards is responsible for the activities of Standards, Metrology, Consumer Protection and Supplies Control.

The Functions of the Units are as follows:
- **Standards Unit**
  - Preparation of National Standards
  - Promote the adoption and application of National Standards
  - Monitor the quality of foreign and locally manufactured products
  - Promote quality control
  - Disseminate information on Standards

**Telephone: 822-0446**

**Website: [http://www.bbs.gov.bz/](http://www.bbs.gov.bz/**)

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**The Belize Agricultural Health Authority (BAHA)**

The Belize Agricultural Health Authority (BAHA) is a statutory body designed to modernize the Agricultural Health Services in Belize. It was established under the Laws of Belize "Belize Agricultural Health Authority Act, Chapter 211 of the Substantive Laws of Belize Revised Edition 2000." BAHA is governed by a Board of Directors, which is the policy making organ of the Authority, with representatives from both Government and the Private Sector.

**Telephone- Tel: 501-822-0197; 501-822-0818/1378**

**Website: [http://www.baha.bz/](http://www.baha.bz/**)
**Income Tax Department**

Income Tax was enacted in Belize in 1924 and remained in that basic form up to July 1998 when Business Tax was introduced. The Legislation is now called “The Income and Business Tax Act”, with an effective date of January 1999 in its current form. The Act is divided into three parts with Income Tax under Part 1, Income Tax on Profits arising from Petroleum under Part 11 and Business Tax under Part 111.

**Telephone**: 222-4956


**Social Security**

Established on June 01, 1981, Social Security Board is a member of the International Social Security Association based in Geneva, Switzerland. The Scheme pays benefits on behalf of all insured persons, who are employees fourteen years and over, from "the womb to the tomb". Maternity Benefits are paid to pregnant women who qualify, and Funeral Grant is paid to the survivors of a deceased insured person who qualifies for the benefit. These are only two examples of the benefits being paid.

**Telephone**: 224-5025

**Website**: [http://www.socialsecurity.org.bz/AboutSSB.aspx](http://www.socialsecurity.org.bz/AboutSSB.aspx)
References

Belize Chamber of Commerce: http://www.belize.org/bcci/
Belize Customs and Excise Department: http://www.customs.gov.bz/
BELIPO: http://www.belipo.bz/
Beltraide: http://www.belizeinvest.org.bz/

Income Tax Department: http://www.incometaxbelize.gov.bz/
Social Security Board: http://www.socialsecurity.org.bz/AboutSSB.aspx
SBDCBelize
Belize City Office
University of Belize
Faculty of Management and Social Sciences
College Street, West Landivar
Belize City, Belize
Central America
Telephone (+501) 223.3195
Fax (+501) 223.7427