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NATIONAL TRADE OPERATIONS AND PROCEDURE GUIDE  
(BELIZE)



UNITED NATIONS

ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean

NOTE

This document includes the amendments made by the Ministry of Trade, Industry and Consumer Protection of Belize (as per letter of 13 October 1983).

## BELIZE

### 1. IMPORT REGIME

#### 1.1 Customs duty policy

Since 1981, is a member of CARICOM and as such it adheres to the Common Market provision (See Annex I). Belize is also an adherent to the Convention of Lomé II (See Annex II).

Its tariff system is based on the Customs Co-operation Council Nomenclature (CCCN) system of classification. Since 1976, Belize operates on the new single-tier customs tariff system, based on the CCCN, of the Common External Tariff (CET) of CARICOM. There is also a separate tariff schedule for duties applicable to some imports from other participating countries in the Caribbean Common Market.

##### 1.1.1. Import Tariff

Most goods are assessed duty on a c.i.f. ad valorem basis, with duties ranging from zero to 90 percent. However, imports by the public sector and certain private non-profit organizations and imports from other CARICOM countries are exempt from import duties.

Duties are payable in Belize dollars at the time of customs entry. Ad valorem duties: For the purpose of levying ad valorem duties, the value of the imported merchandise shall be taken as the normal price - the price at which the goods would have been sold at the time of importation. The seller (exporter) shall bear all cost, charges and expenses incidental to the sale and delivery of goods to Belize, which are included in the normal price.

#### 1.2 Trade Requirements

Importations are mostly made under Open General License, however, certain items are prohibited. A list of these prohibited items are revised periodically. Some goods require specific licenses, usually valid for three months, but may be extended. A 10 percent tolerance is allowed on the estimated c.i.f. value of goods covered by licenses.

##### 1.2.1. Foreign Exchange Regulation

Exchange is freely available for imports under an Open General or Specific License, obtained before arrival of the shipment. Payments for imports require authorization by the Monetary Authority, which may delegate the commercial bank to issue a certificate of payment for foreign exchange for imported goods.

#### 1.2.2. Import permit or license

Import licenses are required for a small number of goods, mostly, foods and agricultural products and certain household and construction products, for reasons of health, standardization and protection of the domestic market. These licenses are obtainable at the Ministry of Trade and Industry which are liberally administered. There are no quota or other quantitative restrictions.

As part of the investment policy in Belize, no customs duties are paid on goods and other related materials for use in a number of industries.

#### 1.2.3. Invoices

All shipping documents should be forwarded separately from the shipment, as it is important that the importer or his agent be able to present them promptly upon the arrival of the goods.

(i) Commercial: An original and a carbon copy are required. The commercial invoice required for goods imported into Belize is the same that is required for goods imported into other CARICOM member states.

It is advisable to give a careful description of each kind of merchandise, when a package contains merchandise subject to different tariff classification. All discounts and deductions should be stated plainly; otherwise duty may be assessed at the total value.

(ii) Consular: This invoice is not required.

(iii) Pro-forma: Not usually required in this market.

If requested by the importer, complete details must be given in this document.

(iv) Invoice of goods shipped (packing list): this is not a mandatory document. However, it facilitates the clearance of goods.

#### 1.2.4. Bill of Lading

There are no regulations specifying the form or number of Bills of Lading required for any particular shipment. The number of copies issued is based on the requirements of the importer and the steamship line. Information should agree with that in other documents. "To order" bills are acceptable. When required, the Bill of Lading customarily shows the name of the shipper, name and address of consignee, port of destination, description of goods, listing of freight and other charges, number of Bills of Lading in the full set, and date and signature of the carrier's official acknowledging receipt on board of the goods for shipment.

Air cargo shipments require airway bills - in lieu of Bills of Lading - with the number of copies issued based on requirements of the importer and the airline used. This is subjected to the rules and regulations of ICAO, IMO and IATA governing the labelling and packaging of dangerous and hazardous/or restrictive goods.

Mail and parcelpost shipments require postal documentation in place of Bills of Lading. For each letter or package containing dutiable merchandise, prints and small packages, must have affixed, on the address side of the mail, to it a green customs label C1 Form 2976 "Authority Customs to Open International Mail". If the value of the goods exceed US\$120 or if the sender does not want the description of the contents to be shown on the package, then only the upper portion of the C1 Form 2976 is placed on the package. In this instance, customs declaration C2 Form 2976-A "Customs Declaration" is completed and enclosed inside the package. Dutiable merchandize is permitted in the letter mails, subject to the maximum weight and size permitted.<sup>1/</sup> Insured parcels must and ordinary parcels may be sealed.

#### 1.2.5. Certificates

- of origin

Shipments of CARICOM origin should be covered by a Certificate of Origin (See Annex 1, Section 1) to be given special Common Market Treatment.

In the case of other countries no Certificate of Origin is usually required. If a separate certificate of origin is required (or the commercial invoice does not contain origin information and the importer requires such a declaration), then the general form is usually acceptable. Though it is usually issued in duplicate, the actual number of copies required shall be instructed by the importer. It should contain information that conforms to data in other documents, should be signed by a responsible member of the exporting firm, and should be certified by a Chamber of Commerce (which will require an additional notarized file copy).

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<sup>1/</sup> Maximum weight is 22 lbs; maximum length 4 feet, maximum girth 24 inches

- of insurance

Normal commercial practices prevail. Insurance is based on the importer's instructions.

A Certificate of Insurance should accompany the original copy of the Bill of Lading.

- plant health certificates

Import permits, or certificates of introduction usually are required for most plants and plant products including wrappings and packaging used in connection with such living plants. (This is obtainable in advance by the importer from the Director of Agriculture).

State or Federal inspection certificates also usually are required for entry of most plants and plant material - special certificates may be required due to the nature of the goods being shipped or requested by the importer/Bank/letter of credit clause e.g. sanitary, veterinary, free sale, etc.

narcotic Drugs and pharmaceuticals do not require prior approval, unless these are

#### 1.2.6. Technical Specifications

For most industries, compliance with the United States or British Technical Standards is acceptable.

Electric current is AC 60-cycles, 110/200-Volts, (also 220/440-Volts in Belize City, Belmopan, Corozal and Punta Gorda) generally one phase, and 2, 3, 4 wires. For weights and measures the British Imperial System and some old Spanish Standard Measures are being used. Conversion to metric system is underway.

#### 1.2.7. Advertising material

If of non-marketable description, admitted as such, excluding playing cards, pen knives and similar articles which replace ordinary articles of commerce, the duty is free. Pamphlets, periodicals, almanacs, maps, plans are also admitted duty free.

#### 1.2.8. Labelling

There are no general requirements for labelling goods. There are no stipulations regarding how shipments must be marked and common shipping practice may be followed. In the case of labels with English wording which might be misleading as to the true origin of the goods, these should have a mark of origin - "Made in (name of Country)".

Exporters to Belize should ascertain whether or not this country is currently adhering to the United Nations recommendations for the labelling and packaging of hazardous and/or restricted materials in a standardized manner and style.<sup>2/</sup>

1.2. Brands or Trademarks

There are no special regulations concerning the use of brands or trademarks.

1.2.10. Packing

Goods should be packed to withstand hazards of transportation and water-proofed against tropical climate.

Especially in the case of hazardous and/or restricted materials, where it should be ascertained whether Belize is currently adhering to the United Nations recommendations on packing and marking (See footnote 2) there are no specific regulations.

According to sound shipping, the packages should bear the consignee's mark, including Port mark, and they should be numbered unless the shipment is such that the contents can be readily identified without numbers. Although the weight of packing is not a factor in the payment of duties on dutiable goods by weight, packages must show the specific quantity of such article either by label or mark.

Net weight of contents may be specified, for customs purposes, when relevant.

1.3 Fines and Penalties - Port and Warehousing Procedures

Goods should be entered and cleared within 10 days, depending on the amount of cargo unloaded from any vessel or craft. Clearance may be permitted without documents upon posting a sight draft adjustable within three (3) months.

1.4 Specimens and Samples

Items imported for trade purposes and not for Sale, with a value

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<sup>2/</sup> In 1965 the Intergovernmental Maritime Consultative Organization (IMCO, now IMO) adopted the International Dangerous Goods Code, which includes the United Nations Labelling System. It is now adhered to partially by more than 30 countries. With respect to packing, labelling and documentation, if goods are going by air, IATA and/or ICAO regulations must be met. For goods going by boat, the latest IMO requirements are usually made by the shipper.

of less than Bze\$1.00, may be imported duty-free. This provision does not include wines, spirits, tobacco and perfumery.

Samples and other articles may be imported temporarily free of duty under deposit or bond for a six-month or such other period not exceeding a year. This privilege does not apply to cinematograph films for exhibition.

1.5. Shipment restrictions

No restrictions are in force.

1.6. Distribution Channels

There are some "duty-free" shops catering to the tourist trade. Distribution of most commodities are generally handled by the private sector.

1.7. Agents or representatives

There are no special regulations for commercial agents or representatives traveling to Belize.

2. EXPORT REGIME

2.1. Export Procedures

Any company or legal person in the country which makes export sales payable in foreign currency, is subject to the currency exchange controls which require the compulsory surrender of foreign currency to the Central Bank.

For exports to members of the CARICOM countries, see Annex I, Section 2. For exports to the EEC, subject to the Second Lomé Convention, see Annex II, Section 3.

2.2. Exports subject to special requirements

For exports of selected agricultural commodities, oils and fats, and cane sugar, to other members of CARICOM, see Annex I. See also restrictions under the Second Lomé Convention (Annex II, Section 4) for trade with the EEC.

Exports of hazardous, dangerous or restricted goods may be subject to the International Dangerous Goods Code.

2.3. Export Incentives

As member of the CARICOM and ACP countries, incentives provided under these agreements are applicable in this country under the industrial and investment promotion scheme (See annexes I and II).



As part of the harmonization of the Caribbean Common Market, the main benefits which can be given to an exporter are exemption from income tax and relief from customs duties, over a stated number of years. The Common Market agreement sets out the maximum benefits which can be given under the scheme by any signatory government in respect of an approved product, whether destined to the export market or not.

### 2.3.1. Direct Incentives

In general, the maximum number of years for which benefits may be granted varies with the percentage of local value added (Section 2 (f) of Annex I shows the method for measuring local value added contribution). For the award of benefits, enterprises are classified into three groups:

Group I - Enterprises whose local value added in respect of the approved products amounts to 50 percent or more of the value of the sales, ex-factory, of the product;

Group II - Enterprises whose local value added in respect of the approved products amounts to 25 percent or more but less than 50 percent of the receipts from sales ex-factory; and

Group III - Enterprises whose local value added in respect of the approved product amounts to at least 10 percent or more but less than 25 percent of the receipts from sales ex-factory.

The following table shows the maximum number of years for which any LDC government in CARICOM may grant relief from income tax and customs duties:

Table 1  
MAXIMUM PERIOD OF TAX CONCESSION ELIGIBILITY

<u>Enterprise Group</u>	<u>Maximum number of years</u>
I	15
II	12
III	10

The scheme permits highly capital-intensive projects irrespective of their local value added to be granted tax holidays and customs relief up to the maximum permissible. The qualifications for such treatment are that the project must involve a capital-intensive investment of no less than EC\$25 million.

Enterprises whose entire production of the approved product is sold to countries outside the CARICOM, referred to as enclave industries, have been made eligible for tax holidays and customs relief, without a reference to the quantity of their local value added. This is due mainly to their estimated large employment contribution.

The Common Market agreement does not prohibit the granting of duty-free treatment of imports of raw materials to enclave enterprises after their tax holiday period has expired. It has been the general policy of all member countries of CARICOM to allow such enterprises this concession without limitations.

As part of the the development concession offered to approved ventures, Belize has allowed the following:

1. 100 percent exemption from payment of income tax during the concession period - up to 15 years;
2. Exemption from customs duties on imported building materials, plant, vehicles, machinery and other items necessary to the establishment of the enterprise;
3. Exemption from customs duties on raw materials in cases where they are exported in the form of finished goods;
4. Protection from competing imports where the new industry is geared towards the local market;
5. Unrestricted concession of current, repatriation of capital and earnings.

It must be made clear that the aforementioned concessions are not made available to every company, since there are a number of variables involved in determining which venture would be awarded such benefits.

Among the factors considered before granting these concessions are as follows:

- i) number of nationals employed;
- ii) size of the investment;
- iii) potential saving of foreign exchange;
- iv) location of enterprise;
- v) use of indigenous raw materials - more so the non-traditional ones.

The more a venture contributes to the overall development of Belize, the greater the size of incentives offered to locate in Belize.

(a) Dividends tax exemption

Approved enterprises are granted exemption from income tax on the profits of the approved products. Equally important is the provision that the dividends paid from such products to shareholders of such enterprises may also be exempted from tax as long as the shareholders are residents of a CARICOM country.

A collective agreement exists between the MDCs and the LDCs to allow dividends earned in one MDC country to be transferred to an LDC to be exempt from taxation in the recipient's country of residence. Where however, the shareholder is not resident in a CARICOM country, dividends will not be totally exempt from tax; but only from such tax in excess of what the recipient would normally pay in his country of residence.

Interest is not exempt from tax in the hands of the recipient.

(b) Compensatory taxes

(i) Carry forward of losses

If an approved enterprise makes a net loss on the production of the approved product, taking the total holiday period into account, the enterprise can carry forward such losses up to five years after the expiry of the tax holiday, setting them off against profits made later on the approved products.

The net loss on the approved product over the tax holiday period is calculated by summing up all losses made and subtracting all profits made in the period.

(c) Export allowances

Partial relief is granted to enterprises from the income tax chargeable on the profits earned from exports. This provision becomes operative after an enterprise's tax holiday period has expired.

The greater the share of an enterprise's profit which is derived from exports outside the ECCM (sales to other CARICOM members except Barbados qualify for allowance) of the product for which export allowance is given, the greater the relief afforded.

The following table gives the extent of maximum relief in terms of credit tax chargeable on the share of profits made from export sales outside the Common Market's area.

Table 2

Maximum Export Allowances Granted

<u>Share of profits from exports to third countries in total profits of approved producer<sup>3/</sup></u>	<u>Maximum income tax relief of tax chargeable on the approved product (%)</u>
to less than 21 percent	25
21 to less than 41 percent	35
41 to less than 61 percent	45
61 percent or more	50

A country is not permitted to grant this relief to an enterprise in respect of a t additional export product of that country. This export allowance should normally be given only for products to be exported outside of the Common Market. This provision was designed to encourage enterprises to increase the share of exports sales in their total sales and is intended in particular to promote the export of manufactures.

The export allowance will be granted to authorized enterprises, provided that:

- the enterprise has been enjoying such benefits only for the first five years after the expiry of the tax holiday or customs rebate period.

- the enterprise has not been granted any tax holiday or customs duty rebate only for the first five years of the life of the harmonization agreement (effective since 1 February 1974).

2.3.1.2. Direct Credit Incentives

No specific credit incentives or export financing facilities exist.

2.3.1.3. Certificates

Customs tariff preferential treatment of exports to CARICOM members requires certification of origin (see Annex I, Section 1(a) where specimen is provided.

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<sup>3/</sup> As a general rule, the share of exports on total sales is taken as the share of profits made.

The Lomé Convention also requires certification of origin for exports from ACP states into the EEC (see Annex 2, Section 5). Same is required by the United States under the Generalized System of Preferences (GSP). No tax refund certificate or tax compensation certificates are given.

2.3.2. direct Incentives

In addition to the depreciation allowance to which enterprises are normally entitled, there are other allowances given to approved enterprises on the expiry of the tax holiday.

(a) Initial allowance

An initial allowance not exceeding 20 percent of any plant, equipment and machinery capital expenditures, incurred after the tax holiday has expired, can be deducted.

(b) Special bonus for using local labour

In order to encourage the greater use of local labour and to contribute to the relief of the serious unemployment, a tax holiday can be extended by increasing the measure of value added through a weight or bonus that measures the use of local labour (see Annex I, Section 2(f) for measure of this bonus).

2.3.3. FREE ZONES

Although free ports or free trade zones exist, existing legislation for enclave industries provides such tax holidays comparable to conditions existing in a free zone.

3. MULTILATERAL AGREEMENTS AND INTEGRATION SCHEMES

3.1. Bilateral

Information is not available as to the bilateral agreements signed by Belize.

3.2 Multilateral

Belize is an adherent to Second Lomé Convention (see Annex II) and also to the GATT Convention.

3.3 Integration Schemes

Belize is a charter member of CARICOM (see Annex I).

4. AGENCIES AND INSTITUTIONS INVOLVED IN FOREIGN TRADE

Investment Promotion Unit  
Development Finance Corporation  
17 Regent Street  
P.O. Box 876  
Belize City

Ministry of Trade and Industry  
Belize City

Department of Customs and Excise  
Belize City

5. NATIONAL AND INTERNATIONAL FAIRS

None

6. CHAMBERS AND ASSOCIATIONS OF COMMERCE

Belize Chamber of Commerce  
51 Regent Street  
P.O. Box 291  
Belize City