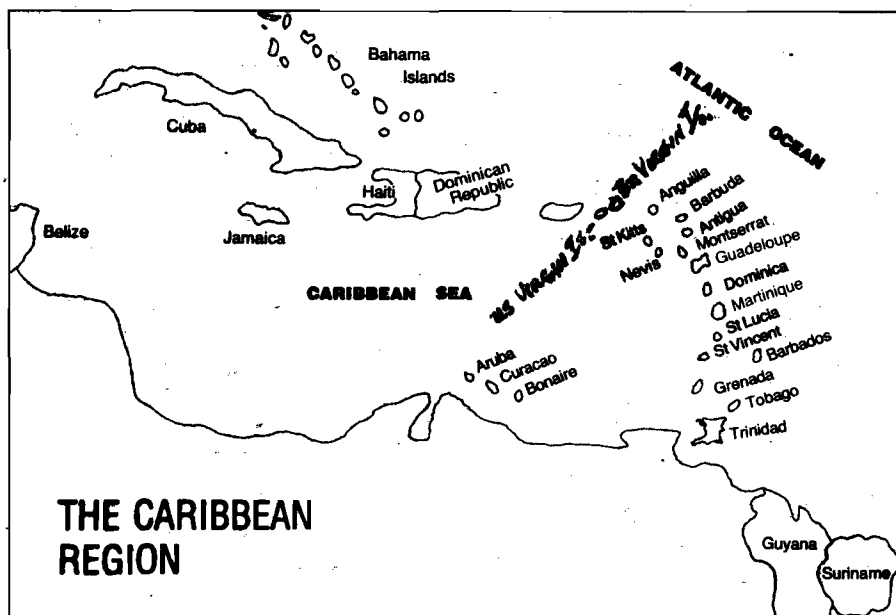


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**C**OMMITTEE



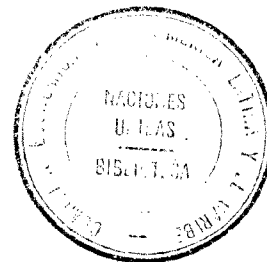
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ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN  
 Subregional Headquarters for the Caribbean  
 CARIBBEAN DEVELOPMENT AND CO-OPERATION COMMITTEE



TRADE PROCEDURE GUIDE (PART VII)

BELIZE



**UNITED NATIONS**

ECONOMIC COMMISSION FOR LATIN AMERICA AND THE CARIBBEAN  
 Subregional Headquarters for the Caribbean



## INDEX TO ENGLISH TRADE PROCEDURE GUIDES

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### Contents of National Trade Operations Guides

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- 1. IMPORT REGIME
  - i.1. Customs duty policy
    - 1.1.1. Import tariffs
  - 1.2. Trade Requirements
    - 1.2.1. Foreign Exchange Regulations
    - 1.2.2. Import permit or license
    - 1.2.3. Invoices
      - i. commercial
      - ii. consular
      - iii. pro-forma invoice
      - iv. invoice of goods shipped
    - 1.2.4. Bill of Lading
    - 1.2.5. Certificates
      - of origin
      - of purity
      - of quality
      - animal and/or botanic health
      - of registration
      - of analysis
      - of insurance
      - of value
      - of weight
    - 1.2.6. Technical specifications
    - 1.2.7. Advertising material
    - 1.2.8. Labelling
    - 1.2.9. Brands or trademarks
    - 1.2.10. Packing
  - 1.3. Fines and Penalties - Port and Warehousing Procedures
  - 1.4. Specimens, Samples
  - 1.5. Shipment restrictions
  - 1.6. Distribution channels
    - 1.6.1. Agents or representatives
- 2. EXPORT REGIME
  - 2.1. Export procedures
  - 2.2. Exports subject to special requirements
    - 2.2.1. Export permit

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Contents of National Trade Operations Guides

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- 2.3 Export incentives
  - 2.3.1. Direct incentives
    - 2.3.1.1. Direct tariff incentives
      - tax exemptions or reductions
      - compensatory taxes
    - 2.3.1.2. Direct credit incentives
      - pre-shipping credit
      - post-shipping credit
    - 2.3.1.3. Certificates
      - tax refund certificate
      - tax guarantee or tax payment certificate
      - export increase certificate
      - tax compensation certificate
  - 2.3.2. Indirect incentives
    - "draw-back" schemes
    - preferential exchange rates
    - financial incentives
  - 2.3.3. Free zones (trade and industrial freeports)
- 3. MULTILATERAL AGREEMENTS AND INTEGRATION SCHEMES
  - 3.1. Bilateral
  - 3.2. Multilateral
  - 3.3. Integration schemes
- 4. AGENCIES AND INSTITUTIONS INVOLVED IN FOREIGN TRADE
- 5. NATIONAL AND INTERNATIONAL FAIRS
  - 5.1. Name and place
  - 5.2. Organizing institution
  - 5.3. Frequency and direction
- 6. CHAMBERS AND ASSOCIATIONS OF COMMERCE
  - 6.1. Membership to regional and international associations

## TRADE PROCEDURES GUIDE (PART VII)

### BELIZE

#### 1. IMPORT REGIME

##### 1.1 Customs Duty Policy

Belize, which became independent in 1981, is a member of CARICOM, and as such adheres to the provisions of that Common Market<sup>1/</sup>. Belize is also a signatory of the Lomé II Convention<sup>2/</sup>.

In 1976, Belize adopted the Common External Tariff (CET) of CARICOM a single-tier customs tariff system, based on the Customs Co-operation Council Nomenclature (CCCN). There is also a separate tariff schedule applicable to those imports originating in the Caribbean Common Market which are not granted duty free treatment.

##### 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, certain private non-profit organizations and most products originating within CARICOM, 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, that is the price at which the goods would have been sold at the time of importation. The seller (exporter) shall bear all costs, 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, although certain items are prohibited. The list of prohibited items is revised periodically. Some goods require specific licenses, which are usually valid for three months, although they may be extended. A 10 percent tolerance is allowed on the estimated c.i.f. value of goods covered by licenses.

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<sup>1/</sup> Part I of this document entitled "The Caribbean Community - Common External Trade Regime".

<sup>2/</sup> Part II of this document entitled "The Lomé Convention - Common External Trade Regime".

1.2.1. Foreign Exchange Regulations

Foreign exchange is freely available for imports under an Open General or Specific License, and may be obtained before arrival of the shipment. Payments for imports require approval by the Central Bank, which may authorize the commercial banks to approve applications to purchase foreign exchange for merchandize imports.

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 which are liberally administered are obtainable at the Ministry of Trade and Industry. There are no quota or other quantitative restrictions.

As part of the Belizean investment policy, no customs duties are paid on goods and other related materials intended for use in a number of designated 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 merchandize, where a package contains merchandize subject to different tariff classifications. 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 official acting on behalf of the carrier, acknowledging receipt on board of the goods for shipment.

Air cargo shipments require air waybills - in lieu of Bills of Lading - with the number of copies issued based on requirements of the importer and the airline used. This is subject 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, there should be affixed 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 case, a customs declaration C2 Form 2976-A "Customs Declaration" is completed and enclosed inside the package. Dutiable merchandise is permitted in letters, subject to the limits permitted on maximum weight and size.<sup>3/</sup> Insured parcels must and ordinary parcels may be sealed.

1.2.5. Certificates

Certificate of Origin

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

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<sup>3/</sup> Maximum weight is 22 lbs; maximum length 4 feet, maximum girth 24 inches.

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 determined 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).

#### Certificate 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.

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

#### 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 single 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 the 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>4/</sup>

1.2.9. 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.

Except 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 there are no specific regulations.

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<sup>4/</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 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 sea, the latest IMO standards are usually required by the shipper.

In accordance with sound shipping practices, 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 each article either by label or mark.

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

1.3 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 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 for re-export 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 travelling 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 Part I, Section 2. For exports to the EEC, under the Lomé II Convention, see Part 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 Part I. See also restrictions under the Lomé II Convention (Part 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 a 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 Parts I and II).

As part of the harmonization of the Caribbean Common Market, the main benefits which can be granted 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 granted under the scheme by any signatory government in respect of an approved product, whether destined for 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 Part 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 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

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

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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 an approved product is sold to countries outside the CARICOM, referred to as enclave industries, are eligible for tax holidays and customs relief, without a reference to the extent of the local value added. Concessions are granted because of the expected contribution to employment.

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 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 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 - particularly non-traditional raw materials.

The extent of incentives offered to locate in Belize is dependent upon the contribution of that venture to development.

(a) Dividends tax exemption

Approved enterprises are granted exemption of 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 from the product for which export allowance is given, and which is derived from exports outside the ECCM (sales to other CARICOM members except Barbados qualify for allowance) the greater the relief afforded.

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

Table 2

Maximum Export Allowances Granted

| <u>Share of profits from exports to third countries of total profits of approved product<sup>5/</sup></u> | <u>Maximum income tax relief of tax chargeable on the approved product (%)</u> |
|---|--|
| 10 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   |

This export allowance will normally be given only for non-traditional products to be exported outside of the Common Market and is designed to encourage enterprises to increase the share of export sales in their total sales and particularly of manufactures.

The export allowance will be granted to authorized enterprises:

- for a period of up to five years after the expiry of the tax holiday or customs rebate period.
- if the enterprise has not been granted any tax holiday or customs duty rebate, and only up to the first five years of the life of the harmonization agreement.

2.3.1.2. Direct Credit Incentives

No specific credit incentives or export financing facilities exist.

2.3.1.3. Certificates

Exports to CARICOM members seeking Customs tariff preferential treatment will require a certificate of origin. A specimen certificate is provided at Section 1(a) of Part I.

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<sup>5/</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 Part II, Section 5). Certification of Origin is also required by the United States under the Generalized System of Preferences (GSP).

### 2.3.2. Indirect 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 permits the deduction of up to 20 percent of any expenditure on plant, equipment and machinery incurred after the tax holiday has expired.

#### (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 Part I, Section 2(f) for measure of this bonus).

### 2.3.3. Free Zones

Although no free ports or free trade zones exist, existing legislation for enclave industries provides 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 Part II) and also to the GATT Convention.

### 3.3 Integration Schemes

Belize is a charter member of CARICOM (see Part 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  
Belmopan  
  
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

