

Jurisdiction's name:	BELIZE
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Information on Residency for tax purposes
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Section I – Criteria for Individuals to be considered a tax resident

Please list the domestic legal provisions that determine whether an Individual is to be considered a tax resident of that jurisdictions. Such legal provisions may be articles of the relevant tax code (with hyperlinks to the provisions themselves, where possible), as well as any further regulations specifying the residency criteria (if available, with hyperlinks).

This section should ideally also provide further guidance for Individuals to determine whether they are a resident for tax purposes in the jurisdiction, presented either in narrative form or by means of hyperlinks to the relevant sections of the government or tax authority website or publications.

RESPONSE

The operative Income Tax legislation in Belize is the Income and Business Tax Act (the IBTA), Chapter 55 of the laws of Belize. It can be accessed publicly at incometaxbelize.gov.bz under the 'Legal' tab. Section 16 (6) of the Act provides that a person who is present in Belize for 183 days or more during the calendar year is deemed to be a resident. Persons who are domiciled in Belize are also captured under 16 (6).

Section 5 (3) of the IBTA addresses instances where persons exercise employment in Belize, notwithstanding having residency elsewhere. In such cases, the income is automatically deemed to arise in Belize and tax would be charged on such employment income. However, Section 23 of the IBTA further clarifies that such 'temporary residents' would not be liable to income tax on incomes arising outside of Belize.

Section II – Criteria for Entities to be considered a tax resident

Please list the domestic legal provisions that determine whether an Entity is to be considered a tax resident of that jurisdiction. Such legal provisions may be articles of the relevant tax code, as well as any further regulations specifying the residency criteria. Ideally, also a list of domestic Entity types that are in principle considered tax residents of the jurisdiction should be included (if available, with hyperlinks).

This section should ideally also provide further guidance for the different types of Entities to determine whether they are a resident for tax purposes in the jurisdiction. It can be presented either in narrative form or by means of hyperlinks to the relevant sections of the government or tax authority website or publications.

RESPONSE

The residence of corporate entities is determined on the basis of where their central management or control is situated. Section 9 (3) of the IBTA (Business of Shipping by non-resident) expressly states that "For the purpose of this Section a company shall be deemed to be resident in that country only in which the central management and control of its business is situate". This specific provision is used generally to define residence basis for all companies as incorporated or registered under the Companies Act, Chapter 250 of the Laws of Belize.

Companies registered under the International Business Companies Act (IBC Act), Chapter 270 of the

Laws of Belize are not deemed to be Belize residents. Section 2 (1) of that Act (Interpretations) provides that a “person resident in Belize” means a person who ordinarily resides in Belize or carries on business from an office or other fixed place of business within Belize, but does not include a company incorporated under this (IBC) Act.

Section 35 of the IBTA addresses partnerships. Limited Liability partnerships are enabled by the Limited Liability Partnership Act, Chapter 258, Laws of Belize. As such they are considered separate legal entities. Their residence is determined similar to domestic companies.

In the case of trusts, which are ordinarily arrangements as opposed to entities, the Tax Administration will seek to establish the residence of the trustee, the situs of the assets, the objects of the trust and the places where the objects are to be fulfilled to determine whether trust assets are subject to tax. Trust income would be chargeable in the name of the receiver, trustee, guardian, curator or committee having direct control or management of any property or concern that arises in Belize (Section 24 of the IBTA).

International trusts or offshore trusts (as provide by the Trusts (Amendment) Act of 2007, are treated as non-taxable under that Act. The basis is that neither the settlor, beneficiaries or trust property reside in Belize and the trust purpose nor objective is to be performed outside of Belize. International Trusts are registered by the Director of the International Financial Services Commission. International trust registration is mandatory (Trust (Amendment) Act of 2007, Section 65B).

Section III – Entity types that are as a rule not considered tax residents

This item should ideally provide a list of entity types that are considered fiscally transparent by the jurisdiction or are considered to have no tax residence by the jurisdiction based on other criteria, including a particular legal status or tax regime (such as trusts, foundations, partnerships, investment funds etc.), but are considered to have a nexus with the jurisdiction, in particular due to the fact that the entity was incorporated or is organised under the laws of the jurisdiction or has its place of effective management within the jurisdiction. Jurisdictions may wish to complement this section with further guidance on their domestic rules on the topic, either in narrative form or by inserting relevant hyperlinks.

RESPONSE

In Belize, the general rule for arrangements such as trusts, general partnerships, agencies and other types of arrangements is that tax arises if a trade, business, profession or vocation is being exercised in Belize. (There are no provisions for domestic foundations, although there are provisions for international foundations). Where any such arrangement has generated income in Belize via a trade, business, profession or vocation, the tax is chargeable on the trustee, agent, curator, guardian, receiver or any person having control of the income. (Please see Sections 24-29 of the Income and Business Tax Act (the IBTA), Chapter 55, Laws of Belize).

General Partnership are registered as taxpayers and issued with TINs, but the taxes paid by such partnerships are credited to the individual partners to the extent of relevant partnership income. To this extent, the partnership acts as a flow-through.

Not-for-profits can be registered under the Companies Act as companies limited by guarantee. Their incomes are ordinarily exempt from income tax unless the receipts are from a trading or business activity (Section 8 [e] of the IBTA).

Any investment fund, mutual fund, unit trust, etc. that would be incorporated under domestic company legislation would be subject to Belize tax if doing business in Belize. There are provisions for such activities in the offshore sector as well. There are a number of Acts that allow for such including the International Business Companies Act (Chapter 270), International Insurance Act (Chapter 269), Protected Cell Companies Act (Chapter 271), International Foundations Act (2010), International Limited

Liability Act (2011), International Money Lending Act (2008) and Mutual Funds Act (No. 268).

The fundamental requirement is that none of these persons can do business in Belize. To that extent they are not deemed to be resident in Belize.

Section IV – Contact point for further information

Please provide the contact details of the competent service within their tax authority, which can be contacted in case of further questions on tax residency.

(EU Member States can furthermore refer to the Taxes in Europe Data Base maintained by the European Union, which contains a wide range of information on all taxes in the EU Member States, including on tax residency.)

Response

The following persons can be addressed for further clarification to the foregoing:

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