



**GUIDELINES TO REQUEST A CERTIFICATE OF TAX EXEMPTION FOR
NON-INCLUDED AND NON-GRANDFATHERED IBCS**

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1. INTRODUCTION

Pursuant to Section 14 of the International Business Companies (IBC) (Amendment) Act, 2018 (Act No. 24 of 2018), which was amended by the International Business Companies (Amendment) (No.2) Act, 2019 (No. 17 of 2019), the Economic Substance Act, 2019 and Section 106 of the Income and Business Tax (Amendment) Act, 2019 (No. 25 of 2019), IBCs that are not carrying out or engaged in any of the relevant activities, outlined under Section 5 of the Economic Substance Act, 2019 and which were incorporated after 17th October 2017 shall not be eligible to benefit from tax exemption saved up to 30 June 2021.

Where such an entity falls within the above scope it must fill out and route Form E (**See Annex 1**) via its Registered Agent (RA) to the International Financial Services Commission (the “Commission”) declaring it is a non-included and non-grandfathered entity; in addition to filling out and filing the Annual Declaration of Tax Exemption for IBCs without Economic Substance (**See Annex 2**) with the Belize International Corporate Affairs Registry (BICAR).

The end result will be that the IBC, once it meets the criteria to be classified as a non-included and non-grandfathered entity will qualify for a Certificate of Tax Exemption (CTE), which is issued by the Belize Tax Service (BTS), to be delivered to the RA by BICAR.

These guidelines provide the necessary steps for applying for a CET for non-included and non-grandfathered IBCs.

2. DEFINITIONS

- Licensee A person or entity licensed by the IFSC to carry on the business of international financial services. Registered agents and managing agents licensed by the IFSC are also licensees.

- Non-included entity: An entity that is not performing a relevant activity pursuant to the Economic Substance Act, 2019.
- Non- grandfathered entity: IBCs incorporated after October 16, 2017 that is not eligible to benefit from the tax exemption which is saved up to 30 June 2021.
- Tax residency: The jurisdiction in which an IBC is resident for tax purposes.

3. PURPOSE

- 3.1** These Guidelines provide IBCs and RAs with the guidance on the requirements and steps to be taken for applying for a CTE for non-included and non-grandfathered and for the receipt of the CTE from BICAR, pursuant to the Economic Substance Act, 2019 and Section 106 of the Income and Business Tax (Amendment) Act, 2019 (No. 25 of 2019).

4. APPLICABILITY

- 4.1** These Guidelines apply to IBCs which fall under the scope of being a non-included and non-grandfathered entity.

Therefore, the IBC must meet the following criteria:

- The IBC is a non-included entity pursuant to the Economic Substance Act, 2019.
- The IBC is tax resident in another jurisdiction, i.e. it must not be resident in a blacklisted jurisdiction.
- The IBC is a non-grandfathered entity.
- The IBC has met the conditions under Section 106 of the Income and Business Tax (Amendment) Act, 2019 (No. 25 of 2019).

- The IBC has obtained a TIN number in Belize.

5 APPROACH TO APPLYING FOR A CERTIFICATE OF TAX EXEMPTION FOR NON-INCLUDED AND NON-GRANDFATHERED IBCs

- 5.1** Form E (the “Form”) will be published on the Commission’s website under **Publication, Guidance Notes, Forms** and will be accessible to all IBCs.
- 5.2** The Form must be completed by the IBC and routed through the respective RA for submission to the Commission via the RAs SFTP’s account through the SFTP server.
- 5.3** The Commission *via* email will provide a username and a password to each RA to access the SFTP Server and the RA will also be provided with a copy of the **Secure File Protocol Data Transfer System (SFTP-DTS) – User Guide**. The **Secure File Protocol Data Transfer System (SFTP-DTS) – User Guide** will provide general guidelines for file upload via the SFTP-DTS.
- 5.4** The password for the zipped folder **must** be emailed to economicsubstanceforms@ifsc.gov.bz after the Form has been uploaded on the SFTP Server in accordance to the **Secure File Protocol Data Transfer System (SFTP-DTS) – User Guide**.

6 DETERMINATION OF THE ELIGIBILITY OF THE IBC FOR A CERTIFICATE OF TAX EXEMPTION

- 6.1** After due consideration, the IFSC shall determine whether the IBC qualifies for a CTE.
- 6.2** Where the Commission determines that the IBC is ineligible for a CTE, the IBCs RA will be notified *via* email address economicsubstanceforms@ifsc.gov.bz of its ineligibility.
- 6.3** Where the Commission determines that the IBC qualifies for a CTE, the Commission shall notify the RA *via* email address economicsubstance@ifsc.gov.bz, advising of its compliance in meeting the criteria and the Form within a period not exceeding five (5) working days from the date of receipt of the Form.

- 6.4** On behalf of the IBCs that are eligible for a CTE, the RA shall submit the following to BICAR via email address orders@ibcbelize.com:
- 6.4.1** A request for a CTE;
 - 6.4.2** Request for the deduction of the applicable fee of US \$60.00 for the CTE;
 - 6.4.3** Proof that it has submitted the Form to the IFSC. Proof in this instance, is a copy of the email sent by the RA to the Commission confirming the upload of the Form to the SFTP Server; and
 - 6.4.4** Submit the Annual Declaration of Tax Exemption for International Business Companies without Economic Substance Form which is published on the Commission's website under **Publication, Guidance Notes and Forms**. This Form must be signed by either the director, shareholder or beneficial owner of the IBC.
- 6.5** If the IBC requesting for a CTE meets the criteria set out in line item **4** and all requirements as set out at line item 6.4, and is in good standing, BICAR shall immediately notify the BTS within the same day to process the CTE.
- 6.5.1** BTS shall issue the CTE to BICAR within twenty-four (24) hours of receipt of the request.
 - 6.5.2** BICAR will email the digital copy of the CTE to the RA. BICAR will also advise the RA when the physical CTE is available to be retrieved by the RA.

7. ANNEXES

7.1 Annex 1: Form E – Non-Included and Non-Grandfathered Entity

Reset Form



FORM E

NON-INCLUDED AND NON-GRANDFATHERED ENTITY

Instructions

- 1** This Form must be completed by **Non-included and Non-grandfathered Entities applying for a tax exemption certificate**. This Form must be routed through the respective registered agent for submission to the Commission via SSH File Transfer Protocol (SFTP) Server.
- 2** After uploading the Form to the SFTP Server, the respective registered agent must send an email to economicsubstanceforms@ifsc.gov.bz, advising that the Form has been uploaded. The email must also include the password for the zipped folder. Queries in respect to the submission of this Form must also be submitted via email address, economicsubstanceforms@ifsc.gov.bz.
- 3** Complete all applicable sections and where necessary, attach additional supporting documentation along with this Form. If a section does not apply, kindly indicate "Not applicable" or N/A in the space provided.
- 4** Form E must be completed and signed either by a director (that is not nominee) or by a majority shareholder.

SECTION 1: DETAILS OF NON-INCLUDED AND NON-GRANDFATHERED ENTITY

1 Name of entity:

2 Registration number:

3 Registered office of entity:

4 Principal office of entity:
(Location of business)

4.1 Secondary office of entity, if applicable:

5 Tax identification number (TIN):

6 Description of the nature of the business activities

SECTION 2: DETAILS OF CONTROLLING PERSON(S)

7

DIRECTOR(S)			
<i>(Make an entry in respect of every director)</i>			
Name	Address	Email address	Phone #

Where the director is a corporate entity, supply the corporate documents (i.e. Articles and Memorandum of Association and the Certificate of Incorporation).

7.1

CORPORATE DIRECTOR(S) - where the director is a corporate body		
<i>(Make an entry in respect of every corporate director)</i>		
Name & Address of Corporate Directors	Jurisdiction of Incorporation	Date of Incorporation

7.1.1

SHAREHOLDER(S)					
<i>(Make an entry in respect of every shareholder)</i>					
Name	Address	Phone #	Email address	Jurisdiction of tax Residence	% of shares

7.1.2

CORPORATE SHAREHOLDER(S) - where the shareholder is a corporate body			
<i>(Make an entry in respect of every corporate shareholder)</i>			
Name & Address of Corporate Shareholders	Jurisdiction of Incorporation	Date of Incorporation	% of shares

SECTION 3: DETAILS OF ULTIMATE BENEFICIAL OWNERS (UBOs):

8 Is the ultimate beneficial owner(s) resident in another jurisdiction aside from

Belize? Yes No

8.1 If the response to question 8 is YES, proceed to answer and complete 8.1.1.

8.1.1

ULTIMATE BENEFICIAL OWNER(S)					
<i>(Make an entry in respect of every UBO)</i>					
Name	Address	Phone #	Email address	Jurisdiction of tax residence	% of shares

SECTION 4: CERTIFICATION OF THE NON-INCLUDED AND NON-GRANDFATHERED (must be completed and signed either by a director (that is not nominee) or by a majority shareholder).

I certify that the particulars set out in this Form are true and correct to the best of my knowledge, information and belief.

Signature

Date

Print name

7.2 Annex 2: Annual Declaration of Tax Exemption for International Business Companies without Economic Substance



Reset Form

ANNUAL CONFIRMATION OF TAX EXEMPTION FOR INTERNATIONAL BUSINESS COMPANIES WITHOUT ECONOMIC SUBSTANCE

In compliance with the provisions of Section 106 of the Income and Business Tax Act and the Economic Substance Act, 2019 of Belize:

I, _____,
(Name)
 Director Shareholder Beneficial Owner

Of

Company Name: _____

Date of Incorporation: _____

Tax Identification Number (TIN): _____

Registered Agent: _____

Registered Office: _____

by reason of my position, duly authorized and qualified to make this confirmation on behalf of the Company, **DO HEREBY SOLEMNLY CONFIRM** that:

1. The Company is in good standing,
2. There is no central management and control of the Company in Belize,
3. The Company has no permanent establishment (PE) or relevant activities in Belize, and
4. There are no Beneficial Owners resident in Belize,

I certify that the particulars set out in this Confirmation are true and correct to the best of my knowledge, information and belief.

SIGNED)

Name _____

AT) _____
Signature

Corporate seal
goes here

ON this ____ day of _____)

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