



MEMORANDUM

Ministry of Finance

Ref: Circular No. 3 of 2018

To: Cabinet Secretary, Permanent Secretaries, Heads of Department, Other Accounting Officers, and Accountants Sub-Treasuries

From: Financial Secretary, Ministry of Finance

Subject: **AMENDMENT TO GST ACT - FOURTH SCHEDULE – GST PAYABLE ON GOODS AND SERVICES SUPPLIED TO THE GOVERNMENT OF BELIZE BY WAY OF CONTRACT & PURCHASED OFF –THE- SHELF**

Date: April 16, 2018

Statutory Instrument No. 20 of 2018 came into force on April 1, 2018 amending the General Sales Tax Act (Fourth Schedule) as it relates to the purchase of goods and services provided to the Government of Belize (GOB) and how payments will be effected by Ministries/Departments.

AMENDMENTS

I. Amendment of section 18(ii) - goods and services supplied to the Government of Belize by way of contract

The General Sales Tax Act (GST) (Fourth Schedule) was amended in Section 18(ii) by Statutory Instrument No. 20 of 2018 which came into force on April 1, 2018. Consequently, goods and services supplied to the Government of Belize by way of a contract, except those supplied “**under a written contract between the Government of Belize and any foreign donor agency**” will no longer be exempt from the payment of GST.

A foreign donor agency is meant to be a bilateral donor agency (China, Venezuela, Mexico and its agencies) or a multilateral donor agency (Internal Financial Institutions such as the Caribbean Development Bank, Inter-American Development Bank, World Bank, etc.).

The Ministry of Finance will, therefore, no longer issue letters of exemption of GST for the supply of goods and services to the GOB [except in the cases mentioned above].

II. Repeal of section 18(iii) – Goods and services supplied locally

Statutory Instrument No 20 of 2018 also repealed section 18(iii) which provided exemption from GST for goods and services supplied locally (**off the shelf**) to the Government of Belize

by producing an exemption certificate from the Ministry of Finance for purchases over \$5,000 (as established by Circular No. 3 of 2010). Now, therefore:-

- (i) all Ministries/Departments (as of April 1, 2018) will be required to pay GST on all goods and services supplied locally to the Government of Belize by businesses that are registered persons for General Sales Tax purposes;
- (ii) as a general rule, all Ministries/Departments shall include the GST Tax Identification Number (TIN) on the Smart Stream voucher as proof that the business is registered for GST and authorized to charge GST for goods or services provided. (To expedite, Ministries/Departments should ensure that Invoices have both the GST TIN clearly shown as well as the quantum of the GST charged as well).
- (iii) Special attention is to be exercised when paying rent for buildings occupied by GOB as many landlords may not be registered or qualify for GST registration and therefore cannot charge GST.
- (iv) A business is obligated to issue a Tax Receipt for any amount relating to the goods provided or services provided.

OTHER ADMINISTRATIVE PROCEEDURES

III Importations by the Government of Belize

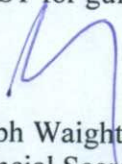
All direct importations by the Government of Belize will continue to be exempt from GST (as established by S.I. 38 of 2010) and will continue to use the Customs Entry system, i.e., Single Administrative Document (SAD) signed by the importing Ministry and countersigned by the authorized officer at the Ministry of Finance. All such purchases must have prior foreign purchase approval from the Ministry of Finance (if the foreign purchase is above \$50,000).

This circular supersedes the Ministry of Finance Circular No 3 of 2010.

Your cooperation in the orderly implementation of this amendment granted by the above cited Order would be appreciated.

A copy of S.I. No 20 of 2018 is attached for ease of reference.

Should any queries arise please feel free to contact the Commissioner or Assistant Commissioner of GST for guidance at 222-5574/5579.


Joseph Waight
Financial Secretary