

**EXPORT PROCESSING  
ZONE ACT. 1990  
(EPZ)  
BELIZE**

# **EXPORTING PROCESSING ZONE ACT, 1990**

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No.8 of 1990

**I assent,**

**(M. E. GORDON)**  
*Governor-General*

*17th April, 1990.*

**AN ACT to provide for the establishment and the operation of an Export Processing Zone within Belize to promote economic growth and development, to stimulate new economic investment, and to create new employment opportunities.**

*(Gazetted, 25th April, 1990.)*

*BE IT ENACTED, by and with the advice and consent of the House of Representatives and the Senate of Belize and by the authority of the same as follows:-*

1. This Act may be cited as the

**Short Title.**

**EXPORT PROCESSING ZONE ACT, 1990**

## Interpretation.

## 2. In this Act—

- (a) “Export Processing Zone or EPZ” means a geographic area in Belize designated as provided in Section 4, outside national customs territory and duly restricted by controlled access, wherein the benefits created by this Act for Export Processing Zones shall apply to a complex of industries.
- (b) An Export Processing Zone may include a single business and its facilities, referred to as a “Special Export Processing Zone.”
- (c) “Private Party” means any individual, partnership, company, corporation, or other entity, domestic or foreign, which is not a government agency or owned in any part by a government agency.
- (d) “Public Party” means any agency of the government of Belize.
- (e) “Export Processing Zone Developer” or “EPZ Developer” means a corporation established to administer an Export Processing Zone in accordance with Section 5, and which has been found suitable to serve as such Export Processing Zone Developer in accordance with Section 4.
- (f) “Export Processing Zone business” or “EPZ business” means a private party which has been granted a Certificate of Compliance under Section 7 and which conducts a trade or business, including but not limited to manufacturing, commercial, office, warehousing, professional or other activity, primarily within the Export Processing Zones established under this Act. The Export Processing Zone Developer for an Export Processing Zone shall be considered an Export Processing Zone business.
- (g) “Domestic Belizean business” means any non-foreign individual, partnership, corporation or other entity conducting a trade or business within Belize, which is not an Export Processing Zone business.
- (h) “Infrastructure” means a physical structure which facilitates economic or other activity, or protects property, such as roads, bridges, or storm sewers.

- (i) “Public Service” means any service which has been provided in Belize by a government agency.
- (j) “Export Processing Zone Import” or “EPZ Import” means any input or service to be delivered to an Export Processing Zone business within an Export Processing Zone, whether from outside or inside the Belizean Customs territory.
- (k) “Export Processing Zone Export” or “EPZ Export” means any export sold by an Export Processing Zone business and originating in an Export Processing Zone, regardless of whether such export passes through Belize and departs the country outside an Export Processing Zone for shipping or transportation purposes.
- (l) “EPZC” means the Export Processing Zone Committee as provided in Section 3.
- (m) “Minister” means the Minister for the time being responsible for Trade and Commerce.
- (n) “the Ministry” means the Ministry of Trade and Commerce,

- 3.- (1) An Export Processing Zone Committee is hereby established which shall be composed of one designated representative from each of the following:
- (a) Ministry of Trade and Commerce, who shall be the Chairman;
  - (b) Ministry of Finance;
  - (c) Ministry of Industry and Natural Resources;
  - (d) Ministry of Labour;
  - (e) Ministry of Economic Development; and
  - (f) Three representatives appointed by the Minister.
- (2) The EPZC shall designate Export Processing Zones in accordance with Section 4.

**Export  
Processing  
Zone  
Committee.**

**Designation  
of Export  
Processing  
Zones.**

- (3) The quorum of the EPZC shall be five members, of whom one shall be the designated representative from the Ministry of Trade and Commerce.
- (4) The decisions of the EPZC shall be by a majority vote, and in the event of equality of votes, the Chairman shall have a casting vote in addition to his original vote.
- 4.- (a) EPZC shall establish by regulations a procedure by which public or private parties may apply for EPZ designation.
- (b) EPZC shall decide whether to designate EPZ's as requested by application, based on the need for economic development in the proposed Zone area, the likelihood of success of such designation in stimulating economic development, and other considerations in the public interest.
- (c) EPZC shall designate an EPZ only after the establishment of a legally constituted EPZ Developer for the Zone as specified in Section 5, which EPZC finds suitable to serve as such EPZ Developer.
- (d) Each EPZ designation shall remain in force in perpetuity. No other licences or permits shall be required. EPZC shall have the authority only to designate zones and not to revoke any such designation.
- (e) Special EPZ's shall adhere to the provisions established herein for EPZ Businesses, and are not subject to designation procedures described in (a) to (d) above.

**Export  
Processing  
Zone  
Developers.**

5. Each EPZ shall be administered by the Export Processing Zone Developer established for that Zone.
- (a) Each EPZ Developer shall be a separately incorporated entity.
- (b) An EPZ Developer may be established by one or more private or public parties.

- (c) Each EPZ Developer must either own or have leased all the land within a proposed zone area.
- (d) An EPZ Developer may sell his interest and rights in the zone to another private or public party after receiving approval for such sale from EPZC.
6. The Export Processing Zone Developer for each FPZ shall have the power and responsibility,
- Powers and Responsibilities of Export Processing Zone Developers.**
- (a) to operate EPZ businesses on real property, it owns or has leased within the zone, after receiving the appropriate Certificate of Compliance for each business from the Ministry;
- (b) to lease or sublease real property it owns or has leased within the zone;
- (c) to make improvements, construct facilities, and develop infrastructure to enhance the zone's economic development;
- (d) to provide public or other services or contract for such services within the zone;
- (e) to charge fees for any services or facilities it provides within the zone, directly to those who use such services or facilities;
- (f) to adopt rules and regulations for businesses within the zone, which shall promote the safe, efficient, and successful operation of the zone, consistent with this Act and implementing regulations, and the laws and Constitution of Belize;
- (g) to promote and advertise the zone to prospective investors and business owners and operators;
- (h) to report on zone activities, performance, and developments to the Ministry on a regular basis, as specified by the Ministry; and

**Establishment  
of Export  
Processing  
Zone  
Businesses.**

- (i) to conduct other activities authorized by this Act, and all other legal activities of a private corporation.
- 7.(a) Any private or public party, or group of parties, may establish an EPZ business on property it owns or has leased within the zone, provided that it has applied for and obtained a Certificate of Compliance from the Ministry.
- (b) The Ministry shall have the sole authority to receive applications for a Certificate of Compliance and to issue such Certificates, after obtaining the approval or relevant Government authorities. Upon receipt of an application, the Ministry shall review and circulate the application to the Ministry of Finance, the Ministry of Economic Development, the Ministry of Natural Resources, the Ministry of Labour and the Ministry of Agriculture for their approval. Approved businesses will receive a Certificate of Compliance allowing them to do business within an Export Processing Zone. The Ministry shall establish all necessary procedures by which applications for Certificates of Compliance may be made.
- (c) The Ministry may with the approval of the Ministries listed in (b) above, grant a Certificate of Compliance if the proposed business enterprise-
- (1) will produce goods and/or services solely for export or sale to buyers who are not residents of Belize except as provided in Section 8 (c),
  - (2) will not have a deleterious effect on the environment,
  - (3) will be conducted in compliance with all applicable legal and regulatory requirements under the laws of Belize, and all rules and regulations of the zone established by the operating authority, and the owner or owners of the enterprise have agreed to maintain such compliance.
- (d) Any private or public party with a Certificate of Compliance may lease property within an EPZ from



the LPZ Developer on the terms and conditions agreed to by the EPZ Developer and the lessee. The EPZ Developer shall not be required to lease EPZ property to any particular party, including parties which have been issued a Certificate of Compliance.

- (e) An EPZ Developer may lease property within an EPZ to a non-exporting firm, but only after receiving approval from the Ministry for such lease. The Ministry shall grant such approval only if the services provided by the firms are complementary to and enhance zone business activities. The lessee may conduct a domestic Belizean business on the leased property under the established laws of Belize without any of the benefits or advantages created under this Act for EPZ businesses.
  - (f) Rent shall be paid to an EPZ Developer in U.S. dollars or the equivalent in the currency of Belize at the official exchange rate prevailing at the time of payment.
8. (a) The Certificate of Compliance for an EPZ business shall state what lines of business the EPZ business may conduct within the Zone, and the EPZ business shall be limited to those business lines.
- (b) An EPZ business shall conduct its business activities in accordance with the terms and conditions of Section 7. Activities of an EPZ business shall be conducted within Belize EPZ's or foreign countries; activities in Belize outside of an EPZ shall be limited to transportation, distribution, or business meetings.
  - (c) An EPZ business shall not sell, lease or transfer any article, item, goods, or service in Belize outside an EPZ, or to any resident of Belize or any domestic Belize business enterprise. The Ministry may provide waivers to this restriction upon application at its discretion. An EPZ business shall be free to sell, lease or transfer any article, item, goods, or service in an EPZ or outside Belize to other EPZ businesses, to foreign businesses, or to foreign individuals.

**Activities  
of EPZ  
Business.**

**EPZ Imports  
and Exports.**

- 9.(a) No import licence shall be required for any imports of an EPZ business into an EPZ.
- (b) All imports of an EPZ business into an EPZ, including capital equipment, office furniture, spare parts, raw materials, intermediate goods, supplies, consumer goods, shall be exempt from all customs duties, tonnage taxes, tariffs, consumption taxes, excise taxes, trade turnover taxes, foreign exchange taxes, or other taxes. Motor vehicles and fuel entering the EPZ are not included in this exemption, except that service vehicles such as fork-lift trucks platform trucks to be used exclusively within the EPZ, and spare parts required for such service vehicles, shall be exempt from the aforesaid taxes.
- (c) No quotas or import prohibitions concerning any article, item, material or goods shall apply to imports of an EPZ business into an EPZ, except that fire-arms, military equipment or material; and illegal drugs under the laws of Belize, shall not be imported into an EPZ.
- (d) The Customs Department shall defer inspection of any imports to an EPZ until such imports reach the zone. Such imports must be transferred from the port of entry in sealed containers. At the zone, Customs Department shall inspect the imports to determine whether they contain any prohibited articles, items or materials and are in keeping with accompanying documentation.
- (C) No export license shall be required for any exports of an EPZ business out of an EPZ.
- (17) All exports of an EPZ business out of an EPZ shall be exempt from all customs duties, tonnage taxes, consumption taxes, excise taxes, trade turnover taxes, foreign exchange taxes, or other taxes.
- (g) No regulatory restriction shall apply to any exports of an EPZ business out of an EPZ, except that firearms, military equipment or material, and illegal drugs under the laws of Belize, shall not be exported from an EPZ.

- (h) The Customs Department shall inspect exports of an EPZ business at the EPZ to determine whether the exports contain any illegal articles, items or materials and are in keeping with accompanying documentation.
- (i) An import license shall be required for any imports into Belize from an EPZ, to be issued under the same rules and procedures as all other import licenses. The standard customs duties, consumption taxes, foreign exchange taxes, trade turnover taxes, excise taxes, quotas or import prohibitions under the laws of Belize shall apply to such imports. Customs Department shall inspect such imports upon entry into Belize from the EPZ.
- (j) The Customs Department shall maintain an on-site office at each EPZ to carry out its responsibilities under this Act, the cost of which shall be borne by each zone developer. Special EPZ's shall be responsible for maintaining adequate surveillance of their operations and securing Customs supervision for the entry and exit of goods from their facilities.
- 10 (a) No license shall be required for the sale of any article, item, material, good or service by a domestic Belizean business to an EPZ business.
- (b) The EPZ purchaser shall pay for any such article, item, material or good sold under subsection (a) in the currency of Belize.
- (c) No price controls shall apply to the sale of any such article, item, material or good sold under subsection (a).
- (d) Any such article, item, material or good sold under subsection (a) shall not be counted as fulfilling any import quota.
- (e) The sale of any article, item, material or good under subsection (a) shall be treated as an export of the article, item, material or good under the laws of Belize, qualifying the seller for all incentives for domestic Belize enterprises which apply to exports.

**Domestic  
Sales to  
EPZ's.**

**EPZ  
Regulatory  
Regime.**

CAP. 53.

11. (a) No license or permit shall be necessary to conduct an EPZ business, except the Certificate of Compliance under Section 7 and the work permits under Section 13. The Trade Licensing Act shall not apply to EPZ business.

CAP. 221.

- (b) No price controls shall apply to the products or services sold by an EPZ business. The Supplies (Control) Act shall not apply to EPZ business.

CAP. 158.

- (c) No rent controls shall apply to any rental property inside an EPZ. The Rent Restriction Act shall not apply to EPZ business enterprises or lessors and lessees of real property within EPZ's.

CAP. 43.

- (d) No regulations, restrictions or prohibitions regarding the sale or purchase of foreign currencies shall apply to an EPZ business. The Exchange Control Regulation Act shall not apply to EPZ businesses, EPZ businesses shall be free to maintain bank deposits in foreign currency in domestic or foreign banks located in Belize.

- (e) EPZ businesses shall, if so requested, report to the Central Bank of Belize all purchases and sales.

- (f) EPZ business enterprises shall not be restricted to purchasing any good or service from any particular company or entity or any group of companies or entities. An exclusive franchise to sell any particular good or service shall not be effective within EPZ's.

**EPZ Tax  
Regime.**

CAP. 234.

12. (a) Each business shall be exempt from income tax, withholding tax, capital gains tax or any new corporate tax adopted by the Government of Belize after the commencement of this Act for a minimum of first 20 years of operation, with an option to extend the exemption for a further period of time. Any dividends paid by an EPZ business shall also be exempt from tax in perpetuity.

- (b) EPZ businesses shall be subject to all payroll taxes and other taxes, as set out in the Labour Act.

- (c) If an EPZ business incurs a total net loss over the 20 years of the tax holiday specified in subsection (a),

that loss may be carried forward and deducted against profits in the years following the tax holiday period.

- (d) Any proceeds from the sale of stock or other partial or complete ownership interest in an EPZ business shall be exempt from any capital gains tax.
- (e) All real property within an EPZ shall be exempt from any property or lands tax. The Land Tax Act shall not apply to EPZ property. Any sale of real property within an EPZ shall be exempt from any transfer tax.
- (f) All goods or services sold by an EPZ business enterprise outside the Belize Customs territory shall be exempt from any value-added tax, consumption tax, sales tax, excise tax, or trade turnover tax.
- (g) All purchases or sales of foreign currency by an EPZ business shall be exempt from any currency export tax or foreign exchange tax.

**CAP. 47.**

- 13.—(a) all provisions of the Labour Act shall apply to the EPZ Developer and to EPZ businesses.
- (b) All EPZ developers and EPZ businesses shall pay their Belizean workers in the currency of Belize.
  - (c) A work permit shall be required for any foreign national to work on a regular basis for an EPZ business.
  - (d) Applications for work permits shall be submitted to the Ministry of Labour, which, after securing the approval of the Ministry of Trade and Commerce, is authorized to grant such work permits to all foreign nationals who propose to work for an EPZ business.
  - (e) The Ministry of Labour shall grant such permits to an applicant who will serve the EPZ Business enterprise in a senior management or technical position, with the permits to remain in effect until the applicant leaves such position.
  - (f) The Ministry of Labour shall otherwise grant such permits for up to 20 percent of the workers of an EPZ business, as designated by the business.

**EPZ Labour  
Regime.**

**Enforcement  
and  
Liabilities.**

- (g) There shall be no initial or annual charge or fees for any work permits for EPZ personnel, whether issued under subsection (c) or (d).
14. (a) The Ministry shall have the power and responsibility to assess fines for violations of any requirement under this Act by an EPZ business, in accordance with regulations made under this Act.
- (b) If an EPZ business shows a continuing pattern of violations indicating that it will not reliably comply with applicable requirements, then the Ministry after proper notice and hearing, may revoke the Certificate of Compliance. The enterprise shall then no longer be eligible for any benefits under this Act.
- (c) If the Ministry of Trade and Commerce determines that a foreign national working for an EPZ business does not satisfy the requirements of the foreign national's work permit, then that Ministry of Trade and Commerce may recommend to the Minister of Labour to revoke such permit, thereby prohibiting the foreign national from continuing to work in the zone or elsewhere in Belize.
- (d) An EPZ business or a foreign national working for such business may appeal any fine or revocation of Certificate of Compliance or work permits under subsections (a)- (c) to the EPZC or to arbitration under the rules of the International Arbitration Association. Any challenged certificate or permits shall remain in effect until such appeal is concluded. All parties and regulatory authorities shall abide by the final decision of such appeal. The losing party or parties shall pay all costs of arbitration.
- (e) Each EPZ business shall be liable for any damage to persons or property which may result from any violation of applicable regulatory requirements by the EPZ business.
- (f) The Ministry shall have the power to assess fines for any violation of the requirements of this Act by an EPZ Developer, in accordance with regulations issued under this Act.

- (g) An EPZ Developer may appeal any fine imposed by the Ministry to EPZC or to arbitration under the same provisions provided in subsection (d) above.
  - (h) The Ministry, EPZC, and other Belize regulatory authorities shall have complete authority to inspect any EPZ operations or facilities for possible violations of applicable requirements.
  - (i) Each EPZ business shall have the right to sue its EPZ Developer in the courts of Belize or to submit the matter to arbitration under the same provisions provided in subsection (d) above, to enforce its rights under this Act.
  - (j) Each EPZ Developer shall have the right to sue the Ministry in the courts of Belize or to submit the matter to arbitration under the same provisions as provided in subsection (d) above, to enforce its rights under this Act.
  - (k) Each EPZ Developer and EPZ Business shall enjoy protection from deprivation of property in accordance with the fundamental rights guaranteed under the Belize Constitution.
15. The Minister may, after consultation with EPZC, make regulations for the better carrying out of the provisions of this Act, including prescribing the criteria for obtaining a Certificate of Compliance to establish an EPZ, or anything that needs to be prescribed.
16. This Act shall come into force on a day to be appointed by the Minister by order published in the *Gazette*.

**Regulations.****Commencement.**