

BELIZE

No.25/1/13

SENATE

Wednesday, 28th November 2018

10:00 A.M.

---*---

ORDERS OF THE DAY

- 1. Prayers.**
- 2. Oath of Allegiance or Affirmation.**
- 3. Announcements by the President.**
- 4. Bills brought from the House of Representatives.**
 1. General Revenue Supplementary Appropriation (2018/2019) (No. 2) Bill, 2018.
 2. Supreme Court of Judicature (Amendment) Bill, 2018.
 3. Motor Vehicles and Road Traffic (Amendment) Bill, 2018.
 4. Bills of Sale (Amendment) Bill, 2018.
 5. General Sales Tax (Amendment) Bill, 2018.

(Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration)

6. Papers.

54/1/13 - Supplementary Appropriation (No.2) Schedule for Fiscal Year 2018/2019.

55/1/13 - Economic Development Council Annual Report 2017.

(Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration)

13. Motions relating to the Business or Sitzings of the Senate.

14. Public Business.

A. GOVERNMENT BUSINESS

I MOTIONS (For Text of Motions see Notice Papers attached)

1. Resolution Authorizing the Acceptance by Belize of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting Motion, 2018.

2. Resolution Authorizing the Accession by Belize of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country ("CbC") Reports Motion, 2018.
3. Inter-American Development Bank - Additional Financing for George Price Highway Rehabilitation Project (US\$7,000,000) Loan Motion, 2018.
4. Conditional Settlement Agreement between GDG Acquisitions LLC and the Government of Belize Ratification Motion, 2018.

(Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development and Immigration)

BILLS FOR SECOND READING

COMMITTEE OF THE WHOLE SENATE ON MOTIONS AND BILLS

BILLS FOR THIRD READING

BELIZE

No.25/1/13

SENATE

Wednesday, 28th November 2018

10:00 A.M.

---*---

NOTICES OF QUESTIONS AND MOTIONS

MOTIONS

1. **Resolution Authorizing the Acceptance by Belize of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting Motion, 2018.**

WHEREAS, the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (hereinafter called “the Convention”) was entered into force on 1st July 2017, following the expiration of three months commencing on the date of deposit of the fifth instrument of ratification, acceptance or approval pursuant to its Article 34;

AND WHEREAS, the Convention aims to, modify the double tax treaties of all involved countries in an efficient and time-saving manner, by the implementation of the BEPS provisions in existing double tax treaties in cases where the two treaty states accept the requested amendment or the adjustment as included in the MLI;

AND WHEREAS, Belize is seeking to improve its standard by the implementation of tax treaty related measures to prevent treaty abuse, to provide for country-by-country reporting and improving dispute resolutions through mutual agreement procedures of the Base Erosion and Profit Shifting inclusive framework;

AND WHEREAS, the Government of Belize is desirous of expressing its consent to be bound by this Convention by acceptance pursuant to Article 27 of the Convention;

AND WHEREAS, section 61A(2)(b) of the Belize Constitution, as amended by the Belize Constitution (Sixth Amendment) Act, 2008 (No. 13 of 2008), provides that the Senate shall authorize the acceptance of any treaty by the Government of Belize;

NOW, THEREFORE, BE IT RESOLVED, that this Honourable Senate authorizes the Government of Belize to accept the Convention, a full text of which is hereto annexed.

2. **Resolution Authorizing the Accession by Belize of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country ("CbC") Reports, Motion, 2018.**

WHEREAS, Belize has signed the Convention on Mutual Administrative Assistance in Tax Matters as amended by the Protocol (hereinafter called “**the Convention**”) on 29th May 2013, and enforced same on 1st September 2013, which provides in Article 6 for the Competent Authorities of the Parties to the Convention to mutually agree on the scope of the automatic exchange of information and the procedure to be complied with;

AND WHEREAS, the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (hereinafter called the "Agreement") was signed by Belize on

20th June 2017, by declaration to comply with the provisions of the Agreement on behalf of the Competent Authority and the Agreement comes into effect in Belize in accordance with section 8 of the Agreement;

AND WHEREAS, by virtue of enforcement of the Convention, Belize has met the requirements of section 1 of the Agreement in relation to becoming a jurisdiction for the purposes of the Agreement;

AND WHEREAS, the Agreement aims to increase international tax transparency and improve access of the Parties' respective tax authorities to information regarding the global allocation of the income, the taxes paid, and certain indicators of the location of economic activity among tax jurisdictions in which Multinational Enterprise ("MNE") Groups operate through the automatic exchange of annual CbC Reports with a view to assessing high-level transfer pricing risks and other base erosion and profit shifting related risks, as well as for economic and statistical analysis, where appropriate;

AND WHEREAS, a CbC Report is a report containing:

- (i) aggregate information relating to the amount of revenue, profit (loss) before income tax, income tax paid, income tax accrued, stated capital, accumulated earnings, number of employees, and tangible assets other than cash or cash equivalents with regard to each jurisdiction in which the MNE Group operates; and
- (ii) an identification of each Constituent Entity ("CE") of the MNE Group setting out the jurisdiction of tax residence of such CE, and where different from such jurisdiction of tax residence, the jurisdiction under the law of which such CE is organized, and the nature of the main business activities of such CE;

and a Reporting Entity ("RE") means the CE that is required to file a CbC Report conforming to the requirements of the CbC Standard of the jurisdiction of tax residence on behalf of the MNE Group;

AND WHEREAS, Belize is seeking to increase its standard on international tax transparency by requiring the RE of an MNE Group to annually file a CbC Report intended to be part of a three-tiered structure which will represent a standardised approach to transfer pricing documentation for tax administrations to have relevant and reliable information in order to perform an efficient and robust transfer pricing risk assessment analysis;

AND WHEREAS, the Government of Belize is desirous of expressing its consent to be bound by the Agreement in consideration of it being bound by the Convention pursuant to section 8 of the Agreement;

AND WHEREAS, **section 61A(2)(b) of the Belize Constitution**, as amended by the Belize Constitution (Sixth Amendment) Act, 2008 (No. 13 of 2008), provides that the Senate shall authorize the accession of any treaty by the Government of Belize;

NOW, THEREFORE, BE IT RESOLVED, that this Honourable Senate authorizes the Government of Belize to accede to the Agreement, a full text of which is hereto annexed.

3. Inter-American Development Bank - Additional Financing for George Price Highway Rehabilitation Project (US\$7,000,000) Loan Motion, 2018.

WHEREAS, Belize being a member of the Inter-American Development Bank (the "Bank"), is eligible for development assistance in the form of loans, grants, and technical assistance from the Bank on such terms and conditions as may be agreed between Belize and the Bank from time to time;

AND WHEREAS, the Board of Directors of the Bank approved an Original Loan to the Government of Belize in the sum of US\$27,000,000.00 dated November 17, 2015;

AND WHEREAS, the Government of Belize has since approached the Bank for additional financial assistance since the Original Loan is not sufficient to execute all related components of the George Price Highway Rehabilitation Project;

AND WHEREAS, it is the intention of the Government to apply the additional financing to meet the costs of the supervision of the civil works; utilities relocation required to execute the civil works; and environmental and social mitigation measures; the additional resources will also augment financing for the administration activities of the GPH Rehabilitation Project;

AND WHEREAS, the overall project consists of civil works for the rehabilitation of the GPH from miles 47.9 (Belmopan) to 67.3 (Santa Elena Bypass); the supervision of the civil works; utilities relocation required to execute the civil works; and environmental and social mitigation measures; the civil works include the measures to address road safety, and climate change resiliency issues;

AND WHEREAS, the Bank has offered the Government financing of up to US\$7,000,000.00 from its Ordinary Capital Resources in support of George Price Highway Rehabilitation Project under the following terms and conditions:

Lender:	The Inter-American Development Bank;
Loan Principal Amount:	US\$7,000,000.00 Ordinary Capital of the Bank;
Disbursement Schedule:	Over a period of four (4) years from the effective date of the Loan Contract;
Loan Term:	Twenty five (25) Years from the date of signature of the Loan Contract, inclusive of a sixty-six (66) month Grace Period on Principal Repayment;
Repayment Period:	To be repaid in 39 semi-annual and consecutive, and insofar as possible, equal installments; first installment to be paid on the expiration date of the sixty-six (66) month period following the effective date of the Loan Contract;
Purpose:	To execute George Price Highway Rehabilitation Project;
Rate of Interest:	Lending Rate is based on the LIBOR-Based Interest Rate;
Credit Fee:	A Credit Fee will be at a percentage to be established by the Bank on a periodic basis, not exceeding 0.75% per annum;

AND WHEREAS, under the provisions of section 7 (2) of the Finance and Audit (Reform) Act, 2005, the Government of Belize is required to obtain the prior authorisation of the National Assembly, by way of a Resolution, for such a borrowing;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that the Loan proceeds would significantly assist the Government of Belize to substantially improve the George Price Highway road infrastructure between miles 47.9 in Belmopan and 67.3 in Santa Elena to national standards, thereby decreasing travel time and costs, reducing road fatalities and injuries, and ensuring road accessibility by improving the

climate change resilience of the corridor, approve and confirm that the Government may enter into a Loan Contract with the Inter-American Development Bank on the terms and conditions set out above for financing the said Project, and further authorize the Minister of Finance to execute and deliver the said Loan Contract and all other documents associated therewith.

4. Conditional Settlement Agreement between GDG Acquisitions LLC and the Government of Belize Ratification Motion, 2018.

WHEREAS, GDG Acquisitions LLC (“GDG”) sued the Government of Belize (“Belize”) in the United States District Court for the Southern District of Florida as the assignee of a December 18, 2002 Master Lease Agreement (“MLA”) contending that Belize was liable for additional lease payments on telephone equipment purportedly provided under the MLA and seeking damages and the return of the equipment (the “Action”);

AND WHEREAS, Belize counterclaimed in the Action against GDG and brought a third party complaint against the assignor of the MLA, International Telecommunications Limited (“Intelco”), contending, among other things, that the MLA was invalid and that Intelco was liable to it for damages arising from its failure to install and service the telephone equipment;

AND WHEREAS, Belize and GDG seek to settle their differences arising out of the disputes raised in the Action;

AND WHEREAS, GDG and Belize entered into a Conditional Settlement Agreement on 15th November 2018, under certain terms and conditions;

AND WHEREAS, the key terms and conditions of the Conditional Settlement Agreement are as follows:

Condition Precedent:	Agreement to come into force and effect only on the ratification of the Agreement by the National Assembly of Belize;
Settlement Amount:	Two Million Five Hundred Thousand United States Dollars (US\$2.5 million);
Payment:	In one single payment of US\$2.5 million;
Payment Dates:	No later than 14 th December 2018;
Releases:	Upon ratification of the Agreement and upon payment of the Settlement Amount, the GOB and GDG each will release the other from any and all claims, liabilities, obligation, losses, actions or causes of action of any kind and nature whatsoever arising out of or relating to the Action, including all claims that were or could have been brought in the Action;

AND WHEREAS, this Conditional Settlement Agreement shall only have full force and effect upon the ratification by the House of Representatives and the Senate;

AND WHEREAS, the Government of Belize is desirous of settling its differences with GDG;

NOW, THEREFORE, BE IT RESOLVED that this Honourable House, being satisfied that it is in the public interest to settle outstanding differences with GDG, and being further satisfied that the proposed terms and conditions are appropriate and acceptable in the circumstances, hereby approves and ratifies the Conditional Settlement Agreement dated

15th November 2018, between the Government of Belize and GDG, including all the key terms and conditions contained therein.

(Leader of Government Business and Minister of Agriculture, Forestry, Fisheries, the Environment, Sustainable Development, and Immigration)

