

**BELIZE**

**No. HR31/1/12**

**HOUSE OF REPRESENTATIVES**

Friday, 4<sup>th</sup> October 2019

10:00 AM

\_\*-\_\*-\_\*-

**S U P P L E M E N T A R Y**

**ORDERS OF THE DAY**

**7. Presentation of Reports from Select Committees.**

- No. HR 216/1/12 - Report from the Finance and Economic Development Committee on the Caribbean Development Bank Seventh Power Project – Belize Electricity Limited Loan (US\$6,840,000.00) Guarantee Motion, 2019.
- No. HR 217/1/12 - Report from the Finance and Economic Development Committee on the Economic Substance Bill, 2019.
- No. HR 218/1/12 - Report from the Finance and Economic Development Committee on the International Business Companies (Amendment) (No.2) Bill, 2019.
- No. HR 219/1/12 - Report from the Finance and Economic Development Committee on the International Financial Services Commission (Amendment) (No.2) Bill, 2019.
- No. HR 220/1/12 - Report from the Finance and Economic Development Committee on the Income and Business Tax (Amendment) Bill, 2019.
- No. HR 221/1/12 - Report from the Finance and Economic Development Committee on the Stamp Duties (Amendment) Bill, 2019.

*(The Honourable Chairman of the Finance and Economic Development Committee)*

No. HR 222/1/12 - Report from the Constitution and Foreign Affairs Committee on the Contractor-General (Amendment) Bill, 2019.

*(The Honourable Chairman of the Constitution and Foreign Affairs Committee)*

**14. Public Business.**

**A. Government Business**

**II MOTION** *(For Text of Motion see Notice Papers attached)*

1. Caribbean Development Bank Seventh Power Project – Belize Electricity Limited Loan (US\$6,840,000.00) Guarantee Motion, 2019.

*(referred 4<sup>th</sup> October 2019)*

*(The Right Honourable Prime Minister and Minister of Finance, Labour, Local Government, Rural Development, Energy, Public Utilities, Public Service, and Elections and Boundaries)*

**III BILLS FOR SECOND READING**

**1. Contractor-General (Amendment) Bill, 2019.**

Bill for an Act to amend the Contractor-General Act, Chapter 6 of the Substantive Laws of Belize, Revised Edition 2011, to remove the restriction on the eligibility for appointment in the public service after holding office as the Contractor-General; and to provide for matters connected therewith or incidental thereto.

**2. Economic Substance Bill, 2019.**

Bill for an Act to make improved provisions for substantial economic presence to be fulfilled by certain entities; to provide for reporting requirements in certain instances; and to provide for matters connected therewith or incidental thereto.

**3. International Business Companies (Amendment) (No.2) Bill, 2019.**

Bill for an Act to amend the International Business Companies Act, Chapter 270 of the Substantive Laws of Belize, Revised Edition 2011; to clarify the status of physical presence as a component of Economic Substance which an international business company that is a commercial entity must satisfy; and to provide for matters connected therewith

or incidental thereto.

**4. International Financial Services Commission (Amendment No.2) Bill, 2019.**

Bill for an Act to amend the International Financial Services Commission Act, Chapter 272 of the Substantive Laws of Belize, Revised Edition 2011; to substitute the criteria for physical presence with substantial economic presence in Belize; to indemnify the Commission, Director General and officers from legal liability for actions taken in good faith; to set disciplinary measures and criminalise the unauthorised disclosure by officers of document, paper or information; and to provide for matters connected therewith or incidental thereto.

**5. Income and Business Tax (Amendment) Bill, 2019.**

Bill for an Act to amend the Income and Business Tax Act, Chapter 55 of the Substantive Laws of Belize, Revised Edition 2011; to clarify that international business companies who are not persons resident in Belize may file a return of income; and to provide for matters connected therewith or incidental thereto.

**6. Stamp Duties (Amendment) Bill, 2019.**

Bill for an Act to amend the Stamp Duties Act, Chapter 64 of the Substantive Laws of Belize, Revised Edition 2011; to clarify the circumstances when an international business company is required to pay stamp duties; and to provide for matters connected therewith or incidental thereto.

*(The Right Honourable Prime Minister and Minister of Finance, Labour, Local Government, Rural Development, Energy, Public Utilities, Public Service, and Elections and Boundaries)*

## **IV COMMITTEE OF THE WHOLE HOUSE ON BILLS**

## **V BILLS FOR THIRD READING**

□□□□□

**BELIZE**

**No. HR31/1/12**

## **HOUSE OF REPRESENTATIVES**

Friday, 4<sup>th</sup> October 2019

10:00 A.M.

\_\*-\_\*-\_\*-

### **S U P P L E M E N T A R Y**

#### **NOTICES OF QUESTIONS AND MOTIONS**

#### **M O T I O N**

1. **Caribbean Development Bank Seventh Power Project – Belize Electricity Limited Loan (US\$6,840,000.00) Guarantee Motion, 2019.**

*(referred 4<sup>th</sup> October 2019)*

**WHEREAS**, section 12(1) of the Loans (Caribbean Development Bank) Act, Chapter 74 of the Substantive Laws of Belize, Revised Edition 2011, provides, *inter alia*, that the Government may in such manner, and on such terms and subject to such conditions as may be agreed by it and the Caribbean Development Bank (the “Bank”), guarantee the discharge by a company of the company’s obligations under any agreement for borrowing from the Bank;

**AND WHEREAS**, subsection (5) of the said section 12 provides that no guarantee above the sum of BZ\$5.0 million shall be given by the Government without the approval of the National Assembly;

**AND WHEREAS**, section 7(6) of the Finance and Audit (Reform) Act (No. 12 of 2005) provides that before the Government offers any guarantee or some other form of security in support of any loan made directly to a private sector entity or statutory body by any public or private bank, financial institution or capital market in or outside Belize, the Government shall seek the approval of the National Assembly;

**AND WHEREAS**, the Bank has offered a Loan of **US\$6,840,000.00** to Belize Electricity Limited (BEL), on the condition, among others, that the Loan shall be guaranteed by the Government of Belize;

**AND WHEREAS**, BEL is presently majority owned by the Government of Belize, and the main purpose of the acquisition was to provide and maintain a reliable supply of electricity to the public;

**AND WHEREAS**, the main purpose of the Loan is to assist BEL to reduce GHG emissions and improve reliability of the supply of electricity to Caye Caulker, with increased capability to meet projected increase in peak demand;

**AND WHEREAS**, the Project consists of the following components: (i) Submarine cable feasibility study; (ii) Land Acquisition for the cable landing, reclosers, distribution lines as well as temporary relocation diesel generators during construction of the sub-station; (iii) Infrastructure works including: (a) the design and build of 10.4 km of a 46 kV submarine connection to interconnect Caye Caulker to Ambergris Caye; (b) environmental rehabilitation and preparation of the proposed substation site; and (c) the decommissioning and removal of the diesel engines on Caye Caulker; (iv) Engineering and construction-related services including independent certification of works and supervision of the implementation of environmental impact mitigation and public safety measures and a Climate Risk Vulnerability Assessment (CRVA) to identify and evaluate the potential effects of climate change on the project area; and (v) Project Management;

**AND WHEREAS**, the Bank has offered to lend to BEL the sum of **US\$6,840,000.00** (“the Loan”) from the Bank’s **Ordinary Capital Resources (OCR)** to finance the Project on the following terms and conditions:

**EIB - Climate Action Line of Credit II (CALC II) Resources**

- (a) **US\$3,117,000.00 EIB-CALC II Resources** – to be repaid in forty-eight (48) equal or approximately equal and consecutive quarterly installments on each Due Date, commencing on the first Due Date, two (2) years after the agreement date;
- (b) **Interest** at the rate of 3.02% per annum to be paid quarterly on the outstanding EIB-CALC II portion of the loan;
- (c) **Commitment Fee** at a rate of 1% per annum to be paid quarterly on the amount of the Loan withdrawn from time to time;

**Equity and Market (E&M) Resources**

- (a) **US\$3,723,000.00 E&M Resources** – to be repaid in forty-eight (48) equal or approximately equal and consecutive quarterly installments on each Due Date, commencing on the first Due Date, two (2) years after the agreement date;
- (b) **Interest** at the rate of 4.8% per annum to be paid quarterly on the outstanding E&M portion of the loan;
- (c) **Commitment Fee** at a rate of 1% per annum to be paid quarterly on the amount of the Loan withdrawn from time to time;

The Loan shall be fully disbursed by July 31, 2022, or such later date as the Bank may specify in writing;

**NOW, THEREFORE, BE IT RESOLVED** that this Honourable House, being satisfied that the Loan would contribute to the social and economic development of Belize by improving the capacity of BEL to supply reliable electricity to the public, approves and confirms that the Government may enter into

a Guarantee Agreement with the Bank on the terms and conditions set out above, and further authorizes the Minister of Finance to execute and deliver the said Guarantee Agreement and all other documents associated therewith.

*(The Right Honourable Prime Minister and Minister of Finance, Labour, Local Government, Rural Development, Energy, Public Utilities, Public Service and Elections and Boundaries)*

□□□□□