

**BELIZE:**

**NATIONAL LIQUEFIED PETROLEUM GAS PROJECT  
(AMENDMENT) ACT, 2021**

**ARRANGEMENT OF SECTIONS**

1. Short title.
2. Amendment of section 2.
3. Amendment of section 4.
4. Repeal and replacement of section 5.
5. Insertion of new section 5A.
6. Repeal and replacement of section 6.
7. Insertion of new section 6A and 6B.
8. Amendment of section 7.
9. Repeal and replacement of section 10.
10. Amendment of section 11.
11. Repeal and replacement of Schedule.
12. Insertion of new Schedule II.



**No. 44 of 2021**

**I assent,**

**(H.E. MS. FROYLA TZALAM)**  
*Governor-General*

*16th November 2021*

**AN ACT to amend the National Liquefied Petroleum Gas Project Act, Act No. 12 of 2019 of the Substantive Laws of Belize, Revised Edition 2011; to require the Developer to obtain a licence to import LPG into Belize; to provide for a new LPG pricing methodology; and to provide for matters connected therewith or incidental thereto.**

*(Gazetted 11th November, 2021).*

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

1. This Act may be cited as the

Short title.

**NATIONAL LIQUEFIED PETROLEUM GAS  
PROJECT (AMENDMENT) ACT, 2021,**

12 of 2019.

and shall be read and construed as one with the National Liquefied Petroleum Gas Project Act, which is hereinafter referred to as the principal Act.

Amendment of  
section 2

2. The principal Act is amended in section 2 by—

(a) inserting the following definitions in the proper alphabetical order—

““Authorized Import Facility” means an LPG landing terminal located at a port of entry for custom goods that meets and/or exceeds the Minimum Requirement and is approved by the Minister of Finance of the Government for receipt, storage, blending, testing and wholesale distribution of LPG;

S.I. 30 of  
2009.

“Controller of Supplies” means the person appointed as Controller of Supplies in accordance with the Supplies Control (Appointment of Controller of Supplies) Regulations, 2009.

“Import Wholesale Price” means the import wholesale price determined and fixed in accordance with section 13 of this Act;

“Project Terminal” means Authorized Import Landing Terminal for receipt, storage, blending, testing and wholesale distribution of LPG developed and established by the Developer under the Project and located at the Port of Big creek, Stann Creek District, Belize;”;  
and

- (b) repealing the term and definition of “Terminal”.

3. The principal Act is amended in section 4 by inserting the words “in accordance with the provisions of this Act” immediately after the words “obligations under the Definitive Agreement”.

Amendment  
of section 4.

4. The principal Act is amended by repealing section 5 and replacing it with the following—

Repeal and  
replacement  
of section 5.

“Right to  
import  
liquefied  
petroleum gas.  
Sub. Leg,  
1991 Edn.  
CAP. 221 p. 4.

5. Subject to sections 5A, 6 and 6A, as of the Commercial Operations Date, the Developer shall have the right to import LPG into Belize and to engage in the business of selling and distributing LPG in accordance with regulation 3 of the Supplies and Control (Import/Export) Regulations or any other applicable regulations in effect from time to time.”.

5. The principal Act is amended by inserting the following new section immediately after section 5—

Insertion of  
new section  
5A.

“Tendering  
procedures.

5A. Subject to audits by the Controller of Supplies or other authorized officer of the Government, all purchases of LPG for importation into Belize shall be made by way of open, selective or limited tendering procedures in accordance with the provisions of the Finance and Audit Reform Act, except that the intended importer shall be the procurement entity instead of the Government.”.

CAP. 15.

6. The principal Act is amended by repealing section 6 and replacing it with the following—

Repeal and  
replacement  
of section 6.

“Testing of  
LPG.

**6.** Subject to the supervision of the Comptroller of Supplies or other authorized officer of the Government, all LPG imported into Belize shall be imported through, stored at, and undergo conformity assessment, quality assurance and other requisite testing, for and on behalf of the Government, at the Project Terminal or at an Authorized Import Landing Facility.”.

Insertion of  
new sections  
6A and 6B.

**7.** The principal Act is amended by inserting the following new sections immediately after section 6—

“Minimum  
requirements.

**6A.** Subject to supervision of the Controller of Supplies or other authorized officer of the Government, the Project Terminal and all Authorized Import Landing Terminals shall, at a minimum, at all times comply with the guidelines, codes, and standards applicable to storage capacity, construction, equipment installation, and operations as set out in Schedule II.

Schedule II.

Import  
Licence. Sub.  
Leg, 1991  
Edn. CAP.  
221 p. 4.

**6B.** No person shall import LPG into Belize unless that person holds an import licence issued by the Controller of Supplies under the authority vested in him under the Supplies Control (Import/Export) Regulations,

provided that the Controller of Supplies shall not issue an import licence for LPG to any person, or allow the continued use of an import licence for LPG by any person, unless—

(a) such person—

(i) complies with the tendering procedure for the acquisition of

the LPG to be imported into Belize as required by section 5A;

(ii) receives and stores LPG subject to the licence and subject to the same to conformity assessment, quality assurance and other requisite testing by or on behalf of the Government at the Project Terminal or at an Authorized Import Landing Terminal as required by section 6; and

(b) the Project terminal or Authorized Import Landing Terminal to which the LPG is destined meets and/or exceeds the Minimum Requirements as required by section 8.”.

8. The principal Act is amended by repealing section 7(3).

Amendment of section 7.

9. The principal Act is amended by repealing section 10 and replacing it with the following—

Repeal and replacement of section 10.

“LPG Pricing Methodology. Schedule I.

10. The Controller of Supplies or other authorized officer shall fix Import Wholesale Prices for LPG pursuant to the Supplies control (Prices) Regulations or any other applicable law in accordance with the LPG Methodology prescribed in the Schedule I”.

10. The principal Act is amended in section 11 by repealing sub-section (2) and substituting the following—

Amendment of section 11.

“(2) Without prejudice to the generality of sub-section (1), regulations may be made as

## Schedule I.

necessary to implement and otherwise give full effect to the LPG Pricing Methodology set forth in Schedule I for determining the import wholesale price for LPG sold in Belize from time to time during the term of and in accordance with the Definitive Agreement.”.

Repealing and replacement of Schedule.

11. The principal Act is amended by repealing the Schedule and substituting the following—

“SCHEDULE I

[section 10]

**LPG Pricing Methodology**

1. For the purposes of this Schedule—

“Brokerage Fee” means the average fee paid by an Importer to a Customs Broker to complete and pass all documentation required of both the Importer and the External Supplier to effect the importation of LPG into Belize;

“CIF (External Supplier) Price” means the price of LPG supplied to the Importer by the External Supplier, inclusive of the price of delivery to the Project Terminal or to an Authorized Import Landing Terminal at a port of entry in Belize and shall comprise the following amounts—

- (a) the FOB (Load Port) Price;
- (b) External Suppliers Premium; and
- (c) applicable foreign exchange charges to convert the foregoing amounts from US currency to Belize currency;

“Customs Broker” means any person who deals directly with Customs, for and on behalf of another person, relating to the importation, exportation, movement, or storage of goods;

“environmental tax” means the ad valorem tax levied and collected on goods imported into Belize as prescribed by the Environmental Tax Act;

“External Supplier” means the entity contracted by an Importer for the supply of LPG to the Importer in Belize;

“External Suppliers Premium” means the charge (inclusive of applicable freight, insurance, terminal and handling charges) that is added by the External Supplier to the FOB price of LPG ordered and delivered to the Project Terminal or to an Authorised Import Landing Terminal;

“Financing Fee” means a fee to offset the costs of establishing and operating the Project Terminal or an Authorised Import Landing Terminal fixed for the duration of the Definitive Agreement by reference to the cost of lenders, corporate bondholders and equity investors involved in financing the Project in accordance with paragraph 5;

“FOB (Load Port) Price” means the average of the Mont Belvieu Spot Gas Liquids Prices for Propane and Butane respectively (effective for the Bill of Lading date and the day immediately preceding the Bill of Lading Date and the day immediately following the Bill of Lading date for which effective quotations are issued);

“G&A Fee” means a fee allowed to offset the cost of general and administrative functions of a Project Terminal or an Authorised Import Landing Facility fixed for the duration of the Definitive Agreement by reference to the costs of the Developer of carry out its general and administrative functions;

“GSV” means the total volume of LPG corrected by the appropriate volume correction factor for the observed temperature and API gravity, relative density, or density to a standard temperature of 60 degrees Fahrenheit and also corrected by the applicable pressure correction factor and meter factor”;



“Importer” means a person licensed to import LPG into Belize;

“Import Wholesale” means the sale of imported LPG at the Project Terminal or any Authorized Import Landing Terminal in quantities equal to or greater than 2000 gallons GSV;

“Import Wholesale Price” means the aggregate of the following—

- (a) Landed Cost;
- (b) Financing Fee;
- (c) Regulatory Fee;
- (d) G&A Fee; and
- (e) O&M Fee.

“Landed Cost” in relation to LPG means the aggregate of the following—

- (a) the CIF (External Supplier) Price;
- (b) Port Dues;
- (c) Brokerage Fees;
- (d) Port Throughput Fee; and
- (e) Applicable Duties and Taxes;

“Mont Belvieu” or “MB” means the location specified in either spot or future contracts for delivery of propane in Mont Belvieu, Texas, United States of America;

“O&M Fee” means a fee to offset the costs of operating and maintaining the Project Terminal or an Authorized Import Landing facility fixed for the duration of the Definitive Agreement

by reference to the costs to the Developer of operating and maintaining the Project Facility;

“Port Dues” means dues and charges levied by the Belize Port Authority as prescribed by the Belize Port Authority Act and the Belize Port Authority (Tariff) Regulations;

Cap. 233.

“Port Throughput Fee” means the fee charged by the Port of Big Creek for port services provided, lease of the property on which the Project Terminal is located, the grant of rights of way for pipelines and cables, and the use of the marine berth for unloading of LPG; and

“Regulatory Fee” means the fee allowed to offset the costs to the Government regulating the LPG industry in Belize.

2. The Controller of Supplies shall review and approve an import wholesale price setting exercise undertaken and supplied in writing by the Importer on the receipt of each bulk delivery of LPG by an Importer to the Project Terminal or to an Authorised Import Landing Terminal SAVE AND EXCEPT THAT in the case of the Commercial Operations Date, the wholesale price setting exercise shall be conducted not less than four days prior to the Commercial Operations Date.

3. The landed cost of LPG is a pass through cost in the price formulation and as such will vary on each price setting exercise depending on the value of the individual components comprising the landed cost at the time of the price setting exercise.

4. Subject to paragraph 9 below, the port throughput fee is fixed for at BZ\$0.05 per US gallon passing through the port facilities.

5.-(1) The financing fee is derived from and comprised of—

- (a) all financing costs and principal or capital payments/repayments/returns associated with

- equity and debt financing of the Project including but not limited to principal and interest payment on loans and fees associated therewith;
- (b) coupon interest payment on the corporate bonds;
  - (c) sinking fund for principal repayment of the corporate bonds;
  - (d) annual dividends to shareholders;
  - (e) sinking fund for recovery of the initial equity investment; and
  - (f) returns on and of equity investments.

(2) On the Commercial Operations Date, the financing fee shall be calculated by determining the total value of the sum of these components for the remainder of the relevant calendar year and dividing same by that certain pro rata portion of 11,500,000 gallons relative to the remainder of the calendar year after the Commercial Operations Date.

(3) Immediately prior to the commencement of the first calendar year after the Commercial Operations Date, the financing fee shall be calculated by determining the annual value of the sum of these components for the next three calendar years and dividing same by 11,500,000 gallons.

(4) For each year thereafter, the financing fee shall be calculated by determining the annual value of the sum of these components for the upcoming calendar year and dividing same by the prior year's throughput volume in the Developer's LPG sales.

(5) The financing fee is thereupon expressed in units of BZ\$/US gallon for the upcoming relevant period.

6. The regulatory fee is fixed for the duration of the Definitive Agreement at BZ\$ 0.02 per US gallon of LPG passed through the Project Terminal.

7. Subject to paragraph 9 below, the G&A Fee is fixed for the duration of the Definitive Agreement at BZ\$ 0.20 per US gallon of LPG passed through the Project Terminal.

8. Subject to paragraph 9 below, the O&M Fee is fixed for the duration of the Definitive Agreement at BZ\$ 0.27 per US gallon of LPG passed through the Project Terminal.

9. The Port Throughput Fee, the G&A Fee and the O&M Fee are based on the installed storage capacity and associated equipment and infrastructure as of the Commercial Operations Date. These fees may need to be adjusted from time to time for any increase in installed capacity, associated equipment, infrastructure and inflation and other material changes in relevant laws, market conditions or other circumstances beyond the reasonable control of the Developer.

10. An import wholesale price for each LPG product shall be fixed by the Controller of supplied in accordance with this LPG Pricing Methodology at each price setting exercise.”.

12. The principal Act is amended by inserting the following new Schedule immediately after Schedule I–

Insertion of  
new Schedule  
II.

“SCHEDULE II  
*[section 6A]*

**Minimum Requirements - Authorised Import  
Landing Facility**

The Project Terminal and each Authorized Import Facility shall at all times comply with the following minimum requirements:

1. Have an installed storage capacity of no less than one a and a half million (1.5 million) US gallons.
2. Be built, maintained, and operated in full compliance with the following applicable codes and standards—
  - (a) NFPA 58 – Liquefied Petroleum Gas Code 2020;
  - (b) NFPA 20 – Standard for the installation of stationary pumps for fire protection;
  - (c) NFPA 15 – Standard for water spray fixed systems for fire protection;
  - (d) API STD 2510 – Design and Construction of LPG Installations;
  - (e) API Manual of Petroleum Measurement Standards;
  - (f) ASME Section VIII Division 1 or ASME Section VIII Division 2 – Design and Construction of LPG Storage Tanks;
  - (g) IFC Performance Standards;
  - (h) ASTM D 1835-05: Standard Specification for Liquefied Petroleum (LP) Gases;
  - (i) Other LPG industry Codes and standards developed and in force by the Belize Bureau of Standards.
3. Secure the following permits, licenses and applicable authorizations—
  - (a) Environmental Compliance Plan from the Department of the Environment;

- (b) Construction approval from the Central Building Authority;
- (c) Storage of Dangerous Goods permit from the Police;
- (d) Approval of fire suppression system from the Fire Department;
- (e) Import permit from the Controller of Supplies.

4. Develop and implement the following plans, programs, and working manuals—

- (a) Facility Operation and Maintenance Manual;
- (b) Emergency Management and Response Plan;
- (c) Hurricane Preparedness Plan;
- (d) Fire Impairment and Contingency Plan;
- (e) Training program for management and staff;
- (f) Air Quality Monitoring Program;
- (g) Solid Waste Management Program;
- (h) Annual Emergency Simulation Exercise;
- (i) Triennial Audit of Environmental Management System.

5. Maintain at all times insurance for property, liability, and business interruption compatible with the coverage required in an international Terminal Operators Package.”

