

BELIZE:

INTERNATIONAL LIMITED LIABILITY COMPANIES
(AMENDMENT) BILL, 2023

ARRANGEMENT OF CLAUSES

1. Short title.
2. Amendment of Long Title.
3. Amendment of section 1.
4. Amendment of section 2.
5. Amendment of section 6.
6. Amendment of section 7.
7. Amendment of section 14.
8. Repeal of section 15.
9. Amendment of section 17.
10. Amendment of section 27.
11. Amendment of section 28.
12. Amendment of section 85.
13. Repeal of section 94.
14. Amendment of section 99.
15. Amendment of section 101.
16. Amendment of section 104.
17. Referential amendment.
18. Consequential amendment.

BELIZE:

BILL

for

AN ACT to amend the International Limited Liability Companies Act, Chapter 270:01 of the Substantive Laws of Belize, Revised Edition 2020; to provide for the change of name of the International Limited Liability Companies Act to the Limited Liability Companies Act; to remove the restriction on persons resident in Belize; to remove the exemptions granted to limited liability companies; and to provide for matters connected therewith or incidental thereto.

(Gazetted2023).

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

Short title.

1. This Act may be cited as the

**INTERNATIONAL LIMITED LIABILITY COMPANIES
(AMENDMENT) ACT, 2023,**

CAP. 270:01.

and shall be read and construed as one with the International Limited Liability Companies Act, which is hereinafter referred to as the principal Act.

Amendment of Long Title.

2. The Long Title of the principal Act is amended by deleting the words “international limited liability companies” and substituting the words “limited liability companies”.

Amendment of section 1.

3. Section 1 of the principal Act is amended by deleting the word “International Limited Liability Companies” and substituting the words “Limited Liability Companies”.

Amendment of section 2.

4. Section 2 of the principal Act is amended—

(a) by inserting the following new term and definition in the proper alphabetical order—

“disregarded entity” means an entity that is fiscally transparent with respect to its income and receipts under the Income and Business Tax Act so that the income and receipts of the limited liability company—

- (a) in the case of a single member limited liability company are taxed as the income and receipts of a sole proprietorship; and,
 - (b) in the case of a limited liability company with two or more members, are taxed as the income and receipts of a partnership;”;
 - (b) in the definition of “articles of organization”, by deleting the word “international”;
 - (c) in the definition of “dollar”, by deleting the words “the United States of America” and substituting the word “Belize”;
 - (d) in the definition of “Commission”, by deleting the word “International” wherever it appears;
 - (e) by deleting the definition of “financial institution” and substituting the following—
 - ““financial institution” includes—
 - (a) a bank or financial institution as defined in the Banks and Financial Institutions Act, the International Banking Act, Cap. 267, the Credit Unions Act;
 - (b) any person registered under the Securities Industry Act to carry on securities business; or
 - (c) any brokerage firms and insurance companies;
 - (f) in the definition of “limited liability company”, by deleting the word “international”;
 - (g) in the definition of “Minister”, by deleting the word “international”;
 - (h) in the definition of “Register”, by deleting the word “International”;
 - (i) in the definition of “registered agent”, by deleting the word “International”; and
 - (j) in the definition of “Registrar”, by deleting the word “International”.
- 5.** Section 6 of the principal Act is amended—

CAP. 263.
CAP. 267. CAP.
314.

Act No. 46 of
2021.

Amendment of
section 6.

- (a) in sub-section (1), by deleting the words “or upon the authorization of the Minister, in any other currency” and substituting the words “or in any other currency as authorized by the Commission”; and
- (b) in sub-section (2), by deleting the word “Minister” and substituting the word “Commission”.

Amendment of section 7.

6. Section 7 of the principal Act is amended by deleting the word “Minister” and substituting the word “Commission”.

Amendment of section 14.

7. Section 14 of the principal Act is amended by deleting the words “who do not reside in Belize” and substituting the words “who reside in or outside of Belize”.

Repeal of section 15.

8. Section 15 of the principal Act is repealed.

Amendment of section 17.

9. Section 17 of the principal Act is amended—

- (a) in sub-section (1)(c)(ii), by deleting the word “Minister” and substituting the word “Commission”;
- (b) in sub-section 17(4)(a)(i), by deleting the words “Her Majesty” and substituting the words “His Majesty”; and
- (c) in sub-section (5), by deleting the word “Minister” and substituting the word “Commission”.

Amendment of section 27.

10. Section 27(1) of the principal Act is amended by inserting the words “may be subject to an administrative fine as set out in regulations made by the Commission and” immediately after the words “in contravention of this Act and”.

Amendment of section 28.

11. Section 28 of the principal Act is amended by—

- (a) repealing sub-section (1); and
- (b) repealing sub-section (2) and replacing it with the following—

“The Director General of the Commission shall be the Registrar of Limited Liability Companies.”.

Amendment of section 85.

12. Section 85(2) of principal Act is amended by deleting the words “FS Practitioners (Code of Conduct) Regulations, in Statutory Instrument No. 94 of 2001” and substituting the words “Financial Services Commission Regulations, 2023”.

Repeal of section 94.

13. Section 94 of the principal Act is repealed and replaced with the following—

“Liability for taxes and duties.

94.–(1) A limited liability company shall be subject to income tax, business tax, withholding tax, asset tax, gift tax, profits tax, capital gains tax, distributions tax, inheritance tax, estate duty or any other like tax based upon or measured by assets or income originating outside of Belize or in connection with matters of administration that may occur in Belize and the payment of stamp duties.

(2) For the purposes of income and business tax under the Income and Business Tax Act, a limited liability company— CAP. 55.

(a) with only a single member, shall be deemed a disregarded entity whose income and receipts shall be deemed the income and receipts of the single member;

(b) with at least two members, shall be taxed as a partnership,

unless such limited liability company elects, in the manner prescribed, to be taxed as a company.

(3) For purposes of Part II of the Income and Business Tax Act, save and except for receipts that may be deemed to constitute employment income pursuant to section 105 of the Income and Business Tax Act, a limited liability company with only a single member shall be deemed a separate entity from its member. CAP. 55.

(4) For the purposes of the Stamp Duties Act— CAP. 64.

(a) the term “company” shall be deemed to include a limited liability company; and

(b) the terms “stock” or “shares” shall be deemed to include membership interest.

(5) Notwithstanding this section, a limited liability company existing on or prior to 31 December 2022 shall, until 31 December 2023, be exempted from the taxes and duties referred to in sub-section (1).

(6) The exemption from stamp duty under sub-section (5) shall be in relation to instruments relating to a transfer of property to or by a limited liability company,

provided that the exemption shall not apply to an instrument relating to a transfer of property situated in Belize, including any interest in land in Belize or in shares in a company incorporated under the Belize Companies Act.”.

- Amendment of section 99. **14.** Section 99 of the principal Act is amended by deleting the words “summary conviction to a fine not exceeding five thousand dollars” and substituting the words “indictment to a fine not exceeding one hundred thousand dollars”.
- Amendment of section 101. **15.** Section 101 of the principal Act is amended by deleting the word “International”.
- Amendment of section 104. **16.** Section 104 of the principal Act is amended—
- (a) in sub-section (1), by deleting the words “The Minister may, after consultation with the Commission,” and substituting the words “The Commission may, with the approval of the Minister,”;
 - (b) in sub-section (2), by inserting the following new paragraph immediately after paragraph (f)—
 - “(fa) prescribing administrative fines, not exceeding one hundred thousand dollars, for any contravention of this Act;” and
 - “(fb) prescribing the procedures to be adopted when imposing an administrative fine;” and
 - (c) by repealing sub-section (3).
- Referential amendment. **17.** When in any other enactment in force prior to the commencement of this Act, reference is made to the International Limited Liability Companies Act or to international limited liability companies, that reference shall be deemed to be a reference to the Limited Liability Companies Act or limited liability companies, as the case may be.
- Consequential amendments. CAP. 273:01 **18.**—(1) The Economic Substance Act is amended in section 2, in the definition of “commercial entity”, by repealing paragraph (a) and substituting the following—
- “(a) the Belize Companies Act or the Limited Liability Companies Act; or”.
- Act No. 11 of 2022. CAP. 270:01. (2) The Stamp Duties Act is amended by repealing section 14(4A) and substituting the following—
- CAP. 64. “(4A) Notwithstanding any other provision in this Act, if a company incorporated or existing under the Belize Companies Act or the Limited Liability Companies Act does not carry on a relevant activity for purposes of the Economic Substance Act, and does not own land, stock, shares, bonds, or other securities or property in Belize other than stock, shares, membership interest or other securities in another company incorporated or continued under the Belize Companies Act or the Limited Liability Companies Act, any
- Act. No. 11 of 2022. CAP. 270:01. CAP. 273.

transaction involving the property of the company or the shares, membership interest or other securities issued by the company shall not be chargeable with stamp duty.”.