

## Belize Companies Act, 2022

February 2023

Dear Clients, Associates, and Friends

The enactment by Belize of the Belize Companies Act, 2022 (**Act**) adds on to the latest developments in the jurisdiction with the adoption of the Belize Economic Substance Act, 2019 (**ES Act**) and the Income and Business Tax Act (**IBT Act**) as amended. The International Business Companies Act CAP 270 and Companies Act CAP 250 have been repealed by the Act.

The key amendments and issues all Belize companies have to comply with under the Act include amongst others the following:

### A. No distinction between International Business Companies and Local Companies

All companies are being recognized as Belize companies having a single status with effect as from the 28<sup>th</sup> of November 2022 and therefore have an obligation to re-register under the Act and obtain a new unique nine-digit company number and an E-certificate. The Registry has also merged into one Registry, which is now called the Belize Companies & Corporate Affairs Registry, and has migrated into an Online Business Registry System (OBRS). A transitional period, which commenced in December 2022 and expires on 30<sup>th</sup> June 2023, applies to all companies to register under the Act.

### B. Documents and other records to be kept at the office of the Registered Agent

All companies must keep at the office of the Registered Agent the following documents:

- (a) The Articles of the company.
- (b) The register of members.
- (c) The register of directors.
- (d) The register of beneficial owners.
- (e) Information on voting trustees including their names and addresses.
- (f) All notices and other documents filed in the previous ten years.

Any changes in the register of beneficial owners, members or directors should be notified to the Registered Agent in writing within fifteen days from the said change.

In addition to the above, all companies must keep at the office of the Registered Agent or at such other place as the directors may determine the following documents:

- (a) Minutes of meetings or resolutions of the members.

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- (b) Minutes of meetings or resolutions of the directors.
- (c) Identification, address and other relevant information on beneficial owner(s).

Where the above records are kept at a place other than the office of the Registered Agent, all companies must provide the Registered Agent with a written record of the place or places at which the records are kept. If the location of the above records changes, then all companies must notify the Registered Agent within 14 days of the new place or places where the said records are kept.

## C. Financial Records

All companies must keep records that are sufficient to show and explain their transactions and enable the financial position to be determined with reasonable accuracy.

The records and underlined documents shall be kept at the office of the Registered Agent or at such other place as the directors may determine. If the accounting records are kept outside Belize, companies must ensure that they keep:

- (a) accounts and returns adequate to enable the directors to ascertain the financial position of the company with reasonable accuracy on a quarterly basis.
- (b) A written record of the place or places outside Belize where its accounting records are kept.

The period for which such accounting records shall be kept is five years beginning on the date:

- (a) On which all activities taking place during the transaction in question were completed.
- (b) Of the ending of the business relationship for whose formation the record was compiled.

## D. Tax and Economic Substance

All companies must:

- (a) Be classified in accordance with the economic substance categories provided for<sup>1</sup>.
- (b) Apply for a Belize tax identification number.
- (c) Complete and file its relevant economic substance form (B, C or D type<sup>2</sup>).
- (d) Depending on their economic substance classification:
  - (i) File an annual business tax return accompanied with financial statements<sup>3</sup>;
  - (ii) File a Nil Annual Tax Return;
  - (iii) Apply for a Tax Exemption Certificate;
  - (iv) Apply for a Tax Credit;

Our team of lawyers and consultants is at your disposal for any clarifications you may require.

### Disclaimer

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<sup>1</sup> Companies may be classified either as Included Entities or Pure Equity Holding Companies or Non-Included Entities.

<sup>2</sup> Included Entities must complete and submit type B substance form, Pure Equity Holding Companies type C substance form and Non-Included Entities type D substance form.

<sup>3</sup> Companies are not obliged to prepare audited financial statements.