



TREASURY CIRCULAR NO. 7 OF 2010

FROM: Accountant General, Treasury Department

**TO: Chief Executive Officers, Heads of Departments,
Accounting Officers and Finance Officers**

SUBJECT: EXEMPTION – GENERAL SALES TAX

DATE: July 29, 2010

It has been noted that Ministries and Departments are not complying with Circular Memorandum No. 3 of 2010 issued by the Ministry of Finance.

Custom Entries are being presented for duty exemption without the required supporting documents attached.

Circular No. 3 of 2010 states:

“18. The following goods and services supplied to or procured by the Government of Belize shall be exempt for the purposes of this Act:

- (i) all importations by the Government of Belize*
- (ii) all goods and services supplied to the Government of Belize locally under a contract (whether written or oral) for the supply of such goods and services (“contract payments”); and*
- (iii) other goods and services supplied locally (not falling within (ii) above, such as “off the shelf” purchases), on the production of an exemption certificate from the Ministry of Finance.”*

In an effort to regulate and facilitate the exemption granted by the above-quoted Order, the Ministry of Finance has devised the following procedure under each head of exemption which must be followed by all Government Ministries and Departments while procuring goods and supplies:

“(i) Importations by the Government of Belize

All direct importations from abroad will continue to use the Customs Entry system, i.e, entry signed by the importing Ministry and countersigned by the authorized officer at the Ministry of Finance. All such purchases must have prior foreign purchase approval from the Ministry of Finance.

(ii) Goods and services supplied locally under a contract

As a general rule, goods and services procured by Government Ministries and Departments should be under a written contract, whether evidenced by a formal contract or by a Purchase Order. Only in exceptional cases should the Government Ministries/Departments order goods or services orally (e.g., in disasters), and in every such case, details thereof should be supplied to the Ministry of Finance in advance for approval.

This will also apply to contract payments financed by external donor grant funds or loan funds.

(iii) “Off the shelf purchases”

This will need an exemption certificate from the Ministry of Finance. To avoid administrative difficulties, it has been decided that any single item costing less than \$5,000.00 will not be considered for GST exemption under this head. For items of or above the value of \$5,000.00, a request for an exemption should be made to the Ministry of Finance, on the prescribed form attached, no less than seven (7) working days prior to the expected date of purchase. Every effort will be made to process such requests expeditiously.”

Compliance with this Circular is necessary if custom entries are to be processed in a timely manner.

Sgd:

**(D.A. BRADLEY) (MRS.)
Accountant General**