BELIZE

MOLLEJON HYDROELECTRIC PROJECT
(EXEMPTION FROM TAXES AND DUTIES) ACT
CHAPTER 59

REVISED EDITION 2000

This is a revised edition of the law, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Laws of Belize, Revised Edition 1980 - 1990.

This edition contains a consolidation of the following laws -

ARRANGEMENT OF SECTIONS 3

MOLLEJON HYDROELECTRIC PROJECT (EXEMPTION FROM TAXES AND DUTIES) ACT 3

Amendments in force as at 31st December, 2000.
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MOLLEJON HYDROELECTRIC PROJECT
(EXEMPTION FROM TAXES AND DUTIES)

1. Short title.

2. Interpretation.

3. Exemption from taxes and duties.

4. Extent of exemptions.

SCHEDULE

CHAPTER 59

MOLLEJON HYDROELECTRIC PROJECT

[12th August, 1994]

1. This Act may be cited as the Mollejon Hydroelectric Project (Exemption from Taxes and Duties) Act.

2. In this Act, unless the context otherwise requires -

   “Agreement” means the Franchise Agreement dated 19th April, 1991, between the Government of Belize, the Belize Electricity Board, the International Energy Equities, Inc., and Dominion Energy, Inc., as subsequently amended;
“Producer” means the Belize Electric Company Limited, a company incorporated under the laws of Belize, and its successors and permitted assigns;

“Project” means the hydroelectric project to be developed, constructed, operated and maintained by the Producer on the Macal River at its confluence with Mollejon Creek, in the Cayo District and all structures and facilities related to such generating units including but not limited to, penstocks, diversion structures, the power canal and tunnel and the powerhouse.

3. Notwithstanding anything to the contrary contained in the Income Tax Act, the Customs and Excise Duties Act, the Customs Regulation Act, the Exchange Control Regulation Act and Regulations made thereunder, or any other law, rule, regulation, order or instrument whatsoever, the exemptions from taxes and duties set out in the Schedule hereto shall have effect in Belize commencing from the date of the Agreement and continuing for so long as the Agreement remains in force.

4. The exemptions from taxes and duties granted by section 3 of this Act shall apply only to such activities of the Producer as relate directly to the Project.

SCHEDULE
[Section 3]

EXTENT OF EXEMPTIONS FROM TAXES AND DUTIES

1. The Producer shall be exempt from all taxes measured by or imposed on receipts, revenues, income or profits and payroll and other employment taxes payable to the Government of Belize, its agencies, departments and political subdivisions, as well as all local, regional or municipal governments. This
exemption shall apply to all officers and employees of the Producer not citizens or permanent residents of Belize. In addition, the Producer shall be exempt from all income withholding and other taxes payable to the Government of Belize, its agencies, departments and political subdivisions, as well as all local, regional and municipal governments for (i) all dividends, distributions, interest, and other payments paid by the Producer to its owners ("the Partners"), (ii) all dividends, distributions, interest and other payments paid by any Partner to its shareholder(s), partner(s) or other owners, and (iii) all interest and other payments paid by the Producer or any Partner to any lender or foreign creditor with respect to any loan(s) or other indebtedness incurred in connection with the acquisition, construction and mobilization of the Project or any portion thereof, including any further loan(s) incurred to refinance such loan(s).

2. The Producer shall be exempt from Excise Taxes, Ad Valorem Taxes, taxes or fees on the conversion of currency, and Sales Taxes, payable to the Government of Belize, its agencies, departments and political subdivisions.

3. The Producer shall be exempt from Import Duties, Import Taxes, and Import Assessments and Use Taxes, payable to the Government of Belize, its agencies, departments and political subdivisions, as to any property, equipment or assets, brought into or imported into Belize, and utilized in the Project or on behalf thereof.