

What are the legal steps to starting a business in Belize?

Article Number: 332 | Rating: 5/5 from 2 votes | Last Updated: Fri, May 23, 2014 9:23 AM

Few people would disagree that Belize must increase its rate of economic growth more dramatically, and in a sustainable way. One of the obvious ways in which Belize can do that is by encouraging entrepreneurship.

Beltraide, through its Small Business Development Center, provides assistance for new entrepreneurs in the form of advice, training and technical assistance.

This is an excellent effort by a government-owned body toward encouraging small businesses to start and increase their odds of business success.

Beltraide, working with the government's Director of Public/Private Sector Development and the three major utilities, also developed the Micro-Enterprise Utility Start-Up Package wherein new small business account deposits and fees are either reduced or waived.

It follows that the government must be making it easier in many other ways to start a new business, right? An objective report card suggests that there's still a lot of work to be done in making it easier to go through the process of starting a business legally.

The World Bank publishes an annual report called Doing Business that evaluates and ranks how easy it is to do business in 189 countries.

While Singapore ranks at the top in overall ease of doing business, New Zealand ranks first in starting a business. In New Zealand, starting a business requires one procedure that takes less than a day and costs 0.3% of income per capita.

The procedure? Apply online for registration with the Companies Office. Registration automatically gives you the relevant tax IRD (Inland Revenue Department) number and registers you for GST. The process costs a total of NZD 160.22, equivalent to BZ\$280.54.

Belize in comparison requires nine procedures that take approximately 44 days and visits to at least five addresses for a cost of approximately 46.3 percent of income per capita. The nine procedures the World

Bank outlined assume you're starting your business in Belize City, but they are applicable in any municipality in the country.

- Step 1: Start by getting a name search done at the Companies Registry, which takes a day.
- Step 2: register the company statutes and memorandum and articles of association at the same address, another two days.
- Step 3: Head over to your municipal authority to apply for a trade license. Submission of the form, according to the study which used Belize City, takes less than a day.
- Step 4: Wait up to 20 days for an inspection,
- Step 5: Pay your trade license at a rate of 25 percent of the annual rental value of the premises you occupy. This rental value is determined during the inspection.
- Step 6: Get a company seal made.
- Step 7: Head down to the Income Tax department to register for Business Tax,
- Step 8: Go over to the GST Department to see if they'll let you register for GST. You will have to prove you're likely to gross in excess of BZ\$75,000 in your first year of business.
- Step 9: Go across town to Social Security to register your employees.

Two to three weeks later, voila! You're in business! The entire process will have cost BZ\$797 plus 25 percent of your location's annual rental value, not to mention the value of the time you spent doing this instead of opening your doors for business.

Admittedly, New Zealand isn't Number One in the world for ease of doing business. However, at Number Three it's still well ahead of Belize's Number 167 ranking.

Some who read this may quibble over the details of the Belize process, whether it's really nine or maybe only seven steps, how many days it'll really take, and what the total cost actually is. Those people are missing the point.

The indisputable fact is that Belize can and really must remove any burden it can from the startup procedures, so that businesses that want to start off as legal entities at Day One can be facilitated with an easy and less costly process. Imagine being able to register your business in one day and then turning your focus to bringing it to life on the second day! The economy can only benefit from such encouragement.

Posted : Marty Casado - Fri, May 23, 2014 9:22 AM. This article has been viewed 9972 times.

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