

## Transfer of Ownership/Closing Process

A Belize attorney handles the closing by completing the title search and facilitating the transfer of ownership of real estate and businesses. Most business operations in Belize are set up and registered as a Belize Corporation, Chapter 250. A new owner would purchase the shares of the corporation, and have any associated Belize bank accounts, tax ID numbers, social security registration, trade name, all business licenses, trade permits, real estate and personal property remain in the corporation's name. Annual property taxes are extremely low and there are no capital gains tax in Belize. Instead, the Belize government imposes a "Stamp Duty" or "Stamp Tax" on all real estate transactions. At time of ownership transfer, the buyer pays a 5% tax on the purchase price for a corporate share transaction and an 8% tax on residential real estate.

## Mortgage or Seller Financing

If you are offered seller financing you can choose to either file a mortgage and receive title to the property at closing or state in the purchase agreement that you will not receive title until the seller provided loan is paid in full. In order to record a mortgage, there is a 1.5% fee of the total amount financed and then a 0.6% fee to discharge the mortgage. If the buyer defaults on loan payments to the seller, the seller can exercise its power of sale under the mortgage or the purchase agreement can stipulate that the seller could terminate the agreement and the property reverts back to the seller. The courts in Belize determines how much of the deposit/down payment the seller gets to keep which is dependent upon the period of time the buyer has occupied the property.

## Taxes

Business tax is paid monthly and is assessed depending on the nature of the business from 0.75% to 25% of gross receipts (not including any GST or Hotel tax collected) and is paid to the Government of Belize (GOB). Hotel operators collect a 9% accommodations tax from guests and is paid to the BTB (Belize Tourism Board). A 12.5% GST (general sales tax) is collected on all goods, food, and beverages and paid to the Belize income tax department. Tour operators collect a 6% tour tax from guests and is paid to the GOB. File annual tax return by March 31 of each year. At time of business sale, you would want to get a Certificate of Clearance from the Belize Tax Commissioner verifying all business tax has been paid to date.

## Banking

To establish a local bank account, customers must bring in two (2) Bankers References from established institutions, (2) Attorney or Accountant References, passport or a notarized copy, and one other form of identification. The customer also must bring in a recent utility bill (not older than 3 months). Recommended banks for real estate lending are Belize Bank and Atlantic Bank. Belize banks are able to grant commercial loans for a maximum of 10 years with interest rates ranging from 8.5% to 12%. The client is expected to contribute 40% equity and the bank can consider providing funding of 60% of the total cost of the investment.

## Residency and Citizenship

Many expats apply for permanent residence in Belize. The primary reason is that as a resident you can work in Belize without needing a work permit. Having your residency also makes it easy to travel in and out of the country. You must live in Belize for an entire year before you can apply for permanent residence. To do this, you can apply for a work permit that is valid up to one year. At that point, you can submit your application for permanent residence. It can take a few years to receive approval and your residence card.

If you want to apply for permanent residence, talk to the local Immigration official early in your trip. Explain that you plan to live in Belize for a year so that you can apply for permanent residence. If the Immigration official tells you that they won't approve your visa beyond six months, hire a Belizean attorney to write a letter for you, to support your residency process. To become a resident, U.S. and Canadian citizens pay a non-refundable fee of \$1,000 with their application. Most other nationalities pay a higher amount that covers the cost of a return ticket to their country of origin. Once you complete the residency application form you'll submit it to the Immigration and Nationality Department. After you've been a permanent resident of Belize for a minimum of five years you can apply to become a Belizean citizen. Foreign business owners may still own a Belizean corporation without permanent residence. You just need to have your visa renewed if you stay in Belize more than 30 days at a time and will also need to obtain approval through Central Bank, which a Belize attorney can assist with.