



BELIZE

**ENTERPRISE DEVELOPMENT CENTRE ACT
CHAPTER 279:01**

**REVISED EDITION 2011
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ENTERPRISE DEVELOPMENT CENTER

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CHAPTER 279:01

ENTERPRISE DEVELOPMENT CENTER

1 of 2005.

[12th February, 2005]

PART I

Preliminary

Short title. **1.** This Act may be cited as the Enterprise Development Center Act, and comes into force on the 31st day of December, 2005.

Interpretation. **2.** In this Act, unless the context otherwise requires,

“Board” means the Board of Directors of the Enterprise Development Center established under section 9 of this Act;

“EDC” means the Enterprise Development Center established under section 3 of this Act;

“enterprise” means an incorporated or unincorporated body whether consisting of one or more persons engaged in the production of goods and services, and “industry” shall be construed accordingly;

“Executive Director” means the Executive Director of the Enterprise Development Center appointed under section 17 of this Act;

“Minister” means the Minister for the time being responsible for Investment;

“MSMEs” means a micro, small and medium sized enterprise, whether a natural or a legal person or an unincorporated entity or association that fulfil the following criteria,

(a) has an annual turnover not exceeding \$500,000;

- (b) has a net worth not exceeding \$300,000;
- (c) has an investment in machinery and equipment not exceeding \$300,000;
- (d) holds a valid trade licence and other permits
- (e) employs not more than 15 persons.

PART II

Establishment, Objectives and Functions of the EDC

3.-(1) A body to be known as the Enterprise Development Center is hereby established as an autonomous institution governed by the provisions of this Act, which shall consist of a Board of Directors established under section 9 of this Act, an Executive Director and other members of staff as may be appointed under section 17 of this Act.

Establishment of the EDC.

(2) The EDC shall be the lead institution to represent all aspects of the development of micro, small and medium sized enterprises.

(3) The EDC, upon request or when deemed necessary, may also represent enterprises other than MSMEs.

4. Within the context of the economic policy of the Government, the EDC shall be guided in all of its actions by its main objective of income and employment generation via the promotion of business development while focusing on increased efficiency and productivity of existing and potential micro, small and medium sized enterprises.

Goal of the EDC.

5.-(1) The EDC shall be a body corporate having perpetual succession and a common seal and subject to the provisions of this Act, shall have the power to acquire, hold and dispose of movable and immovable property of whatever kind, to enter into contracts and agreements and to do all things reasonably necessary or expedient for the attainment of its objectives and proper performance of its functions under this Act.

Body corporate.

(2) The EDC may sue or be sued in its corporate name and shall for all purposes be described by that name.

(3) The seal of the EDC shall be authenticated by the signatures of the Chairperson of the Board or the Executive Director, and one other Director duly authorized by the Board to act for that purpose, and the seal thus authenticated shall be judicially and officially noticed.

(4) All documents made by the EDC, other than those required by law to be made under seal, shall be signified under the hand of the Executive Director.

(5) The EDC shall have its principal office at such place in Belize as the Board may decide.

(6) The EDC may establish regional offices in any location within Belize as it considers necessary.

(7) The EDC may enter into technical co-operation agreements with other regional or international organizations with similar objectives.

Functions of the EDC.

6. The functions of the EDC shall be to,

- (a) develop policies and strategies for the development of new and existing industries with a particular focus on MSMEs;
- (b) design sectoral programmes and projects that address the needs of MSMEs and that are aimed at promoting their growth and competitiveness;
- (c) collaborate with private and other public institutions in the establishment and implementation of mechanisms for the development of MSMEs;
- (d) develop strategies to enhance and promote market competitiveness both on a sector level and on an individual enterprise level;

- (e) design and establish policies for technical co-operation;
- (f) create a program for market intelligence for the collection and dissemination of information relating to the developments in local, regional and international markets;
- (g) advise the Government on policy directions and issues affecting and relating to the industrial sector;
- (h) promote the development and consolidation of those institutions that provide, in whatever form, assistance to MSMEs.
- (i) review the environment for conducting business with a view to streamlining the same;
- (j) provide technical assistance to MSMEs and other industries or facilitate access to same; and
- (k) perform any other functions as may be assigned to it by this Act or any Regulations made thereunder.

PART III

Appointment, Remuneration, Functions., etc. of Board Members and Staff of the EDC

7.-(1) There shall be a Board of Directors of the EDC appointed by the Minister, which shall be constituted as provided under section 8, and the Board shall be the principal policy maker for the EDC.

Board of Directors.

(2) The Minister may give written directions of a general nature pertaining to the policies to be followed by the Board in the performance

Directions by Minister.

of its functions and the attainment of its objectives and the Board shall comply with such directions.

Composition of the Board.

8.—(1) The Board of Directors shall consist of the following ten members,

- (a) the Executive Director of the EDC, *ex officio*, without a right to vote;
- (b) a representative from the Ministry responsible for Industry;
- (c) a representative from the Ministry responsible for Investment;
- (d) a representative from the Ministry of Agriculture and Fisheries;
- (e) a representative from the Ministry responsible for Youths;
- (f) a representative from the business community;
- (g) a representative from the SME Association;
- (h) a representative from the Belize Business Bureau;
- (i) a representative from the Belize Chamber of Commerce and Industry; and
- (j) a representative from the Tourism Industry.

(2) The non-governmental members of the Board shall be nominated by their respective non-governmental organization or network.

(3) Each member shall have an alternate, appointed in the same manner and for the same period as that member. The alternate shall represent the substantive member during his temporary absences and when attending any meeting of the Board, such alternate or temporary member shall be deemed for all purposes to be a member of the Board.

(4) The Minister shall appoint one of the Directors to be the Chairperson of the Board and the Chairperson shall hold office for a period of two years and shall be eligible for reappointment.

(5) Notwithstanding the provisions of subsection (1)(a) of this section, where the Minister appoints the Executive Director as the Chairperson of the Board, the Executive Director shall have the right to vote, including a casting vote.

(6) The Board shall elect from among its members, a Deputy Chairperson who shall hold office for a period of two years and shall be eligible for reappointment.

(7) The names of all members of the Board as first constituted, the terms of office and every change in the membership thereof shall be published in the *Gazette*.

9.-(1) Every appointed member of the Board shall hold office for a period of two years, unless he earlier vacates office by death, resignation or removal under this Act.

Terms of office of
Appointed Mem-
bers of the Board.

(2) An appointed member may at any time resign his office by letter to that effect addressed to the Minister.

(3) If an appointed member at any time resigns, dies or is removed from office, the Minister may, having regard to the provisions of section 8 of this Act, appoint any other person, including such member's alternate, to be a member in place of the member who dies, resigns or is removed from office.

(4) A member who has been appointed under subsection (3) of this section shall, unless he earlier vacates his office by death, resignation or removal, hold office for the unexpired period of the term of office of his predecessor.

(5) Where an alternate is appointed a member under subsection (3) of this section, a new alternate shall be appointed in the manner provided for in this Act and for the same unexpired period of the term of office of his substantive member.

(6) Any appointed member of the Board who vacates office other than by removal shall be eligible for reappointment.

Removal of Board
Members.

10.—(1) No person shall be appointed or remain a Director who is a member of the National Assembly.

(2) The Minister may terminate the appointment of a Director appointed under section 8(1) of this Act, if the Director, as the case may be,

- (a) by letter to that effect addressed to the Minister, resigns his office;
- (b) becomes subject to the disqualification specified in subsection (1) of this section;
- (c) becomes bankrupt or insolvent, or compounds with his creditors or benefits under the law for the relief of a bankrupt or makes any assignment in whole or in part of his income for the benefit of such creditors;
- (d) is convicted of an offence involving dishonesty, or of any other offence whether or not the convicted person is awarded any sentence;
- (e) becomes totally or permanently incapable of performing his duties; or
- (f) is guilty of gross misconduct.

(3) The Minister may terminate the appointment of a Director who absents himself from three consecutive meetings of the Board without leave from the Board.

(4) The Minister may terminate the appointment of non-governmental members of the Board if their nominating agency so requests in writing stating reasons for such termination.

11. The functions of the Board of Directors shall be as follows,

Functions of the Board.

- (a) to approve the EDC's Annual Operational Plan;
- (b) to propose policies and strategies for the development of the industrial sector;
- (c) to advise the Executive Director on the formulation, planning and implementation of the EDC's programmes and projects;
- (d) to make recommendations to the Minister for the annual budget;
- (e) to promote the image of the EDC;
- (f) to supervise and evaluate the performance of the Executive Director in the execution of his functions and responsibilities under this Act; and
- (g) to perform any other functions as may be assigned to it by this Act or any Regulations made thereunder.

12.-(1) The first meeting of the Board shall be held as soon as practicable after all members have been appointed.

Meeting of the Board.

(2) Subsequent meetings of the Board shall be held at such times and places as the Board may determine but not less than once every three months in the year.

(3) The Secretary to the Board shall give to each Director not less than seven days' notice in writing of a Board meeting. Such notice shall state the nature of the business to be transacted at the meeting.

(4) The Board shall employ the services of a staff member of the EDC as secretary to the Board. The Secretary shall ensure that all records of the Board's acts and decisions are properly kept.

(5) The Chairperson shall preside at every meeting of the Board.

(6) Where for any reason, the Chairperson is unable to preside at any meeting of the Board,

(a) the Deputy Chairperson shall preside if he is present and able to do so; and

(b) if the Deputy Chairperson is absent or is for any reason unable to preside at the meeting, then the Directors present shall elect one of their number to preside.

(7) A pro tem Chairperson shall have all the powers of the Chairperson at that meeting, including the power of exercising a casting vote in addition to his original vote.

(8) No act done by a pro tem Chairperson shall in any proceedings be questioned on the ground that the occasion for his so acting had not arisen or had ceased.

(9) Notwithstanding subsection (2) of this section, the Chairperson, the Executive Director or the majority of its members may at any time call a special meeting of the Board, provided that the request is made in writing five days in advance stating the objective of the meeting.

(10) A quorum for any meeting of the Board shall be six Directors.

(11) Decisions of the Board shall be by majority of the votes cast by those present at the meeting, provided that in any case in which the voting is equal, the person presiding at the meeting shall have a second or casting vote.

(12) No acts, decisions or proceedings of the Board shall be invalid by reason only of,

(a) any vacancy in the membership thereof;

(b) any defect in the appointment or qualification of a person purporting to be a member thereof;

- (c) any minor irregularity in the convening of any meeting thereof.

13. The Board shall be entitled to the same protection under the Public Authorities Protection Act, Cap.31, as if it were included in the definition of “Public Authority” given in section 2 of that Act, and the place at which the Board shall hold its meetings shall be deemed to be the “abode” of the Board within the meaning of that Act.

Board protected by Public Authorities Protection Act

14.—(1) The Board may from time to time, in respect of any particular matter or class of matters, and in writing, delegate to any Director or to the Executive Director, any of its functions under this Act except this power of delegation and the following functions,

Delegation of powers.

- (a) approving annual budgets, the EDC’s Annual Operational Plan and the Annual Plan of Activities;
- (b) making rules and regulations; and
- (c) carrying out activities which require off- budget expenditure.

(2) Subject to any general directions given to him by the Board, the person to whom any powers are so delegated may exercise those powers in the same manner and with the same effect as if they had been conferred upon him directly by this Act and not by delegation.

(3) Every person purporting to act pursuant to a delegation under this section shall, in the absence of proof to the contrary, be presumed to be acting in accordance with the terms of this delegation.

(4) Every delegation under this section shall be revocable at will by the Board, and no such delegation shall prevent the exercise of any powers by the Board.

15. The Chairperson and other members of the Board may be compensated for reasonable costs incurred for attending Board meetings or conducting other business of the Board.

Remuneration of Directors.

Rules of the EDC.

16.—(1) The Board may from time to time make rules, not inconsistent with this Act, for all or any of the following purposes,

- (a) regulating the proceedings of the Board;
- (b) providing for the custody of the property of the EDC and the custody and use of the common seal of the EDC;
- (c) regulating the terms and conditions of employment of persons appointed under section 17 of this Act;
- (d) providing for such other matters as may be necessary or expedient for the carrying out of the functions of the EDC.

(2) Notice in writing of every proposed resolution to make rules under this section or for the amendment or revocation of any rule so made, including a copy of the proposed rules, amendment or revocation, shall be given to every member of the Board not less than twenty-one days before the meeting at which the proposal is to be adopted, but an inadvertent failure to comply with this subsection shall not invalidate the amendment or revocation of any rule at that meeting.

Appointment and functions of Executive Director

17.—(1) The Minister shall, after consultation with the Board, appoint and employ an Executive Director of the EDC.

(2) The Executive Director shall be the chief executive officer of the EDC and, subject to the other provisions of this Act, shall be responsible for the efficient and economical administration of the affairs of EDC.

(3) The Executive Director shall have the following functions,

- (a) the daily operation and management of the EDC;
- (b) the efficient and economic administration of the affairs of the EDC including the control and use of its equipment and vehicles;

- (c) the effective management of all programmes, activities, consultancy services and projects of the EDC including research projects;
- (d) the supervision, management and organization of staff in accordance with the general terms and conditions of service established by the Board;
- (e) developing and implementing the Annual Operational Plan;
- (f) formulating and implementing policies and strategies for the development of the industrial sector, particularly MSMEs;
- (g) co-ordinating with and promoting the institutional strengthening and integration of private and other public organizations that provide services to MSMEs;
- (h) such other duties as may be assigned to him under this Act or any legislation made thereunder, or as the Board may from time to time determine.

(4) The Executive Director may appoint and employ, with the approval of the Board and at such remuneration and subject to such terms and conditions as the Board thinks fit, such other persons as officers and employees of the EDC as may be necessary for the proper performance of the EDC's functions under this Act.

18. The Executive Director shall be the principal representative of the EDC and shall, in that capacity, have the authority to,

Authority of Executive Director.

- (a) represent the EDC in its relations with other institutions and with Government;
- (b) conduct financial transactions on behalf of the EDC not exceeding the amount of \$50,000. Any financial transaction exceeding that amount shall require the approval of the Board;

- (c) sign individually or jointly with any other Director duly authorized by the Board for that purpose, contracts concluded by the EDC, reports, balance sheets and other financial statements, correspondence and other documents of the EDC;
- (d) delegate his powers provided for in paragraph (a) of this section to any other officer of the EDC.

PART IV

Finances, Accounts, Audit and other Reports of the EDC

Charges.

19. The EDC may, in connection with any service it is requested to provide by virtue of the provisions of this Act, charge fees, or make other financial arrangements for services rendered.

Borrowing Power.

20.—(1) Subject to the provisions of subsection (2) of this section, the EDC may borrow money required by it for meeting any of its obligations or discharging any of its functions; including on-lending to groups approved by the Board. if necessary.

(2) The power of the EDC to borrow in excess of such limits as the Minister responsible for Finance may fix from time to time shall be exercisable only with the approval of the Minister responsible for Finance as to the amount, source of borrowing and the terms on which the borrowing may be effected, and an approval given for the purposes of this subsection may be general or limited to a particular borrowing or otherwise, and may be either unconditional or subject to conditions.

(3) With the approval of the House of Representatives, the Minister responsible for Finance may guarantee, in such manner and on such conditions as he thinks fit, the repayment of the principal and the payment of interest on any authorized borrowings of the EDC.

(4) Where the Minister responsible for Finance is satisfied that there has been default in the repayment of any principal moneys or the payment of interest guaranteed under the provisions of this section, he shall direct the repayment or, as the case may be, the payment, out of the Consolidated Revenue Fund, of the amount in respect of which there has been such default and any such repayment or payment shall be a charge on the Consolidated Revenue Fund.

21. The revenues of the EDC shall consist of,

Revenues of the EDC.

- (a) such sums as may be provided for that purpose from time to time by the National Assembly;
- (b) all such sums as may be collected in the form of fees or charges;
- (c) all such sums or property which may in any manner become payable to or vested in the EDC including moneys borrowed by the EDC;
- (d) any other money or property lawfully contributed, donated, or bequeathed to the EDC from any source.

22. The revenue of the EDC shall be applied for the purposes authorized by this Act in relation to the functions, powers and responsibilities of the EDC, and also to meet the following heads of expenditures,

Application of revenue.

- (a) the payment of the salaries, wages, fees, allowances, pensions and gratuities of persons employed or formerly employed by the EDC;
- (b) repairs and maintenance of buildings and equipment and other current expenses;
- (c) any other expenditure approved by the Board.

23.-(1) The EDC shall, in such form and by such dates as may be prescribed by the Financial Secretary, prepare and submit to the Minister

Submission of budget estimates.

of Finance, through the Ministry, estimates of revenue and expenditure (including any supplementary estimates) for each financial year and the Minister of Finance shall present the said estimates to the National Assembly with such amendments, if any, as he may consider necessary.

(2) Except with the approval of the Minister of Finance, no further sum shall be expended in any financial year other than that provided in the budget relating to such financial year.

Accounts and audits.

24.—(1) The EDC shall keep accounts and other records in relation to its business and shall prepare annually a statement of accounts in accordance with the generally accepted accounting principles.

(2) The EDC shall, with the approval of the Minister of Finance, open and maintain, at such bank as it may from time to time determine, accounts for the funds of the EDC.

(3) All accounts of the EDC shall be audited annually by an auditor appointed by the Board, with the approval of the Minister of Finance.

Annual report.

25.—(1) Within four months after the end of each financial year, the EDC shall cause to be made and shall submit to the Minister,

- (a) a statement of its accounts audited in accordance with section 24(3) of this Act, and
- (b) a report dealing generally with the proceedings, policies and performances of the EDC during that financial year.

(2) The Minister shall cause a copy of such report, within three months of receiving it, together with the annual statement of accounts and the Auditor's report thereon, to be tabled in the National Assembly.

PART V

MSME Development Fund

26.—(1) There is hereby established a Fund to be known as the MSME Development Fund.

Establishment of fund.

(2) The fund shall be a dedicated Fund which shall be separate from any general funds received by the EDC from the Government, and shall consist of the monies referred to in section 28 of this Act.

27. The principal objectives of the fund shall be to promote the development of the MSMEs by providing credit capital, credit guarantees and capacity building and technical assistance.

Objectives of the fund.

28. The resources will be obtained from the following sources,

Sources of funds.

- (a) contributions obtained from local and international institutions or foreign governments;
- (b) contributions made by associates and partners of the EDC;
- (c) loans obtained from national, bi-lateral and multilateral sources;
- (d) any other contributions made available to the Fund.

29. The resources of the Fund shall be utilized for the following purposes,

Use of resources.

- (a) credit capital;
- (b) credit guarantee;
- (c) capacity building and technical assistance;

(d) and such other purposes as determined by the Board.

Management of the fund.

30. The fund shall be managed by the EDC.

Credit capital and credit guarantees.

31. Credit capital and credit guarantees to qualifying MSMEs shall be channelled through existing financial institutions that have the capacity to effectively manage such schemes.

Technical assistance.

32. Technical assistance shall be provided by the EDC for the purpose of assisting MSMEs to commence, continue or expand operations.

Regulations in respect of the fund.

33.-(1) The Minister shall make Regulations for,

- (a) establishing the requirements and conditions for financial institutions to provide loans under the credit capital and credit guarantee schemes;
- (b) establishing the requirements and conditions for MSMEs to obtain such loans under the credit capital and credit guarantee schemes; and
- (c) the better carrying out of the objectives of the fund.

PART VI

Miscellaneous

Status of officers transferred to EDC

34. Where a public officer is seconded, temporarily transferred or assigned from a pensionable office within the meaning of section 2 of the Pensions Act, Cap. 30, to perform any service with the EDC, his service with the EDC shall, unless the Governor-General otherwise decides, count for pension under that Act as if the officer had not been so seconded, transferred or assigned.

35.-(1) The EDC shall be exempt from the payment of income tax, property tax, import duty and any other tax on impost levied by the Government or a local authority.

Exemption from income tax, property tax, stamp duty and import duty.

(2) All instruments executed by or on behalf of the EDC shall be exempt from stamp duty.

36.-(1) The Board may, with the approval of the Minister, make regulations generally for the better carrying out of or giving effect to the objects of this Act.

Regulations.

(2) Regulations made under subsection (1) of this section, shall be subject to negative resolution.