



**BELIZE**

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

**REVISED EDITION 2011  
SHOWING THE SUBSTANTIVE LAWS AS AT 31<sup>ST</sup>  
DECEMBER 2011.**

This is a revised edition of the Substantive Laws, prepared by the Law Revision Commissioner under the authority of the Law Revision Act, Chapter 3 of the Substantive Laws of Belize, Revised Edition 2011.

This edition contains a consolidation of amendments made to the Law by Act No. 7 of 2007.



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**CHAPTER 59**

**MOLLEJON HYDROELECTRIC PROJECT  
(EXEMPTION FROM TAXES AND DUTIES)**

**ARRANGEMENT OF SECTIONS**

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**CHAPTER 59**

**MOLLEJON HYDROELECTRIC PROJECT  
(EXEMPTION FROM TAXES AND DUTIES)**

21 of 1994.  
7 of 2007.

*[12<sup>th</sup> August, 1994].*

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

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

Act 7 of 2007. “Agreement” means the Franchise Agreement dated 19<sup>th</sup> April, 1991(as subsequently amended), between the Government of Belize, the Belize Electricity Board, the International Energy Equities, Inc., and Dominion Energy, Inc;

Act 7 of 2007. “ Amended and Restated Franchise Agreement” means the Amended and Restated Franchise Agreement dated 21<sup>st</sup> of November, 2001 between the Government of Belize, Belize Electricity Limited and Belize Electric Company Limited;

Act 7 of 2007. “ Chalillo Project” means the Macal River Storage Facility and generating plants, developed, constructed, operated and maintained upstream from the Mollejon Hydroelectric Facility approximately 12 kilometers from the confluence of the Macal and Raspacule Rivers and all structures and facilities related to such storage facility and generating plants including but not limited to, penstocks and diversion structures and generating units;

Act 7 of 2007. “Mollejon Project” means the hydroelectric project 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 storage and generating units including but not limited to, penstocks, diversion structures, the power canal and tunnel and the powerhouse;

- “Producer” means the Belize Electric Company Limited, a company incorporated under the Laws of Belize, its affiliates [excluding Belize Electricity Limited] and its successors and permitted assigns; Act 7 of 2007.
- “Thermal and Additional Hydro Franchise Agreement” means the Thermal and Additional Hydro Franchise Agreement dated the 21<sup>st</sup> day of November 2001 between the Government of Belize, the Belize Electricity Limited, and Fortis Belize Limited; Act 7 of 2007.
- “VACA Project” means the dam and generating plants to be developed, constructed, operated and maintained by the Producer downstream from the Mollejon Hydroelectric facility and all structures and facilities related to such dam and generating plants including but not limited to, penstocks and diversion structures and the generating units.” Act 7 of 2007.
3. Notwithstanding anything contained in the Income and Business Tax Act Cap. 55, the Sales Tax Act, Cap. 63, the Stamp Duties Act, Cap. 64, the Customs and Excise Duties Act Cap.48, the Customs Regulation Act and duties Cap. 49, the Exchange Control Regulation Act Cap. 52, 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 19<sup>th</sup> day of April 1991 and continuing for so long as the Agreement, the Amended Franchise Agreement and the Thermal and Additional Hydro Franchise Agreement remain in force. Act 7 of 2007.
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 Mollejon Project, the Chalillo Project and the VACA Project, including any financing thereof. Extent of exemption. 7 of 2007.

## SCHEDULE

MOLLEJON HYDROELECTRIC PROJECT  
EXTENT OF EXEMPTIONS FROM TAXES AND DUTIES*[Section 3]*

1.-(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.

(2) 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,

- (a) all dividends, distributions, interest, and other payments paid by the Producer to its owners (“the Partners”);
- (b) all dividends, distributions, interest and other payments paid by any Partner to its shareholder(s), partner(s) or other owners; and
- (c) 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, sales taxes and stamp duties, payable to the Government of Belize, its agencies, departments and political subdivisions. 7 of 2007.
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.