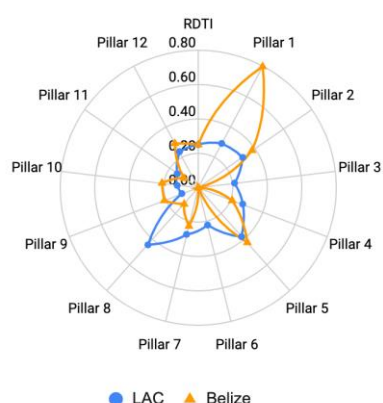


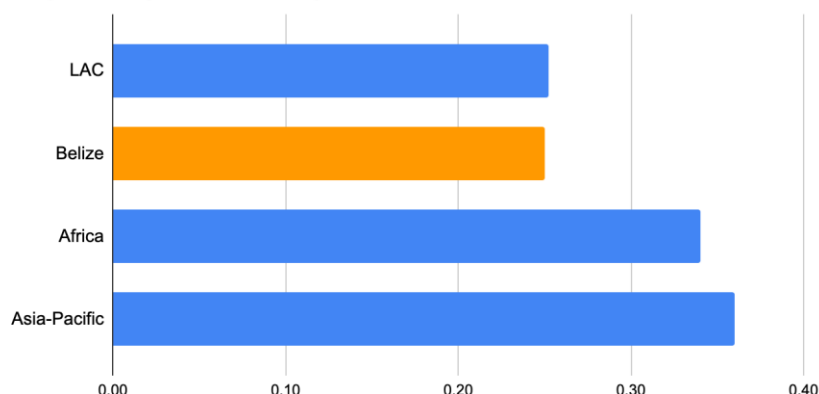
Belize - Country Report

Mario Imigo, Trainee, ECLAC

RDTII - Pillars scores



Regional Digital Trade Integration Index



	LAC	Belize
RDTI index	0.25	0.25
Pillar 1: Tariffs and trade defense	0.29	0.80
Pillar 2: Public procurement	0.32	0.38
Pillar 3: Foreign Direct Investment	0.21	0.00
Pillar 4: Intellectual Property Rights (IPRs)	0.28	0.21
Pillar 5: Telecom infrastructure & competition	0.38	0.43
Pillar 6: Cross-border data policies	0.22	0.00
Pillar 7: Domestic Data policies	0.28	0.23
Pillar 8: Intermediary liability	0.44	0.13
Pillar 9: Content access	0.10	0.21
Pillar 10: Quantitative trade restrictions	0.13	0.21
Pillar 11: Technical standards	0.15	0.10
Pillar 12: Online sales and transactions	0.24	0.29

Key strengths	Key recommendations
❖ Open telecom sector, including foreign ownership ❖ Open content access policies ❖ Comprehensive consumer protection law	❖ Implement functional and accounting separation in the telecom sector ❖ Join the WTO ITA I and ITA II ❖ Promote a regulatory framework covering trade secrets

❖ Presence of copyright regime with clear exceptions

❖ Adopt the WTO Telecom Reference Paper

This report summarizes the results of the analysis conducted under the Digital Trade Integration Project by UN-ECLAC in collaboration with the European University Institute (EUI) regarding digital trade integration in a selected group of Latin American economies, including Belize.

Introduction

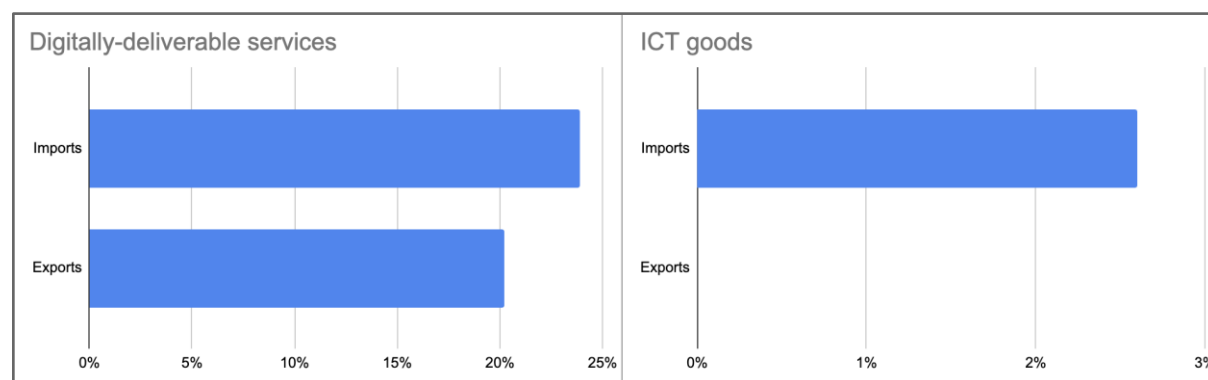
In recent years, Belize has initiated various programs to facilitate digitalisation emphasizing the creation of an enabling environment for fostering a digital society, including the Belize National Identity Strategy¹ and Belize's National Digital Agenda 2022-2025.²

The Belize National Identity Strategy focuses on enabling digital transformation in the economy, enhancing government transparency and trust, and combating fraud and corruption. It aims to promote good practices regarding the digital identity components of individuals (including biographic and biometric data), to address identity fraud concerns, and to promote cyber security.

The National Digital Agenda 2022-2025, spearheaded by the E-Governance and Digitalization Unit, is a comprehensive plan to transform public administration, foster citizen engagement, and enhance Belize's digital landscape. Divided into three pillars, it highlights the need to build digital infrastructure, enhance government services, and use digital tools for economic recovery post-COVID-19. The Agenda outlines programs to bridge the digital gap, improve service delivery, strengthen cybersecurity, promote innovation, and drive economic recovery by leveraging ICT tools.

There are no exports of ICT goods recorded in 2022, while ICT goods imports accounted for 2.6% of the total merchandise goods imports in the same year. Regarding digitally-enabled services, the share of exports in total commercial exports was 20.2% in 2022, while imports of digitally-enabled services accounted for 23.9% of total imports in the same year.

Shares of ICT goods and digitally-deliverable services in global trade, 2022



Source: Author, based on UN-COMTRADE and UNCTADstat.

Key policies supporting Belize's digital trade integration

¹ For more information see <https://digitalagenda.gov.bz/wp-content/uploads/2023/09/BNIS.pdf>, retrieved in November 2023.

² For more information see <https://digitalagenda.gov.bz/>, retrieved in November 2023.

Belize has established an investment-friendly regime that encourages foreign investment and facilitates market access under the Belize Companies Act. Moreover, the country set up a well-defined system of copyright exceptions adhering to a fair dealing model, permitting the lawful utilization of copyrighted works by individuals without necessitating explicit permission. As stipulated in the Copyright Act, these exceptions include research and private study, criticism, review, news reporting, educational activities, copying by librarians or archivists, public administration, and the utilization of literary, dramatic, musical, or artistic works. Moreover, Belize has ratified essential international agreements in the realm of intellectual property. It is a signatory to the World Intellectual Property Organization (WIPO) Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT). Additionally, Belize is a participant in the Patent Cooperation Treaty (PCT).

The Public Utilities Commission (PUC) is an independent body that has been established to ensure an optimal provision of public telecommunications services and the reasonableness of service rates. The PUC has enacted regulations governing infrastructure sharing mandating that all licensees possess the right, and upon request, the obligation, to engage in negotiations in good faith for sharing infrastructure and facilities with other licensees.

The Belize Bureau of Standards assumes responsibility for formulating standards pertaining to goods and services. These standards are developed in collaboration with regional and international standards organizations, aligning with international agreements ratified by Belize. In addition, Belize's affiliation with the Caribbean Community (CARICOM) plays a pivotal role in advocating for the harmonization of standards and technical regulations.

The Electronic Transactions Act, which came into force in 2021, confers legal validity to all electronic documents, records, and signatures. This Act also establishes a safe harbour of intermediaries, stating that they shall not be held accountable for any civil or criminal liability regarding information contained in an electronic record for which the intermediary provides services, provided that the intermediary did not initiate the record or provide electronic exchange services. Additionally, the Act offers a comprehensive consumer protection framework that applies to online sales and transactions.

Moreover, Belize has adopted national legislation based on the UNCITRAL Model Law on Electronic Commerce (MLEC).

Key policies restricting Belize's digital trade integration

It is reported that there is a lack of transparency, land insecurity, bureaucracy, delays, and corruption that impact the public tenders' process. In addition, key transparency, and oversight bodies, including the Integrity Commission, the Ombudsman's Office, the Auditor General's Office, and the Labour Commissioner's position are reportedly vacant, creating additional uncertainty in the public procurement space. In practice, these offices are reported to be understaffed and under-resourced to effectively undertake their respective mandates. The Finance and Audit (Reform) Act 2011 establishes that a limited tender procedure (opting to individually invite suppliers to submit bids for a contract instead) may be instituted on grounds of national security or in instances of a national emergency, creating potential competition issues. In addition, Belize has not acceded to the World Trade Organization (WTO) Government Procurement Agreement (GPA).

The Belize's Companies Act imposes a local presence requirement by which foreign companies are legally obliged to have a registered agent within the country. Furthermore, the Trade Licensing Act states that individuals intending to partake in service businesses, digital content providers included, must obtain a license to conduct business in the country. Also, the Online Gaming Regulations stipulate

that any person wishing to engage in online gaming activities must apply for a license from the Gaming Control Board.

According to Direction No. 11 of the Central Bank of Belize (CBB), only registered foreign investors with an approved status by the Central Bank can make inflows and outflows of foreign currency and repatriate funds, with potential negative effects on electronic payments.

It is reported that the *de minimis* threshold, that is the minimum value of goods below which customs do not charge duties, is only USD 50, below the USD 200 recommended by the International Chamber of Commerce (ICC). Furthermore, Belize has yet to embrace domestic legislation derived from the UNCITRAL Model Law on Electronic Signatures.

Regarding IPRs, the Patents Act stipulates that any foreigners applying for a patent must be represented by a locally resident attorney-at-law actively practicing law in the country. Also, the country lacks a comprehensive regime to protect trade secrets, although the Freedom of Information Act and the Public Sector Data Sharing have certain guarantees in this area.

With the Statutory Instrument No. 104 of 2009, the country began a nationalization process of Belize Telemedia Limited/Digicell, which was concluded with Statutory Instrument No. 130 of 2009. As a result, the government owns all the company's share. In addition, functional separation for operators with significant market power in the telecom sector is not mandated. Foreign applicants might face uncertainty since the Telecommunications Act states that the PUC may consider national interest, policy or security when granting a telecom license and this Commission may suspend, modify, or refuse to renew a license. Lastly, Belize has only partially appended the WTO Telecom Reference Paper to its schedule of commitments.

As per Public Utilities Commission (PUC) Resolution, no individual or entity is permitted to import, install, vend, or employ any telecommunications equipment within Belize without the issuance of a license by the PUC specifically designated for such equipment. In addition, products using radio frequency and cellular technologies need to be approved but third-party certification from other countries are acknowledged.

Belize enforces notably elevated tariffs on imported ICT goods, with an average tariff rate of 10.7% on ICT goods from the region. A mere 17.9% of ICT goods from other regional partners enter with zero tariffs. Additionally, it is important to note that Belize has not signed the WTO Information Technology Agreement (ITA I) or its expansion (ITA II).

Currently there are only sectoral laws governing data and the country lacks a comprehensive data protection regime, although the Data Protection Act has been signed in 2021. Additionally, Belize has not engaged in any accords that entail binding obligations for facilitating unrestricted cross-border data transfers.

Recent policy changes and proposals

Belize has enacted several policies in recent years to increase digitization efforts. Among these policies, there is the Data Protection Act signed in November 2021, which however has not yet entered into force.

Other relevant policies implemented recently are the Public Sector Data Sharing Act, the Electronic Transactions Act, the Electronic Evidence Act, the Electronic Transfer of Funds Crimes Act, the Cybercrime Act, and the Digital Government Act. These laws present opportunities for Belize to engage

in more efficient and effective business practices while opening avenues for greater digital opportunities, particularly in facilitating improved access to connectivity and digitization in various sectors.

Belize acceded to the United Nations Convention on the Use of Electronic Communications in International Contracts (ECC) in August 2023. This Convention stands as the treaty governing the commercial utilization of electronic communications across borders, ensuring the recognition and enforcement of fundamental principles of electronic transaction law transcending international boundaries.

The Proposed Protected Disclosure Bill aims to create a resilient legal framework guarding valuable commercial information, while the Trade Licensing Bill intends to empower villages to collect trade licenses fees from eligible businesses, including e-business operators to streamline the administrative process to obtain a license, rather than applying to a central department.

Main recommendations

It is recommended that the country promotes transparency, accountability and efficiency in the public tendering process and considers acceding to the WTO GPA.

Moreover, it is advisable to consider the necessity of the requirement for foreign companies to have a local agent as stated in the Companies Act. Additionally, to promote digital services, it is suggested to ease and speed up obtaining a license contained in the Business Licenses Act and the Online Gaming Regulations.

It is recommended that Belize revises its Patents Act to eliminate the requirement for foreign patent applicants to be represented solely by locally resident attorneys. Additionally, the country should develop a comprehensive framework aimed at safeguarding trade secrets and consider joining the PCT.

In the telecom sector, it is suggested to implement functional separation requirements for dominant telecom operators, clarifying the criteria of national security and public interest that can create uncertainty in the licensing process. In addition, it is recommended to append the WTO Telecom Reference Paper to the country's schedule of commitments.

Belize should also consider raising its de minimis threshold, which currently stands at USD 50, aligning it more closely with the recommended international standard of USD 200 set by the ICC. Additionally, the country should consider adopting domestic legislation influenced by the UNCITRAL Model Law on Electronic Signatures. Updating these thresholds and implementing legislation in line with international standards can promote trade facilitation, encourage e-commerce growth, and improve Belize's competitiveness.

It is advisable to reduce the tariffs imposed on ICT goods imported from the region and expand the range of ICT goods eligible for duty-free import. Such measures would effectively decrease the expenses associated with acquiring ICT products for consumers. Also, it is suggested that the country joins the ITA I and its expansion, the ITA II.

Finally, it is suggested to move forward with the implementation and entry into force of the Data Protection Act passed in November 2021, which will promote trust and security for consumers. Additionally, Belize should consider joining agreements that facilitate cross-border data transfers.