



Belize Electricity Limited
2 ½ Miles Northern Highway
P.O. Box 327
Corporate Tel. 227-0954
Customer Care: 0-800-235-2273
Fax: 223-0891
Email: pr@bel.com.bz
Website: www.bel.com.bz

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Contact: Dawn Sampson – Manager, Corporate Communications

E-mail: dawn.sampson@bel.com.bz

BEL Clarifies Issue of GST on Electricity Bills

Belize Electricity Limited (BEL) advises the general public that the General Sales Tax (GST) levied on electricity bills dated in July 2006 is in accordance with the law.

Prior to the implementation of GST, BEL anticipated that customers would be concerned with the application of GST on bills for electricity consumption prior to July 1, 2006. Consequently, the Company called the attention of the GST Unit to this issue and after extensive discussions, the GST Implementation Team provided clarification to BEL in writing, stating that “GST will be applicable to all invoices issued for electricity consumption and all other charges, except for deposits, on invoices issued after July 1, 2006 and for all amounts in excess of \$150.”

This is further supported by Section 18(1) of the GST Act which reads:

“Except as otherwise provided in this section, a supply of goods or services shall be treated as taking place, for the purposes of this Act, at the earlier of the time when –

- a) an invoice for the supply is issued by the supplier; or*
- b) any of the consideration for the supply is received.”*

Last week the GST Unit requested that BEL give consideration to providing customers a refund of the GST charged on electricity consumption prior to July 1, 2006.

BEL has consulted with its lawyers, who have confirmed that it is illegal for BEL to refund GST.

Since BEL cannot legally provide tax refunds, any refunds for GST paid should come from the Tax Authorities with that responsibility.

END