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## PRESS RELEASE

### **Government of Belize Reaffirms Facts on SARA Transition Amid Misleading Claims**

*Belmopan, August 6, 2025.*

The Government of Belize (GOB) notes recent public statements and media commentary containing misinformation regarding the management of the Belize Tax Service Department (BTSD) and its transition to a Semi-Autonomous Revenue Authority (SARA).

Contrary to allegations that the BTSD is poorly managed, records show that the Department has consistently met and exceeded the tax collection targets set by the Ministry of Finance and has performed strongly against international benchmarks, including the Tax Administration Diagnostic Assessment Tool (TADAT). The BTSD is recognized both nationally and internationally as a leading tax administration. Since its formation, the Department has invested in over 250 different training programs at all levels, demonstrating a sustained commitment to professional development, capacity building, and empowering staff to deliver improved services. However, these achievements are not static.

Taxpayer satisfaction and operational efficiency require continuous innovation and initiatives to ensure that the BTSD continues to evolve and meet the changing needs of taxpayers and the economy.

Cabinet formally approved the transition to a SARA in October 2022 as part of its broader tax modernization strategy. This priority reform was publicly reaffirmed in the Prime Minister's 2025/2026 Budget Speech, delivered on May 12, 2025, underscoring Government's commitment to strengthening tax administration, improving service delivery, and supporting Belize's long-term economic development.

This reform is being implemented with the technical support of the Caribbean Regional Technical Assistance Centre (CARTAC), whose consultants bring extensive regional expertise in revenue authority reform. CARTAC also guided the successful amalgamation of the former Income Tax and General Sales Tax Departments into the BTSD in August 2019, one of Belize's most significant public sector reforms.

It is important to note that this amalgamation was successfully completed prior to the signing of the Inter-American Development Bank's (IDB) Strengthening of Tax Administration loan agreement in November 2019. This demonstrates that Belize's tax modernization efforts, supported by CARTAC's expertise, were well underway even before external financing was secured. The IDB loan further accelerated these reforms through funding for the procurement of a new Revenue Management System for tax administration operations and the IRIS Belize Portal, which enhances interaction between taxpayers and the BTSD. The IRIS Portal provides a secure and personalized platform for taxpayers to manage their tax accounts, file returns, make payments, and track compliance in real time, significantly improving the ease of doing business with the tax administration.

In line with the Inter-American Development Bank's (IDB) policies, the Strengthening of Tax Administration project has undergone two successful independent external evaluations. These evaluations underscore the transformational impact the project has had on Belize's tax administration and fiscal landscape, including:

- An increase in the tax-to-GDP ratio from 12.8% in 2019 to 15.6% in 2024, without any increase in the rates of business tax or general sales tax;
- The successful rollout of the Revenue Management System (RMS) and the IRIS Belize Portal, enabling e-filing, e-payments, and other digital services;
- Strengthened institutional governance and the implementation of risk-based compliance models;
- Extensive staff training and modernization of internal controls;
- Alignment of reforms with national priorities under Plan Belize and long-term fiscal sustainability objectives.

The transition to SARA builds on this foundation and will further advance Belize's modernization efforts through initiatives such as the implementation of electronic invoicing, enhanced taxpayer services, and expanded use of data analytics. Importantly, SARA will operate as a performance-based organization, designed to ensure greater accountability, efficiency, and service delivery while strengthening compliance and revenue collection.

The Government categorically rejects any claims that the transition to SARA will result in job losses. Every current employee of the BTSD will be guaranteed continued employment. All staff will be given the opportunity to transition into SARA under improved terms and conditions of service, including competitive compensation packages, modernized human resource policies, and greater opportunities for training, promotion, and professional development.

For those who choose not to transition, their employment will be safeguarded through redeployment within the wider public service. No public officer will be left without placement. The Government emphasizes that this reform is intended to strengthen, not diminish, the public service workforce, empowering staff with better tools, clearer career pathways, and a performance-based environment that rewards dedication and excellence while holding all employees accountable for delivering efficient, high-quality public service.

SARA will remain fully accountable to the Minister of Finance and, by extension, to the Belizean people. All revenue collected by SARA will continue to be paid into the Consolidated Revenue Fund in accordance with the law, ensuring full transparency and adherence to established public finance procedures. The phased implementation process includes the development of a robust legal framework, alignment of human resource policies, staff sensitization sessions, stakeholder consultations, and a comprehensive public information campaign to keep the public fully informed.

The Government remains steadfast in its commitment to building a modern, service-oriented, and performance-driven revenue authority that will deliver improved services to taxpayers, strengthen compliance, and support Belize's long-term economic development.

**Ends**