GOVERNMENT OF BELIZE

MINISTRY OF FINANCE
3RD FLOOR, SIR EDNEY CAIN BUILDING
BELMOPAN, BELIZE

C/GEN/1/01/26 Vol VI (29)

31 August, 2026

Mr. Dean Flowers
President
Public Service Union of Belize
P.O. Box 458
South End, Governor General's Field
Belmopan City, Belize

RE: RESPONSE TO THE PUBLIC SERVICE UNION'S CONSOLIDATED POSITION ON THE REVENUE AUTHORITY BILL, 2026 (Ref: ADM/1/01/26 Vol. VII (06))

Dear Mr. Flowers,

I write in response to the Public Service Union's letter of 10th August, 2026, conveying the Union's consolidated position to the draft Revenue Authority Bill, 2026.

Government has gone through the Union's letter and considered the proposed amendments in some detail. There are several of the Union's recommendations that, in Government's view, would change fundamental decisions already taken on how the Authority is intended to operate. I set out Government's position on each of the fourteen points below, followed by a small number of additional points arising from our own review.

1. No "No Less Favourable" Guarantee

Government does not consider it necessary to include this guarantee in the form proposed. It has been consistently explained that the Authority will have a new organizational structure, new positions, new job descriptions, and its own compensation and benefits framework. Existing BTSD positions will not simply transfer across on a one-for-one basis; however, we have maintained BTSD staff will have first preference to the new positions through a recruitment and selection process.

The purpose of transitioning to an Authority is to create an organization capable of attracting and retaining skilled professionals. To achieve that objective, the Authority's compensation and benefits framework must be competitive and, overall, more attractive than the terms available within the Public Service. The Authority will therefore need the flexibility to offer compensation, benefits, and career opportunities that are better than, and not merely equivalent to or less favourable than, those provided under the Public Service framework.

Government must, however, be careful in prescribing specific future salaries and benefits in the form of a guarantee, since the Authority's detailed structure and compensation and benefits framework remain subject to finalization and approval.

2. No Mandatory Pension Fund

The Bill already makes provision for pension and retirement benefits under section 34. What the Union is in substance asking for is that the Act mandate a particular pension fund and require it to be established within a set period. Given that the actuarial and pension work is still being completed, Government does not consider it wise to lock a particular pension structure or timeframe into the Act at this stage.

3. No Pension Preservation or Aggregation

It has never been the intention that officers lose pension benefits already earned in the Public Service. Those accrued rights are protected under the Pensions Act, and section 16 already addresses officers who opt to retire or move to the Authority, who will be compensated accordingly. Given the clean-break model being used, Government sees no need for a separate provision on this point: officers who move to the Authority will have their pension preserved and aggregated once the new pension plan is implemented, and officers who opt to remain in the Public Service remain public officers, so the preservation of their pension benefits is already implied by their remaining in the Public Service.

It is important to note here that there may be a misinterpretation of the Pensions Act when a post is abolished for efficiency purposes. It is not that the public officer is retired as though as he or she is 55 years of age adding extra years of service to what has been accumulated. The correct interpretation which was sought from the AG's Ministry is that the public officer will be retired based on the years of service accumulated at the set date his or her service with the Public Service will end, and the public officer will not have to wait until they are 55 years of age to commence collection of their benefits. Hence, a public officer who has 15 years of service or more could choose to apply for a position within the BRA, and if they are successful would be compensated with their gratuity and pension as per the Pension Act while collecting a salary for their position at the BRA with other benefits such health insurance and pension.

4. Reapplication, Not Genuine Transfer

Government does not agree with changing this to an automatic transfer.

This has been communicated from the beginning, the Authority is not simply the BTSD with a different name. There will be a new organizational structure, new positions, different job requirements, and completely new areas of work.

In fact, what the Union is proposing could actually limit officers. An officer may currently hold one position in the BTSD but have qualifications and experience that would allow him or her to compete for a higher-level or entirely different position in the Authority. The recruitment process gives officers that opportunity, rather than simply transferring them into the equivalent of whatever position they hold today.

Government will continue to make clear that a permanent officer who is not successful in the Authority's recruitment process does not lose his or her Public Service employment as a result.

5. No Successor Employer Recognition

Government does not consider it appropriate to import the Guyana provision on this point without modification. Guyana used a different transfer model; Belize is using a clean transition into a new Authority. As explained under point 3 above, this clean break means accrued vacation leave will be paid out, and new leave will begin to accrue under the Authority.

6. No Collective Bargaining Mandate

The fact that collective bargaining is not expressly stated in the Bill does not mean the right does not exist. Those matters will continue to be governed by the applicable labour and industrial relations framework.

7. Board is Advisory Only, Not a Management Board

Government does not agree with the Union's characterisation of the Board as powerless. The Board already carries significant responsibility under section 6, including strategic direction, performance oversight, human resource policy, remuneration, service standards, the annual budget, internal audit, and enterprise risk management. The advisory board will strengthen transparency and accountability by providing independent oversight, informed advice, and a formal mechanism for stakeholders to review and question the Authority's decisions as each member comes from different sectors. Further, the advisory board should not replace the statutory responsibilities of the Minister, the Chief Executive Officer, the Auditor General, or any other applicable oversight body. Rather, it should complement those mechanisms by promoting openness, ensuring that decisions receive informed scrutiny, and requiring the Authority to explain and justify its actions.

What Government has deliberately sought to avoid is the Board becoming involved in the day-to-day management of the Authority, or in individual tax and enforcement matters. There has to be a clear line between governance and management: the Board approves the framework and holds management accountable, while the CEO manages the institution. Giving the Board the managerial powers being proposed would blur that accountability and would, in effect, create two levels of executive management.

Government does, however, agree that the term "Advisory Board" may itself be contributing to the misunderstanding, since the Board's functions are clearly more substantial than simply giving advice, and is prepared to revisit that term.

8. Inconsistent Disqualification Provisions for CEO and Chief Officers

Government does not see a basis for preventing public officers from applying for CEO or Chief Officer positions. That restriction would mean that qualified existing managers and public officers could not even compete for those positions, which would run contrary to the very argument being made about protecting opportunities for existing staff. The eligibility requirements for an executive position and the restrictions applicable to an ordinary Board member do not need to be the same. Further, once again because something is not legislated does not mean it will not happen, it has been stated and included in the human resource policies that ALL staff of the Belize Revenue Authority would have to a recruitment process, that includes the CEO, Chiefs, and all other positions. The only difference is the appointment of the CEO must be taken to the National Assembly for affirmative resolution.

Government also notes that the Union continues to rely heavily on the Trinidad and Tobago Revenue Authority legislation in support of its comparative analysis. That Act has since been repealed. It remains a useful historical reference, but Government does not consider it a current model that Belize is obliged to follow.

9. Independent CEO Appointment and Removal

Government believes the Union has overlooked an important part of the existing provision. The CEO is not simply appointed by the Minister: the appointment is by Order, subject to affirmative resolution of the National Assembly, meaning it must go before the National Assembly for approval. The same applies to removal, which also requires a proposal from the Board before the Minister acts, again by Order subject to affirmative resolution.

Government also notes, respectfully, an inconsistency in the alternative being proposed: the Union's concern is that the CEO is appointed by the Minister, yet the Board members it proposes should appoint the CEO are themselves appointed by the Minister. Government does not see how that necessarily creates greater independence.

10. Abolition of Office and Pension Entitlements

Government does not consider it appropriate to automatically deem every BTSD office abolished for pension purposes. The Bill already gives officers the option to remain in the Public Service, and a blanket abolition provision could have consequences for pension and Public Service status that are not intended. As explained above, there will be a clean break, and officers who retire or move to the Authority will be compensated in accordance with the Pensions Act.

11. Loss of Constitutional Protections

Government respectfully does not share the characterization of this concern. An officer who elects to transition to the Authority would no longer be employed under the Public Service framework; however, this does not mean that the officer would be without constitutional or legal protections. The Authority and its human-resource framework must continue to comply with the Constitution and all applicable labour and employment laws. Accordingly, the Authority's HR policies are being developed in accordance with those legal requirements. For example, any disciplinary process must observe the principles of due process and procedural fairness. The BRA would not be the first statutory body established in Belize, and, consistent with the approach taken by other statutory bodies, efforts are being made to ensure that its HR policies protect employees from unfair dismissal and other violations of their constitutional rights. At the same time, legally sound policies will provide the BRA, as an employer, with appropriate protection against unnecessary or unfounded liabilities.

Government does agree, however, that officers should clearly understand the implications of each option available to them before making a decision. That is best addressed through proper transition information that has been and continues to be provided to staff, rather than through wording in the Act unnecessarily framing the transition as a loss of constitutional protections.

12. Insufficient Protection for Independent Audit and the Auditor-General's Audit Rights

Government believes the Union has overlooked what is already in the Bill. Section 20 requires the accounts of the Authority to be audited annually by the Auditor General and gives the Auditor General access to the records, documents, assets, and information of the Authority. It also allows for management or comprehensive audits. Section 21 already requires the annual report to be submitted to the Minister and laid in the National Assembly.

Government agrees that the Union has a point on one aspect: section 21 does not expressly state that the Auditor General's report and the audited financial statements must accompany the annual report when it is laid in the National Assembly. That is something Government can easily clarify and intends to.

Government does not, however, see the need for the proposed independent private auditor provision. Apart from creating the possibility of two audits for the same year, it could also create a conflict of interest, and unnecessary confidentiality of taxpayer-information issues.

13. No Parliamentary Review

Government does not view this as a major issue. The Act can be reviewed and amended at any time without a provision requiring review every three or five years. A periodic review could be considered as a matter of policy, but its absence does not mean the National Assembly cannot review the legislation. For example there are no set provisions for periodic reviews in the Income and Business Tax Act but it has been amended over fifty (50) times.

14. No Clarity on Employees Not Selected

This has been communicated on several occasions: a permanent officer who is not successful in securing a position at the Authority remains in the Public Service.

Government does agree that clarification is needed on the word "commensurate." Government proposes to define this term to take into account the officer's substantive grade or level, pensionable salary, qualifications, experience, level of responsibility, and status, so that officers are not left uncertain as to the type of position they could be placed into if they remain in the Public Service.

15. Checks and Balances.

Although this issue was not raised in the letter, we note comments made in the media suggesting that the Bill lacks adequate checks and balances. We respectfully disagree, as that position appears to reflect a misinterpretation of the Bill and the related legislation. First and foremost, the Constitution continues to require that any adjustment, abolition, or increase of a tax receive Cabinet approval and be presented to the National Assembly by way of a money bill by the Minister of Finance. Further, none of the principal charging Acts i.e. the Income and Business Tax Act, the General Sales Tax Act, or the Tax Administration and Procedure Act is being repealed. The Bill repeals only two provisions of the Tax Administration and Procedure Act establishing the office of Director General and the Belize Tax Service, which will no longer be necessary given the Bill's purpose of establishing the office of Chief Executive Officer and the Belize Revenue Authority. In any event, important safeguards and accountability mechanisms remain in place, including the Tax Appeals Board and the statutory procedures governing the write-off of taxes and the waiver of interest and penalties. It must also be recognized that taxation policy requires the Minister of Finance to retain appropriate policy oversight, while operational oversight must remain separate in order to protect the confidentiality of taxpayer information.

It has also been explained that the Belize Revenue Authority is a **SEMI-AUTONOMOUS** revenue authority, the autonomy is focused on human resources and budgeting. Finally, it has been explained on several occasions that human-resource rules will be governed by HR policies currently being drafted in accordance with the Constitution and applicable labour and employment laws. It is therefore wholly unfounded to suggest that the Bill would result in the loss of constitutional protections, particularly since the Constitution remains the supreme law of Belize.

16. Procurement.

For clarity, section 29(2) of the bill requires the Belize Revenue Authority (BRA) to follow the Financial Administration and Audit Act (FARA) until its own procurement rules are drafted and brought into effect. Any such rules, which would take the form of regulations, must be drafted in accordance with the Belize Constitution and all relevant legislation. Nothing in the Bill prevents those rules from including a role for the Contractor General, should that be considered appropriate. Once again, we believe that the concerns raised on this issue result from a misunderstanding or misinterpretation of the Bill. As for subsection 29(4), it expressly provides that the procurement rules must be made available upon request. The reference to a prescribed fee simply permits the BRA to charge for bidding documents, as is customary in tendering processes. The rules themselves, as regulations, cannot be withheld from or concealed from the public.

Additional Points from Government's Review

Apart from the specific points raised by the Union, Government's own review has identified a small number of areas it intends to address:

- A clear provision protecting officers' accrued and vested rights, which may address several of the Union's concerns without changing the clean-break model being used;
- A definition of "commensurate" rather than leaving it open to interpretation; and
- An express statement that the Auditor General's report and audited financial statements are included with the annual report laid in the National Assembly.

Government also wishes to note that the regional comparisons raised throughout the Union's letter are useful references rather than templates. Jamaica and Guyana operate under their own legislative and Public Service arrangements, while the Trinidad and Tobago Revenue Authority legislation relied upon has since been repealed. Nevertheless, based on the comparisons used from Jamaica and Guyana it is evident that tax administrations require an appropriate degree of autonomy in human-resource management because effective tax collection depends on access to the right expertise, skills, incentives, and professional standards, since both jurisdictions have reported an increase in revenue and compliance.

As taxation becomes increasingly digital, data-driven, and innovative, the capacity to recruit, retain, and train specialized personnel is more important than ever. The current public-service framework does not provide sufficient flexibility to attract the expertise or support the level of professional development required to meet these evolving demands. Greater human-resource autonomy for the BRA could help it recruit and retain individuals with a strong commitment to tax administration and ensure that staffing decisions are aligned with the organization's operational needs.

Such autonomy would also be accompanied by clear accountability, performance expectations, and appropriate oversight. Strengthening accountability in this way should be viewed as a sound institutional practice rather than an unusual or concerning departure from established arrangements.

Government remains committed to a transition that is fair to BTSD officers, and to continued engagement with the Union on the matters set out above.

Yours sincerely,

MINISTRY OF FINANCE
BELMOPAN BELIZE

Joseph Waight
Financial Secretary
Ministry of Finance

cc: CEO, Ministry of the Public Service
Director General , Belize Tax Services