



Belize Chamber of Commerce & Industry

Annual Report
2018

99th Annual General Meeting

Table of Content



<i>President's Message</i>	<i>P. 3 - 6</i>
<i>Overview</i>	<i>P. 7 - 11</i>
<i>Connect</i>	<i>P. 12 - 16</i>
<i>Capacitate</i>	<i>P. 17 - 23</i>
<i>Champion</i>	<i>P. 24 - 27</i>
<i>HR Report</i>	<i>P. 28 - 30</i>
<i>Western Union</i>	<i>P. 31 - 32</i>
<i>Executive Council</i>	<i>P. 33 - 34</i>
<i>BCCI Secretariat</i>	<i>P. 35 - 36</i>

REPORTS

2017 AGM Minutes
2017 Financials



President's Message

As we review and reflect on the past 12 months of business at the Belize Chamber of Commerce and Industry (BCCI), I am proud and happy for the progress we are making in pursuit of our vision “to contribute to the sustainable development of Belize through effective representation of the business community”. Our Triple C philosophy – to Connect, to Capacitate, to Champion - underpins our mission, which affirms that: “as the voice

Connect Capacitate Champion

of the business community, we are the leading advocate for private enterprise, promoting economic vitality and quality of life in Belize.”

This has been an amazing year for us as an institution. Despite the events, circumstances, and developments that continuously pose challenges to us, we remain committed to our mission, unfazed and undaunted. In fact, I would say that every year new challenges emerge that make our advocacy efforts more exciting and, of course, more rewarding. In seeking to be better, closer, and more helpful advocates, our vice presidents, supported by their team of councilors, have reached out to you individually as part of the different core business segments of the BCCI: Industry, Commerce and Services.

Before I review the more noteworthy achievements of the past year, I want to present to you some fundamentals about our financial position and outlook. I wish to highlight two events that overshadow our financial position and performance: 1) the loss of the long-term tenancy agreement with AIBL, which was an important cash-flow generator for servicing our long-term debt, and 2) the inability to cash-in our three non-performing real estate lots in (Ferrel Lane / Regent Street). We have not been able to find any long-term tenant for the office space vacated by AIBL, and this adds urgency to cash-in on the three (3) real estate lots to service our debt. Despite best efforts, we have been unable to attract interest for the three lots at the market-based price that we are asking for. Together, these two factors cast a long shadow on our financials, as you will see. I believe, however, that a different strategy can yield better results. We should consider marketing them separately or together as long as we, at the end of

the day, still manage to realize the “full” market price we have been asking for as a single unit. We will present this strategy to our Trustees hoping to get their support and enthusiasm.

With this as prologue, let me now focus on the more exciting events we take pride in sharing:



Soon after election in April 2018, the EC immediately got together to plan the way forward. We had many returning Officers and Councilors from the previous council, but we also welcomed fresh faces as Councilors; Andree King, Katherine Meighan, Ted Tejada, and Gilbert Canton Jr. It is an honour to lead such a talented team of professionals who have given so much of their time to represent you. I also thank their employing organizations for allowing them to engage so actively in the affairs of the BCCI. The success of the BCCI really rests on these

merits complemented by the invaluable contributions of a dedicated Secretariat.

Soon after the installation of the Executive Council in April 2018, our executive vice-presidents were formally assigned their respective portfolios, so as to enable them to engage more directly with members with their corresponding sectors. This has been our Modus Operandi (MO), to ensure that we remain as close and responsive to the needs and concerns of each sector as possible. We also assigned councilors to support each vice president in their roles and responsibilities, and I am happy to see the progress we have made. We also appointed three (3) ex-officio members to serve along with the EC to take advantage of their expertise and institutional memory.

Taxation has been a perennial point of interest for the private sector. On its own it has attracted much discussion with the authorities at the highest levels, as we have continued to seek fairness and balance. We believe that while taxation is an unavoidable transaction, it ought to not only be fair and just, but also specifically designed to promote economic development through investment. For this reason, we worked with the Belize Agro-productive Sector Group (Bas GROUP) and the Association of Real Estate Brokers of Belize (AREBB) to sensitize the Ministry of Finance (MoF) on some inequities that existed in Law that governed their respective sector, as well as, the severe hardship that taxpayers endure when the GST Department takes forever to process GST refunds. The outcome of our meetings is that the MoF has committed, via written communication to make the necessary amendments and to ensure that refunds should follow within 90 days if an audit has not started, or a query on an extraordinary item been made. It further agreed for the payment of refunds to be made, if an audit goes beyond 180 days.

Df's

We recognize that taxation is an important revenue stream for government, and can appreciate why refunds are so slow in coming, but tax money is also a critical factor in the development of new businesses and enterprises. Often this could swing the scales of success to failure. Over the past few months, we actively worked with BELTRAIDE and EPZ license holders to improve the EPZ framework, culminating in the new Designated Processing Area (DPA) Act. It is our expectation that this improved WTO-compliant framework, despite still having some challenges for some sectors, will serve the private sector in expanding export-related processing, allowing for meaningful employment for many, and the generation of much needed foreign exchange.

We were also in discussion mode with the Social Security Board (SSB) regarding the proposed changes to the employer/employee contributions. This, as the SSB officials have demonstrated, is a measure to stave off the arrival at the Fund's Point of Equilibrium, and to preserve the financial sustainability of the Fund. The BCCI proposed a Phasing-In approach with a gradual increase in the upper income bands between 2019 and 2023, and that adjustment beyond 2023 to move towards a higher employee share of the employee-employer split. The BCCI also called for improved administrative efficiencies as a fundamental step towards the sustainability of the Fund. After consultation with Labour, these proposals morphed into a hybrid that called for annual, rather than biennial changes.

One of the greatest contributions of the BCCI is its representation in various standing boards and committees. The BCCI has representation in over 50 such boards and committees, as well as representation in ad hoc meetings and negotiations. Through these representations, we maintain and promote the interest of the private sector grounded in transparency, accountability, and good governance.

The BCCI believes in continuous improvement, and actively looks for best practices in providing enhanced services to its membership community. This year the BCCI decided to adopt the Quarterly Economic Survey (QES) methodology employed by the British Chamber of Commerce (BCC) in the UK. In fact, this BCC QES is the largest independent business survey in the UK and a significant economic indicator. Having completed our first draft, we were able to see important indicators and statistics:

1. Cash flow decline in 1Q18;
2. Employment strengthening 2Q18;
3. Positive outlook for Investment plans for the next 12 months;
4. Strong indications of uptick in prices for goods and services;
5. Taxation remains the strongest area of concern for the respondents.

All in all, these indicators corroborate the Central Bank's growth estimate of 3.1% for 2018, moving into 2019. We thank those of you participating in this survey, and I encourage those

that have not done so, to participate. With time, the QES will become an important economic indicator for the private and public sectors.

One of the events of the past twelve (12) months, of pride and satisfaction, is the Made in Belize Expo held in June 2018 at the National Agriculture Show Grounds. The attendance and feedback were very positive, leading us to incorporate it into our annual Expo events calendar. These are the highlights of the past twelve (12) months. We are an open organization fully committed to the principles we preach – transparency and accountability. We welcome your input and constructive comments on how we can serve you better. Our vice presidents have opened communication channels with you to address sector-specific issues and concerns. We thank you for your ongoing support.



Lastly, we remain engaged in national issues that have either a direct or indirect impact on doing business in Belize. For instance, our involvement in the UNCAC steering committees remains steadfast, despite its pace not being overly gratifying. We have held several business mixers to keep our members informed on the Belize – Guatemala dispute and, particularly, on the question of going to the ICJ. BCCI has also continued with our weekly Business Perspective (BP) Shows to inform and educate our members on matters of concerns to Business.

At this time, I also wish to remember, along with these achievements, the hard work, the kind words, the laughs, the discussions, the excitement, and the moments of joy that we, the EC and the Secretariat, have enjoyed. It is certainly a great gift and a wonderful experience that we will always remember and treasure.

Chamber members, thanks for having us onboard, and for allowing us to look after your interest. Your confidence and trust in us is humbling, and we here commit to continue serving with dignity and respect.

2019 has already begun with so many activities and engagements by your EC and, therefore, we look forward to embracing much more, and a successful 2019-2020... when we celebrate our Centennial AGM

God Bless us all, and God Bless Belize...

President's Message

Overview



Reflecting over the past year, the Belize Chamber of Commerce & Industry (BCCI), which is celebrating its 99th Anniversary has been able to accomplish a significant amount of work. Ninety-nine years of unbroken service is remarkable and we are all very proud to be a part of this esteemed organization. We recognized that in order to better serve you our members that we had to broaden our scope from being a mainly “City Centric” organization to a “Country” organization. On the 13th February 2018, we signed an MOU with Belize Business

Brokers to form the San Pedro Chapter of the Belize Chamber of Commerce and Industry. They joined the Toledo Chapter, which was inaugurated in 2017. Through these two chapters we are able to add the voices, concerns and recommendations of businesses in these two locations to the voices of the other businesses countrywide to fulfil our mandate of being the voice of the private sector.

In April of 2018, you elected a new Executive Council Mr. Nikita Usher- President, Mr. Allen Reimer- V.P. Industry, Mr. Marcello Blake- V.P. Commerce, Ms. Marissa Longworth – V.P. Services, Secretary- Mrs Ashanti Martin, Mr. Giacomo Sanchez- Treasurer and five Councilors Mr. William Usher, Mr. Gilbert Canton Jr., Mr. Ted Tejada, Ms. Andree King and Ms. Katherine Meighan. The Guest Speaker was Ms. Mihaela Stojkoska UNDP Anti- Corruption Specialist.



One of the major issues of concern to the Business sector is the Trade License reform, which started as far back as 2013. Your Chamber has remained engaged to ensure that the subjectivity of the current regime be removed. After many consultations, international and local consultants this issue remains unresolved.



A great concern voiced by many of you is the issues that you were facing in dealing with the commercial banks, in terms of the length of time taken to open a business bank account, acceptance of cash deposits, availability of foreign exchange and the time and cost of wire transfers. Your Chamber made representation to the Central Bank of Belize and the Bankers Association as what was revealed is that the procedures were not standardized across banks. Coming out of those meetings it was determined that we should hold a mixer bringing together all the players involved. This was realized at a robust mixer that was held on the 13th February 2018.

Your Chamber facilitated a meeting between the Financial Secretary, the Belize Agro Productive Sector Group and Association of Real Estate Brokers of Belize to address recurring issues related to the implementation of GST regulations. The outcome of this meeting was that the Government committed to keeping the 90-day timeframe for refunds when no audit has been ordered and agreed that even when there is an audit, refunds could not be withheld for more than 180 days.

Our representative on the EPZ committee requested that we organize a meeting with members who have EPZ status to determine the impact that the change in legislation from EPZ to DPA will have on them. Mr. Lincoln Blake the Director of Investment & Policy in the Ministry of Investment, Trade & Commerce facilitated this meeting, which was held on November 5th. The draft Bill was circulated and members made representation at the House Committee Meetings.



In February we received correspondence from the SSB outlining proposed changes to the contribution scheme, which proposed to change the rate from 8% to 10% and also to increase the wage bands from the current \$320 to \$520. This would have proven onerous on employers who would have had to absorb the increase in cost all at once. Your Chamber recognized the position that the SSB was facing with the fund reaching the point of equilibrium had various methods of consultations with you, including asking you to plug the proposed changes into your current situation to see the impact that the changes would have on your business. We also held a mixer with the principals of the SSB so that you had the opportunity to hear from them first hand and address your concerns to them.



For the first time Belize had representation at the EXPOComer which was held in Panama in February, your Chamber negotiated with the organizers for preferential prices for the booths. While there was interest from four companies in the end, we had two attending Atlantic International Bank Ltd. And Atlantic International Corporate Services.

The BCCI partners with the Spanish Lookout Chamber when they have their biennial Expo. 2018 was no exception; we provided the support and shared information with you and participated in this Expo, which was held on 1 March 2018.

We organized a meet and greet session with Belize's Ambassador to Cuba and members in the Citrus, Agro - Processing, meat and grains sector. The Ambassador presented to the group on the conditions of doing business in Cuba.



Members were invited to participate in countrywide consultations with the Directorate General of Foreign Trade regarding the draft National Trade policy.

Your Chamber represents you on over 50 policy making committees such as the SSB, DFC, BELTRAIDE, Labour Advisory, National Health Insurance to name a few. As a member at the signature level and above you also have the opportunity to represent your Chamber.

The ILO recognizes the Belize Chamber of Commerce and Industry as the official Employers Organization in Belize. They have supported several initiatives to strengthen employers including providing trainings for our members as well as the resources for us to conduct a Skills Gap Study in the ICT and Agriculture sectors.

As representatives of employers, your Chamber has engaged the National Trade Union Congress of Belize (NTUCB) to review the Occupational Safety and Health Bill (OSH). The NTUCB asked for more time to review and both parties have agreed to continue the dialogue to take the Bill to the House. The BCCI's Labour Sub Council remains very active and reviews the pieces of legislation being examined by the Labour Advisory Board (LAB). Thanks to all of you who have contributed your time and expertise to make our interventions informed.

The Chamber also participated in a course offered by the International Organization for Migration on migration as a basis to develop a National Migration Policy.

Overview

In 2018 the BCCI celebrated its Silver Anniversary of providing the Western Union services to Belize. To celebrate our 25th year we gave back to our customers through several promotions throughout the year. This will all culminate in June of 2019 with a grand kitchen makeover courtesy of Shop Courts.



Your Chamber continued the partnership with Love FM and Love TV to air the Business Perspective show. We aired forty-two episodes of the Business Perspective Show in 2018 as well as published several Business Perspective columns in the Reporter Newspaper.

In keeping with Women's month, the BCCI offered a discount to women entrepreneurs for the month of March.

We signed a Memorandum of Cooperation (MOC) with BELTRAIDE utilizing both our strengths and expertise to further the causes and support for MSME's. We also signed a MOU with the Reporter newspaper affording members discounted pricing for advertising.



Your Chamber executive decided that the Chamber will not take a position on the Belize/Guatemala dispute. Instead they committed to try to provide information to the members on both the pros and cons of taking the claim to the ICJ. We hosted two mixers in



2018 on this topic with Dr. Assad Shoman and Mr. Paul Morgan as the guests. The OAS has also met with the Executive Council to get the business view on the education campaign and recommendations for improving it.

The escalating crime situation prompted the BCCI to reach out to the Belize Chinese Association and the Belize Indian

Community to discuss collaborative initiatives that we can support to mitigate the crime wave. The group met with the Minister John Saldivar to offer our support. The BCCI sourced an expert from Trinidad and Tobago to conduct a training session named "The Armed Intruder" which assisted members to assess their operating plans and make the necessary changes.

Throughout the year we met with representatives from Standard and Poors rating agency, the IMF and the World Bank to provide them the opportunities and challenges that business people experience and what we believe could be done to improve the business climate and promote economic growth.

The BCCI participated in a meeting with the IMF on a technical assistance program in collaboration with the Central Bank of Belize. The objective was to assess the vulnerabilities and gaps in the AML/CFT framework.

So, as you can see it was quite a full year for your Chamber. We thank you so much for your support and interventions. We look forward to continuing our partnership to strive for an economic environment conducive to growth.

God Bless you all.

Overview

Connect

The Belize Chamber of Commerce & Industry Connects members nationally, regionally and internationally. The BCCI organized several trade missions, which connected our members to different buyers and sellers to introduce their products, increase their sales and to improve their competitiveness.

The Belize Trade and Investment Development Service (BELTRAIDE - the trade and investment arm of the Government of Belize) and the Belize Chamber of Commerce and Industry (BCCI), signed Memorandum of Cooperation on June 7th, 2018.

This cooperation seeks to foster a closer collaboration between private and public sector. It aims to provide the following:

1. Efficient and seamless services to MSMEs, exporters, potential exporters, and potential foreign and local investors in business development facilitation, export promotion and export development through its technical units and
2. Meet industry-specific needs by providing demand- based, short-term training programs for entry-level positions.



Spanish Lookout Expo



The Spanish Lookout Business Expo was held on March 2nd & 3rd in Spanish Lookout. The Expo was a two-day event that catered to all businesses across the country and is organized by the Businesses of Spanish Lookout and supported by the Belize Chamber of commerce & Industry in an effort to bring awareness to the construction, food and agro processing industries as well as the automobile companies. The BCCI's Western Union and the BCCI took part in this event for both days.

Expo Belize Market Place



The Expo Belize Market Place celebrated its 22nd Anniversary on September 15th and 16th at the ITVET Campus on Freetown Road in Belize City, with 115 companies participating in 196 booths and with more than 13,000 Expo visitors to the Expo. This year's Expo shared the usual focus which, was to offer BCCI's membership a wonderful opportunity to update the Belizean public of their accomplishments and

services throughout the past years. Expo Belize Market Place is known to be Belize's largest business Expo where local businesses showcase their finest products, offer deals and connect with other businesses and their clients.



The Expo has evolved over the years into a vibrant market place, where businesses have an audience to test and develop business ideas. This year's Expo consisted of businesses coming from as far North as Corozal Town and as far south as Punta Gorda and the Cayes. The BCCI Invited the public to take advantage of the local food, drinks, giveaways, handicrafts and amazing deals that was offered only at the Expo Belize Market Place and also exciting Entertainment by Ernestine Carballo, Cocono Bwai, Terry the Bruk down Band and Supa Furia Band with special host, DJ Dalla.

To express our gratitude to companies that have participated and supported its Chamber since the Expo was first initiated in 1996, the Chamber presented awards to thirteen companies at the Opening Ceremonies on Saturday, including Trenchtronics, Central TV & Internet, Morning Matters, Cellular World, Studio 7, Caribbean Tires and Motors, Way Printing, Bowen & Bowen, Wood Stop, United Airlines, Brothers Habet, Love FM, Krem Radio and we also issued an award to the youngest exhibitor at this year's Expo, Craftastic J.

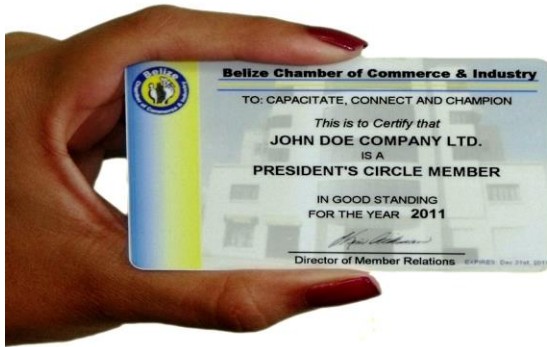
Community Expo



The BCCI supports other community expos such as Corozal Junior College Business Expo held on March 29th, 2018. Each year the Corozal Junior College hosts its Expo known as the CJC Business Expo, which is held in the Corozal District. The objective of the Expo is to expose students to the world of business.

Connect

BCCI Chamber Card



It has been 13 years since the Chamber Discount Card has been implemented. A start with 12-member sponsors in 2004 grew to 31 members in 2017 agreeing to offer discounts on goods and services at their businesses to their peers whenever the card is presented.

The Chamber discount card also validates businesses as members in good standing of the Chamber.

The card is valid for discounts on a wide range of goods and services such as construction, groceries, poultry, printing, marketing and advertisement, Wines & Spirits and medical services, to list a few.

Florida International Trade and Cultural Expo (FITCE), Miami **October 17th - 18th, 2018**

This is a B2B connection event where buyers and sellers from over 50 countries meet. The BCCI also participated in the panel presentation and discussion on: *“Doing Business in the Caribbean”*.



Connect

University of Belize Marketing Expo, Belmopan **21st November 2018**



Christmas Expo

The Belize Chamber of Commerce & Industry hosted its 7th Annual Christmas Expo Extravaganza. The Christmas Expo was home to your favourite local businesses that offered Christmas cooking essentials and the best variety of gifts at the lowest prices. The event took place at Caribbean Motors/Tires at mile 3 ½ on the Philip Goldson Highway in Belize City, from 8:00 a.m. to 6:00 p.m. We had over 20 companies participating in 45 booths and over 3000 visitors to the Expo.



Thank you to our Partners in 2018

San Pedro Town Chapter



Toledo District Chapter



Capacitate

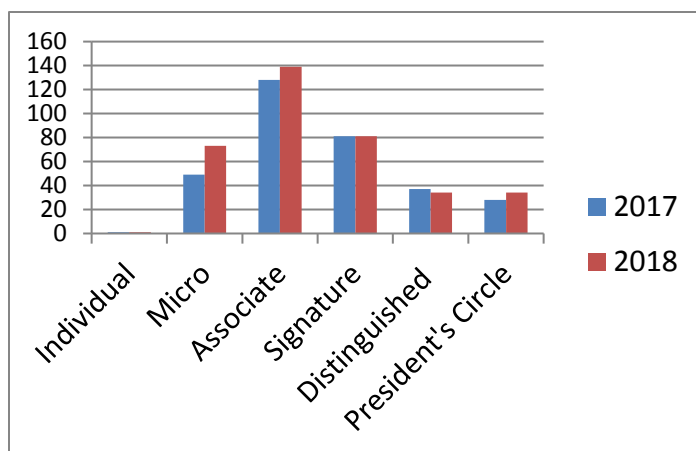
The BCCI's membership forms a core part of who we are and why we exist. Year over year we are happy to report that our representation has increased across the country making our voice stronger. You have made your Chamber relevant by your active participation and coming together to work on issues that commonly affect the business community.

At the start of 2018, the BCCI launched its second Chapter in the country. The Belize Business Brokers signed an MOU with the BCCI to push for more employer representation in San Pedro Town and to be the BCCI's official Chapter. Our first Chapter was introduced in the Toledo District in 2017



Our membership is comprised of 4 corporate levels: Associate, Signature, Distinguished and President Circle. A mom and pop business and an artisan can also have the opportunity to engage with the Chamber through our Micro tier of membership. Individual membership exists for students, retired persons or any person who is not affiliated with a registered company. Group of Companies and Association bodies can join the Chamber at the Signature, Distinguished or President Circle Tier and have their affiliated companies or members respectively be considered and enjoy the benefits of the membership.

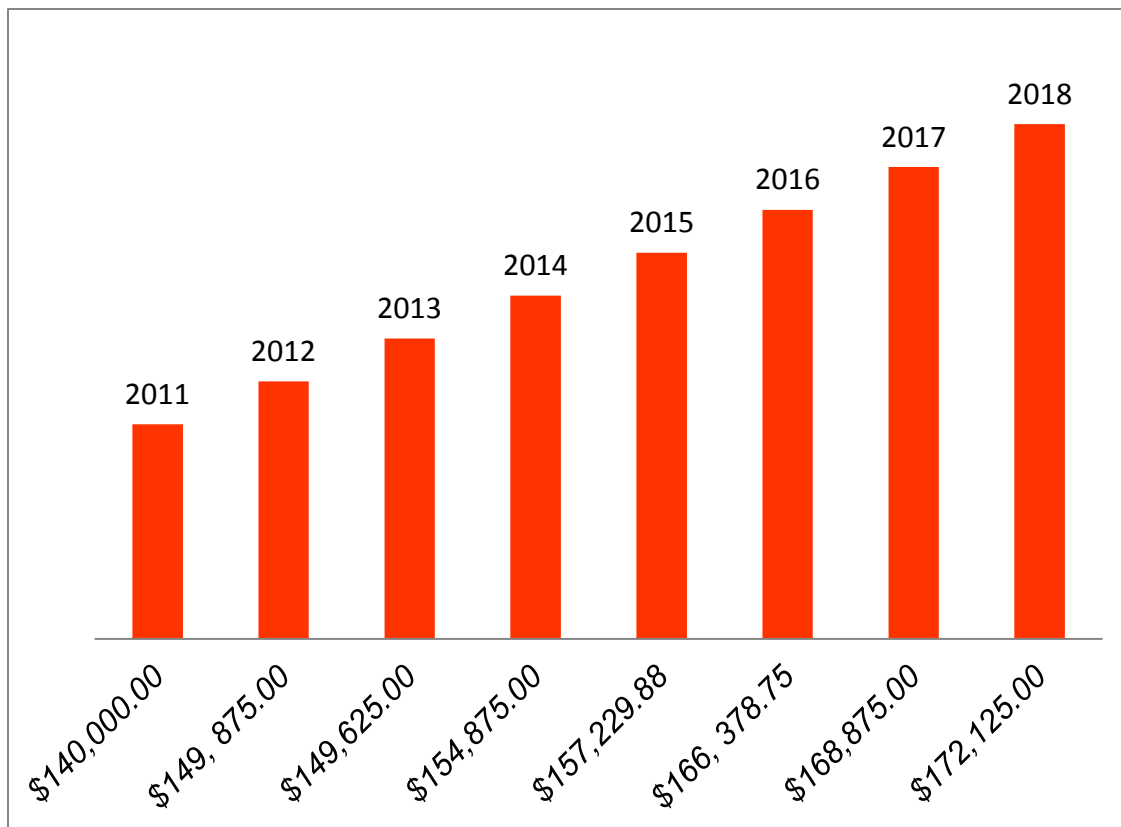
Each tier carries its own level of access to services of the Chamber. The Signature is the baseline to be more actively involved in the Chamber in policy and legislative reform. The President Circle is our ultimate tier where members have unfettered access and are the



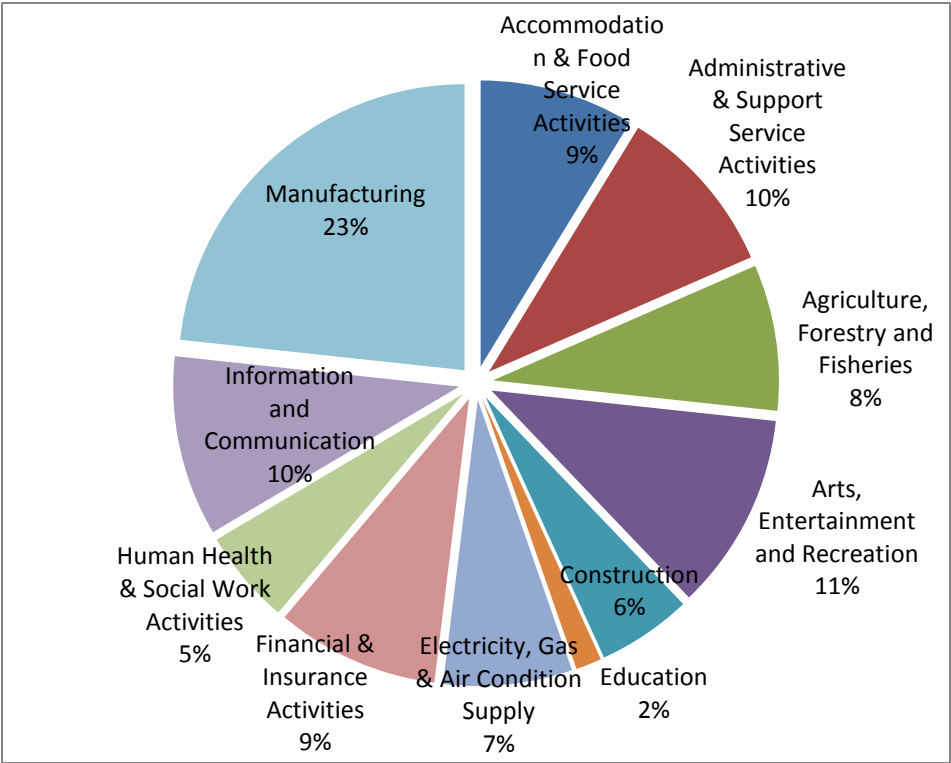
leaders in setting the direction of the Chamber.

The table below compares our tier of membership between 2017 and 2018. Overall, we experienced an increase in membership in 2018. The Micro, Distinguished and President Circle tiers contributed to this increase. Almost 75% of our exhibitors, at our first Made in Belize expo held in June 2018, were very small entrepreneurs who weren't members of the Chamber. Their participation at the expo also gave them an opportunity to experience the membership of the Chamber in 2018 and contributed to the Micro tier increase. New members who came on board saw the importance to join at the President Circle tier to take the Chamber at its helm.

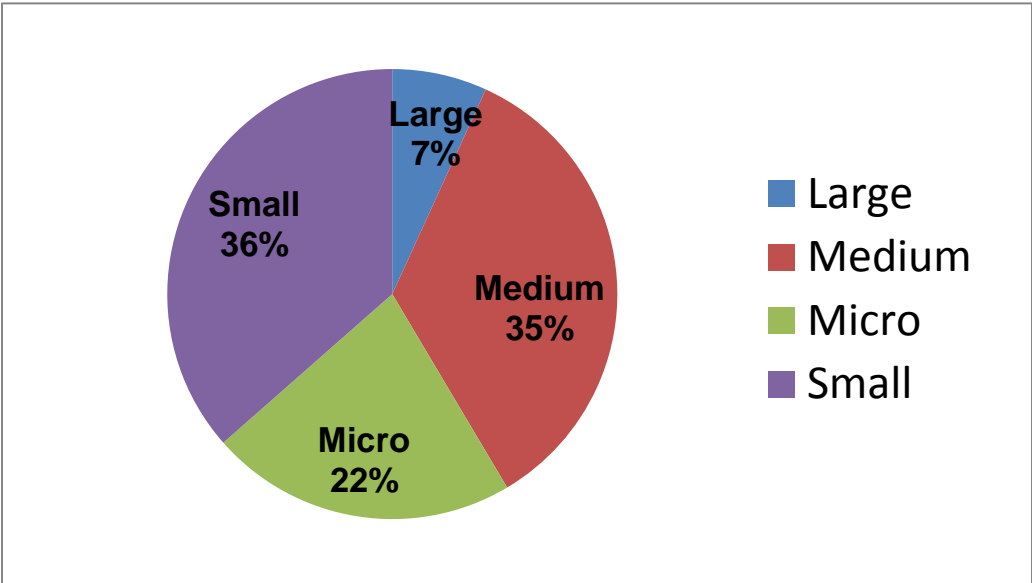
This table shows consistent increases in membership revenue over the past 8 years, immediately after our membership services benefit package were restructured in 2009/2010.



The BCCI represents the voices of businesses across the country, in commerce, industry and services and business sizes – micro, small, medium and large. Here is a table that gives an overview of the wide cross sectors of our membership.



The common misconception is that the BCCI represents only large businesses. This chart shows our composition and the majority of our members fall in the medium and small category.



Business Mixers

ICJ Referendum, June 27th



*Banking Business,
February 13th*



*The “No” to the ICJ,
August 16th*



*SSB Contribution Schedule
March 15th*



TRAININGS



The BCCI organized 12 Managerial, Leadership, Marketing, Financial & Customer Care trainings that had 274 participants. Three hundred and thirty-nine (339) participants took advantage of our informational sessions held across the country in partnership with the General Sales Tax (GST) Department, Belize Agricultural and Health Authority (BAHA), National Emergency Management Organization (NEMO), Galen University, and other individual educators.

TRAININGS organized in 2018

DATE	NAME	# of Persons Attended
Jan-24	Superior Customer Service	28
03-Feb	Superior Customer Service Company Specific	10
24-Feb	Superior Customer Service Company Specific	12
Feb-18	Development & Execution of Marketing & Sales Strategies	22
Mar-18	Time Management	16
20-Mar	Effective Business Writing Skills	10
Apr-05	Records Management	8
May-10	Strategic Planning & Mgmt	10
May-24	Roles & Responsibilities of a New Supervisor	14
Aug-02	Armed Intruder & Robbery Prevention Training	45
Aug-09	Disciplinary Action- The Importance of Documentation	20
Aug-23	The Voice of Leadership	11
Oct-03	Writing & Analysing Financial Reports	12
Oct-25	Superior Customer Service 2	13
Nov-13	Key Skills for Leadership Excellence	43
	Total	<u>274</u>



SENSITIZATION SESSIONS

ORGANIZATION	DATE	LOCATION	# OF PARTICIPANTS
BAHA	April 13th	Belize City	10
	April 20th	Orange Walk Town	20
NEMO	April 20th	Belize City	36
	April 18th	San Pedro Town	10
	May 16th	Placencia	11
GST	May-03	Belize City	14
	May-09	Orange Walk Town	23
	May-09	Corozal Town	10
	May-23	City of Belmopan	19
	Aug-08	Dangriga Town	21
	Aug-30	San Pedro Town	17
	Nov-08	GST PG	27

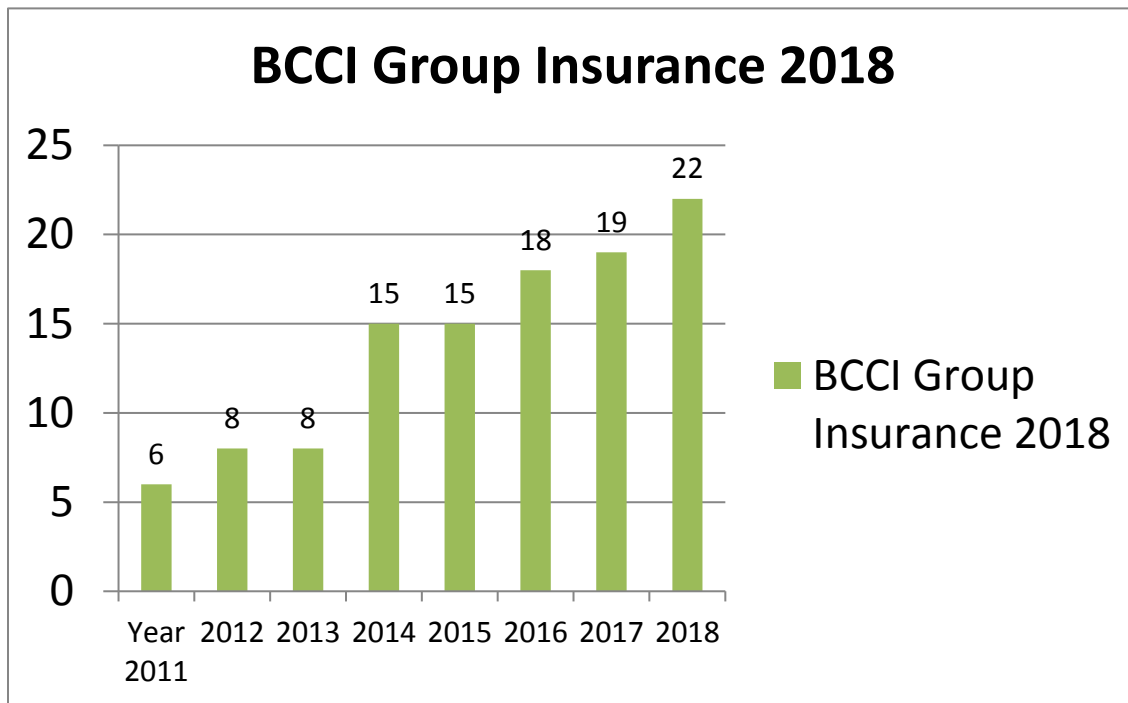
LUNCH & LEARN SESSIONS

ORGANIZATION	DATE	LOCATION	# OF PARTICIPANTS
UNIBAM Lunch & Learn	Feb-15	Belize City	17
Create a Future with Millennials	Jul-13	Belize City	32
Leadership in the 21st Century	Jul-19	Belize City	40
Flippen Luncheon	Jul-27	Belize City	32

Total	339
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The BCCI offers to selective tiers of membership a life and group health insurance where both employer and employees have access to coverage. The programme is offered through Sagacor Life and brokered by Diversified Life Solutions.



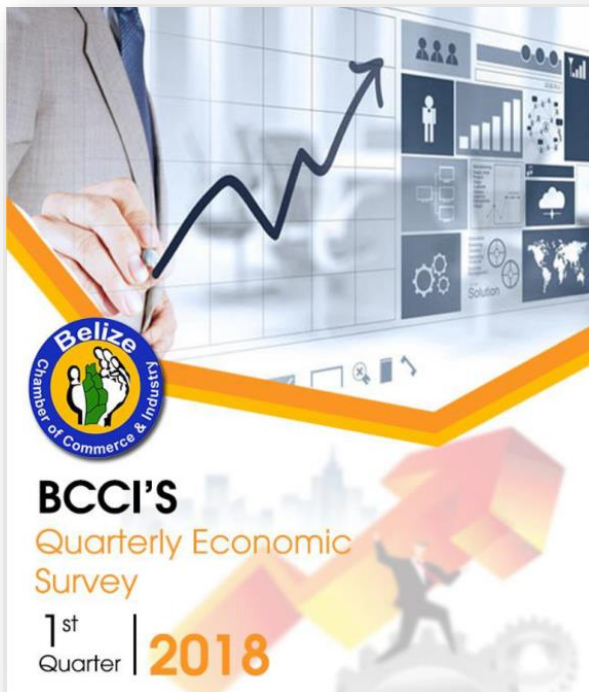
Capacitate

Champion

As is true for any effective advocacy effort, information is essential. It is for this reason the BCCI has seen it fit to establish a Trade and Advocacy Department that is tasked, *inter alia*, with conducting research that helps to inform the strategic positions taken on behalf of our members. However, as is true with other jurisdictions' Chambers of Commerce, one of the most pertinent sources of information is from our members themselves.

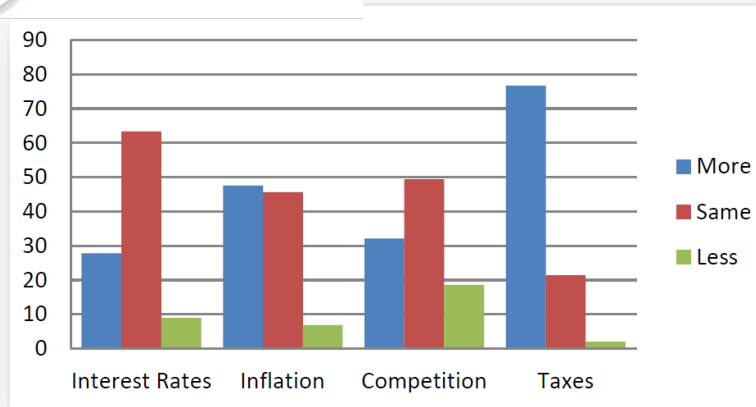
To that end, the BCCI has piloted the first [Quarterly Economic Survey](#) for the first quarter (Q1) of 2018. The methodology closely mirrors that employed by the Chamber's British counterpart, and while the total number of respondents was a far from being ideal, the

results—at least for Q1 2018—did coincide with what was reported by the Statistical Institute of Belize (SIB). For this reason, we are inspired, with the much-needed help and input from our members, to continue and expand this initiative.



Ideally, with more involvement by way of responses, the BCCI would be even more equipped with the relevant information regarding our members' perceptions, concerns, and positive (or negative) outlook on the economy. This, naturally, shall aid in our advocacy efforts being supported by empirical data, which also allows for increased precision in our lobbying efforts.

Capital Market Analysis via the IDB



The results of the 2018 Quarterly Economic Survey (QES) indicated that access to finance remains a significant constraint among our members. More than 60% of respondents indicated that it remained at the same level of concern, while more than a quarter expressed that it has become more of a concern.

In an effort to provide some movement on this long-standing constraint, the Belize Chamber of Commerce and Industry (BCCI) reached out to the Inter-American Development Bank (IDB) for their technical assistance in conducting a Capital Market Study. The objective of the study is twofold: to assess the current level of Belize's readiness for a securities exchange, and (ii) in the event of low levels of readiness, to provide recommendations as to alternative methods that could be employed.

The preliminary results of the study confirmed what was already known: that Belize is not ready for a stock market in the traditional sense. This finding was based on the current limitations as it pertains to the Macroeconomic policy environment; lack of strong institutions; and need for improvement to the financial infrastructure. Alongside the factors noted above, there is still need for improvement in laws that protect creditors' rights and strengthen corporate governance structures.

To achieve some of the aforementioned changes, the study provides specific recommendations; however, it simultaneously allows for more pinpointed focus on other alternative innovative financing mechanisms. Consequently, for 2019 the BCCI and its relevant partners will be working on two fronts: to continue lobbying for changes in the relevant areas, and secondly, to actively work with local and regional partners to provide innovative solutions to this persistent constraint to business.

Social Security Board's Contribution Scheme

As most members are likely aware, the Social Security Board (SSB) in late 2017 had commenced a tripartite series of consultations with government, private sector, and labour representatives regarding measures to stave off the SSB Fund arriving at its point of “equilibrium”, where expenditures meet and/or exceed the contributions.

Initially, the SSB had intended to increase the upper income bands' insurable income from \$320 to \$520 in a single adjustment, after having avoided making the requisite amendments for approximately two decades. The original SSB's position was to also increase the social security tax from the current 8% of insurable income. The BCCI, however, after having received the input from our members, lobbied for a phased-in approach that would see incremental increases over a five-year period. This position, with input from labour, was countered to a slightly modified version in which the changes would be implemented over a three-year period, culminating in 2021.

However, the BCCI's acceptance of the proposed changes was made contingent on the SSB's provision of explicit assurances regarding the instituting of proper oversight structures to constrain instances of abuse or mismanagement of funds, as well as clearly defined cost-cutting measures. Similarly, it was expressly based on the commitment from



SSB to have the process for any future amendment incorporated into law so as to insulate it from the political cycles. With some space for further negotiations on the precise details, the SSB has, in writing, accepted these conditions.

Recognizing that moving forward the input from BCCI's members shall be even more

essential, we continue to encourage members to participate in the Membership and Advocacy information-gathering efforts, including electronic surveys and/or focus groups.

GST Position Paper

At the start of the 2018/19 Fiscal Year, the Belize Chamber of Commerce and Industry (BCCI), in collaboration with the Belize Agro-productive Sector (BAS) Group, and the Association of Real Estate Brokers of Belize (AREBB) wrote to the Ministry of Finance (MoF) regarding several areas of concern. Among these concerns was the issue of delay in refunds of General Sales Tax (GST) when, in accordance with Rule 21 (2) of the GST Regulations, an audit has been triggered.

The position paper raised the point that there should be a limit placed on the length of time that refunds could be delayed due to an audit, a request that dates back to 2014 when the MoF and the private sector had discussed this matter. In response to the most recent lobbying effort on this subject, the MoF wrote as follows:

“We understand the concerns and we would agree that if within the 90-day time period neither has a GST audit commenced nor has a query on an extraordinary item been made by the GST Department, then the refund should be made in full. Should such payment result in an overpayment then such overpayment could be recovered subsequently against future refund claims.

“We further agree that if an audit, which has already commenced, is not completed within a period of 180 days from the commencement of the audit, then (the) refunds would be made in full. Should such payment result in an overpayment then such overpayment could be recovered subsequently against future refund claims.”

This commitment is essential as many of our members rely on the cash flow provided by the refunds, and potentially eradicates the cases of delays that have lasted, in some instances, more than twelve months.

A large, stylized, cursive logo for 'Champion' in a light gray color, positioned in the bottom right corner of the page.

HR

As we come to the close of another Financial Year; the Finance, Administration & Human Resources Department encountered several challenges however, we also had rewarding times in 2018.



We continue to work on building our staff capacity by creating the opportunity to enable them to partake in several training sessions and receive certification in these various fields. Some of these trainings were one day or weekly sessions; whichever it was, staff were more than willing to participate and

enhance their skills. Our Chief Policy Analyst participated in a four-day training sponsored by IDB from 17 – 20 April 2018. The course “Towards an Integrated Statistical System Based on Administrative Registers” is designed to help private and public sectors partners develop administrative registers which would be a more efficient method to developing statistics. Our Manager of Member Relations attended an entrepreneurship project which was led by APC Colombia along with the Ministry of Trade in Columbia from 25th – 26th September 2018. The purpose of the project is to support and promote the development of the regional strategy of Entrepreneur, Innovation and Business development in countries of Meso America and specifically for Belize to strengthen our entrepreneur eco-system.

Throughout the year we did several staff “get togethers”. We had staff meetings to share concerns and update on our progress as a team. These meetings were very interesting and intense at times as we discussed various ideas on working together daily as a BCCI family. Throughout the year we celebrated birthdays and farewells. We welcomed four new staff members – Mrs. Tracey Recinos Hanson (Project Coordinator), Mrs. Carmelita Chi (Accounts Clerk), Ms Danielle Reneau (Marketing Representative & Conference Coordinator) and Ms. Annesia Andrews (WU Customer Service Representative). The staff activities were concluded for 2018 with a grand Christmas Dinner provided by the staff.



We are pleased to inform you that we renewed our service agreement with Belize Healthcare Partners Limited to provide medical services to our staff and family members.

In the month of June, we had two interns who assisted the Secretariat - Ms. Dominique Donadelle from Mercy College, New York, USA and also Ms. Amaris Moh from Edward P. Yorke High School, Belize City. Ms. Donadelle assisted us from 22 May – 29 June while Ms. Moh assisted us from 18 – 29 June 2018. At the end the two Interns were given a small token of appreciation for their contribution to the Chamber. They expressed their appreciation for the opportunity granted to them.

As mentioned, we were not without some challenges as banking restrictions continue to put a strain on our Sub-agents in the Southern Districts. This gave us some challenges in settling their payment.



BCCI and the IDB had signed an agreement in October 2017 for the MIF project; the detailed Financial Plan, the Annual Operations Plan and the Operations Manual for the Pro-adapt Climate Resilience Project were approved by the IDB. On the 2nd August 2018, BCCI received the first disbursement from IDB. This project is for a term of three years our Project Coordinator and Project Assistant are currently spearheading this project.

The rental agreement with our former tenant AIBL expired on 07th April 2017 therefore we now have an office space available for rent. The Board agreed to market the second floor for rental either in its entirety or divided into offices and conference. To date the space remains empty, however we continue to provide the conference rental service. In 2016 the Board of Trustees gave permission to list the Regent Street Property for sale; after a bidding process it is listed with Century 21. Marketing of the Regent Street parking lot and Coney Drive office space is ongoing. The strategy includes advertising through social media, newspaper ads and targeting potential clients who can utilize our space.

In August 2018 we requested proposals to complete BCCI's website/billing system project. We received five proposals; Mr. Demian Solano from Idealab Studio was the selected Web Developer; he indicated that the project will take 3 – 4 months to complete.

The Treasurer and the CEO had a meeting with our loan officer at Atlantic Bank Limited to request consideration from them to refinance our mortgage facility. The bank agreed to lower the interest rate to 7.5% over a 9-year period. This was accepted by the EC at a special meeting held on the 13th December.

BDO Belize LLP (formerly Horwath Belize LLP) commenced the audit for year ending 2017 on 01st February and concluded on 23rd February 2018. The Executive Council approved the audited financial statements for 2017 on the 16th March 2018 this was ratified by the general membership at our AGM held on the 26th April 2018.

The 2018 Budget was approved and recorded in the minutes of the EC meeting on the 21st February 2018.

BCCI renewed the collection agreement with BEL from January – December 2018.

In conclusion, the year 2018 was prosperous through working with our partners who were there for their Chamber; listening and negotiating with us through the challenges of 2018. We are grateful for all their support. Once again through this medium we would like to salute our employees for all their hard work and dedication as we join together to make it work through the transition of replacing staff and keeping up with the demands of the day-to-day operations of the Chamber. We look forward to a successful new year with the support of the employees and our members.



JR

Western Union



In commemoration of our 25th Anniversary we had a year of events to give back to our customers.

We attended the Spanish Lookout Expo and had the opportunity to listen to our customers as well as offer them opportunity to win prizes.

We commenced the year with a give a way for Easter. The winner won a trip to Caye Caulker with a ice cooler full of goodies.

In May, we had our Mother's Day Promotion courtesy of Pine Lumber and in June our Father's Day promotion courtesy of Universal Hardware.



In June we also launched our Anniversary Promotion in collaboration with Courts Belize to give our customers the opportunity to win a kitchen makeover! This promotion which was launched at the first ever Made in Belize Expo in Belmopan in June of 2018 will culminate in June 2019.

This was followed by our September Expo Belize Market Place which was two days of rewarding customers. This year we also launched the WU AIR APP which allows customers to start the transaction on the APP and then come in to the location to complete it. Customers using the APP to stage

their transaction pay a lower fee when they are sending. Likewise, we also launched the Direct to Bank, this service allows the customer the opportunity to make payments directly into a customer's account in the US or the registered countries.

The Christmas Extravaganza, held in December 2018, was yet another opportunity for customers to win prizes when visiting our booth and doing their transactions at this event.

To close off the year, we had the Gift of Flight promotion that not only gave away a round trip ticket to the US, but also included \$500USD spending money for the lucky winner. This give away culminated in January 2019.



Executive Council



Mr. Nikita Usher
President



Mr. Arturo Vasquez
Past President



Ms. Marissa Longsworth
V.P. Services



Mr. Marcello Blake
V.P. Commerce



Mr. Allen Reimer
V.P. Industry



Mrs. Ashanti Martin
Secretary



Mr. Giacomo Sanchez
Treasurer



Ms. Katherine Meighan
Councilor



Mr. Gilbert Canton Jr.
Councilor



Ms. Andree King
Councilor



Mr. William Usher
Councilor



Mr. Ted Tejada
Councilor

BCCI Secretariat



Kim Aikman
Chief Executive Officer



Yorshabell Cattouse
Manager of Membership
Relations



Dyon Elliott
Chief Policy Analyst



Venesia Neal
Manager, Finance &
Administration



Ruth Gillett
Senior Administrator/HR
Officer



Danette Burns
Western Union
Supervisor



Christopher Dech
Membership Program
Administrator



Viannie Reyes
Marketing & Public
Relations Officer



Akmar Codd
Western Union
Compliance Officer



Kana Menzies
Senior Accounts Clerk



Carmelita Chi
Accounts Clerk



Keisha Reyes
Membership Program
Officer



Jiselle Vega
Marketing & Customer
Service Representative



Ruby Fuller
Western Union Customer
Service Representative



Delwin Soberanis
Office Assistant



Dorothy Goff
Office Custodian

The background of the image is a light-colored wooden surface with a vertical grain. Scattered across the surface are numerous buttons of various colors (yellow, white, blue, green, orange, red, purple, brown) and sizes. Several spools of thread are also visible, including a large yellow spool in the top left, an orange spool in the top right, and a red spool in the bottom right. The text "Reports 2018" is written in a black, elegant cursive font, centered on the left side of the image.

Reports 2018

**MINUTES OF THE
ANNUAL GENERAL MEETING (AGM)
of the
BELIZE CHAMBER OF COMMERCE & INDUSTRY (BCCI)
April 26th, 2018
at the BCCI's McField's Conference Center**

1.0 Call to Order

The meeting was chaired by Councilor, Ms. Marissa Longworth, V.P. Services and commenced at 5:45 p.m. with the singing of the national anthem by Ms. Briannie Young which was followed with a prayer by Reverend Ilona Smiling.

2.0 Welcome

Mr. Andrew Roe - Councillor gave the welcome address.

3.0 Video Presentation

A video presentation was shown to members on the Year in Review – 2017.

4.0 Introduction of Guest Speaker

The Guest Speaker Ms. Mihaela Stojkoska was introduced by the Mistress of Ceremonies, Ms. Marissa Longworth. Ms. Stojkoska is the Senior Anti-Corruption Expert of the UNDF in Fiji. Her message was pre-recorded and shown to members via TV.

5.0 Presentation by Guest Speaker

It is very impressive that the Chamber has chosen this topic on Corruption for their AGM.

UNCAC is the only legal instrument that deals with issues of corruption in the world and it has universal coverage. I am sure everyone is familiar with the concepts of corruption and anti-corruption but basically in this there is not comprehensive definition of the concept of corruption that could possibly encompass all the elements all the elements and see the forms that corruption can take in the world. That tell us two things:

1. it is a very contextual matter and;
2. it is evolving all the time.

Like the way of doing business. The commonly used definition is the “abuse of entrusted power for personal benefit” which is the definition by Transparency International or the

version generated by the World Bank which is “the abuse of public office for private gain”.

One of the most important elements of corruption is the fact that it is a very vicious crime in that the damages it causes are not very obvious but very long term and devastating. World Bank statistics say an estimated US\$1 trillion are paid in global bribes annually. Transparency International claims that 10 - 20% of leakage in Government procurement is approximately US\$400-800 billion annually and that global corruption take about 5% of the total GDP annually which equals \$2.1m. The estimate of global money laundering is around \$US5 billion a year.

It is very important to note that when we talk about bribes, money laundering and all the other forms of corruption including illicit enrichment, fraud, abuse of office, conflict of interest; it tells us that there are different sides that are usually involved in the process of corruption. It is a two-way street. Therefore, the role of the private sector is very important because unfortunately the private sector is usually one of those two parties in the corruption transaction.

From Transparency International it was learnt that *Erstin Young* executed a survey which claimed that one fifth of the companies surveyed said they lost a business through competitors who paid bribes and more than one third of surveyed companies say that corruption is getting worse rather than better.

The business sector has two roles around corruption:

1. Businesses can be an active party in corruption transactions and;
2. They can also be very serious victims of corruption.

The UNCAC finds the private sector role a very important one as can be seen in several articles specifically: 12, 21, 22 & 39 of the UNCAC which speaks to the private sector. Article 12 talks about private sector role in the fight against corruption in the Prevention Section. This means the private sector can have a very proactive role together with government in reducing the corruption risk. There are three levels:

1. Internally – private sector doing their own tidying up of their ranks;
2. Second level would be the cooperation with government and public sector tackling corruption;
3. Global game around fight against corruption.

Article 12 is then advising the states parties to this convention to consider implementing specific measures like the ones mentioned above. It is important that the private sector should develop standards and procedures designed to safeguard the integrity of the relevant public sector including having e.g.

- codes of conduct and other types of standards,

- transparency among and between business entities and customer i.e. business ethics;
- prevention of misused procedures that are regulating private entities, preventing conflict of interest;
- ensuring that private entities have appropriate auditing mechanisms and instruments;
- have proper accounts and financial statements relevant to size and complexity;
- are subject to appropriate auditing and certification procedures.

Particular attention is paid to the accounting, bribery and embezzlement in the private sector.

Article 39 speaks about International Corporate and private sector. These basic requirements are specific to each country. It is the Government's role, but it would be recommended that the private sector, your Chamber, take a proactive role in participating in the UNCAC's review process which is obviously quite informative in not only the current standing of the country versus the convention, but also what would be the potential way forward.

How can we address the effects of the corruption in the private sector?

- Codes of conduct (enforcement).
- OSCE, UNODC and the World Bank have produced an anti-corruption Ethics & Compliance Handbook for Business. A comprehensive tool that will give you guidelines around the compliance system.
- APEC Code of Conduct for Business – Asia Pacific Economic Corporation.
- ISO Standard (International Standardization Organization) which is focused particularly on corruption and bribes in the public sector by personnel and business associates. It gives a detailed account of what bribes exist and how to deal with them in terms of prevention.

This was just a brief message on how your Chamber and members can go about individually and collectively to start addressing corruption risks. There are global coalitions such as the global UNCOPEC – the United Nations coalition for sustainable business.

To wrap up, the big picture is the sustainable development goals platforms for the first time in the history of the multilateral development platform; has specific targets that talk about corruption under the sustainable development goal 16 and this is for one important reason. Corruption is not an abstract crime but about the impact it has on our education, health services and infrastructure which are very important for business and for our investment, our water, electricity, climate change etc. The UN member states: “if this issue is not tackled the other development issues cannot be tackled.”

Good luck to the newly elected members of the Executive Council.

6.0 Review and Confirmation of Minutes

Mrs. Kim Aikman reviewed the minutes of the 2017 AGM. The minutes were confirmed upon a motion by Mr. Gilly Canton Jr. and seconded by Ms. Virginia Echols.

7.0 President's Report

With proper protocol already established, I ask that you once again, afford me a few minutes to draw your attention towards one of the most important challenges of the private sector, and its role as the heartbeat of the economy.

As we start a new two-year cycle, taking us to our centenary, and as we align the zest and energies of the new EC, it is imperative that we lay out the specifics of the current threat to the private sector's viability. It is also important that we get your endorsement, to continue the struggle aimed at the establishment of appropriate governance frameworks that will protect and nurture the entrepreneurial spirit of Belize's private sector.

Any economy's private sector thrives in an environment of trust, predictability, honesty, security, and the rule of law. It blooms in a culture of productivity, excellence, and discipline; and grows stronger in an atmosphere of transparency and accountability in public sector governance. It is now common knowledge, and perhaps generally accepted, that these are the very things that are rapidly disappearing in Belize, and being destroyed by the global epidemic of corruption, which has come home to us at every level of the economy.

Where there was once hope, where there was once promise, where there was once a future, we find instead despair, poverty, ignorance and emptiness.

Where there was once belief, where there was once truth, where there was once strength, we find instead broken spirits, deceit, and weakened institutions.

Where there was once joy, where there was once peace, where there was once love, we find instead gloom, endemic violence, and growing hatred.

It is from this grim and harsh place that we must somehow find the strength to pull ourselves, and through sacrifice and character, establish a forward operating base from which to counter and press against the bastions of corruption within our government, our economy, our society, and our communities.

We must quickly find a way to unite all those of like values, and of equal intolerance for corruption, and move decisively in demanding the structural changes that will facilitate the elimination of the corruption mind-set. The reality is that for every instance of public purse abuse through waste, mismanagement, inefficiency, incompetence, and corruption, the private sector has endured higher and higher taxes. We foot the bill for corruption. It's time for us to agree that enough is enough!

It is the strategic intent of your EC to seek out alliances with other stakeholders across Belize and lead the charge for change. We must continue to strengthen our partnerships with the Unions, the Churches, and the NGO's, and other civil society organizations and stakeholders, to stand undaunted and unmoved by flowery promises of change that soon wither away. This change requires the constant vigilance and full energy of all stakeholders (but more the private sector), moved and inspired by our national anthem to hold our homeland free of despotism.

It is my duty on your behalf to, not only point out the evil of corruption, but also provide an alternative path for the repair of governance structures that have been crumbling over time; and that have burdened the private sector with enormous hardship. We have, in the past, joined with other stakeholders to bring about changes, and sometimes we have had the courage and fortitude to stand alone in sacrifice. At this time, we need your commitment, your support, and your solidarity to continue leading the national effort for the swift establishment of the UNCAC and many other necessary initiatives that will effectively arrest the free reign of corruption. We also need your full-throated support if we are to achieve the tax reform which is so essential for revitalizing our ailing economy. We made some progress when we met with the PM to support good governance change, albeit virtually no success with tax reform. We still have a long and arduous journey ahead, before we begin to see the implementation of all the structural changes needed to begin to clip corruption and revive our small economy.

Truly, the private sector is the breadwinner of the economy: it provides employment opportunities, it provides goods and services for local and external markets, it provides government the revenues to meet its obligations, and it provides opportunities for the daily synthesis of ideas, capital, technology, ingenuity, initiative, and entrepreneurship to create wealth and development. It is also true that when the breadwinner's take-home pay is less and less, the family hurts more and more. Consequently, it is important to understand the symbiotic relationship between good governance, transparency, accountability, honesty, the rule of law, and the private sector. A private sector that fails to see this connection or fails to react to the insidious effects of corruption is surely destined to fail. We already see the effects as a smaller number of us shoulder individually larger tax burdens to shield the government's revenues from the corruption and evasion of far too many businesses.

This is where we are today. It is clear that the next few years will be of existential importance for all of us. Through the years, we have been your voice, your arm, your face in the war against corruption. We have had our share of victories along the way, and we want to recognize the valuable contributions of our friends and allies. However, the two greatest tests of this war are upon us – the effective implementation of the anti-corruption framework of the UNCAC and other good governance checks and balances along with the implementation of credible, wide-ranging tax reform. These simultaneous efforts, which can be successful only with your nationalistic support, will effectively hold accountable all those involved in the rotten schemes of corruption, while ensuring the private sector is given a level playing field in which to thrive and increase its contribution to Belize's sustainable economic growth. We must hold together, we must stand united;

we must not cower or acquiesce under the threats or guile of pointed rhetoric disguised as partisan, while in fact fully driven by self-interest. This is our country, and we must be vocal in our efforts to save it.

As I accept to continue as your President, I can affirm wholeheartedly, that the Secretariat, the Executive Council and I, as your President, pledge complete commitment to the fight against corruption, as well as the fight for tax reform. We pledge to maintain your interests at the top of our agenda; and humbly ask for your undivided, unmitigated, and uncompromising support.

8.0 Presentation of 2017 Financial Statements

The Treasurer – Mr. Marcello Blake presented the financials. A motion to adopt the Financials was made by Mr. Jose Coye and seconded by Mrs. Jane Longworth.

9.0 Presentation by Candidates

The nine nominees each gave a short three-minute presentation about themselves and why they should be voted in as Councilors and then the voting began.

9.0 Motion to Appoint Auditors for 2018

There was a motion to have BDO Belize LLP re-appointed as the Chamber's auditors. The motion was accepted by Ms. Francine Waight and seconded by Mrs. Dionne Miranda.

9.0 Presentation of Awards

The President thanked the members of the Executive Council for their hard work over the last two years and the CEO presented their awards to them. The President was given his award by Mr. Emile Mena – Ex Officio Member of the EC. The Secretariat Award was presented to Mr. William Usher. An award was also presented to Rev. Illona Smiling for her unfailing support as the BCCI's "Reverend".

10.0 Thank You

The official thank you was done by Mr. Carlo Habet – Councilor and an invitation to the social was given as the business closure was suspended until after the counting of the votes.

11.0 Presentation of New Board

The ballots taken out of the box were counted and authorized by auditors from Grant Thornton. A new Executive Council was elected. They are as follows:

President	-	Nikita Usher
Past President	-	Arturo Vasquez

V.P. Commerce	-	Marcello Blake
V.P. Industry	-	Allen Reimer
V.P. Services	-	Marissa Longsworth
Secretary	-	Ashanti Martin
Treasurer	-	Giacomo Sanchez
Councilor	-	Gilly Canton Jr.
Councilor	-	Andrée King
Councilor	-	William Usher
Councilor	-	Katherine Meighan
Councilor	-	Ted Tejada

12.0 Business Closure – The Business session was closed by Mr. Giacomo Sanchez and seconded by Mrs. Claudette El Ters.

Approved by: 
Mrs. Ashanti Arthurs-Martin - Secretary

Prepared by: 
Ms. Ruth Gillett – Senior Administrator

**BELIZE CHAMBER OF
COMMERCE &
INDUSTRY Financial
Statements**

Year ended 31 December 2018

Index to the financial statements

	Page
Independent auditor's report	1
Statement of net assets	3
Statement of activities	4
Statement of cash flows	5
Statement of expenses by functional area	6
Notes to the financial statements	7

Independent auditor's report to the members of Belize Chamber of Commerce & Industry

Opinion

We have audited the accompanying financial statements of Belize Chamber of Commerce & Industry (Chamber) which comprise of the statement of net assets as at 31 December 2018 and the statement of activities, statement of cash flows and statement of expenses by functional area for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Belize Chamber of Commerce & Industry as of 31 December 2018, and of its financial performance for the year then ended in accordance with International Financial Reporting Standards for Small and Medium size Entities (IFRS for SMEs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Chamber in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Chamber ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Chamber or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chamber's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we:

- (i) exercise professional judgement and maintain professional skepticism throughout the audit;
- (ii) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (iii) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- (iv) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (v) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we should conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause an entity to cease to continue as a going concern.
- (vi) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (vii) obtain sufficient audit evidence regarding the financial information of the Chamber to express an opinion on the financial statements. We remain solely responsible for our audit opinion

We communicate with those charged with governance regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BDO Belize LLP

22 March 2019


Belize Chamber of Commerce & Industry**Statement of net assets**

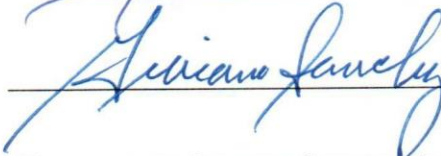
At 31 December

(In Belize Dollars)

ASSETS	Note	2018	2017
Current assets			
Cash and cash equivalents		349,974	279,258
Endowment Fund account	4	100,000	100,000
Trade and other receivables	6	1,022,242	692,267
Prepayments		33,923	34,422
		<u>1,506,139</u>	<u>1,105,947</u>
Non-current assets			
Property and equipment	7	<u>2,653,664</u>	<u>2,742,478</u>
		<u>2,653,664</u>	<u>2,742,478</u>
Total assets		<u>4,159,803</u>	<u>3,848,425</u>
LIABILITIES AND NET ASSETS			
Current liabilities			
Bank overdraft	8	552,133	216,334
Trade and other payables	9	670,158	567,354
Borrowings	10	58,883	119,746
		<u>1,281,174</u>	<u>903,434</u>
Non-current liabilities			
Borrowings	10	661,134	713,757
Severance provision	11	86,874	79,213
		<u>748,008</u>	<u>792,970</u>
Total liabilities		<u>2,029,182</u>	<u>1,696,404</u>
Net assets			
Unrestricted funds		2,030,621	2,052,021
Endowment reserve fund, restricted	12	100,000	100,000
Total net assets		<u>2,130,621</u>	<u>2,152,021</u>
Total liabilities and net assets		<u>4,159,803</u>	<u>3,848,425</u>

Approved on behalf of the Executive Council:

 President

 Treasurer

The accompanying notes form an integral part of these financial statements.

Statement of activities

For the year ended 31 December

(In Belize Dollars)

	Note	Western Union	General office	2018 Total unrestricted	2017 Total unrestricted
Supports & revenue					
Support					
Membership dues		-	173,075	173,075	168,875
Revenues					
BCCI's share of Western Union transfer charges		943,026	-	943,026	879,047
Collection fees		-	34,321	34,321	34,647
Gain/(loss) on disposal		-	100	100	(276)
Interest income		7	520	527	736
Rental income		-	18,081	18,081	99,704
Net contributions from EXPO and other services		(314)	181,377	181,063	138,879
Sundry income		17	18,083	18,100	15,837
Total supports and revenue		942,736	425,557	1,368,293	1,337,449
Expenses					
Administration (1,165,004) Financial (75,979)		(328,268) 13	(928,189) -	(1,256,457) (66,254)	(66,254)
Business tax	14	614,468 (47,115)	(568,886) (19,867)	45,582 (66,982)	96,466 (65,752)
Change in unrestricted fund		567,353	(588,753)	(21,400)	30,714
Unrestricted fund-1 January 2018				2,052,021	2,021,307
Unrestricted fund - 31 December 2018				2,030,621	2,052,021

Statement of cash flows

For the year ended 31 December

(In Belize Dollars)

	Notes	2018	2017
Cash flows from operating activities			
Change in unrestricted funds		(21,400)	30,714
Adjustments for:			
-Depreciation	7	108,545	103,253
-Bad debts	6	3,000	-
-(Gain)/loss on disposal of property and equipment		(100)	276
-Tax expense		66,982	65,752
-Interest income		(527)	(736)
-Interest expense	13	66,254	75,979
-Severance pay provision	11	7,661	29,230
		<u>230,415</u>	<u>304,468</u>
Changes in working capital:			
-trade and other receivables	6	(332,975)	(145,610)
-prepayments		499	(7,299)
-trade and other payables	9	<u>102,804</u>	<u>96,814</u>
Cash generated from operations		743	248,373
Tax paid		(66,982)	(65,752)
Interest income received		527	736
Interest paid	13	<u>(66,254)</u>	<u>(75,979)</u>
Net cash (used in)/provided by operating activities		<u>(131,966)</u>	<u>107,378</u>
Cash flows from investing activities			
Purchase of property and equipment	7	(19,731)	(25,436)
Proceeds from disposal of property and equipment		100	-
Net cash (used in) investing activities		<u>(19,631)</u>	<u>(25,436)</u>
Cash flows from financing activities			
Repayment of borrowings	10	<u>(113,486)</u>	<u>(110,021)</u>
Net cash (used in) financing activities		<u>(113,486)</u>	<u>(110,021)</u>
Net (decrease) in cash and cash equivalents		(265,083)	(28,079)
Cash and cash equivalents at beginning of the year		<u>62,924</u>	<u>91,003</u>
Cash and cash equivalents at end of the year		<u>(202,159)</u>	<u>62,924</u>
Represented by:			
Cash and bank		349,974	279,258
Bank overdraft		<u>(552,133)</u>	<u>(216,334)</u>
		<u>(202,159)</u>	<u>62,924</u>

Statement of expenses by functional area

For the year ended 31 December

(In Belize Dollars)

	Note	Western Union	General office	2018 Total Expenses	2017 Total Expenses
ADMINISTRATION					
Advertising and promotion		92,326	14,821	107,147	57,650
Annual general meeting expenses		46	11,040	11,086	10,853
Audit		-	18,000	18,000	18,000
Bad debts		-	3,000	3,000	-
Bank charges		34,047	5,966	40,013	21,491
Depreciation		-	108,545	108,545	103,253
Donations and subscriptions		-	3,432	3,432	4,093
Electricity and water		12,407	17,256	29,663	38,762
GST input tax disallowed		-	1,591	1,591	1,486
Insurance		10,751	41,894	52,645	53,341
Income tax & interest		1,008	17,031	18,039	-
Members and board meetings		-	67,248	67,248	38,351
Miscellaneous expenses		6,005	2,763	8,768	5,962
Motor vehicle expenses		-	28,831	28,831	22,328
Office cleaning		-	12,685	12,685	12,747
Office expenses		254	3,683	3,937	5,011
Personnel costs	15	93,055	419,737	512,792	536,179
Professional fees		25	2,300	2,325	600
Property taxes		-	8,553	8,553	9,269
Rent		-	7,200	7,200	7,368
Repairs and maintenance		356	55,329	55,685	60,855
Security		21,028	31,114	52,142	48,459
Stationery, postage and office supplies		17,235	22,326	39,561	34,075
Telephone		39,043	18,626	57,669	53,310
Training		600	125	725	-
Travel, local and international		82	5,093	5,175	21,561
		<u>328,268</u>	<u>928,189</u>	<u>1,256,457</u>	<u>1,165,004</u>

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

(In Belize Dollars)

1. General Information

The Belize Chamber of Commerce and Industry (Chamber) is a private sector initiative whose objective is to promote free enterprise development across all sectors of the Belizean economy including commerce, industry, manufacturing, agri-business, the professions and trades.

The Chamber is a private, non-profit, non-partisan, membership organization established by statute - the Belize Chamber of Commerce and Industry Act (the Act), Chapter 308 of the Laws of Belize, Revised Edition 2000. This Act repealed and replaced the Chamber of Commerce Act of 1923. The office of the Chamber is located at #4792 Coney Drive, Belize City, Belize.

The Chamber and Western Union (WU) established domestic and international money transfer services for Belize under a joint agreement in 1993, whereby the Chamber and WU share transfer charges levied on money transfers. This activity continues to be the main source of revenue for the Chamber.

These financial statements were authorized by the Executive Council for issue on 8 April 2019.

2. Summary of Significant Accounting Policies

Basis of preparation

The financial statements of the Chamber have been prepared in accordance with 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs). They have been prepared under the historical cost convention. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Chamber's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 3.

The financial statements have been prepared on the going concern basis which assumes that the Chamber will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continuing support received from the members of the Chamber, its Western Union partner and its bankers.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Chamber operates ('the functional currency'). The financial statements are presented in Belize dollars which is the Chamber's functional and presentation currency.

Notes to the financial statements

(In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Activities. The official exchange rate for the Belize dollar is fixed at BZ\$2 to US\$1.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Activities within "Loss on Exchange". All other foreign exchange gains and losses are presented in the Statement of Activities within the particular support, revenue or operating expense.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and a bank overdraft which is presented in the statement of net assets within current liabilities.

Trade receivables

Trade receivables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less provision for impairment. The Chamber makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Chamber uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Chamber assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Property and equipment

Property and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Chamber adds to the carrying amount of an item of property and equipment the cost of replacing parts of such an item when the cost incurred for the replacement part is expected to provide incremental future benefits to the Chamber. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of activities during the period in which they are incurred.

Notes to the financial statements

(In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Property and equipment (continued)

The Chamber adds to the carrying amount of an item of property and equipment the cost of replacing parts of such an item when the cost incurred for the replacement part is expected to provide incremental future benefits to the Chamber. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of activities during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Strata building	50 years
Office furniture, fixtures and equipment	4 and 10 years
Vehicles	5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the classification 'Revenues' in the Statement of Activities.

Impairment of non-financial assets other than inventories

Assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible *reversal* of the impairment at each reporting date.

Notes to the financial statements

(In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Borrowings

Borrowings are recognized initially at the transaction price, that is, the present value of cash payable to the bank. Borrowings are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Chamber has an unconditional right to defer settlement of the liability for at least *twelve* months after the reporting date.

Trade payables

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Employee benefit obligations

Termination benefit - severance

The Chamber recognizes termination benefits in accordance with the Labour Act (the Act), Chapter 297 of the Substantive Laws of Belize.

The Act was revised in April 2011 to require that employees who have been employed for (a) *five* to ten years be paid severance pay of one week's pay for each year of service if retiring on or after 60 years of age or on medical grounds or if terminated for other than good or sufficient cause and (b) employees with more than ten years be paid *severance* pay of one week's pay for each year of service prior to April 30, 2011 and two weeks pay for each year of service thereafter. The revision became effective on May 1, 2011.

Support and revenue recognition

Support and revenues comprise the fair value of the consideration received or receivable from membership dues, grants and *revenues* from income-generating activities in the ordinary course of the Chamber's activities. Revenues are shown net of general sales tax and discounts.

The Chamber recognizes support and *revenues* when the amounts of such support and revenues can be reliably measured; it is probable that future economic benefits will flow to the Chamber; and specific criteria have been met for each of the Chamber's activities, as described in the following page.

Notes to the financial statements
(In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Support and revenue recognition (continued)

(a) Grant support

Grants are recognized when there is reasonable assurance that the Chamber will comply with the conditions attached to the grant and the grant will be received.

Support for future periods is accounted for as deferred income or support.

(b) Membership dues and revenues

Membership dues are recognized as income when received but, dues received in respect of future periods are deferred. All other revenue is recognized when earned.

(c) Interest income

Interest income is recognized using the effective interest method.

(d) Rental income

Rental income under an operating lease is recognized in the statement of activities income on a straight-line basis over the lease term and is recognized within the classification 'Revenues' in the Statement of Activities.

Taxes

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of net assets date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenue receipts and are payable within the following month. Complying with deferred taxation accounting pursuant to Section 29 of International

Financial Reporting Standard for Small and Medium-sized Entities is not applicable.

Notes to the financial statements

(In Belize Dollars)

2. Summary of Significant Accounting Policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of activities on a straight-line basis over the period of the lease.

The Chamber, as lessor under operating leases, leases out office space in its Coney Drive building. Rental income from the lease is recognized in accordance with the accounting policy described in Note 2.

Comparative information

Where necessary, comparative amounts have been reclassified to conform with changes in presentation in the current year.

3. Information about key sources of estimation uncertainty and judgements

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including future expectations.

Key sources of estimation uncertainty

The organization makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year would be the estimated collectability of accounts receivable, particularly from Western Union sub-agents and management's assessment as to the impairment of assets.

4. Endowment Fund account

The Endowment Fund account which is a restricted cash balance, is held in a bank savings account. See Note 12 for more detail.

Notes to the financial statements

(In Belize Dollars)

5. Financial risk factors

The Chamber's activities expose it to a variety of risks including credit risk and liquidity risk.

Credit risk

The Chamber has no significant concentrations of credit risk. Sales are made in cash or on credit terms. Credit sales are made to customers with appropriate credit histories.

Liquidity risk

Liquidity risk management involves maintaining significant cash and cash equivalents and having funding available through adequate and committed credit facilities.

6. Trade and other receivables

	2017	2016
Western Union and sub-agents	593,309	417,034
Western Union - shared cost on advertising	26,356	110,510
Others	83,178	73,681
Prepayments	34,422	27,123
Employees loans receivable	1,620	3,032
	<u>738,885</u>	<u>631,380</u>
Less: bad debt provision	(12,196)	(57,600)
	<u>726,689</u>	<u>573,780</u>

Movement in the bad debt provision:

	2017	2016
At 1 January 2017	57,600	57,600
Amounts written off during the year	(45,404)	-
At 31 December 2017	<u>12,196</u>	
57,600		

Notes to the financial statements
(In Belize Dollars)

7. **Property and equipment**

	Land	Strata land and building	Office furniture, fixtures, and equipment	Motor Vehicles	Total
Cost or valuation					
At 1 January 2016	853,848	2,045,938	429,925	166,871	3,496,582
Additions	-	-	25,436	-	25,436
Disposals	-	-	(276)	-	(276)
At 31 December 2017	853,848	2,045,938	455,085	166,871	3,521,742
Accumulated depreciation					
At 1 January 2016	-	(305,655)	(315,989)	(54,367)	(676,011)
Charge for the year	-	(41,087)	(31,125)	(31,041)	(103,253)
At 31 December 2017	-	(346,742)	(347,114)	(85,408)	(779,264)
Net book values					
At 31 December 2017	853,848	1,699,196	107,971	81,463	2,742,478
At 31 December 2016	853,848	1,740,283	113,936	112,504	2,820,571

8. **Bank Overdraft**

Bank overdraft and other facilities are secured by a mortgage over the Chamber's strata titles 4792 (Hi and H3), Block 16, Caribbean Shores stamped to secure \$400,000 and mortgage over the Chamber's Regent Street property stamped to secure \$450,000.

9. **Trade and other payables**

	2017	2016
Trade Payables	16,658	27,911
Other payables and accruals	78,341	96,712
Stamp duties on money transfers payable	60,818	51,383
Western Union Settlements for sub-agents	335,746	205,568
Western Union sub-agents' share of transfer charges	61,373	60,267
Deferred revenue - membership dues	14,418	28,699
	<u>567,354</u>	<u>470,540</u>

Notes to the financial statements

(In Belize Dollars)

10. Borrowings

Bank loan with interest at 8.5% per annum, secured, repayable by 59 monthly instalments of \$15,500 inclusive of interest and one payment of \$564,582.42 to be rolled over at maturity in March 2020.

	2017	2016
Atlantic Bank Loan	833,503	943,524
Less: current portion	(119,746)	(110,021)
	<u>713,757</u>	<u>833,503</u>

Loan's repayable as follow:

2018	119,746
2019	130,330
2020	141,851
There after	441,576.00

11. Severance provision

	2017	2016
Employee benefit obligation		
At 1 January	49,983	31,936
increase in provision during the year	29,230	18,047
At 31 December	<u>79,213</u>	<u>49,983</u>

12. Endowment reserve fund, restricted

The Government of Belize and the United States of America were parties to a U.S. funded programme designated as the Economic Stabilization Fund (ESF) Local Currency Programme, whereby assistance was provided to the country of Belize. In February 1993, an allocation of BZ\$100,000 of the Private Sector Development Fund was earmarked under the ESF for the Chamber to as seed capital for the establishment of an Endowment Fund. In April 1996, an agreement between the Government of Belize and the Chamber was formally executed establishing the Endowment Fund. The purpose of the Endowment Fund is to assist private sector developmental activities.

13. Financial expense

	2017	2016
Interest Expense	<u>75,979</u>	<u>84,914</u>

Notes to the financial statements

(In Belize Dollars)

14. Taxes

On 29 June 1998, the Government of Belize passed the Income Tax (Amendment) Act, (the Act). The Act which became effective 1 July 1998 replaced Corporate Tax with a Business Tax chargeable on gross trading receipts. The amendment made civic organizations such as the Chamber (which were wholly-exempt from taxation under the previous tax regime) chargeable to business tax on membership dues and receipts from revenue-generating activities.

Business tax is levied on the various categories of income at the rates set out from time to time in the Ninth Schedule to the Act.

15. Employees' salaries and benefits

	2017	2016
Wages and salaries	417,664	412,512
Social security costs	13,063	12,934
Severance	29,230	18,047
Staff benefits	68,036	65,802
	<u>527,993</u>	<u>509,295</u>

16. Key management compensation

Key management includes the Executive Council and key members of management. Total compensation paid to key management for employee services was -

	2017	2016
	<u>96,000</u>	<u>98,268</u>

17. Commitments and contingencies

The Belize Chamber of Commerce and Industry signed a Technical Cooperation Agreement with the Inter-American Development Bank in October 2017 for a project entitled, Pre-adapt Belize-Increasing Climate Change. The BCCI is to manage project funding in the sum of US\$203,000.00. The BCCI will provide counterpart funding of US\$138,000.00 for this project. The duration is for three years.

