BELIZE:

FISCAL TRANSPARENCY AND RESPONSIBILITY REGULATIONS, 2010

STATUTORY INSTRUMENT NO. 95 OF 2010

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No. 95 of 2010

REGULATIONS made by the Minister of Finance in exercise of the powers conferred upon him by section 23(3) of the Finance and Audit (Reform) Act (No. 12 of 2005), and all other powers thereunto him enabling.

(Gazetted 9th October, 2010.)

WHEREAS, the Government of Belize is committed to enhancing fiscal transparency and accountability in the conduct of its affairs;

AND WHEREAS, it is expedient to provide a framework for sound fiscal discipline and public scrutiny of fiscal policy and performance at all levels:

NOW, THEREFORE, it is hereby provided as follows:

1. These Regulations may be cited as the FISCAL TRANSPARENCY AND RESPONSIBILITY REGULATIONS, 2010.

2. (1) In these Regulations, unless the context otherwise requires —

“Act” means the Finance and Audit (Reform) Act, 2005;

“Budget” means the Estimates of Revenue and Expenditure for a fiscal year presented to the House of Representatives by the Minister of Finance;
fiscal policy, and the publication of the public accounts;

(b) stability in the fiscal policy-making process and the way fiscal policy impacts on the economy;

(c) fairness at all levels, including fairness between the present and future generations; and

(d) efficiency in the design and implementation of fiscal policy and the management of both the asset and liability sides of the public sector balance sheet.

(2) The full realisation of the principles set out in paragraphs (c) and (d) of subregulation (1) above are the long-term goals and the Government shall provide information from time to time on the progress made towards the realisation of those principles.

Part 2 - Overview of Government Obligations

4. The Government’s fiscal strategy shall be set out in a Fiscal Strategy Statement, as described in Part 3.

5. The Financial Secretary shall prepare regular fiscal reports, including the Fiscal Outlook and Mid-year Review Report and the Final Budget Outcome Report, as described in Part 4.

6. The reports and statements required by Regulations 4 and 5 are in addition to the Budget and other obligations of the Government as set out in other legislation governing the conduct of fiscal policy.
(f) maintain the integrity of the tax system by minimizing special incentives, concessions and exemptions;

(g) pursue expenditure policies that would provide impetus for economic growth, poverty reduction, and improvement in human welfare;

(h) ensure that physical assets of the Government are properly maintained;

(i) manage expenditure policy consistent with revenue generation; and

(j) ensure progress towards the principles set out in paragraphs (c) and (d) of Regulations 3(1) above.

10. The Minister shall forward the Fiscal Strategy Statement to the Clerk, National Assembly, at or before the time of presentation of the Government’s annual Budget. The Statement may be included as a section of the Budget Speech of the Minister.

11. The Statement shall be made publicly available no later than four weeks after the Budget is approved by the National Assembly.

12. In addition to the other requirements set out in Regulation 9, the Fiscal Strategy Statement shall:

(a) specify the Government’s long-term fiscal objectives, in both qualitative and quantitative terms, within which shorter-term fiscal policy will be framed and the consistency of those objectives with the macroeconomic framework;

(b) explain the broad strategic priorities on which the Budget is, or will be based;
explain how the Government is working to achieve fairness, including fairness between generations, and efficiency in the design and implementation of fiscal policy and in managing both the asset and liability sides of the public sector balance sheet.

**Part 4 - Regular Fiscal Monitoring and Reporting**

13. (1) It shall be the duty of the Minister, for each fiscal year, to lay before the National Assembly for consideration and debate the following Reports to ensure consistency with the Fiscal Strategy Statement as described in Part 3:-

(a) the Fiscal Outlook and Mid-year Review Report; and

(b) a Final Budget Outcome Report.

(2) The above-mentioned reports shall be prepared the Financial Secretary who shall seek the comments of the Auditor General and the Governor of the Central Bank and make such amendments to the reports as may be appropriate, before submitting the same to the Minister for presentation to the National Assembly.

14. The Fiscal Outlook and Mid-year Review Report shall provide updated information and establish fiscal targets to allow for the assessment of the Government’s fiscal performance against the fiscal strategy set out in its current Fiscal Strategy Statement. In addition, it shall provide an early indication of the Budget.

15. The Minister shall present to the National Assembly the Fiscal Outlook and Mid-year Review Report on or before November 15 of each fiscal year. This Report shall also be made publicly available no later than December 31 of that fiscal year.
those fiscal estimates, including, but not limited to, key national accounts and balance of payments data such as gross domestic product and gross domestic product growth rates; average and accumulated annual inflation; exchange rates; domestic interest rates; employment; exports and imports; and influential external information such as foreign income and foreign interest rates;

(b) the consistency of the fiscal outlook with the underlying macroeconomic framework and the role that fiscal policy plays in supporting economic growth;

(c) aggregate and important actual and expected receipts and expenditures;

(d) for all new measures – both revenue and expenditures – their rationale, the estimate of their cost, an analysis of how those measures will be funded, and the long-term implications of those measures on net debt;

(e) an explanation of progress on key fiscal indicators, and an explanation of differences between forecasted and actual fiscal data for the first five months of the current fiscal year and the previous two years;

(f) a statement of the budget deficit and the source of financing, or in the case of a surplus, how the net debt stock will be reduced; and

(g) such other information as may be considered necessary by the Minister.
(ii) all arrangements that may give rise to future liabilities including guarantees and contingent liabilities; and

(iii) the repayment profile of debt;

(c) financial and physical assets;

(d) expected borrowings and loans;

(e) the assets and liabilities of public statutory bodies;

(f) the expected trajectory of debt and why it is considered prudent; and

(g) such other information as may be considered necessary by the Minister.

21. The budget reconciliation shall include:

(a) details of important revisions in fiscal data for the last two fiscal years, especially details of revisions to information provided in the reports under these Regulations where that information deviates from information in the Final Accounts presented to the National Assembly by the Minister, including an explanation for deviations and the implications of those deviations for current and future fiscal performance;

(b) a statement of how any substantial deviations will affect the Government’s fiscal strategy; and

(c) a statement of any remedial measures the Government intends to take.
28. The Final Budget Outcome Report shall review the budget outcome against each of the measures identified in Part 3 and this Part and include the rationale and implications of all supplementary appropriations.

29. The reports required by Regulation 13 shall include an evaluation of each report’s consistency with or deviations from the Budget and other fiscal policy commitments of the Government as set out in all applicable legislation.

Part 5 – Rules Governing the Reports Required by the Fiscal Responsibility Regulations

30. The data presented in the documents required by these Regulations must:

(a) for periods prior to the fiscal year commencing April 1, 2015, identify the reporting standards on which the reports are based and identify ways in which the report departs from the cash-flow International Public Sector Accounting Standards (IPSAS); and

(b) for fiscal years after March 31, 2014, be based on cash-flow IPSAS.

31. (1) The documents referred to in these Regulations may not include information that the Minister considers should not be included because:

(a) it is confidential commercial information; or

(b) its disclosure in the report could prejudice national security.

(2) To exclude information under this Regulation, the Minister shall explain the nature of the information and the rationale for its exclusion to the National Assembly.
(3) For the purpose of this Part, the term “relevant Government documents” means documents in the custody or under the control of the Government department primarily responsible for the adoption or formulation of the policy in question.

36. The Minister shall ensure that all comments and recommendations made by the National assembly as a result of its examination and consideration of the reports submitted to it shall be duly adopted and remedial action taken as appropriate.

37. Copies of the documents and related statements described in this Part shall be made public in accordance with the dates prescribed in Regulations 11, 15, and 27 of these Regulations and shall be available on the Government website.

**Part 7 - Publication and Inspection of Reports**

38. (1) The Minister shall ensure that every report or statement prepared pursuant to these Regulations is published in the *Gazette* as soon as may be after it is submitted to the National Assembly.

(2) The Minister shall, in respect of every such report or statement as aforesaid, publish a notice in the *Gazette* and at least one newspaper of general circulation in Belize, indicating —

(a) where copies of the report or statement are available for inspection free of charge; and

(b) where copies of the report or statement are available for purchase.
43. Where the Minister fails to submit the reports and statements to the National Assembly by the due dates as prescribed in these Regulations, the National Assembly or either House thereof, may pass a resolution requiring the Minister to present such reports without further delay, together with the reasons why the deadlines could not be complied with.

Part 9 – Miscellaneous

44. The first fiscal year for which the documents and reports referred to in these Regulations are required to be prepared and laid before the National Assembly shall be fiscal year commencing April 1, 2012.

45. These Regulations shall come into force on the 1st day of October, 2010.

MADE by the Minister of Finance this 16th day of September, 2010.

(Dean O. Barrow)
Prime Minister and Minister of Finance

APPROVED by the House of Representatives, this 24th day of September, 2010.

(Eddie Webster)
Clerk
National Assembly