



# GUYANA REVENUE AUTHORITY



## ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR YEAR ENDING 31ST DECEMBER 2011

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



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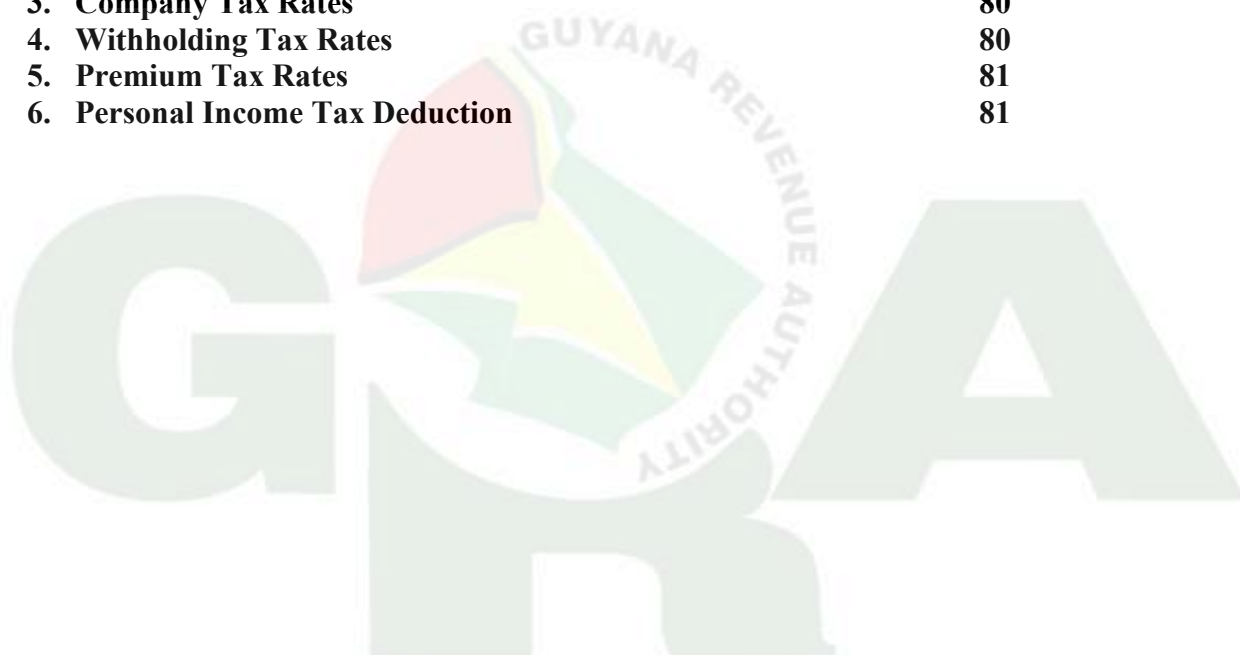
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**BUSINESS ADDRESS**

**GUYANA REVENUE AUTHORITY SECRETARIAT**

**Commissioner-General**  
357 Lamaha & East Streets, Georgetown,  
Guyana, South America  
Tel: 227-8814 Fax: 227-8347

**Deputy Commissioner-General**  
357 Lamaha & East Streets, Georgetown  
Guyana, South America  
Tel: 227-8787

**DEPARTMENTS**

**TAX OPERATIONS & SERVICES DEPARTMENT**

**Head**

**Tax Operations & Services**  
210E Albert & Charlotte Sts.  
Georgetown, Guyana  
South America.  
Telephone # 227-7672

**INTERNAL REVENUE OPERATIONS**

Deputy Head  
Internal Revenue  
GPO Building  
Robb Street, Georgetown,  
Guyana, South America  
Tel. # 225-9260

**VAT & EXCISE TAX OPERATIONS**

Deputy Head  
VAT & Excise Tax  
210E Albert & Charlotte Sts.  
Georgetown, Guyana  
South America.  
Tel. # 227-8480

**CUSTOMS AND TRADE ADMINISTRATION**

**Head**

**Customs and Trade Administration**

Customs House  
34 Main Street  
Georgetown, South America.  
Telephone # 225-9102 Fax # 226-2128

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## **INTEGRATED REGIONAL TAX OFFICES**

Head

Integrated Regional Tax Offices  
357 Lamaha & East Streets,  
Georgetown, South America.  
Telephone # 225-6935

### **New Amsterdam**

5 Stand, New Amsterdam,  
Berbice, Guyana,  
South America.  
Telephone # 333-2513 or 3524

### **Linden**

Causarina Drive,  
Linden,  
Guyana, South America.  
Telephone # 444-2918 or 6341

### **Corriverton**

80 Calcairn, Skeldon,  
Corriverton, Berbice,  
Guyana,  
South America.  
Telephone # 339-2819 or 2324

### **Anna Regina**

Takuba Lodge,  
Anna Regina,  
Essequibo Coast,  
Guyana, South America  
Telephone # 771-5266/7

### **Parika**

Parika Highway  
East Bank Essequibo  
Guyana, South America.  
Telephone # 260-4046

### **Lethem**

Multipurpose Complex,  
Lethem, Guyana,  
South America.  
Telephone # 771-2257

## **SERVICE DIVISIONS**

### **HUMAN RESOURCE MANAGEMENT**

216-217 Lamaha Street,  
Georgetown, Guyana,  
South America.  
Telephone # 227-0471

### **COMMUNICATION & TAX ADVISORY SERVICES**

210E Albert & Charlotte Sts.  
Bourda  
Georgetown, Guyana,  
South America.  
Telephone # 227-8432

### **INFORMATION TECHNOLOGY**

210E Albert & Charlotte Sts.  
Bourda  
Georgetown, Guyana,  
South America.  
Telephone # 227-7672 ext

### **LEGAL SERVICES**

357 Lamaha & East Streets,  
Georgetown, Guyana,  
South America  
Telephone # 226-1256.

### **LAW ENFORCEMENT & INVESTIGATION**

Customs House  
34 Main Street  
Georgetown, Guyana,  
South America.  
Telephone # 225-6931

### **FACILITIES MANAGEMENT & OPERATIONAL SUPPORT SERVICES**

216-217 Lamaha Street  
Georgetown, Guyana  
South America  
Telephone # 223-5106

### **AUDIT & VERIFICATION**

GPO Building  
Robb Street,  
Georgetown, Guyana,  
South America.  
Telephone # 226-8411

### **INTERNAL AUDIT**

Customs House  
34 Main Street,  
Georgetown, Guyana,  
South America.  
Telephone # 227-8313

### **INTERNAL AFFAIRS**

216-217 Lamaha Street,  
Georgetown, Guyana,  
South America.  
Telephone # 226-9901

### **TAX EXEMPTION PROCESSING & VERIFICATION**

357 Lamaha & East Streets  
Georgetown, Guyana,  
South America.  
**Telephone # 227-8542**

### **FINANCE**

216-217 Lamaha Street  
Georgetown, Guyana,  
South America.  
Telephone # 227-8222

### **INTELLIGENCE, RISK MANAGEMENT & SPECIAL INVESTIGATION**

Customs House  
34 Main Street,  
Georgetown, Guyana,  
South America.  
Telephone # 227-8782

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## **DEBT MANAGEMENT**

GPO Building  
Robb Street,  
Georgetown, Guyana,  
South America.  
Telephone # 225-5600

## **PLANNING & ANALYSIS**

357 Lamaha & East Streets  
Georgetown, Guyana,  
South America.  
Telephone # 225-6658

## **TRAINING & DEVELOPMENT**

Customs House  
34 Main Street,  
Georgetown, Guyana,  
South America.  
Telephone # 226-1298

## **REVENUE PROTECTION & POST CLEARANCE AUDIT**

357 Lamaha & East Streets  
Georgetown, Guyana,  
South America.  
Telephone # 231-4707



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## **GOVERNING BOARD**

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|  |     |          |
|--|-----|----------|
| <b>Mr. Clyde Roopchand</b><br>Chief Planning Officer<br>State Planning Secretariat | ... | Chairman |
| <b>Ms. Sonya Roopnauth</b><br>Director of Budget<br>Ministry of Finance            | ... | Member   |
| <b>Mr. Lennox Benjamin</b><br>Chief Statistician<br>Bureau of Statistics.          | ... | Member   |
| <b>Mr. Lawrence Williams</b><br>Governor<br>Bank of Guyana                         | ... | Member   |
| <b>Mr. Khurshid Sattaar</b><br>Commissioner-General<br>Guyana Revenue Authority    | ... | Member   |

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**LETTER OF TRANSMITTAL**

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**Mr. Winston Jordan  
Honourable Minister of Finance  
Ministry of Finance  
Main & Urquhart Streets,  
Georgetown, Guyana.**

**Dear Minister,**

**As provided under section 28 of the Revenue Authority Act, No.13 of 1996, I have the honor to submit to you the Report of the Governing Board, on the activities, financial affairs, operations and performance of the Revenue Authority for the year ended 31<sup>st</sup> December, 2011, together with the audited Balance Sheet and Income and Expenditure Account.**

**Yours Sincerely,**

.....  
**Godfrey Statia  
Commissioner-General**

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## **MISSION STATEMENT OF THE GUYANA REVENUE AUTHORITY**

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The mission of the Guyana Revenue Authority is to promote compliance with Guyana's Tax, Trade and Border Laws and Regulations through education, quality service and responsible enforcement programmes, thereby contributing to the economic and social well-being of the people of Guyana.

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### **CORE VALUES**

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The Core values of the Guyana Revenue Authority are:

- ❖ **Integrity**
- ❖ **Professionalism**
- ❖ **Respect**
- ❖ **Cooperation**

**Integrity** is the corner stone of our Administration. Integrity means treating all concerned fairly and applying the law fairly and consistently. This implies acting with honesty and openness.

**Professionalism** is the key to success in fully discharging our mission. It means being committed to the highest possible standards of conduct. Professionalism also implies performing duties with integrity, dedication and skill.

**Respect** is also a basis for dealing with colleagues and clients. It means being sensitive and responsive to the rights of individuals. Respect also involves acting with courtesy and consideration at all times.

**Cooperation** is the means by which future challenges will be met. This involves building partnerships and working together towards common goals. Co-operation involves followership as well as leadership.

## **OUR VISION**

The Revenue Authority looks forward to being recognised and respected by clients and stakeholders for its integrity and fairness in administering high quality yet affordable programmes.

Our proactive approach must encourage new and better inter-agency and international partnerships, while fostering improved government efficiency and stronger economic linkages.

The Revenue Authority's good standing will be earned through:

- ❖ quality services and client education that meet the needs of our diverse client base;
- ❖ responsible enforcement of the laws, based on the application of sound risk management principles and practices;
- ❖ fair, impartial and timely redress processes;
- ❖ our sensitivity to the effects of administrative and legal requirements that we must impose on our clients, and our efforts to ease the burden and the cost of compliance;
- ❖ skilled, knowledgeable and professional people, working in an environment that encourages and supports their personal and professional development; and
- ❖ our commitment to open, transparent, and accountable administration.

## **REVENUE AUTHORITY ORGANISATION**

During the period under review, several changes were made to the Organisation's structure with the aim of improving efficiency and promoting transparency of operations. Among the major changes implemented were:

- ❖ the de-linking of the Goods Examination Section from the Revenue Protection, Post-Clearance Audit and Goods Examination Division and the Container Scanner Section from the Law Enforcement and Investigation Division;
- ❖ the integration of the two above-mentioned Sections into a Container Scanner and Goods Examination Division;
- ❖ the re-assignment of cashier functions from the Revenue Accounting Division to the functional areas in which the cashiers are located; and
- ❖ the integration of the Central Data Processing and Registration Division and the Revenue Accounting Division into one Division titled the Central Data Processing and Revenue Accounting Division.

The Organisation chart is depicted at Appendix I *on page 77*.

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## REPORT OF THE GOVERNING BOARD

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### INTRODUCTION

Revenue collection by the Authority has maintained its upward trend during the year 2011 with collection totaling \$111.4 B. This amount exceeded the approved budget of \$104.3B by \$7.1 B or approximately 7%. When compared with collection in 2010, which amounted to \$100.9B, collection in 2011 increased by \$10.5B or approximately 10%.

### OTHER ACHIEVEMENTS

#### **Operationalisation of the Container Scanner**

In keeping with the requirements of International Maritime Laws for the exportation of products to the United States of America, the Guyana Revenue Authority acquired a Container Scanner during the month of March 2010. A site, at the Guyana National Shipping Corporation's Wharf, was prepared for the Scanner and operations commenced during April 2011.

#### **Acquisition of new location for Relocation of the Georgetown Offices of the Authority**

The Guyana Revenue Authority currently has Offices at six (6) locations within Georgetown. This poses some amount of inconvenience to taxpayers and members of the public who wish to access the services of the Authority. To increase efficiency, provide timely service and ease of access to taxpayers and the general public, a building to house all of the Georgetown Offices of the Authority was identified and leased. Civil, electrical and other works necessary to make the building suitable for the Authority's operations were started. The re-location is expected to take place during the year 2012.

#### **Implementation of a New Flat Rate System for Clearing Personal Effects**

Effective November 1, 2011, the Authority introduced a new "flat rate" system for clearing personal effects. Under the new system, all boxes, barrels and cartons valued up to US\$1,000.00 will be cleared using the Simplified Customs Declaration - Form C73. Under the previous system, only personal effects valued up to US\$500.00 were allowed to be cleared using the C73. The system greatly reduced the congestion which is usually associated with the clearing of personal effects during the Christmas season.

#### **Random Selection for Examination**

During September, the Authority introduced this new system for Imports which allowed for containers to be arbitrarily selected for examination. Two main components of the new system are the identification of imports for examination based on the risk profiling system used by the Total Revenue Integrated Processing System (TRIPS) and the examination of consignments in the presence of Senior Management staff who are not part of Customs Operations, members of the Private Sector and other stakeholders. This system will enhance the transparency and efficiency of the examination process.

#### **Introduction of the New Licence Revenue Processing System**

During March 2011, the Licence Revenue Office commenced the use of the new Licence Revenue Processing System (LRPS). This system introduced several features such as high-end integrated security features; accountability of transactions done by staff; allowance for complete auditing of all records; and integration with TRIPS at Customs House.

## **Improved Enforcement in Berbice**

The Guyana Revenue Authority's operations in the county of Berbice were streamlined in an effort to minimize smuggling activities. The Berbice Anti-Smuggling Squad (BASS), which is now a part of the Authority, is responsible for enforcement activities which include patrolling the roads and waterways. In addition, a Revenue Protection Unit, similar to the one which exists in Georgetown, has been established within BASS. The Unit is responsible for the examination of Customs declarations to review the value, description and classification of goods and also determines whether and to what extent, examination of goods should take place.

## **Implementation of a Performance Management System**

During 2010, a Consultant was recruited to support the development of the performance management system which was implemented during 2011 in a phased manner commencing with staff at the level of Manager and above.

## **REVENUE COLLECTION**

### ***Internal Revenue***

The approved revenue estimate for Internal Revenue taxes for the year 2011 was **\$44.13B**. Collections by Internal Revenue amounted to **\$47.24B**. This represented an increase of **\$3.11B** or **7%** over the approved estimate for the year and **\$3.9B** or **9%** over the total collected for the year 2010.

### ***Customs & Trade Administration***

The revenue estimate approved by Parliament for the Customs and Trade Administration for the year 2011 was **\$9.99B** while revenue collected amounted to **\$11.1B**. The amount collected represents an increase of **\$1.11B** or approximately **11%** above the approved estimate for the year and **\$1.8B** or approximately **20%** above the total collected for the year 2010.

### ***VAT & Excise Tax***

The estimate approved by Parliament for VAT and Excise Tax for the year 2011 was **\$50.22B**. Collections (after payment of \$3.6B in refunds) amounted to **\$53B** which represents an increase of **\$2.84B** or **5.6%** above the approved estimate and **\$4.66B** or **9.6%** over the total collected for the year 2010.

Table 1 shows details of the Budgeted and Actual Collections for the Revenue Authority for the period under review.

**TABLE 1  
BUDGETED AND ACTUAL COLLECTIONS (\$BILLION)**

|   | 2010         | 2011          |               |             |
|---|--------------|---------------|---------------|-------------|
|   | Actual       | Budget        | Actual        | Variance    |
| <b>Internal Revenue</b>                 | <b>43.3</b>  | <b>44.13</b>  | <b>47.24</b>  | <b>3.11</b> |
| <b>Customs and Trade Administration</b> | <b>9.2</b>   | <b>9.99</b>   | <b>11.10</b>  | <b>1.11</b> |
| <b>Value Added and Excise Tax</b>       | <b>48.4</b>  | <b>50.22</b>  | <b>53.06</b>  | <b>2.84</b> |
| <b>Total</b>                            | <b>100.9</b> | <b>104.34</b> | <b>111.40</b> | <b>7.06</b> |

## PERFORMANCE of SERVICE DIVISIONS

The performance of the various Service Divisions, the Heads of which report to either the Commissioner-General or the Deputy Commissioner-General are provided hereunder.

### A: HUMAN RESOURCE MANAGEMENT DIVISION

This Division is mandated to:

- facilitate the recruitment, maintenance and retention of the highest quality human resources with a view to ensuring that the services required of the Revenue Authority by the various clients are delivered on a timely basis.
- establish the image of the Revenue Authority as an attractive employer, through the provision of competitive compensation and benefits package and other awards.
- establish and maintain standards of technical performance and disciplined behaviour amongst all managers and employees.

### ◆ STAFF ESTABLISHMENT

To carry out its mandate, the Authority had an actual staff strength of one thousand and eighty (1,080) or approximately eighty-two percent (82%) of the approved staff complement of one thousand, three hundred and thirteen (1,313). The actual staff complement exhibited an increase over the actual complement for the year 2010, which amounted to one thousand and thirty-six (1,036) or approximately 72% of the approved staff establishment of one thousand, four hundred and forty-seven (1,447).

Of the one thousand and eighty (1,080) employees, four hundred and seventy-four (474) or forty-four percent (44%) were males while six hundred and six (606) or fifty-six percent (56%) were females.

Recruitment for the period under review totalled one hundred and twelve (112) comprising forty-eight (48) males and sixty-four (64) females while promotions amounted to one hundred and two (102). Separations amounted to seventy-nine (79) resulting in a staff turnover of 7.3% as compared with 9.6% in the previous year. Of the seventy-nine (79) persons who departed, thirty-three (33) resigned, twenty-two (22) retired, fourteen (14) had their services terminated and ten (10) were dismissed.

## **B: TRAINING DIVISION**

This Division is mandated to arrange, coordinate and implement training and other developmental programmes for the staff of the Guyana Revenue Authority with the aim of developing their full potential to assist the Authority in the achievement of its goals.

### **◆ INTERNAL TRAINING**

During the year under review, staff members at all levels of the organisation benefited from several training programmes and workshops which were conducted internally.

Twelve (12) members of staff attended the programme 'Human Resource Management and Auditing' while seventeen (17) participated in training on the operation of the Container Scanner which was facilitated by RAPISCAN Inc. and a further twenty (20) were trained in the use of the new Human Resource/Payroll software which is slated to come into full operation in the year 2013.

The Institute of Internal Auditors, Guyana Chapter, facilitated several programmes which were attended by a total of fifty-four (54) staff members from the Internal Audit and Audit and Verification Divisions. The workshop focused on improving the level of performance of staff when conducting special assignments and imparting a greater understanding of international standards. Sixty-eight (68) staff members from within the Customs and Trade Administration benefited from training on the Economic Partnership Agreement (EPA) which was facilitated by Mr. Bradford Isaacs of the CARICOM Secretariat while a further thirty-nine (39) comprising Managers and Supervisors from across the Authority benefited from training in Basic Management.

Sixty-eight (68) staff members attached to the Licence Revenue Office were beneficiaries of training in Customer Care while a further eighty (80) were trained by staff of the Information Technology Division in the use of the new Licence Revenue Processing System (LRPS). Sixteen (16) members of staff were also trained by the Information Technology Division in the use of the 'Project.Net' reporting tool and a total of eighty-eight (88) newly recruited staff benefited from the Orientation/Induction training. Training in First-Aid as well as training of Fire Marshalls were provided to a combined total of thirty (30) persons and were facilitated by representatives of the Ministry of Health and the Guyana Fire Service respectively.

In addition, members of staff also benefited from workshops which focused on World Customs Organisation Data Model, Stockholm Convention on Persistent Pollutants and Stockholm Convention on Persistent Organic Pollutants.

## **◆ EXTERNAL TRAINING (LOCAL)**

Seven (7) staff members participated in various training programmes which included ‘Principals of Secretarial Practice’, ‘Human Resource Development’, ‘Personnel Practice’ and ‘Employee Relations’. These programmes were conducted by the Public Service Ministry and the Institute of Private Enterprise Development (IPED).

Eleven (11) members of staff also benefited from a programme aimed at increasing awareness on ‘Pesticides and Toxic Chemicals Inspection and Enforcement’ which was facilitated by the Pesticides and Toxic Chemical Board while ‘Counterfeit Detection’, sponsored by the Bank of Guyana, saw the participation of thirty-one (31) persons drawn from the cashiering areas across the Authority.

Training programmes on Personnel Practice, Public Speaking, Supervisory Management, Information Technology Fraud Risk, Governance and for Information and Library Technicians along with a workshop on the Stockholm Convention on Persistent Organic Pollutants, an awareness programme on the “Green Customs Initiative” and a symposium on the Awareness and Relevance of Security in today’s environment were also among the external programmes in which staff across the organisation participated.

## **◆ EXTERNAL TRAINING/CONFERENCES (OVERSEAS)**

Several Conferences and Meetings which were held overseas by various bodies, of which the Authority is a member, were also attended by staff members. Participation in such programmes allowed the Authority to be aware and updated on the multiplicity of international issues which would impact on its operations.

Ms. Ingrid Griffith, Director, Corporate Services attended a workshop of the 10<sup>th</sup> Joint Meeting of CARICOM Chief of Immigration and Comptrollers of Customs which was held in Trinidad while Ms. Karen Chapman and Ms. Yonette Heyligar, staff of the Customs and Trade Administration, were participants in the ‘Sub-Regional Workshop on Maritime Security: Port Facility Security and Customs Coordination which was held in Rosseau, Dominica. The Regional Workshop on World Customs Organisation (WCO) Data Model and Sub-Regional Workshop on Cruise Ship Facility Security were also attended by two (2) senior staff members.

The 37<sup>th</sup> Caribbean Organisation of Tax Administrators (COTA) Executive Council Meeting and the Inaugural Meeting of the COTA Technical Working Group, which were held in Jamaica, were both attended by Ms. Hema Khan, Director, Tax Operations and Services Department while the Meeting of the Heads of Tax Administration to review the application of the CARICOM Double Taxation Agreement and the Second Meeting of Heads of Customs and the Security Sectors were both attended by the Commissioner-General.

The Deputy Head, Customs and Trade Administration participated in the First Meeting of the Special Committee on Customs Cooperation and Trade Facilitation in the Dominican Republic, the CARICOM/WTO Regional Workshop on Market Access in Barbados and the CARICOM/WTO Regional Workshop for Non-Agricultural Produce in Jamaica.

Two (2) Senior Officers from the Law Enforcement and Investigation Division benefitted from an Advance Anti-Narcotics Workshop which was held in Jamaica while another Officer participated in

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the 49<sup>th</sup> Regional Session of the Inter-American Drug Abuse Control Commission which was held in Suriname. The Regional Seminar on the Harmonized System, which was held in the Dominican Republic, and the 33<sup>rd</sup> Meeting of the Customs Committee of the Council for Trade and Economic Development (COTED) were attended by two (2) senior staff members from the Customs and Trade Administration.

The “Train-the-Trainer” Workshop in Post Clearance Audit, which was held in the Dominican Republic, was attended by Mr. Navindra Datt Prashad while the WCO Partnership in Customs Academic Research and Development (PICARD) Conference in Geneva, Switzerland was attended by the Commissioner-General.

## ***WELFARE PROGRAMMES***

### **◆ BURSARY AWARDS**

During the year, a total of twenty-three (23) children of employees received Bursary Awards. The granting of these awards has been an annual occurrence since the Authority’s establishment.

At a simple ceremony, which was organised to mark the occasion, Miss Tiffany West who achieved the highest marks received the maximum award of \$15,000.00 per annum while the second-highest award of \$12,000.00 per annum was received by Reyhanah Abdul-Kadir. The other awardees each received \$10,000.00 per annum. In addition, continuing bursaries were issued to fifty-one (51) students.

The criteria for obtaining the award are the achievement of 75% of the total score outlined by the Ministry of Education and a minimum of one year’s service with the Authority by the child’s parent.

## **C: FINANCE DIVISION**

### **CURRENT EXPENDITURE**

Total allocation under current expenditure amounted to \$3.266 billion. The current expenditure for the year was approximately \$3.264 billion. At the end of the fiscal year, there was a balance of \$2 million; this sum will be refunded to the Accountant General. These figures are all reflected in the audited Financial Statements.

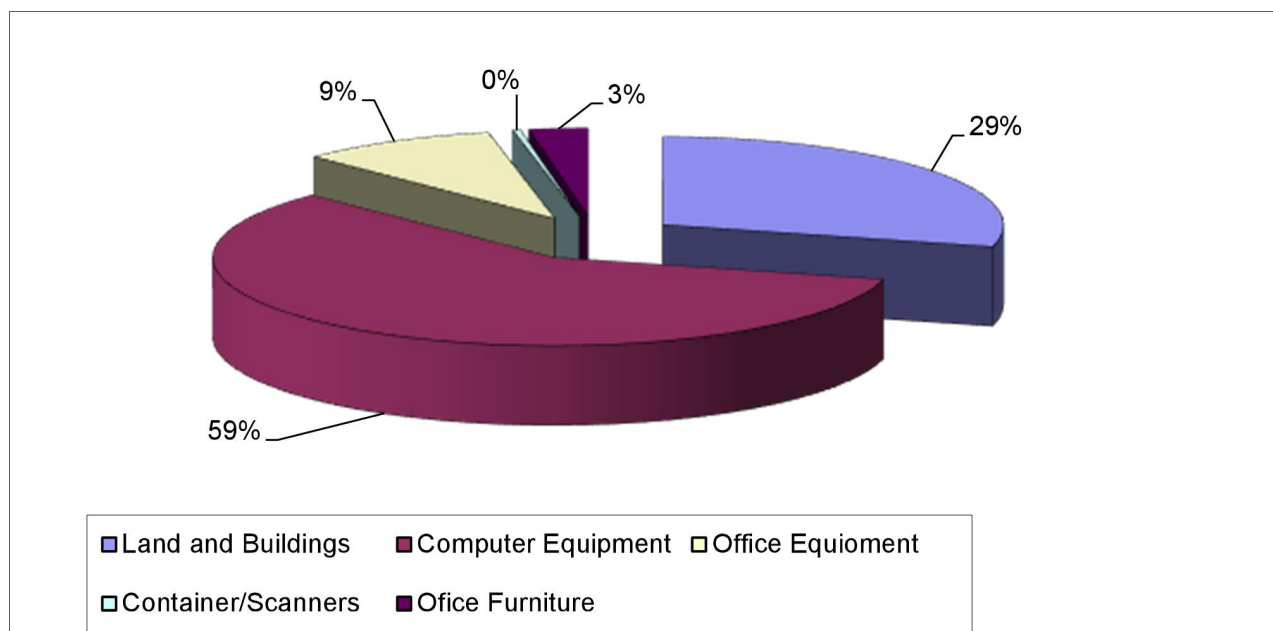
### **CAPITAL EXPENDITURE**

The total allocation under capital expenditure \$156.567 million and the sum of \$156.323 million was expended. This resulted in a liability of \$0.244 million which will be remitted to the consolidated fund. The breakdown of capital expenditure is shown in the chart and table below.

**TABLE II  
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2011  
BY TYPE OF ASSET**

| Type of Asset      | Amount<br>\$ M |
|--------------------|----------------|
| Land and Buildings | 45.369         |
| Computer Equipment | 91.337         |
| Office Equipment   | 14.685         |
| Containers/Scanner | 0.58           |
| Office Furniture   | 4.352          |
| <b>Total</b>       | <b>156.323</b> |

**CHART I  
CAPITAL EXPENDITURE 2011**



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

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## **FINANCIAL STATEMENTS**

The audited Financial Statements which form part of this report are contained in pages 60 to 76.

## **D: COMMUNICATION AND TAX ADVISORY SERVICES**

This Division comprises the Public Relations Section, the Publication and Operational Procedures Section and the Tax Advisory Services Section. It is mandated to ensure that all strategic, operational, procedural, communication and advisory needs of stakeholders of the Authority are met in a timely manner and that all information disseminated is accurate, timely and reliable and in keeping with the Laws and Regulations governing the Authority.

### **Public Relations**

This Section continued to execute Public Relations activities for the Guyana Revenue Authority. During the period under review, staff provided stakeholders with timely, reliable and relevant information to enable voluntary compliance with the laws and regulations administered by the Authority.

The television, radio and print media continued to be used for publishing advertisements which were intended to assist taxpayers in complying and give notification of changes to various processes. A total of thirty-three (33) television, nineteen (19) radio and eighty-five (85) print advertisements were prepared and published during the year under review.

The pre-recorded television programme 'Let's Talk Tax' was aired with the aim of educating taxpayers on various tax-related issues. A total of three (3) such programmes were produced. Staff organised live Television and Radio programmes resulting in a total of twelve (12) and thirteen (13) such programmes respectively being carried out while forty-five (45) programmes of 'Focus on GRA', were produced for television and aired on a weekly basis. Staff also continued to update the Authority's website on a regular basis.

Staff of the Section collaborated with the staff of other Divisions to establish Tax sites, which are aimed at educating taxpayers of their responsibilities under the various Tax Acts and assisting them to comply. Sites were established at several locations around the city during the month of April. Visits were also made to the various Integrated Regional Tax Offices and other locations including Linden, Kuru Kururu, New Amsterdam, Parika, Charity and Anna Regina to establish Tax Sites.

The hosting of Press Conferences, coverage of workshops and participation in special events such as Trade Expositions and Career Day activities were also undertaken. Staff gave coverage to twenty-one (21) workshops, hosted two (2) Press Conferences and participated in ten (10) special events. In addition, publication of Tax Policies in the print media amounted to forty-seven (47).

### **Tax Advisory Services**

Personnel of this Section continued to cater to the advisory needs of taxpayers and members of the general public. During the year under review, guidance was provided to eight hundred and twenty-seven (827) taxpayers who visited the Office and two thousand, three hundred and twenty-seven (2,327) who

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made queries via the telephone while three hundred and thirty-one (331) responses to written requests for information and advice were prepared. Further, seventy-three (73) telephone calls were made to taxpayers as follow-up to unanswered queries and two hundred and fifty-three (253) to taxpayers who were participants in the fifty-two (52) seminars and workshops which were conducted during the year. In addition, eleven thousand, four hundred and eighty-six (11,486) pieces of educational material consisting of policies, brochures and booklets were distributed to taxpayers.

Internal stakeholders also benefitted from the services provided by the Tax Advisory Services Section and in this respect staff provided assistance to other Divisions throughout the Authority on two hundred and eighty-seven (287) instances.

Questions on tax related matters and the responses thereto continued to be recorded in the specially developed database. A total of two thousand, one hundred and twenty-four (2,124) questions and their answers were recorded in the database.

## **Publication and Operational Procedures**

The Publication and Operational Procedures Section of the Communication and Tax Advisory Services Division continued to monitor and co-ordinate policies and procedures of the Guyana Revenue Authority and ensured that all operational support needs of the Organisation were met.

Staff of the Section continued to focus to a large extent, on the preparation and review of Standard Operating Procedures (SOPs) and the maintenance of the SOP database. During the year, staff prepared and/or adjusted fifty-five (55) SOPs which included those related to the import and export of goods and the use of the recently acquired Container Scanner. Other areas for which SOPs were prepared/adjusted included the Planning and Analysis, Refund Verification, Revenue Protection, Training and Development as well as the Post-Clearance Audit Divisions. Thirty-three (33) SOPs were finalised and uploaded to the database and the respective flow charts were constructed and also uploaded to the database.

Restructuring initiatives undertaken by Management during the year under review resulted in the need to make changes to the organisational structure to reflect those initiatives. Staff made several adjustments to the structure which included the delinking of the Container Scanner and the Goods Examination Sections from other Divisions and their integration into one Division.

During the year, plans commenced for the relocation of all of the Authority's Georgetown Offices to a new Head Office. The Publication and Operational Procedures Section was tasked with drafting the Implementation Plan to delineate all activities necessary for such relocation. The Plan was drafted by staff and continuously updated to reflect all progress made.

All amendments to the Acts and Regulations administered by the Authority and all orders and resolutions relating to the Acts and Regulations were indexed and copies printed and distributed to Heads/Senior Managers. In addition, all Tax Acts were updated where necessary and staff continued the in-house printing and binding of these Acts for distribution. A total of thirty-eight (38) Acts were printed, bound and distributed.

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The Learning Resource Centre continued to update its collection of resource material, books and periodicals and to provide services to both internal and external users of the facility. The KOHA database, which allows for easy reference to the Centre's collection, was updated on an ongoing basis.

## **E: INTERNAL AUDIT DIVISION**

The Internal Audit Division is mandated to audit the Guyana Revenue Authority's accounting and internal control systems to ensure compliance with standards and procedures.

The Internal Audit Division is comprised of two (2) Sections; the Internal Audit and Quality Review Sections. The Internal Audit Section of the Division is responsible for conducting all audits and special assignments at the Tax Operations and Services Department and the Common and Corporate Services Divisions while the Quality Review Section is responsible for conducting all audits and special assignments at the Customs and Trade Administration.

A total of seventy-one (71) audits, inclusive of fourteen (14) special assignments were completed by staff of the Division, of which thirty-seven (37) were completed by the Internal Audit section and thirty-four (34) by the Quality review Section.

Ten (10) audits were completed at the Internal Revenue Operations of which five (5) reports were finalised upon the receipt of responses from the auditee and two (2) were finalised without responses. At the end of the reporting period, there were three (3) reports to be completed. The reports which were finalised were all forwarded to the Commissioner-General. Some of the activities audited for Internal Revenue during 2011 included cashiering, issue of Liability and Compliance Certificates, Refunds and activities at the Anna Regina Office.

Twelve (12) audits were executed at the Value Added and Excise Taxes Operations during 2011. Eight (8) reports were finalised with responses from the auditee while two (2) reports were finalised without responses and were sent to the Commissioner-General. At the end of the period under review, there were two (2) draft reports to be vetted. Activities audited for the Value Added and Excise Taxes Operations included Dishonoured Cheques, Registration and De-Registration of taxpayers, Examination and Public Entertainment.

Ten (10) audits were completed at the Corporate and Common Services Divisions for 2011 and responses were received in respect of five (5) audit reports. A total of seven (7) reports were finalised and submitted to the Commissioner-General including the report on the Procurement and Stores Section of the Finance Division for the period January to December 2010, which was finalised without any response from the auditee. Other areas audited included Local Travel and Subsistence, Imprest Accounts, Electricity Charges, Human Resource Management and Procurement and Stores.

The Quality Review Section conducted twenty-six (26) audits during 2011. Responses were received in respect of all the audits and reports were finalised and submitted to the Commissioner-General. Some of the areas audited at the Customs and Trade Administration included ship files from the Wharves, operations of the Filing Room and Customs Boathouse, revenue collection at Demerara Shipping Corporation Transit Shed, Ogle Airport operations and the Entry Processing Section.

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Special Assignments are usually conducted at the request of the Commissioner-General and the Internal Audit Committee. During 2011, the Division conducted fourteen (14) special investigations, six (6) of which were completed by the Internal Audit Section and eight (8) by the Quality Review Section. Of the six (6) which were completed by the Internal Audit Section, three (3) were at Value Added and Excise Taxes Operations, two (2) at Common Service Divisions and one at Internal Revenue Operations.

## **F: INTERNAL AFFAIRS DIVISION**

This Division is mandated to ensure the Internal Affairs of the Guyana Revenue Authority (GRA), particularly the actions and practices of staff in the course of executing their responsibilities and duties, are conducted in conformity with established laws, policies, procedures and rules of conduct in order to promote a positive image of the GRA and to secure public confidence in the integrity of its staff.

Over the period January to December 2011, a total of thirty-seven (37) investigations into allegations and complaints originating both internally and externally were conducted. Nineteen (19) investigations originated internally while eighteen (18) investigations originated from members of the public. On completion of the investigations, reports with recommendations were prepared and submitted to the Commissioner-General for the necessary actions to be implemented.

Verification of Certificates of Compliance, which were submitted by contractors to the National Procurement & Tender Administration Board (NP&TA Board) and/or the Regional Democratic Councils (RDCs), continued to be carried out by staff of the Division. Two thousand, six hundred and thirty-eight (2,638) verification exercises were conducted when compared with three hundred and ninety-nine (399) for the corresponding period in 2010.

The monitoring of CCTV surveillance cameras located at the Cheddi Jagan International Airport (CJIA) and various transit sheds throughout the country continued as planned. For the period under review, the Division conducted one thousand and seventy (1,070) such monitoring activities even though it was plagued by malfunctioning of some cameras. Camera recordings of the examination of imported goods which were profiled for examination by the Risk Management Unit amounted to five hundred and eighteen (518), while referrals for investigation into discrepancies found during the examination of goods profiled totaled seven (7).

Staff also visited and monitored the activities at several of the Authority's locations across the country and conducted four (4) investigations for which reports were completed. Three (3) investigations into the rapid and unexplained accumulation of wealth by employees of the Authority were completed while several were still ongoing at the end of the period under review. In addition, attendance, overtime work and its related costs were randomly monitored. Such monitoring activities amounted to thirty (30) while thirty-one (31) special assignments were conducted at the request of the Commissioner-General and Deputy Commissioner-General.

## **G: AUDIT AND VERIFICATION DIVISION**

The Audit and Verification Division is mandated to provide high quality audit services to enable the Revenue Authority to achieve its mission of promoting compliance with the Tax, Trade and Border Laws and Regulations.

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The Division performed creditably in spite of severe constraints such as inadequate staff and transportation with several Sections operating well below their normal capacity, some operating as low as 20% of capacity.

Despite the foregoing, the Division was able to complete a total of two hundred and seventy-nine (279) audits and identified \$1.77B in additional revenue for recovery from two hundred and thirty (230) of those audits. \$1.28B of the additional revenue resulted from assessments being raised while \$0.49B resulted from agreements which were entered into with taxpayers.

A total of four (4) audits of large taxpayers were completed and this resulted in a total of \$342 million in additional revenue being identified while nine (9) field audits which targeted Companies resulted in \$744 million in additional revenue. There were forty-three (43) audits of self-employed persons, forty-one (41) of which resulted in the recovery of \$53 million. In addition, the Division completed fifteen (15) audits which focused on the Pay As You Earn (PAYE) system with ten (10) of those resulting in the identification of \$46 million in additional revenue and nineteen (19) audits on VAT registrants, eighteen (18) of which garnered \$448 million in additional revenue.

The Division is also responsible for all audits which are conducted by staff located at the various Regional Tax Offices. During the year under review, one hundred and eighty-nine (189) audits were completed by staff of the Regional Audit and Verification Section. Of those audits, one hundred and forty-eight (148) resulted in the identification of \$143 million in additional revenue.

A further analysis of the \$ 1.77 billion in additional revenue by tax type revealed that Value Added Tax accounted for \$823 million, Corporation Tax accounted for \$802 million, Income Tax accounted for \$127 million, Property Tax for \$16 million and Withholding Tax for \$9 million.

### **H: LEGAL SERVICES *DIVISION***

The Division is responsible for the safe-keeping of all legal files, drafting of legislation, prosecution of defaulters and, in collaboration with the Director of Public Prosecution and Attorney General, defend the Authority in the Court of Law.

During the year the staff of the Division continued to prosecute ongoing matters in both the High and Magistrate's Courts. There were four hundred and fifty-eight (458) matters ongoing and the defendants were charged with offences including Non-Remittance of PAYE, Non-Remittance of Value Added Tax (VAT) and violation of the Customs and Income Tax Acts among others.

Further, the Division commenced the institution of legal proceedings in the High and Magistrate's Courts of fifty-four (54) cases for non-submission of VAT Returns, non-submission of PAYE Returns and fraudulent evasion of Customs Duties. Staff also prepared opinions and responses to requests for legal advice from the Commissioner-General and other Departments/Divisions of the Authority which amounted to one hundred and ninety-seven (197).

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The preparation and service of demand letters, which is a prerequisite to the preparation and service of 101 Certificates, were also carried out. Ten (10) such letters were prepared and served. During the year under review ten (10) Judgments were granted in favour of the Authority.

## **I: TAX EXEMPTION PROCESSING AND VERIFICATION DIVISION**

The Division is tasked with the efficient administration of the various categories of exemption and remission of duties and taxes in accordance with the Tax, Customs and other Laws and Regulations administered by the Revenue Authority.

During the period under review, the Division received a total of fifteen thousand, six hundred and seventy-four (15,674) applications for exemption/remission of duties and taxes for verification and processing. The verification and processing exercise resulted in a total of fourteen thousand, nine hundred and ninety-eight (14,998) applications being approved and one hundred and ninety-six (196) being denied. An additional four hundred and eighty (480) applications were either referred for additional information or queried. Of the applications approved, information from fourteen thousand, two hundred and seventy-three (14,273) was entered into TRIPS.

Meetings were held with five hundred and sixty-five (565) applicants, both at and outside of the Authority, to provide clarification on issues and seek additional information while four hundred and ninety-eight (498) pre-approval and ninety-three (93) post-approval verifications were conducted. The verification exercises resulted in \$34.1 million in revenue being identified for collection. The Division also granted approval to one thousand, seven hundred and eighty-three (1,783) applications by importers for the use of the Prior to Processing facility.

Two hundred and twenty-nine (229) Investment Agreements were reviewed resulting in two hundred and eighteen (218) being recommended while three hundred and twenty-nine (329) special assignments relating to Legislation and Policy were completed.

## **J: INFORMATION TECHNOLOGY DIVISION**

The Information Technology Division is mandated to provide coordinative, innovative, practical and timely information technology solutions to solve the business problems of the Revenue Authority. In 2011, the Division commenced the year with thirteen (13) key items on its work plan; six (6) of which were completed fully during the period under review. However, an additional thirty-seven (37) items were added to the Division's work plan during the course of the year. Overall, 60% of the additional projects and activities undertaken by the Division has seen a completion rate of 80% and above.

Among the initial projects completed during 2011 were the implementation of the high availability system, implementation of the motor vehicle licence module of the Licence Revenue Processing System (LRPS), implementation of the EPA functionality in TRIPS, the population of the Dynamic Reporting System with over 200 reports and the implementation of the TRIPS Third Party System. Other projects that recorded some amount of success but will still require significant effort to complete include the

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implementation of the HR/Payroll System and the implementation of GRA's content management version of its website which will be completed in 2012. Other projects completed by the Division are outlined below.

## **Application Development Projects included:**

- ✓ An Assignment Tracking application which was modified to allow for usage by the Finance and Corporate Services areas and training of end users.
- ✓ A web-based Licence Revenue Processing System (LRPS) intended to replace the older Licence Revenue Office Management Information System (LROMIS). It is scheduled for completion in the year 2012.
- ✓ A Third Party Information System was developed to facilitate the electronic loading of information submitted by third parties.
- ✓ Software which allows the Debt Management Division to manage payment plans and track payments being made by taxpayers indebted to the Authority.
- ✓ The development of a Container Scanner application to allow for the extraction of declarations from TRIPS to verify containers which are scheduled for scanning.

## **Application Support Projects undertaken were:**

- ✓ Modifications to TRIPS in the form of data clean-up exercises/fixes. For example, discrepancies were removed from Customs Agreement codes, Customs remission codes and classification of taxpayer company and business type within TRIPS. In addition, the Income Tax threshold within TRIPS was adjusted to facilitate the calculation of the tax free allowance while functional groups were defined for the use of TRIPS Taxes and TRIPS Customs and user assignments were fixed.
- ✓ The Guyana Police Force was granted access to specific reports and components of the Motor Vehicle aspect of the LRPS.
- ✓ The TRIPS Declaration Selection Randomiser was developed to randomly select a consignment of imported goods for 100% examination.
- ✓ Intranet Dynamic Reports – the internet web reporting portal was populated with reports required by staff members. A total of sixteen (16) reports were added in addition to a suite of reports for the benefit of the Auditor General's Office
- ✓ TRIPS Manuals were updated to reflect all current TRIPS screens.

## **Infrastructure Support projects included:**

- ✓ Maintenance of the tower at Customs House which entailed conducting a full analysis of the physical state of the tower and effecting the necessary repairs.
- ✓ Implementation of a high availability infrastructure together with the implementation of Storage Area Network virtualisation software.
- ✓ A Secondary Site Setup which was aimed at setting up a back-up server at a concealed location. The network at this location was designed to provide all primary network service to the organisation in the event of failure of the original server infrastructure.
- ✓ The Virtualisation and Optimisation of Citrix which involved the migration of Citrix from a physical to a virtual environment, followed by the execution of various optimisation techniques to improve the response time of the TRIPS application on the Citrix hosts.

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- ✓ Upgrading of Client Machines to Thin Clients to facilitate the new client to server environment. In excess of fifty (50) machines were deployed throughout the organisation

In addition, the Division received five thousand, five hundred and seventy-one (5,571) requests through its Service Desk, of which five thousand, five hundred and forty (5,540) were completed and closed, leaving a mere thirty-one (31) requests on hold or with an open status. Downtime due to information technology related issues was low with five (5) out of the sixty-nine (69) recorded service disruptions directly related to information technology related issues. The main reason for downtime continued to be electrical in nature, with over sixty (60) incidents of electrical faults/issues across the Authority's locations.

Some of the key reasons for unfinished assignments stemmed from delays in procurement of equipment, the changing of priorities, lack of full support from user divisions to properly state their requirements and project management issues as a result of impromptu requests. A major issue that was not resolved is that of adequate training for the staff of the Division. Staff resorted to on-the-job and in-house training which proved effective in some areas, but was altogether inadequate. Further, a tremendous amount of time and effort was spent supporting TRIPS without the help of the consultants, Crown Agents, even though they gave an undertaking to resolve identified issues and provide the necessary fixes.

### **K: LAW ENFORCEMENT AND INVESTIGATION DIVISION**

This Division provides the necessary investigative and enforcement programmes which are aimed at enforcing compliance with the Acts and Regulations administered by the Authority. Infractions of these Laws resulted in seizure of goods/articles, imposition of fines and prosecution in the Courts.

During the year, several initiatives were undertaken by the Law Enforcement and Investigation Division to improve efficiency and undertake an expanded mandate. Among these was the de-linking of the Scanner Operations Section resulting in the Division being comprised of three (3) Sections, namely: Surveillance and Anti-Smuggling; Marine and Regional Operations; and Drug Enforcement. In addition, a Warehouse facility, located at Industrial Site, Eccles, East Bank Demerara, was operationalised during the period under review. The facility, which provides storage for 'want of entry' and seized items, is managed by a Supervisor who reports directly to the Manager, Surveillance and Anti-Smuggling. The Division also implemented strategies to combat smuggling activities in remote areas with the stationing of Enforcement Officers at the recently established offices at Mabura, Lethem and Crab Island, East Berbice, in an effort to prevent the smuggling of goods from Suriname and Brazil into Guyana.

Staff continued to conduct country-wide surveillance and anti-smuggling activities both on land and water with the use of the high powered vessels which were acquired in 2009. These exercises led to seizures of un-customed goods and the imposition of fines and penalties. The examination of goods at the various ports of entry/exit were also carried out by staff of the Division with the aim of ensuring that the correct duties/taxes were paid on consignments and preventing the passage of narcotics and other illegal and restricted items.

The achievements of the Division during the year 2011 reflected a significant increase in revenue collection. The challenges faced were effectively dealt with resulting in revenue targets being surpassed. There were a number of successful investigations and anti-smuggling exercises that resulted in the remittance of substantial sums of revenue to the Authority. Of significance also, was the closure of

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several matters, the investigation of which commenced in the years 2009 and 2010. This also contributed to the increased revenue collection for the year 2011 as compared to the previous year. This is shown in the Table below.

**TABLE III  
REVENUE COLLECTED**

| Activity                   | 2010              | 2011               | Actual Variance   | % Variance |
|----------------------------|-------------------|--------------------|-------------------|------------|
| Fines & Compensation       | 16,328,664        | 21,238,187         | 4,909,523         | 30         |
| Additional Taxes           | 21,913,815        | 36,949,080         | 15,035,265        | 69         |
| Sale of Seizure            | 20,251,700        | 18,960,790         | (1,290,910)       | (6)        |
| Proceeds from Auction Sale | -                 | 30,297,000         | 30,297,000        | 100        |
| <b>Total</b>               | <b>58,494,179</b> | <b>107,445,057</b> | <b>48,950,878</b> | <b>84</b>  |

## **L: FACILITIES MANAGEMENT & OPERATIONAL SUPPORT SERVICES**

This Division is mandated to promote a safe, comfortable and clean working environment for staff of the Guyana Revenue Authority by facilitating the maintenance and renovation of buildings occupied by the various Departments/Divisions/Sections of the organisation, the servicing and maintenance of equipment in a timely and efficient manner, managing the security personnel and maintaining a pool of motor vehicles.

During the year under review, staff of the Division ensured that repairs and general maintenance of equipment were conducted throughout the Authority and those included repairs to and servicing of Uninterrupted Power Supply (UPS) systems, air-conditioning units and generators. In addition, there was also maintenance of the electrical system and the cleaning of the compounds and interior (including carpets and tiles) of buildings housing the various Offices.

Capital works were also completed at several locations. These included works at the Container Scanner Site which comprised rehabilitation of the building, installation of the Scanner, installation and operationlisation of the generator and construction of Office accommodation among others. Construction works were also carried out at the Mechanical Workshop located at Eccles as well as Offices located at Anna Regina, Parika, Crab Island, Customs Boathouse and the Berbice Anti-Smuggling Squad (BASS). The works carried out included repairs to ceiling, construction of a store room, and construction and installation of grillwork.

At the end of the year under review, the preparation for capital works at several locations had also commenced. These included the rehabilitation of/repairs to buildings housing the Corriverton, New Amsterdam and BASS offices and the Mabura outpost. In addition, estimates and specifications were

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completed for the construction of generator rooms at the BASS and Parika Offices and the construction of a ramp at the Container Scanner Site to facilitate the launching of boats operated by the Marine Section of the Law Enforcement and Investigation Division.

The Division also continued to manage the pool of motor vehicles operated by the Authority and ensured that they were serviced and repaired whenever necessary to maintain road worthiness. Further, staff of the Security Section of the Division made regular weekly and monthly visits to all of the Authority's location to ensure that security procedures were being complied with.

## **M: DEBT MANAGEMENT DIVISION**

This Division is mandated to utilise the investment made in automation combined with efficient collection strategies to ensure that taxes which are due and debts which are outstanding are collected/recovered in a timely manner thereby maximizing revenue collection.

The Division continued to monitor the collection of outstanding tax balances and was able to determine arrears taxes partly through the process of file clearing. During the period under review a total of one thousand, one hundred and sixty-nine (1,169) tax files were cleared comprising three hundred and eighty-three (383) which were related to Companies and seven hundred and eighty-six (786) to Individual taxpayers. As a result of the file clearing exercise, a total of \$9.4B in arrears taxes was identified and collection proceedings commenced with the dispatch of liability letters to Companies and Individual taxpayers during the year 2011. The Division has collected in excess of \$10.1B in total arrears for the year. This amount represented an increase of \$1.2B above the total arrears collected for the year 2010.

Currently, the Division is unable to determine the total arrears taxes unpaid to December, 2011 for several reasons including the issue of debts which were computed in taxpayers' files not being on TRIPS and the inaccurate figure being generated for the total unpaid arrears as at December 31, 2011 on the Age Debtor Report. Recurring difficulties have affected the Division from maximizing its full potential in the collection of outstanding taxes. These include:

- ❖ Taxpayers not being easily located;
- ❖ The time lapse between the time taxpayers are eventually located and their readiness to respond;
- ❖ Taxpayers reverting to various schemes in attempts to frustrate the efforts of the Revenue Authority in its collection drives;
- ❖ The inordinately long time in which matters before the Courts are dealt with and difficulties locating taxpayers' assets when judgment is granted in favour of GRA; and
- ❖ In many instances the courts even grant the delinquent taxpayers further time to put themselves in order.

## **N: INTELLIGENCE AND SPECIAL INVESTIGATION DIVISION**

This Division is mandated to manage a centralized database through ongoing collection of data which is tested and analysed to determine tax fraud, insolvency, smuggling or any other activity which presents a risk

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to the operations and objectives of the Authority and to disseminate such information to management to protect and enhance revenue collection.

Staff of the Division conducted one hundred and seventy (170) surveillance and intelligence gathering exercises on reported tax evaders and a further two hundred and thirty-nine (239) similar exercises on suspected tax evaders across the country. There were one hundred and fifteen (115) instances where intelligence gathered was disseminated to other Divisions including the Law Enforcement and Investigation Division for appropriate action to be taken. A total of eighty-six (86) reports were also prepared based on the surveillance exercises.

In addition, twenty-nine (29) investigations, which were referred from other functional areas within the Authority, were also completed. These matters were referred from areas including the Commissioner-General's Office and the Intelligence Unit. Included among the twenty-nine (29) investigations were three (3) which were based on Currency Declaration Reports received from the Cheddi Jagan International Airport.

Revenue identified for recovery for the year under review amounted to \$193M which surpassed the amount of \$127M which was identified in 2010, by approximately 52%. The Division interacted with external Intelligence Agencies on three (3) occasions to facilitate the sharing of information.

Insufficient staffing and inadequate transportation continue to be the main issues adversely affecting the functioning of the Division.

### **O: PLANNING AND ANALYSIS DIVISION**

The Planning and Analysis Division is mandated to ensure that Guyana Revenue Authority's mandate is fulfilled through effective planning, forecasting, coordinating, organizing, monitoring and evaluating of financial and non-financial work programme commitments; analyzing results achieved by the various operational areas in relation to their respective Annual Work Programmes in order to improve tax administration, resolve non-compliance and generate increased revenues.

To this end, the Division coordinated the preparation of an executive summary of GRA's Annual Work Programme for 2011 in relation to the nineteen (19) functional areas and this was presented to the Governing Board by the Commissioner-General. The results achieved in relation to the Work Programme Commitments by the various functional areas were monitored and analyzed on a monthly basis by staff of the Division and analytical reports were prepared and submitted to the Commissioner-General to provide updates on the progress made, highlight areas that achieved satisfactory results and identify areas that required urgent remedial action by management. The Division also successfully coordinated two (2) General Management Meetings during the year.

Thirty-nine (39) monthly and fortnightly revenue collection statements were prepared and submitted to the Governing Board and Ministry of Finance while a similar number of monthly analytical revenue reports were also completed.

With respect to monthly revenue collection reports, thirteen (13) were prepared and submitted to the Governing Board. One hundred and seventy-eight (178) management information system (MIS) and other specialized reports were generated for Senior Management. Sixty-two (62) special assignments were completed in relation to work programme commitments, revenue collection and revenue projection. In addition, twenty-nine (29) reports were generated for external Agencies based on requests received while a

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total of two hundred and twenty-four (224) monthly reports on work programme commitments and results achieved by all functional areas were analysed.

## **P: POST-CLEARANCE AUDIT DIVISION**

This Division, which commenced operations during the month of June 2011, is mandated to verify the accuracy of declarations made by importers by conducting examinations of their records, business systems and all relevant commercial data held by the importer subsequent to the clearance and release of cargo.

The aim is to cover the activities of all major importers over a reasonable period of time, concentrating mainly on recent imports. Where irregularities are discovered, the audit is then extended to include all the importations made by that particular importer.

Staff of the Division completed a total of one hundred and thirty-seven (137) post-clearance audits which was seventeen (17) or 14% above the projected amount of one hundred and twenty (120). One hundred and five (105) of those audits resulted in additional taxes and duties being indentified for recovery. In all of the cases, agreements were reached with the importers for the payment of a total of \$339.2M in additional revenue.

## **Q: CONTAINER SCANNER AND GOODS EXAMINATION DIVISION**

The Division was formally established in June 2011 and comprises two (2) sections namely the Container Scanner Section and the Goods Examination Section.

The Container Scanner Section was established upon the acquisition of a Portal Scanner to facilitate a more advanced and efficient system of examination of containerized cargo for narcotic substances and to meet international requirements. The section was initially established as part of the Law Enforcement and Investigation Division (LEID) and subsequently de-linked. The Goods Examination Section which was also established initially as a part of the LEID, is mandated to conduct physical examinations of cargo for import and export to ensure they are consistent with their declarations, to prevent the passage of illegal items/un-customed goods and narcotic substances through the ports of entry, and to ensure the correct duties and taxes are applied.

During the year under review the Division experienced constraints which included insufficient staff, lack of computers which prevented the officers from sending the examination reports for goods to be released in a timely manner and the absence of training which is imperative for optimum performance. In addition, there were technical issues associated with the Portal Scanner which resulted in several periods of downtime while the analysis of the image generated by the Scanner presented a challenge for the staff assigned to perform this function. Also, exporters faced difficulties in transporting their containers to the Scanner Terminal resulting in some containers arriving after their scheduled time. In spite of the aforementioned constraints, the Division performed creditably during the period under consideration.

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Six thousand, eight hundred and forty-one (6,841) containers were scheduled for scanning during the year under review. However, six thousand six hundred and fifty nine (6,659) were scanned and eighty three (83) were referred to the Drug Enforcement Section and the Goods Examination Section for further inspection. It should be noted that at the end of the reporting period the scanning of seventeen (17) containers were still scheduled for completion. Of the six thousand, six hundred and fifty nine (6,659) which were scanned, only ten (10) were imports.

Among the incoming cargo that were examined by staff of the Goods Examination Section, two thousand, nine hundred and ninety-nine (2,999) were containers, one hundred and eleven thousand, six hundred and sixty-three (111,663) were skids/pallets/boxes/crates, two thousand, six hundred and twelve (2,612) were vehicles, inclusive of industrial vehicles, and one thousand and sixty (1,060) were motor cycles. There were sixty-four (64) instances where consignments were referred to other Divisions to resolve various discrepancies.

Incoming cargo which were released during the period under review included two thousand, five hundred and twelve (2,512) containers, one hundred and eleven thousand, six hundred and sixty-three (111,663) skids/pallets/boxes/crates, two thousand, six hundred and fifty-two (2,652) vehicles including industrial vehicles and one thousand and sixty (1,060) motor cycles. Detentions comprised eighty-five (85) containers. Additional revenue which was assessed as a result of the examination of cargo amounted to five thousand, two hundred and fifty-three dollars (\$5,253.00).

Outgoing cargo that were examined and sealed comprised fifteen thousand, seven hundred and twenty-four (15,724) containers, ten (10) trucks, ten thousand, seven hundred and thirty-four (10,734) skids/pallets/boxes/barrels/bags/crates and one thousand, eight hundred and sixty-two (1,862) boxes containing soil samples, precious metal and monetary notes. Thirty (30) vessels were also examined. An additional seventy-four (74) containers were referred by the Container Scanner Section for further physical examination.

Among the items of outgoing cargo which were released for shipping, fourteen thousand, eight hundred and fifty-six (14,856) were containers, nine (9) were trucks, ten thousand, three hundred and ninety-nine (10,399) were skids/pallets/boxes/barrels/bags/crates, two thousand, six hundred and fifty-two (2,652) were vehicles, including industrial vehicles, and two thousand, one hundred and sixty-five (2,165) were boxes containing soil samples, precious metal and monetary notes.

### **R: REVENUE PROTECTION**

This Division is mandated to enhance revenue collection by ensuring that duties and taxes on imported goods are correctly assessed and to ensure that the TRIPS valuation database is maintained in a timely manner.

During the period under review, staff conducted risk assessment and profiling of forty-eight thousand, four hundred and twelve (48,412) declarations. Twenty thousand, five hundred and ninety-seven (20,597) of those declarations were selected for examinations, two thousand, five hundred and eighty-one (2,581) were selected for review of associated documents and two thousand, eight hundred and sixty (2,860) were reviewed for reasonableness of values, correctness of classification and use of CPC codes.

## **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

In addition, declarations profiled for continued processing and subsequent release amounted to twenty-two thousand, nine hundred and eighty-seven (22,987).

Staff also held meetings with importers to discuss and arrive at agreements with respect to additional taxes assessed. Such meetings amounted to one thousand, three hundred and seventy-one (1,371). Acceptance of additional tax liability by importers totalled one thousand, three hundred and eighty-four (1,384). A total of two thousand, six hundred and eighty-nine (2,689) reports were also prepared detailing facts of cases reviewed, actions taken, findings, conclusions and recommendations for the reassessment and acceptance of taxes.

For the period January to December 2011, additional revenue identified for collection, based on reviews carried out, amounted to four hundred and eighty-five million, four hundred and eighty-one thousand, four hundred and seventy-five dollars (\$485,481,475.00).

## DEPARTMENTAL PERFORMANCE

### TAX OPERATIONS AND SERVICES

#### CENTRAL DATA PROCESSING

##### REGISTRATION

For the year 2011, a total of two hundred and sixty-six (266) registration packages were issued to potential Value Added Tax (VAT) registrants. However, only one hundred and eighty-two (182) applications for registration were received. Registration was completed for one hundred and ninety-two (192) applicants inclusive of those who had applied during the previous year. Seven (7) taxpayers were also registered for Excise Tax while de-registration activities were completed for twenty-two (22) VAT registrants.

Nine hundred and forty-eight (948) packages were distributed to employers to facilitate their remission of taxes under the PAYE system while thirty-six thousand and twenty-four (36,024) individuals and three hundred and forty-five (345) companies were registered for Taxpayer Identification Numbers (TIN). In addition, thirty-eight thousand, five hundred and twenty (38,520) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers and a total of one hundred and sixty-one thousand, three hundred and twenty-four (161,324) Returns for various tax types were distributed to taxpayers. The table below shows the number of taxpayers for whom registration activities were completed.

Staff of the Section also issued a total of six hundred and twenty-three (623) letters to individuals and companies who made applications to conduct public entertainment events during the year.

**TABLE IV  
NUMBER OF TAXPAYERS REGISTERED AND  
CERTIFICATES ISSUED**

| Description                        | VAT | Excise Tax | TIN    |
|------------------------------------|-----|------------|--------|
| Registration Applications Received | 182 | 7          | N/A    |
| Taxpayers Registered               | 192 | 7          | 36,369 |
| Certificates Issued                | 296 | 7          | 38,520 |

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



## **LODGMENT OF RETURNS**

For the year ending December 31, 2011, the Lodgment of various types of Tax Returns amounted to one hundred thousand, five hundred and ninety-eight (100,598). Income Tax Returns totaled sixty-five thousand, seven hundred and forty-five (65,745) or approximately 65% of the total returns lodged while VAT and Individual Property Tax Returns totalled twenty-five thousand, four hundred and ninety-six (25,496) or 25% and seven thousand, one hundred and twenty-eight (7,128) or 7% respectively of the total returns lodged.

The lodgment of Employer's Returns (Form 2) amounted to one thousand, four hundred and eight (1,408) while sixteen thousand, nine hundred and seventy-six (16,976) Monthly Remittance Forms (Form 5) were lodged by employers.

Verification activities were also carried out on all returns lodged to ensure that they were fully and accurately completed. As a result of such activities, eight thousand, one hundred and sixty (8,160) query letters were dispatched to taxpayers. The number of returns lodged by tax type is shown in the Table V below.

**TABLE V  
NUMBER OF RETURNS RECEIVED**

| <b>TAX TYPE</b>                   | <b>AMOUNT</b>  |
|-----------------------------------|----------------|
| Income Tax Returns                | 65,745         |
| Property Tax Returns (Individual) | 7,128          |
| Property Tax Returns (Company)    | 912            |
| Corporation Tax Returns           | 896            |
| Capital Gain Tax Returns          | 27             |
| Excise Tax Returns                | 27             |
| VAT Returns                       | 25,496         |
| Miscellaneous Taxes Returns       | 367            |
| <b>Total</b>                      | <b>100,598</b> |

## **DATA ENTRY AND APPROVAL**

Upon completion of verification activities, data from the tax returns are then entered into TRIPS and if correct, subsequently approved. Data from a total of one hundred and nine thousand, eight hundred and thirty-seven (109,837) returns were entered into TRIPS while approval of data entry for ninety-four thousand, nine hundred and eighty-two (94,982) returns were completed (this figure includes approval of returns entered during the previous year).

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



The data entry of Employer's Returns (Form 2) amounted to one thousand and forty (1,040) while approval totalled nine hundred and forty-eight (948). Data entry and approval of information from Monthly Remittance Forms (Form 5) amounted to eighteen thousand, nine hundred (18,900) and seventeen thousand and seventy-three (17,073) respectively.

Table VI below shows the number of Returns entered and approved by tax type.

**TABLE VI  
NUMBER OF RETURNS ENTERED AND APPROVED**

| <b>TAX TYPE</b>                   | <b>DATA ENTRY</b> | <b>DATA APPROVAL</b> |
|-----------------------------------|-------------------|----------------------|
| Income Tax Returns                | 73,984            | 63,249               |
| Property Tax Returns (Individual) | 8,534             | 6,723                |
| Property Tax Returns (Company)    | 1,089             | 936                  |
| Corporation Tax Returns           | 1,054             | 854                  |
| Capital Gains Tax Returns         | 8                 | 12                   |
| Excise Tax Returns                | 22                | 29                   |
| VAT Returns                       | 24,233            | 22,300               |
| Miscellaneous Taxes               | 913               | 879                  |
| <b>Total</b>                      | <b>109,837</b>    | <b>94,982</b>        |

## **INTERNAL REVENUE OPERATIONS**

The mandate of the Internal Revenue Operations Division is to collect all taxes due to the Government of Guyana through the effective and efficient administration of the income, corporate and other taxes and licences under the Laws of Guyana for which it is responsible.

## **GROSS REVENUE COLLECTION**

During the year 2011, the actual revenue collection amounted to \$47.2B while the budgeted figure which was approved in the National Assembly was \$44.1B. Actual collections surpassed the budgeted amount by \$3.1B or 7%. Total revenue for 2011 by tax type is set out in the table overleaf. As can be observed from the table, estimates under various heads exceeded the revenue collected by \$3.4B while collections under other heads were under the estimates by \$0.3B. During the year, revenue amounting to \$47.2B was deposited in the Consolidated Fund.

Revenue collected during 2011 was greater than that collected during the preceding year. The actual collection for the year 2010 was \$43.3B. Revenue collection for 2011 exceeded this amount by \$3.9B or 9%. Income Tax and Corporation Tax continued to be the two major heads of revenue contributing \$16.8B and \$18.4B or 36% and 39% respectively of total revenue. This is shown in Table VII overleaf while Chart II compares revenue collection in 2011 with that of 2010.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



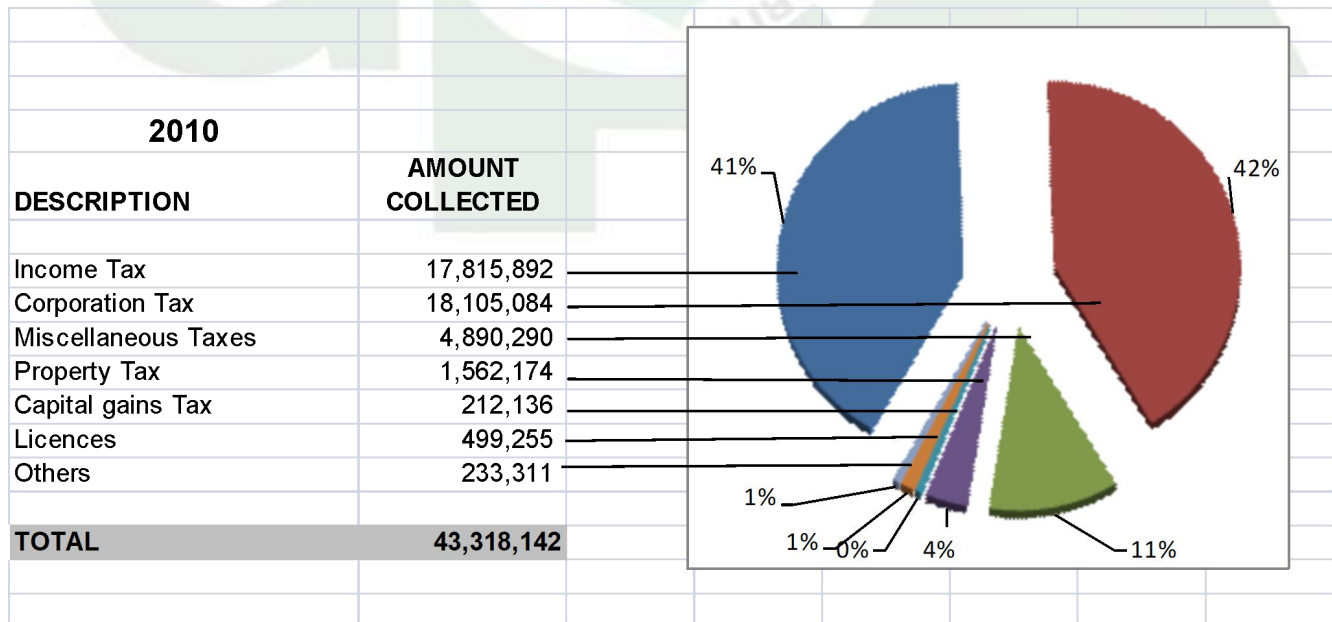
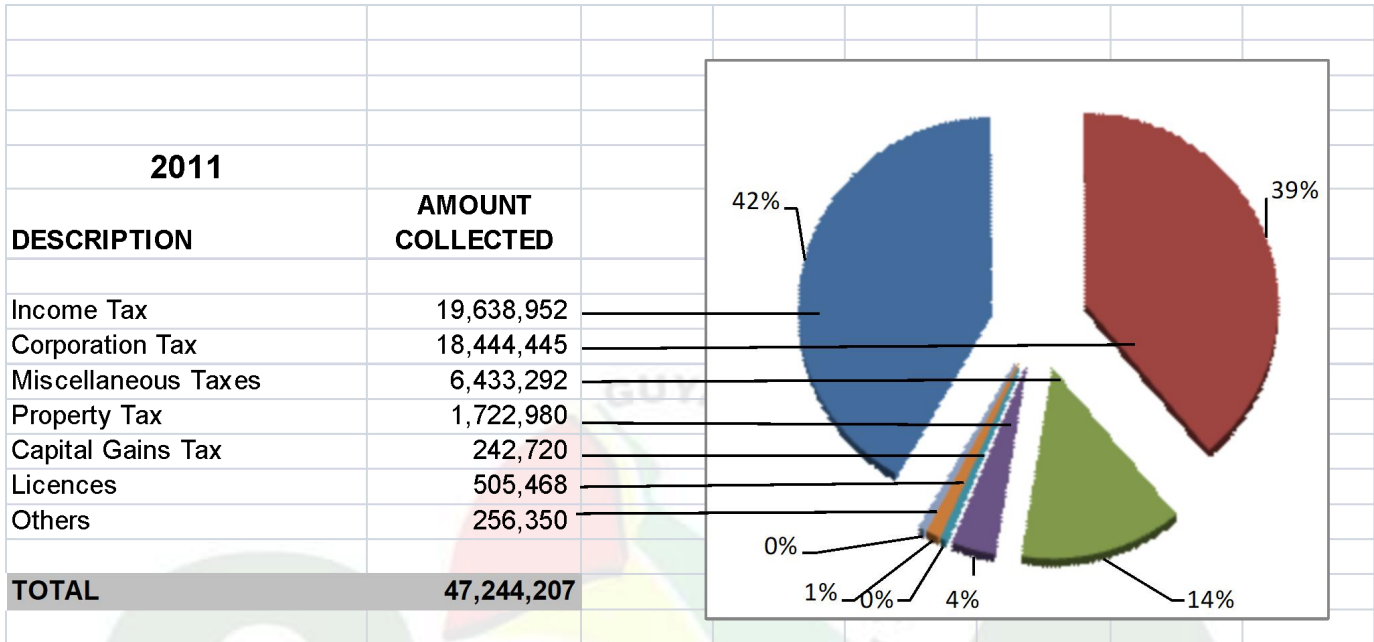
**TABLE VII  
REVENUE COLLECTION  
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2011 (\$ 000)**

| DESCRIPTION                          | APPROVED BUDGET   | AMOUNT COLLECTED  | AMOUNT PAID INTO CONSOLIDATED FUND | UNDER THE ESTIMATE | OVER THE ESTIMATE |
|--------------------------------------|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| <b>INCOME TAX</b>                    | <b>18,734,887</b> | <b>19,638,952</b> | <b>19,638,952</b>                  | 0                  | <b>904,065</b>    |
| SELF EMPLOYED                        | 2,573,366         | 2,794,143         | 2,794,143                          | 0                  | <b>220,777</b>    |
| OTHER                                | 16,161,521        | 16,844,809        | 16,844,809                         | 0                  | <b>683,288</b>    |
| <b>COMPANIES</b>                     | <b>0</b>          | <b>0</b>          | <b>0</b>                           |                    |                   |
| PRIVATE SECTOR                       | 0                 | 0                 | 0                                  |                    |                   |
| PUBLIC SECTOR                        | 0                 | 0                 | 0                                  |                    |                   |
| <b>CORPORATION TAX</b>               | <b>17,566,782</b> | <b>18,444,445</b> | <b>18,444,445</b>                  | 0                  | <b>877,663</b>    |
| PRIVATE SECTOR                       | 16,550,524        | 17,487,400        | 17,487,400                         | 0                  | <b>936,876</b>    |
| PUBLIC SECTOR                        | 1,016,258         | 957,045           | 957,045                            | (59,213)           |                   |
| <b>MISCELLANEOUS TAXES</b>           | <b>4,965,920</b>  | <b>6,433,292</b>  | <b>6,433,292</b>                   | 0                  | <b>1,467,372</b>  |
| WITHHOLDING TAX                      | 3,444,140         | 4,976,940         | 4,976,940                          | 0                  | <b>1,532,800</b>  |
| PROCESS FEE                          | 29,940            | 30,024            | 30,024                             | 0                  | <b>84</b>         |
| TRAVEL TAX                           | 491,717           | 544,557           | 544,557                            | 0                  | <b>52,840</b>     |
| PREMIUM TAX                          | 128,138           | 166,048           | 166,048                            | 0                  | <b>37,910</b>     |
| PROFESSIONAL FEES                    | 11,104            | 7,675             | 7,675                              | (3,429)            |                   |
| TRAVEL VOUCHER TAX                   | 860,881           | 708,048           | 708,048                            | (152,833)          |                   |
| <b>NET PROPERTY TAX</b>              | <b>1,792,727</b>  | <b>1,722,980</b>  | <b>1,722,980</b>                   | (69,747)           |                   |
| <b>CAPITAL GAINS TAX</b>             | <b>234,557</b>    | <b>242,720</b>    | <b>242,720</b>                     | 0                  | <b>8,163</b>      |
| <b>NATIONAL DEVELOPMENT TAX</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>                           | 0                  |                   |
| <b>LICENCES</b>                      | <b>566,022</b>    | <b>505,468</b>    | <b>505,468</b>                     | (60,554)           |                   |
| MOTOR VEHICLES                       | 535,123           | 476,888           | 476,888                            | (58,235)           |                   |
| OTHER VEHICLES                       | 1,129             | 168               | 168                                | (961)              |                   |
| TRADING                              | 14,384            | 16,290            | 16,290                             | 0                  | <b>1,906</b>      |
| MISCELLANEOUS                        | 15,386            | 12,122            | 12,122                             | (3,264)            |                   |
| <b>PURCHASE TAX - CARS</b>           | <b>0</b>          | <b>0</b>          | <b>0</b>                           | 0                  |                   |
| <b>M/ VEHICLES &amp; RD TRAF ACT</b> | <b>276,454</b>    | <b>256,350</b>    | <b>256,350</b>                     | (20,104)           |                   |
| <b>D/C FEES</b>                      | <b>0</b>          | <b>0</b>          | <b>0</b>                           | 0                  |                   |
| <b>GRAND TOTAL</b>                   | <b>44,137,349</b> | <b>47,244,207</b> | <b>47,244,207</b>                  | <b>(367,786)</b>   | <b>3,474,644</b>  |
|                                      |                   |                   |                                    |                    |                   |
|                                      |                   |                   |                                    |                    |                   |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



**CHART II  
REVENUE COLLECTION  
ANALYSIS**



## REFUNDS AND NET REVENUE COLLECTION

During the year 2011, refund of taxes amounting to approximately \$592M was paid to taxpayers of the various categories as is shown in Table VIII below. A realistic estimate of the unpaid refunds at 31<sup>st</sup> December, 2011 was \$360M of which Corporation Tax represented 85% or \$306M of the unpaid refunds.

**TABLE VIII**  
**NET REVENUE COLLECTION 2011 (\$000)**

| DESCRIPTION          | GROSS COLLECTIONS | REFUNDS        | NET COLLECTIONS   |
|----------------------|-------------------|----------------|-------------------|
| INCOME TAX           | 19,638,952        | 89,535         | 19,549,417        |
| CORPORATION TAX      | 18,444,445        | 486,084        | 17,958,361        |
| PROPERTY TAX         | 1,722,980         | 15,097         | 1,707,883         |
| WITHHOLDING TAX      | 4,976,940         | 1,487          | 4,975,453         |
| OTHER TAXES & DUTIES | 2,460,890         | 758            | 2,460,132         |
| <b>TOTAL</b>         | <b>47,244,207</b> | <b>592,961</b> | <b>46,651,246</b> |

## TAX COMPLIANCE CERTIFICATES

The demand for compliance certificates to facilitate the transfer of ownership of motor vehicles, title to land and buildings, and the satisfaction of regulatory requirements for the issue of tenders, continued during 2011.

The table overleaf illustrates a comparative analysis of the various types of Tax Compliance certificates which were issued during 2010 and 2011. A total of ten thousand, nine hundred and forty-one (10,941) compliance certificates were issued during 2011. This amount represents a decrease of approximately 21% when compared with the amount issued in 2010. Of the total issued for 2011, three thousand, four hundred and twenty-eight (3,428) certificates were issued for Land and Buildings, five thousand, five hundred and four (5,504) were issued for the transfer of ownership of Motor Vehicles and two thousand and nine (2,009) were issued for Tender purposes.

**TABLE IX  
CERTIFICATES OF COMPLIANCE ISSUED**

| TYPE OF CERTIFICATE | Total         |               |
|---------------------|---------------|---------------|
|                     | 2010          | 2011          |
| Land                | 3,947         | 3,428         |
| Motor Vehicle       | 6,359         | 5,504         |
| Tender              | 3,566         | 2,009         |
| <b>Total</b>        | <b>13,872</b> | <b>10,941</b> |

## EXAMINATIONS

Staff commenced the examination of a total of four hundred and forty-seven (447) Tax Returns which were submitted by Companies of which three hundred and sixty-seven (367) were profiled and eighty (80) were received from other Divisions/Sections. At the end of the period, one hundred and eight (108) of those examinations were fully completed and thirty-seven (37) assessments were raised or corrected by Officers. Revenue identified for recovery amounted to \$33.5M. With respect to self-employed persons, the examination of three hundred and ninety-seven (397) Tax Returns was completed resulting in three hundred and ninety-six (396) assessments being raised or corrected. A total of \$105.1M in revenue was identified for recovery.

Staff also received and reconciled nine hundred and thirty-one (931) Employer's Returns (Form II) which were submitted under the PAYE system and examined two hundred and forty-four (244) Tributors' Returns. Revenue identified for recovery amounted to \$1.6M. Other schedules examined/reconciled were related to Withholding, Travel Voucher, Travel Ticket and Premium Taxes and these amounted to three thousand, five hundred and seventy-six (3,576). A total of \$0.89M in revenue was identified for recovery as a result of those examinations.

The data entry and data approval of information obtained from Third Party sources were also undertaken by staff resulting in eleven thousand, seven hundred and eighty three (11,783) entries being approved.

## **VALUE ADDED AND EXCISE TAXES OPERATIONS**

The mandate of the Division is to collect all Value-Added and Excise Taxes through the efficient administration of the Value-Added Tax Act No. 10 of 2005, the Excise Tax Act No. 11 of 2005, their regulations, and the Spirits Act.

### **GROSS REVENUE COLLECTION**

Revenue collected during the year under review was \$53B which was \$2.8B or 5.6 % above the estimate of \$50.2B approved by the National Assembly. Revenue collected under various heads exceeded the estimate by \$3.2B while collections under other heads were under the estimate by approximately \$0.3B. This is shown in Table X overleaf.

Actual revenue collection during the previous year was approximately \$50.9B. The collection for 2011 was therefore \$2.1B or 4.1 % greater than that for 2010. After payment of refunds, revenue amounting to \$56.6B was paid into the Consolidated Fund. The increased collection of Value-Added Tax, more particularly on imported goods, was the major contributing factor to the increased collection in 2011.

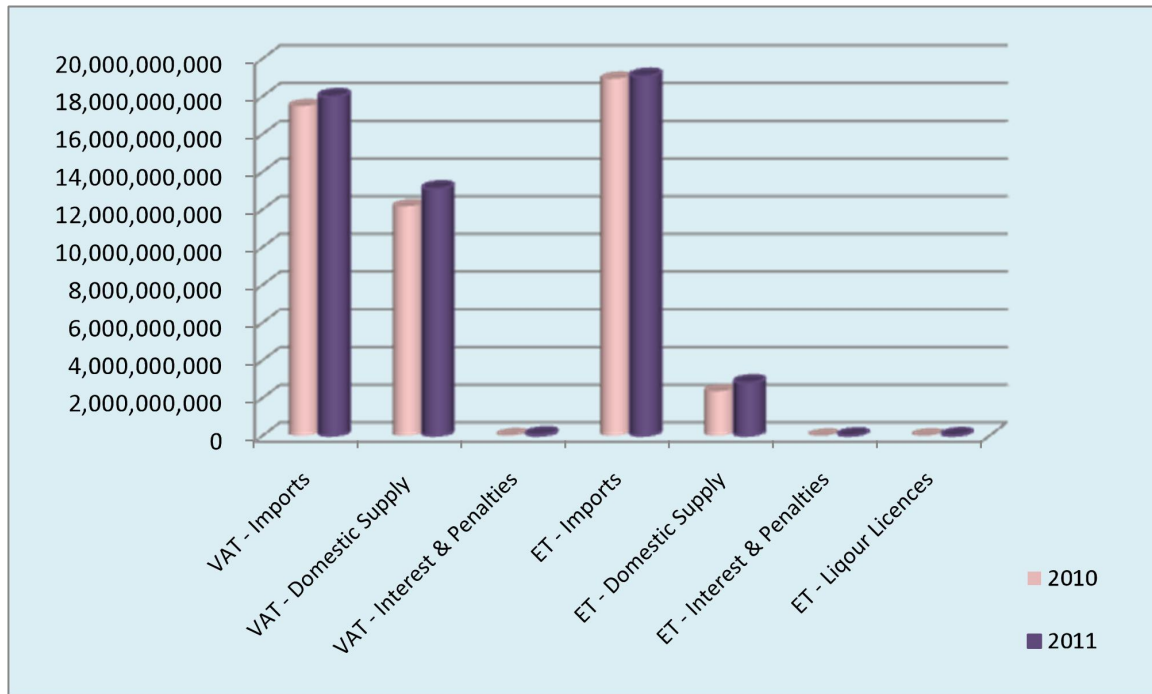
# ANNUAL REPORT & STATEMENT OF ACCOUNTS



**TABLE X  
REVENUE COLLECTION  
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2011 (\$ 000)**

| Description   | Approved Budget   | Amount Collected  | Amount Paid into Consolidated Fund | Under the Estimate | Over the Estimate |
|---|-------------------|-------------------|------------------------------------|--------------------|-------------------|
| <b>Value Added Tax:</b>                             | <b>28,589,011</b> | <b>31,156,178</b> | <b>31,156,178</b>                  |                    | <b>2,567,167</b>  |
| <b>591 Imports</b>                                  | <b>15,802,862</b> | <b>17,996,373</b> | <b>17,996,373</b>                  |                    | <b>2,193,511</b>  |
| Goods   | 15,733,591        | 17,906,644        | 17,906,644                         |                    | 2,173,053         |
| Services  | 69,271            | 89,729            | 89,729                             |                    | 20,458            |
| <b>592 Domestic Supply</b>                          | <b>12,759,421</b> | <b>13,107,122</b> | <b>13,107,122</b>                  |                    | <b>347,701</b>    |
| Goods   | 12,759,421        | 13,107,122        | 13,107,122                         |                    | 347,701           |
| Services  | -                 | -                 | -                                  |                    |                   |
| <b>598 Miscellaneous - VAT:</b>                     | <b>26,728</b>     | <b>52,683</b>     | <b>52,683</b>                      |                    | <b>25,955</b>     |
| Interest  | 12,544            | 30,879            | 30,879                             |                    | 18,335            |
| Penalties   | 14,184            | 21,804            | 21,804                             |                    | 7,620             |
| <b>Excise Tax:</b>                                  | <b>21,639,778</b> | <b>21,900,577</b> | <b>21,900,577</b>                  |                    | <b>260,799</b>    |
| <b>595 Imports</b>                                  | <b>19,259,202</b> | <b>19,077,422</b> | <b>19,077,422</b>                  | <b>(181,780)</b>   |                   |
| Motor Vehicles                                      | 8,046,026         | 7,808,603         | 7,808,603                          | <b>(237,423)</b>   |                   |
| Petroleum Products                                  | 9,293,649         | 9,137,827         | 9,137,827                          | <b>(155,822)</b>   |                   |
| Tobacco Products                                    | 1,156,027         | 1,161,014         | 1,161,014                          |                    | 4,987             |
| Alcoholic Beverages                                 | 763,500           | 969,978           | 969,978                            |                    | 206,478           |
| <b>596 Domestic</b>                                 | <b>2,370,342</b>  | <b>2,813,299</b>  | <b>2,813,299</b>                   |                    | <b>442,957</b>    |
| Alcoholic Beverages                                 | 2,370,342         | 2,813,299         | 2,813,299                          |                    | 442,957           |
| <b>599 Miscellaneous - Excise:</b>                  | <b>-</b>          | <b>-</b>          | <b>-</b>                           |                    |                   |
| Interest  | -                 | -                 | -                                  |                    |                   |
| Penalties   | -                 | -                 | -                                  |                    |                   |
| <b>Licence Fees</b>                                 | <b>10,234</b>     | <b>9,856</b>      | <b>9,856</b>                       | <b>(378)</b>       |                   |
| Liquor Licence                                      | 10,234            | 9,856             | 9,856                              | <b>(378)</b>       |                   |
| <b>Net Total (Transferred to Consolidated Fund)</b> | <b>50,228,789</b> | <b>53,056,755</b> | <b>53,056,755</b>                  | <b>(393,623)</b>   | <b>3,221,589</b>  |
| <b>Refunds Paid</b>                                 |                   |                   | <b>3,642,422</b>                   |                    |                   |
| <b>Gross Total</b>                                  |                   |                   | <b>56,699,177</b>                  |                    |                   |

**CHART III  
REVENUE COLLECTION ANALYSIS**



## REFUNDS VERIFICATION AND PROCESSING

Requests for refunds can arise in two main categories namely: refund of input tax claimed under Section 35 of the VAT Act 2005 and refunds for special cases, claimed under Section 37 of the Act. During the year under review, staff received a total of one thousand, two hundred and sixty-eight (1,268) claims for refund of taxes amounting to \$4.93B. One thousand, three hundred and twelve (1,312) claims were processed comprising one thousand and twenty (1,020) claimed under Section 35 and two hundred and ninety-two (292) claimed under Section 37 of the VAT Act. The total amount of claims processed during the year included claims which were received during the previous year. Fifty-three (53) claims amounting to \$0.23B were rejected. This is shown in the table below.

**TABLE XI  
DETAILS OF REFUND APPLICATIONS PROCESSED**

| Description      | Section 35 |              | Section 37 |              | Total  |              |
|------------------|------------|--------------|------------|--------------|--------|--------------|
|                  | Number     | Amount (\$B) | Number     | Amount (\$B) | Number | Amount (\$B) |
| <b>Received</b>  | 984        | \$4.71       | 284        | \$0.22       | 1,268  | \$4.93       |
| <b>Rejected</b>  | 53         | \$0.23       | 0          | 0            | 53     | \$0.23       |
| <b>Processed</b> | 1,020      | \$2.92       | 292        | \$0.21       | 1,312  | \$3.13       |

## EXAMINATION

Activities undertaken by this Division are focused on ensuring that registrants comply with the requirements of the Value-Added Tax Act and Regulations. Activities undertaken include routine compliance visits and investigations into instances of non-compliance.

Officers conducted thirty (30) compliance checks and eight (8) visits to voluntary registrants to ensure that they were complying with their obligations under the Act. Officers also conducted six (6) visits for de-registration purposes and continued to monitor public entertainment shows.

In addition, eight (8) warning letters were prepared and issued to defaulting taxpayers and a total of one hundred and eighteen million, two hundred and seventeen thousand, one hundred and nineteen dollars (\$118,217,119.00) in additional taxes were recovered by this Division during the year 2011.

## LICENCE REVENUE OFFICE

A total of one hundred and forty thousand, eight hundred and ninety-four (140,894) motor vehicles were processed for the sale of licences during 2011 as compared with eighty-eight thousand, eight hundred and fourteen (88,814) in 2010. New registrations for the year amounted to thirteen thousand, three hundred and eighty-six (13,386) while the corresponding figure for 2010 was twelve thousand, five hundred and thirty-six (12,536). Table XII below sets out the various categories of vehicles licenced and the new vehicles registered during the year 2011 as compared with 2010.

**TABLE XII  
LICENCED MOTOR VEHICLES & NEW VEHICLES REGISTERED**

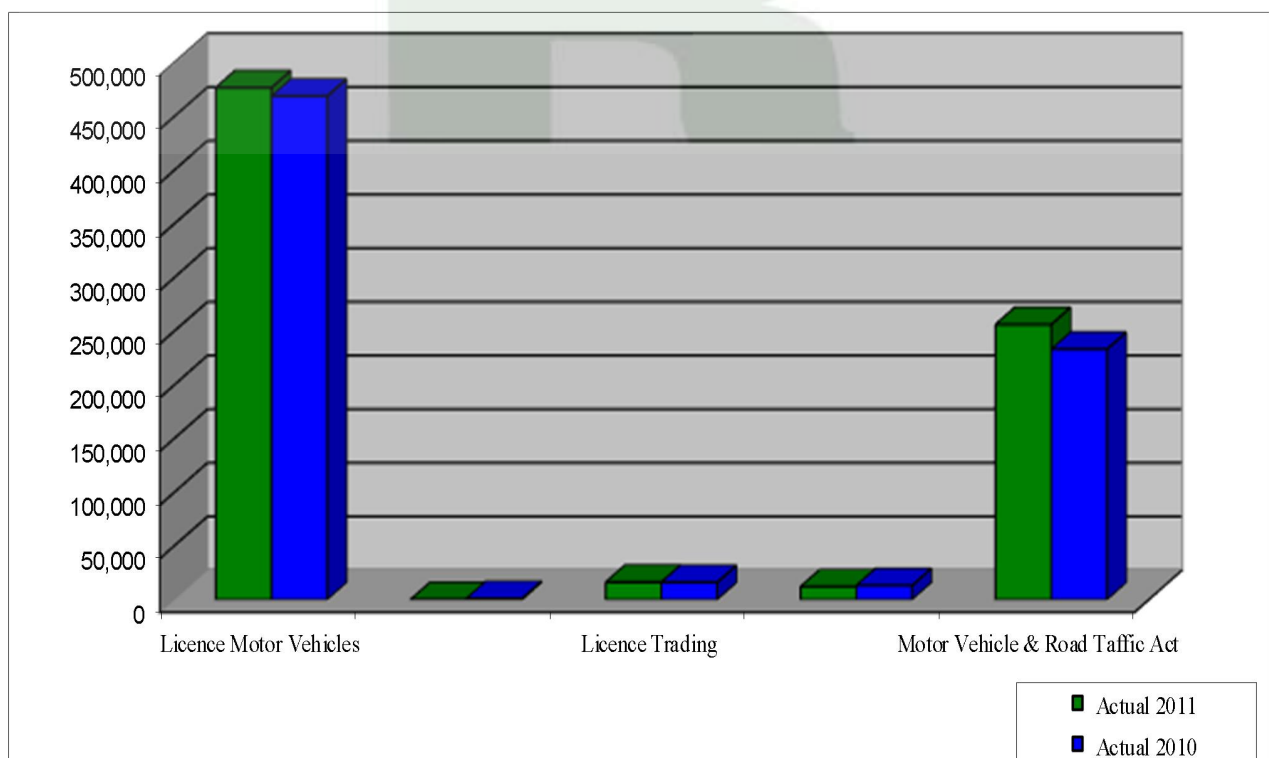
| Type of Vehicle | Licenced Motor Vehicles<br>2011 | New Registration |               | Increase/Decrease |
|-----------------|---------------------------------|------------------|---------------|-------------------|
|                 |                                 | 2011             | 2010          |                   |
| Agricultural    | 9,945                           | 1,248            | 955           | 293               |
| Diplomat        | 440                             | 52               | 76            | (24)              |
| Goods           | 21,951                          | 2,367            | 2,128         | 239               |
| Government      | 2,603                           | 209              | 380           | (171)             |
| Hire            | 17,262                          | 1,194            | 1,218         | (24)              |
| Military        | 8                               | 3                | 20            | (17)              |
| Private         | 88,685                          | 8,313            | 7,759         | 554               |
| <b>Total</b>    | <b>140,894</b>                  | <b>13,386</b>    | <b>12,536</b> | <b>850</b>        |

Table XIII overleaf shows the revenue collected by the Licence Revenue Office in the year 2011 compared with 2010. During the year, a total of \$761.8 million was collected from all heads as compared with the figure of \$732.5 million in 2010 – an increase of approximately 4%. Chart IV overleaf compares revenue collected during the year 2011 with that collected during the year 2010.

**TABLE XIII  
REVENUE COLLECTION (LICENCE REVENUE OFFICE)  
(\$000)**

| Description                         | Actual 2011    | Actual 2010    |
|-------------------------------------|----------------|----------------|
| Licence Motor Vehicles              | 476,887        | 469,084        |
| Licence – Other Vehicles            | 168            | 1,006          |
| Licence – Trading                   | 16,291         | 16,047         |
| Licence – Miscellaneous             | 12,122         | 13,118         |
| Motor Vehicles and Road Traffic Act | 256,350        | 233,311        |
| <b>Total Collection</b>             | <b>761,818</b> | <b>732,566</b> |

**CHART IV  
LICENCE REVENUE  
REVENUE COLLECTION  
FOR THE YEAR 2011 RELATIVE TO 2010 (\$000)**



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## OBJECTIONS

### INCOME TAX

Taxpayers continued to exercise their right of objection to assessment in accordance with Section 78 (2) of the Income Tax Act Chapter 81:01.

The objections lodged with the Division centered around the following areas: -

- Disputes over interpretation of the various acts administered by the Guyana Revenue Authority.
- Disputes over the admissibility of particular items of expenditure that were claimed as deductible expenses in computing chargeable income.
- Disputes over the admissibility of claims for deductions in computing chargeable income.

At the end of December 2011, there were one thousand, eight hundred and eleven (1,811) un-finalised objections on hand. This figure exhibited a thirty-nine percent (39%) reduction when compared with the total un-finalised objections at the end of 2010 which amounted to two thousand, nine hundred and seventy-eight (2,978).

Un-finalised objections relating to Individual Taxpayers totaled one thousand, five hundred and twelve (1,512) or eighty-three percent (83%) of the total un-finalised objections while the remaining two hundred and ninety-nine (299) or seventeen percent (17%) were in respect of Companies. The details are contained in Table XIV.

**TABLE XIV  
INCOME TAX  
OBJECTIONS BY TAXPAYERS**

| <b>PARTICULARS</b>                                  | <b>COMPANIES<br/>2011</b> | <b>INDIVIDUALS<br/>2011</b> | <b>TOTAL<br/>2011</b> |
|---|---------------------------|-----------------------------|-----------------------|
| Un-finalised at the beginning of the year (revised) | 467                       | 2,459                       | 2,926                 |
| Registered during the year                          | 79                        | 726                         | 805                   |
| <b>Sub-Total</b>                                    | <b>546</b>                | <b>3,185</b>                | <b>3,731</b>          |
| Less: Finalised during the year                     | 247                       | 1,673                       | 1,920                 |
| <b>Un-finalised at the end of the year</b>          | <b>299</b>                | <b>1,512</b>                | <b>1,811</b>          |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## VALUE ADDED TAX

Un-finalised objections on hand as at December 31, 2011 for the category of Valued-Added Taxes totaled one hundred and seventy-five (175). Seventy-three (73) out of the total un-finalised objections or forty-two percent (42%) were attributed to Individual taxpayers while the remaining one hundred and two (102) or fifty-eight percent (58%) were in respect of Companies. The details are shown in Table XV

**TABLE XV  
VALUE ADDED TAX  
OBJECTINS BY TAXPAYERS**

| <b>PARTICULARS</b>                         | <b>COMPANIES<br/>2011</b> | <b>INDIVIDUAL<br/>2011</b> | <b>TOTAL<br/>2011</b> |
|--|---------------------------|----------------------------|-----------------------|
| Un-finalised at the beginning of the year  | 144                       | 59                         | 203                   |
| Registered during the year                 | 102                       | 83                         | 185                   |
| <b>Sub-Total</b>                           | <b>246</b>                | <b>142</b>                 | <b>388</b>            |
| Less: Finalised during the year            | 144                       | 69                         | 213                   |
| <b>Un-finalised at the end of the year</b> | <b>102</b>                | <b>73</b>                  | <b>175</b>            |

## CUSTOMS AND TRADE ADMINISTRATION

The mandate of this Department is to promote compliance with Guyana's Customs, Trade and Border Laws and Regulations through quality service and responsible enforcement. The Department carries out its mandate through two (2) Divisions, namely: Wharves and Boathouse and Commercial Operations.

### GROSS REVENUE COLLECTION

The approved budget for the year 2011 for the Customs and Trade Administration was \$9.99B. However the actual revenue collected for the period was \$11.10B which represents an increase of \$1.11B or 11.1% over the approved estimates. Revenue collected under several heads was under the estimates by \$0.014B while revenue collected under other heads was over the estimates by \$1.131B. Revenue collection for 2011 was above the 2010 collection figure of \$9.26B by \$1.84B or 19.8 %. The higher revenue collection in 2011 was due mainly to the increased collection of import duties and environmental tax.

TABLE XVI

#### REVENUE COLLECTION CURRENT REVENUE APPROPRIATION FOR THE YEAR 2011 (\$ 000)

| HEAD OF REVENUE          | Approved<br>Budget | Amount<br>Collected | Amount Paid<br>into<br>Consolidated<br>Fund | Under the<br>Estimate | Over the<br>Estimate |
|--------------------------|--------------------|---------------------|---|-----------------------|----------------------|
| <b>Import Duties</b>     | 8,941,211          | 9,863,809           | 9,863,809                                   |                       | 922,598              |
| <b>Export Duties</b>     | 6,223              | 9,621               | 9,621                                       |                       | 3,398                |
| <b>Others</b>            |                    |                     |   |                       |                      |
| Environmental Tax        | 849,447            | 1,014,088           | 1,014,088                                   |                       | 164,641              |
| Overtime Fees            | 74,410             | 59,741              | 59,741                                      | (14,669)              |                      |
| Departmental Fines       | 23,388             | 28,251              | 28,251                                      |                       | 4,863                |
| Miscellaneous            | 66,024             | 92,456              | 92,456                                      |                       | 26,432               |
| Warehouse Rent & Charges | 15,346             | 21,645              | 21,645                                      |                       | 6,299                |
| Stamp Duties             | 14,878             | 18,339              | 18,339                                      |                       | 3,461                |
| <b>SUBTOTAL</b>          | <b>1,043,493</b>   | <b>1,234,520</b>    | <b>1,234,520</b>                            |                       | 191,027              |
| <b>Total</b>             | <b>9,990,927</b>   | <b>11,107,950</b>   | <b>11,107,950</b>                           | <b>(14,669)</b>       | <b>1,131,692</b>     |

## **COMMERCIAL OPERATIONS DIVISION**

The Commercial Operations Division is comprised of the Entry Processing Section, Private Warehouse and the Filing Room.

During 2011, staff of the Entry Processing Section of the Commercial Operations Division vetted a total of fifty-five thousand, six hundred and fifty-one (55,651) declarations, queried three thousand, five hundred and eighty-one (3,581) and assessed a total of forty-nine thousand, five hundred and ninety-four (49,594). Staff also processed one hundred and sixty-one (161) applications for refund of duties and performed five thousand, five hundred and fifty-one (5,551) help desk activities.

The Private Warehouse Section of the Commercial Operations Division inspected and documented the warehousing of seven hundred and forty (740) vehicles, representing an 11% decrease when compared to the number of vehicles that were warehoused for 2010. With respect to deliveries, the staff monitored the delivery of seven hundred and forty-nine (749) vehicles which was a decrease of 7% in comparison to 2010. Two hundred and sixty-five (265) visits were made to the various warehouses to ensure that the facilities were in compliance with the applicable laws.

Five hundred and thirty-seven (537) trade plates which were used by auto dealers were also monitored by staff of the Private Warehouse Section for the year 2011 while seven hundred and ninety-two (792) Permits for Immediate Delivery (PIDs) were issued and seven hundred and eighty-two (782) were perfected.

Staff of the Customs Filing Room received one hundred and twenty-eight thousand, one hundred and forty-five (128,145) declarations and eight thousand, nine hundred and forty-nine (8,949) ship and aircraft files. They scanned two hundred and fifty-three thousand, seven hundred and two (253,702) declarations, created fifty-seven thousand and seventy-eight (57,078) files and sorted one hundred and seventy-nine thousand, four hundred and ninety-seven (179,497) customs documents.

## **WHARVES AND BOATHOUSE DIVISION**

The staff located at the Wharves reported the arrival of five hundred and thirty-three (533) and the departure of six hundred and forty-one (641) vessels. This represented a 10% shortfall in the reporting of vessels and a 39% increase in the departure of vessels as compared to 2010. In addition, one hundred and five (105) incoming ships' files and one hundred and thirty-nine (139) outgoing ships' files were completed.

Cargo imported for the year 2011 amounted to three million, two hundred and seventy-seven thousand, seven hundred and forty-four (3,277,744) tons while cargo exported amounted to two hundred and seventy-eight thousand, four hundred and twenty (278,420) tons. In addition, revenue collection by staff of the Wharves amounted to four hundred and eight million, four hundred and nine thousand, three hundred and nine dollars (\$408,409,309.00).

Staff of the Boathouse Section completed a total of three hundred and eighty-one (381) incoming ship's files and a total of four hundred and sixty (460) outgoing ship's files for 2011. Further, ninety-one (91) vessels were loaded and one hundred and ninety-seven (197) were discharged. Revenue Collection by staff of the

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



Boathouse for 2011 totaled forty million and seventy-four thousand, six hundred and sixty dollars (\$40,074,660.00).

## **Operations at Guyana Post Office Corporation**

Staff attached to the Customs operations at the Guyana Post Office Corporation (GPOC) examined a total of ten thousand, four hundred and seventy-nine (10,479) incoming parcels and three thousand and thirty-two (3,032) outgoing parcels. With respect to packets, five thousand, two hundred and twenty-eight (5,228) incoming packets and two thousand, seven hundred and eighty-six (2,786) outgoing packets were examined. Revenue collected at the GPOC on behalf of Customs amounted to nineteen million, nine hundred and thirty-one thousand, nine hundred and ninety-four dollars (\$19,931,994.00), which surpassed the projected amount by one million, three hundred and twenty thousand, nine hundred and fifty-two dollars (\$1,320,952.00).

## **Cheddi Jagan International Airport**

There was a significant increase in cargo exported from the Cheddi Jagan International Airport during 2011; an increase of 72% over the projected amount. Similarly, there was a 5% increase over the projected amount with respect to pieces of cargo imported. Revenue collected by staff of the CJIA Cargo Operations amounted to three hundred and eighty two million, four hundred and thirty-six thousand, five hundred and ninety-seven dollars (\$382,436,597.00), representing a 21% increase over the projected amount.

Staff processed eight hundred and ninety-five (895) incoming and eight hundred and sixty-four (864) outgoing aircraft during the period under review while four hundred and eighty (480) incoming aircraft and eight hundred and thirty-nine (839) outgoing aircraft files were completed. However, four hundred and fifteen (415) incoming aircraft files and twenty-five (25) outgoing aircraft files were still incomplete at the end of the reporting period.

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



## **INTEGRATED REGIONAL TAX OFFICES**

The integration of GRA's operations in the Regions, which commenced in 2007 with Corriverton as a Pilot Project, was completed during the year under review. This integration resulted in all of the services provided by the GRA in the Regions being accessible at one location. The integration was aimed at increasing efficiency and timelines of operations and hence taxpayer satisfaction.

Operations at these Offices were affected by various constraints which included inadequate staffing and transportation. Despite these constraints, the staff performed creditably.

### **TAX COMPLIANCE CERTIFICATES**

Compliance certificates were issued to taxpayers to facilitate the transfer of ownership of motor vehicles, title to land and buildings and to satisfy regulatory requirements for the issue of tenders. A total of four thousand, eight hundred and eighty-four (4,884) certificates were issued during 2011. Of this total, one thousand, two hundred and twelve (1,212) were issued at the Linden office, six hundred and eighty-three (683) at the Corriverton office, eight hundred and eighteen (818) at the Anna Regina office and one thousand, two hundred and seventy-one (2,271) at the New Amsterdam office.

### **RETURNS PROCESSING**

Six thousand and one (6,001) returns for Internal Revenue related taxes were lodged at the Linden Office and verification of data was completed for all of them. Data entry was completed for six thousand, one hundred and twenty-nine (6,129) returns, while approval was completed for six thousand, six hundred and twelve (6,612) returns. These figures include returns which were lodged during the previous year. VAT Returns received totalled six hundred and fifty (650).

At the Corriverton office, six thousand, four hundred and fifty-seven (6,457) returns for Internal Revenue related taxes were lodged and verification in respect of all of them was completed. Data entry was completed for six thousand, one hundred and fifty-four (6,154) returns while approval was completed for five thousand, eight hundred and sixty (5,860). VAT Returns received amounted to nine hundred and eighty-six (986).

At the Anna Regina office, five thousand, three hundred and sixty-five (5,365) returns were lodged for Internal Revenue related taxes and all of them were verified. Data entry was completed for five thousand, five hundred and fifty-five (5,555) returns while approval was completed for five thousand, six hundred and thirty-three (5,633) returns. VAT Returns received amounted to eight hundred and twenty-nine (829). These figures include returns which were lodged during the previous year.

With respect to the New Amsterdam office, for Internal Revenue related taxes, returns lodged and verified totalled thirteen thousand, nine hundred and fifty-four (13,954). Data entry was completed for twelve thousand, one hundred and eighty-six (12,186) returns while approval was completed for twelve thousand, one hundred and eighty (12,180). VAT Returns received totalled two thousand, two hundred and fifty four (2,254).

At the Parika office, for Internal Revenue related taxes, returns lodged and verified totalled one thousand, four hundred and eighty-five (1,485) while VAT Returns received totalled four hundred and twenty (420).

## **FILE CLEARING**

Through the process of file clearing, the staff were able to monitor the collection of outstanding tax balances. During the year under review, officers cleared a total of six hundred and fifty-five (655) files. Seventy-two (72) files were cleared at both the Linden and New Amsterdam offices, while the remaining, five hundred and eleven (511) were cleared at the Anna Regina office.

## **OBJECTIONS**

At the Linden office, one (1) objection was registered while nine (9) objections were finalized. Similarly, at the Corriverton office eleven (11) objections were registered and three (3) were finalized. With respect to the Anna Regina and Parika offices, no objection was registered or finalized. However, at the New Amsterdam branch office, ten (10) objections were registered and none were finalised.

## **LICENCES - ISSUE AND RENEWAL**

At the Linden office, one hundred and thirteen (113) liquor licences were issued and seventy-seven (77) licences were renewed. At the Anna Regina office, the number of liquor licences issued was one hundred and eighteen (118) while the amount renewed was two hundred and eight (208). There were no issuance or renewals of liquor licences at the Corriverton and Parika offices; however, at the New Amsterdam office, five hundred and ninety-eight (598) liquor licences were issued and seven hundred and forty-eight (748) were renewed.

## **ADVISORY AND COMPLIANCE VISITS**

Advisory and compliance visits were conducted by staff at the Integrated Offices to ensure that taxpayers understood their obligations under the various Acts and were compliant. At the Linden office four (4) advisory visits and three (3) compliance visits were conducted while at the Corriverton office, thirty-two (32) advisory visits and twenty-seven (27) compliance visits were conducted.

Two (2) advisory visits and three (3) compliance visits were conducted by staff at the Anna Regina office while at the New Amsterdam office, nine (9) advisory visits and twenty-one (21) compliance visits were conducted.

## **PUBLIC ENTERTAINMENT CHECKS**

Thirteen (13) public entertainment checks were conducted by staff of the Corriverton office while fourteen (14) such checks were conducted by staff of the Anna Regina office and fifteen (15) by staff of the New Amsterdam office. There were no public entertainment checks at the Linden and Parika offices. These checks were carried out to ensure that promoters of public entertainment remitted the correct amount of taxes to the Authority.

## **CUSTOMS OPERATIONS**

Officers attached to the various Tax Offices paid a combined total of one hundred and eighty (180) visits to the various Post Offices where four hundred and twenty-five (425) outgoing and two thousand, six hundred and eighty-seven (2,687) incoming postal packages were examined.

Staff also cleared international vessels and completed incoming and outgoing ships' files. Two hundred and eighty one (281) international vessels were cleared while seven hundred and seventy-six (776) incoming and seven hundred and thirty-two (732) outgoing ships' files were completed. In addition, two thousand, five hundred and sixty-four (2,564) declarations were processed and one thousand, two hundred and eighty-one (281) containers were examined and sealed.

Staff at Corriverton continued to facilitate the clearance of the ferry operating between Guyana and Suriname. The processing of incoming and outgoing passengers aboard the ferry amounted to forty-two thousand, four hundred and eighty-nine (42,489) and forty-four thousand, one hundred and sixty-seven (44,167) respectively while four thousand, six hundred and thirteen (4,613) vehicles were processed for temporary importation and four thousand, four hundred and thirty-one (4,431) for temporary exportation.

At the Ogle Airport, Officers processed the arrival and departure of both international and domestic flights, incoming and outgoing passengers and completed both incoming and outgoing aircraft files. Arriving and departing international flights amounted to five hundred and twenty-five (525) and seven hundred and sixty-four (764) respectively while four thousand and twenty-nine (4,029) arriving passengers and three thousand, nine hundred and fifty (3,950) departing passengers who were aboard those flights were also processed. Five hundred and twenty-five (525) incoming and five hundred and twenty-nine (529) outgoing aircraft files were also completed.

In addition, staff processed the arrival and departure of domestic flights at the Ogle Airport. A total of thirteen thousand, one hundred and forty-five (13,145) arriving flights with sixty-two thousand and eighty-five (62,085) passengers aboard and thirteen thousand and ninety-one (13,091) departing flights with sixty-one thousand, two hundred and twelve (61,212) passengers were processed. Further, six thousand, nine hundred and ninety-nine kilograms (6,999 kg) of cargo were processed for transshipment.

## **REVENUE COLLECTION**

The Total Revenue collection by the branch offices for 2011 amounted to three billion, six hundred and sixty-four million, one hundred and thirty-six thousand, five hundred and forty-six dollars (\$3,664,136,546.00).

Of this amount, one billion, six hundred and fifty-seven million, two hundred and twenty-seven thousand and eighty-eight dollars (\$1,657,227,088.00) was collected by the Linden office, recording the highest revenue collection in comparison with all the other integrated offices. Three hundred and sixty-nine million, seven hundred and seventy-two thousand, two hundred and sixty-six dollars (\$369,772,266.00) was collected by the Anna Regina office while six hundred and ninety-five million, three hundred and forty thousand, one hundred and twenty-seven dollars (\$695,340,127.00) was collected by the Corriverton office.

## **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

Collections by the Parika office totaled, eighty-two million, six hundred and ninety-three thousand and sixty dollars (\$82,693,060.00) while collections by the New Amsterdam office amounted to seven hundred and eleven million, three hundred and seven thousand, one hundred and thirty one dollars (\$711, 307,131.00).

With respect to the Ogle and Lethem offices, collections totaled one million, two hundred and fifteen thousand, nine hundred and eighty-seven dollars (\$1,215,987.00) and one hundred and forty-six million, five hundred and eighty thousand, eight hundred and eighty-seven dollars (\$146,580,887.00) respectively.



## EXEMPTION OF DUTY AND TAXES

### *Customs Duty, Excise Tax and Value Added Tax*

All goods imported into Guyana are subject to the payment of customs duty and taxes as specified in the First Schedule Part I of the Customs Act, Chapter 82:01, the Regulations made under the Excise Tax Act, No. 11 of 2005 and the Value-Added Tax Act, No. 10 of 2005, except in cases where they are specifically zero-rated and exempt under the said Acts and Regulations. However, there are instances when exemptions are granted for a variety of purposes under the First Schedule Part III of the Customs Act, Chapter 82:01, the Regulations made under the Excise Tax Act and the Value Added-Tax Act. These exemptions include:

- ◆ Exemptions agreed to by Government of Guyana with external, bilateral and multilateral agencies including CARICOM, CET.
- ◆ Exemptions granted on the importation of goods in relation to foreign funded projects and pursuant to the schedules made under the Customs Act.
- ◆ Exemptions granted to producing sectors of the economy including mining, agriculture, tourism and information technology.

It should be emphasized that the granting of exemptions does not compromise revenue but exists to facilitate trade and plays a role in the development of the economy.

## EXEMPTION POLICY

The exemptions granted by the Guyana Revenue Authority can be broken down into two main categories. These are:

1. Unconditional Exemptions
2. Conditional Exemptions

### *Unconditional Exemptions*

Unconditional Exemptions can be deemed as exemptions that the Guyana Revenue Authority **must** grant to those persons or organisations which are entitled to it. The Guyana Revenue Authority cannot, for any reason, impose restrictions or deny the granting of these types of exemptions.

### *Categories of Unconditional Exemptions*

These relate to goods imported under various trade/partial scope agreements including:

1. CARICOM Trade Agreement (Treaty of Chaguaramas)
2. Guyana/Brazil Partial Scope Agreement;
3. CARICOM /Costa Rica Trade Agreement;
4. CARICOM/Columbia Trade Agreement;
5. CARICOM /Dominican Republic Trade Agreement;
6. Cariforum States/European Community Trade Agreement;
7. Motor Vehicles 4 years and older.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## *Conditional Exemptions*

Conditional exemptions can be deemed as exemptions which are granted subject to some condition. In other words, the applicants must satisfy some condition before the Guyana Revenue Authority grants the exemption from duty and taxes.

## *Categories of Conditional Exemptions*

These include, but are not restricted to, goods imported by or for the following:

1. Government Contracts
2. Diplomatic Missions
3. Re-migrants
4. Public Officials
5. Foreign Funded Projects
6. Health Sector
7. Religious/Charitable /Non-Governmental Organisations
8. Fishing
9. Education
10. Motor Vehicles (covers all categories of motor vehicles)
11. Mining
12. Tourism
13. Agriculture
14. Miscellaneous (includes other areas such as Meteorological, Scientific, Archaeological, etc.)

The table overleaf reflects the value of revenue foregone as a percentage of actual revenue collected by the Guyana Revenue Authority for customs duty, excise tax and value-added tax, for the year 2011 relative to the year 2010.

**TABLE XVII**  
**REVENUE COLLECTION RELATIVE TO THE**  
**VALUE OF EXEMPTIONS GRANTED (\$000)**

|  | Revenue Collection* |            | Conditional Exemptions |            | Unconditional Exemptions |           | Total Exemptions |            |
|--|---------------------|------------|------------------------|------------|--------------------------|-----------|------------------|------------|
|  | 2010                | 2011       | 2010                   | 2011       | 2010                     | 2011      | 2010             | 2011       |
| <b>Total</b>                                     | 57,618,199          | 64,164,705 | 41,955,408             | 52,622,379 | 3,350,042                | 9,369,654 | 45,305,451       | 61,992,033 |
| <b>Ratio of exemptions to revenue collection</b> |                     |            | 72.82%                 | 82.01%     | 5.81%                    | 14.60%    | 78.63%           | 96.61%     |

(\*revenue collection for customs duty, excise tax and value-added tax)

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



The value of total exemptions for the year 2011 was G\$61,992,033,364 representing 96.61% of revenue collected by the Customs and Trade Administration and the Value Added and Excise Taxes Operations which amounted to G\$64,164,705,000. Conditional Exemptions was G\$52,622,379,271 or 82.01% of revenue collection while Unconditional Exemptions represented \$9,369,654,093 or 14.60% of revenue collection.



## *Audit Office of Guyana*

*P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana  
Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>*

AG: 80/2016

29 November 2016

### REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE GOVERNING BOARD OF THE GUYANA REVENUE AUTHORITY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

I have audited the accompanying financial statements of Guyana Revenue Authority, which comprise the statement of financial position as at 31 December 2011, the income and expenditure statement and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The audit was conducted in accordance with the Audit Act 2004.

#### *Management's responsibility for the financial statements*

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

#### *Auditor's responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC), and those of the International Organization of Supreme Audit Institutions (INTOSAI). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

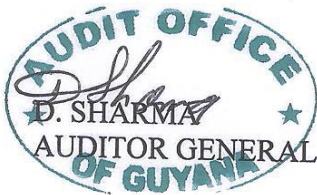
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

In my opinion, the financial statements give a true and fair view, in all material respects, of the financial position of Guyana Revenue Authority as at 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Balance Sheet As at 31<sup>st</sup> December, 2011

|                                      | Notes | 2011<br>\$'000   | Restate<br>2010<br>\$'000 |
|--------------------------------------|-------|------------------|---------------------------|
| <b>Fixed Assets</b>                  |       |                  |                           |
| Land and Buildings                   | 2     | 760,202          | 714,832                   |
| Motor Vehicles & Craft               | 2     | 310,513          | 269,313                   |
| Computer Equipment                   | 2     | 532,408          | 419,317                   |
| Office Equipment                     | 2     | 262,310          | 247,290                   |
| Containers/Scanner                   | 2     | 209,940          | 209,360                   |
| Office Furniture                     | 2     | 115,297          | 110,945                   |
| <b>TOTAL FIXED ASSETS</b>            |       | <b>2,190,669</b> | <b>1,971,057</b>          |
| <b>Current Assets</b>                |       |                  |                           |
| Inventories                          | 3     | 19,574           | 25,430                    |
| Cash in hand                         | 4     | 2,210            | 2,220                     |
| Cash at bank                         | 5     | 21,991           | 19,188                    |
| <b>TOTAL CURRENT ASSETS</b>          |       | <b>43,776</b>    | <b>46,838</b>             |
| <b>TOTAL ASSETS</b>                  |       | <b>2,234,444</b> | <b>2,017,895</b>          |
| <b>Current Liabilities</b>           |       |                  |                           |
| Balance due to Consolidated Fund     |       | 9,045            | 6,766                     |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <b>9,045</b>     | <b>6,766</b>              |
| <b>Financed By:</b>                  |       |                  |                           |
| Government of Guyana Contribution    | 6     | 1,436,716        | 1,222,971                 |
| Project Financing                    | 19    | 775,750          | 775,750                   |
| Grants                               | 7     | 12,933           | 12,409                    |
|                                      |       | <b>2,225,399</b> | <b>2,011,129</b>          |
| <b>TOTAL LIABILITIES AND CAPITAL</b> |       | <b>2,234,444</b> | <b>2,017,895</b>          |

.....  
Chairman

.....  
Member

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Income and Expenditure Account For the year ended December 31, 2011

|  | Notes | 2011<br>\$'000   | 2010<br>\$'000   |
|--|-------|------------------|------------------|
| <b>INCOME</b>                                    |       |                  |                  |
| Subsidy  | 20    | 3,265,963        | 3,117,257        |
| Grant  | 7     | 778              | 387              |
| <b>Total Income</b>                              |       | <b>3,266,741</b> | <b>3,117,644</b> |
| <b>EXPENDITURE</b>                               |       |                  |                  |
| <i>Wages and Salaries</i>                        |       |                  |                  |
| Wages and Salaries                               | 8     | 1,274,054        | 1,207,938        |
| Revision of Wages & Salaries                     |       | 123,613          | 65,537           |
| Overhead Expenditure                             | 9 a&b | 527,499          | 515,737          |
| <b>TOTAL WAGES AND SALARIES</b>                  |       | <b>1,925,165</b> | <b>1,789,211</b> |
| <i>Other Charges</i>                             |       |                  |                  |
| Material Equipment & Supplies                    | 10    | 95,757           | 94,850           |
| Fuel and Lubricants                              |       | 64,464           | 58,747           |
| Rental and Maintenance of Buildings              | 11    | 77,555           | 80,110           |
| Transport Travel and Postage                     | 12    | 67,228           | 69,952           |
| Utility Charges                                  | 13    | 135,822          | 143,156          |
| Other Goods and Services                         | 14    | 191,939          | 215,548          |
| Other Operating Expenses                         | 15    | 66,959           | 77,593           |
| Education Subventions and Training               | 16    | 9,606            | 8,542            |
| Subsidies and Contribution to Local & Int'l Org. | 17    | 30,563           | 21,379           |
| Refunds of Revenue                               |       | 599,125          | 551,970          |
| <b>TOTAL OTHER CHARGES</b>                       |       | <b>1,339,017</b> | <b>1,321,847</b> |
| <b>TOTAL EXPENDITURE</b>                         |       | <b>3,264,182</b> | <b>3,111,058</b> |
| <b>SURPLUS</b>                                   |       | <b>2,559</b>     | <b>6,586</b>     |
| <b>Excess of Income Over Expenditure</b>         |       | <b>2,559</b>     | <b>6,585</b>     |
|  |       | <b>2,559</b>     | <b>6,586</b>     |

The accompanying notes form an integral part of these Financial Statements

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Cash Flow Statement For the year ended December 31, 2011

|   | Notes | 2011<br>\$'000 | 2010<br>\$'000 |
|---|-------|----------------|----------------|
| <b><u>Cash Flows from operating activities</u></b>                        |       |                |                |
| Cash Releases from Government of Guyana                                   | 20    | 3,265,963      | 3,117,257      |
| Grant s   |       | 778            | 387            |
| Cash paid to suppliers and employees                                      |       | (3,264,182)    | (3,111,058)    |
| <b>Net Cash flow from operating activities</b>                            |       | <b>2,559</b>   | <b>6,586</b>   |
| <b><u>Cash Flows from investing activities</u></b>                        |       |                |                |
| Cash Releases from Government of Guyana                                   | 18    | 156,568        | 22,360         |
| Purchase of property, plant and equipment                                 |       | (156,323)      | (22,155)       |
| <b>Net Cash flow from investing activities</b>                            |       | <b>244</b>     | <b>205</b>     |
| Net Increase in cash  |       | <b>2,803</b>   | <b>6,791</b>   |
| Cash at beginning of period   |       | 21,408         | 14,216         |
| Cash in Imprest Accounts/Increase or Decrease in Imprest                  |       | -              | 2,000          |
| Cash in Foreign Currency Floats/Increase or Decrease In Currency Floats   |       | (9)            | 220            |
| Cash at POS Accounts/Increase or Decrease in Cash at POS                  |       | -              | 13             |
| Cash repaid to Government of Guyana                                       |       | -              | (1,832)        |
| <b>Cash at end of period</b>  |       | <b>24,202</b>  | <b>21,408</b>  |
| <b><u>Due to Consolidated Fund</u></b>                                    |       |                |                |
| Current   |       | 9,045          | 6,766          |
| ODS   |       | 8,596          | 6,561          |
| Capital   |       | 549            | 25             |
| Grants  |       | 449            | 205            |
| Cash in Imprest, Floats and POS/Change in Cash in Imprest, Floats and POS |       | 12,384         | 12,384         |
|   |       | 2,224          | 2,233          |
|   |       | <b>24,202</b>  | <b>21,408</b>  |

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



## **Guyana Revenue Authority Notes to the Financial Statements For the year ended December 31, 2011**

### **Note 1 (a): BACKGROUND**

Prior to the year 2000, two separate entities, namely the Inland Revenue and Customs and Excise Departments were tasked with the responsibility of collecting revenue from taxes and duties respectively. The respective Heads of these Departments were Commissioner-Inland Revenue Department and Comptroller-Customs and Excise who were accountable to the Minister of Finance. These agencies were part of the wider Public Service and were governed by the laws, rules and regulations of the Public Service.

The aims of merging the two entities included the consolidation of resources (human and financial), the integration of functions to eliminate overlaps, improving infrastructure and building technical capacity to expand services to taxpayers with the overall objective of strengthening the Ministry of Finance to improve revenue collection.

As a means of achieving these aims, structural adjustment was seen as the way forward in improving the organisation's efficiency and effectiveness in tax reform, collection and revenue generation. Thus, Consultants from the Inter-American Centre of Tax Administration (CIAT) were contracted under the World Bank Project to prepare a Design and Implementation Plan for the creation of a Revenue Authority. The Guyana Revenue Authority was established with the passing of the Revenue Authority Act #13 of 1996 and became operational on January 27, 2000.

### **Note 1 (b): DISCLAIMER**

The Financial statements for the year 2011 were signed by Mr. Rawle Lucas, Chairman of the Governing Board and Mr. Godfrey Statia – Commissioner-General in the year 2016. It must be duly noted, that these individuals did not serve in the respective capacities during the Financial year 2011.

## Guyana Revenue Authority Notes on the Financial Statements For the year ended December 31, 2011

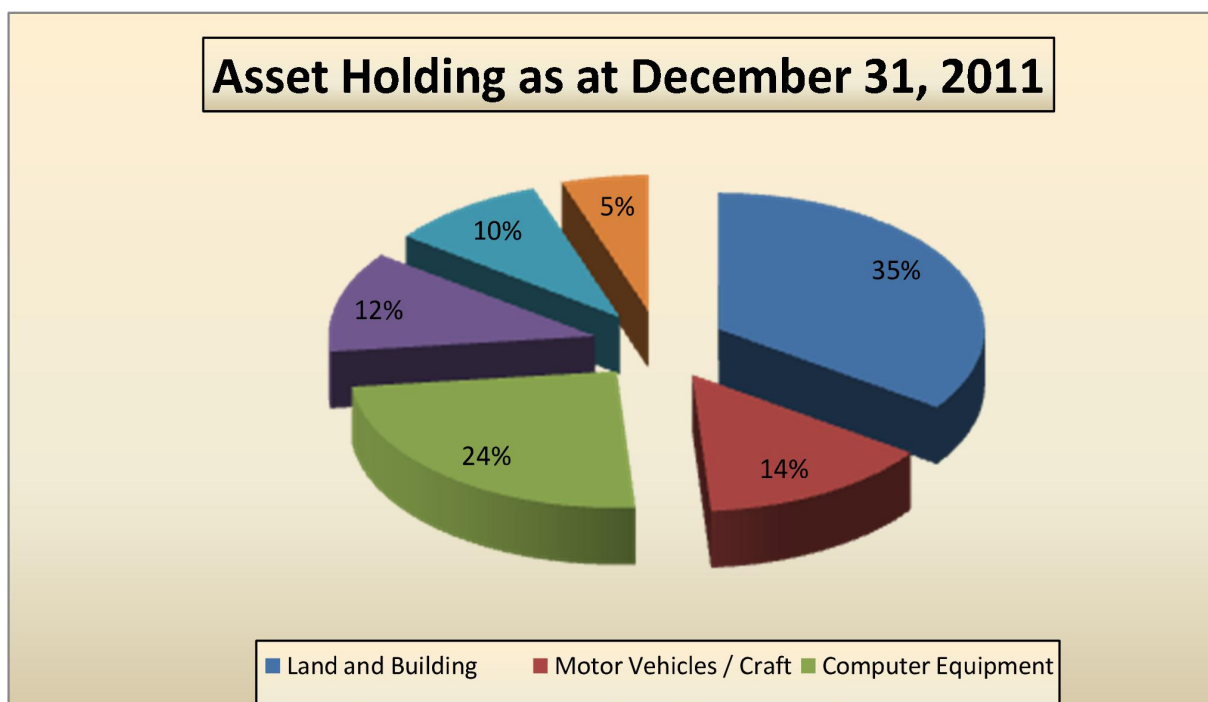
### Note 1. (b): Significant Accounting Policies

- A. The Financial Statements are prepared in accordance with the Guyana Revenue Authority Act 1996.
- B. The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets.
- C. No depreciation is provided on Fixed Assets as the Revenue Authority operates on a cash basis from an allocation provided by Parliament in the Estimates of Expenditure. In addition, revenues collected are paid into the Consolidated Fund and form part of the Guyana Revenue Authority's Accounts.
- D. Inventories have been valued at lower of cost and net realisable value using the Weighted Average Cost method of valuation. Inventories are procured with funds allocated for Current Expenditure and, consequently, are shown as a movement in the Accumulated Funds in the Financial Statements.

### Note 2. Fixed Assets

Fixed Assets held by the Inland Revenue and Customs & Excise Departments as at January 27, 2000, were independently valued by the Chief Valuation Officer at \$485.5M.

The asset holding of the Authority is displayed on the chart below.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Notes on the Financial Statements For the year ended December 31, 2011

### Note 2. Fixed Assets (cont'd)

The following table sets out GRA's Fixed Asset position as at December 31, 2011:

|  | Land and Buildings<br>\$'000 | Motor Vehicle / Craft<br>\$'000 | Computer Equipment<br>\$'000 | Office Equipment<br>\$'000 | Containers/ Scanner<br>\$'000 | Office Furniture<br>\$'000 | Total<br>\$'000  |
|--|------------------------------|---------------------------------|------------------------------|----------------------------|-------------------------------|----------------------------|------------------|
| <b>Cost/Valuation as at Jan. 1, 2011</b> | 714,832                      | 269,313                         | 419,317                      | 247,290                    | 209,360                       | 110,945                    | 1,971,057        |
| Adjustments for YR 2010 --               | -                            | -                               | 7,896                        | 335                        | -                             | -                          | 8,231            |
| <b>Additions</b>                         |                              |                                 |                              |                            |                               |                            |                  |
| GRA                                      | 45,369                       | 41,200                          | 91,337                       | 14,685                     | 580                           | 4,352                      | 197,523          |
| FFMP                                     | -                            | -                               | -                            | -                          | -                             | -                          | -                |
| MCA                                      | -                            | -                               | -                            | -                          | -                             | -                          | --               |
| Donation – Min. of Tourism               | -                            | -                               | 14,223                       | -                          | -                             | -                          | 14,223           |
| Printer written off via Loss Report      | -                            | -                               | (366)                        | -                          | -                             | -                          | (366)            |
| <b>Disposal/Transfer</b>                 | -                            | -                               | -                            | -                          | -                             | -                          | -                |
| <b>Total</b>                             | <b>760,202</b>               | <b>310,513</b>                  | <b>532,408</b>               | <b>262,310</b>             | <b>209,940</b>                | <b>115,297</b>             | <b>2,190,669</b> |

|   |                |                |                |                |                |                |                  |
|---|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| <b>Cost/Valuation as at Dec. 31, 2011</b> | <b>760,202</b> | <b>310,513</b> | <b>532,408</b> | <b>262,310</b> | <b>209,940</b> | <b>115,297</b> | <b>2,190,669</b> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|------------------|

Acquired through Want of Entry-Motor Vehicle \$41.200 M

### Note 3. Inventories

The stocks held by the Authority at the end of the reporting period are as shown below:

| Stock Item                  | 2011<br>\$'000 | 2010<br>\$'000 |
|-----------------------------|----------------|----------------|
| Office Materials & Supplies | 11,478         | 13,650         |
| Preprinted Forms            | 8,095          | 11,780         |
| <b>Total</b>                | <b>19,574</b>  | <b>25,430</b>  |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Notes on the Financial Statements For the year ended December 31, 2011

### Note 4. Cash in Hand

This represents the Standing Imprest held by the Revenue Authority, as well as foreign currency float held at Travel Tax Ticket booth at the Cheddi Jagan International Airport, Timehri. This is set out below:

| Description                    | 2011         | 2010         |
|--------------------------------|--------------|--------------|
|                                | \$'000       | \$'000       |
| <b>Imprest Accounts</b>        |              |              |
| Customs & Trade Administration | 1,000        | 1,000        |
| Internal Revenue               | 1,000        | 1,000        |
| <b>Total Imprest</b>           | <b>2,000</b> | <b>2,000</b> |
| Foreign Currency Float         | 210          | 220          |
| <b>Total</b>                   | <b>2,210</b> | <b>2,220</b> |

### Note 5. Cash at Bank

This represents amount held at Bank of Guyana and floats at Point of Sale accounts at Republic Bank Limited. Details are set out in the Table below:

| Description                            | 2011          | 2010          |
|--|---------------|---------------|
|  | \$'000        | \$'000        |
| Bank of Guyana – Main A/c #01620004470 | 21,978        | 19,175        |
| <b>Republic Bank POS Accounts</b>      |               |               |
| Customs & Trade Administration         | 7             | 7             |
| Internal Revenue                       | 7             | 7             |
| <b>Total</b>                           | <b>21,991</b> | <b>19,188</b> |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Notes on the Financial Statements For the year ended December 31, 2011

### Note 6. Government of Guyana Contribution

The Accumulated Fund for the Authority on its formation represented the values of Fixed Assets transferred from the Inland Revenue and Customs & Excise Departments. The table below sets out the movement in the Fund for the year ended 31<sup>st</sup> December, 2011.

| Accumulated Fund                      | Fixed Assets | Net Current Assets | Total 2011 | 2010      |
|---------------------------------------|--------------|--------------------|------------|-----------|
|                                       | \$'000       | \$'000             | \$'000     | \$'000    |
| As at 1 <sup>st</sup> January, 2011   | 1,971,057    | 46,838             | 2,017,895  | 1,969,459 |
| Movement during the year (Note 6a)    | 219,612      | (3,063)            | 216,549    | 48,440    |
| Grants (Note 7)                       | -            | -                  | -          |           |
| As at 31 <sup>st</sup> December, 2011 | 2,190,669    | 43,776             | 2,234,444  | 2,017,895 |

### Note 6a – Analysis of the Movement during the year

|   |         |                |
|---|---------|----------------|
| Adjustments for the year 2010                 | 8,231   |                |
| Purchases of Fixed Assets – GRA               | 156,323 |                |
| Acquisition of Fixed Assets – (Want of Entry) | 41,200  |                |
| Donation - Ministry of Tourism                | 14,223  |                |
| Write off of Fixed Assets                     | (366)   | 219,612        |
| Inventories                                   | (5,857) |                |
| Foreign Currency & POS Floats                 | (9)     |                |
| Cash at bank                                  | 2,803   |                |
| Receivables                                   | -       | (3,063)        |
|   |         | <u>216,549</u> |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



|  | 2011             | 2010             |
|--|------------------|------------------|
| <b>Accumulated Fund as at 31<sup>st</sup> December</b> | <b>2,234,444</b> | <b>2,017,895</b> |
| <i>Less –</i>  |                  |                  |
| MCA Counterpart Contribution – 2009                    | (405,000)        | (405,000)        |
| MCA Counterpart Contribution – 2008                    | (114,579)        | (114,579)        |
| FFMP Asset Assistance                                  | (117,449)        | (117,449)        |
| FFMP Asset Assistance                                  | (123,979)        | (123,979)        |
| Public Service Technical Assistance Credit             | (14,743)         | (14,743)         |
| Grants (Note 7)  | (12,933)         | (12,409)         |
| Amount due to Consolidated Fund                        | (9,045)          | (6,766)          |
| <b>GOG Contribution As at 31<sup>st</sup> December</b> | <b>1,436,716</b> | <b>1,222,971</b> |

## **Note 6(b): Government of Guyana Contribution**

### **Accumulated Fund**

The accounting for grants was amended for year ended December 31, 2011 (see note 7). Additionally, the presentation of the Balance Sheet was amended to reflect Total Assets instead of Net Assets.

### **Government of Guyana Contribution**

The Government of Guyana Contribution represents the financial increase in the Revenue Authority's assets attributable to government funding. As such, in computing this value all external funding is deducted from the accumulated fund value. Currently Liability, 'balance due to the Consolidated Fund' is now a further deduction from the accumulated fund value since this amount is an outflow of assets (cash at bank) when remitted to the Consolidated Fund.

## **Note 7. Grants**

### **CDB**

- During 2005, the Authority received a \$15M grant from the Caribbean Development Bank for capacity building. The sum of \$2.6M has been expended in 2005. The balance on this Grant at 31<sup>st</sup> December, 2011 is \$12.4M.

### **ODS: Ozone Depleting Substances**

- The amount of \$24,757 remained from 2010. The National Ozone Action Unit through the Ministry of Agriculture in 2011 released \$777,750 for training. Guyana Revenue Authority's actual expenditure for 2011 amounted to \$253,523 resulting in a balance of \$524,227. Therefore the overall balance for ODS was \$548,984 as at 31<sup>st</sup> December, 2011.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Balance on Grants as at 31<sup>st</sup> December, 2011

|                            | 2011          | 2010          |
|----------------------------|---------------|---------------|
|                            | \$'000        | \$'000        |
| Training Grant – ODS       | 549           | 25            |
| Caribbean Development Bank | 12,384        | 12,384        |
| <b>Total</b>               | <b>12,933</b> | <b>12,409</b> |

## Accounting for Grants

The accounting for Grants was amended from Current Liabilities to funding; since liabilities refer to obligations of the entity which ensues in the outflow of economic benefits to settle same (usually in the form of financial payments). Grants are awarded for assistance to an organisation resulting in improved operations. Given the distinction in these two terms the aforementioned Grants were classified as funding instead of Current Liabilities.

## Note 8. Wages and Salaries

Expenditure under this head comprised the following sub-heads:

| Code         | Description                           | 2011             | 2010             |
|--------------|---------------------------------------|------------------|------------------|
|              |                                       | \$'000           | \$'000           |
| 6111         | Administrative                        | 308,871          | 293,154          |
| 6112         | Senior Technical                      | 280,111          | 236,060          |
| 6113         | Other Technical & Craft Skills        | 256,700          | 237,386          |
| 6114         | Clerical & Office Support             | 250,502          | 247,832          |
| 6115         | Semi-Skilled and Unskilled Operatives | 139,986          | 147,332          |
| 6116         | Contract Employees                    | 31,393           | 42,254           |
| 6117         | Temporary Employees                   | 6,491            | 3,920            |
| <b>TOTAL</b> |                                       | <b>1,274,054</b> | <b>1,207,938</b> |

## Note 9a. Overhead Expenditure

Expenditure under this head comprised the following sub-heads:

| Code         | Description                             | 2011           | 2010           |
|--------------|---|----------------|----------------|
|              |   | \$'000         | \$'000         |
| 6131         | Other Direct Labour Costs (See Note 9b) | 166,938        | 181,583        |
| 6133         | Benefits & Allowances                   | 219,687        | 202,955        |
| 6134         | National Insurance                      | 85,861         | 80,629         |
| 6135         | Pensions                                | 55,013         | 50,570         |
| <b>TOTAL</b> |   | <b>527,499</b> | <b>515,737</b> |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Note 9b. Members' Emoluments

Included under 6131 – Other Direct Labour Overheads were payments made to members of the Authority's Governing Board as shown in the Table below.

| Name              | 2011       | 2010       |
|-------------------|------------|------------|
|                   | \$'000     | \$'000     |
| Lennox Benjamin   | 144        | 144        |
| Clyde Roopchand   | 180        | 180        |
| Sonia Roopnauth   | 144        | 144        |
| Lawrence Williams | 144        | 144        |
| <b>Total</b>      | <b>612</b> | <b>612</b> |

## Note 10. Materials, Equipment & Supplies

Expenditure under this head comprised the following sub-heads:

| Code         | Description                 | 2011          | 2010          |
|--------------|-----------------------------|---------------|---------------|
|              |                             | \$'000        | \$'000        |
| 6221         | Drugs & Medical Supplies    | 667           | 458           |
| 6222         | Field Materials & Supplies  | -             | -             |
| 6223         | Office Materials & Supplies | 39,982        | 37,113        |
| 6224         | Print & Non-Print Materials | 55,107        | 57,279        |
| <b>TOTAL</b> |                             | <b>95,757</b> | <b>94,850</b> |

## Note 11. Rental & Maintenance of Buildings

Expenditure under this head comprised the following sub-heads:

| Code         | Description                    | 2011          | 2010          |
|--------------|--------------------------------|---------------|---------------|
|              |                                | \$'000        | \$'000        |
| 6241         | Rental of Buildings            | 48,202        | 55,815        |
| 6242         | Maintenance of Buildings       | 20,528        | 16,980        |
| 6243         | Janitorial & Cleaning Supplies | 8,825         | 7,315         |
| <b>TOTAL</b> |                                | <b>77,555</b> | <b>80,110</b> |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Note 12. Transport, Travel & Postage

Expenditure under this head comprised the following sub-heads:

| Code         | Description  | 2011          | 2010          |
|--------------|--|---------------|---------------|
|              |  | \$'000        | \$'000        |
| 6261         | Local Travel & Subsistence                           | 28,598        | 39,338        |
| 6262         | Overseas Conference & Official Visits/(FFMP* Note 7) | 2,830         | 2,265         |
| 6263         | Postage, Telex and Cablegram                         | 7,426         | 9,024         |
| 6264         | Vehicle Spares & Services                            | 27,202        | 17,877        |
| 6265         | Other Transport Travel & Postage                     | 1,172         | 1,449         |
| <b>TOTAL</b> |  | <b>67,228</b> | <b>69,952</b> |

## Note 13. Utility Charges

Expenditure under this head comprised the following sub-heads:

| Code         | Description         | 2011           | 2010           |
|--------------|---------------------|----------------|----------------|
|              |                     | \$'000         | \$'000         |
| 6271         | Telephone Charges   | 18,904         | 17,680         |
| 6272         | Electricity Charges | 102,245        | 99,684         |
| 6273         | Wireless Charges    | 540            | 752            |
| 6274         | Water Charges       | 14,087         | 24,755         |
| 6275         | Internet Charges    | 46             | 285            |
| <b>TOTAL</b> |                     | <b>135,822</b> | <b>143,156</b> |

## Note 14. Other Goods & Services Purchased

Expenditure under this head comprised the following sub-heads:

| Code         | Description                       | 2011           | 2010           |
|--------------|-----------------------------------|----------------|----------------|
|              |                                   | \$'000         | \$'000         |
| 6281         | Security Services                 | 135,128        | 137,948        |
| 6282         | Equipment Maintenance             | 22,954         | 31,446         |
| 6283         | Cleaning & Extermination Services | 16,472         | 11,010         |
| 6284         | Others                            | 17,386         | 35,144         |
| <b>TOTAL</b> |                                   | <b>191,939</b> | <b>215,548</b> |

# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## Note 15. Other Operating Expenses

Expenditure under this head comprised the following sub-heads:

| Code         | Description             | 2011          | 2010          |
|--------------|-------------------------|---------------|---------------|
|              |                         | \$'000        | \$'000        |
| 6291         | National & Other Events | 7,951         | 8,114         |
| 6293         | Refreshments & Meals    | 4,862         | 4,313         |
| 6294         | Others                  | 54,146        | 65,167        |
| <b>TOTAL</b> |                         | <b>66,959</b> | <b>77,593</b> |

## Note 16. Education, Subvention & Training

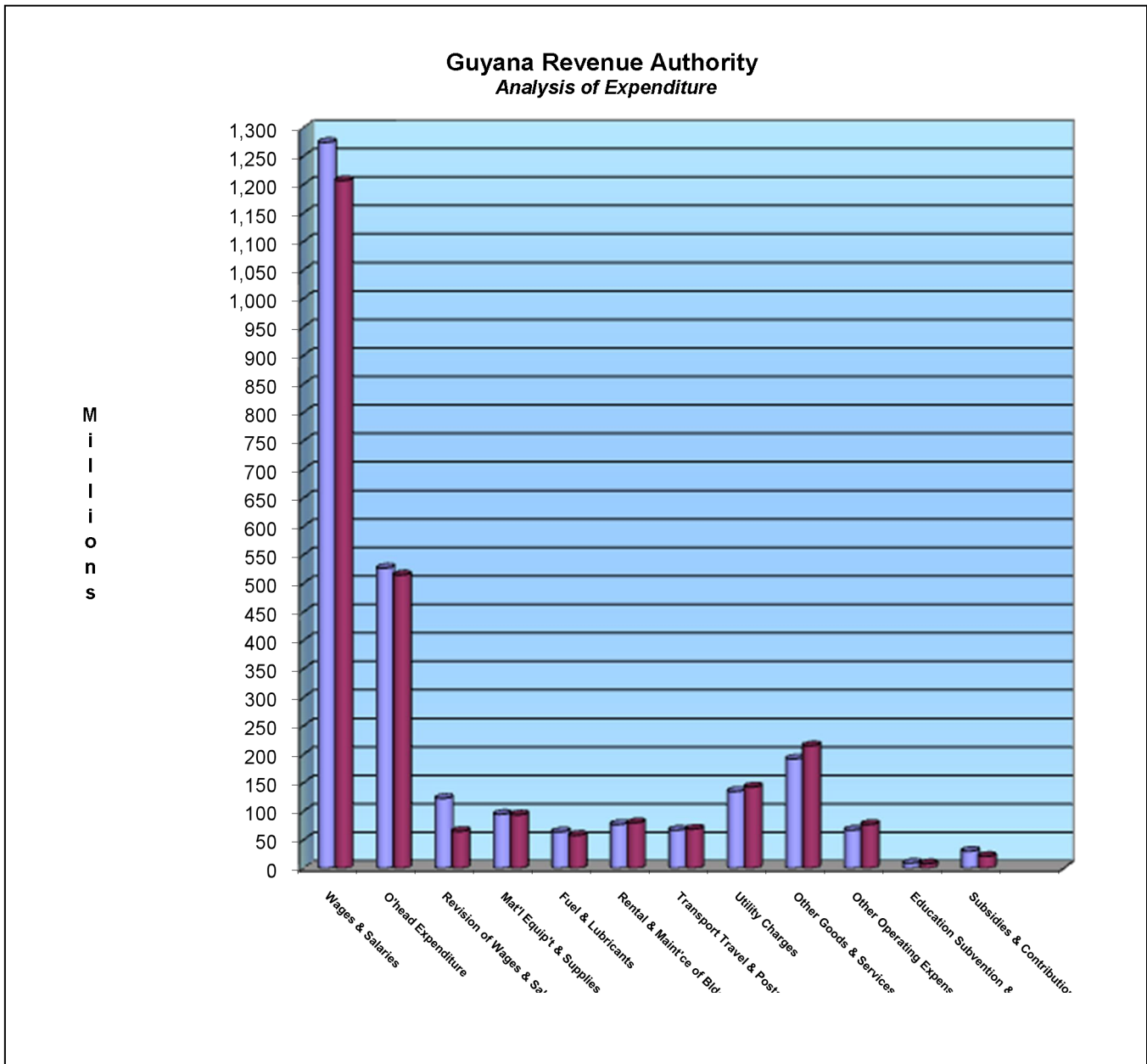
Expenditure under this head comprised the following sub-heads:

| Code         | Description           | 2011         | 2010         |
|--------------|-----------------------|--------------|--------------|
|              |                       | \$'000       | \$'000       |
| 6301         | Education Subvention  | -            | -            |
| 6302         | Training              | 9,352        | 8,542        |
|              | ODS Training – Note 7 | 254          | -            |
| <b>TOTAL</b> |                       | <b>9,606</b> | <b>8,542</b> |

## Note 17. Subsidies & Contributions to Local & International Organisations

Expenditure under this head comprised the following sub-heads:

| Code         | Description                | 2011          | 2010          |
|--------------|----------------------------|---------------|---------------|
|              |                            | \$'000        | \$'000        |
| 6321         | Local Organisation         | 969           | 675           |
| 6322         | International Organisation | 29,594        | 20,704        |
| <b>TOTAL</b> |                            | <b>30,563</b> | <b>21,379</b> |



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## Note 18 Capital Liability:

Total funding for capital for 2011 amounted to \$160M. However \$3.432M was allocated to and expended under 'current expenditure'. Hence the amended capital allocation is \$156.567. Total expenditure for capital amounted to \$156.323M; this resulted in a liability of \$0.244M (see below) as at 31<sup>st</sup> December, 2011, to be refunded to the Consolidated Fund.

### Capital Liability Account

| Funding - Source                  | 2011       | 2010       |
|-----------------------------------|------------|------------|
|                                   | \$'000     | \$'000     |
| MCA- GOG Counterpart Contribution | -          | -          |
| GRA/GOG                           | 244        | 205        |
| <b>Total</b>                      | <b>244</b> | <b>205</b> |

## Note 19. Project Financing

| Projects                                  | 2009           | 2008           |
|---|----------------|----------------|
|   | \$'000         | \$'000         |
| MCA- GOG Counterpart Contribution         | 405,000        | 114,579        |
| FFMP Asset Finance                        | -              | 241,428        |
| Public Service Technical Assistant Credit | -              | 14,743         |
| <b>Total</b>                              | <b>405,000</b> | <b>370,750</b> |

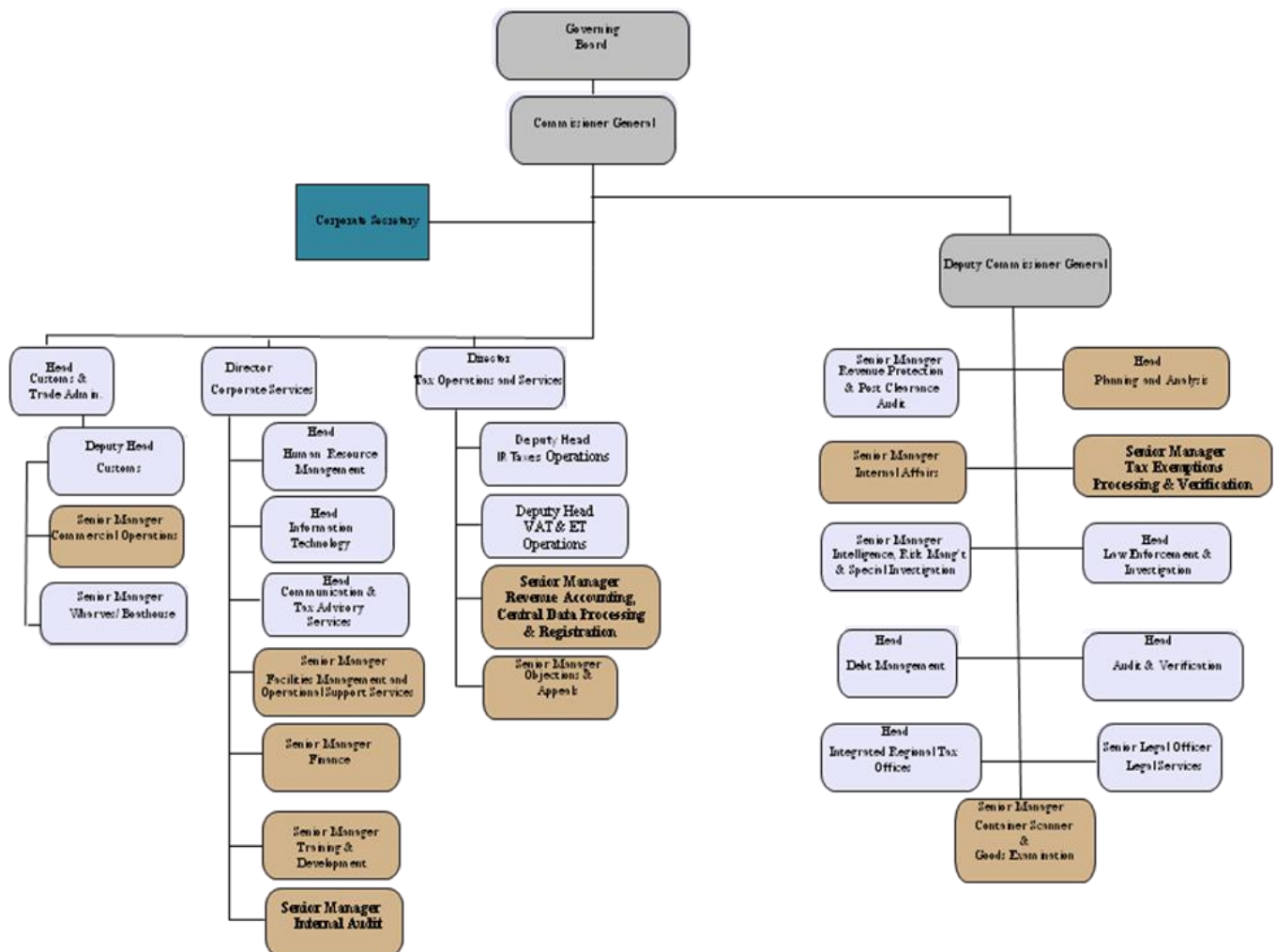
There was no project expenditure for the years 2010 and 2011.

## Note 20: Subsidy

Releases under current expenditure amounted to \$3.263B. However, \$3.432M of the capital allocation was expended under 'current expenditure'. Therefore, the total subsidies amounted to \$3.266B.

# APPENDICES

## APPENDIX 1



## APPENDIX 2 Individual Tax Rates

### Years of Assessment 1992 - 1993

|                 |                 |                  |                           |
|-----------------|-----------------|------------------|---------------------------|
| \$0.00          | Under \$50,000  | \$0.00 + 20%     | On excess over \$ 0.00    |
| Over \$ 50,000  | Under \$100,000 | \$10,000.00+ 30% | On excess over \$ 50,000  |
| Over \$ 100,000 | ----            | \$25,000.00+ 40% | On excess over \$ 100,000 |

### Years of Assessment 1994 - 1997

|                  |                              |
|------------------|------------------------------|
| Flat Rate of Tax | 33 1/3% of Chargeable Income |
|------------------|------------------------------|

### Years of Assessment 1998 to 2003

|  |
|--|
| 20% of first \$134,000.00 of the amount of Chargeable Income |
| 33 1/3% of the remainder of the amount of Chargeable Income  |

### Years of Assessment 2004 - 2006

|  |
|--|
| 20% of first \$110,000.00 of the amount of Chargeable Income |
| 33 1/3% of the remainder of the amount of Chargeable Income  |

### Years of Assessment 2007 - 2011

|  |
|--|
| 33 1/3% of the amount of Chargeable Income |
|--|

## SELF-EMPLOYED INDIVIDUALS

Effective 1<sup>st</sup> September, 2003.

In respect of self-employed individuals whose turnover from the performance of services:

**Exceeds \$10 Million** Minimum Tax – 2%

**Less than \$10 million** Presumptive Tax Method using factors such as size of business, number of employees, assets used in the business, training and years in practice, salaries of comparable employed individuals etc.

### Capital Gains Tax Rate

|                          |            |
|--------------------------|------------|
| <b>Capital Gains Tax</b> | <b>20%</b> |
|--------------------------|------------|

## PERSONAL PROPERTY TAX RATES

### Years of Assessment 1993 - 1999

|   |    |
|---|----|
| On the first \$5,000,000 of Net Property                    | 0% |
| For every Dollar of the next \$5,000,000.00 of Net Property | ½% |
| For every Dollar of the remainder of Net Property           | ¾% |

### Years of Assessment 2000 to 2011

|   |    |
|---|----|
| On the First \$7,500,000 of Net Property                    | 0% |
| For every dollar of the next \$5,000,000.00 of Net Property | ½% |
| For every dollar of the remainder of Net Property           | ¾% |

## APPENDIX 3

### COMPANY TAX RATES

|   |                                      |  |  |     |
|---|--------------------------------------|--|--|-----|
| 1 | Minimum Tax on Turn over             | Commercial Companies<br>Non-Commercial Companies | Effective for YA 95-96                                   | 2%  |
|   |                                      | Commercial Companies                             | From YA 97 applied to Commercial Companies only          | 2%  |
| 2 | Corporation Tax on Chargeable Income | Commercial Companies                             | (from Y/A 1995)  | 45% |
|   |                                      | Non-Commercial Companies                         |  | 35% |
| 3 | Capital Gains Tax                    |  |  | 20% |
| 4 | Property Tax                         | Years of Assessment<br>1986 – 1992               | On the first \$500,000 of Net Property                   | ½%  |
|   |                                      |  | On every Dollar of Net Property in excess of \$ 500,000  | ¾%  |
|   |                                      | Years of Assessment<br>1993 – 1999               | On the first \$500,000 of Net Property                   | Nil |
|   |                                      |  | For every Dollar of the next \$5,000,000 of Net Property | ½%  |
|   |                                      |  | For every Dollar of the remainder of Net Property        | ¾%  |
|   |                                      |  | On the first \$1,500,000 of Net Property                 | Nil |
|   |                                      | Years of Assessment 2000 – 2011                  | For every dollar of the next \$5,000,000 of Net Property | ½%  |
|   |                                      |  | For every dollar of the remainder of Net Property        | ¾%  |

## APPENDIX 4

### Withholding Tax Rates

|   | YA 1993-<br>YA 2003 | YA 2004-<br>YA 2011 |
|---|---------------------|---------------------|
| On Distribution to Non – Residents                            | 15%                 | 20%                 |
| On Interest on Savings Accounts                               |                     |                     |
| On Interest on Loans secured by Bonds and similar instruments | 15%                 | 20%                 |
| On Discount on Treasury Bills                                 |                     |                     |
| On other Interest payments to Non – Residents                 | 15%                 | 20%                 |
| On payments other than Interest to Non – Residents            | 10%                 | 20%                 |

## APPENDIX 5

### PREMIUM TAX RATES

|   |     |
|---|-----|
| On Insurance premiums other than long term Insurance, paid to non-resident Companies not carrying on business in Guyana | 10% |
| On Insurance premium paid to non-resident companies carrying on business in Guyana                                      | 6%  |

## APPENDIX 6

### PERSONAL INCOME TAX DEDUCTIONS

| Year of Assessment | Amount of Deduction                            |
|--------------------|--|
| 1992               | \$48,000 or 1/3 of income whichever is greater |
| 1993               | \$72,000 or 1/3 of income whichever is greater |
| 1994               | \$120,000                                      |
| 1995               | \$120,000                                      |
| 1996               | \$144,000                                      |
| 1997               | \$180,000                                      |
| 1998 - 2003        | \$216,000                                      |
| 2004 - 2006        | \$240,000                                      |
| 2007               | \$300,000                                      |
| 2008               | \$336,000                                      |
| 2009 - 2011        | \$420,000                                      |