



GUYANA REVENUE AUTHORITY



ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR YEAR ENDING 31ST DECEMBER 2014

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BUSINESS ADDRESS

GUYANA REVENUE AUTHORITY HEADQUARTERS

200-201 Camp Street,
Georgetown.
Tel: 592-227-8222, 592-227-6060

Commissioner-General
Tel: 592-227-8381 Fax: 592-227-8347

Deputy Commissioner-General
Tel: 592-227-8834

DEPARTMENTS

TAX OPERATIONS & SERVICES DEPARTMENT

INTERNAL REVENUE OPERATIONS
Deputy Head
Tel: 592-226-8840

VAT OPERATIONS
Deputy Head
Tel: 592-227-8462

CUSTOMS AND TRADE ADMINISTRATION

Deputy Head
Customs and Trade Administration
Tel: 592-225-4698

INTEGRATED REGIONAL TAX OFFICES

Head
200-201 Camp Street
Georgetown, Guyana.
South America.
Telephone # 592-227-6738

New Amsterdam
5 Strand, New Amsterdam,
Berbice, Guyana
South America.,
Telephone # 592-333-2513, 4899 or 3524

Linden
31'A' Co-op Crescent,
McKenzie, Linden,
Guyana, South America.
Telephone # 592-444-2918, 2916, 2913 or 6341

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Corriverton

80 Calcairn, Skeldon,
Corriverton, Berbice,
Guyana,
South America.
Telephone # 592-339-2819, 2619 or 2324

Anna Regina

Takuba Lodge,
Compound Anna Regina
Essequibo Coast,
Guyana, South America
Telephone # 592-771-5265/6/7 or 4953

Parika

GRA Boathouse
Parika, East Bank Essequibo
Guyana, South America.
Telephone # 592-260-4046 or 4044

Lethem

Lot CB 9 Commercial Zone
Lethem, Guyana,
South America.
Telephone # 592-772-2257

Bartica

12 First Avenue, Bartica
Telephone # (592) 455 3205/6

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SERVICE DIVISIONS

HUMAN RESOURCE MANAGEMENT

Telephone # 592-227-0471

AUDIT & VERIFICATION

Telephone # 592-226-8820

COMMUNICATION & TAX ADVISORY SERVICES

Telephone # 592-227-8222 Ext. 4200

INTERNAL AUDIT

Telephone # 592-227-8222 Ext. 4300

INFORMATION TECHNOLOGY

Telephone # 592-227-3516

INTERNAL AFFAIRS

Telephone # 592-227-8222 Ext. 3100

LEGAL SERVICES

Telephone # 592-226-1256.

TAX EXEMPTION PROCESSING & VERIFICATION

Telephone # 592-227-8222 Ext. 3500

LAW ENFORCEMENT & INVESTIGATION

Telephone # 592-227-8222 Ext. 3200

FINANCE

Telephone # 592-227-8222 Ext. 4500

OPERATIONAL SUPPORT SERVICES

Telephone # 592-227-3885

INTELLIGENCE, RISK MANAGEMENT & SPECIAL INVESTIGATION

Telephone # 227-8782 Ext. 3400

DEBT MANAGEMENT

Telephone # 592-225-5600

REVENUE PROTECTION

Telephone # 592-227-8222 Ext. 3300

PLANNING & ANALYSIS

Telephone # 592-227-8222 Ext. 2500

CONTAINER SCANNER & GOODS EXAMINATION

Telephone # 592-231-8001

FACILITIES MANAGEMENT

Telephone # 592-227-8222 Ext. 1300

GOVERNING BOARD

Mr. Clyde Roopchand Chief Planning Officer State Planning Secretariat	...	Chairman
Ms. Sonya Roopnauth Director of Budget Ministry of Finance	...	Member
Mr. Lennox Benjamin Chief Statistician Bureau of Statistics.	...	Member
Mr. Lawrence Williams Governor Bank of Guyana	...	Member (up to May 2014)
Col. Jawahar Persaud Accountant General Ministry of Finance	...	Member
Mr. Khurshid Sattaur Commissioner-General Guyana Revenue Authority	...	Member

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LETTER OF TRANSMITTAL

**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 and with the authorization of the Board, 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 31st December, 2014, together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,

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

MISSION STATEMENT OF THE GUYANA REVENUE AUTHORITY

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.

CORE VALUES

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

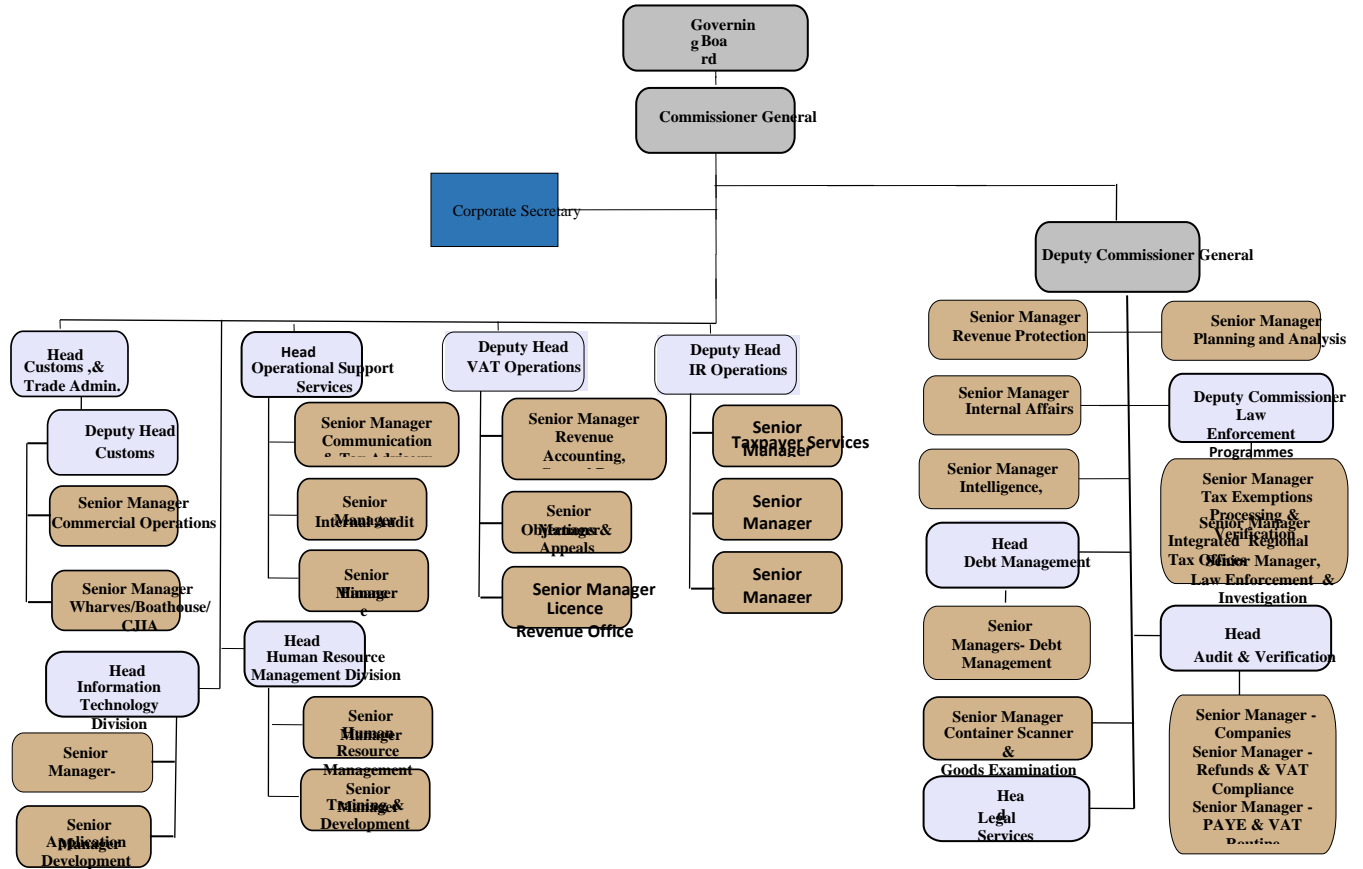
The Revenue Authority looks forward to being recognised and respected by clients and stakeholders for its integrity and fairness in administering high quality yet affordable programmes.

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.

ORGANISATION STRUCTURE



REPORT OF THE GOVERNING BOARD

REVENUE COLLECTION

Revenue collection by the Authority has maintained its upward trend during the year 2014 with collection totaling \$135.8B. This amount exceeded the approved budget of \$135.2B by \$0.6B or approximately 0.4%. When compared with collection in 2013, which amounted to \$126.5B, collection in 2014 increased by \$9.3B or approximately 7.3%.

INTERNAL REVENUE

The approved revenue estimate for Internal Revenue taxes for the year 2014 was **\$55.8B**. Collections amounted to **\$56.8B**. However, refunds paid under Mortgage Interest Relief totaled \$0.08B resulting in actual collections amounting to **\$56.7B** which represented an increase of **\$0.9B** or **1.6%** over the approved estimate for the year and **\$5B** or **9.6%** over the total collected for the year 2013.

VAT & EXCISE TAX

The estimate approved by Parliament for VAT (on both imports and domestic supply) and Excise Tax (domestic supply only) for the year 2014 was **\$40.4B**. Collection amounted to **\$40.7B** which represents an increase of **\$0.3B** or **0.7%** when compared with the approved estimate and **\$3.2B** or **8.5%** over the total collected for the year 2013.

CUSTOMS AND TRADE ADMINISTRATION

The revenue estimate approved by Parliament for the Customs and Trade Administration (inclusive of Excise Tax on imports) for the year was **\$39B** while revenue collected amounted to **\$38.4B**. The amount collected represents a decrease of **\$0.6B** or approximately **1.5%** below the approved estimate for the year and an increase of **\$1.1B** or approximately **2.9%** above the total collected for the year 2013.

Table I overleaf shows the budgeted and actual collections for the Revenue Authority for the period under review while a more detailed analysis of revenue collection is undertaken in Tables II to IV.

**TABLE I
SUMMARY OF
BUDGETED AND ACTUAL COLLECTIONS (\$BILLION)**

	2013	2014		
	Actual	Budget	Actual	Variance (Over 2014)
Internal Revenue	51.7	55.8	56.7	0.9
Value Added and Excise Tax	37.5	40.4	40.7	0.3
Customs and Trade Administration	37.3	39.0	38.4	(0.6)
Total	126.5	135.2	135.8	0.6

INSTITUTIONAL STRENGTHENING MEASURES

RANDOM SELECTION OF IMPORTED GOODS FOR EXAMINATION

The Guyana Revenue Authority introduced a system of Random Selection of Imported Goods for Examination with effect from January 2014.

The system involves the daily selection, by members of the public, of goods imported in commercial quantities for examination. This selection is done at the Authority's Headquarters, 200 – 201 Camp Street, South Cummingsburg, Georgetown, while the examination of the goods is done at the respective Wharf/Transit Shed in the presence of stakeholders and the importer.

The objective of the selection of imported goods for examination and having the public and stakeholders witness same is to maintain the Agency's commitment to achieving greater transparency, increasing public confidence in the examination process and protecting the integrity of Officers. Any irregularities found during the examination process are addressed immediately in accordance with the Customs Laws and Regulations.

AUTOMATED DRIVER'S LICENCE

The Guyana Revenue Authority launched its automated Driver's Licence on March 11, 2014. The new plastic card, in the first instance will be issued to persons whose licences have expired and therefore up for renewal, persons in need of a duplicate licence and those applying for a new licence as a result of obtaining their Competence Certificate from the police or having a foreign driver's licence. Additional security and other sophisticated features, to further reduce the likelihood of fraud and enable information sharing with relevant authorities, will be introduced in the future.

ESTABLISHMENT OF ONLINE/MOBILE PAYMENT FACILITIES

During the month of March 2014, the on-line tax payment service was launched. This service allows for the payment of Individual Income Tax (IIT), Individual Property Tax (IPT), Corporation Tax (CT) and Value-Added Tax (VAT). Persons are also able to purchase their Motor Vehicle Licences (MVL). The service is facilitated by the major Commercial Banks and also over the counter at the Bill Express facility of Western Union, the money transfer agency, all with branches throughout the country. It allows taxpayers to simply transfer money from their accounts to GRA's Bank account from the comfort of their homes, offices or any other location. Once made, the payment is transferred instantly to GRA's Bank account over secure internet connections operated by the agencies.

In addition, the GRA entered into an agreement with the mobile financial service provider, Mobile Money Guyana (MMG), a subsidiary of the Guyana Telephone and Telegraph Company (GT&T), which authorises it to receive and process electronic payments for taxes and licences. The taxpayer must have a

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mobile phone which is connected to the GT&T network only and is required to register with MMG after which he/she is at liberty to make payments to the GRA from a mobile phone anywhere and at anytime within minutes.

23RD GENERAL ASSEMBLY AND TECHNICAL CONFERENCE OF THE CARIBBEAN ORGANISATION OF TAX ADMINISTRATORS (COTA)

During the period July 21 to July 25, Guyana hosted the 23rd General Assembly and Technical Conference of COTA along with the meeting of the Executive Council. The Guyana Revenue Authority played an integral role in organizing events which led to the successful hosting of the Conference. The Authority also ensured that delegates received a firsthand look at its operations at the Camp Street Headquarters and were treated to social activities where the beauty and diversity of Guyana was showcased.

The Conference, which was aimed at providing COTA members with a forum to meet and discuss issues and challenges facing tax administrators and to share ideas and experiences, was held under the theme - “Efficient Tax Administration as a Catalyst for Growth and Development in CARICOM”. Upon conclusion of the Conference, Ms. Deanah Matthias, Deputy Commissioner, Guyana Revenue Authority, was elected to serve as President of the Regional Body for the next two years.

MODERNISATION OF ICT INFRASTRUCTURE – TRIPS 2.0

With the aim of providing more efficient and effective service to customers and to meet the challenges of changing technology, the Guyana Revenue Authority commenced the process of upgrading and modernising its Information Communication Technology infrastructure from TRIPS to TRIPS 2.0. This upgrade is expected to result in improved business processes and enhanced trade facilitation with the implementation of several electronic services.

The Information Technology Division provided the necessary support to the Consultants, Crown Agent, and considerable progress has been made in the development of the upgraded software. All necessary infrastructures were configured to support the testing of the software. Further, to facilitate a seamless transition to TRIPS 2.0, a Change Management Committee has been established and staff were engaged in a series of sensitisation workshops to keep them abreast of the impending changes.

REVENUE COLLECTION

TABLE II
INTERNAL REVENUE COLLECTION FOR THE YEAR 2014 (\$ 000)

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2013	2014	2014	Over 2013	Over Budget
INCOME TAX SELF EMPLOYED	3,307,352	4,047,328	3,489,503	182,151	(557,825)
INCOME TAX OTHERS	15,199,071	16,020,000	17,982,630	2,783,559	1,962,630
CORPORATION TAX:	22,689,259	24,733,721	25,443,150	2,753,891	709,429
- Private Sector	21,736,237	23,769,047	24,533,658	2,797,421	764,611
- Public Sector	953,022	964,674	909,492	(43,530)	(55,182)
WITHHOLDING TAX	4,932,363	5,150,000	4,350,722	(581,640)	(799,278)
NET PROPERTY TAX	2,571,800	2,704,097	2,380,521	(191,279)	(323,576)
PROCESS FEE	36,595	41,200	42,060	5,465	860
TRAVEL TAX	594,572	630,000	614,448	19,876	(15,552)
CAPITAL GAINS TAX	265,850	280,000	209,645	(56,204)	(70,355)
PREMIUM TAX	193,308	195,000	218,731	25,423	23,731
PROFESSIONAL FEES	7,470	7,800	6,900	(570)	(900)
TRAVEL VOUCHER TAX	937,435	985,000	1,061,541	124,106	76,541
LICENCE MOTOR VEHICLES	586,841	615,000	637,222	50,382	22,222
LICENCE OTHER VEHICLES	183	205	212	29	7
LICENCE - TRADING	14,082	14,200	14,455	374	255
LICENCE MISCELLANEOUS	6,693	6,800	8,508	1814	1,708
M/ VEHICLES & RD TRAF ACT	331,713	360,500	348,109	16,397	(12,391)
SUB-TOTAL	51,674,587	55,790,851	56,808,358	5,133,772	1,017,507
MIR REFUNDS			83,062	83,062	83,062
TOTAL	51,674,587	55,790,851	56,725,296	5,050,710	934,445

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During the year 2014, the actual revenue collection amounted to \$56.7B, while the budgeted figure which was approved in the National Assembly was approximately \$55.8B. Actual collections surpassed the budgeted amount by \$0.9B or 1.6%. Total revenue for 2014 by tax type is set out in the Table above.

Revenue collection under various heads exceeded the estimates by \$2.8B, while collection under other heads was under the estimates by \$1.8B. At the end of the year, refunds amounting to \$0.08B were paid under the provisions for Mortgage Interest Relief. During the year, revenue amounting to \$56.7B was deposited in the Consolidated Fund.

Revenue collected during 2014 was greater than that collected during the preceding year. The actual collection for the year 2013 was \$51.7B resulting in an increase of \$5B or 9.6% in 2014. Income Tax and Corporation Tax continued to be the two major heads of revenue contributing approximately \$21.5B and \$25.4B respectively to total revenue. The charts overleaf show revenue collection in 2014 along with that of 2013.

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**CHART I
ANALYSIS OF COLLECTION
INTERNAL REVENUE**

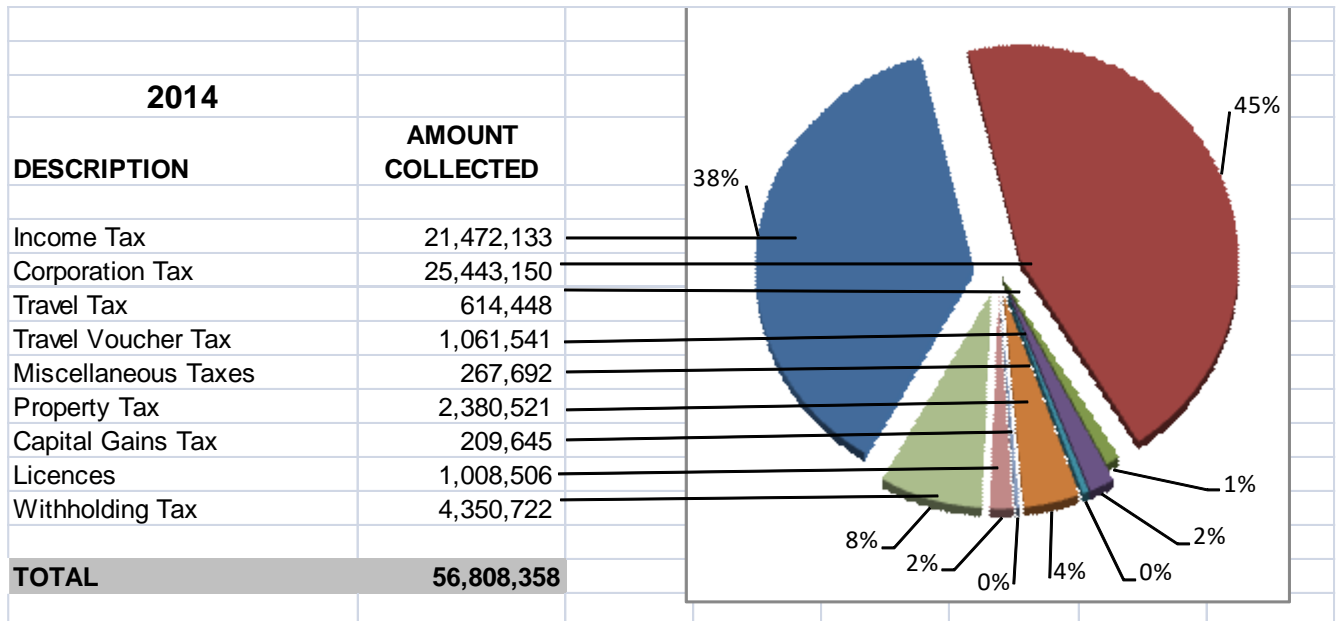
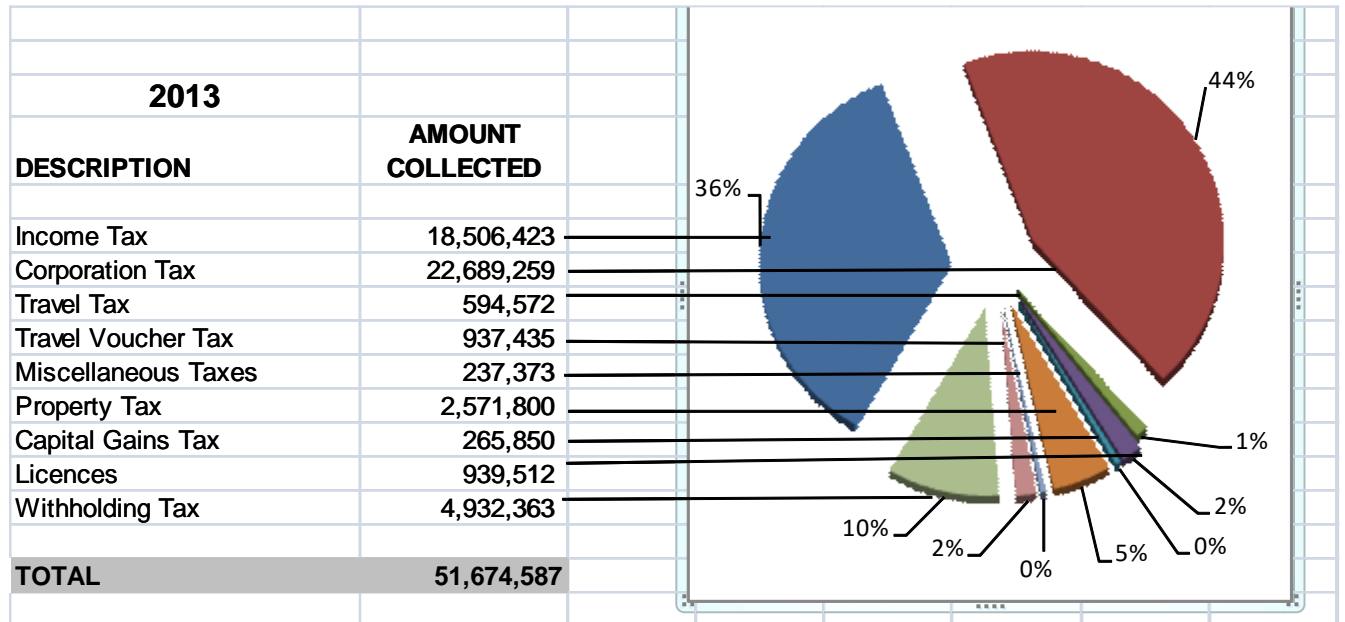


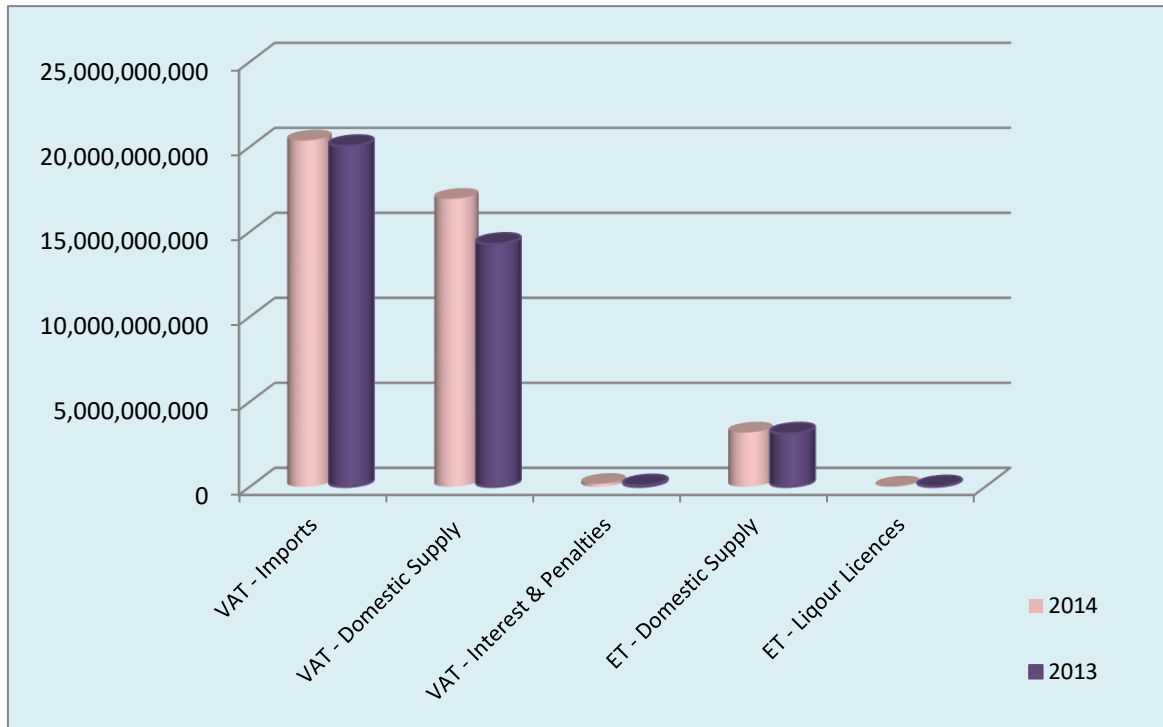
TABLE III
VAT AND EXCISE TAX OPERATIONS
REVENUE COLLECTION FOR THE YEAR 2014 (\$ 000)

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2013	2014	2014	Over 2013	Over Budget
Value-Added Tax	34,388,016	37,175,000	37,475,408	3,087,393	300,408
Imports	20,035,702	21,391,000	20,370,168	334,466	(1,020,832)
-Goods (net of refunds)	19,942,064	21,070,135	20,286,329	344,265	(738,806)
-Services	93,638	320,865	83,839	(9,799)	(237,026)
Domestic Supply	14,281,062	15,750,000	16,936,842	2,655,780	1,186,842
-Goods	14,281,062	15,750,000	16,936,842	2,655,780	1,186,842
Miscellaneous VAT:	71,251	34,000	168,398	97,147	134,398
-Interest	51,582	16,500	144,885	93,303	128,385
-Penalties	19,669	17,500	23,513	3,844	6,013
Excise Tax	3,135,735	3,277,600	3,202,448	66,713	(75,152)
Domestic	3,123,941	3,265,000	3,190,081	66,140	(74,919)
-Alcoholic Beverages	3,123,941	3,265,000	3,190,081	66,140	(74,919)
Licence Fees	11,794	12,600	12,367	573	(233)
-Liquor Licence	11,794	12,600	12,367	573	(233)
TOTAL	37,523,750	40,452,600	40,677,856	3,154,106	270,256

During the year 2014, revenue collected totalled approximately \$40.7B. This surpassed the budgeted figure of \$40.4B which was approved by the National Assembly by approximately \$0.3B. Revenue collected under various heads exceeded the budget by approximately \$1.3B, while collections under other heads fell below the budget by approximately \$1.0B. This is shown in Table III above. Revenue amounting to \$40.7B was paid into the Consolidated Fund.

Actual revenue collected under similar heads during the previous year was approximately \$37.5B. The collection for 2014 was approximately \$3.2B or 8.5% greater than that for 2013. The chart below compares revenue collection for the years 2014 and 2013.

**CHART II
ANALYSIS OF COLLECTION
VAT & EXCISE TAX**



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**TABLE IV
CUSTOMS AND TRADE ADMINISTRATION
REVENUE COLLECTION FOR THE YEAR 2014 (\$ 000)**

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2013	2014	2014	Over 2013	Over Budget
IMPORT DUTIES	11,865,701	12,358,986	12,166,540	300,839	(192,446)
EXCISE TAX	24,147,384	25,330,000	25,043,999	896,615	(286,001)
<i>Imports</i>	24,147,384	25,330,000	25,043,999	896,615	(286,001)
-Motor Vehicles	9,984,036	10,420,000	8,799,576	(1,184,460)	(1,620,423)
-Petroleum Products	11,783,127	12,280,000	13,758,653	1,975,526	1,478,653
-Tobacco Products	1,302,799	1,425,000	1,317,028	14,230	(107,972)
-Alcoholic Beverages	1,077,422	1,205,000	1,168,741	91,319	(36,259)
WAREHOUSE RENT & CHARGES	20,520	22,000	16,337	(4,183)	(5,663)
EXPORT DUTIES	14,076	14,100	13,861	(215)	(239)
MISCELLANEOUS	83,787	95,000	87,812	4,025	(7,188)
OVERTIME FEES	54,045	56,000	61,689	7,644	5,689
DEPARTMENTAL FINES	31,375	32,200	41,692	10,317	9,492
STAMP DUTIES	22,900	23,500	21,152	(1,748)	(2,348)
ENVIRONMENTAL TAX	1,071,651	1,080,000	1,033,347	(38,305)	(46,653)
TOTAL	37,311,439	39,011,786	38,486,429	1,174,989	(525,357)

For the reporting period, the approved budget for the Customs and Trade Administration was \$39B. However, the actual revenue collected for the period was \$38.4B which was below the approved budget by \$0.6B or 1.6%. Revenue collected under various heads exceeded the budget by approximately \$1.2B while collections under other heads also fell below by approximately \$0.6B. Revenue collection for 2014 was above that for 2013 by \$1.1B or 2.9%. This is shown in Table IV above. The higher revenue collection in 2014 was due mainly to the increased collection of excise tax on petroleum products.

During the year, revenue amounting to \$38.4B was deposited into the Consolidated Fund.

PERFORMANCE OF DEPARTMENTS

TAX OPERATIONS AND SERVICES

REGISTRATION AND CENTRAL DATA PROCESSING

REGISTRATION

For the year 2014, a total of two hundred and fifty-nine (259) registration packages were issued to potential Value-Added Tax registrants. However, only two hundred and thirteen (213) applications for registration were received. Registration was completed for two hundred and ten (210) such applicants while de-registration activities for fifteen (15) VAT registrants were also completed.

One thousand, six hundred and fifty-seven (1,657) packages were distributed to employers to facilitate their remission of taxes under the PAYE system. Twenty-five thousand, seven hundred and six (25,706) individuals and three hundred and forty-six (346) companies/partnerships were registered for Taxpayer Identification Number (TIN). In addition, forty-one thousand, four hundred and one (41,401) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers. The table below shows the number of taxpayers for whom registration activities were completed.

A total of one hundred and seventy-six thousand and fifty-two (176,052) returns for various tax types were distributed to taxpayers, while a total of three hundred and eighty-one (381) letters were issued to individuals and companies who made applications to conduct public entertainment events during the year.

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

Description	VAT	TIN
Registration Applications Received	213	N/A
Taxpayers Registered	210	26,052
Certificates Issued	263	41,401

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LODGMENT OF RETURNS

For the year ending December 31, 2014 the lodgment of various types of Tax Returns amounted to one hundred and seventeen thousand, two hundred and ninety-nine (117,299). Income Tax Returns totalled eighty-three thousand and seventeen (83,017) or 70.8% of the total Returns lodged, while VAT and Individual Property Tax Returns totaled twenty-four thousand, four hundred and ten (24,410) or 20.8% and seven thousand, one hundred and thirty-nine (7,139) or 6.1% respectively of the total Returns lodged.

The lodgment of Employer's Returns (Forms 2) amounted to one thousand, one hundred and ninety-eight (1,198), while twenty-two thousand, one hundred and fifty-six (22,156) 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, one thousand, one hundred and sixty-three (1,163) query letters were dispatched to taxpayers. The number of Returns lodged by tax type is shown in the Table VI below.

**TABLE VI
TAX RETURNS LODGED**

TAX TYPE	AMOUNT
Income Tax Returns	83,017
Property Tax Returns (Individual)	7,139
Property Tax Returns (Company)	1,160
Corporation Tax Returns	1,196
Capital Gain Tax Returns	10
Excise Tax Returns	24
VAT Returns	24,410
Miscellaneous Taxes Returns	343
Total	117,299

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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 twenty-one thousand, six hundred and eighty-three (121,683) Returns were entered into TRIPS (this figure includes data entry of Returns which were lodged during the previous year), while approval of data entry for one hundred and twenty thousand, six hundred and seventy-five (120,675) Returns were completed.

The data entry of Employer's Returns (Form 2) amounted to one thousand, two hundred and seventy-nine (1,279), while approval stood at one thousand, two hundred and thirty-three (1,233). Twenty-two thousand and five (22,005) Monthly Remittance Forms (Form 5) were entered into TRIPS while twenty- two thousand, two hundred and seventeen (22,217) were approved.

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

TABLE VII
NUMBER OF RETURNS ENTERED AND APPROVED

TAX TYPE	DATA ENTRY	DATA APPROVAL
Income Tax Returns	85,913	85,112
Property Tax Returns (Individual)	7,258	7,157
Property Tax Returns (Company)	1,174	1,147
Corporation Tax Returns	1,186	1,167
Capital Gains Tax Returns	5	4
Excise Tax Returns	24	22
VAT Returns	24,970	24,936
Miscellaneous Taxes	1,153	1,130
Total	121,683	120,675

TAXPAYER SERVICES

During 2014, staff continued to issue Compliance Certificates to facilitate the transfer of ownership of motor vehicles, title to land and buildings and as a regulatory requirement for the issue of tenders.

Twelve thousand, nine hundred and thirty-two (12,932) Compliance Certificates were issued during 2014; this amount represents a decrease of approximately 5% over the number of Compliance Certificates issued during 2013. Of the total issued during 2014, four thousand, four hundred and fifty-ninety (4,459) Certificates were issued for land and buildings, six thousand and fifty-seven (6,057) were issued for motor vehicles and two thousand, four hundred and sixteen (2,416) were issued for tender purposes. The table below illustrates a comparative analysis of the types of Tax Compliance Certificates which were issued during the years 2013 and 2014.

**TABLE VIII
CERTIFICATES OF COMPLIANCE ISSUED**

TYPE OF CERTIFICATE	TOTAL		Variance %
	2014	2013	
Land	4,459	4,797	-7
Motor Vehicle	6,057	6,396	-5
Tender	2,416	2,404	0.5
Total	12,932	13,597	-5

Other activities completed by staff of the Taxpayer Services Section included the issue of five hundred and fifty-eight (558) letters to taxpayers for exemption of Withholding Tax; one thousand, one hundred and nine (1,109) letters for Work Permit and the processing of one thousand, three hundred and eighty (1,380) estates of deceased persons. In addition, the issue of two thousand, six hundred and fifty-eight (2,658) Liability Statements, one hundred and sixty-three (163) Tax Practice Certificates and one hundred and four (104) Certificates of Assessment were also completed.

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REFUND OF TAXES

INTERNAL REVENUE

During the year 2014, a total of seven hundred and seventeen million, four hundred and seventy-nine thousand, nine hundred and twenty-nine dollars (\$717, 479,929.00) was refunded to several categories of taxpayers as shown in Table IX below. As at December 31, 2014 the estimate of unpaid refunds was one million, one hundred and forty-nine thousand dollars (\$1,149,000.00).

TABLE IX
REFUNDS PAID BY TAX TYPE (\$)

TAX TYPE	REFUNDS PAID 2013	REFUNDS PAID 2014
Corporation Tax	-	659,415,726
Property Tax - Companies	-	3,233,847
Income Tax – Self Employed	-	28,018
Income Tax - Employed (PAYE)	42,098,834	54,802,338
TOTAL	42,098,834	717,479,929

VALUE-ADDED TAX

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 (Diplomats/Diplomatic missions/non-resident individuals etc.), claimed under Section 37 of the Act. During the year under review, staff received a total of one thousand, five hundred and seventy-one (1,571) claims for refund of taxes amounting to \$6.8B. One thousand, five hundred and twenty-nine (1,529) claims were processed comprising one thousand, two hundred and ninety-three (1,293) claims under Section 35 and two hundred and thirty- six (236) claimed

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under Section 37 of the VAT Act. Forty-two (42) claims amounting to \$235,607 were rejected. The total refunds paid amounted to \$3.15B comprising \$2.97B under Section 35 and \$0.18B under Section 37. This amount reflects a decrease of 8.7% when compared with the amount paid in 2013. The total revenue recovered while verifying claims for refunds amounted to \$1.2B.

Table X below compares refunds paid during the year 2013 with that paid in 2014.

TABLE X
REFUNDS PAID
\$ (B)

Description	Refunds Paid 2014	Refunds Paid 2013
Section 35	\$2.97	\$3.27
Section 37	\$0.18	\$0.18
Total	\$3.15	\$3.45

REVIEW OF RETURNS

INTERNAL REVENUE

Staff attached to this functional area undertook the review of information submitted on tax returns to verify the income declared and the correct amount of taxes due and payable.

Staff commenced the review of six hundred and sixty (668) tax returns which were submitted by companies, completed four hundred (400) reviews and processed forty-four (44) re-assessments/additional assessments on the returns submitted. The revenue recovered upon completion of those activities amounted to fifty-one million, seven hundred and forty-three thousand, and three hundred and ninety-six dollars (\$51,743,396).

In relation to self-employed persons, one thousand, one hundred and twenty-eight (1,128) tax returns were reviewed, seven hundred and thirty - two (732) were completed and five hundred and fifty-seven (557) re-assessments/additional assessments were processed resulting in twenty-seven million, two hundred and twenty-six thousand, nine hundred and nineteen dollars (\$27,226,919) in additional revenue being recovered.

Further, one thousand, five hundred and thirty-nine (1,539) cases under the PAYE system were reviewed, seven hundred and ninety-six (796) were completed and six hundred and eighteen (618) re-

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assessments/additional assessments were processed. As a result, ten million, four hundred and seventy-seven thousand, nine hundred and fifty-four dollars (\$10,477,954) in revenue were recovered.

One thousand, eight hundred and sixty-six (1,866) Employers' Returns (Forms II) which were submitted by employers under the PAYE system were examined, one thousand, one hundred and eighteen (1,118) were reconciled with Monthly Remittance Forms (Forms 5), and one thousand, eight hundred and thirty-three (1,830) were verified. The revenue recovered upon completion of those examinations amounted to eight million, nine hundred and seventy-eight thousand, six hundred and fifty-five dollars (\$8,978,655).

The examination of schedules relating to the remittance of withholding and travel voucher taxes totalled six hundred and eighteen (618) and one hundred and fifty-five (155) respectively and eighty-three (83) field visits were conducted to facilitate the examinations. Further, four thousand, one hundred and nine (4,109) flights were reconciled and analyses and reports of findings were completed for one thousand and eighty-two (1,082). Also, seventy-three (73) reports on premium tax were received and the examination of receipts and reports were conducted by staff. Revenue recovered from those activities amounted to two hundred and twenty-eight thousand, one hundred and fifty dollars (\$228,150).

A combined total of fifty-seven thousand, one hundred and sixty-four (57,164) notices of assessment were printed based on returns submitted for Individual Income Tax, Individual Property Tax, Corporation Tax, Company Property Tax and Capital Gains Tax.

ENTERTAINMENT/COMPLIANCE CHECKS

VALUE-ADDED TAX

The staff of the Section conducted nine hundred and fifty-two (952) compliance checks to ensure that VAT registrants were complying with the VAT Act and Regulations and thirty-four (34) visits to prospective voluntary VAT registrants to determine whether they met the requirements for registration under the Act. In addition, ninety-one (91) public entertainment shows were monitored and taxes recovered from such monitoring amounted to \$1.2B.

OBJECTIONS

INCOME TAX

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

The objections lodged, centered on the following areas:

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

The table below shows objections made by companies and individuals during the year 2014.

TABLE XI
INTERNAL REVENUE TAXES
OBJECTIONS BY TAXPAYERS

PARTICULARS	COMPANIES 2014	INDIVIDUALS 2014	TOTAL
Un-finalised at the beginning of the year (revised)	179	721	900
Registered during the year	90	310	400
Sub-Total	269	1,031	1,300
Less: Finalised during the year	152	328	480
Un-finalised at the end of the year	117	703	820

At the end of December 2014, there were eight hundred and twenty (820) un-finalised objections on hand. This figure exhibited an 8.9% reduction when compared with the total un-finalised objections at the end of 2013.

Un-finalised objections relating to individual taxpayers totalled seven hundred and three (703) or approximately 86% of the total un-finalised objections at the end of 2014, while the remaining one hundred and seventeen (117) or 14% were in respect to Companies.

VALUE-ADDED TAX

Un-finalised objections on hand as at December 31, 2014, for the category of Valued-Added Tax totalled one hundred and four (104). All of the un-finalised objections were in respect to Companies. The details are shown in Table XII.

**TABLE XII
VALUE-ADDED TAX
OBJECTIONS BY TAXPAYERS**

PARTICULARS	COMPANIES 2014	INDIVIDUAL 2014	TOTAL
Un-finalised at the beginning of the year	75	1	76
Registered during the year	123	24	147
Sub-Total	198	25	223
Less: Finalised during the year	94	25	119
Un-finalised at the end of the year	104	-	104

LICENCE REVENUE OFFICE

A total of one hundred and sixteen thousand, seven hundred and thirty-one (116,731) motor vehicles were processed for the sale of licences during 2014. This figure exhibited a minimal decrease of 0.8% when compared with the amount of one hundred and seventeen thousand, seven hundred and three (117,703) which was processed during 2013. Registration of new vehicles for the year amounted to fourteen thousand, four hundred and eighty-one (14,481), while the corresponding figure for 2013 was fifteen thousand, six hundred and ninety-five (15,695) resulting in a decrease of 4.8%. Table XIII below sets out the various categories of vehicles licenced and the new vehicles registered during the year 2014 as compared to 2013 while Table XIV overleaf compares revenue collection for the year 2013 and 2014.

TABLE XIII
LICENCED MOTOR VEHICLES & NEW VEHICLES REGISTERED

Type of Vehicle	Licenced Motor Vehicles 2014	New Registration		
		2014	2013	Increase/Decrease
Agricultural	7,213	1,031	1,179	-148
Diplomat	415	67	48	19
Goods	17,356	2,009	2,299	-290
Government	1,638	308	263	45
Government/Agricultural	77	48	22	26
Hire	15,240	1,558	1,603	-45
Military	20	13	15	-2
Private	74,772	9,447	10,266	-819
Total	116,731	14,481	15,695	-1,214

TABLE XIV
REVENUE COLLECTION
LICENCE REVENUE OFFICE
(\$000)

Description	Actual 2014	Actual 2013
Licence Motor Vehicles	637,222	586,841
Licence – Other Vehicles	212	183
Licence – Trading	14,455	14,082
Licence – Miscellaneous	8,508	6,693
Motor Vehicles and Road Traffic Act	348,109	331,713
Total Collection	1,008,506	939,512

CUSTOMS AND TRADE ADMINISTRATION

The Customs and Trade Administration is mandated to promote compliance with Guyana's Customs, Trade and Border Laws and Regulations through quality service and responsible enforcement. This mandate is carried out through the activities of its various Divisions/Sections as outlined below.

COMMERCIAL OPERATIONS DIVISION

ENTRY PROCESSING

During 2014, staff of the Entry Processing Section vetted a total of fifty-six thousand, one hundred and sixty-two (56,162) declarations and completed lodgment, and data input activities for all declarations which were vetted and accepted. Fifty thousand, eight hundred and thirty-one (50,831) declarations were assessed and one thousand, seven hundred and ninety (1,790) were queried. Staff also processed fifty (50) applications for refund of duties and performed three hundred and fifty (350) help desk activities. In addition, seven hundred and twenty-four (724) Permits for Immediate Delivery (PIDs) were processed and fifty-one (51) Guarantee Instruments (Bonds) were reviewed and processed.

FILING ROOM

For the period under review staff of the Filing Room received two hundred and fifty-seven thousand, nine hundred and sixty-six (257,966) Customs documents, sorted two hundred and thirty-nine thousand, six hundred and eight (239,608), classified one hundred and sixty-nine thousand nine hundred and sixty-nine (169,969) and created appropriate files for those documents. Staff also scanned one hundred and forty-one thousand, eight hundred and seventy-nine (141,879) documents and stored them appropriately. Further, ten thousand, six hundred and one (10,601) ship and aircraft files were received, stored and subsequently issued to the Internal Audit Division as the need arose.

PRIVATE WAREHOUSE

During the year under review, staff monitored the receipt and delivery of various items into and from private warehouses to ensure that procedures were adhered to and records were maintained accurately by warehouse keepers. The receipt of one thousand, one hundred and fifteen (1,115) vehicles and a combined total of one thousand, six hundred and forty-one (1,641) tyres, generator sets and electrical appliances into private warehouses was monitored along with the receipt of one hundred and twelve (112) cases of alcoholic beverages into Duty Free Shops. Staff also monitored the delivery of one thousand and twenty-five (1,025) vehicles and a combined total of nine hundred and eighty-five (985) tyres, generator sets and electrical appliances from warehouses.

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In addition, sixty-six (66) inspections were carried out on existing private warehouses, while approval was granted for one (1) newly established Private Warehouse to operate. Re-warehousing activities were monitored on one (1) occasion.

EXCISE TAX

The staff attached to the Excise Tax Section reviewed one thousand, one hundred and ninety-six (1,196) transactions related to the manufacture, bottling and entering of liquor into bonded warehouses, conducted reconciliation activities for the removal of liquor from bonded warehouses for local consumption on eight thousand and forty-four (8,044) occasions and completed reconciliation of records relating to the transfer of liquor to other warehouses on seven hundred and eighty-three (783) occasions.

Further, staff also inspected, reconciled and sealed five hundred and sixty (560) consignments of liquor which were released for export, approved three hundred and thirteen (313) requests for the removal of goods from warehouses for local consumption, approved seven hundred and eighty-four (784) entries for the transfer of goods from bonded warehouses and approved eighty-four (84) permits for the sale of bulk alcohol locally. Random visits were also carried out to ensure that warehouse records and distillery records were correctly maintained by warehouse staff and records in TRIPS were continuously reviewed to ensure that the correct taxes were paid on alcoholic, petroleum and tobacco products and vehicles.

Staff also conducted examinations of motor vehicles based on applications for registration on seven thousand, three hundred and twenty-five (7,325) occasions to ensure that the correct amount of Excise Tax was paid.

WHARVES, BOATHOUSE AND CHEDDI JAGAN INTERNATIONAL AIRPORT

WHARVES AND BOATHOUSE

Five hundred and thirty-two (532) vessels were cleared on arrival at the various Ports of Entry during the year 2014. Staff of the Division monitored the discharge of seven hundred and fifty-seven thousand, four hundred and seven (757,407) metric tons of incoming cargo, which included cargo contained in thirty-one thousand, four hundred and ninety-three (31,493) containers of varying sizes, and eight thousand, seven hundred and forty-five (8,745) vehicles. Vessels cleared for departure by staff amounted to four hundred and seventy-four (474) and contained a total of seven hundred and twenty-seven thousand and forty-two (727,042) metric tons of cargo contained in thirty thousand, four hundred and thirty-nine (30,439) containers of various sizes.

Imported cargo, both containerised and other, were also processed for release upon completion of examination by Goods Examination Officers. A total of twenty-four thousand and sixty-eight (24,068) containers of varying sizes, eighty-six thousand, eight hundred and sixty-eight (86,868) barrels as well

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as two hundred and thirty-three thousand, six hundred and three (233,603) other consignments (inclusive of boxes, packages, bundles and pieces) were processed for release at various ports of entry.

The transfer of consignments of goods between Transit Sheds was also facilitated by staff with a combined total of thirteen thousand, four hundred and ninety-one (13,491) containers and four thousand, eight hundred and nine (4,809) other units leaving the Transit Sheds prior to declarations being entered (via Form C25) while a total of fifteen thousand, two hundred and thirty-one (15,231) containers and four thousand, five hundred and ninety-nine (4,599) other units were received by other Transit Sheds prior to declarations being entered. Files related to these transfers as well as files related to outgoing and incoming ships were subsequently completed.

The perfecting of entries under the Permit for Immediate Delivery (PID) and Prior to Processing (PTP) facilities was also accomplished although at the end of the year in excess of one hundred (100) entries were still to be perfected while five hundred and sixty (560) 'want of entry' slips were prepared with two hundred and sixty-eight (268) still due for preparation at the end of the year. Revenue collected at the various wharves and transit sheds amounted to seven hundred and thirteen million, five hundred and ninety-eight thousand, six hundred and forty-eight dollars (\$713,598,648.00) which is a decrease of 2% from the amount collected in 2013 and an increase of approximately 23% over the budgeted amount.

CHEDDI JAGAN INTERNATIONAL AIRPORT (CJIA)

The arrival of three thousand, seven hundred and forty-three (3,743) incoming aircrafts was monitored and documented while two hundred and forty-five thousand, eight hundred and sixty (245,860) arriving passengers were processed and their baggage examined by staff attached to the CJIA. The monitoring and processing of outgoing aircrafts and passengers amounted to three thousand, seven hundred and forty-four (3,744) and two hundred and forty-eight thousand, nine hundred and fifty (248,950) respectively.

Imported and exported cargo which was processed by staff totalled 1,706,958 kgs and 3,750,813 kgs respectively. Staff also completed three thousand, eight hundred and seventy-one (3,871) incoming and three thousand, seven hundred and forty-two (3,742) outgoing aircraft files and processed seven thousand, five hundred and seventeen (7,517) customs declarations.

The total revenue collected during the year amounted to one billion, three hundred and twenty-two million, seven hundred and thirty-one thousand, two hundred and forty-nine dollars (\$1,322,731,249.00) which exceeded the total of one billion, one hundred and ninety-seven million, three hundred and seventy-four thousand, nine hundred and thirty-five dollars (\$1,197,374,935.00) which was collected during previous year by approximately 10.5%.

GUYANA POST OFFICE CORPORATION (GPOC)

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Activities conducted by staff at the GPOC included the receipt, examination and delivery of sealed mail bags, parcels and packets and the escort of mail bags to and from the Cheddi Jagan International Airport. Staff received a total of sixteen thousand, seven hundred and twelve (16,712) sealed mail bags, seven thousand, two hundred and six (7,206) parcels and eight thousand, four hundred and thirty - five (8,435) packets.

Delivery of sealed mail bags amounted to six thousand, seven hundred and sixty-three (6,763) while five thousand, six hundred and sixty-two (5,662) parcels and three thousand, two hundred and forty-three (3,243) packets were also delivered. Further, examinations were conducted on seven thousand, one hundred and forty-two (7,142) incoming parcels as well as five thousand, one hundred and sixty-five (5,165) incoming packets while two thousand, seven hundred and fifty (2,750) outgoing parcels and one thousand, two hundred and eighty-four (1,284) outgoing packets were also examined.

Revenue collected at the GPOC amounted to twenty-two million, nine hundred and eighty thousand, three hundred and fifty-two dollars (\$22,980,352.00) resulting in an increase of 10% over the revenue collected for 2013 which totalled twenty million, seven hundred and eighty-seven thousand, one hundred and forty-eight dollars (\$20,787,148.00).

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INTEGRATED REGIONAL TAX OFFICES

The Guyana Revenue Authority has established Integrated Regional Tax Offices in various Regions in Guyana to ensure that taxpayers have convenient access to all of its services under one roof. Offices are currently located in Lethem, Corriverton, New Amsterdam, Parika, Anna Regina, Linden and Bartica.

During the year under review, staff received a combined total of fifty thousand, one hundred and fifty-five (50,155) tax returns. This amount comprised thirty thousand, one hundred and thirty-two (30,132) for Income Tax, seven thousand, two hundred and twenty-one (7,221) for individual Property Tax and five thousand, three hundred and twelve (5,312) for Value-Added Tax. In addition, seven thousand, one hundred and fifty-nine (7,159) Monthly Remittance Forms (Form 5) were received from employers as well as three hundred and thirty-one (331) Employers' Returns (Form 1).

Data entry and data approval activities were completed for fifty one thousand, two hundred and eighty-seven (51,287) returns inclusive of twenty nine thousand, nine hundred and sixty-nine (29,969) for Income Tax, nine thousand, four hundred and forty-one (9,441) for Individual Property Tax, four thousand, nine hundred and two (4,902) for Value-Added Tax, six thousand, six hundred and fifty seven (6,657) Employers' Monthly Remittance Forms (Form 5) and three hundred and eighteen (318) Employers' Returns (Form 1).

Staff also processed fifteen thousand and forty-six (15,046) applications for Taxpayer Identification Number (TIN) and registered twenty-nine (29) taxpayers for Value-Added Tax. Tax Compliance Certificates were also issued to taxpayers with a combined total of four thousand, five hundred and thirteen (4,513) being issued. Of this amount, one thousand, five hundred and forty-four (1,544) were issued to facilitate the transfer of ownership of lands and buildings, one thousand, five hundred and forty-nine (1,549) for the transfer of ownership of vehicles and one thousand, four hundred and twenty (1,420) for tender purposes. The number of Compliance Certificates issued exhibited an increase of 3.6% over the amount issued during 2013.

In addition, nine hundred and forty-eight (948) Liability Statements, three hundred and thirty-eight (338) letters granting exemption from Withholding Tax, thirty-eight (38) Tax Practice Certificates and eighteen (18) letters for Work Permits were also issued. The sale of Motor Vehicle licences amounted to thirty-nine thousand, one hundred and seventy-six (39,176) while one thousand, five hundred and seventy-four (1,574) new Liquor/Trade/Miscellaneous Licences were issued and one thousand, five hundred and ninety-two (1,592) were renewed.

One hundred and eleven (111) objections to assessments were registered during the year while thirty-six (36) were finalized. One hundred and eighty-eight (188) applications for refund of Value-Added Tax were received and processed and a total of three hundred and eighty-seven (387) Compliance and Advisory Visits were conducted to ensure that taxpayers are complying with the requirements of the Laws

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and Regulations. In addition, fifty-nine (59) checks of public entertainment events were conducted to ensure that promoters remitted the correct amount of VAT.

At the Ogle International Airport, staff processed a total of one thousand, one hundred and nine (1,109) arriving aircrafts along with twenty-one thousand, eight hundred and forty-four (21,844) arriving passengers and one thousand, one hundred and eight (1,108) departing aircrafts with twenty thousand, two hundred and twenty-seven (20, 227) passengers. One thousand and seventy-five (1,075) incoming and one thousand, one hundred and four (1,104) outgoing aircraft files were also completed.

The arrival and departure of passengers and vehicles via the Canawaima ferry service, operating between Guyana and Suriname at Moleson Creek, were also facilitated by staff. To this end, forty thousand, six hundred and sixteen (40,616) arriving passengers along with four thousand, five hundred and twelve (4,512) arriving vehicles, comprising two thousand, six hundred and forty-five (2,645) with local registration and one thousand, eight hundred and sixty-seven (1,867) with foreign registration were processed. In addition, forty-one thousand, four hundred and nineteen (41,419) departing passengers were processed along with four thousand, four hundred and forty (4,440) departing vehicles, comprising two thousand, six hundred and fifty-six (2,656) with local registration and one thousand, seven hundred and eighty-four (1,784) with foreign registration.

Staff at the Lethem Office also conducted verification activities of vehicles departing and entering Guyana via the Takatu Bridge. Verification was carried out on eighty-six thousand, two hundred and ninety-five (86,295) departing vehicles, of which seventy-one thousand, one hundred and forty-eight (71,148) carried foreign registration, and eighty-six thousand, eight hundred and seventy-four (86,874) arriving vehicles, of which seventy-one thousand, seven hundred and twenty-seven (71,727) were foreign registered.

In addition, staff at the various Offices processed a combined total of one thousand, nine hundred and ninety-five (1,995) Customs Declarations and completed eight hundred and twenty-eight (828) incoming and seven hundred and ninety-two (792) outgoing ships' files.

Revenue collected by the Integrated Regional Tax Offices during the year under review totaled four billion, three hundred and forty-two million, nine hundred and sixty-one thousand, one hundred and ninety-four dollars (\$4.342,961,194.00) of which six hundred and forty-nine million dollars (\$649M) was collected for Customs Operations, five hundred and sixty-two million dollars (\$562M) for Value- Added and Excise Taxes and three billion, one hundred and thirty-one million dollars (\$3.131B) for Internal Revenue related taxes. Revenue collected in 2013 amounted to three billion, two hundred and seventy-five million, eight hundred and fifty-two thousand, seven hundred and forty-five dollars (\$3,275,852,745.00) resulting in the collection for 2014 exhibiting an increase of 32.5%. A comparison of revenue collected during 2013 and 2014 is shown in the table overleaf.

**TABLE XV
REVENUE COLLECTION
INTEGRATED REGIONAL TAX OFFICES**

Regional Office	Revenue Collection		Variance %
	2013	2014	
Corriverton	1,345,049,210	1,421,462,982	5.6
Anna Regina	391,162,493	384,035,620	(7.8)
New Amsterdam	682,854,707	796,204,579	16.6
Linden	701,607,891	1,319,331,460	88.0
Parika	153,442,259	160,093,934	4.3
Lethem	196,855,585	166,544,154	(15.4)
Bartica	124,098,269	91,083,766	(26.6)
Ogle	1,736,185	4,204,699	142.2
Total	3,275,852,745	4,342,961,194	32.5

REMISSION OF DUTIES 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.

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 following table 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 2014 relative to the year 2013.

TABLE XVI
REVENUE COLLECTION RELATIVE TO THE

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VALUE OF EXEMPTIONS GRANTED (\$000)

	Revenue Collection		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2013	2014	2013	2014	2013	2014	2013	2014
Total	74,835,150	79,164,285	45,784,981	53,271,337	9,802,097	9,740,678	55,587,078	63,012,015
Ratio of exemptions to revenue collection			61.18%	67.29%	13.09%	12.30%	74.27%	79.59%

Total Exemptions for the year 2014 was sixty-three billion, twelve million, fifteen thousand, eight hundred and four dollars (\$63,012,015,804.00) representing 79.59% of revenue collected by the Customs and Trade Administration and the Value Added and Excise Taxes Operations which amounted to seventy-nine billion, one hundred and sixty-four million, two hundred and eighty-five thousand dollars (\$79,164,285,000.00). Conditional Exemptions was fifty-three billion, two hundred and seventy-one million, three hundred and thirty-seven thousand, one hundred and eighteen dollars (\$53,271,337,118.00) or 67.29% of revenue collection while Unconditional Exemptions represented nine billion, seven hundred and forty million, six hundred and seventy-eight thousand, six hundred and eighty-six dollars (\$9,740,678,686.00) or 12.30% of revenue collection.

Conditional exemptions exhibited an increase during the period under consideration while unconditional exemptions remained relatively stable. The increase in conditional exemptions resulted largely from the increase in exemptions received by Companies/Businesses and Ministries/Government Departments.

DIVISIONAL PERFORMANCE

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The performance of the various Service Divisions, the Heads of which report to either the Commissioner-General or the Deputy Commissioner-General, is 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

During the year 2014, the Authority had an actual staff strength of one thousand, one hundred and thirty-six (1,136) members of staff which was approximately 79% of the approved staff complement of one thousand, four hundred and thirty-five (1,435). The actual staff strength for 2014, exhibited a minimal increase over that for 2013, which totalled one thousand, one hundred and thirty (1,130) or approximately 80% of the approved staff complement of one thousand, four hundred and ten (1,410).

Of the one thousand, one hundred and thirty-six (1,136) employees, four hundred and eighty-seven (487) or approximately 43% were male while six hundred and forty-nine (649) or approximately 57% were female.

Recruitment for the period under review totalled seventy-eight (78) and all new recruits were enrolled in the Authority's Pension and Medical Plans. The number of employees promoted amounted to forty-eight (48) and departures amounted to sixty-three (63) resulting in a staff turnover of 5.5% as compared with 5.8% in the previous year. Of the sixty-three (63) departures, forty-eight (48) employees resigned, five (5) retired, three (3) had their services terminated, four (4) were dismissed for various offences and three (3) died.

B: TRAINING AND DEVELOPMENT DIVISION

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The mandate of this Division is to provide full support to other functional areas by arranging, coordinating and/or implementing educational, training and other developmental programmes, aimed at developing the full capacity of employees and promoting career growth.

During the year under review staff at all levels, attached to various Divisions, benefited from several training programmes/workshops/conferences conducted both locally and overseas.

◆ INTERNAL TRAINING

Internal Training Programmes which were organised by the Training and Development Division benefitted approximately three hundred and seventeen (317) staff members. These programmes were intended to equip staff with the necessary skills needed to function in their capacity. Programmes conducted included training in Supervisory Management which benefitted forty-six (46) staff from across the Authority and was facilitated by trainers from the Public Service Ministry, Customer Service, which benefitted thirty-three (33) persons and Communications Skills (Oral and Written Communication), which was attended by fifty-two (52) persons.

Further, technical training in several areas was facilitated by Advisors from the Canadian Executive Services Organisation (CESO). Areas in which training was provided included Audit Techniques and Debt Management Techniques which benefitted twenty-six (26) auditors and twenty-nine (29) staff from the Debt Management Division respectively. Also, trainers from within the Authority along with CESO Advisors facilitated training for several batches of staff on various aspects of Internal Revenue and Customs operations while staff attached to the Intelligence and Risk Management Division were trained in Investigation and Intelligence Gathering Techniques as well as basic Interviewing and Evidence Gathering

Several workshops/seminars were also completed during the year under review. These included a workshop on National Insurance Scheme (NIS) Legislation, which was facilitated by staff of the NIS, a workshop on Security and a seminar covering matters related to retirement. Workshops were also conducted for licenced and prospective Customs Brokers while several sessions were conducted to sensitize staff on the impending change in software from TRIPS to TRIPS II. Several Orientation programmes were conducted for the benefit of ninety-one (91) newly employed staff members.

Staff of the Division were also instrumental in managing the Authority's Work Study programme which benefitted seventy-five (75) Secondary School students, coordinating activities related to the visit to GRA by officials of the Tanzania Revenue Authority as well as activities related to GRA's hosting of the Caribbean Organisation of Tax Administrators (COTA) Technical Conference and preparation for the CIAT General Assembly and Technical Conference.

◆ EXTERNAL TRAINING - LOCAL

There were also thirty-five (35) external programmes which were attended by one hundred and five (105) staff members of the Authority. Several of those programmes were hosted by the Public Service Ministry and included Principles of Human Resource Development, Personnel Practice and Development, Principles of Supervisory Management, Principles of Professional Secretarial Practice and Government Accounting Procedures which were attended by staff attached to the Human Resource Management, Finance and Internal Audit Divisions. Further, the Bank of Guyana facilitated training on the Detection of Counterfeit Currency (both local and United States currencies) while the Environmental Protection Agency (EPA) facilitated programmes on the Implementation of the National Bio-safety Framework Project, Handling and Transport of Radioactive Materials and the Prevention of Illegal Wildlife Trade.

Senior staff members attached to the Customs and Trade Administration participated in meetings of CARICOM Standing Committees of Chiefs of Immigration and Comptrollers of Customs (via video conference) and the meeting on the Rapid Alert System for Exchange of Information on Dangerous Consumer Goods, facilitated by the CARICOM Implementation Agency for Crime and Security (IMPACS). CARICOM also facilitated the 15th Meeting of Senior Officials of the Legal Affairs Committee and the 35th Meeting of the Customs Committee of the Council for Trade and Economic Development.

Additional programmes on Anti-Money Laundering and Countering the Finance of Terrorism (AMLCFT) - Cash Awareness and Asset Recovery, International Financial Reporting Standards and International Standards on Auditing, Analysing Financial Statements and Financial Intelligence were all attended by staff attached to various Divisions.

◆ EXTERNAL TRAINING/CONFERENCES - OVERSEAS

Staff also participated in conferences, workshops and training programmes which were held overseas. Programmes in countries such as Brazil, Argentina, China, Switzerland and Panama in as well as those within the Caribbean saw the attendance of several staff members.

The Commissioner-General, Mr. Khurshid Sattaur, attended the Inter-American Center of Tax Administration's (CIAT's) 48th General Assembly which was held in Brazil during the month of May and the Technical Conference which was held in Spain during the month of October while the Deputy Commissioner, Legal Services, attended a workshop on the 'Benefits, Challenges and Issues regarding the implementation of the OECD's Base Erosion and Profit Shifting (BEPS) Action Plan in Latin America and the Caribbean' in Spain which was also facilitated by CIAT. The Deputy Head, Customs and Trade Administration participated in the Customs workshop "Postal Operations Improvement–Quality of Service" in the United States of America, the meeting of the Preparation Committee on Trade Facilitation in Geneva Switzerland and the Dialogue for Top Management which was held in Kingston, Jamaica and facilitated by the World Customs Organisation (WCO). The Deputy Commissioner, Law Enforcement Programmes, participated in the Round Table on "Maritime Transport, Connectivity and Trade

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Facilitation in the Caribbean” which was held in Florida and facilitated by the Inter-American Development Bank (IDB).

The Law Enforcement Leadership and Development Programme, which was held in San Salvador and the CARICOM workshop on the Implementation of the Arms Trade Treaty, which was conducted in Trinidad and Tobago, were also attended by senior staff members of the Law Enforcement and Investigation Division while Senior Manager, Project Management attended the Meeting of the Regional Chief Parliamentary Counsels and Customs Officials on the CARICOM Harmonized Customs Bill in St. Lucia.

In addition, staff of the Audit and Verification Division participated in seminars on “Multinational Taxation and Transfer Pricing” and “Methods Conducive to Improving Relationships with Taxpayers” which were both facilitated by CIAT as well as a workshop on Auditing Multi-National Enterprises which was facilitated by CARTAC in collaboration with the Caribbean Organisation of Tax Administrators (COTA). Staff attached to the Customs and Trade Administration attended the VI Meeting of the Inter-American Network of International Trade Single Windows and the Senior Manager, Training and Development attended the CIAT Correspondents Meeting in Panama.

Other overseas programmes from which staff of the Authority benefitted included the Regional Training Course for Customs Authorities of State Parties in Latin America and the Caribbean, Airport Interdiction, training in Regional Commodity Identification and in Import and Export Commodity Inspection. A workshop on Risk Management Framework Review and a meeting on Proceeds of Crime and Anti-Corruption Legislation were also attended by staff members.

◆ SAFETY AND HEALTH/WELLNESS

Staff members also benefitted from discussions/sensitisation under the Authority’s Occupational Safety and Health programme in areas such as Hazard Identification, Evacuation Procedures and Fire Drills. Further, as part of the Wellness programme, staff across the organisation were sensitised on various diseases including HIV/AIDS, Cancer, Diabetes, Tuberculosis, Chikungunya and Sickle Cell among others. Eye care, dental screening and other health checks were also made available to all staff while a blood donation drive was successfully completed. The sensitisation and screening programmes were facilitated by staff of the Ministry of Health.

◆ BURSARY AWARDS

During the year the Authority honored twenty (20) children of employees for their success at the National Grade Six Assessment (NGSA). At a ceremony which was organised to mark the occasion, the top award was given to Samuel Haynes for gaining the highest marks at the examinations. In addition to the awards, the students were presented with certificates of recognition and other tokens. The Authority also presented cheques to seventy-five (75) continuing awardees.

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Commencing in the year 2001, children of employees who excelled at the NGSA (formerly SSEE) have been honoured and to date the Authority has given continuous recognition to over three hundred (300) children throughout their secondary education.

C: FINANCE DIVISION

CURRENT EXPENDITURE

Total releases to the Authority from the Ministry of Finance amounted to four billion, two hundred and seventy-four million, two hundred and ten thousand, three hundred and fifty-one dollars (\$4,274,210,351). The current expenditure for the year was approximately four billion, two hundred and sixty-six million, seven hundred and sixty-eight thousand, one hundred and twelve dollars (\$4,266,768,112). At the end of the fiscal year, there was a balance of seven million, four hundred and forty-two thousand, two hundred and thirty-nine dollars (\$7,442,239); this sum will be refunded to the Accountant General. These figures are all reflected in the un-audited Financial Statements.

CAPITAL EXPENDITURE

The Ministry of Finance released three hundred and seventy-five million dollars (\$375,000,000) and three hundred and thirty-five million, six hundred and ninety-three thousand, two hundred and seventy-three dollars (\$335,693,273) was expended. A balance of thirty-nine million, three hundred and six thousand, seven hundred and twenty-seven dollars (\$39,306,727) will be refunded to the Accountant General. The breakdown of capital expenditure is shown in the chart and table overleaf.

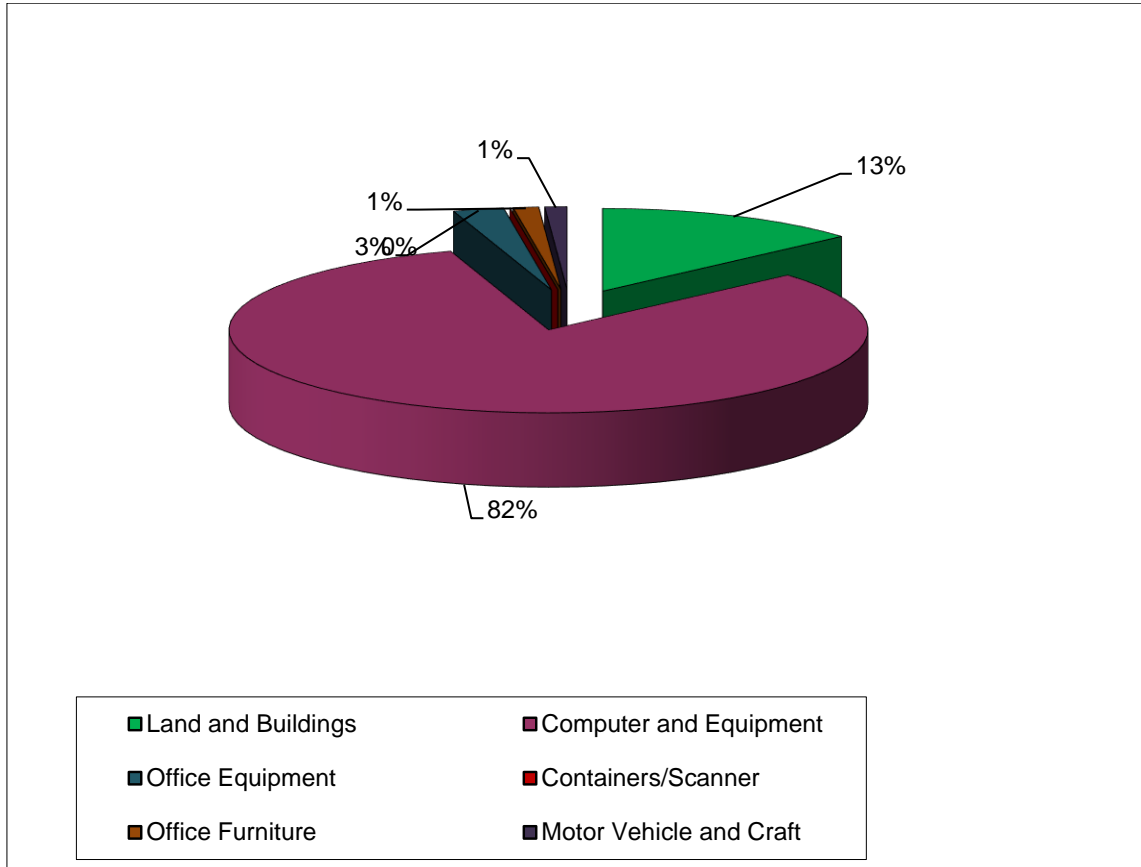
**TABLE XVII
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2014
BY TYPE OF ASSET**

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Category of Asset	Amount \$ M
Land and Buildings	45,229,323
Computer Equipment	273,806,272
Office Equipment	8,608,640
Containers/Scanner	-
Office Furniture	4,316,038
Motor Vehicle and Craft	3,733,000
Total	335,693,273

**CHART III
CAPITAL EXPENDITURE 2014**



FINANCIAL STATEMENTS

The audited Financial Statements which form part of this report are contained in pages 66 to 79.

D: COMMUNICATION AND TAX ADVISORY SERVICES

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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, procedural, communication and advisory needs of stakeholders of the Authority are met in a timely manner and that all information disseminated is accurate, timely, reliable and in keeping with the Laws and Regulations governing the Authority.

PUBLIC RELATIONS

Staff produced forty-eight (48) pre-recorded television programmes – “Focus on GRA” and ninety-four (94) pre-recorded radio programmes – “Revenue Update”. Appearances were also made on television programmes such as “Let’s Talk Tax” and “Guyana Today” and on the live radio programme “Let’s Gaff”. During these programmes, staff focused on educating taxpayers thereby enabling them to comply with the various Tax Laws and Regulations. Some of the issues which were focused on during the programmes included Online/Mobile payment facilities, automated driver’s Licence, Random Selection of imported consignments for examination, renewal of Liquor Licences, Mortgage Interest Relief, Objections and Appeals, Tax Practice Certificate and obligations of self-employed persons among others.

In addition, staff facilitated updates to the Authority’s website on five hundred and nine (509) occasions and the publishing of forty-three (43) tax policies in the print media, conducted sixty-six (66) Random Selection of Imports and made six (6) visits to offices in various Regions to participate in events. The television, radio and print media were also utilized to publish advertisements which aided compliance by taxpayers. A total of seventeen (17) television, sixteen (16) radio and fifty-eight (58) print advertisements were published during the year under review. Further, staff also issued press releases on new initiatives such as online payment, plastic drivers’ licence, the random selection of commercial imports and refund of taxes. They also arranged several press conferences, facilitated the conduct of workshops/tax sites/seminars and participated in special events such as the Career Fairs and trade expositions. Booklets, brochures and tokens were distributed during the special events.

TAX ADVISORY SERVICES

Staff of the Section prepared information to be used for publication on the Authority’s website. The information covered foreign currency rates, online payments, Tax Practice Certificate, Mortgage Interest Relief, policies on various aspects of Value-Added Tax, Self-Employed persons and Estate Duty among others. Fifty-two (52) policies covering areas such as Employers’ Returns (Form 2), taxable/non-taxable allowances, Tax Practice Certificate, Public Entertainment, passenger arrival and clearance, importation of pharmaceuticals, Certificate of Compliance and the treatment of non-cash bonuses/benefits were provided to the Public Relation Section to facilitate publication in the print media. Twenty-one (21) workshops and twenty-two (22) tax seminars were conducted which saw the attendance of six hundred and ninety-seven (697) persons. Beneficiaries of the workshops were drawn from Companies/Organisations such as Guyana Women Miners Organisation, Guyana Post Office Corporation,

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Citizens Bank, Qualfon, Omai, Guyana Police Force, Guyana Defence Force and the Guyana School of Agriculture.

A total of two hundred and forty-five (245) responses to queries received via email and letters were prepared and dispatched while two thousand, six hundred and forty-four (2,644) responses to requests for information made over the telephone as well as follow-up calls to taxpayers were completed over the period. In addition, there were one thousand seven hundred and sixteen (1,716) responses to queries made by 'walk-in' taxpayers.

Further, the Staff also distributed nineteen thousand, eight hundred and sixty (19,860) educational materials and amendments to the legislation to taxpayers and prepared twenty-one (21) new policies, leaflets, booklets and brochures.

PUBLICATION & OPERATIONAL PROCEDURES

The Learning Resource Centre (LRC) which is a part of this Section continued to play an important role in facilitating the research needs of users. Staff throughout the organisation were able to use the resources within the LRC to conduct research in various areas of interest. In excess of two hundred magazines and books were procured to aid research while several novels were donated to the LRC by staff members of the Guyana Revenue Authority. These additions to the collection were all catalogued and the necessary barcode labels inserted and scanned into the KOHA database. All issues of the Official Gazette were acquired and stored appropriately while one thousand, three hundred and seventy-two (1,372) newspaper articles covering issues related to the Authority were extracted and filed.

Staff of the Section continued to ensure that Acts and Regulations administered by the Authority were updated and provided copies of Amendments to Legislation when requested by staff. To this end fourteen (14) Amendments to Acts/Regulations were obtained. Also, whenever necessary, Acts and/or Regulations were printed internally for distribution to staff thus resulting in a total of one hundred and eighty-seven (187) copies being printed and distributed during 2014. The preparation of new and adjustment to existing Standard Operating Procedures (SOPs) were also undertaken with a total of one hundred and forty (140) SOPs being prepared and/or amended. These SOPs were related to Tax Exemption Processing and Verification, Tax Returns Review, VAT Operations, Licence Revenue Office, Customs and Trade Administration and Communication and Tax Advisory Services. The flowcharts related to those SOPs were also adjusted.

In addition, fifty-three (53) positions were created in the Human Resource/Salaries PeopleNet software to facilitate the payment of salaries and organisational charts were adjusted as the need arose. Three hundred and three (303) job descriptions were prepared or adjusted to reflect ongoing changes undertaken to increase efficiency within the Authority. Articles were also prepared for publication in Newsletters published by the Inter-American Center of Tax Administrators.

E: INTERNAL AUDIT DIVISION

The Internal Audit Division is mandated to ensure that the activities conducted by the Authority are done with strict adherence to the laws of Guyana, the organisation's policies and Standard Operating Procedures, as well as international standards and best practices where applicable.

The Division was re-organised to facilitate the additional function of conducting audit reviews of all applications for tax exemptions which were processed. As a result, the Division comprises three (3) Sections namely, Internal Audit Taxes, which is responsible for conducting audits and special assignments of Internal Revenue Operations, VAT Operations and the Common and Corporate Services Divisions, the Internal Audit Customs responsible for conducting audits and special assignments at the Customs and Trade Administration and Internal Audit Quality Review which is responsible for conducting reviews of processed applications for tax exemption.

The Division completed a total of ninety-seven (97) audit examinations inclusive of thirty-eight (38) special assignments for the year 2014. Thirty-four (34) examinations were completed by the Internal Audit Taxes, thirty-seven (37) engagements by the Internal Audit Customs and twenty-six (26) by the Quality Review Section.

The Internal Audit Taxes Section completed twelve (12) audits of Internal Revenue Operations. Of this total, five (5) special assignments were conducted and reports submitted to the Commissioner-General, while seven (7) routine audits were conducted with five (5) finalized and reports submitted to the Commissioner-General and the Internal Audit Committee. The remaining two (2) audits were in progress at the end of the year. Some of the areas audited included, Travel Voucher Tax, Professional Fees, Estate Duty and Certificates of Compliance issued.

Meanwhile, audits completed for Value-Added Taxes amounted to eleven (11). Five (5) special assignments were completed and reports submitted to the Commissioner-General while six (6) reports on routine audits were finalized and submitted to the Commissioner-General with responses received from the Deputy Head, Value-Added Tax Division. Areas audited included VAT operations at the Integrated Regional Tax Offices, Registration and De-registration of VAT registrants, VAT Refunds and Dishonored Cheques among others.

Eleven (11) audits of the Common and Corporate Services Divisions were completed in various areas such as Human Resources Management, Transportation Section, Procurement and Contracts, and Disposal of Assets. Five (5) reports on special assignments were submitted to the Commissioner-General while six (6) routine audits were completed of which five (5) were finalized and submitted to the Commissioner-General and the Internal Audit Committee, and one (1) was awaiting response from the Head of the Division audited.

Audits completed by the Internal Audit Customs totaled thirty-seven (37). These audits comprised fourteen (14) routine and twenty-three (23) special assignments. Of these, eleven (11) routine and eight

(8) special audits were finalized and reports submitted to the Commissioner-General and members of the Internal Audit Committee. At the end of the reporting period the remaining reports were either in the process of being finalised or awaiting response from Functional Heads of Divisions audited. Areas audited included Customs Operations of the Integrated Regional Tax Offices, Revenue Collection at several Transit Sheds, disposal of damaged and expired goods and the conduct of public auction at the Wharves.

During the year under review, the Division experienced several constraints that negatively affected the achievement of its work programme. Among the constraints were the extended delays in submission of documents and responses to audit reports by Functional Heads, the non-approval/late approval of budgets for audits to be conducted in the Regions resulted in some Regional Offices not being audited in 2014. In addition, the Human Resources Management Division failed to fill existing vacancies in a timely manner.

F: INTERNAL AFFAIRS DIVISION

This Division is mandated to ensure that the actions and practices of the 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 the image of the GRA and to secure public confidence in the integrity of its staff.

To this end, the Division conducted eighteen (18) investigations into allegations against staff which originated externally, nineteen (19) into allegations which originated internally and two (2) into the lifestyles of and the rapid and unexplained accumulation of wealth by GRA employees. On completion of the investigations, reports with necessary recommendations were prepared and forwarded to the Commissioner-General. In addition, verification exercises which were carried out on Certificates of Compliance submitted by Contractors to the National Procurement and Tender Administration Board and/or Regional Democratic Councils amounted to ninety-three (93).

Staff of the Division also monitored CCTV surveillance cameras located at the Cheddi Jagan International Airport and Transit Sheds. One thousand, three hundred and fifty (1,350) such monitoring activities were conducted during the period under review while two hundred and four (204) camera recordings of the examination of imported goods profiled by the Risk Management Unit were conducted. The random monitoring of work attendance, overtime work and related costs was carried out on one hundred and five (105) occasions and similar monitoring of declarations of foreign currency by passengers departing the Cheddi Jagan International Airport was also done. Six (6) visits were made to GRA locations across the country to monitor the activities of staff and nine (9) special assignments were completed and relevant reports were prepared.

G: AUDIT AND VERIFICATION DIVISION

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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.

During the course of the year, there was rationalisation and re-assignment of staff within the Division with staff being re-assigned based on their experience and ability. Staff also benefitted from training on international standards, best practices and reporting techniques to enhance their performance.

There were several constraints which impacted on the performance of the Division. These included the refusal by Banks to provide information without the taxpayer's consent, the lack of cooperation by some taxpayers and their accountants, extended delays by taxpayers in providing accounting records and staff having to spend an excessive amount of time commuting between GRA and taxpayers' premises.

Despite these constraints, staff were able to conduct a total of six hundred and seventy-eight (678) audits and upon completion were able to identify two million, nine hundred and thirty thousand, five hundred dollars (\$2,930,500.00) in revenue for recovery.

Nine hundred and ten million, two hundred thousand dollars (\$910,200,000.00) in revenue was recovered upon completion of forty-one (41) audits of Companies and Large Taxpayers. These audits covered several tax types including Corporation Tax, VAT, PAYE, Corporation Property Tax and Withholding Tax. Staff also recovered five hundred and fifty-three million, four hundred thousand dollars (\$553,400,000.00) in revenue upon completion of two hundred and forty (240) audits of Self Employed taxpayers and those remitting under the PAYE system.

Routine VAT audits as well as audits to facilitate de-registration of taxpayers and to promote voluntary compliance amounted to eighty-seven (87) and resulted in the recovery of one billion, two hundred and seventy-seven million, four hundred thousand dollars (\$1,277,400.00) in revenue while those to facilitate refund of taxes amounted to eighty-two (82) and resulted in twenty-seven million, nine hundred thousand dollars (\$27,900,000.00) being recovered.

Comprehensive audits completed by staff located at the various Integrated Regional Tax Offices totaled twenty-six (26) with revenue recovered amounting to fifty-six million, two hundred thousand dollars (\$56,200,000.00) while audits to facilitate refunds amounted to two hundred and two (202) with one hundred and five million, four hundred thousand dollars (\$105,400,00.00) in revenue being recovered.

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, to defend the Authority in the Court of Law.

Staff of the Division undertook the prosecution and defense of two hundred and seventy-seven (277) ongoing matters before the Magistrates' and High Courts while proceedings were instituted in relation to seventy-five (75) new matters. Defendants were charged with offences which included failure to submit Tax Returns for various tax types, failure to remit taxes and evasion of Customs Duties and taxes. The Courts granted judgement in favour of the Authority in twelve (12) instances and in other instances the defendants pled guilty. Fines, as stipulated by the Laws, were instituted and outstanding taxes were awarded to the Authority.

In addition, forty-eight (48) Writs were prepared, filed and served by staff of the Division. Opinions, letters and responses to requests for legal advice which were received from the Commissioner-General and other Departments/Divisions of the Authority were also prepared. A total of one hundred and fifteen (115) such opinions, letters and responses were prepared.

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.

To this end, sixteen thousand, five hundred and twenty-five (16,525) applications for tax exemption were received, verified and processed by staff, while twelve thousand, seven hundred and seventy-eight (12,778) letters of approval and one hundred and seven (107) letters of denial were prepared and dispatched. Further, three thousand, six hundred and forty (3,640) applications were queried or referred for additional information and four hundred and eight (408) meetings (both internal and external) were conducted with applicants for tax exemption.

There were twelve thousand, nine hundred and thirty-five (12,935) instances where information was entered into TRIPS as a result of approvals granted. Further, staff also reviewed one hundred and sixty-three (163) Investment Agreements. Of this amount, twenty-nine (29) which originated from the Guyana Geology and Mines Commission (GGMC) were recommended for approval while one hundred and thirty-three (133) from the Guyana Office for Investment (Go-Invest) were also recommended for approval. The remaining Investment Agreements was not recommended for approval.

Four hundred and twenty-two (422) special assignments on legislation and policy were executed during the year while two thousand, two hundred and twenty-seven (2,227) applications for use of the 'Prior to Processing' (PTP) facility were verified and recommended for approval while one thousand, seven hundred and eleven (1,711) PTP entries were perfected.

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.

During the year 2014, the Division successfully completed several projects despite the challenges experienced. With close collaboration between the Division's two sections namely Applications and Infrastructure the requisite service and support was made available throughout the organisation to enable the successful achievement of objectives.

The Division dedicated considerable resources to the development of an upgraded Total Revenue Processing System (TRIPS) - **TRIPS 2.0**. To this end staff reviewed and updated enhancement lists, built testing environment for the e-services component, conducted internal and user testing for the e-returns, e-declaration, refunds e-request and compliance e-request modules and generated test results. Staff also prepared analysis and software requirements documentation for several modules of the software including returns and schedules, taxpayer and tax type registration, manifest, warehouse and exemptions among others.

Staff of the Division worked collaboratively with other parties on the introduction of **plastic cards** for drivers' licence. They were involved in the design of the card, the assessment of suppliers and the finalisation of the solution. The requisite changes were made to the Licence Revenue Processing System (LRPS). Appropriate development and testing were also carried out to facilitate the reintroduction of the Excise process into the Motor Vehicle module of the LRPS.

The applications module of the software for **Mortgage Interest Relief** was completed and made ready for production while work on the refunds aspect of the software was halted pending finalisation of internal procedures. In an effort to provide an alternative means of making payments, reduce congestion at Headquarters and keep abreast with advancing technology, the Division collaborated with Commercial Banks and other financial institutions in the development of **online payment facilities**.

Application software was developed and put into production to track queries related to **Customs declarations** from the time the declarations are lodged to the time of approval in TRIPS. The requisite testing and training of users were completed and several reports were developed for use by Supervisors and Managers. In addition, there was development of the application to facilitate the **Electronic Submission** of Employers' Returns - Forms 2 and 5. Although completed, this application was not activated pending discussions with specific agencies for their submissions to be part of a pilot exercise.

Further, software for the **Random Selection of Non-Commercial Imports** (specifically barrels) was developed, a needs assessment for all wharves was done and training sessions were held. The initial scope of the application was simply the random selection of non-commercial declarations; however, the software

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grew to incorporate the management of the declarations up until payment. This application was not deployed due to continued engagement with Shipping Agents.

The existing software for document management - *SharePoint* was extended for the use of the Internal Audit and Tax Exemption Processing Divisions while enhancements were carried out to the existing Customs Module. The software was subsequently upgraded from SharePoint 2010 to SharePoint 2013. A *Distributed File System* was also implemented to provide one-way replication of files on the File Server at the primary Datacenter to the File Server at the Backup Site. This was intended to provide a backup of all files in the event of failure of the primary File Server.

Several infrastructural upgrades were also carried out during the year 2014. These included the extension of the bandwidth of the *Wide Area Network* to 1 mbps thus providing improved performance of network applications at all remote locations and the extension of the bandwidth of the internet connection for Corporate Services to facilitate increased traffic primarily from email and website access. In addition, a *Storage Area Network Server* was added to the Datacenter thereby increasing its storage capacity and improving its performance while an additional Storage Area Network sever and a new host server were added to the research and development environment providing increased storage and processing capacity.

The *Email Server* was successfully upgraded to Microsoft Exchange 2013 thus providing improved security, stability and performance improvements while staff commenced the upgrade of *Desktop Systems to Windows 7* or newer operating systems. Additionally, enhancements were made to the *Authority's Website and its Intranet* in efforts to secure and improve the quality of service.

Other projects completed during the year 2014 included the deployment of an application to allow staff of the Debt Management Division to prepare and print *Provisional Notices of Assessment*, various adjustments to the Human Resource/Payroll application, *PeopleNet*, and the acquisition and implementation of a *Biometric Time Keeping System*.

K: LAW ENFORCEMENT AND INVESTIGATION DIVISION

The Law Enforcement and Investigation Division (LEID) has the responsibility of monitoring exports and imports at the various ports of entry, curbing smuggling activities, managing the GRA's warehouse at Eccles, EBD, and conducting investigations into reports of non-compliance.

During the year, the Division was not without its challenges which impacted its overall performance. The challenges included inadequate number of human resources together with the need for more training, lack of sufficient and modern firearms to combat the sophisticated weapons used by smugglers, use of motor vehicles which were easily identified by smugglers and the lack of readily available financial resources to conduct enforcement activities out of Georgetown, which may incur the payment of bridge tolls and ferry crossings.

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For the period under review, enforcement and anti-smuggling exercises which were conducted on land amounted to three hundred and twenty-three (323), while there were seventy-three (73) such exercises which were carried out on water. As a result of those exercises, goods were detained and seized and one hundred and sixty-three (163) reports relating to the detention/seizures were prepared. In some instances, the individuals opted to pay fines in addition to the applicable duties and taxes while in other instances legal proceedings were instituted against the offenders. Items detained and seized included vehicles and vehicle parts, food items, alcoholic and non-alcoholic beverages, clothing and cell phones.

Additionally, goods which were expired or damaged were destroyed while in other instances goods were sold. The disposal and destruction of seized goods occurred on one hundred (100) occasions during the year. Two hundred and seventy-four (274) enforcement activities were also conducted to ensure compliance with specific Tax Laws while five (5) enforcement exercises were conducted in the Regions to provide guidance and support to the Division's staff located at various outstations. Further, staff conducted examinations/verification of imported and exported goods at transit sheds on three hundred and sixty-three (363) occasions and examination/verification of imported and exported goods at various ports of entry on two thousand, one hundred and forty-four (2,144) occasions.

Revenue collected for the year amounted to one hundred and eighty-five million, seven hundred and twenty-eight thousand, eight hundred and seventy-six dollars (\$185,728,876.00) The table XVIII below compares revenue collected during 2013 with that collected during 2014.

Table XVIII
Revenue Collection
Law Enforcement and Investigation

Activity	2014	2013	Quantity Variance	% Variance
Fines & Compensation	41,801,541	27,052,774	14,748,767	54.5
Additional Taxes	100,390,250	33,669,574	66,720,676	198.1
Sale of Seizures	36,262,325	45,129,432	(8,867,107)	(19.6)
Sale by auction	7,274,760	N/A	7,274,760	-
Total	185,728,876	105,851,780	79,877,096	75.4

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 organisation, the servicing and maintenance of equipment in a timely and efficient manner, managing the security personnel and maintaining a pool of motor vehicles.

In executing its mandate, the Division was faced with several constraints which included the unavailability of funds to conduct site visits and commence projects in a timely manner, delays in the awarding of contracts, insufficient personnel to execute technical works and inadequate resources such as software and technical equipment. Despite those constraints, the Division was able to achieve its programme of activities within the budget and scheduled period.

During the year under review, staff of the Division ensured that repairs and general maintenance of equipment were conducted throughout the Authority. These included repairs to and servicing of Uninterrupted Power Supply (UPS) systems, air conditioning units and generators. There were also electrical maintenance, the cleaning of the compounds and interior of buildings housing the various offices, administering of pest control treatment, plumbing works and other miscellaneous maintenance works.

Capital works were also carried out during the period under review. At the GRA Headquarters, construction of the Training Room on the fifth floor, the fire escape, washroom facilities on the third floor and the driveway and shed to the main entrance were all completed. In addition, tiling was completed on the floor of the Filing Room, filing shelves were constructed, roof slabs were sealed, parallel cables were installed while main and sub breakers were replaced and the power supply was connected to the newly constructed Training Room. Offices were modified and cubicle structures were created while the Receptionist area of the Commissioner-General's Office was sealed and the Boardroom was sound proofed.

Capital works at Integrated Regional Tax Offices included the construction of an external washroom for security personnel and grilling of windows at Bartica, construction of living quarters and a check point at the Mabura Outpost and repairs to the building housing the New Amsterdam Integrated Tax Office. In addition, the re-construction of the Linden Integrated Regional Tax Office, which included electrical works, data cabling, fabrication and installation of cubicles and commissioning of generator among other works, was completed and staff, office equipment and documents were relocated to the building.

At the Corriverton Integrated Regional Tax Office the embedding of a safe, the blocking of windows and construction of concrete steps at the living quarters were completed while washroom facilities were constructed at the Lethem Office and repairs were carried out at the buildings located at Rosignol and Crab Island. Works were also carried out at the BASS office and staff accommodation. Electrical work

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was completed at the GRA location at the Demerara Shipping Company while at the Mobile Scanner Site there was construction of guard huts and fence and the fabrication of barricades and stanchion piles.

At the end of the year, work was ongoing at GRA's mooring facility adjacent to the Transport and Harbours Ferry Stelling, to accommodate the docking of boats used by the Law Enforcement and Investigation Division.

Capital works completed at the various locations amounted to approximately \$131.4M.

Staff of the Transportation Section of 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 locations to ensure that security procedures were being complied with.

M: DEBT MANAGEMENT DIVISION

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

The Division continued to monitor collections of outstanding tax balances and was able to determine arrears taxes partly through the process of file clearing. During the period under review the number of tax files cleared amounted to four thousand, three hundred and sixty-three (4,363) of which three hundred and ninety-three (393) were related to Companies and three thousand, nine hundred and seventy (3,970) to Individual taxpayers.

A total of fourteen billion, two hundred and fifty million, seven hundred and eighty-one thousand, and eighty-four dollars (\$14,250,781,084.00) in arrears taxes was identified through this process and liability letters were dispatched to delinquent taxpayers. Arrears taxes collected as a result amounted to twelve billion, seven hundred and sixty million, seven hundred and fifty-four thousand, one hundred and ninety-seven dollars (\$12,760,754,197.00).

Some of the constraints experienced by the Division in its drive to collect outstanding revenue included:

- ❖ Debts computed in taxpayers' files are not on TRIPS
- ❖ Age Debtor Report generated by TRIPS does not provide an accurate figure for the total unpaid arrears as at December 31, 2014.
- ❖ Difficulties locating taxpayers.
- ❖ Numerous mails to taxpayers being returned as a result of taxpayers not available to sign and receive same.
- ❖ Taxpayers not responding readily to correspondence and also making numerous requests for extension of time.

- ❖ Matters which are taken before the Courts not being dealt with in a timely manner. The Courts, in many instances, grant the delinquent taxpayers further time to comply.
- ❖ Difficulties locating assets owned by the taxpayers when judgments are entered against them

Further, no special exercise was conducted to collect outstanding taxes. The exercise of collecting outstanding assessed tax is an ongoing one. Strategies are presently in place to aid in the collection of the taxes eg. visits, telephone calls etc.

N: INTELLIGENCE, RISK MANAGEMENT AND SPECIAL INVESTIGATION DIVISION

The Intelligence and Risk Management Division is a critical functional area within the Guyana Revenue Authority which is responsible for gathering, processing, profiling, and disseminating reliable and risk-analysed information to other functional areas within the GRA, and to external agencies, where necessary.

Staff of the Division identified and monitored taxpayers within key sectors of the economy to detect non-compliance and potential tax evasion. A total of two thousand, nine hundred and thirty-four (2,934) taxpayers were identified and monitored and the information gathered forwarded to various Divisions inclusive of the Audit and Verification, Debt Management and Law Enforcement and Investigation Divisions and the Tax Operations and Services Department for appropriate action to be taken. In many instances, information relating to a single taxpayer was forwarded to several Divisions.

A total of two thousand, two hundred and seven (2,207) taxpayers within the Transportation sector (both water and road) were monitored and information relating to two thousand, two hundred and one (2,201) of those was forwarded to the Audit and Verification Division, one thousand, nine hundred and forty-three (1,943) to the Debt Management Division and five hundred and fifty-nine (559) to the Tax Operations and Services Department for further action to be taken.

Twenty (20) contractors were monitored and information relating to five (5) was forwarded to the Audit and Verification Division, thirteen (13) to Debt Management and sixteen (16) to Tax Operations and Services Department. Fourteen (14) operators within the Commercial Property Rental/Apartments/Hotel sector were monitored and twelve (12) matters each were forwarded to the Audit and Verification and Debt Management Divisions while two (2) were sent to the Tax Operations and Services Department.

In addition, of a total of six (6) Self Employed Professionals monitored, particulars relating to five (5) were sent to Audit and Verification, two (2) to Debt Management and one (1) to Tax Operations and Services. Of the twenty-seven (27) Importers and Exporters who were monitored, eighteen (18) were referred to Audit and Verification, eleven (11) to Debt Management and twelve (12) to the Tax Operations and Services Department.

Operators within the Municipal and Regional Markets throughout the country were also monitored resulting in particulars relating to one hundred and seventeen (117) of them being referred to the Audit and Verification Division and forty-five (45) to the Debt Management Division. The monitoring of three hundred and eighty-three (383) owners of business establishments in Regional locations resulted in one hundred and fifty-four (154) being forwarded to the Audit and Verification, one hundred and seventy-eight (178) to Debt Management, three (3) to Law Enforcement and one hundred and seventy-one (171) to Tax Operations and Services Department.

Information was also gathered on one hundred and twenty-seven (127) taxpayers who were beneficiaries of Tax Exemption and thirty-two (32) who were granted VAT refunds. As a result, information relating to twelve (12) beneficiaries of Tax Exemption was referred to the Audit and Verification Division, seven (7) to Debt Management, one hundred and six (106) to Law Enforcement and fifteen (15) to the Tax Operations and Services Department while information on twenty-six (26) taxpayers who were granted VAT refunds were forwarded to Audit and Verification, nineteen (19) to Debt Management and four (4) to Tax Operations and Services Department.

O: PLANNING AND ANALYSIS DIVISION

The Planning and Analysis Division is mandated to ensure that Guyana Revenue Authority's objective is fulfilled through effective planning, forecasting, coordinating, organising, 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; provide critical support to the Office of the Budget-Ministry of Finance, Commissioner-General and GRA's Senior Managers in order to improve tax administration, resolve non-compliance and generate increased revenues.

Consequently, the Planning and Analysis Division prepared sixty (60) monthly and fortnightly revenue collection statements which were dispatched to the Ministry of Finance and the Chairman of the Governing Board, thirty-six (36) monthly analytical revenue reports which were submitted to the Commissioner-General and twelve (12) monthly revenue collection reports for submission to the Governing Board. Two hundred and ninety-five (295) Management Information System (MIS) and other specialised reports were generated for Senior Management within the Authority, while sixty-one (61) reports were generated for external agencies.

The Division also prepared an executive summary of the Authority's 2014 Annual Work Programme in relation to twenty (20) functional areas, completed one hundred (100) special assignments in relation to Work Programme Commitments and Revenue Collection Projections and analyzed two hundred and twenty-eight (228) monthly reports on Work Programme Commitments and Results which were submitted by all functional areas. Staff also coordinated a General Management meeting which was held to discuss plans and developments within the Organisation.

P: REVENUE PROTECTION DIVISION

The Division is mandated to enhance revenue collection by ensuring that imported goods are correctly classified in accordance with the Common External Tariff (CET), that the proper Commodity Processing Codes (CPCs) are used and are consistent with GRA's Regime Breakdown of Codes and that the valuation method used for imported goods are applied according to the General Agreement on Tariffs and Trade/World Trade Organisation (GATT/WTO).

During the year under consideration, staff of the Revenue Protection Division selected a total of three thousand, one hundred and ninety-one (3,191) declarations for review and completed three thousand, one hundred and eighty-six (3,186). During the process of carrying out the review of those declarations, seven hundred and eighty-five (785) reports were prepared recommending physical examination of cargo and/or verification of the declared particulars while post clearance audits were recommended for eleven (11) declarations. Of the reviews completed, two thousand, two hundred and seventy-nine (2,279) reports were prepared recommending the payment of additional taxes while nine hundred and seven (907) declarations were accepted with declared values and other declared particulars.

The additional taxes identified after document reviews amounted to \$866.2M.

Q: CONTAINER SCANNER AND GOODS EXAMINATION DIVISION

The Division comprises two (2) sections namely the Container Scanner Section and the Goods Examination Section. The Goods Examination Section is mandated to conduct physical examinations of imported and exported cargo 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 that the correct duties and taxes are applied. The Container Scanner Section is mandated to use the scanners to facilitate a more advanced and efficient system of examination of containerized cargo for narcotic substances to meet international requirements. A mobile scanner, which became operational in January 2014, is used to scan imported cargo while the Portal Scanner is used to scan containerised cargo for export.

As a result of the fifty-one (51) declarations relating to imports which were flagged for scanning, staff attached to the Container Scanner Section issued forty-two (42) letters to importers to present their containers for scanning. One hundred and nineteen (119) containers were scheduled for scanning, one hundred and seventeen (117) were scanned and one hundred and ten (110) records were made indicating the results of scanning on the Form C72.

In addition, three thousand, six hundred and fifty-three (3,653) letters were issued to exporters to present containers to be scanned based on the same amount of declarations that were flagged. Twelve thousand, three hundred and fifty-two (12,352) containers were scheduled for scanning and eleven thousand, seven hundred and forty-five (11,745) were scanned. Also, eleven thousand, eight hundred and forty-eight

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(11,848) results from scanning operations were recorded on Form C72 while sixty-five (65) containers were referred to the Drug Examination Unit (DEU) and Goods Examination Unit (GEU) for further examination.

Staff attached to the Goods Examination Section carried out examinations on both incoming and outgoing consignments. The incoming consignments which were examined included two thousand, nine hundred and thirty-eight (2,938) containers of various sizes and a combined total of sixty-one thousand, nine hundred and eighty-two (61,982) skids, pallets, boxes, barrels, and crates. The verification of a total of eleven thousand, three hundred and ninety-eight (11,398) vehicles, inclusive of three thousand, seven hundred and twenty-seven (3,727) motor cycles, two thousand, three hundred and ninety-three (2,393) industrial and other types of vehicles and five thousand, two hundred and seventy-eight (5,278) cars were completed.

Outgoing consignments that were examined or verified comprised fifty thousand and thirty-five (50,035) containers of various sizes, a combined total of forty-one thousand and twenty-two (41,022) skids, pallets, boxes, barrels and crates and twenty-three (23) trucks. The examination of cargo for bulk loading on vessels occurred on two hundred and two (202) occasions.

R: ADMINISTRATIVE SERVICES

The Administrative Services Unit was established consequent to the centralization of the Georgetown Offices of the Authority. Services provided include the maintenance of a central filing room, a mail room, provision of switchboard, receptionist and janitorial services and the operation of scanning and copy centers on each floor.

During the period ending December 31, 2014, staff attached to the Unit prepared and posted a total of two hundred and one thousand, seven hundred and fourteen (201,714) pieces of mail inclusive of TIN certificates, VAT returns, lodgment receipts, Notices of Assessment, Demand Notices, Objection Notices as well as notices for Motor Vehicle Licences and those from the Central Data Processing Unit.

A total of thirty-three thousand, seven hundred and fifty-three (33,753) pieces of incoming mail were uplifted from the Guyana Post Office Corporation (GPOC) while thirty-four thousand and seventy-six (34,076) were received directly from taxpayers, inclusive of eighteen thousand, one hundred and thirty-seven (18,137) applications for tax exemption. Twenty-three thousand and ninety-seven (23,097) pieces of mail were distributed by staff of the Unit on behalf of other Divisions/Units to both internal and external parties.

Staff manning the Receptionist's Area provided assistance to taxpayers as needed and in the process distributed a combined total of two hundred thousand, four hundred and ninety-nine (200,499) forms including those for TIN, drivers' and motor vehicle licences, motor vehicle registration and testimony forms. Further, the telephone operators received and routed a total of forty-nine thousand, and forty

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(49,040) incoming and outgoing calls while operators of the photocopying centers produced five hundred and fifty-nine thousand, seven hundred and fifty-seven (559,757) copies of various documents for the reporting period.

Staff attached to the Filing Room are tasked with the receipt, processing and appropriate storage of documents relating to taxpayers, both Individual and Corporate. To this end, in excess of one hundred and forty thousand (140,000) documents were scanned, sorted and exported into the appropriate software to facilitate subsequent retrieval by the relevant Divisions. Ten thousand, three hundred and eighty-seven files (10,387) were received, eight thousand, four hundred and twenty-three (8,423) were issued and delivered and six thousand, six hundred and twenty-six (6,626) were returned. One hundred and four thousand, four hundred and sixty-two (104,462) tax returns were received, two hundred and nine thousand, four hundred and sixty-five (209,465) were sorted and two hundred and sixty thousand, one hundred and forty-three (260,143) were placed in files.



Audit Office of Guyana

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AG: 258/2018

8 November 2018

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 2014

I have audited the accompanying financial statements of Guyana Revenue Authority (GRA), which comprise the statement of financial position as at 31 December 2014, 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.

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 (GAAPs), 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 (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. 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.

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

Basis for Qualified Opinion

The Authority retained the sum of \$362.147M from capital and current subventions past the statutory deadline of 31 December 2014 and continued to make payments from these sums in 2015 to the value of \$315.398M. This included twelve payments totaling \$220.956M and seventy-one payments totalling \$94.442M which represented capital and current purchases, respectively. As such, the Current Liabilities figure as at 31 December 2014 in the Statement of Financial Position is understated by the value of \$315.398M and Current Assets are subsequently overstated by the same amount.

The sum of \$700M was allocated from the 2014 appropriation for payment of refunds to taxpayers, but was received during the year 2015. This was accounted for as income in the year ended 31 December 2014, which contravenes the cash basis of accounting whereby monies are recorded in the year of receipt. As a result, income is overstated by the sum of \$700M.

The sum of \$700M was shown as refund of revenue payments for the year ended 31 December 2014. However, these sums were expended during 2015 but were observed as having been recorded in the cash book for the year 2014. This is in contravention with the cash basis of accounting, which requires that sums spent are recorded in the year of payment. As a result, expenditure for the year 2014 is overstated by \$700M.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, of the financial position of the Guyana Revenue Authority as at 31 December 2014 and its financial performance and its cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles (GAAPs).



AUDIT OFFICE
63 HIGH STREET
KINGSTON
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GUYANA.

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Guyana Revenue Authority Income and Expenditure Statement For the year ended December 31, 2014

	Notes	2014	2013
<u>INCOME</u>			
Subsidy	20	3,574,210,351	3,476,377,866
Refund of Revenue		700,000,000	660,000,000
Total Income		4,274,210,351	4,136,377,866
<u>EXPENDITURE</u>			
<i>Wages and Salaries</i>			
Wages and Salaries	8	1,628,447,523	1,529,525,854
Revision of Wages & Salaries		88,546,699	88,469,605
Overhead Expenditure	9 a&b	706,082,782	649,687,628
TOTAL WAGES AND SALARIES		2,423,077,004	2,267,683,087
<i>Other Charges</i>			
Material Equipment & Supplies	10	183,305,937	112,564,756
Fuel and Lubricants		49,707,007	79,892,668
Rental and Maintenance of Buildings	11	157,103,581	346,015,418
Transport Travel and Postage	12	109,800,124	95,927,268
Utility Charges	13	205,909,173	167,138,648
Other Goods and Services	14	326,411,420	329,034,756
Other Operating Expenses	15	90,950,377	56,913,150
Education Subventions and Training	16	4,995,995	1,912,381
Rates and Taxes & Subvention to Local Authorities	17	-	-
Subsidies and Contribution to Local & Int'l Org.	17	15,507,496	17,419,728
Refunds of Revenue		699,999,998	659,999,928
TOTAL OTHER CHARGES		1,843,691,108	1,866,818,701
TOTAL EXPENDITURE		4,266,768,112	4,134,501,788
SURPLUS		7,442,239	1,876,078
Excess of Grant Over Expenditure		-	-
Excess of Releases Over Expenditure		7,442,239	1,876,078
		7,442,239	1,876,078

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Guyana Revenue Authority
Cash Flow Statement
For the year ended December 31, 2014

	2014	2013
<u>Cash Flows from operating activities</u>		
Cash Releases from Government of Guyana 20	4,274,210,351	4,136,377,866
Cash paid to suppliers and employees	(4,266,768,112)	(4,134,501,788)
Net Cash flow from operating activities	7,442,239	1,876,078
<u>Cash Flows from investing activities</u>		
Cash Releases from Government of Guyana 18	375,000,000	329,117,284
Purchase of property, plant and equipment	(335,693,273)	(329,069,041)
Capital Work in Progress	-	-
Net Cash flow from investing activities	39,306,727	48,241
 Net increase in cash	 46,748,966	 1,924,319
 Cash at beginning of period	 14,690,098	 66,503,790
Cash in Imprest Accounts/increase or decrease in imprest		
Cash in Foreign Currency floats/increase or decrease in Currency floats	5,745	(7,716)
Cash at POS accounts/increase or decrease in cash at POS	-	-
Cash Paid to Liability	-	-
Cash expended on ODS Training		
Cash repaid to Government of Guyana	-	(51,805,976)
Cash repaid for the accounting period		(1,924,319)
Unreconciled Difference	-	-
Cash at end of period	61,444,809	14,690,098
Due to Consolidated Fund:	46,748,966	
Current	7,442,239	1,876,078
ODS	16,337	16,337
FFMP	-	-
Capital	39,306,727	48,241
Overpayment to the Consolidated Fund		-
Liability	-	
Grants	12,384,400	12,384,400
Cash in imprest, floats and POS/Change in Cash in imprest, floats and POS	2,294,045	2,288,300
Paid to the Consolidated Fund		(1,924,319)
Unreconciled Balance	1,061	1,061
	61,444,809	14,690,098

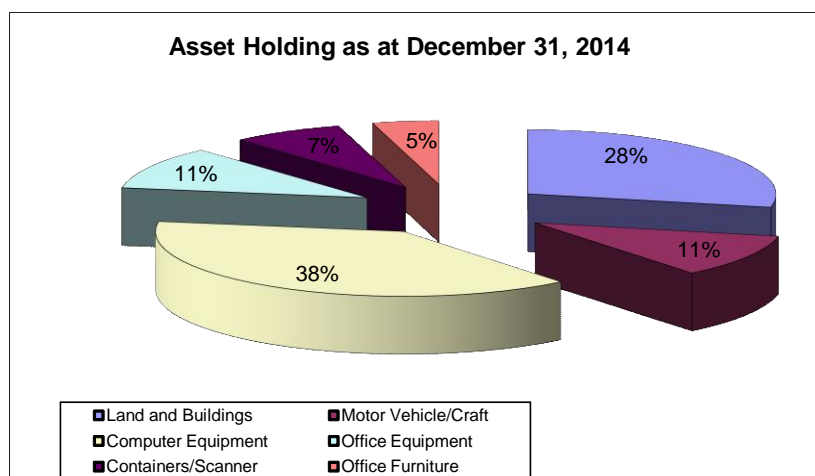
Guyana Revenue Authority
Notes on the Financial Statements
For the year ended December 31, 2014

Note 1. Significant Accounting Policies

- A. The Financial Statements have been prepared under the historical cost convention whereas Fixed Assets are valued at their Acquisition Cost and no depreciation is reported.
- B. The Revenue Authority operates on a Cash Basis of Accounting and as such there are no accruals of expenses. The allocations are provided by Parliament in the Estimates of Expenditure. In addition, the surplus of revenue (releases) over expenditure is remitted to the Consolidated Fund.
- C. Inventories are valued using the Weighted Average Method. Inventories are procured with funds allocated for Current Expenditure and consequently, the stock at hand as at December 31st partially constitutes the accumulated fund.

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



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Note 2. Fixed Assets (cont'd)

The following table sets out GRA's Fixed Asset position as at December 31, 2014:

	Land and Buildings	Motor Vehicle / Craft	Computer Equipment	Office Equipment	Containers/Scanner	Office Furniture	WIP	Total
Cost/Valuation as at Jan. 1, 2014	778,177,585	310,512,846	839,257,093	307,007,191	212,134,217	122,554,369	-	2,569,643,301
Additions GRA	45,229,323	* 3,733,000	273,806,272	8,608,640	-	4,316,038	-	335,693,273
FFMP	-	-	-	-	-	-	-	-
MCA	-	-	-	-	-	-	-	-
Min. of Tourism	-	-	-	-	-	-	-	-
Printer Written Off as Loss	-	-	-	-	-	-	-	-
Disposal/Trans.	-	-	-	-	-	-	-	-
Total	823,406,908	314,245,846	1,113,063,365	315,615,831	212,134,217	126,870,407	-	2,905,336,574
Cost/Valuation as at Dec. 31, 2014	823,406,908	314,245,846	1,113,063,365	315,615,831	212,134,217	126,870,407	-	2,905,336,574

Note 3. Inventories

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

Stock Item	2014	2013
Office Materials & Supplies	11,360,204	9,125,785
Janitorial Supplies	409,162	-
Preprinted Forms	31,019,858	7,645,805
Total	42,789,224	16,771,590

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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. In the year 2014 the two (2) Imprest Accounts (Customs and Trade Administration and Internal Revenue) were amalgamated, resulting in one (1) Imprest Account totalling \$2M. This is set out below:

Description	2014	2013
Imprest Accounts		
Customs & Trade Administration	-	1,000,000
Internal Revenue	-	1,000,000
GRA Imprest	2,000,000	2,000,000
Foreign Currency Float	280,845	275,100
Total	2,280,845	2,275,100

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	2014	2013
Bank of Guyana – Main A/c#01620004470	59,150,770	12,401,799
Republic Bank POS Accounts		
Customs & Trade Administration	6,600	6,600
Internal Revenue	6,600	6,600
Total	59,163,970	12,414,999

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. Subsequent to this, all capital items procured through Government of Guyana Contributions and grants have been included in this figure for the respective years.

The table overleaf sets out the movement in the Fund for the year ended 31st December, 2014.

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Accumulated Fund	Fixed Assets	Net Current Assets	Total 2014	2013
As at 1 st January, 2014	2,569,643,301	31,461,689	2,601,104,990	2,318,343,610
Movement during the year (Note 6a)	335,693,273	72,772,350	408,465,623	282,761,380
As at 31 st December, 2014	2,905,336,574	104,234,039	3,009,570,613	2,601,104,990

Note 6a – Analysis of the Movement during the year

Purchases of Fixed Assets – GRA	335,693,273	
Acquisition of Fixed Assets – (Want of Entry)	-	
Purchases of Fixed Assets – MCA	-	
FFMP Asset Acquired	-	
Ministry of Tourism	-	
Disposal of Fixed Assets	-	335,693,273
		<hr/>
Inventories	26,017,634	
Foreign Currency & POS Floats	5,745	
Cash at Bank	46,748,971	72,772,350
408,465,623		<hr/> <hr/>

Note 6 Continued – Government of Guyana Contribution

	2014	2013
Accumulated Fund as at 31 December, 2013	3,009,570,613	2,601,104,990
Less –		
MCA Counterpart Contribution – 2009		
MCA Counterpart Contribution – 2008	(405,000,000)	(405,000,000)
FFMP Asset Assistance	(114,578,794)	(114,578,794)
FFMP Asset Assistance	(117,449,130)	(117,449,130)
Public Service Technical Assistance Credit	(123,979,082)	(123,979,082)
Grants	(14,742,523)	(14,742,523)
Balance due to consolidated fund	(12,400,737)	(12,400,737)
	(46,748,966)	
GOG Contribution As at 31st December, 2014	2,174,671,381	1,812,954,724

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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 was expended in 2005. There has been no other expenditure to date. The balance on these Grants at 31st December, 2014 remains \$12.4M.

ODS: Ozone Depleting Substances

During the year 2011 The National Ozone Action Unit through the Ministry of Agriculture released \$777,750 for training. The amount of \$761,413 was expended over the years 2011 and 2012. The balance on the grant as at December 31, 2014 is \$16,337.

Balance on Grants as at 31st December, 2014

Grant Type	2014	2013
Training Grant – ODS	16,337	16,337
Caribbean Development Bank	12,384,400	12,384,400
Total	12,400,737	12,400,737

Note 8. Wages and Salaries

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6111	Administrative	392,712,413	361,488,121
6112	Senior Technical	373,934,076	361,725,332
6113	Other Technical & Craft Skills	369,446,222	333,650,015
6114	Clerical & Office Support	374,609,370	344,947,799
6115	Semi-Skilled and Unskilled Operatives	96,711,350	97,556,501
6116	Contract Employees	13,118,049	17,673,193
6117	Temporary Employees	7,916,043	12,484,893
TOTAL		1,628,447,523	1,529,525,854

Note 9a. Overhead Expenditure

Expenditure under this head comprised the following sub-heads:

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Code	Description	2014	2013
6131	Other Direct Labour Costs (See Note 9b)	223,069,931	204,422,180
6133	Benefits & Allowances	284,232,156	264,576,224
6134	National Insurance	124,077,579	111,859,305
6135	Pensions	74,703,116	68,829,919
TOTAL		706,082,782	649,687,628

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	2014	2013
Lennox Benjamin	144,000	144,000
Clyde Roopchand	180,000	180,000
Sonia Roopnauth	144,000	144,000
Jawahar Persaud	144,000	144,000
Lawrence Williams	48,000	144,000
Total	660,000	756,000

Note 10. Material, Equipment & Supplies

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6221	Drugs & Medical Supplies	699,976	640,881
6223	Office Materials & Supplies	52,999,993	43,340,305
6224	Print & Non-Print Materials	129,605,968	68,583,570
TOTAL		183,305,937	112,564,756

Note 11. Rental & Maintenance of Buildings

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6241	Rental of Buildings	95,527,688	175,171,129
6242	Maintenance of Buildings	50,309,034	159,577,022
6243	Janitorial & Cleaning Supplies	11,266,859	11,267,267
TOTAL		157,103,581	346,015,418

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Note 12. Transport Travel & Postage

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6261	Local Travel & Subsistence	39,637,339	38,248,359
6262	Overseas Conference & Official Visits	1,426,670	4,967,068
6263	Postage, Telex and Cablegram	38,620,324	12,631,839
6264	Vehicle Spares & Services	30,115,791	40,080,002
TOTAL		109,800,124	95,927,268

Note 13. Utility Charges

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6271	Telephone Charges	23,672,735	24,659,681
6272	Electricity Charges	129,075,067	111,409,701
6273	Water Charges	1,958,267	1,365,589
6274	Wireless Charges	51,203,104	29,703,677
TOTAL		205,909,173	167,138,648

Note 14. Other Goods & Services Purchased

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6281	Security Services	190,144,654	178,419,262
6282	Equipment Maintenance	48,420,601	50,502,958
6283	Cleaning & Extermination Services	11,963,168	11,264,407
6284	Others	75,882,997	88,848,129
TOTAL		326,411,420	329,034,756

Note 15. Other Operating Expenses

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6291	National & Other Events	7,941,452	9,512,252
6293	Refreshments & Meals	6,007,298	5,802,137
6294	Others	77,001,627	41,598,761
TOTAL		90,950,377	56,913,150

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Note 16. Education Subvention & Training

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6302	Training	4,995,995	1,912,381
	ODS Training – Note 7		-
TOTAL		4,995,995	1,912,381

Note 17. Subsidies & Contributions to Local & International Organisations

Expenditure under this head comprised the following sub-heads:

Code	Description	2014	2013
6321	Local Organisation	358,000	1,042,207
6322	International Organisation	15,149,496	16,377,521
TOTAL		15,507,496	17,419,728

Note 18. Capital Appropriation:

Total appropriation for capital for 2014 was \$375M. Total expenditure for capital amounted to \$335.69M; this resulted in a liability of \$39.31M (see below) as at 31st December, 2014, to be remitted to the Consolidated Fund.

Balance on Capital Appropriation

Funding - Source	2014	2013
MCA- GOG Counterpart Contribution		-
GRA/GOG	39,306,727	48,241
Total	39,306,727	48,241

Note 19. Project Financing

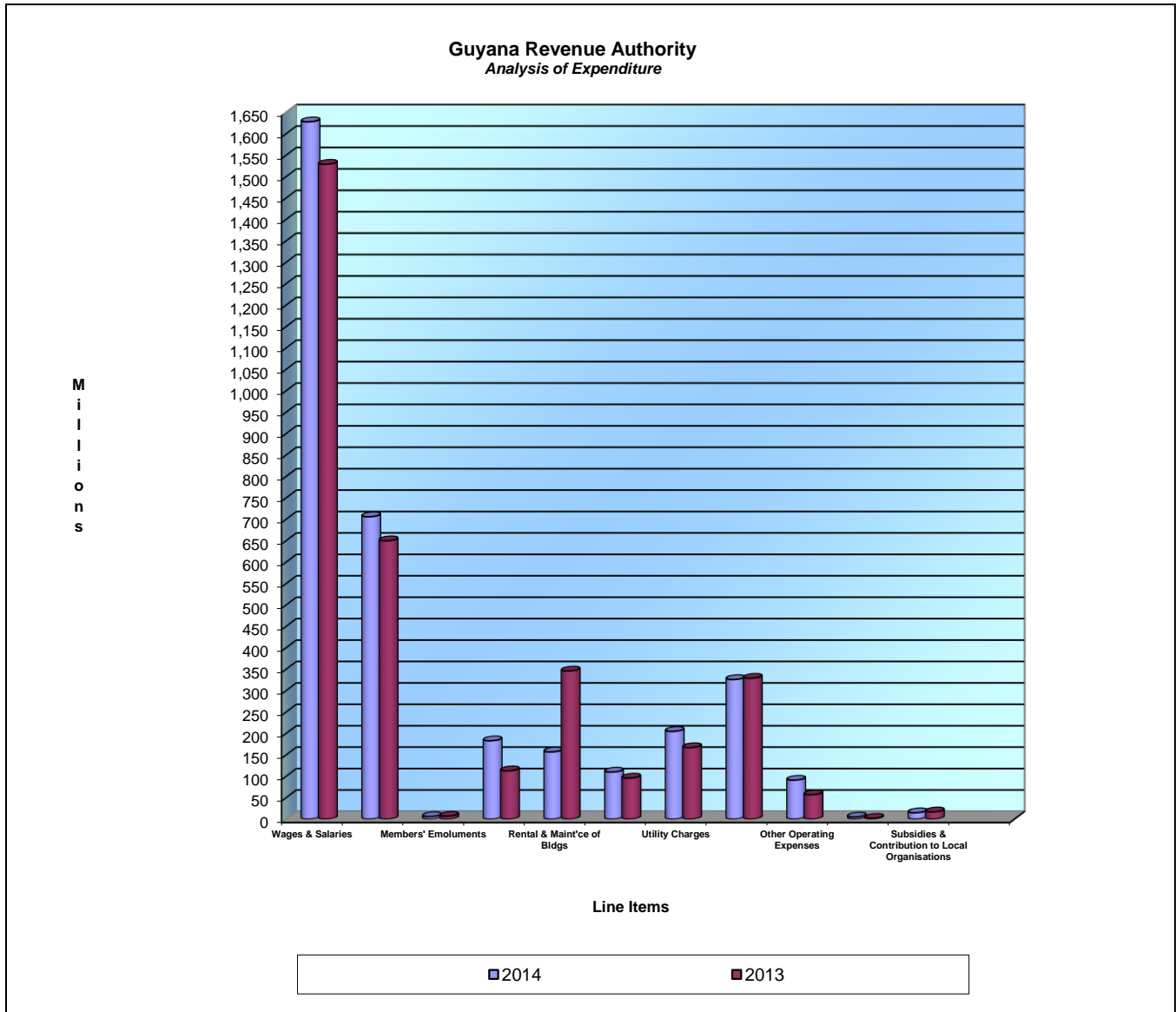
Projects	2013	2012	2011	2010	2009	2008
MCA- GOG Counterpart Contribution	-	-	-	-	405,000,000	114,578,794
FFMP Asset Finance	-	-	-	-		241,428,212
Public Service Technical Assistant Credit	-	-	-	-		14,742,523
Total		-	-	-	405,000,000	370,749,529

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Note 20. Current Appropriation

Releases under current expenditure amounted to \$4,649.65M. Total current expenditure amounted to \$4,266.77M. This resulted in a liability of \$7.44M.



Highlights



Participants of the 23rd General Assembly and Technical Conference of the Caribbean Organisation of Tax Administrators (COTA) with the Honourable Minister of Finance, Dr. Ashni Singh (fourth from right – front row) and Commissioner-General Mr. Khurshid Sattaur (third from right – front row).



Staff members of the Internal Audit Division being trained in Audit Techniques by Advisors from the Canadian Executive Services Organisation (CESO).



Prize Winners of COTA's Essay Competition with Teachers and senior staff of the GRA



Members of the Guyana Women Miners Association attending a Tax Workshop hosted by the GRA



A group of Secondary School students paying a visit to the GRA



Staff interacting with visitors at GRA's booth during GuyExpo.

APPENDICES

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APPENDIX 1 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
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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

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Years of Assessment 2007 - 2013

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

Year of Assessment 2014 -

30% of the amount of Chargeable Income
--

SELF-EMPLOYED INDIVIDUALS

Effective 1st 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

Capital Gains Tax	20%
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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	1/2%
For every Dollar of the remainder of Net Property	3/4%

Years of Assessment 2000 to 2013

On the First \$7,500,000 of Net Property	0%
For every dollar of the next \$5,000,000.00 of Net Property	1/2%
For every dollar of the remainder of Net Property	3/4%

Year of Assessment 2014 -

On the First \$40,000,000 of Net Property	0%
For every dollar of the remainder of Net Property	3/4%

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APPENDIX 2 COMPANY TAX RATES

1	Minimum Tax on Turn over	Commercial Companies	Effective for YA 95-96	2%
		Non-Commercial Companies		
2	Corporation Tax on Chargeable Income	Commercial Companies	From YA 97 applied to Commercial Companies only	2%
		Non-Commercial Companies		
		Telephone Companies	Y/A 1995 - 2011 From Y/A 2012	45%
		Commercial Companies		40%
		Other Companies		30%
3	Capital Gains Tax			20%
4	Property Tax	Years of Assessment 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 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%
		Years of Assessment 2000 – 2013	On the first \$1,500,000 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%
		Year of Assessment 2014 -	On the first \$10,000,000 of Net Property	Nil
			For every Dollar of the next \$15,000,000 of Net Property	½%
For every dollar of the remainder of Net Property	¾%			

APPENDIX 3 WITHHOLDING TAX RATES

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

APPENDIX 4 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 5 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
2012	\$480,000
2013-2014	\$600,000