



"Your Partner in Development"

ANNUAL REPORT

AND STATEMENT OF ACCOUNTS
FOR YEAR ENDING
31st DECEMBER, 2015

GUYANA REVENUE AUTHORITY

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BUSINESS ADDRESS

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**Deputy Commissioner-General
Tel. No. (592) 227-8834**

DEPARTMENTS

TAX OPERATIONS & SERVICES DEPARTMENT

**Deputy Commissioner
Tel. No. (592) 227-8462**

CUSTOMS, EXCISE AND TRADE OPERATIONS

**Deputy Commissioner
Tel No. (592) 225-4698**

INTEGRATED REGIONAL TAX OFFICES

Deputy Commissioner
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Anna Regina
Essequibo Coast,
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15 Fifth Avenue and Second Street,
Bartica, Guyana, South America
Tel. No. (592) 455-3205/6

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80 Calcairn, Skeldon,
Corriverton, Berbice,
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G3 Building Plantation
Diamond
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Lethem

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Lethem, Rupununi,
Region 9.
Guyana, South America
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Watooka, Linden,
Guyana, South America
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New Amsterdam

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Berbice, Guyana.
South America.
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Parika

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East Bank Essequibo
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SERVICE DIVISIONS

HUMAN RESOURCE MANAGEMENT

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TAX AUDIT

Telephone # 592-226-8820

COMMUNICATION & TAX ADVISORY SERVICES

Telephone # 592-227-8222 Ext. 4200

INTERNAL AUDIT

Telephone # 592-227-8222 Ext. 4300

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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

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DEBT MANAGEMENT

Telephone # 592-225-5600

REVENUE PROTECTION

Telephone # 592-227-8222 Ext. 3300

PLANNING & ANALYSIS

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CONTAINER SCANNER & GOODS EXAMINATION

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FACILITIES MANAGEMENT

Telephone # 592-227-8222 Ext. 1300

TAX COMPLIANCE AND ENFORCEMENT

Telephone # 592-227-8222 Ext. 2018

MEMBERS OF THE GOVERNING BOARD

Mr. Clyde Roopchand	...	Chairman
Mr. Khurshid Sattaur	...	Member
Dr. Gobind Ganga	...	Member
Ms. Sonya Roopnauth	...	Member
Mr. Lennox Benjamin	...	Member
Col. Jawahar Persaud	...	Member

LETTER OF TRANSMITTAL

**Honourable Dr. Ashni Singh, MP
Senior Minister of Finance in the Office of the President
With Responsibility For 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, 2015, together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,



**Godfrey Statia
Commissioner-General**

MISSION STATEMENT

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**
- ❖ **Co-operation**

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.

Co-operation 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.

VISION

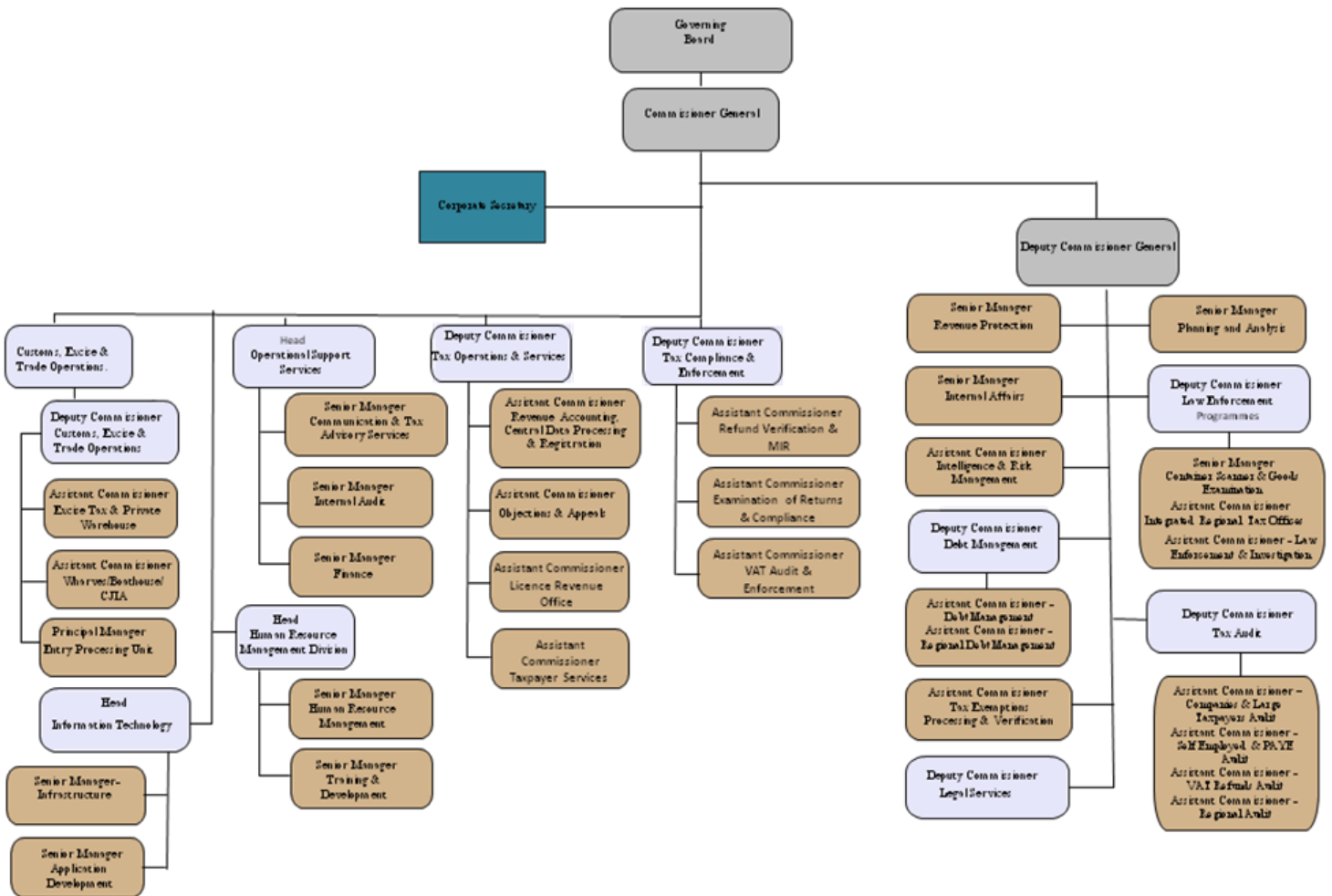
The Revenue Authority looks forward to being recognised and respected by clients and stakeholders for its integrity and fairness in administering high quality yet affordable programmes.

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.

ORGANISATIONAL STRUCTURE



REPORT OF THE GOVERNING BOARD

1.1 REVENUE COLLECTION

Revenue collection by the Authority during the year 2015 totaled \$142.8B. This amount was below the approved budget of \$143.2B by \$0.4B or approximately 0.28%. When compared with collection in 2014, which amounted to \$135.8B, collection in 2015 increased by \$7B or approximately 5.1%. A summary of revenue collection is shown in the table below.

	2014	2015		Variance	
	Actual	Budget	Actual	Over 2014	Over Budget
Internal Revenue	56.7	60.4	60.9	4.2	0.5
Value-Added Tax	37.4	39.4	35.5	(1.9)	(3.9)
Customs Excise & Trade Operations	41.7	43.4	46.4	4.7	3.0
Total	135.8	143.2	142.8	7.0	(0.4)

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

◆ Internal Revenue

The approved revenue budget for Internal Revenue taxes for the year 2015 was **\$60.4B**. Collections amounted to **\$60.9B**, which represented an increase of **\$0.5B** or 0.8% over the approved budget for the year and **\$4.2B** or 7.4% over the total collected for the year 2014.

◆ Value-Added Tax (VAT)

The budget approved by Parliament for VAT (on both imports and domestic supply) for the year 2015 was **\$39.4B**. Collection amounted approximately to **\$35.5B**, which represents a decrease of **\$3.9B** or approximately 10% when compared with the approved budget and a decrease of **\$1.9B** or 5% when compared with revenue collected for the year 2014.

◆ **Customs Excise & Trade Operations**

The budget approved by Parliament for the Customs Excise and Trade Operations (inclusive of excise tax on imports and domestic supply) for the year was **\$43.4B** while revenue collected amounted to **\$46.4B**. The amount collected represents an increase of **\$3B** or approximately 7% over the approved budget and an increase of **\$4.7B** or approximately 11% above the total collected for the year 2014.

1.2 INSTITUTIONAL STRENGTHENING MEASURES

◆ **Tax Centre Commissioned at Diamond**

On April 1, the first permanent Tax Centre officially commenced operations. The Centre, which is located on the ground floor of the 3G Building at Diamond on the East Bank of Demerara, is the first of several, which will be established at strategic locations around the country to bridge the gap between the GRA and taxpayers. The Centre is open to taxpayers during the regular working hours and will also facilitate taxpayers during the lunch period. Basic tax-related services are provided initially and an expansion of the range of services will be offered as the need arises, in order to provide a one-stop-shop to speedily process transactions.

◆ **Introduction of another Online Service – Licence Transaction Tracker**

During the month of May, the Authority introduced another online service in its efforts to provide more efficient and convenient options for taxpayers. This facility allows taxpayers to check on the status of their licence transactions through the agency's website. The facility also provides applicants with an email notification of their transaction status, provided that the applicant supplied the agency with an active email address. Taxpayers can check the status of transactions for Trade and Miscellaneous Licences, Motor Vehicle, Driver's, Hire Car, Conductor and Provisional Driver's Licences. Updates to the Licence Transaction Checker are done every fifteen (15) minutes.

This service is included in the online services offered by the Guyana Revenue Authority, Such services previously instituted includes the Customs Declaration Checker and the online/mobile payment system.

◆ **Memorandum of Understanding with the Small Business Bureau**

The GRA signed a Memorandum of Understanding (MoU) with the Small Business Bureau. The MoU, which allows for the sharing of information, is intended to result in more businesses entering the formal economy and hence being brought into the tax net. The MoU also provides for the GRA to expedite the transactions of persons establishing small businesses including the issuance of TIN as well as the processing of Certificates of Compliance and other related services.

◆ **Structural Changes**

The Tax Operations and Services Department, which formerly comprised of VAT Operations and IR Operations Divisions was re-organised. The new structure, which draws functions from both Divisions, now comprises of the Licence Revenue Office, Objections and Appeals, Taxpayers' Services and the Revenue Accounting, Central Data Processing and Registration Divisions.

There was also the establishment of a Tax Compliance and Enforcement Division. This Division comprises of Refunds and Mortgage Interest Relief Section, the Examination of Returns Section, which were both de-linked from the former IR Operations Division, and the VAT Audit and Enforcement Section.

The former Audit and Verification Division was re-organised and renamed '**Tax Audit Division**'. The re-organisation involved rationalisation of Sections within the Division and the streamlining of staff.

OTHER OCCURRENCES

◆ **GRA commended on efforts at Monitoring Ozone Depleting Substances**

In 2007, a legislation was introduced to control the importation of ozone depleting substances as well as equipment containing these substances in an effort to phase out the use of hydrochlorofluorocarbons (HCFCs). The Guyana Revenue Authority is integral in monitoring and enforcing this legislation, more particularly at ports of entry, and its efforts were commended by stakeholders during the observance of World Ozone Day 2015. GRA also took the opportunity to laud the contributions of its partners in this endeavour, particularly in the area of training and the supply of equipment such as refrigerant identifiers.

◆ **Linden Integrated Regional Tax Office Re-built**

The GRA commenced operations in its newly re-constructed Linden Integrated Regional Tax Office located at Casuarina Drive, McKenzie, Linden. The office was constructed at a cost of thirty-five million dollars (\$35M) after it was destroyed by fire three (3) years ago due to a series of unfortunate events in the mining town. Prior to the completion of the new building, temporary accommodation at Republic Avenue allowed staff to provide service while construction was in progress.

◆ **Donation of Television Sets to Ministry of Education**

The Guyana Revenue Authority, in December, donated fifty-nine (59) television sets to the Ministry of Education as part of its corporate social responsibility with respect to educational programmes, which require the use of audio video equipment.

The donation was well received by Officials of the Ministry who indicated that the televisions will allow more students and teachers to access the Guyana Learning Channel. Additionally, this will allow them to follow the developments in GRA through programmes such as ‘Let’s Talk Tax’ and ‘Focus on GRA’.

NEW LEGISLATION

◆ Excise Tax

The passage of the Excise Tax (Amendment) Regulations 2015 in the National Assembly, allows for the exemption of Excise Tax on motor vehicles for eligible members of the Joint Services, Toshias in approved Amerindian Communities and persons undertaking Government contracts, in accordance with that Contract.

◆ Income Tax

The Income Tax (Mortgage Interest Relief) (Amendment) Regulation 2015 amends the procedure by which taxpayers will be granted relief. Previously, Mortgage Interest Relief was paid to mortgagors through the lending institutions on a monthly and quarterly basis. The provisions of the new legislation dictate that each mortgagor must claim for the relief annually in his/her Income Tax Return. The relief will then be paid directly to the mortgagor by the GRA.

Income Tax (Amendment) Act 2015 amends Section 16(1) of the Income Tax Act, which provides that in ascertaining the chargeable income of a person there shall also be deducted the National Insurance contributions made by an employee.

◆ Customs

The Customs (Amendment) Act 2015 repeals of Section 7A of the Customs Act, which allowed for the institution of an Environmental Tax on every unit of non-returnable container of imported beverage.

The Customs Duties (Amendment of First Schedule) Order 2015 amends the First Schedule to the Customs Act by exempting from Customs Duties, specific items which are imported for use in the fishing/seafood industry and the aquaculture industry. It also exempts from Customs Duties motor vehicles and all-terrain vehicles for use by Toshias in approved Amerindian communities.

◆ Value-Added Tax

The Value-Added Tax (Amendment of Schedule I) Order 2015 amends Schedule 1 of the Value-Added Tax Act by extending the list of items, which are zero-rated.

REVENUE COLLECTION

2.1 INTERNAL REVENUE COLLECTION

During the year 2015, the actual revenue collection amounted to \$60.9B, while the budgeted figure, which was approved in the National Assembly, was approximately \$60.4B. Actual collections surpassed the budgeted amount by \$0.5B or 0.8%. Total revenue for 2015 by tax type is detailed in Table II.

Revenue collection under various heads exceeded the estimates by \$1.3B, while collection under other heads was under the estimates by \$0.8B. At the end of the year, refunds amounting to \$0.19B were paid under the provisions for Mortgage Interest Relief. During the year, revenue amounting to \$60.9B was deposited in the Consolidated Fund.

Revenue collected during 2015 was greater than the preceding year. The actual collection for the year 2014 was \$56.7B resulting in an increase of \$4.2B or 7.4% in 2015. Income Tax and Corporation Tax continued to be two major heads of revenue with contributions of approximately \$23.3B and \$26.8B respectively to total revenue. The charts overleaf show revenue collection in 2015 along with that of 2014. Charts I and II illustrate Revenue Collection in 2015 and 2014.

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2014	2015	2015	Over 2014	Over Budget
INCOME TAX - SELF EMPLOYED	3,489,503	3,597,004	3,406,614	(82,889)	(190,390)
INCOME TAX - OTHERS (Net of MIR)	17,899,568	19,567,332	19,893,727	1,994,159	326,395
CORPORATION TAX:	25,443,150	27,408,174	26,890,078	1,446,928	(518,096)
- Private Sector	24,533,658	26,348,870	25,668,457	1,134,799	(680,413)
- Public Sector	909,492	1,059,304	1,221,621	312,129	162,317
WITHHOLDING TAX	4,350,722	3,825,941	4,287,834	(62,888)	461,893
NET PROPERTY TAX	2,380,521	2,661,298	3,200,874	820,353	539,576
PROCESS FEE	42,060	42,106	36,517	(5,543)	(5,589)
TRAVEL TAX	614,448	700,365	663,838	49,390	(36,527)
CAPITAL GAINS TAX	209,645	305,193	286,120	76,475	(19,073)
PREMIUM TAX	218,731	242,961	224,383	5652	(18,578)
PROFESSIONAL FEES	6,900	6,900	5,795	(1,105)	(1,105)
TRAVEL VOUCHER TAX	1,061,541	987,560	1,016,007	(45,534)	28,447
LICENCE - MOTOR VEHICLES	637,222	658,169	653,229	16,007	(4,940)
LICENCE - OTHER VEHICLES	212	356	144	(68)	(212)
LICENCE - TRADING	14,455	20,416	12,836	(1,619)	(7,580)
LICENCE -MISCELLANEOUS	8,508	22,947	20,161	11,653	(2,786)
M/ VEHICLES & RD TRAF ACT	348,109	358,065	335,028	(13,081)	(23,037)
TOTAL	56,725,296	60,404,787	60,933,186	4,207,890	528,399
MIR REFUNDS			198,879		

TABLE II
INTERNAL REVENUE COLLECTION FOR THE YEAR 2015 (\$ 000)

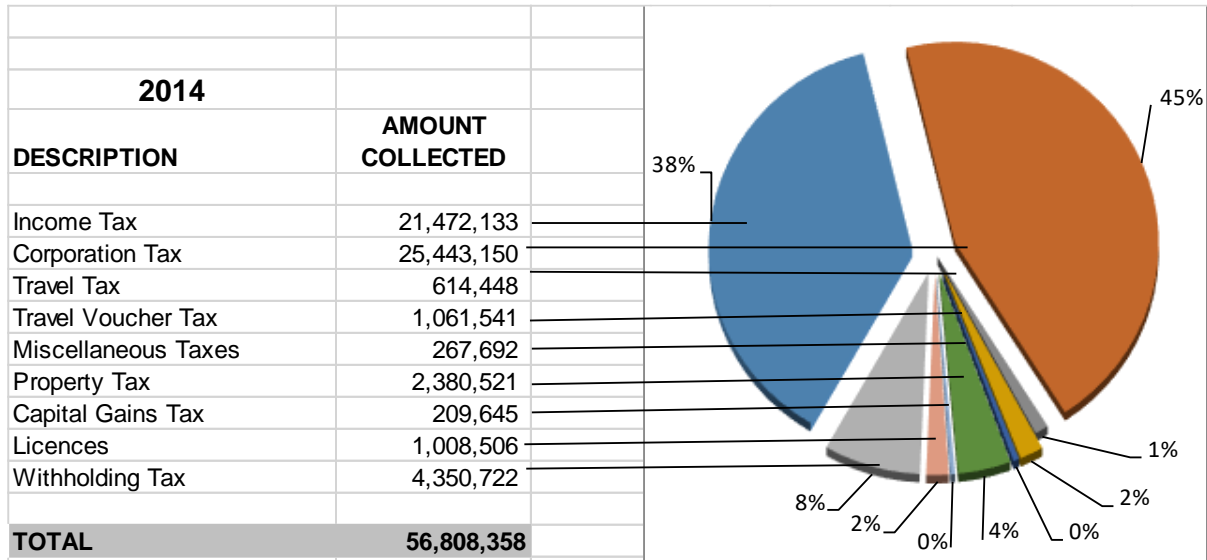


CHART I
2014 ANALYSIS OF COLLECTION INTERNAL REVENUE

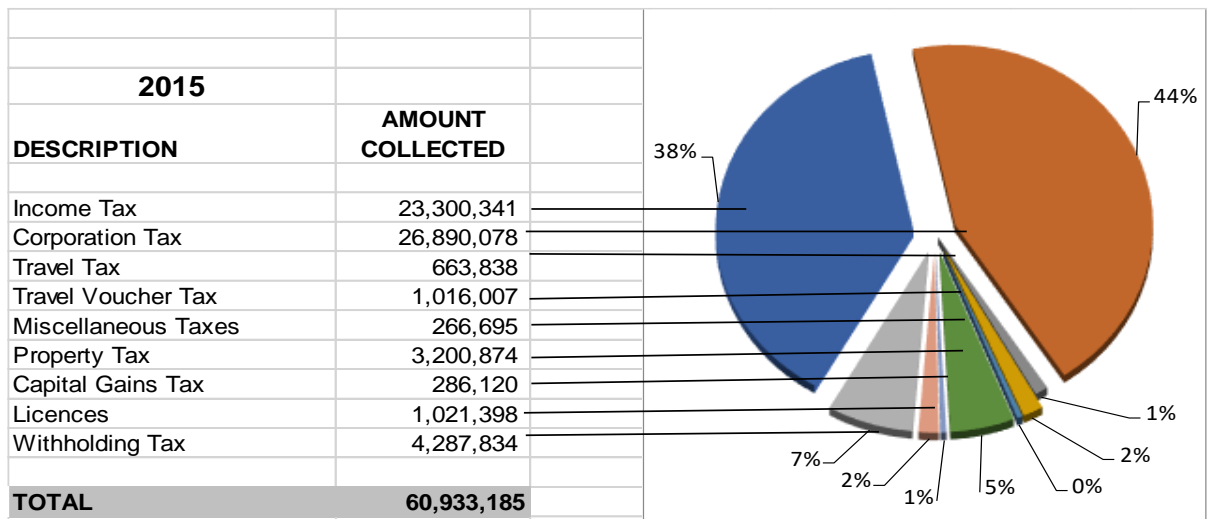


CHART II
2015 ANALYSIS OF COLLECTION INTERNAL REVENUE

2.2 VALUE-ADDED TAX COLLECTION

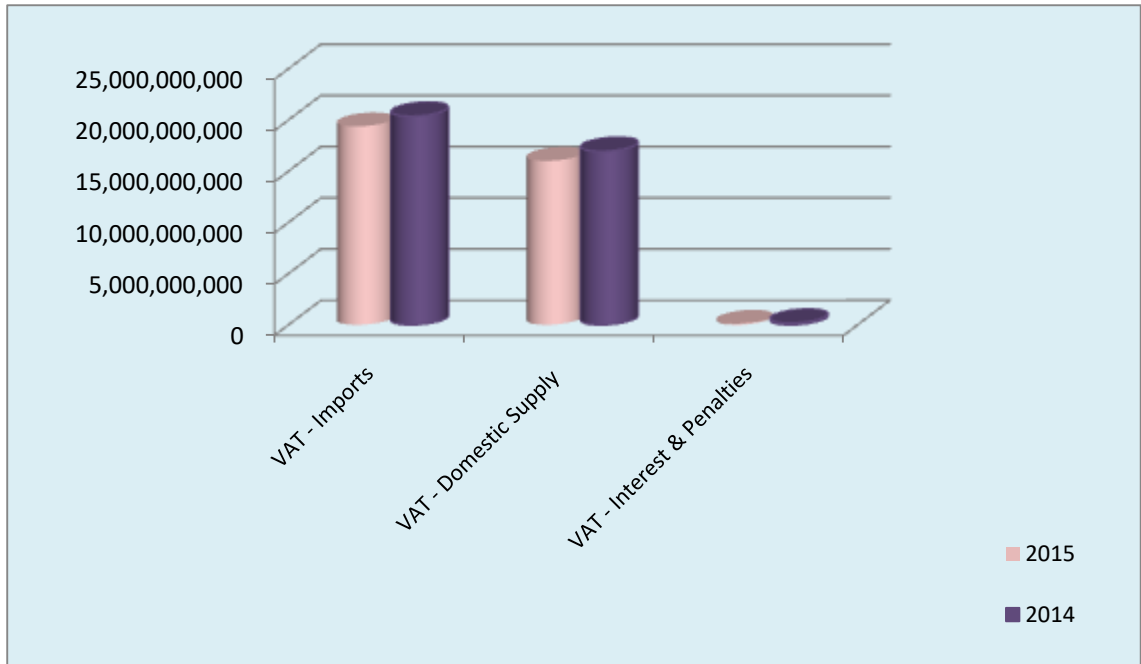
During the year 2015, Revenue Collection totaled approximately \$35.4B. This was below the budgeted figure of \$39.4B approved by the National Assembly by approximately \$3.9B or 10%. Revenue collected under various heads exceeded the budget by approximately \$0.009B, while collections under other heads fell below the budget by approximately \$3.9B.

Revenue collected under similar heads during 2014 was \$37.4B. The collection for 2015 was therefore \$1.9B or 5% less than that of 2014. This is illustrated in Table III below. Revenue amounting to \$35.4B was paid into the Consolidated Fund.

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2014	2015	2015	Over 2014	Over Budget
Imports:	20,370,168	21,207,888	19,365,909	(1,004,259)	(1,841,979)
-Goods (net of refunds)	20,286,329	21,112,827	19,261,090	(1,025,239)	(1,851,737)
-Services	83,839	95,061	104,819	20,980	9,758
Domestic Supply:	16,936,842	18,108,028	16,007,771	(929,071)	(2,100,257)
-Goods	16,936,842	18,108,028	16,007,771	(929,071)	(2,100,257)
-Services	-	-	-	-	-
Miscellaneous VAT:	168,398	122,128	102,708	(65,690)	(19,420)
-Interest	144,885	94,916	73,300	(71,585)	(21,616)
-Penalties	23,513	27,212	29,408	5,895	2,196
TOTAL	37,475,408	39,438,044	35,475,388	(1,999,020)	(3,961,656)
VAT Refunds Paid	3,155,943	-	2,644,172		

TABLE III
VALUE-ADDED TAX
REVENUE COLLECTION FOR THE YEAR 2015 (\$ 000)

The chart below compares revenue collection for VAT for the years 2015 and 2014.



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

2.3 CUSTOMS, EXCISE AND TRADE OPERATIONS COLLECTIONS

For the reporting period, the approved budget for the Customs, Excise and Trade Operations was \$43.4B. However, the actual revenue collected for this period was \$46.4B, which was above the approved budget by \$3B or 7%. Revenue collected under various heads exceeded the budget by approximately \$3.5B, while collections under other heads were below by approximately \$0.4B. Revenue collection for 2015 was above 2014 by \$4.7B or 11.5%, as shown in Table IV. The higher revenue collection in 2015 was due mainly to the increased collection of Excise Tax on petroleum products.

During the year, revenue amounting to \$46.4B was deposited into the Consolidated Fund.

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2014	2015	2015	Over 2014	Over Budget
IMPORT DUTIES	12,166,540	12,430,100	12,357,084	190,544	(73,016)
WAREHOUSE RENT & CHARGES	16,337	26,054	22,623	6,286	(3,431)
EXPORT DUTIES	13,861	12,928	11,629	(2,232)	(1,299)
MISCELLANEOUS	87,812	107,413	103,194	15,382	(4,219)
OVERTIME FEES	61,689	47,105	77,387	15,698	30,282
DEPARTMENTAL FINES	41,692	49,114	55,255	13,563	6,141
STAMP DUTIES	21,152	21,644	22,185	1,033	541
ENVIRONMENTAL TAX	1,033,347	615,694	496,114	(537,233)	(119,580)
EXCISE TAX:	28,246,447	30,099,623	33,341,250	5,094,803	3,241,627
<i>Imports</i>	25,043,999	26,556,475	29,953,436	4,909,437	3,396,961
-Motor Vehicles	8,799,576	8,325,325	8,498,710	(300,866)	173,385
-Petroleum Products	13,758,653	16,120,510	19,355,322	5,596,669	3,234,812
-Tobacco Products	1,317,028	1,144,486	1,224,247	(92,781)	79,761
-Alcoholic Beverages	1,168,741	966,154	875,157	(293,584)	(90,997)
<i>Domestic</i>	3,190,081	3,526,939	3,377,027	186,946	(149,912)
-Alcoholic Beverages	3,190,081	3,526,939	3,377,027	186,946	(149,912)
Liquor Licence Fees	12,367	16,209	10,787	(1,580)	(5,422)
TOTAL	41,688,877	43,409,675	46,486,721	4,797,845	3,077,046

TABLE IV
CUSTOMS, EXCISE AND TRADE OPERATIONS
REVENUE COLLECTION FOR THE YEAR 2015 (\$ 000)

PERFORMANCE OF DEPARTMENTS

3.1 TAX OPERATIONS AND SERVICES

3.1.1 REGISTRATION

A total of two hundred and sixty-four (264) registration packages were issued to potential Value-Added Tax registrants during the year 2015. However, only two hundred and thirteen (213) applications for registration were received, one hundred and eighty-seven (187) registrations were completed and there were no registrations for Excise Tax. Staff completed de-registration activities for nine (9) VAT registrants.

Two thousand, eight hundred and sixty-five (2,865) packages were distributed to employers to facilitate their remission of taxes under the PAYE system and one hundred and thirty-nine thousand, four hundred and thirty-five (139,435) returns for various tax types were distributed to taxpayers. Twenty-three thousand, one hundred and eighty-three (23,183) individuals and three hundred and forty-one (341) companies/partnerships were registered for Taxpayer Identification Numbers (TIN) while thirty thousand, one hundred and forty-three (30,143) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers.

Three hundred and forty-five (345) letters were issued to individuals and companies who submitted applications to conduct public entertainment events during the year. The table below shows the number of taxpayers for whom registration activities were completed.

Description	VAT	TIN
Registration Applications Received	213	N/A
Taxpayers Registered	187	23,524
Certificates Issued	254	30,143

TABLE V
NUMBER OF TAXPAYERS REGISTERED AND
CERTIFICATES ISSUED

3.1.2 LODGMENT OF RETURNS

The lodgment of various types of Tax Returns amounted to one hundred and twenty-two thousand, nine hundred and seventy-nine (122,979). There was a total of eighty-six thousand, three hundred and sixty-three (86,363) Income Tax letters lodged. VAT and Individual Property Tax Returns amounted to twenty-five thousand, seven hundred and fifty-two (25,752) or 20.9% and seven thousand, four hundred and seventeen (7,417) or 6.03% respectively of the overall returns lodged. The total number of tax returns lodged during 2015 exhibited an increase of approximately 4.8% over the number lodged in 2014.

The lodgment of Employers' Returns (Form 2) amounted to one thousand, two hundred and eighty-one (1,281), while twenty-two thousand, two hundred and forty-two (22,242) Monthly Remittance Forms (Form 5) were lodged by employers.

Verification activities were also effected out on all Returns lodged to ensure that they were fully and accurately completed. As a result of such activities, two thousand, eight hundred and forty-three (2,843) letters were dispatched to taxpayers for information on the Returns, the number of Returns lodged by tax type is shown in the table VI below.

TAX TYPE	AMOUNT
Income Tax Returns	86,363
Property Tax Returns (Individual)	7,417
Property Tax Returns (Company)	1,435
Corporation Tax Returns	1,473
Capital Gain Tax Returns	25
Excise Tax Returns	24
VAT Returns	25,752
Miscellaneous Taxes Returns	490
Total	122,979

**TABLE VI
NUMBER OF RETURNS RECEIVED**

3.2 CENTRAL DATA PROCESSING

3.2.1 DATA ENTRY AND APPROVAL

Upon completion of verification activities, data from Tax Returns are entered into TRIPS, once accurate, information is submitted and approval is granted. Data from one hundred and twenty-four thousand, six hundred (124,600) returns were entered into TRIPS while approval of data entry for one hundred and twenty-three thousand, four hundred and seventy-seven (123,477) returns was completed. These figures exhibit increases of 2.4% over data entered and 2.3% over data approved during 2014.

The data entry of Employers' Returns (Form 2) amounted to one thousand and eighty-one (1,081), while one thousand and twenty-six (1,026) were approved. Further, twenty thousand, eight hundred and ninety-five (20,895) Monthly Remittance Forms (Form 5) were entered into TRIPS while twenty thousand, four hundred and thirty-three (20,433) were approved.

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

TAX TYPE	DATA ENTRY	DATA APPROVAL
Income Tax Returns	88,548	88,137
Property Tax Returns (Individual)	7,346	7,284
Property Tax Returns (Company)	1,433	1,406
Corporation Tax Returns	1,449	1,182
Capital Gains Tax Returns	15	12
Excise Tax Returns	21	20
VAT Returns	24,418	24,178
Miscellaneous Taxes	1,370	1,258
Total	124,600	123,477

TABLE VII
NUMBER OF RETURNS ENTERED AND APPROVED

3.2.2 TAXPAYER SERVICES

During 2015, staff continued to issue Certificates of Compliance to facilitate the transfer of ownership for motor vehicles, title to land and buildings and as a regulatory requirement for the issuance of tenders.

Twelve thousand, five hundred and sixty-six (12,566) certificates were issued during 2015; this amount represents a decrease of approximately 2.8% when compared with the total Certificates of Compliance issued during 2014. Of the total issued during 2015, four thousand, one hundred and forty-five (4,145) were in relation to land and buildings, five thousand, seven hundred and thirty-six (5,736) to motor vehicles and two thousand, six hundred and eighty-five (2,685) were issued for tender purposes. The table below illustrates a comparative analysis of the types of Certificates of Compliance, which were issued during the years 2014 and 2015.

TYPE OF CERTIFICATE	TOTAL		Variance %
	2015	2014	
Land	4,145	4,459	-7
Motor Vehicle	5,736	6,057	-5
Tender	2,685	2,416	11
Total	12,566	12,932	-2.8

**TABLE VIII
CERTIFICATES OF COMPLIANCE ISSUED**

Other activities completed by staff of Taxpayer Services included preparation and issuance of five hundred and sixty-seven (567) letters to taxpayers for exemption of Withholding Tax; one thousand, two hundred and fifty-five (1,255) letters for Work Permit and the processing of one thousand, four hundred and sixty-four (1,464) estates of deceased persons. In addition, the issue of two thousand, nine hundred and sixty-nine (2,969) Liability Statements, one hundred and sixty-five (165) Tax Practice Certificates and seventy-two (72) Certificates of Assessment were also accomplished.

3.2.3 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:

- 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.

At the end of December 2015, there were nine hundred and seventy (970) un-finalised Objections. This figure exhibited an 18.3% increase when compared with the total un-finalised Objections at the end of 2014.

Un-finalised Objections relating to Individual Taxpayers totaled eight hundred and four (804) or approximately 83% of the total un-finalised Objections, while the remaining one hundred and sixty-six (166) or 17% related to Companies.

The table below shows objections to Income Tax from both Companies and Individuals as at the end of the year 2015.

PARTICULARS	COMPANIES 2015	INDIVIDUALS 2015	TOTAL 2015
Un-finalised at the beginning of the year (revised)	117	703	820
Registered during the year	194	475	669
Sub-Total	311	1,178	1,489
Less: Finalised during the year	145	374	519
Un-finalised at the end of the year	166	804	970

**TABLE IX
INTERNAL REVENUE TAXES
OBJECTIONS BY TAXPAYERS**

VALUE-ADDED TAX

As at December 31, 2015, there was a total of ninety-two (92) un-finalised Objections for Valued-Added Tax. Un-finalised Objections relating to Individual Taxpayers amounted forty-five (45) or approximately 49% of the total un-finalised Objections while the remaining forty-seven (47) or 51% were related to Companies. The details are shown in Table X.

PARTICULARS	COMPANIES 2015	INDIVIDUAL 2015	TOTAL 2015
Un-finalised at the beginning of the year	104	0	104
Registered during the year	0	45	45
Sub-Total	104	45	149
Less: Finalised during the year	57	0	57
Un-finalised at the end of the year	47	45	92

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

3.3 REFUND OF TAXES

3.3.1 INTERNAL REVENUE

During the year 2015, a total of one billion, two hundred and seventy-four million, one hundred and seventy-five thousand, and eighty-two dollars (\$1,274,175,082.00) was refunded to several categories of taxpayers as shown in Table XI.

TAX TYPE	REFUNDS PAID 2014	REFUNDS PAID 2015
Corporation Tax	659,415,726	1,077,428,329
Property Tax – Companies	3,233,847	8,986,946
Income Tax – Self Employed	28,018	129,106,763
Income Tax - Employed (PAYE)	54,802,338	46,882,331
Withholding Tax	-	9,172,285
Property Tax-Self Employed	-	2,598,428
TOTAL	717,479,929	1,274,175,082

**TABLE XI
REFUNDS PAID BY TAX TYPE (\$)**

3.3.2 MORTGAGE INTEREST RELIEF

During the year, staff received and processed one thousand and three (1,003) applications for Mortgage Interest Relief. One thousand, two hundred and forty (1,240) reports were finalized upon completion of investigation and verification activities, inclusive of reports for applications received during the previous year. Reimbursement claims were paid to the value of one hundred and ninety-eight million, eight hundred and seventy-nine thousand, three hundred and fifty-seven dollars (\$198, 879,357.00).

3.3.3 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, Consular Missions and Non-Residents), claimed under Section 37 of the Act. During the year under review, staff received a total of one thousand, four hundred and ninety-six (1,496) claims for refund of taxes amounting to \$8.7B.

One thousand, four hundred and forty-five (1,445) claims were processed comprising one thousand, one hundred and ninety-two (1,192) claimed under Section 35 and two hundred and

fifty-three (253) claimed under Section 37 of the VAT Act. Fifty-one (51) claims amounting to \$1.5B were rejected. The total refunds paid amounted to \$2.65B comprising \$2.49B under Section 35 and \$0.16B under Section 37. This amount reflects a decrease of 15.9% when compared with the amount paid in 2014.

Table XII below compares refunds paid during the year 2014 with that paid in 2015.

DESCRIPTION	REFUNDS PAID 2015	REFUNDS PAID 2014
Section 35	\$2.49	\$2.97
Section 37	\$0.16	\$0.18
Total	\$2.65	\$3.15

**TABLE XII
REFUNDS PAID \$ (B)**

*Further detailed information on the processing of refunds can be found under Tax Compliance and Enforcement Division.

3.4 LICENCE REVENUE OFFICE

A total of one hundred and twenty thousand, four hundred and ninety-four (120,494) motor vehicles were processed for the sale of licences during 2015. This figure exhibited a minimal increase of 3% when compared with those processed during 2014 which amounted to one hundred and sixteen thousand, seven hundred and thirty-one (116,731). There were thirteen thousand, seven hundred and ninety-three (13,793) registration of new vehicles for the year, while the corresponding figure for 2014 was fourteen thousand, four hundred and eighty-one (14,481) resulting in a decrease of 4.7%.

Table XIII sets out the various categories of vehicles licenced and the new vehicles registered during the year 2015 as compared to 2014.

CATEGORY OF VEHICLE	LICENCED MOTOR VEHICLES 2015	NEW REGISTRATION		
		2015	2014	INCREASE/ DECREASE
Agricultural	7,002	916	1,031	-115
Diplomat	472	47	67	-20
Goods	17,425	1,845	2,009	-164
Government	1,565	271	308	-37
Government/Agricultural	149	135	48	87
Hire	16,176	1,499	1,558	-59
Military	12	1	13	-12
Private	77,693	9,079	9,447	-368
Total	120,494	13,793	14,481	-688

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

CUSTOMS, EXCISE AND TRADE OPERATIONS

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

4.1 ENTRY PROCESSING AND FILING ROOM

◆ Entry Processing

During 2015, staff of the Entry Processing Section vetted a total of sixty thousand, seven hundred and twenty-four (60,724) declarations and completed lodgment of fifty-four thousand, three hundred and thirty-two (54,332) entries while data input activities for fifty-four thousand, eight hundred and thirty-five (54,835) declarations was done. Fifty-five thousand, two hundred and eight (55,208) declarations were assessed and two thousand, three hundred and thirty-three (2,333) were queried. Staff also processed twenty-six (26) applications for refund of duties and performed two thousand and eighty-five (2,085) help desk activities. In addition, five hundred and seventy-six (576) Permits for Immediate Delivery (PIDs) were processed and seven (7) Guarantee Instruments (Bonds) were reviewed and processed.

◆ Filing Room

For the period under review staff of the Filing Room received and sorted three hundred and nine thousand, seven hundred and sixty-eight (309,768) Customs documents, classified two hundred and twenty-four thousand, one hundred and ninety-one (224,191) documents and created appropriate files for those documents. Staff also scanned one hundred and thirty-one thousand, four hundred and ten (131,410) documents and stored them appropriately to facilitate easy retrieval.

4.2 EXCISE TAX AND PRIVATE WAREHOUSE

◆ Excise Tax

Staff within the Excise Tax Section reviewed one thousand, one hundred and fifty-nine (1,159) transactions related to the manufacture, bottling and entering of liquor into bonded warehouses. They also performed reconciliation activities for the removal of liquor from bonded warehouses for local consumption on seven thousand, three hundred and seventy-eight (7,378) occasions and

completed reconciliation of records relating to the transfer of liquor to other warehouses on six hundred and forty-eight (648) occasions.

Further, staff also inspected, reconciled and sealed five hundred and eighty (580) consignments of liquor which were released for export, approved two hundred and ninety-two (292) requests for the removal of goods from warehouses for local consumption, approved six hundred and eighty-two (682) entries for the transfer of goods from bonded warehouses and approved eighty-two (82) permits for the sale of bulk alcohol locally. Random visits were also conducted to ensure that warehouse and distillery records were correctly maintained by warehouse staff and records in TRIPS were continuously reviewed to ensure the correct taxes were paid on alcoholic, petroleum and tobacco products and vehicles.

On nine thousand, one hundred and eighty-one (9,181) occasions, staff conducted examinations of motor vehicles based on applications for registration to ensure that the correct amount of Excise Tax was paid.

◆ **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 conformed and records were maintained accurately by warehouse keepers. The receipt of nine hundred and sixty-three (963) vehicles, one thousand and twenty-six (1,026) tyres, generator sets, electrical appliances etc. into private warehouses was monitored as well as the delivery of one thousand and sixty-four (1,064) vehicles and one thousand, seven hundred and thirty-five (1,735) tyres, generator sets, electrical appliances etc. from warehouses.

In addition, staff conducted ninety-five (95) inspections of existing warehouses, while approval was granted for three (3) newly established Private Warehouses to commence operations.

4.3 WHARVES, BOATHOUSE AND CHEDDI JAGAN INTERNATIONAL AIRPORT

◆ **Wharves and Boathouse**

Five hundred and eighty-three (583) vessels were cleared on arrival at the various Ports of Entry during the year 2015. Staff of the Division monitored the discharge of nine hundred and seventy-five thousand, one hundred and seventy-six (975,176) metric tons of incoming cargo, which included cargo contained in twenty-nine thousand, four hundred and seventy-nine (29,479) containers of varying sizes, and six thousand, six hundred and nine (6,609) vehicles. Vessels cleared for departure amounted to five hundred and thirty-four (534) and contained a total of one million and twenty-nine thousand, five hundred and eight (1,029,508) metric tons of cargo in twenty-nine thousand, six hundred and seventy-seven (29,677) containers of various sizes, the loading of which was also monitored.

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, six hundred and twenty-nine (24,629) containers of varying sizes, one hundred and thirteen thousand, eight hundred and fifty-seven (113,857) barrels as well as seven hundred and seventy-two thousand, eight hundred and twenty-four (772,824) 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 fourteen thousand, three hundred and seventy-one (14,371) containers and four thousand, three hundred and ten (4,310) other units leaving the Transit Sheds prior to declarations being entered (via Form C25) while a total of fourteen thousand, two hundred and ninety-seven (14,297) containers and five thousand, two hundred and four (5,204) 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 one hundred and thirty-one (131) entries under the PID and one hundred and forty-one (141) under the PTP facilities were still to be perfected. Seven hundred and forty-two (742) 'want of entry' slips were prepared with three hundred and sixty-seven (367) still due for preparation at the end of the year. Revenue collected at the various wharves and transit sheds amounted to \$786.6M which is an increase of 10.23% over the amount collected in 2014 and an increase of approximately 13% over the budgeted amount.

◆ Cheddi Jagan International Airport

The arrival of three thousand, six hundred and thirty-seven (3,637) incoming aircrafts was monitored and documented. Two hundred and thirty-eight thousand, three hundred and two (238,302) arriving passengers were processed and their baggage examined by staff attached to the Cheddi Jagan International Airport (CJIA). The monitoring and processing of outgoing aircrafts and passengers amounted to three thousand, six hundred and ten (3,610) and two hundred and fifty-five thousand and eighty-three (255,083) respectively.

Imported and exported cargo processed by staff totaled one million, six hundred and ninety-four thousand, eight hundred and seventy-three kilograms (1,694,873kgs) and two million, five hundred and seventy-five thousand, three hundred and ninety-eight kilograms (2,575,398kgs) respectively. Staff also completed three thousand, one hundred and nine (3,109) incoming and five thousand, seven hundred and thirty-two (5,732) outgoing aircraft files and processed five thousand, six hundred and ten (5,610) Customs Declarations.

The total revenue collected during the year amounted to \$1.352B, which exceeded the total of \$1.322B, which was collected during previous year by approximately 2.27%.

◆ Guyana Post Office Corporation (GPOC)

Activities conducted by staff at the GPOC include the receipt, examination and delivery of sealed mailbags, parcels and packets and the escort of mailbags to and from the Cheddi Jagan International and Ogle Airports. Staff received a total of twelve thousand, seven hundred and twenty-five (12,725) sealed mail bags, seven thousand and fifty-three (7,053) parcels and eight thousand, six hundred and forty-six (8,646) packets.

Delivery of sealed mailbags amounted to five thousand, seven hundred and fifty-eight (5,758) while three thousand, six hundred and two (3,602) parcels and three thousand, six hundred and fifty-seven (3,657) packets were also delivered. Further, examinations were conducted on six thousand, four hundred and sixty-three (6,463) incoming parcels as well as five thousand, three hundred and thirty-three (5,333) incoming packets while one thousand, eight hundred and sixty-two (1,862) outgoing parcels and seven hundred and sixty-six (766) outgoing packets were also examined.

Revenue collected at the GPOC amounted to \$16.823M. This resulted in a decline of 26.79% in total revenue collection for the corresponding period in 2014, which totaled \$22.980M.

INTEGRATED REGIONAL TAX OFFICES

The Guyana Revenue Authority established Integrated Regional Tax Offices in various Regions of 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, Bartica and a recently commissioned Tax Centre at Diamond, East Bank Demerara.

During the year under review, staff received a combined total of forty-three thousand, nine hundred and twenty-three (43,923) Tax Returns. This amount comprised thirty thousand, seven hundred and twenty-three (30,723) for Income Tax, eight thousand, one hundred and sixty-four (8,164) for Individual Property Tax and five thousand and thirty-six (5,036) for Value-Added Tax. In addition, six thousand, six hundred and forty-one (6,641) Employer's Monthly Remittance Forms (Form 5) and three hundred and seventy-three (373) Employer's Annual Returns (Form 11) were received from employers.

Staff also processed eleven thousand, nine hundred and ninety-three (11,993) applications for Taxpayer Identification Number (TIN), sixty (60) applications for Mortgage Interest Relief and registered nine (9) taxpayers for Value-Added Tax. Tax Compliance Certificates were also issued to taxpayers with a combined total of four thousand, five hundred and seventy (4,570) to facilitate the transfer of ownership of land and vehicles and for tender purposes. The number of Tax Compliance Certificates issued exhibited an increase of 1.2 % over the amount issued during 2014.

In addition, two hundred and twenty-one (221) Liability Statements, one hundred and two (102) letters granting exemption from Withholding Tax, thirty-eight (38) Tax Practice Certificates and eight (8) letters for Work Permits were issued. The sale of Motor Vehicle licences amounted to forty-one thousand and ninety-one (41,091) while seven thousand, five hundred and eighty-two (7,582) Liquor/Trade/Miscellaneous Licences were also sold during the year. Meanwhile, one thousand, one hundred and ninety-six (1,196) inspections were conducted on vehicles to facilitate registration.

Further, thirty-four (34) objections to assessments were registered during the year while seventeen (17) were finalised and one hundred and eighteen (118) applications for refund were received and processed. Staff also conducted a total of one hundred and ninety-eight (198) Compliance and Advisory Visits to ensure that taxpayers in compliance with the requirements of the Laws and Regulations and twenty-four (24) checks of public entertainment events to ensure that promoters remitted the correct amount of VAT.

At the Ogle International Airport, staff processed a total of twelve thousand, four hundred and sixty-four (12,464) arriving aircraft along with eighty thousand and thirty-nine (80,039) arriving

passengers. Twelve thousand, four hundred and sixty-four (12,464) departing aircraft with eighty-three thousand, two hundred and fifty-two (83,252) departing passengers were also processed while one thousand, two hundred and two (1,202) incoming and one thousand, two hundred and twenty-eight (1,228) outgoing aircraft files were also completed.

In addition, staff at the various Offices processed a combined total of one thousand, eight hundred and fifty-nine (1,859) Customs Declarations and completed eight hundred and fifty-three (853) incoming and eight hundred and fifteen (815) outgoing ships' files.

The arrival and departure of passengers and vehicles via the ferry service operating between Guyana and Suriname, at Moleson Creek, were also facilitated by staff. To this end, sixty thousand, four hundred and forty-three (60,443) arriving and sixty-two thousand and fifty-two (62,052) departing passengers were processed. Six thousand, five hundred and two (6,502) arriving vehicles, comprising three thousand, six hundred and six (3,606) with local registration and two thousand, eight hundred and ninety-six (2,896) with foreign registration, and six thousand, four hundred and ninety-two (6,492) departing vehicles, comprising three thousand, six hundred and twelve (3,612) with local registration and two thousand, eight hundred and eighty (2,880) with foreign registration, were also processed.

Revenue collected by the Integrated Regional Tax Offices during the year under review totaled four billion, one hundred and ninety million, seven hundred and twenty-five thousand, two hundred and sixty-nine dollars (\$4,190,725,269.00) representing combined collection for Customs Duty, Value-Added, Excise and Internal Revenue Taxes. Revenue collected in 2014 amounted to 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) resulting in a 3.5 % decrease in revenue collection for 2015.

A comparison of revenue collected during 2014 and 2015 is shown in the table below.

REGIONAL OFFICE	REVENUE COLLECTION		VARIANCE
	2014	2015	%
Corriverton	1,421,462,982	1,265,104,049	(11)
Anna Regina	384,035,620	393,923,258	2.6
New Amsterdam	796,204,579	862,015,579	8.3
Linden	1,319,331,460	1,067,022,650	(19.1)
Parika	160,093,934	143,218,674	(10.5)
Lethem	166,544,154	210,441,031	26.4
Bartica	91,083,766	150,666,137	65.4
Ogle	4,204,699	98,333,891	2,239
Total	4,342,961,194	4,190,725,269	(3.5)

TABLE XIV
REVENUE COLLECTION
INTEGRATED REGIONAL TAX OFFICES

EXEMPTION OF DUTIES AND TAXES

6.1 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.

6.2 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 conditions 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.)

Table XV overleaf reflects the value of revenue foregone as a percentage of actual revenue collected by the Guyana Revenue Authority, for Customs Duty, Excise Tax and Value-Added Tax, for the year 2015 relative to the year 2014.

Total Exemptions for the year 2015 was fifty-five billion, seven hundred and seventy-eight million, five hundred and sixty-seven thousand, one hundred and eight dollars (\$55,778,567,108.00) representing 68.05% of revenue collected by the Customs, Excise and Trade Operations and the Value-Added Tax Operations which amounted to eighty-one billion, nine hundred and sixty-three million, one hundred and nine thousand dollars (\$81,963,109,000.00). Conditional Exemptions was forty-seven billion, eighty-seven million, six hundred and fifty-six thousand, two hundred and thirty-six thousand dollars (\$47,087,656,236.00) or 57.45% of revenue collection while Unconditional Exemptions amounted to eight billion, six hundred and ninety million, nine hundred and ten thousand, eight hundred and seventy-two dollars (\$8,690,910,872.00) or 10.60% of revenue collection.

Both conditional and unconditional exemptions exhibited a decrease during the period under consideration. The significant decrease in conditional exemptions resulted largely from the decrease in exemptions received by Companies/Businesses and Ministries/Government Departments while the decrease in unconditional exemptions resulted mainly from a decrease in goods imported under the CARICOM Trade Agreement.

	REVENUE COLLECTION*		CONDITIONAL EXEMPTIONS		UNCONDITIONAL EXEMPTIONS		TOTAL EXEMPTIONS	
	2014	2015	2014	2015	2014	2015	2014	2015
Total	79,164,285	81,963,109	53,271,337	47,087,656	9,740,678	8,690,910	63,012,015	55,778,566
Ratio of exemptions to revenue collection			67.29%	57.45%	12.30%	10.60%	79.59%	68.05%

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

*(revenue collected for Customs Duty, Excise Tax, Value-Added Tax)

PERFORMANCE OF SERVICE DIVISIONS

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

7.1 ADMINISTRATIVE SERVICES UNIT

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 and mailroom, provision of switchboard, receptionist and janitorial services and the operation of scanning and copy centers on each floor.

During the period ending December 31, 2015, staff attached to the Unit prepared and posted a total of two hundred and fifty-five thousand and sixty-seven (255,067) pieces of mail inclusive of TIN certificates, VAT Returns, lodgment receipts, Notices of Assessment, Demand Notices, Objection Notices as well as notices from the Central Data Processing Unit and for Motor Vehicle Licences.

A total of two thousand, one hundred and seventy-nine (2,179) pieces of mail were uplifted from the Guyana Post Office Corporation (GPOC) while fifteen thousand, six hundred and fifty-three (15,653) pieces were received directly from taxpayers. Additionally, sixteen thousand, four hundred and forty-five (16,445) applications for tax exemption were also received. Twenty-seven thousand, nine hundred and eighty-nine (27,989) pieces of mail were distributed by staff 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 and forty-five thousand, five hundred and fifty-five (245,555) 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 sixty-seven thousand, two hundred and seventy-eight (67,278) incoming and outgoing calls while operators of the photocopying centers produced six hundred and thirty-four thousand, one hundred and sixty-eight (634,168) copies of various documents during 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, one hundred and thirty-nine thousand, three hundred and thirty-four (139,334) documents were scanned, sorted and exported into the appropriate software to facilitate subsequent retrieval by the relevant Divisions. Five thousand, one hundred and sixty-eight (5,168) files were received for storage, four thousand, four hundred and thirty-three (4,433) were issued and delivered to various

Divisions and five thousand, two hundred and seventy-nine (5,279) were processed upon their return.

One hundred and fifty-eight thousand, five hundred and three (158,503) tax returns were received, one hundred and eighty-eight thousand, eight hundred and seventy-eight (188,878) were sorted (including tax returns which were received during the previous year) and one hundred and seventy-seven thousand, one hundred and twenty-two (177,122) were placed in appropriate files.

7.2 COMMUNICATION AND TAX ADVISORY SERVICES DIVISION

This Division comprises of the Public Relations Section, Publication and Operational Procedures Section and Tax Advisory Services Section. Its mandate is 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

The activities of the Public Relations Section were generally intended to educate taxpayers thereby enabling them to comply with the various tax Laws and Regulations and keep them, along with other stakeholders, abreast with changes to policies and procedures within the Authority. To achieve the foregoing, staff produced forty-five (45) pre-recorded television programmes – “Focus on GRA” and ninety-two (92) 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 appearances, staff focused on issues which included Mortgage Interest Relief, due dates for submission of Tax Returns, Guyana/Suriname trade, tax exemptions, Tax Practice Certificates, the Licence transaction checker, liquor licences, registration of Mini Vans in the ‘B’ series and the Objections and Appeals process among others.

The television, radio and print media were also utilized to publish advertisements which aided compliance by taxpayers. A total of seventeen (17) television, twelve (12) radio and sixty-two (62) print advertisements were published during the year under review. Further, staff also issued press releases on new initiatives such as the establishment of the first tax centre at Diamond, seizures/drug busts resulting from anti-smuggling activities, the WTO’s Trade Facilitation Agreement and the disbanding of the Berbice Anti-Smuggling Squad (BASS) among others. They also arranged several press conferences, facilitated the video coverage of events such as workshops, tax sites and seminars and participated in special events such as Career Fairs and trade expositions. Booklets, brochures and tokens were distributed during the special events.

Further, staff updated the Authority’s website with press releases, letters to the Editor and notices, which would have been published in the media, on four hundred and seventy-nine (479) occasions

and made simultaneous posts to Facebook and Twitter. They also published forty-two (42) tax policies in the print media, conducted two hundred and ninety-five (295) random selection of commercial imports for 100% examination and made four (4) visits to offices in various Regions to participate in events such as the New Amsterdam Town Week and the reopening of Linden Integrated Tax Office.

◆ TAX ADVISORY SERVICES

The Tax Advisory Services Section is mandated to provide advisory services to all stakeholders and to ensure that all taxpayers understand their obligations to comply with the requirements through the provision of written legislative information on taxes, help desk services and the conduct of tax seminars and workshops. Staff of the Section continued to prepare information to be used for publication on the Authority's website. The information covered areas including foreign currency rates, Employers' Return (Form 2B), Imported Items which are zero-rated, ascertaining chargeable income and the application process for Drivers' Permit among others. Fifty-four (54) policies covering areas such as duty-free concessions for re-migrants, Tax Practice Certificate, Public Entertainment, passenger arrival and clearance, importation of pharmaceuticals, Certificate of Compliance, change of business information and the rental or sale of land among others were provided for publication in the print media.

Twenty-three (23) tax workshops and twenty-nine (29) tax seminars were conducted which saw the attendance of six hundred and twenty-eight (628) persons. Beneficiaries of the workshops were drawn from Companies/Organisations such as Qualfon, Institute of Private Enterprise Development, Guyana Industrial Training Centre, Marriott Hotel, students from the University of the West Indies, teachers of San Souci, Wakenaam, Consultative Association of Guyanese Industry (CAGI), Fly Always Airways, Barama Co., as well as self-employed persons.

A total of two hundred and forty (240) responses to queries, which were received via email and letter, were prepared and dispatched while three thousand, two hundred and thirty-two (3,232) responses to requests for information were done over the telephone as well as follow-up calls to taxpayers were completed over the period. In addition, there were one thousand, six hundred and fifty-three (1,653) responses to queries made by 'walk-in' taxpayers.

Further, the Staff also distributed ten thousand and sixty (10,060) pieces of educational materials and amendments to the legislation to taxpayers and prepared twenty-three (23) new policies, leaflets, booklets and brochures.

◆ PUBLICATION AND OPERATIONAL PROCEDURES

The Learning Resource Centre (LRC), which falls under this Section, continued to play an important role in facilitating the research needs of staff members and other users. Staff

throughout the organisation were able to use the resources to conduct research. In excess of two hundred magazines and books were procured while several novels were donated to the LRC by staff members of the Authority.

These additions to the collection were all catalogued and the necessary barcode labels inserted and scanned into the KOHA database which allows easy reference to catalogued material. All issues of the Official Gazette were acquired and stored appropriately while seven hundred and twenty-seven (727) 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. As a result, six (6) amendments to Acts/Regulations were obtained and were incorporated into the relevant Acts/Regulations. These Acts and Regulations were also printed internally for distribution to staff resulting in a total of seventy-three (73) copies being printed and distributed during the year. The preparation of new and adjustment to existing Standard Operating Procedures (SOPs) were also undertaken with a total of two hundred and seventy (270) SOPs being prepared and/or amended. These SOPs were related to various Divisions/Units including VAT Audit and Enforcement, Mortgage Interest Relief (MIR), Tax Exemption Processing and Verification, Tax Operations and Services, Customs, Excise and Trade Operations, Communication and Tax Advisory Services, Law Enforcement and Investigation Divisions, Revenue Protection, Intelligence, Risk Management and Special Investigation, Integrated Regional Tax Offices, Internal Audit and Goods Examination. The flowcharts related to those SOPs were also adjusted where necessary.

In addition, ninety-two (92) positions were created in the Human Resource/Salaries software, organisational charts were adjusted as the need arose and seventy-six (76) job descriptions were prepared or adjusted to reflect ongoing changes within the Authority.

7.3 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.

As a result of the sixty-nine (69) declarations relating to imports which were flagged for scanning, staff attached to the Container Scanner Section issued sixty-four (64) letters to importers to present their containers for scanning. Sixty-nine (69) containers were scheduled for scanning and sixty-three (63) were scanned. Seven (7) referrals were also made for the re-

scanning of containers while one (1) container was referred to the Drug Examination Unit (DEU) and Goods Examination Unit for further examination.

In addition, two thousand and twenty-four (2,024) declarations were flagged for scanning and three thousand and ten (3,010) letters were issued to exporters to present containers to be scanned. Four thousand, nine hundred and twenty-four (4,924) containers were scheduled for scanning and four thousand, four hundred and nineteen (4,419) were scanned. Thirty-three (33) containers were referred to the Drug Examination Unit (DEU) and Goods Examination Unit 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 twenty-eight (2,928) containers of various sizes and a combined total of thirty-two thousand, one hundred and fifty-six (32,156) skids, pallets, boxes, barrels, and crates. The verification of a total of seven thousand, three hundred and twenty-nine (7,329) vehicles, inclusive of three thousand and twenty (3,020) motor cycles, one thousand, nine hundred and ninety-seven (1,997) industrial and other types of vehicles as well as two thousand, three hundred and twelve (2,312) cars were completed.

Outgoing consignments that were examined included thirty-six thousand, two hundred and eighty-one (36,281) containers of various sizes, a combined total of sixty-four thousand, three hundred and thirty-seven (64,337) skids, pallets, boxes, barrels and crates, sixty-eight (68) trucks and thirty (30) containers which were detained. The examination of cargo for bulk loading on vessels occurred on two hundred and three (203) occasions.

The Division recovered **\$26.7M** in additional revenue from the examination of cargo/goods during the year under consideration.

7.4 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, six hundred and three (4,603) of which four hundred and seventy-one (471) were related to Companies and four thousand, one hundred and thirty-two (4,132) to Individual taxpayers.

A total of \$18.7B in arrears taxes were identified through this process and liability letters were dispatched to delinquent taxpayers. During the previous year, staff identified \$14.2B in arrears

taxes resulting in an increase of 31.7% being identified in 2015. Arrears taxes collected during the year amounted to approximately \$13.2B against a target of \$12.5B which was set. The amount collected in 2015 exhibited an increase of \$0.5B over the \$12.7B collected in 2014.

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, 2015.
- ❖ Difficulty 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 for non-payment of taxes⁴ are not 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.

There were, no special exercises conducted to collect outstanding taxes. The collection of outstanding assessed taxes is ongoing with strategies in place to aid in the collection e.g. visits, telephone calls etc.

7.5 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.

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, janitorial services and cleaning, administering of pest control treatment, repairs and servicing of elevators and other miscellaneous maintenance works.

Capital works carried out at the Authority's Headquarters included anti-fungus treatment in several offices, and installation of new air conditioning units and repairs to the ceiling in other areas. The rehabilitation of the building housing the Licence Revenue Office was also completed as well as fabrication and installation of cubicles, cupboards and other related works within several Divisions.

Capital works at Integrated Regional Tax Offices included electrical works, installation of ceiling, network and data cables and the construction of a fence at the Linden Integrated Tax Office and the renovations to the staff residence at the Anna Regina Regional Integrated Tax Office.

In addition, rehabilitation of the roof and ceiling at Corriverton Integrated Tax Office was completed while works, inclusive of the construction of a shed and driveway to house a boat, electrical and other remedial work, were completed at the living quarters for staff of the Law Enforcement and Investigation Regional Operations in New Amsterdam. Consequent to the decision to establish the Diamond Tax Office, work, including the construction of partition walls, installation of electrical cables and air conditioning units, was carried on the building identified to house the Office.

Staff of the Transportation Unit of the Division continued to manage the fleet of motor vehicles operated by the Authority and ensure that the transportation needs of staff were met in a timely manner. During the year, nineteen (19) vehicles were identified and selected for addition to the Authority's fleet from among 'want of entry' vehicles, that is, vehicles which were imported and not cleared by the importers within the required time. Staff also received and responded to requests for provision of transportation resulting in 99% of the requests being honoured.

The Maintenance Workshop, which was established to ensure that all motor vehicles operated by the Authority were serviced and repaired in an efficient and cost effective manner to maintain road worthiness, serviced motor vehicles on one hundred and thirty-two (132) occasions and conducted repairs to vehicles on one hundred and eighty (180) occasions. In addition, repair works were also sent out to private workshops since the required repairs could not have been done by staff of the workshop.

The Security Unit of the Division continued to provide security to the various locations of the Authority. Weekly visits were made to all locations within the city while all other locations were visited on a quarterly basis.

Despite the achievements, the Division operated under 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 and inadequate resources such as software and technical equipment. In addition, of the fifty-eight (58) vehicles which were in working condition, over 75% were in poor working condition resulting in them breaking down periodically while transporting staff while an additional twenty-two (22) were determined to be unserviceable resulting in the transportation needs of some staff not being met in a timely manner.

7.6 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 2015, the Authority had an actual staff complement of one thousand and seventy-two (1,072) which was approximately 81% of the approved staff complement of one thousand, three hundred and twenty-two (1,322). The actual staff complement for the year 2014 was one thousand, one hundred and thirty-six (1,136) or approximately 79% of the approved complement of one thousand, four hundred and thirty-five (1,435). The actual staff complement for 2015 exhibits a decrease of 5.6% when compared with that of 2014.

Of the one thousand and seventy-two (1,072) employees, four hundred and forty-three (443) or approximately 41% were male, while six hundred and twenty-nine (629) or approximately 59% were female.

Recruitment for the period under review totaled forty-three (43) and new recruits were enrolled in the Authority's Life and Health Plans while sixty-three (63) persons were enrolled in the Pension Plan. Departures amounted to one hundred and three (103) resulting in a staff turnover of 9.6% as compared with 5.5% in the previous year. Of the one hundred and three (103) departures, forty-five (45) persons resigned, twenty-four (24) retired, twenty-six (26) had their services terminated, four (4) were dismissed for various offences and four (4) died.

◆ TRAINING AND DEVELOPMENT DIVISION

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.

I. INTERNAL TRAINING

Training programmes were organised by the Training and Development Division which benefitted approximately nine hundred and thirty (930) staff members. These programmes were intended to equip staff members with the necessary skills needed to function in their capacity. Programmes conducted included ‘Customer Service,’ which benefitted fifty-six (56) persons, ‘Presentation/Public Speaking’ which was attended by twenty-seven (27) persons and ‘Occupational Health and Safety’ which thirty-two (32) staff members attended. Further, a combined total of forty-one (41) staff benefitted from training in the Dutch, Portuguese and Spanish languages which were facilitated by the Guyana Tourism Authority and the Embassy of Mexico. Training was also provided to staff on the Laws related to the international transportation of currency and anti-money laundering while orientation activities benefitted a total of thirty-two (32) newly recruited staff.

Further, technical training in several areas was facilitated by Consultants from the Inter-American Center for Tax Administration/Canadian Executive Services Organisation (CIAT/CESO). Areas in which training was provided included Audit Techniques and Intelligence Gathering which benefitted approximately eighty-six (86) staff from the Audit Division and the Intelligence and Risk Management Division. Training on the Income Tax and Corporation Tax Acts was provided to a total of fifty (50) staff members from various areas of operations by facilitators from within the Authority, while thirty-three (33) staff from Customs, Excise and Trade Operations and other related areas were beneficiaries of a workshop on Multilateral Environmental Agreements (MEAs) which was facilitated by the Caribbean Community (CARICOM). Twenty-four (24) Internal Auditors benefitted from training on ‘Effective Audit Reporting and Interviewing Techniques’ and ninety (90) Officers stationed at the various ports of entry benefitted from training on the ‘Green Customs Initiative’ facilitated by the Hydromet Office, Ministry of Agriculture. Customs Officers also benefitted from programmes on the ‘Interception and Identification of Narcotics’ and ‘Classification’. Training for prospective Customhouse Brokers was facilitated by the Authority with a total of ninety-five (95) persons benefitting. The final examination for this programme was held on October 5, 2015.

Several workshops were also completed during the year under review including workshops on the Implementation of the CARICOM Trade and Competitiveness Project (CTCP), Revenue Forecasting, Base Erosion and Profit Shifting and Intellectual Property Rights. Two (2) workshops on the ‘Manager-Employee Relationship: Bottom Line for Engagement’ which benefitted one hundred and twenty-seven (127) staff members comprising Heads, Senior Managers, Managers and Supervisors from across the Authority were also conducted.

Staff of the Training Division were also instrumental in managing the Authority’s Work Study programme which was conducted in two (2) phases and benefitted a total of one hundred and

four (104) Secondary School students as well as coordinating activities related to the issuance of new Bursary awards to a total of twenty-five (25) students. Bursary awards to continuing students were also presented.

II. EXTERNAL TRAINING - LOCAL

Several programmes were hosted by the Public Service Ministry, which included Principles of Human Resource Development, Personnel Practice and Development, Principles of Supervisory Management, Principles of Professional Secretarial Practice, Principles of Human Resource Development, Communication in the Office and Government Accounting Procedures, which were attended by Administrative Assistants and Clerks from several Divisions. Staff of the Customs, Excise and Trade Operations as well as the Revenue Protection Division benefitted from online programmes such as Strategic Customs Planning and Single Window for Foreign Trade, which were facilitated by the Inter-American Development Bank, the Customs Law Enforcement Council (CCLEC) and the World Customs Organisation (WCO).

The Institute of Internal Auditors, Guyana Chapter, conducted workshops on Effective Investigation and Tracing and Recovering Fraud Losses, which were attended by staff of the Internal Audit Division. Further, the Pesticides and Toxic Chemicals Control Board facilitated training of staff located at the Lethem Multi-Purpose Complex in the management and trans-boundary movement of chemicals.

Senior management staff of the Authority also participated in several joint meetings inclusive of the meetings on the Implementation of the CARICOM Trade and Competitiveness Project, the CARICOM Standing Committees of Chiefs of Immigration and Comptrollers of Customs and that of Customs Officials and Parliamentary Counsels on Draft Harmonised Customs Regulations.

III. EXTERNAL TRAINING/CONFERENCES - OVERSEAS

Conferences, workshops and training programmes which were held overseas in countries such as Brazil, Peru, El Salvador, Italy and Panama as well as those within the Caribbean were attended by twenty-two (22) staff members. The technical conference on the Examination Function of Tax Administrations, held in Italy during the period September 28 to October 1, 2015, the Eight Joint Meeting on the Draft Harmonized Customs Regulations which was held in Antigua and Barbuda during the month of February and the 3rd Meeting of the Special Committee on Customs and Trade Facilitation, held in Barbados, were all attended by the Commissioner-General, while the Deputy Commissioner-General attended a workshop on Tax Administration Reforms which was held in Barbados. The Head, Information Technology Division participated in a workshop on the 'Use of the Information Technology and Communications in Tax Administration' in Lima, Peru as well as the Regional Policy Dialogue on Trade and Integrated Network hosted in Trinidad and Tobago by the WCO.

The International Law Enforcement Academy (ILEA) Border Control and Management Course and the Law Enforcement Leadership and Development programme were both held in El Salvador and attended by Managers and Supervisors. Senior staff of the Audit Division attended workshops on Base Erosion and Profit Shifting which was held in Peru, Tax Audit, was held in Grenada and Transfer Pricing, which was held in Panama.

The Caribbean Basin Security Initiative (CBSI) Border Security Conference was conducted in Bridgetown, Barbados, and attended by the Assistant Commissioner, Law Enforcement and Investigation while Principal Manager, Customs, Excise and Trade Operations attended the WCO Regional Workshop on Strategic Initiatives for Trade Facilitation and the Implementation of the World Trade Organization (WTO) Trade Facilitation Agreement in Columbia.

Other overseas programmes from which staff of the Authority benefitted included the CARTAC/CCLEC sponsored training to develop leadership and communication skills of middle Managers, Airport Enforcement/International Air Cargo Interdiction, Deception Detection and Eliciting Responses as well as a programme on the technical aspects of the Transfer Regime of the Chemical Weapons Convention.

◆ SAFETY AND HEALTH /WELLNESS

Staff members also were exposed to training under the Authority's Occupational Safety and Health programme and participated in discussions on Hazard Identification, Evacuation Procedures and Fire Safety Awareness. Further, as part of the Wellness programme, staff across the organisation were sensitised on various diseases including HIV/AIDS, Cancer, Diabetes, Hypertension and Heart Disease among others. Eye screening and other health checks were also made available to all staff while a blood donation drive was successfully completed. The sensitization and screening programmes were facilitated by staff of the Ministry of Health. The Authority's physical activity and exercise programme commenced at the GRA Headquarters in 2015 and was facilitated by an instructor from the Guyana Defence Force. This activity sought to foster unity among GRA staff, encourage staff to be more active and to stress the importance and value of adding exercise to everyday life.

7.7 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 and time to the continued development of an upgraded Total Revenue Processing System - **TRIPS 2.0**. Staff reviewed and revised several work plans, built testing environment for the internal component and conducted several iterations of internal and user testing for the e-services, Core Taxes and Core Customs components. Staff also updated requirements documentation where necessary, reviewed and provided feedback on several Software Requirements Specifications and other related documents. Further, staff acted as liaison between the consultants, Crown Agents, and the Authority's business experts to confirm requirements, log test issues and execute general project administration activities.

In an effort to improve the service that the Authority provides to taxpayers, several projects relating to the Licence Revenue Processing System (LRPS) were completed. These included the development and implementation of the **Online Transaction Checker** software. This software enables drivers, owners of motor vehicles as well as applicants for Trade and Miscellaneous licences to readily check the status of their lodged transactions via the Internet without having to visit the Authority's office for an update. In addition, **e-mail functionality** was added to the LRPS software so that taxpayers and individuals can receive automatic notifications (once e-mail address was provided at lodgement) upon the approval of their transactions. Further, a **Driver's Offence** module was developed and added to the LRPS database. This functionality enables the recording of outcome details of traffic offences and violations where drivers are convicted and their licences suspended or revoked by the Courts so as to prevent renewal of licences. LRPS was also configured to accommodate a unique licence plate series for all motor vehicles registered to the Government of Guyana. This change will become effective on the enactment of relevant legislation.

Staff of the Division worked collaboratively with other parties on the introduction of **Electronic Employers' Returns** submission. There were discussions with various stakeholders such as Ministry of Finance and the Guyana Sugar Corporation regarding their submission of the Forms 2 and 5 as part of a pilot exercise. Assistance was provided to the Ministry of Finance to cleanse and format their data for submission to the Authority and improvements were made to the standardised format as well as the application software.

Several projects were also undertaken with respect to the existing Human Resource/Payroll software – **PeopleNet**. These included technical and other preparatory work and the procurement of material to facilitate the internal printing of employees' badges. In addition, testing and development work commenced for the completion of the leave management module of the software while testing for the migration of the software's server from a physical to virtual environment was successful. At the end of the year, these projects were at various stages of completion and are expected to be fully implemented during the coming year.

Work, which was initially undertaken to redo the electronic forms available to the public was further extended to include the use of 2D barcodes to facilitate the easy extraction of data from forms through the use of hand held scanners. Further, work continued on the application

software which allows the Debt Management Division to prepare and print *Provisional Notices of Assessment*, while the development of a software solution to aid in the administration of a *Performance Management System* commenced. The Applications Section also continued to lend support to the Refunds Section in identifying candidates for refunds and assisting in the printing of refund cheques.

An enhanced indexing feature was developed and deployed as part of the optimization and upgrade of the *Document Management Solution (Sharepoint)* thereby reducing the time taken for scanning documents and the likelihood of errors occurring. Software solution which was previously developed for the *random selection of non-commercial imports* was re-designed and re-developed. However, the preparatory work for the launch into the production environment was postponed due to resources being moved to other urgent areas.

Several upgrades, some of which commenced during 2014 were completed during 2015. These included the extension of the bandwidth of the *Wide Area Network* to 1 mbps, thereby 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. The Authority's *website* and *intranet* were upgraded and updated with regards to platform and content and the overall security improved. Also, desktop systems were upgraded to Windows 7 or newer operating systems while the *e-mail server* was upgraded from Microsoft Exchange 2003 to Microsoft Exchange 2013 which enabled improved security and stability along with additional features.

A storage area network server was added to the Datacenter thereby increasing its storage capacity and improving performance while an older storage area network server was placed at the Disaster Recovery site to improve its capacity. Further, a storage area network server and a new host was added to the Research and Development environment to provide increased storage and processing capacity as well as to allow research and development to more closely mimic production. In addition, a Distributed File system was implemented to provide one-way replication of files on the file server at the Datacenter to the file server at the backup site in order to provide a backup of all files in the event of failure of the primary file server.

7.8 INTELLIGENCE AND RISK MANAGEMENT DIVISION

The Intelligence and Risk Management Division is a critical functional area within the Guyana Revenue Authority which is responsible for gathering, processing 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 one thousand, three hundred and fifty-nine (1,359) taxpayers were identified and monitored and the information gathered

forwarded to various Divisions inclusive of the Audit, Debt Management, 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.

The monitoring of eight hundred and forty-seven (847) owners of business establishments in Regional locations resulted in reports on two hundred (200) of them being forwarded to the Tax Audit Division, four hundred and twenty-six (426) to Debt Management, two hundred and sixty-two (262) to Tax Operations and Services Department and twelve (12) to Law Enforcement and Investigation Division.

Information gathered on three hundred and forty-three (343) market stall holders resulted in reports on three hundred and four (304) being forwarded to the Tax Operations and Services Department, fifty-two (52) to Tax Compliance and Enforcement and thirty-nine (39) to Debt Management. Further, information gathered on one hundred and eight (108) taxpayers within the Agriculture and Construction/Large Capital Equipment sectors were forwarded to various Divisions inclusive of Law Enforcement and Investigation, Tax Exemption Processing and Verification, Debt Management and Audit Divisions.

A total of twenty-six (26) individuals within the transportation sector were monitored and reports relating to four (4) of those were forwarded to the Tax Audit Division, nineteen (19) to the Debt Management Division, nineteen (19) to Tax Compliance and Enforcement and eight (8) to the Tax Operations and Services Department for further action to be taken. Eighteen (18) contractors were monitored and information relating to thirteen (13) was forwarded to the Tax Audit Division, eight (8) to Debt Management and five (5) to Tax Operations and Services Department.

In addition, information gathered on five (5) operators within the Commercial Property Rental/Apartments/Hotels sector, eight (8) involved in mining, and two (2) persons within the Legal profession were also forwarded to various Divisions for further action.

7.9 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, staff of the Division conducted investigations into allegations and complaints made against staff of GRA. A total of forty-one (41) such investigations were completed as compared with thirty-seven (37) for the corresponding period in 2014. Several major investigations were among those completed and resulted in appropriate disciplinary actions, inclusive of written

warnings, suspensions without pay and termination of services, taken against Officers who were found to have contravened the GRA's Employee Code of Conduct.

In addition, twenty-five (25), investigations into the lifestyles and rapid and unexplained accumulation of wealth of GRA employees were also completed. In order to complete investigations, staff of the Division conducted a total of two hundred and fifty-five (255) interviews with taxpayers and staff members.

Verification exercises which were carried out on Certificates of Compliance submitted by contractors to the National Procurement and Tender Administration Board and Regional Democratic Councils amounted to seventy-four (74). These were conducted to ensure that contractors submitted genuine Certificates of Compliance.

Staff of the Division also monitored CCTV surveillance cameras located at the Cheddi Jagan International Airport and Transit Sheds to monitor activities of both staff and taxpayers. One thousand, five hundred and ninety-six (1,596) such monitoring activities were conducted while two hundred and fifty-six (256) 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 its related costs were carried out on ninety-nine (99) occasions. Two (2) visits were made to GRA locations in the Regions to monitor the activities of staff and two hundred and fifty-seven (257) special assignments were completed and relevant reports prepared.

7.10 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 processed applications for tax exemptions. As a result, the Division now 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, Excise and Trade Operations and Internal Audit Quality Review which is responsible for conducting reviews of processed applications for tax exemption.

The Division completed four hundred and eighty-four (484) audit examinations inclusive of three hundred and twenty-five (325) special assignments for the year 2015. Fifty-four (54) examinations were completed by the Internal Audit Taxes, three hundred and one (301) engagements by the Internal Audit Customs and one hundred and twenty-nine (129) by the Quality Review Section.

The Internal Audit Taxes Section completed twenty-one (21) audits of Internal Revenue and of this total, twelve (12) were special assignments for which reports were submitted to the Commissioner-General and nine (9) were routine audits. Only one (1) report from the routine audits was finalized and the report was submitted to the Commissioner-General and the Internal Audit Committee. At the end of the year one (1) audit assignment was still in progress. Some of the areas audited included Travel Voucher Tax, Work Permit, Liability and Compliance Certificates issued and Internal Revenue Operations at the Integrated Regional Tax Offices.

Meanwhile, audits completed for Value-Added Taxes amounted to nineteen (19). Fourteen (14) special assignments were completed and reports submitted to the Commissioner-General while five (5) reports on routine audits were finalized and submitted to the Commissioner-General. 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.

Fourteen (14) audits of the Common and Corporate Services Divisions were completed in various areas including the Imprest system and salaries at the Finance Division, utility charges, acquisition of spares and services for vehicles, Procurement, Stores and Contracts. Ten (10) reports on special assignments were submitted to the Commissioner-General while four (4) routine audits were completed of which two (2) were finalized and the reports submitted to the Commissioner-General and the Internal Audit Committee.

Audits completed by the Internal Audit Customs Section totaled three hundred and one (301). These audits comprised twelve (12) routine and two hundred and eighty-nine (289) special assignments. The special assignments also included the review of two hundred and forty-seven (247) instances of the 100% physical examination of commercial imports. Six (6) of the routine audits were finalized and reports submitted to the Commissioner-General and members of the Internal Audit Committee. Areas audited included Customs Operations of the Integrated Regional Tax Offices, Revenue Collection at several Transit Sheds and Wharves, verification and/or disposal of want of entry cargo at various Wharves, the Tax Exemption Processing and Verification Division and the Revenue Protection Division.

One hundred and twenty-nine (129) audit reports were prepared by staff of the Quality Review Section. These reports were prepared on audits which were conducted on all applications for tax exemptions processed by the Tax Exemption Processing and Verification Division and declarations processed by the Customs, Excise and Trade Operations.

During the year under review, the Division experienced several constraints that impacted negatively on its achievements during the year. These included extended delays in receipt of documents and responses to audit reports from Functional Heads, insufficient staff and the non-approval/late approval of budgets for audits to be conducted at the Regional Tax Offices resulting in some Offices not being audited in 2015.

7.11 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 along 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.

For the period under review, enforcement and anti-smuggling exercises which were conducted on land amounted to one thousand, one hundred and thirty-six (1,136), while one hundred and twenty-six (126) such exercises were carried out on various rivers and the coastline. As a result of those exercises, goods were detained and seized and three hundred and sixteen (316) 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 perishable in nature were sold. The sale and other disposal of seized goods occurred on eighty-three (83) occasions during the year.

Two hundred and fifty-nine (259) activities were also conducted to ensure compliance with specific Tax Laws. These activities included pre-approval and post approval verification of individuals and businesses that benefitted from tax exemptions. There were also eight (8) enforcement exercises which were conducted in the Regions to provide guidance and support to the Division's staff located at various Tax Offices.

Further, staff conducted examinations/verification of imported and exported goods at transit sheds on five hundred and forty-one (541) occasions and examination/verification of imported and exported goods at various ports of entry on two thousand and three (2,003) occasions. Revenue collected for the year amounted to two hundred and forty-nine million, nine hundred and ninety-eight thousand, six hundred and fifty-one dollars (\$249,998,651.00). Table XVII overleaf compares revenue collected during 2014 with that collected during 2015.

ACTIVITY	2015	2014	QUANTITY VARIANCE	% VARIANCE
Fines & Compensation	53,750,585	41,801,541	11,949,044	28.5
Additional Taxes	89,470,245	100,390,250	(10,920,005)	(10.8)
Sale of Seizures	62,466,031	36,262,325	26,203,706	72.2
Sale by auction	44,311,790	7,274,760	37,037,030	509.1
Total	249,998,651	185,728,876	64,269,775	34.6

**TABLE XVII
REVENUE COLLECTION
LAW ENFORCEMENT AND INVESTIGATION DIVISION (\$M)**

7.12 LEGAL SERVICES DIVISION

This 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 twenty-four (224) ongoing matters before the Magistrate and High Courts while proceedings were instituted in relation to twenty-three (23) 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 other taxes. During the year, the Courts granted judgement in favour of the Authority in twenty-four (24) 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, Writs, amounting to twenty (20), were also 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 (100) such opinions, letters and responses were prepared.

Revenue recovered by the Guyana Revenue Authority through its Legal Services Division for the period January-December 2015 amounted to twenty-four million, eight hundred and two thousand, six hundred and ninety-seven dollars (\$24,802,697.00).

7.13 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 an executive summary of the Authority's 2015 Annual Work Programme in relation to twenty (20) functional areas. In addition, sixty (60) Monthly and Fortnightly Revenue Collection Statements were prepared and dispatched to the Commissioner-General, while twelve (12) Monthly Revenue Collection Reports were prepared for submission to the Governing Board. Two hundred and eighty-one (281) Management Information System (MIS) and other specialised reports were generated for Senior Management within the Authority, while seventy-two (72) reports were generated for external agencies.

The Division also completed one hundred and three (103) special assignments in relation to Work Programme Commitments and Revenue Collection Projections and analyzed two hundred and forty (240) monthly reports on Work Programme Commitments and Results achieved which were submitted by all functional areas.

Additionally, the Division also provided support and feedback to the Office of the Budget by supplying information relating to revenue achievements, revenue analysis, revenue projections and other pertinent information as and when required.

7.14 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 received a total of two thousand, seven hundred and five (2,705) Customs Declarations for review and completed the review of two thousand, six hundred and thirty-nine (2,639). During the process of carrying out the review of those declarations, five hundred and thirty-seven (537) reports were prepared recommending examinations to verify particulars of vehicles and quantities of goods declared and twenty-two (22) declarations were recommended for post clearance audits.

Upon completion of the reviews, two thousand and eighty-seven (2,087) reports were prepared with recommendations for the payment of additional taxes while five hundred and thirteen (513) reports recommended that the declared particulars be accepted. At the end of the year, research was ongoing into the classification, valuation and CPCs of a further three hundred and eighty

(380) declarations. Declarations reviewed include those which were not completed during the previous year.

The additional taxes identified for collection upon completion of reviews amounted to \$1.007B which was 16% more than the amount identified for collection in 2014.

7.15 TAX AUDIT DIVISION

The role of the Tax Audit Division is primarily to ensure that taxpayers are declaring their true income and paying their fair share of taxes. The Division does this by carrying out high quality audits and being fair and objective in the process.

The Division completed a total of two hundred and ten (210) audits during the year under review which resulted in a total of \$2.309B in revenue being identified for recovery. The staff completed one hundred and eighteen (118) audits of Companies which resulted in \$1.792B in revenue being identified for recovery while audits of self-employed persons and persons paying via the Pay As You Earn (PAYE) System amounted to thirty-nine (39) and resulted in the recovery of \$334M. Audits of Value-Added Tax registrants resulted in nineteen (19) audits being conducted while revenue identified for recovery was \$99M.

A further breakdown of audits by tax type reveals that audits in relation to Income Tax amounted to one hundred and twenty-eight (128) while twenty-six (26) for Corporation Tax and twenty-five (25) for Value-Added Tax were also completed. An examination of revenue recovered by tax type reveals that \$504M in Income Tax, \$1.129B in Corporation Tax and \$106M in Value-Added Tax were recovered.

Further, audits of the PAYE system, Property Tax and Withholding Tax amounted to thirty (30) and resulted in the recovery of \$556M in revenue. Revenue recovered upon completion of thirty-four (34) audits of various categories of taxpayers by staff located at the Integrated Regional Tax Offices netted \$84M in revenue.

7.16 TAX COMPLIANCE AND ENFORCEMENT DIVISION

Preparatory activities to establish this Division commenced during the first quarter of 2015. These activities resulted in the formation of internal procedures outlining the operations of the three (3) Sections of which the Division is comprised; namely the VAT Audit and Enforcement, Examination of Returns and Compliance and Refund Verification and Mortgage Interest Relief Sections. The Division is mandated to focus on areas of revenue leakage and non-compliance by taxpayers and also to process claims for refund of taxes inclusive of Mortgage Interest Relief.

◆ VAT AUDIT AND ENFORCEMENT

This Section comprises three Units namely VAT Registration and Compliance, VAT Verification and VAT Audit.

Staff of VAT Registration and Compliance conducted five hundred and sixty-one (561) visits to identify businesses which are required to register for VAT. These visits resulted in a total of two hundred and fifteen (215) businesses being identified for registration. Eight hundred and seven (807) compliance visits were also conducted to examine the records of VAT registrants to ensure that they were complying with the requirements of the VAT Act. During the compliance visits, two hundred and fifty-five (255) taxpayers were found to be non-compliant while one hundred and ninety-two (192) subsequently complied and measures were instituted to ensure that the others complied. De-registration of VAT registrants for the period under review totaled forty-three (43) while revenue identified for recovery as a result of visits amounted to \$15.6M.

Staff of the VAT Verification Unit conducted six hundred and ninety (690) visits to businesses which made claims for refund of VAT to verify input and output VAT. Verification activities were completed for five hundred and twenty-four (524) claims of which three hundred and sixty-seven (367) resulted in the recovery of \$290.7M in taxes. Twenty-eight (28) cases were referred to the Audit Division for comprehensive audits to be carried out while thirteen (13) were referred to the Debt Management Division to monitor and collect outstanding VAT. Staff of this Unit also monitored live entertainment shows to ensure that artistes and promoters remitted the required taxes. Thirty-eight million, one hundred and ninety thousand dollars (\$38,190,000.00) in VAT was collected as a result of fifty-three (53) shows being monitored while revenue collected from artistes amounted to five million, nine hundred and thirty thousand dollars (\$5,930,000.00).

The VAT Audit Unit received a total of one hundred and eighty-three (183) cases for auditing from the VAT Verification Unit and the Intelligence and Risk Management Division. As part of auditing activities, one hundred and eighty (180) visits were paid to taxpayers to examine accounting systems and the procedures used for charging, billing, recording, reporting and remitting VAT. Further, two hundred and seventy-eight (278) visits were paid to taxpayers' suppliers to validate invoices and to determine whether correct systems and procedures were used for input and output VAT. Total revenue identified for recovery by the VAT Audit Unit was \$71M. At the end of the year, eighty (80) audits were in progress.

◆ EXAMINATION OF RETURNS AND COMPLIANCE

Visits conducted by staff of the Registration and Compliance (Self-Employed) Unit to Self-Employed persons amounted to nine hundred and ninety-five (995). These visits resulted in a total of two hundred and seventy-nine (279) Self-Employed persons being identified for registration while four hundred and sixty-six (466) were found to be non-compliant and were advised of steps to be taken to become compliant with the relevant Laws. Two hundred and

ninety-three (293) of the non-compliant, Self-Employed persons subsequently became compliant which entailed being in possession of a business registration, being registered for Individual Income Tax, being registered for Taxpayer Identification Number (TIN), filing of Tax Returns, and being in possession of the relevant licenses for operation, depending on the nature of the business.

Staff of the Examination and Verification (Self-Employed) Unit conducted reviews of Tax Returns which were submitted by Self-Employed persons to determine whether income was accurately reported and taxes correctly remitted. These Returns, which were referred from several areas of operation including the Objections and Appeals Division, Debt Management Division, Mortgage Interest Relief Unit, Central Data Processing Unit and Audit Division totaled one thousand, five hundred and ninety-eight (1,598). The review of one thousand, one hundred and twenty-two (1,122) Returns were completed resulting in staff making a total of seven hundred and seven (707) additional assessments or re-assessments. The additional assessments/re-assessments resulted in \$20.4M in revenue being identified for recovery.

The PAYE/Miscellaneous Taxes Unit completed the verification and examination of two thousand and thirty (2,030) Annual Employer's Declarations (Form II) which were submitted by employers under the Pay As You Earn (PAYE) system. One thousand, three hundred and eleven (1,311) of the Form IIs were reconciled with information contained in the Monthly Employer's Returns (Form 5). Revenue identified for recovery as a result of such examinations amounted to \$6.1M. One hundred and forty-four (144) schedules relating to Travel Voucher Tax were received and all were examined after the conduct of seventy-two (72) visits to facilitate such examinations. Travel Tax Tickets relating to four thousand, two hundred and forty-eight (4,248) flights were reconciled and seven hundred and fifty-nine (759) reports on those reconciliations were prepared. Further, five hundred and fifteen (515) schedules detailing Withholding Tax which was remitted to the Authority and one hundred and ten (110) reports and related receipts on Premium Tax were also examined. Revenue identified for recovery as a result of the above-mentioned examinations amounted to \$34M.

◆ REFUND VERIFICATION

Staff of the Refund Verification Unit are tasked with the responsibility of processing claims for refund of Internal Revenue related taxes and Mortgage Interest Relief. To this end, staff processed eight thousand and seventy (8,070) claims for refund of various tax types which amounted to \$1.274B.

One hundred and seventy-one (171) claims were related to Companies. Of that amount, one hundred and fifty-eight (158) claims to the value of \$1.077B were related to Corporation Tax while the remaining thirteen (13) claims to the value of \$8.986M were related to Property Tax. Claims from employed persons for the refund of Income Tax totaled seven thousand, four hundred and seventy-one (7,471) and amounted to \$46.882M while three hundred and eighty-

four (384) claims for refund of Income Tax and twenty-eight (28) for refund of Property Tax were processed for Self-Employed persons. These refunds amounted to \$129.1M and \$2.598M respectively. In addition, \$9.172M in Withholding Tax, comprising seventy (72) claims, was also processed. Vouchers were prepared to give effect to these refunds and forwarded to the Revenue Accounting Section to facilitate payment.

◆ MORTGAGE INTEREST RELIEF

The Mortgage Interest Relief Unit received and processed one thousand and three (1,003) applications for Mortgage Interest Relief, inclusive of two hundred and sixty-five (265) which were received from the Integrated Regional Tax Offices. Preliminary reports were prepared for all applications while one thousand, two hundred and forty (1,240) reports were finalized upon completion of investigation and verification activities. Included among the reports finalised were reports for applications received during the previous year. Final letters issued to applicants amounted to one thousand, two hundred and sixty-two (1,262). In addition, claims for reimbursement were also received from financial institutions and these amounted to two hundred and seven (207). Verification activities were completed for one hundred and ninety-two (192) of those.

During the conduct of verification activities, \$1.972M in outstanding taxes were identified and remitted by taxpayers as a pre-requisite to their applications being finalised. Reimbursement claims to the value of \$198.879M were paid.

7.17 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, fifteen thousand, seven hundred and fifty-six (15,756) applications for tax exemption were received, verified and processed. Of the applications received, thirteen thousand, eight hundred and sixty (13,860) were approved while one hundred and eighty-three (183) were denied. At the end of the year, one thousand, seven hundred and thirteen (1,713) applications were still being processed by staff inclusive of those applications which were queried or referred for additional information.

Further, staff also received and reviewed one hundred and sixty-seven (167) Investment Agreements. Of this amount, thirty (30) which originated from the Guyana Geology and Mines Commission (GGMC) and one hundred and ten (110) which originated from Guyana Office for Investment (Go-Invest) were recommended for approval. The number of Investment Agreements which were recommended for approval exhibited a decrease of approximately 15.7% when

compared with the corresponding figure for 2014. Two (2) Investment Agreements from Guyana Geology and Mines Commission (GGMC) were not recommended for approval, while twenty-five (25) were awaiting review at the end of the year.

Applications for use of the 'Prior to Processing' (PTP) facility were also processed. One thousand nine hundred (1,900) such applications were verified and recommended for approval. The use of the PTP facility was mainly for the export of rice, use by businesses with valid Investment Agreements and government agencies.

In addition, there were fifty (50) instances where applications for exemptions were referred to the Intelligence and Risk Management Division for intelligence gathering activities to determine whether applicants should be referred to other Divisions, such as Audit, for further action. Further, two hundred and ten (210) applications were referred to the Law Enforcement and Investigation Division for further investigation and verification activities to be conducted. Those applications were related to the registration of minibuses in the 'G' series, registration of entities for manufacturing status, importation of capital equipment, verification of NGO/charitable organisations, verification of companies/businesses seeking renewal/supplementary Investment Agreements and applicants who were required to pay pro-rated taxes.



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AG: 10/2022

10 February 2022

**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 2015**

I have audited the accompanying financial statements of the Guyana Revenue Authority, which comprise the statement of financial position as at 31 December 2015, 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 misstatement, 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 procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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.

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

Payment vouchers and other supporting documents to validate Refunds of Revenue totalling \$634.568M, were not submitted for audit examination. As a result, the accuracy and validity of the \$699.984M reflected as Refunds of Revenue could not be substantiated.

The sum of \$311.603M was refunded to taxpayers in 2015. However, this sum was not reflected on the financial statements for the year 2015. As a result, the \$699.984M reflected as Refunds of Revenue was understated by \$311.603M.

The Authority did not present any document to prove that it owned the seven buildings, which had a total reported cost of \$178.144M. As a result, the accuracy of the amount of \$828.921M reflected as Land and Buildings could not be substantiated.

There was difference of \$16.027M between the sum of \$45.957M reported as Inventories on the financial statements and the sum of \$61.984M reflected on the inventory valuation report, as at 31 December 2015. As a result, the accuracy of the \$45.957M reported as Inventories could not be determined.

Qualified Opinion

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements give a true and fair view, in all material respects, of the financial position of the Guyana Revenue Authority as at 31 December 2015, and of its financial performance and its cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles.



AUDIT OFFICE
63 HIGH STREET
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GUYANA REVENUE AUTHORITY
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	2015 \$	2014 \$
<u>INCOME</u>			
Subsidy	20	4,536,284,249	4,274,210,351
TOTAL INCOME		<u>4,536,284,249</u>	<u>4,274,210,351</u>
 <u>EXPENDITURE</u>			
<i>Wages and Salaries</i>			
Wages and Salaries	8	1,803,137,011	1,628,447,523
Revision of Wages & Salaries		69,472,736	88,546,699
Overhead Expenditure	9a & b	722,816,149	706,082,782
Total Wages and Salaries		<u>2,595,425,896</u>	<u>2,423,077,004</u>
 <i>Other Charges</i>			
Material Equipment & Supplies	10	223,828,393	183,305,937
Fuel and Lubricants		40,352,013	49,707,007
Rental and Maintenance of Buildings	11	145,500,017	157,103,581
Transport Travel and Postage	12	113,325,518	109,800,124
Utility Charges	13	203,947,288	205,909,173
Other Goods and Services	14	402,180,659	326,411,420
Other Operating Expenses	15	87,669,255	90,950,377
Education Subventions and Training	16	4,841,904	4,995,995
Rates and taxes & Subvention to Local Authorities	17	-	-
Subsidies and Contribution to Local and Intl Org	17	9,563,474	15,507,496
Refunds of Revenue		699,984,293	699,999,998
Total Other Charges		<u>1,931,192,814</u>	<u>1,843,691,108</u>
 TOTAL EXPENDITURE		 <u>4,526,618,710</u>	 <u>4,266,768,112</u>
 SURPLUS		 <u>9,665,539</u>	 <u>7,442,239</u>
 Excess of Grant Over Expenditure			 -
Excess of Releases Over Expenditure		 9,665,539	 7,442,239
		<u>9,665,539</u>	<u>7,442,239</u>

**GUYANA REVENUE AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2015**

		2015	2014
		\$	\$
<u>Cash Flows from operating activities</u>			
Cash Releases from Government of Guyana	20	4,536,284,249	4,274,210,351
Cash paid to suppliers, employees and taxpayers		<u>(4,526,618,710)</u>	<u>(4,266,768,112)</u>
Net Cash flow from operating activities		9,665,539	7,442,239
<u>Cash Flows from investing activities</u>			
Cash Releases from Government of Guyana	18	329,985,430	375,000,000
Purchase of property, plant and equipment		(325,860,108)	(335,693,273)
Capital Work in Progress		-	-
Net Cash flow from investing activities		4,125,322	39,306,727
Total Net Cash flow		13,790,861	46,748,966
Cash at beginning of period		61,444,809	14,690,098
Cash in Imprest Accounts/ increase or decrease in imprest		-	-
Cash in Foreign Currency floats/ increase or decrease in currency floats		(23,367)	5,745
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 for accounting periods prior to the immediate preceeding year		(13,790,861)	-
Cash repaid for previous accounting period		(59,149,703)	-
Unreconciled Difference		-	-
Cash at end of period*		<u>2,271,739</u>	<u>61,444,809</u>
Due to Consolidated Fund :			
		<u>13,807,198</u>	<u>46,748,966</u>
Current		9,665,539	7,442,239
ODS		16,337	16,337
FFMP		-	-
Capital		4,125,322	39,306,727
Overpayment to the Consolidated Fund		-	-
Refund of consolidated account for previous years		-	-
Refund of consolidated account for current year		-	-
Liability		-	-
Grants		12,384,400	12,384,400
Cash in imprest, floats and POS/ Change in Cash in imprest, floats and POS		2,270,678	2,294,045
Unreconciled Balance		<u>1,061</u>	<u>1,061</u>
		<u>28,463,337</u>	<u>61,444,809</u>

NOTES ON FINANCIAL STATEMENTS

NOTE 1 (a): BACKGROUND

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

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

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

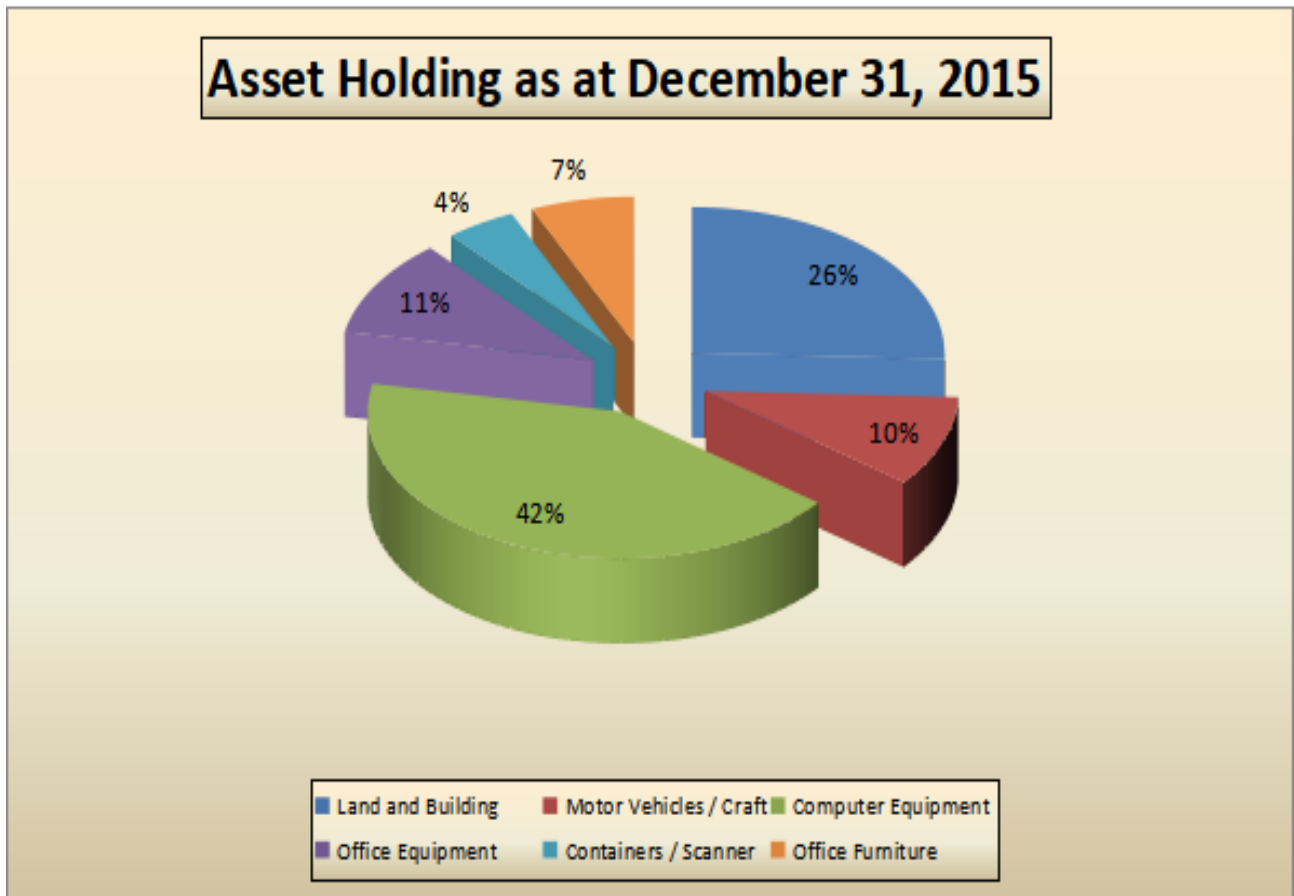
NOTE 1 (b): SIGNIFICANT ACCOUNTING POLICIES

- 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 paid into 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 Revenue Authority as at December 31, 2015 is displayed in the Chart below:



Land and Building	\$	828,920,557.00
Motor Vehicles / Craft	\$	323,331,901.00
Computer Equipment	\$	1,367,209,101.00
Office Equipment	\$	349,573,905.00
Containers / Scanner	\$	145,877,946.00
Office Furniture	\$	213,669,389.00

NOTE 2: FIXED ASSETS (Continued)

The following table sets out GRA's Fixed Asset position as at December 31, 2015:

	Land and Buildings (\$)	Motor Vehicles and Boats (\$)	Computer Equipment and Software (\$)	Office Equipment (\$)	Office Furniture (\$)	Containers/Scanners (\$)	WIP (\$)	Total (\$)
Cost/Valuation as at Dec 31, 2014	823,406,908	314,245,846	1,113,063,365	315,615,831	126,870,407	212,134,217	-	2,905,336,574
Additions:								
GRA	11,713,587	5,500,000	254,145,736	33,958,074	19,007,539	1,535,172		325,860,108
FFMP	-	-	-	-	-	-		-
MCA	-	-	-	-	-	-		-
Min. of Tourism	-	-	-	-	-	-		-
Printer written off via Loss Report	-	-	-	-	-	-		-
Disposal/Transfer	-	-	-	-	-	-		-
Total	835,120,495	319,745,846	1,367,209,101	349,573,905	145,877,946	213,669,389	-	3,231,196,682
Adjustments	(6,199,938)	3,586,055	-	-	-	-		(2,613,883)
Cost/Valuation as at Dec 31, 2015	828,920,557	323,331,901	1,367,209,101	349,573,905	145,877,946	213,669,389	-	3,228,582,799

NOTE 3: INVENTORIES

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

Stock Item	2015 (\$)	2014 (\$)
Office Materials & Supplies	11,265,716	11,360,204
Janitorial Supplies	878,950	409,162
Preprinted Forms	32,987,042	31,019,858
Total	45,957,376	42,789,224

NOTE 4: CASH IN HAND

This represents 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 overleaf:

Description	2015 (\$)	2014 (\$)
Imprest Accounts		
Customs & Trade Administration	-	-
Internal Revenue	-	-
GRA Imprest	2,000,000	2,000,000
Foreign Currency Float	257,478	280,845
Total	2,257,478	2,280,845

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	2015 (\$)	2014 (\$)
Bank of Guyana - Main A/c #01620004470	13,922,514	59,150,770
Republic Bank POS Accounts		
Customs & Trade Administration	6,600.00	6,600
Internal Revenue	6,600.00	6,600
Total	13,935,714	59,163,970

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 below sets out the movement in the Fund for the year ended 31st December 2014.

Accumulated Fund	Fixed Assets	Net Current Assets	Total 2015 (\$)	Total 2014 (\$)
As at Jan 1, 2015	2,905,336,574	104,234,039	3,009,570,613	2,601,104,990
Movement during the year (Note 6a)	323,246,225	(42,083,471)	281,162,754	408,465,263
As at Dec 31, 2015	3,228,582,799	62,150,568	3,290,733,367	3,009,570,253

NOTE 6(a) - Analysis of movement during the year

Purchases of Fixed Assets- GRA	325,860,108	
Acquisition of Fixed Assets (want of entry)	-	
Purchases of Fixed Assets- MCA	-	
FFMP Asset Acquired	-	
Ministry of Tourism	-	
Disposals of Fixed Assets	-	325,860,108
Inventories	3,168,152	
Foreign Currency & POS Floats	(23,367)	
Cash at Bank	(45,228,256)	(42,083,471)
		<u>283,776,637</u>

	2015 (\$)	2014 (\$)
Accumulated Fund as at 31st December, 2015	3,290,733,367	3,009,570,613
<i>Less -</i>		
MCA Counterpart Contribution - 2009	(405,000,000)	(405,000,000)
MCA Counterpart Contribution - 2008	(114,578,794)	(114,578,794)
FFMP Asset Assistance	(117,449,130)	(117,449,130)
FFMP Asset Assistance	(123,979,082)	(123,979,082)
Public Service Technical Assistance Credit	(14,742,523)	(14,742,523)
Grants	(12,400,737)	(12,400,737)
Balance due to consolidated fund	(13,807,198)	(46,748,966)
GOG Contribution As at 31st December, 2014	2,488,775,903	2,174,671,381

NOTE 7: GRANTS**CDB**

During 2005, the Authority received a \$15M grant from the Caribbean Development Bank for capacity building. The sum of \$2.6M has been expended in 2005. There has been no other expenditure to date. The balance on this grant as at 31st December 2015 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, 2015 is \$16,337.

Balance on Grants as at 31st December,2015

Grant Type	2015 (\$)	2014 (\$)
Training Grant - ODS	16,337.00	16,337
Caribbean Development Bank	12,384,400.00	12,384,400
Total	12,400,737.00	12,400,737

NOTE 8: Wages and Salaries

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6111	Administrative	496,557,177	392,712,413
6112	Senior Technical	385,436,205	373,934,076
6113	Other Technical & craft skills	396,201,267	369,446,222
6114	Clerical & Office Support	403,120,027	374,609,370
6115	Semi-Skilled and Unskilled operatives	103,222,180	96,711,350
6116	Contract Employees	13,770,511	13,118,049
6117	Temporary Employees	4,829,644	7,916,043
TOTAL		1,803,137,011	1,628,447,523

NOTE 9(a): Overhead Expenditure

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6131	Other Direct Labour Costs (see Note 9b)	206,045,557	223,069,931
6133	Benefits & Allowances	290,274,457	284,232,156
6134	National Insurance	130,736,859	124,077,579
6135	Pensions	95,759,276	74,703,116
TOTAL		722,816,149	706,082,782

NOTE 9(b): Member's 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	2015 (\$)	2014 (\$)
Lennox Benjamin	144,000	144,000
Clyde Roopchand	90,000	180,000
Sonia Roopnauth	144,000	144,000
Jawahar Persaud	72,000	144,000
Lawrence Williams	48,000	48,000
Gobin Ganga	144,000	-
Jermaine Grant	84,000	-
Rawle Lucas	105,000	-
Total	831,000	660,000

NOTE 10: Materials, Equipment and Supplies

Expenditure under this head comprised the following sub-heads:

Code	Description	2015	2014
6221	Drugs & Medical Supplies	683,782.00	699,976
6222	Field Materials & Supplies	-	-
6223	Office Materials & Supplies	52,967,396.00	52,999,993
6224	Print & Non Print Materials	170,177,215.00	129,605,968
TOTAL		223,828,393.00	183,305,937

NOTE 11: Rental and Maintenance of Building

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6241	Rental of Buildings	100,569,488	95,527,688
6242	Maintenance of Buildings	31,067,286	50,309,034
6243	Janitorial & Cleaning Supplies	13,863,243	11,266,859
TOTAL		145,500,017	157,103,581

NOTE 12: Transport, Travel and Postage

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6261	Local Travel & Subsistence	41,538,651	39,637,339
6262	Overseas Conference & Official Visits	-	1,426,670
6263	Postage, Telex and Cablegram	46,302,148	38,620,324
6264	Vehicle Spares & Services	25,484,719	30,115,791
6265	Other Transport Travel & Postage	-	-
TOTAL		113,325,518	109,800,124

NOTE 13: Utility Charges

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6271	Telephone Charges	22,036,814	23,672,735
6272	Electricity Charges	125,709,424	129,075,067
6273	Water Charges	703,779	1,958,267
6274	Wireless Charges	55,497,271	51,203,104
6275	Internet Charges	-	-
TOTAL		203,947,288	205,909,173

NOTE 14: Other Goods and Services Purchased

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6281	Security Services	198,155,880	190,144,654
6282	Equipment Maintenance	103,894,762	48,420,601
6283	Cleaning & Extermination Services	10,740,643	11,963,168
6284	Others	89,389,374	75,882,997
TOTAL		402,180,659	326,411,420

NOTE 15: Other Operating Expenses

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6291	National & Other Events	7,330,120	7,941,452
6293	Refreshments & Meals	4,067,449	6,007,298
6294	Others	76,271,686	77,001,627
TOTAL		87,669,255	90,950,377

NOTE 16: Education, Subvention and Training

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6301	Education Subvention	-	-
6302	Training	4,841,904.00	4,995,995
TOTAL		4,841,904.00	4,995,995

NOTE 17: Subsidies & Contributions to Local and International Organisations

Expenditure under this head comprised the following sub-heads:

Code	Description	2015 (\$)	2014 (\$)
6321	Local Organisation	-	358,000
6322	International Organisation	9,563,474.00	15,149,496
TOTAL		9,563,474.00	15,507,496

NOTE 18: Capital Appropriation

The total appropriation for capital for the year 2015 was \$390M. Total released to the Revenue Authority was \$329.99M. Of this amount, the sum of \$325.86M was expended. This resulted in a liability of \$4.13M as at 31st December, 2015 to be remitted to the Consolidated Fund. Please see table below.

Balance on Capital Appropriation

	2015 (\$)	2014 (\$)
MCA - GOG Counterpart Contribution		-
GRA/ GOG	4,125,322	39,306,727
	4,125,322	39,306,727

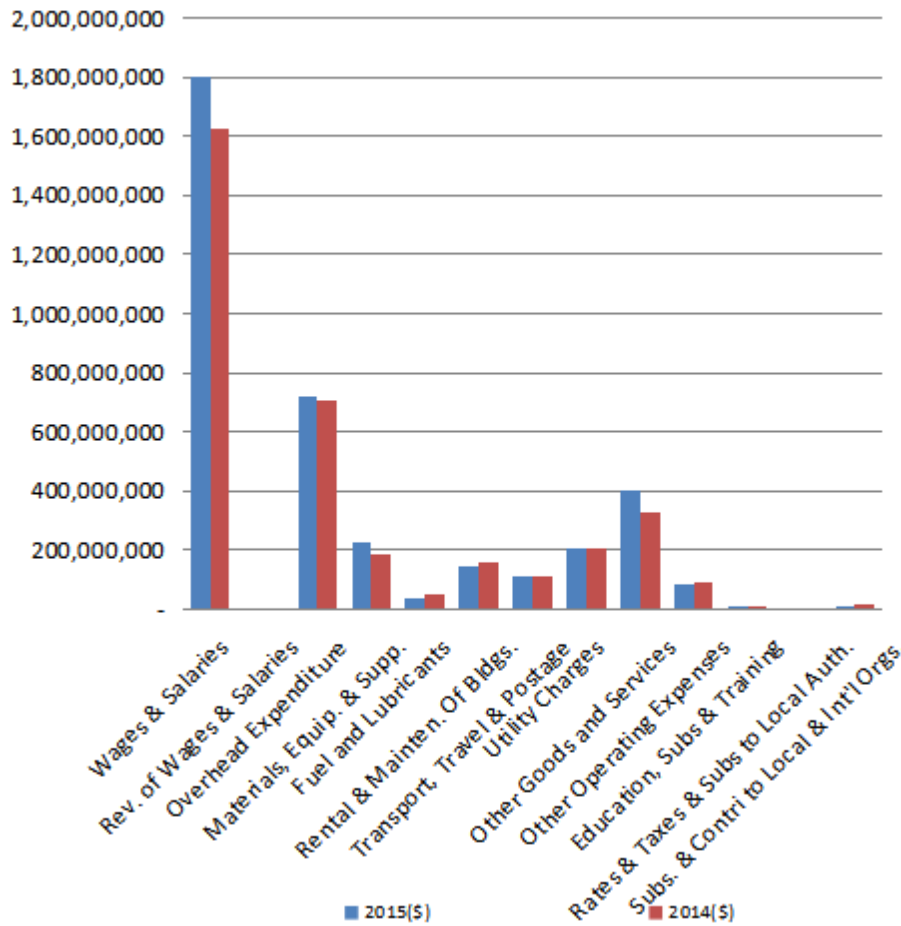
NOTE 19: Project Financing

	2015 (\$)	2014 (\$)	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
	-	-	-	-	-	-	405,000,000	370,749,529

NOTE 20: Subsidy

Releases under current expenditure amounted to \$4,536.28 Billion. Total current expenditure amounted to \$4,526.62 Billion. This resulted in a liability of \$9.67M.

Analysis of Expenditure - Figures in Millions



HIGHLIGHTS



Mr. Khurshid Sattaur, Commissioner-General and Ms. Ingrid Griffith, Head - Operational Support Services, presenting fifty-nine (59) television sets to officials of the Ministry of Education.



Tax Workshop being conducted by staff of the Tax Advisory Services Section for Self-Employed persons.



Students interacting with staff at GRA's booth during a Career Fair hosted by the Lions Club.



The Honourable Minister of Finance, Mr. Winston Jordan meeting members of staff during his visit to GRA.



Internal Auditors undergoing training facilitated by a Consultant from Institute of Internal Auditors, Guyana Chapter.



Staff members being put through their paces during GRA's exercise programme, which commenced during the year 2015.

APPENDICES

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
------------------	------------------------------

Years of Assessment 1998 to 2003

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

Years of Assessment 2004 - 2006

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

Years of Assessment 2007 - 2013

33 1/3% of the amount of Chargeable Income

Year of Assessment 2014 - 2016

30% of the amount of Chargeable Income

SELF-EMPLOYED INDIVIUALS

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 - 2016

On the first \$10,000,000 of Net Property	Nil
For every dollar of the next \$15,000,000 of Net Property	1/2%

APPENDIX 2
COMPANY TAX RATES

1	Minimum Tax on Turnover	Commercial Companies Non-Commercial Companies	Effective for YA 95-96	2%
		Commercial Companies	From YA 97 applied to Commercial Companies only	2%
2	Corporation Tax on Chargeable Income	Commercial Companies	Years of Assessment 1995 - 2011	45%
		Non-Commercial Companies		35%
		Telephone Companies	Year of Assessment 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 - 2016	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
2015	\$600,000 + 5.6% (Gross less than \$200,000)
2016	\$600,000 + 5.6% (Gross less than \$200,000)

