



"Your Partner in Development"

# GUYANA REVENUE AUTHORITY

# 2016 ANNUAL REPORT

AND STATEMENT OF ACCOUNTS  
FOR YEAR ENDING  
31<sup>st</sup> DECEMBER, 2016



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**BUSINESS ADDRESS**

**GUYANA REVENUE AUTHORITY  
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Tel. No. (592) 227-8222, (592) 227-6060**

**Commissioner-General  
Tel. No. (592) 227-8381 Fax: (592) 227-8347**

**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**

**Tel. No. (592) 227-6738**

**Anna Regina**

Takuba Lodge,  
Anna Regina  
Essequibo Coast,  
Guyana, South America  
**Tel. No. (592) 771-5265/6/7**

**Bartica**

15 Fifth Avenue and Second Street,  
Bartica, Guyana, South America  
**Tel. No. (592) 455-3205/6**

**Corriverton**

80 Calcairn, Skeldon,  
Corriverton, Berbice,  
Guyana, South America.  
**Tel. No. (592) 339-2819, 2619/2324**

**Diamond Tax Centre**

G3 Building Plantation  
Diamond  
Guyana, South America  
**Tel. No. (592) 216-4165/6**

**Lethem**

Lot Commercial Block 9  
Lethem, Rupununi,  
Region 9.  
Guyana, South America  
**Tel. No. (592) 772-2257**

**Linden**

Casuarina Drive,  
Watooka, Linden,  
Guyana, South America  
**Tel. No. (592) 444-2918/2916/6341**

**New Amsterdam**

5 Strand,  
New Amsterdam,  
Berbice, Guyana.  
South America.  
**Tel. No. (592) 333-2513, 4899/3524**

**Parika**

Lots 164 & 166 Parika,  
East Bank Essequibo  
Guyana, South America.  
**Tel. No. (592) 260-4046/4044**

**SERVICE DIVISION**

**Communication & Tax Advisory Services**

Telephone # (592) 227-8222 Ext. 4200

**Container Scanner & Goods Examination**

Telephone # (592) 231-8001

**Debt Management**

Telephone # (592) 225-5600

**Facilities Management**

Telephone # (592) 227-8222 Ext. 1300

**Finance**

Telephone # (592) 227-8222 Ext. 4500

**Human Resource Management**

Telephone # (592) 227-0471

**Information Technology**

Telephone # (592) 227-3516

**Intelligence & Risk Management**

Telephone # 227-8782 Ext. 3400

**Internal Affairs**

Telephone # (592) 227-8222 Ext. 3100

**Internal Audit**

Telephone # (592) 227-8222 Ext. 4300

**Law Enforcement & Investigation**

Telephone # (592) 227-8222 Ext. 3200

**Legal Services**

Telephone # (592) 226-1256

**Operational Support Services**

Telephone # (592) 227-3885

**Planning & Analysis**

Telephone # (592) 227-8222 Ext. 2500

**Revenue Protection**

Telephone # (592) 227-8222 Ext. 3300

**Tax Audit**

Telephone # (592) 226-8820

**Tax Exemption Processing and Verification**

Telephone # (592) 227-8222 Ext. 3304

**Tax Compliance and Enforcement**

Telephone # (592) 227-8222

**MEMBERS OF THE GOVERNING BOARD**

<b>Mr. Rawle Lucas</b>	<b>Chairman</b>
<b>Mr. Khurshid Sattaur (up to 18<sup>th</sup> December, 2015)</b>	<b>Member</b>
<b>Ms. Ingrid Griffith (w.e.f. 19<sup>th</sup> December, 2015 to 22<sup>nd</sup> July, 2016)</b>	<b>Member</b>
<b>Mr. Godfrey Statia (w.e.f. 25<sup>th</sup> July, 2016)</b>	<b>Member</b>
<b>Dr. Gobind Ganga</b>	<b>Member</b>
<b>Ms. Sonya Roopnauth</b>	<b>Member</b>
<b>Mr. Lennox Benjamin</b>	<b>Member</b>
<b>Mr. Jermaine Grant</b>	<b>Member</b>

**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, Chapter 79:04 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 31<sup>st</sup> December, 2016, together with the audited Balance Sheet and Income and Expenditure Account.**

**Yours Sincerely,**



**Godfrey Statia  
Commissioner-General**

## OUR MISSION

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

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## CORE VALUES

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The Core Values of the Guyana Revenue Authority are:

- ❖ **Integrity**
- ❖ **Professionalism**
- ❖ **Respect**
- ❖ **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.

## **OUR VISION**

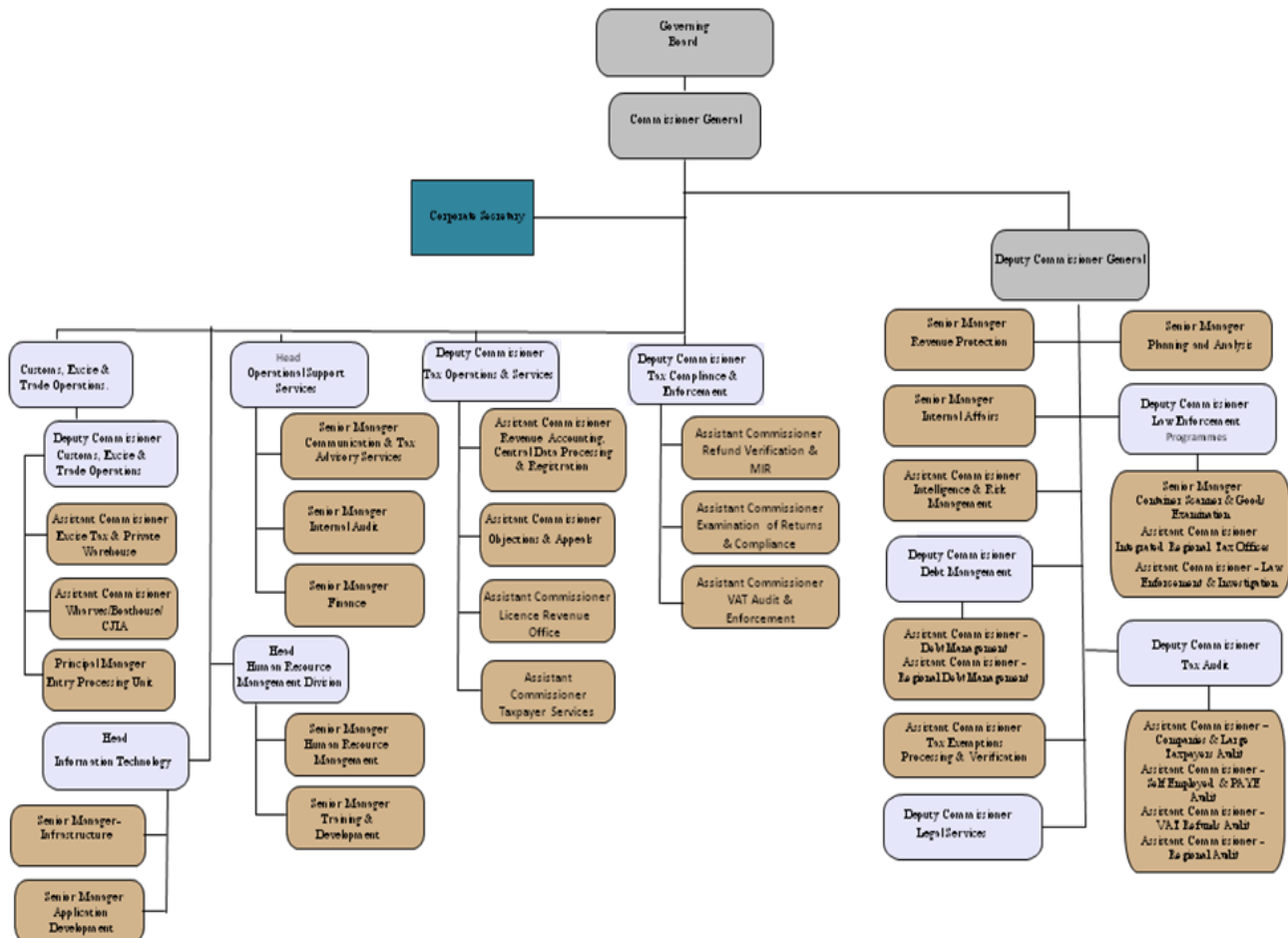
The Revenue Authority looks forward to being recognised and respected by clients and stakeholders for its integrity and fairness in administering high quality yet affordable programmes.

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

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

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

**ORGANISATIONAL STRUCTURE**



## **REPORT OF THE GOVERNING BOARD**

### **REVENUE COLLECTION**

Revenue collection by the Authority during the year 2016 totaled \$151.7B. This amount was above the approved budget of \$150.4B by \$1.3B or approximately 0.8%. When compared with collection in 2015, which amounted to \$142.8B, collection in 2016 increased by \$8.8B or approximately 6.1%. A summary of revenue collection is shown in the table below.

	2015	2016		Variance	
	Actual	Budget	Actual	Over 2015	Over Budget
<b>Internal Revenue</b>	60.93	64.41	67.85	6.92	3.44
<b>Value-Added Tax</b>	35.47	38.98	36.42	0.95	(2.56)
<b>Customs Excise &amp; Trade Operations</b>	46.48	47.01	47.46	0.98	0.45
<b>Total</b>	<b>142.88</b>	<b>150.40</b>	<b>151.73</b>	<b>8.85</b>	<b>1.33</b>

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

### **Internal Revenue**

The approved budget for Internal Revenue taxes for the year 2016 was **\$64.41B**. Collections amounted to **\$67.85B** which represented an increase of **\$3.44B** or 5.3% over the approved budget for the year and **\$6.92B** or 11.3% over the total collected for the year 2015.

### **Value-Added Tax (VAT)**

The approved budget for VAT (on both imports and domestic supply) for the year 2016 was **\$38.98B**. Collection amounted to approximately **\$36.42B** which represents a decrease of **\$2.56B** or approximately 6.5% when compared with the approved budget and an increase of **\$0.95B** or 2.6% when compared with revenue collected for the year 2015.

### **Customs, Excise and Trade Operations**

The approved budget for the Customs, Excise and Trade Operations (inclusive of excise tax on imports and domestic supply) for the year was **\$47.01B** while revenue collected amounted to **\$47.46B**. The amount collected represents an increase of **\$0.45B** or approximately 0.9% over the approved budget and an increase of **\$0.98B** or approximately 2.1% above the total collected for the year 2015.

## **HIGHLIGHTS FOR THE YEAR 2016**

### **Appointment of Commissioner-General and Deputy Commissioner-General**

Following the separation of the previous Commissioner-General Mr. Khurshid Sattaur, Ms. Ingrid Griffith was appointed to act in the of the capacity Commissioner-General of the Guyana Revenue Authority. Thereafter, the Governing Board appointed Mr. Godfrey Statia, Certified Public Accountant, Attorney-at-Law and former Senior Deputy Commissioner of the then Inland Revenue Department, as Commissioner-General of the Authority. Mr. Statia, who officially commenced duties on July 25, 2016, paid visits to the ports of entry and the Authority's offices in the regions to meet staff and familiarize himself with their operations. The Commissioner-General was accompanied on his visits by Ms. Hema Khan, who was appointed Deputy Commissioner-General on June 28, 2016. Ms. Khan previously held several positions within the Revenue Authority with the more recent positions being Deputy Commissioner, Tax Operations and Services and Head, Tax Audit Division.

### **New Legislation**

Several pieces of legislation which impacted on the operations of the Authority were enacted and became effective during the year. These pieces of legislation amended the Income Tax, Value-Added Tax, Excise Tax and Customs Acts as outlined below. The fees for various trade and miscellaneous licences were also increased.

### **Income Tax**

The Income Tax (Amendment) Act 2016 reflected changes to the Income Tax threshold. The threshold was increased from six hundred thousand dollars (\$600,000) to six hundred and sixty thousand dollars (\$660,000) and made provision for the exemption of tax on income earned by artistes during festivities certified by the Ministry of Tourism and approved by the Commissioner-General.

In addition, the amendment provides for the Commissioner-General to apply refund of tax to which a taxpayer may be entitled to the reduction of any unpaid tax, levy, interest or penalty payable by that taxpayer.

### **Customs**

The Customs (Amendment) Act 2016 extended the exemption of import duty on motor vehicles to include settlers and also stipulated conditions under which the exemption is available and those which must be satisfied with respect to residency in Guyana.

Further, the Customs (Amendment of Schedules) Order 2016 amended the First Schedule to the Customs Act by the inclusion of additional items which are subject to full exemption of customs duty.

## **ANNUAL REPORT AND STATEMENT OF ACCOUNTS**

The Second Schedule, which lists prohibited and restricted items, was amended by the inclusion of a restriction on the importation of motor vehicles which are eight years old and over from the date of manufacture to the date of importation, and polystyrene products used in packaging beverage, food and food products. The Order also specifies that exemptions shall not be granted to an applicant unless all outstanding Income Tax returns are filed and all taxes due and payable are paid or arrangements to the satisfaction of the Commissioner-General for the payment of all such taxes have been made.

### **Value-Added Tax**

The Value-Added Tax (Amendment of Schedule I) Order 2016 amended Schedule I of the Act by including additional items which are specified as zero-rated supplies.

### **Excise Tax**

The Excise Tax (Amendment) Regulations 2016 enacted a new schedule in relation to excise tax on alcoholic beverages. It also instituted a reduced rate of excise tax on specific categories of motor vehicles.

### **Promotion of Voluntary Compliance through Education**

During the year the Guyana Revenue Authority intensified its public sensitisation efforts with expansive campaigns in Essequibo, Demerara and Berbice which were aimed at promoting compliance through education. The campaigns were also prompted by the enactment of key legislative changes that were unveiled, resulting in the need to filter correct information to taxpayers ahead of the April 30 deadline for filing of tax returns.

The public sensitization campaign took the form of in-house meetings, workshops, seminars and house-to-house visits where necessary. Taxpayers, stakeholders and members of the public were educated about their tax obligations and were able to provide the necessary feedback. Booklets, leaflets and other prepared materials were distributed to supplement the efforts. Newspaper advertisements and live appearances by the GRA team on television and radio stations in the various regions, aided in heightening awareness of the campaigns.

### **US Embassy donates equipment to GRA's Enforcement Division**

During the first quarter of 2016, the Guyana Revenue Authority (GRA) received a quantity of equipment from the Department of State's Bureau for International Narcotics and Law Enforcement Affairs, through the Embassy of the United States of America, to aid the work of the Authority's Law Enforcement and Investigation Division (LEID). The equipment included helmets, handcuffs and gloves and are intended to support LEID as it engages in its anti-smuggling exercises on land and water among other duties. During a simple ceremony at the Authority's Headquarters, Minister of Finance Hon. Winston Jordan received the donation from the United States Ambassador to Guyana, Perry Holloway.

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	VARIANCE	
	2015	2016	2016	Over 2015	Over Budget
INCOME TAX - SELF EMPLOYED	3,406,614	4,793,487	4,045,26	638,672	(747,718)
INCOME TAX - OTHERS (Net of MIR)	19,893,727	20,125,034	22,727,321	2,833,594	2,602,287
<b>CORPORATION TAX:</b>	<b>26,890,078</b>	<b>27,840,293</b>	<b>28,365,564</b>	<b>1,475,486</b>	<b>525,271</b>
- Private Sector	25,668,457	25,306,364	26,722,145	1,053,688	1,415,781
- Public Sector	1,221,621	2,533,929	1,643,419	421,798	(890,510)
WITHHOLDING TAX	4,287,834	4,665,221	5,486,076	1,198,242	820,855
NET PROPERTY TAX	3,200,874	3,006,462	3,172,376	(28,498)	165,914
PROCESS FEE	36,517	41,976	36,533	16	(5,443)
TRAVEL TAX	663,838	680,069	729,555	65,717	49,486
CAPITAL GAINS TAX	286,120	292,417	285,003	(1,117)	(7,414)
PREMIUM TAX	224,383	221,768	217,482	(6,901)	(4,286)
PROFESSIONAL FEES	5,795	5,829	5,896	101	67
TRAVEL VOUCHER TAX	1,016,007	1,031,760	1,318,396	302,389	286,636
LICENCE - MOTOR VEHICLES	653,229	978,888	867,002	213,773	(111,886)
LICENCE - OTHER VEHICLES	144	173	520	376	347
LICENCE – TRADING	12,836	22,447	32,295	19,459	9,848
LICENCE -MISCELLANEOUS	20,161	86,079	24,646	4,485	(61,433)
M/ VEHICLES & RD TRAF ACT	335,028	622,788	542,626	207,598	(80,162)
<b>TOTAL</b>	<b>60,933,186</b>	<b>64,414,691</b>	<b>67,856,577</b>	<b>6,923,391</b>	<b>3,441,886</b>
<b>MIR REFUNDS</b>	<b>198,879</b>		<b>57,854</b>		

**TABLE II**  
**INTERNAL REVENUE TAXES**  
**REVENUE COLLECTION FOR THE YEAR 2016 (\$ 000)**

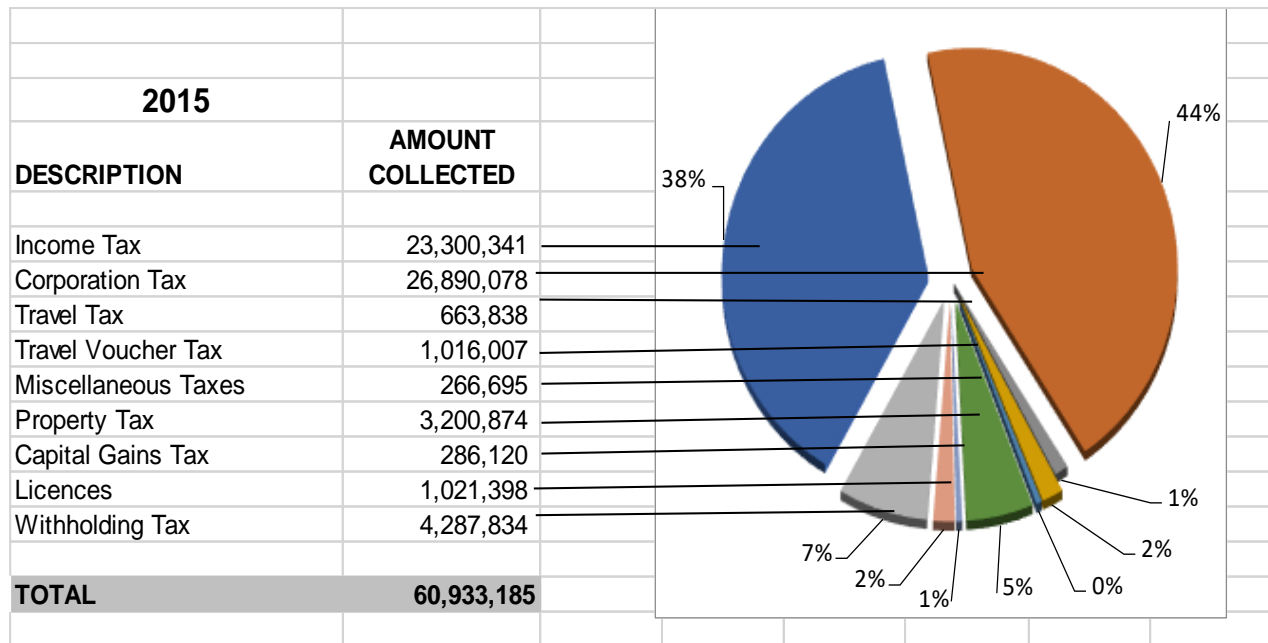
## **Internal Revenue Collections**

During the year 2016, the actual revenue collection amounted to \$67.85B, while the budgeted figure which was approved in the National Assembly was approximately \$64.41B. Actual collections surpassed the budgeted amount by \$3.44B or 5.3%. Total revenue for 2016 by tax type is detailed in the Table II.

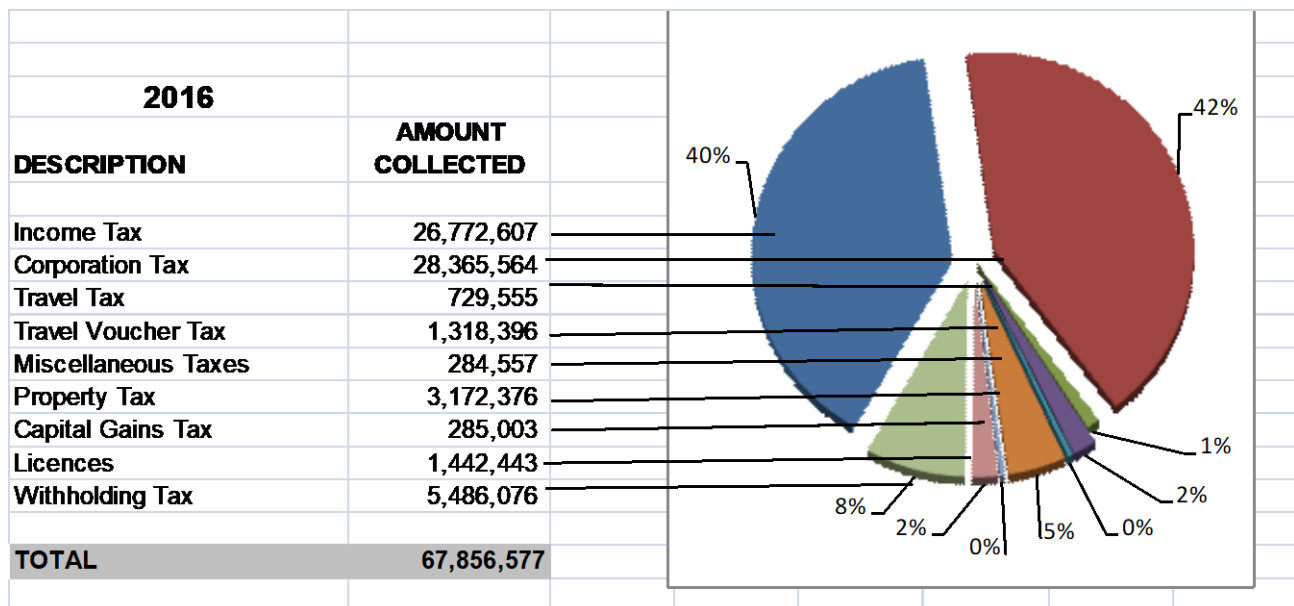
Revenue collection under various heads exceeded the estimates by \$4.46B, while collection under other heads was under the estimates by \$1.02B. During the year, refunds amounting to \$57M were paid under the provisions for Mortgage Interest Relief. Revenue amounting to \$67.85B was deposited in the Consolidated Fund.

In addition, revenue collected during 2016 was greater than the preceding year. The actual collection for the year 2015 was \$60.93B resulting in an increase of \$6.92B or approximately 11% in 2016. Income Tax and Corporation Tax continued to be the two major heads of revenue contributing approximately \$26.7B and \$28.3B respectively to total revenue. The charts overleaf show revenue collection in 2016 along with that of 2015.

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS



**CHART I  
ANALYSIS OF COLLECTION  
INTERNAL REVENUE**



**CHART II  
ANALYSIS OF COLLECTION  
INTERNAL REVENUE**

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	VARIANCE	
	2015	2016	2016	Over 2015	Over Budget
<b>Imports:</b>	19,365,909	21,026,585	<b>18,477,456</b>	(888,453)	(2,549,129)
-Goods (net of refunds)	19,261,090	20,917,654	<b>18,347,814</b>	(913,276)	(2,569,840)
-Services	104,819	108,931	<b>129,642</b>	24,823	20,711
<b>Domestic Supply:</b>	16,007,771	17,842,372	<b>17,791,016</b>	1,783,245	(51,356)
-Goods	16,007,771	17,842,372	<b>17,791,016</b>	1,783,245	(51,356)
-Services	-	-	-	-	-
<b>Miscellaneous VAT:</b>	102,709	112,918	<b>155,508</b>	52,799	42,590
-Interest	73,300	84,660	<b>112,769</b>	39,469	28,109
-Penalties	29,408	28,258	<b>42,739</b>	13,331	14,481
<b>TOTAL</b>	35,475,388	38,981,875	<b>36,423,980</b>	947,591	(2,557,895)
<b>VAT Refunds Paid</b>	<b>2,644,172</b>	-	<b>4,111,723</b>		

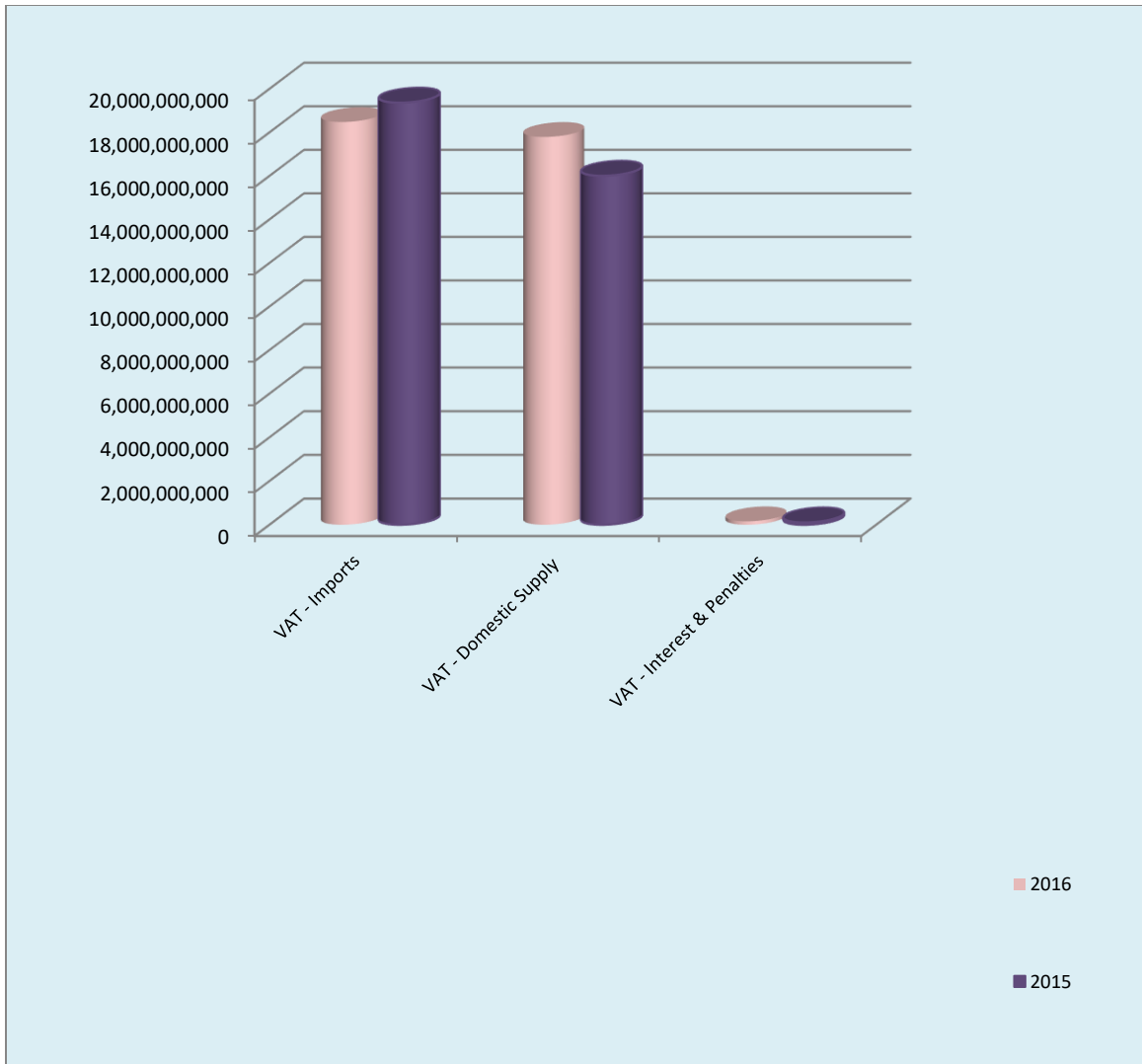
**TABLE III  
VALUE-ADDED TAX  
REVENUE COLLECTION FOR THE YEAR 2016 (\$ 000)**

### Value-Added Tax (VAT) Collections

During the year 2016, revenue collection totaled approximately \$36.42B. This was below the budgeted figure of \$38.98B which was approved by the National Assembly by approximately \$2.56B or 6.5%. Revenue collected under various heads exceeded the budget by approximately \$63M, while collections under other heads fell below the budget by approximately \$2.62B.

Revenue collected under similar heads during 2015 amounted to \$35.47B. The collection for 2016 was therefore \$0.95B or 2.6% greater than that of 2015. This is highlighted in Table III above. Revenue amounting to \$36.42B was paid into the Consolidated Fund.

The chart overleaf compares revenue collection for VAT for the years 2016 and 2015.



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

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	VARIANCE	
	2015	2016	2016	Over 2015	Over Budget
IMPORT DUTIES	12,357,084	13,100,000	14,887,118	2,530,034	1,787,118
WAREHOUSE RENT & CHARGES	22,623	23,145	17,808	(4,815)	(5,337)
EXPORT DUTIES	11,629	107,251	12,824	1,195	(94,427)
MISCELLANEOUS	103,194	97,970	45,148	(58,046)	(52,822)
CONSUMPTION TAX	-	-	1,200,000	1,200,000	1,200,000
OVERTIME FEES	77,387	68,389	92,613	15,226	24,224
DEPARTMENTAL FINES	55,255	12,237	82,229	26,974	69,992
STAMP DUTIES	22,185	22,371	23,198	1,013	827
ENVIRONMENTAL TAX	496,114	--	35	(496,079)	35
EXCISE TAX	33,341,250	33,578,808	31,103,996	(2,237,254)	(2,474,812)
Imports:	29,953,436	30,059,319	27,042,748	(2,910,688)	(3,016,571)
-Motor Vehicles	8,498,710	9,012,569	7,088,259	(1,410,451)	(1,924,310)
-Petroleum Products	19,355,322	18,846,926	18,006,749	(1,348,573)	(840,177)
-Tobacco Products	1,224,247	1,290,204	1,063,348	(160,899)	(226,856)
-Alcoholic Beverages	875,157	909,620	884,392	9,235	(25,228)
Domestic:	3,377,027	3,497,917	4,040,255	663,228	542,338
-Alcoholic Beverages	3,377,027	3,497,917	4,040,255	663,228	542,338
Licence Fees (Liquor)	10,787	21,572	20,993	10,206	(579)
<b>TOTAL</b>	<b>46,486,721</b>	<b>47,010,172</b>	<b>47,464,969</b>	<b>978,242</b>	<b>454,798</b>

**TABLE IV**  
**CUSTOMS, EXCISE AND TRADE OPERATIONS**  
**REVENUE COLLECTION FOR THE YEAR 2016 (\$ 000)**

## Customs, Excise and Trade Operations

For the reporting period, the approved budget for Customs, Excise and Trade Operations was \$47.01B. However, the actual revenue collected for this period was \$47.46B which was above the approved budget by \$0.45B or approximately 0.9%. Revenue collected under various heads exceeded the budget by approximately \$3.08B, while collections under other heads were below by approximately \$2.6B. In 2016, revenue collections was above that for 2015 by \$0.978B or 2.1% as shown in the table above. The higher revenue collection in 2016 was due mainly to the \$1.2B in consumption tax which was collected as a result of the settlement arrived at with Demerara Distillers Limited.

During the year, revenue amounting to \$47.4B was deposited into the Consolidated Fund.

## **PERFORMANCE OF DEPARTMENTS**

### **TAX OPERATIONS AND SERVICES**

#### **REGISTRATION**

A total of three hundred and twelve (312) registration packages were issued to potential Value-Added Tax (VAT) registrants during the year 2016. However, only two hundred and ten (210) applications for registration were received and registration was completed for two hundred and twenty-four (224) registrations applicants and there were no registrations for Excise Tax. Staff completed de-registration activities for thirteen (13) VAT registrants.

One thousand, nine hundred and three (1,903) packages were distributed to employers to facilitate their remission of taxes under the PAYE system and two hundred and nine thousand, four hundred and seventy-one (209,471) returns for various tax types were distributed to taxpayers. Twenty-one thousand, five hundred and eighty-eight (21,588) individuals and four hundred and fifty-three (453) companies/partnerships were registered for Taxpayer Identification Numbers (TIN), while thirty-six thousand, nine hundred and twenty-three (36,923) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers.

Three hundred and sixty-seven (367) 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.

<b>Description</b>	<b>VAT</b>	<b>TIN</b>
Registration Applications Received	210	N/A
Taxpayers Registered	224	22,041
Certificates Issued	367	36,923

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

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## LODGMENT OF RETURNS

The lodgment of various types of tax returns amounted to one hundred and forty thousand, two hundred and thirteen (140,213). There was a total of one hundred and one thousand, eight hundred and ten (101,810) or 72.6% Income Tax Returns of the total returns lodged, VAT and Individual Property Tax Returns amounted to twenty-five thousand, nine hundred and eighty (25,980) or 18.5% and nine thousand and sixty-seven (9,067) or 6.5% respectively of the overall returns lodged. The total number of tax returns lodged during 2016 exhibited an increase of approximately 14% over the number lodged in 2015.

The lodgment of Employers' Returns (Form 2) amounted to one thousand, two hundred and forty-eight (1,248), while twenty-two thousand, four hundred and seventy-five (22,475) Monthly Remittance Forms (Form 5) were lodged by employers.

Verification activities were also effected on all returns lodged to ensure that they were fully and accurately completed. As a result of such activities, three thousand and eighty (3,080) letters were dispatched by taxpayers to query information on the returns. The number of returns lodged by tax type is shown in the table below.

<b>TAX TYPE</b>	<b>AMOUNT</b>
Income Tax Returns	101,810
Property Tax Returns (Individual)	9,067
Property Tax Returns (Company)	1,382
Corporation Tax Returns	1,418
Capital Gain Tax Returns	18
Excise Tax Returns	24
VAT Returns	25,983
Miscellaneous Taxes Returns	511
<b>Total</b>	<b>140,213</b>

**TABLE VI**  
**NUMBER OF RETURNS RECEIVED**

## CENTRAL DATA PROCESSING

### Data Entry and Approval

Upon completion of verification activities, data from tax returns are entered into TRIPS and, if correct, subsequently approved. Data from one hundred and forty-four thousand, two hundred and eighteen (144,218) returns were entered into TRIPS, while approval of data entry for one hundred and twenty-eight thousand and eight (128,008) returns was completed. These figures exhibit increases of 15.7% for data entered and 3.7% of data approved during 2015.

The data entry of Employers' Returns (Form 2) amounted to eight hundred and seventeen (817), while eight hundred and twenty-nine (829) were approved. Further, twenty-one thousand, seven hundred and forty-one (21,741) Monthly Remittance Forms (Form 5) were entered into TRIPS, while twenty-one thousand, nine hundred and fifty-nine (21,959) were approved.

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

<b>TAX TYPE</b>	<b>DATA ENTRY</b>	<b>DATA APPROVAL</b>
Income Tax Returns	103,139	87,064
Property Tax Returns (Individual)	9,246	8,812
Property Tax Returns (Company)	1,344	1,332
Corporation Tax Returns	1,398	1,373
Capital Gains Tax Returns	12	7
Excise Tax Returns	7	8
VAT Returns	27,457	27,798
Miscellaneous Taxes	1,615	1,614
<b>Total</b>	<b>144,218</b>	<b>128,008</b>

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

## TAXPAYER SERVICES

During 2016, 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 issue of tenders. Twelve thousand, six hundred and seventy-five (12,675) certificates were issued during 2016. This amount represents an increase of approximately 1% when compared with the total Certificates of Compliance issued during 2015. Of the total issued during 2016, three thousand, eight hundred and ninety-five (3,895) were related to land and buildings, five thousand, five hundred and sixteen (5,516) for motor vehicles and three thousand, two hundred and sixty-four (3,264) 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 2015 and 2016.

TYPE OF CERTIFICATE	TOTAL		VARIANCE %
	2016	2015	
Land	3,895	4,145	(6)
Motor Vehicle	5,516	5,736	(4)
Tender	3,264	2,685	22
<b>Total</b>	<b>12,675</b>	<b>12,566</b>	<b>1</b>

**TABLE VIII**  
**CERTIFICATES OF COMPLIANCE ISSUED**

Other activities completed by staff of Taxpayer Services included preparation and issuance of five hundred and nineteen (519) letters to taxpayers for exemption of withholding tax, one thousand and forty-four (1,044) letters for work permit and the processing of one thousand, three hundred and eighty-six (1,386) estates of deceased persons. In addition, the issue of two thousand, nine hundred and five (2,905) liability statements, two hundred and fourteen (214) tax practice certificates and ninety-five (95) certificates of assessment were also completed.

## 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;

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- Disputes over the admissibility of particular items of expenditure that were claimed as deductible expenses in computing chargeable income; and
- Disputes over the admissibility of claims for deductions in computing chargeable income.

The table below shows objections to Income Tax from both companies and individuals as at the end of the year 2016.

<b>PARTICULARS</b>	<b>COMPANIES 2016</b>	<b>INDIVIDUALS 2016</b>	<b>TOTAL 2016</b>
Un-finalised at the beginning of the year (revised)	166	804	970
Registered during the year	257	488	745
<b>Sub-Total</b>	<b>423</b>	<b>1,292</b>	<b>1,715</b>
Less: Finalised during the year	246	834	1,080
<b>Un-finalised at the end of the year</b>	<b>177</b>	<b>458</b>	<b>635</b>

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

At the end of December 2016, there were six hundred and thirty-five (635) un-finalised objections. This figure exhibited a 34.5% decrease when compared with the total un-finalised objections at the end of 2015.

Un-finalised objections relating to Individual Taxpayers totaled four hundred and fifty-eight (458) or approximately 72% of the total un-finalised objections, while the remaining one hundred and seventy-seven (177) or 28% were in respect to Companies.

### **Value-Added Tax (VAT)**

As at December 31, 2016, there was a total of two hundred and sixty-one (261) for the category of Valued-Added Tax totaled un-finalised objections. Un-finalised objections relating to Individual Taxpayers amounted to one hundred and sixty (160) or approximately 61% of the total un-finalised objections while the remaining one hundred and one (101) or 39% were related to Companies. The details are shown in Table X overleaf.

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<b>PARTICULARS</b>	<b>COMPANIES 2016</b>	<b>INDIVIDUAL 2016</b>	<b>TOTAL 2016</b>
Un-finalised at the beginning of the year	47	45	92
Registered during the year	117	192	309
<b>Sub-Total</b>	<b>164</b>	<b>237</b>	<b>401</b>
Less: Finalised during the year	63	77	140
<b>Un-finalised at the end of the year</b>	<b>101</b>	<b>160</b>	<b>261</b>

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

### **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 two thousand, two hundred and ninety-seven (2,297) claims for refund of taxes amounting to \$11.3B.

Two thousand, one hundred and eighty-one (2,181) claims were processed comprising one thousand, eight hundred and fifty-seven (1,857) claimed under Section 35 and three hundred and twenty-four (324) claimed under Section 37 of the VAT Act. One hundred and sixteen (116) claims amounting to \$1.1B were rejected. The total refunds paid amounted to \$4.11B comprising \$3.88B under Section 35 and \$0.23B under Section 37. This amount reflects an increase of 55% when compared with the amount paid in 2015. Table XII overleaf compares refunds paid during the year 2015 with that paid in 2016.

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Description	2015 (\$B)	2016 (\$B)
Section 35 - Input Tax Exceeds Output Tax / 50% Taxable Supplies Zero-rated	<b>2.49</b>	<b>3.88</b>
Section 37- Diplomats / Consular Missions / Non Residents	<b>0.16</b>	<b>0.23</b>
<b>Total</b>	<b>2.65</b>	<b>4.11</b>

**TABLE XI  
REFUNDS PAID BY TAX TYPE**

Description	Section 35		Section 37	
	No.	Amount(\$000)	No.	Amount (\$000)
Received	1965	10,984,426	332	329,068
Rejected	108	1,058,371	8	55,804
Processed	1857	9,926,055	324	273,264
<b>Paid</b>	<b>1,123</b>	<b>3,882,546</b>	<b>278</b>	<b>229,177</b>

**TABLE XII  
REFUNDS PAID BY TAX TYPE**

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

### LICENCE REVENUE OFFICE

A total of one hundred and twenty thousand, four hundred and fifty-one (120,451) motor vehicles were processed for the sale of licences during 2016. Registration of new vehicles for the year amounted to twelve thousand, two hundred and twenty-nine (12,229), while the corresponding figure for 2015 was thirteen thousand, seven hundred and ninety-three (13,793) resulting in a decrease of 11%. Table XIII overleaf sets out the various categories of vehicles licenced and the new vehicles registered during the year 2016 as compared to 2015.

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Category of Vehicle	Licenced Motor Vehicles 2016	New Registration		
		2016	2015	Increase/Decrease
Agricultural	6,607	712	916	-204
Diplomat	492	55	47	8
Goods	16,999	1,697	1,845	-140
Government	1,790	404	271	133
Government/Agricultural	142	57	135	-78
Hire	16,280	1,222	1,499	-277
Military	20	5	1	4
Private	78,121	8,077	9,079	-1,002
<b>Total</b>	<b>120,451</b>	<b>12,229</b>	<b>13,793</b>	<b>-1,564</b>

**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.

### **ENTRY PROCESSING AND FILING ROOM**

#### **Entry Processing**

During 2016, staff of the Entry Processing Section vetted a total of forty-nine thousand, seven hundred and eighty-four (49,784) declarations and completed lodgment of thirty-nine thousand, five hundred and nine (39,509) entries, while data input activities for forty-one thousand, five hundred and sixty-eight declarations (41,568) was done. Forty thousand, six hundred and thirty-three (40,633) declarations were assessed and one thousand and thirty-one (1,031) were queried. Staff also processed thirty-two (32) applications for refund of duties and performed one thousand, nine hundred and five (1,905) help desk activities. In addition, five hundred and thirty-four (534) Permits for Immediate Delivery (PID) were processed and twelve (12) Guarantee Instruments (Bonds) were reviewed and processed.

#### **Filing Room**

For the period under review, staff of the Filing Room received and sorted two hundred and sixty-five thousand, six hundred and thirty-eight (265,638) Customs documents, classified one hundred and ninety-one thousand, seven hundred and seventeen (191,717) documents and created appropriate files for those documents. Staff also scanned eighty-two thousand and thirty-one (82,031) documents and stored them properly to facilitate easy retrieval.

### **EXCISE TAX AND PRIVATE WAREHOUSE**

#### **Excise Tax**

Staff within the Excise Tax Section reviewed one thousand, six hundred and eighteen (1,618) 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 were conducted on eight thousand, nine hundred and ninety-one (8,991) occasions,

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while reconciliation of records relating to the transfer of liquor to other warehouses were completed five hundred and ninety-two (592) occasions.

Further, staff also inspected, reconciled and sealed six hundred and seventy-three (673) consignments of liquor which were released for export, approved three hundred and thirty-three (333) requests for the removal of goods from warehouses for local consumption, approved nine hundred and sixty-five (965) entries for the transfer of goods from bonded warehouses and approved eighty-four (84) permits for the sale of bulk alcohol locally.

Random visits were also conducted to ensure that warehouse registers and distillery records were correctly maintained by warehouse staff and random verification of stock balances for duty free shops were also conducted. Records in TRIPS were continuously reviewed to ensure that the correct taxes were paid on alcoholic, petroleum and tobacco products, while eight thousand, one hundred and thirty-two (8,132) examinations of motor vehicles were conducted 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 out of private warehouses to ensure that procedures were adhered to and records were maintained accurately by warehouse keepers. The receipt of nine hundred and fifty-eight (958) vehicles, two thousand, seven hundred and six (2,706) tyres, generator sets and electrical appliances and two thousand, eight hundred and forty-nine (2,849) cases of assorted alcohol into private warehouses were monitored.

Also, the delivery of one thousand, one hundred and thirty-nine (1,139) vehicles and one thousand, five hundred and fifty-two (1,552) tyres, generator sets and electrical appliances as well as thirty-eight (38) cases of assorted alcohol from warehouses were also monitored. In addition, staff conducted one hundred and two (102) inspections of existing warehouses.

## **WHARVES, BOATHOUSE INTERNATIONAL AIRPORTS AND GUYANA POST OFFICE CORPORATION**

### **Wharves and Boathouse**

Six hundred and fifty (650) vessels were cleared on arrival at the various ports of entry during the year 2016. Staff of the Division monitored the discharge of eight hundred and fifty thousand, nine hundred and thirty-four (850,934) metric tons of incoming cargo, which included cargo contained in twenty-nine thousand, eight hundred and twenty-seven (29,827) containers of varying sizes, and five thousand, four hundred and forty-four (5,444) vehicles.

Vessels cleared for departure by staff amounted to five hundred and ninety-seven (597) and contained a total of one million, two hundred and ninety-nine thousand, one hundred and forty-seven (1,299,147)

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metric tons of cargo contained in twenty-nine thousand, one hundred (29,100) containers of various sizes, the loading of which were also monitored.

Cargo, both containerised and other, were also processed for release upon completion of examination by Goods Examination Officers. A total of twenty-five thousand, nine hundred and sixty-five (25,965) containers of varying sizes, one hundred and three thousand, three hundred and eighty-nine (103,389) barrels as well as one million and forty-eight thousand, eight hundred and ninety-one (1,048,891) 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 were also facilitated by staff with a combined total of fourteen thousand, eight hundred and forty-seven (14,847) containers and two thousand, six hundred and nine (2,609) other units of cargo leaving the Transit Sheds prior to declarations being entered (via Form C25). A total of fifteen thousand, five hundred and eighty-three (15,583) containers and two thousand, eight hundred and sixteen (2,816) other units were received by other Transit Sheds prior to declarations being entered. Files related to these transfers were subsequently completed as well as files related to outgoing and incoming ships.

The perfecting of entries under the Permit for Immediate Delivery (PID) and Prior to Processing (PTP) facilities were also accomplished although at the end of the year one hundred and forty-one (141) entries under the PID and three hundred and twenty-one (321) under the PTP facilities were still to be perfected. Seven hundred and eleven (711) 'want of entry' slips were prepared with five hundred and seventy-three (573) still due for preparation at the end of the year.

Revenue collected at the various wharves and transit sheds amounted to one billion, four hundred and twenty-four million, four hundred and nine thousand and ninety-four dollars (\$1,424,409,094.00) which exceeded the total of seven hundred and eighty-six million, six hundred and one thousand, six hundred and eighteen dollars (\$786,601,618.00) which was collected in 2015 by 81%.

### **CHEDDI JAGAN AND EUGENE F. CORREIA INTERNATIONAL AIRPORTS**

#### **Cheddi Jagan International Airport**

The arrival of three thousand, five hundred and sixty-eight (3,568) incoming aircrafts were monitored and documented. Two hundred and eighty-seven thousand, seven hundred and thirty-six (287,736) arriving passengers were processed and their baggage examined by staff attached to the Cheddi Jagan International Airport (CJIA). Monitoring and processing of departing aircrafts and passengers amounted to three thousand, five hundred and eighty-one (3,581) and two hundred and eighty-four thousand, seven hundred and ten (284,710) respectively.

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Imported and exported cargo which were processed by staff totaled one million, nine hundred and sixty-three thousand and thirteen kilograms (1,963,013kg) and two million, seven hundred and eighty-four thousand, seven hundred and twenty-seven kilograms (2,784,727kg) respectively. Staff also completed three thousand and ten (3,010) incoming and three thousand, four hundred and sixty-eight (3,468) departing aircraft files and processed six thousand, five hundred and seventy-six (6,576) customs declarations.

The total revenue collected during the year amounted to one billion, seven hundred and eighty-eight million, two hundred and seventy-one thousand, seven hundred and sixty-four dollars (\$1,788,271,764.00) which exceeded the total of one billion, three hundred and fifty-two million, seven hundred and ninety-five thousand, three hundred and ninety-nine dollars (\$1,352,795,399.00) which was collected during the previous year by approximately thirty-two percent (32%).

### **Eugene F. Correia International Airport**

Staff monitored and documented the arrival of one thousand and sixty-four (1,064) incoming international aircrafts and processed seventeen thousand, eight hundred and thirty-six (17,836) arriving, while the monitoring and processing of outgoing international flights and passengers amounted to one thousand and fifty-seven (1,057) and twenty thousand, five hundred and seventy-eight (20,578) respectively. Incoming and outgoing aircraft files completed for international flights amounted to nine hundred and eighty-four (984) and one thousand and fifty-seven (1,057) respectively.

Further, a total of seven thousand, seven hundred and seventy (7,770) arriving and seven thousand, seven hundred and sixty-eight (7,768) departing local aircrafts were processed, along with forty-six thousand, five hundred and eighty-three (46,583) arriving and forty-seven thousand, nine hundred and nine (47,909) departing passengers.

The total revenue collected during the year amounted to one hundred and eight million, seven hundred and sixty-two thousand, four hundred and fifty-five dollars (\$108,762,455.00) which exceeded the amount of ninety-eight million, three hundred and thirty-three thousand, eight hundred and ninety-one dollars (\$98,333,891.00) which was collected in 2015 by approximately eleven percent (11%).

### **Guyana Post Office Corporation (GPOC)**

Activities conducted by staff at the GPOC included the receipt, examination and delivery of sealed mail bags, parcels and packets and the escort of mail bags to and from the Cheddi Jagan and Eugene F. Correia International Airports.

Staff received a total of twelve thousand, nine hundred and twenty-nine (12,929) sealed mail bags, six thousand and one (6,001) parcels and nine thousand, two hundred and thirty-two (9,232) packets.

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Delivery of sealed mail bags amounted to three thousand, five hundred (3,500), while two thousand and sixty-two (2,062) parcels and one thousand, three hundred and fifteen (1,315) packets were also delivered.

Further, examinations were conducted on five thousand, seven hundred and fifty-one (5,751) incoming parcels, as well as five thousand, eight hundred and sixty-three (5,863) incoming packets, while one thousand, three hundred and seventy-eight (1,378) outgoing parcels and six hundred and sixty-nine (669) outgoing packets were also examined. Staff also escorted mail bags to and from Cheddi Jagan International Airport on two hundred and forty-two (242) occasions and from Eugene F. Correia International Airport on thirty-three (33) occasions.

Revenue collected at the GPOC amounted to seventeen million, one hundred and three thousand, nine hundred and forty-eight dollars (\$17,103,948.00) resulting in an increase of approximately two percent (2%) above the revenue collected for 2015 which totaled sixteen million, eight hundred and twenty-three thousand, one hundred and thirty-seven dollars (\$16,823,137.00).

### **INTEGRATED REGIONAL TAX OFFICES**

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

During the year under review, staff received a combined total of sixty-one thousand, seven hundred and ninety-three (61,793) tax returns. This amount comprised thirty-eight thousand, three hundred and twelve (38,312) for Income Tax, nine thousand, four hundred and sixty-four (9,464) for Individual Property Tax, five thousand, four hundred and twenty-one (5,421) for VAT, eighty-eight (88) for Capital Gains, one (1) for Corporation Tax and twenty-seven (27) Tributors Returns.

In addition, eight thousand, one hundred and thirty-four (8,134) Employers' Monthly Remittance Forms (Form 5) and three hundred and forty-six (346) Employers' Annual Returns (Form 11) were received from employers. Staff also processed nine thousand, six hundred and twenty-three (9,623) applications for Taxpayer Identification Number (TIN), seventy-nine (79) applications for Mortgage Interest Relief and registered six (6) taxpayers for VAT. Tax Compliance Certificates were also issued to taxpayers with a combined total of five thousand, three hundred and eight (5,308) being issued 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 16% over the amount issued during 2015.

Further, eight hundred and forty-seven (847) Liability Statements, three hundred and thirty-five (335) letters granting exemption from Withholding Tax, fifty-one (51) Tax Practice Certificates and thirty-three (33) letters for Work permits were issued. Inspections were conducted on two thousand, four

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hundred and sixty-eight (2,468) vehicles to facilitate registration, while the sale of Motor Vehicle licences amounted to forty thousand and eighty (40,080). Two thousand, five hundred and ninety-eight (2,598) trade/miscellaneous licences and four thousand five hundred and eight (4,508) Excise licences were processed during the year. Further, staff also conducted a total of seven hundred and nineteen (719) compliance and advisory visits to ensure that taxpayers were complying with the requirements of the Laws and Regulations.

Staff at the various offices processed a combined total of one thousand, three hundred and eighty-three (1,383) customs declarations and completed one thousand, four hundred and four (1,404) incoming and 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, fifty-seven thousand, five hundred and twenty-five (57,525) arriving and fifty-seven thousand, eight hundred and thirty-one (57,831) departing passengers were processed. Six thousand, two hundred and thirty-three (6,233) arriving vehicles, comprising three thousand, one hundred and thirty (3,130) with local registration and three thousand, one hundred and three (3,103) with foreign registration, and six thousand, one hundred and ninety-five (6,195) departing vehicles, comprising three thousand, one hundred and twenty-six (3,126) with local registration and three thousand and sixty-nine (3,069) with foreign registration, were also processed.

Revenue collected by the Integrated Regional Tax Offices during 2016 totaled four billion, eight hundred and sixty-seven million, two hundred and twenty-nine thousand, one hundred and seventy-nine dollars (\$4,867,229,179.00) representing combined collection for Customs Duty, Value Added, Excise and Internal Revenue taxes. Meanwhile, revenue collected in 2015 amounted to four billion, one hundred and ninety million, seven hundred and twenty-five thousand, two hundred and sixty-nine dollars (\$4,190,725,269.00) resulting in a 16% increase in revenue collection for 2016. A comparison of revenue collected during 2015 and 2016 is shown in the table below.

Regional Office	Revenue Collection		Variance %
	2015	2016	
Corriverton	1,265,104,049	1,402,643,768	11
Anna Regina	393,923,258	405,822,553	3
New Amsterdam	862,015,579	1,020,103,853	18
Linden	1,067,022,650	1,473,896,304	38
Parika	143,218,674	194,550,993	36
Lethem	210,441,031	243,572,220	16
Bartica	150,666,137	126,639,488	(16)
Eugene F. Correia Airport	98,333,891	-	-
<b>Total</b>	<b>4,190,725,269</b>	<b>4,867,229,179</b>	<b>16</b>

**TABLE XIV**  
**REVENUE COLLECTION - INTEGRATED REGIONAL TAX OFFICES**

\* During 2016, the Eugene F. Correia International Airport fell under the supervision of Customs, Excise and Trade Operations.

### **EXEMPTION OF DUTIES AND TAXES**

#### **CUSTOMS DUTY, EXCISE TAX AND VALUE-ADDED TAX**

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

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

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

#### **EXEMPTION POLICY**

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

1. Unconditional Exemptions
2. Conditional Exemptions

#### **UNCONDITIONAL EXEMPTIONS**

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

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## **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.)

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Table XV below 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 2016 relative to the year 2015.

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

	Revenue Collection*		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2015	2016	2015	2016	2015	2016	2015	2016
<b>Total</b>	<b>81,963,109</b>	<b>83,888,949</b>	<b>47,087,656</b>	<b>42,298,049</b>	<b>8,690,910</b>	<b>15,318,516</b>	<b>55,778,566</b>	<b>57,616,565</b>
<b>Ratio of exemption to revenue collection</b>			<b>57.45%</b>	<b>50.42%</b>	<b>10.60%</b>	<b>18.26%</b>	<b>68.05%</b>	<b>68.68%</b>

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

Total Exemptions for the year 2016 was fifty-seven billion, six hundred and sixteen million, five hundred and sixty-five thousand, three hundred and twenty-five dollars (\$57,616,565,325) representing 69% of revenue collected by the Customs, Excise and Trade Operations and the Value-Added Tax Operations which amounted to eighty-three billion, eight hundred and eighty-eight million, nine hundred and forty-nine thousand dollars (\$83,888,949,000.00).

Conditional Exemptions was forty-two billion, two hundred and ninety-eight million, forty-nine thousand, four hundred and twenty-seven dollars (\$42,298,049,427.00) or 50% of revenue collection, while Unconditional Exemptions amounted to fifteen billion, three hundred and eighteen million, five hundred and fifteen thousand, eight hundred and ninety-eight dollars (\$15,318,515,898.00) or 18% of revenue collection.

Further, conditional exemptions exhibited a decrease during the period under consideration, while unconditional exemptions exhibited an increase. The decrease in conditional exemptions resulted largely from the decrease in exemptions received by Companies/Businesses, while the significant increase in unconditional exemptions resulted mainly from an increase in imports under the CARICOM Trade Agreement.

## **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.

### **A: 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 mail room, provision of switchboard, receptionist and janitorial services and the operation of scanning and copy centers on each floor.

During the period ending December 31, 2016, staff attached to the Unit prepared and posted a total of one hundred and thirty-two thousand, four hundred and eighty-nine (132,489) pieces of mail inclusive of 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 fifteen thousand and fifty-three (15,053) pieces of mail were uplifted from the Guyana Post Office Corporation (GPOC), while sixteen thousand, five hundred and ninety (16,590) were received directly from taxpayers. Additionally, twenty-one thousand, two hundred and sixty-five (21,265) applications for tax exemption were also received. Eight thousand, seven hundred and sixty-one (8,761) pieces of mail were distributed by staff on behalf of other Divisions/Units to both internal and external parties.

Staff manning the Receptionist Area provided assistance to taxpayers as needed and, in the process, distributed a combined total of one hundred and four thousand, six hundred and ninety-eight (104,698) forms including those for TIN, drivers' and motor vehicle licences, motor vehicle registration and testimony forms. Further, the telephone operators received and routed a combined total of one hundred and twenty-two thousand, one hundred and eleven (122,111) incoming and outgoing calls while operators of the photocopying centers produced seven hundred and twenty-seven thousand and three (727,003) 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 forty-three thousand (143,000) documents were scanned, sorted and exported into the appropriate software to facilitate subsequent retrieval by the relevant Divisions. Five thousand, two hundred and fifty (5,250) files were received for storage, a similar number of files were issued and delivered to various Divisions and four thousand, eight hundred (4,800) were processed upon their return. One hundred and fifty-four thousand, five hundred (154,500) tax returns and other documents were received, one hundred and seventy-eight thousand, five hundred (178,500) were sorted (including those which were received

during the previous year) and one hundred and sixty-six thousand, five hundred (166,500) were placed in appropriate files.

### **B: COMMUNICATION AND TAX ADVISORY SERVICES DIVISION**

This Division comprises of the Public Relations, Publication and Operational Procedures and Tax Advisory Services Sections. 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 and 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-seven (47) pre-recorded television programmes and ninety-three (93) pre-recorded radio programmes on “Focus on GRA” and “Revenue Update” respectively. 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 sale of trade, miscellaneous, drivers’ and vehicle licences, due dates for submission of Tax Returns, refunds, tax exemptions, Tax Practice Certificates and the Objections and Appeals process among others.

The television, radio and print media were also utilized to publish tax policies, notices and other advertisements which aided compliance by taxpayers. A total of forty-three (43) television programmes, forty-two (42) radio and one hundred and six (106) print advertisements were published, while thirty-six (36) tax policies were published in the print media during the year under review. Further, staff also issued press releases on new initiatives, arranged several press conferences, facilitated the video coverage of events such as workshops, seminars and participated in special events such as Career Fairs and Trade Expositions. Booklets, brochures and tokens were distributed during these special events.

In addition, staff updated the Authority’s website with press releases, notices and amendments to legislation and made simultaneous posts to Facebook and Twitter. They also prepared responses to issues raised in the “Letter to the Editor” column of the various newspapers and made twenty-one (21) visits to offices in various Regions to participate in events such as the New Amsterdam Town Week among others.

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## **TAX ADVISORY SERVICES**

Staff of the Section provided advisory services to stakeholders and taxpayers to ensure that they understand their obligations and are therefore better able to comply with the requirements of the laws and regulations administered by the Authority.

To this end, staff prepared and updated information which was then published on the Authority's website and in the print media where appropriate. There were one hundred and eight (108) instances of such preparation or update of policies, leaflets, booklets and brochures which covered the list of zero-rated and exempt supplies, mortgage interest relief, computation of income tax, motor vehicle guide, excise tax and corporation tax. Forty-nine (49) policies were published in the print media covering areas including importation of pharmaceuticals, alternative energy equipment and capital equipment, taxable and non-taxable allowances, passenger arrival and clearance, VAT and forest products and duty-free concessions for re-migrants among others.

Sixty-one (61) tax workshops and fifty-one (51) tax seminars were conducted. Beneficiaries of the workshops were drawn from companies/organisations throughout the various Regions, as well as self-employed persons. A total of four hundred and sixteen (416) written correspondences were received from stakeholders for advice to which emails and letters were prepared and dispatched, while four thousand and eighty-seven (4,087) responses to requests for information were done via the telephone, as well as follow-up calls to taxpayers, were completed for the period. In addition, three thousand, one hundred and ninety-four (3,194) responses were provided to 'walk-in' taxpayers.

Further, staff also made appearances on the pre-recorded television programme "Focus on GRA" and distributed twenty-one thousand, nine hundred and ninety-four (21,994) pieces of educational material and amendments to the legislation to taxpayers at seminars, workshops and special events.

## **PUBLICATION AND OPERATIONAL PROCEDURES**

The Learning Resource Centre (LRC) continued to facilitate 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 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 Official Gazette that were acquired were stored appropriately, while seven hundred and ninety-three (793) 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. To this end, a combination of twelve (12) amendments to Acts and Regulations were obtained and where necessary incorporated into the relevant legislation. These Acts and Regulations were also printed internally for distribution to staff, resulting in a total of one hundred and sixty-nine (169) copies being printed and distributed during the year. The preparation of new and adjustments to existing

## **ANNUAL REPORT AND STATEMENT OF ACCOUNTS**

Standard Operating Procedures (SOPs) were also undertaken with a total of fifty-three (53) SOPs being prepared and amended. These SOPs were related to various functional areas including the Cheddi Jagan and Eugene F. Correia International Airports, the Internal Affairs, Revenue Protection and Tax Compliance and Enforcement Divisions. The flowcharts related to those SOPs were also adjusted. Upon finalisation, the SOPs were uploaded to the relevant database.

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

The Division comprises two (2) sections namely the Container Scanner Section and the Goods Examination Section. 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. 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 or 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 Unit utilised two scanners: the mobile scanner which was used to scan imports and the GARDS portal scanner which was used to scan containerised cargo for export. During the year under review the portal scanner became inoperable hence the mobile scanner was utilised to scan all containerised cargo for export as well as imported cargo. A total of one hundred and five (105) containers for export were scanned during the period June – July 2016. Scanning activities were subsequently halted as the location that was used could not accommodate the activity further and identification and preparation of a permanent site for the scanner commenced.

The Goods Examination Unit was restructured during the month of September resulting in staff responsible for the examination of imports being assigned to the resuscitated Post Clearance Audit Unit. Prior to the reassignment of staff, physical examinations were conducted on cargo selected by the Risk

Profiling Committee in addition to short landed as well as short shipped consignments, containers landed with incorrect/tampered seals and cargo selected for examination via the Random Selection Process. During the year under consideration, a total of four hundred and twenty-six (426) declarations were selected by the Risk Profiling Committee, sixty-two (62) containers were randomly selected while there was short shipment in relation to sixteen (16) containers.

As a result of those selections, examinations were conducted on two thousand, seven hundred and ninety (2,790) incoming containers of various sizes with one thousand, two hundred and three (1,203) of them undergoing 100% examination. Other incoming consignments which were examined included a combined total of forty-eight thousand, five hundred and two (48,502) skids, pallets, boxes, barrels and crates. The verification of a total of five thousand, seven hundred and ninety (5,790) vehicles, inclusive of two thousand, four hundred and ninety-five (2,495) motor cycles were also completed.

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Forty-one thousand and sixty-seven (41,067) containers for export were examined during the year. Of the containers examined, thirty-five thousand, nine hundred and ninety-four (35,994) were profiled for examination by the Risk profiling Committee, while five thousand, nine hundred and ninety-one (5,991) were containers to be exported under the 'Prior to Processing' facility. In addition, a combined total of one hundred and sixty-six thousand, nine hundred and eight (166, 908) skids, pallets, boxes, barrels and crates were also examined.

The Division recovered a total of **\$26.9M** in revenue from the examination of cargo.

### **D: 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.

Staff of the division continued to monitor collections of outstanding tax balances and were 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 two thousand, two hundred and seventy-three (2,273) of which six hundred and twenty-six (626) were related to Companies and one thousand, six hundred and forty-seven (1,647) related to individual taxpayers.

A total of \$21.3B in arrears taxes were identified through this process and liability letters were dispatched to delinquent taxpayers. During the previous year, staff identified \$18.7B in arrears taxes resulting in an increase of 14% being identified in 2016. Arrears taxes collected during the year amounted to approximately \$16.4B against a target of \$12.8B which was set. The amount collected in 2016 exhibited an increase of \$3.6B or 27% over the \$13.2B collected in 2015.

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

- Numerous mails dispatched to taxpayers being returned as a result of taxpayers unavailability to sign and receive same since they were registered mails.
- Taxpayers not responding readily to correspondence and also made numerous requests for extension of time.
- Difficulty locating taxpayers.
- Matters which are taken before the Courts for non-payment of tax, were not dealt with in a timely manner. The Courts, in many instances, granted the delinquent taxpayers further time to comply.
- Difficulties locating assets owned by the taxpayers when judgments are entered against them.

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There were no special exercises conducted to collect outstanding taxes. The collection of outstanding assessed tax is ongoing with strategies including visits and telephone calls in place to aid the collection.

### **E: FACILITIES MANAGEMENT AND OPERATIONAL SUPPORT SERVICES DIVISION**

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 was 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 and trowel texting of walls in several offices, construction of filing cupboards, installation of new air conditioning units and repairs to the ceiling in other areas. In addition, sanitation works were carried out at GRA Headquarters, installation and commissioning of smoke detectors, fire extinguishers, first-aid kits and fire exit signs which were procured based on recommendations by the Guyana Fire Service. Further, the plumbing system was modified with the reinstallation of a new pressure pump and tank and the old system was relocated to the roof to adequately pressurize the entire building. Additional water tanks were also procured and installed. Several disposal/garbage bins were placed in the Avenue for the public's disposal. Also, maintenance works were done at GPO building, as well as fabrication and installation of cubicles, cupboards and other related works within several Divisions.

Capital works continued at the Integrated Regional Tax Offices which included construction of an external fence, concrete guard hut and installation of UPS batteries at Corriverton Regional Integrated Tax Office. In addition, there was the construction of a wooden trestle and septic tank at the New Amsterdam Integrated Tax Office. At the Parika IRTO, renovations to the flooring at the Parika Regional Integrated Tax Office were completed due to flooding and two (2) concrete guard huts were completed and repair works to the wooden guard hut was completed for the period under review.

Staff of the Transportation Unit continued to manage the fleet of motor vehicles operated by the Authority and ensured 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 i.e 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 on six thousand, one hundred and sixty-nine (6,169) occasions.

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The Maintenance Workshop 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. The servicing of motor vehicles on one hundred and seven (107) occasions and conducted repairs to vehicles on one hundred and forty-nine (149) occasions. In addition, repair works were also sent out to private workshops on two hundred and seventy-eight (278) occasions 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-one (51) vehicles which were in working condition, over 75% were in poor working condition, resulting in them breaking down periodically while transporting staff. Six (6) were under repairs, while an additional sixteen (16) were determined to be unserviceable resulting in the transportation needs of some staff not being met in a timely manner.

### **F: FINANCE DIVISION**

#### **CURRENT EXPENDITURE**

Total releases to the Authority from the Ministry of Finance amounted to \$4,855.4B. The current expenditure for the year was approximately \$4,804.33B. At the end of the fiscal year, there was a balance of \$51.1B; this sum will be refunded to the Accountant General. These figures are all reflected in the audited Financial Statements.

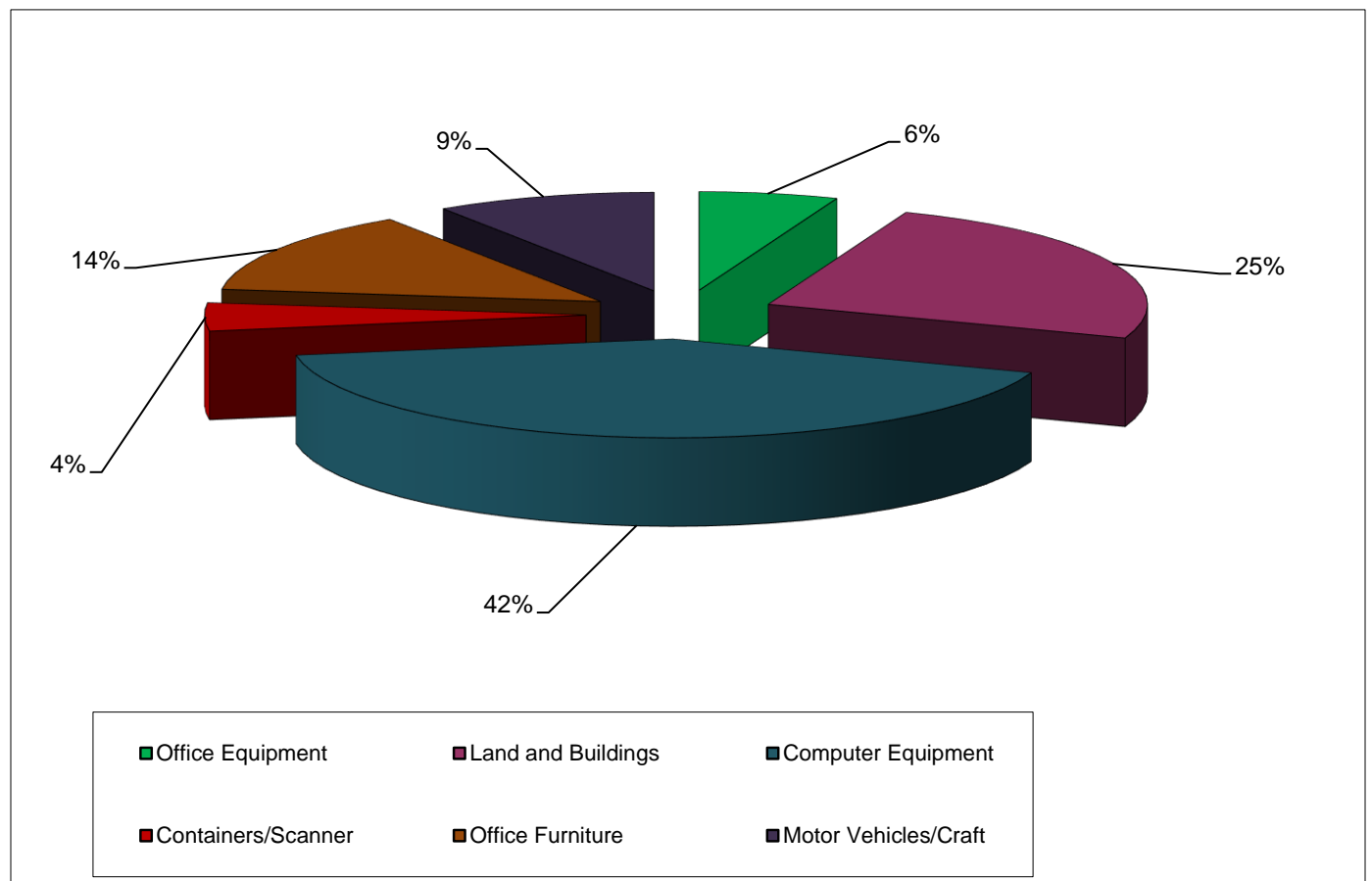
#### **CAPITAL EXPENDITURE**

The Ministry of Finance released \$440.45M and the \$399.16M was expended. At the end of the fiscal year, there was a balance of \$41.29M to be remitted to the Consolidated Fund. The breakdown of capital expenditure by Asset Type is shown in the Table below and the Chart overleaf.

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Category of Asset	Amount \$ M
Land and Buildings	895,602,525
Computer Equipment	1,518,839,337
Office Equipment	497,290,507
Containers/Scanner	167,370,606
Office Furniture	213,669,389
Motor Vehicles/Craft	338,373,938
<b>Total</b>	<b>3,631,146,302</b>

**TABLE XVI  
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2016  
BY TYPE OF ASSET**



**CHART IV  
CAPITAL EXPENDITURE 2016**

## FINANCIAL STATEMENTS

The Audited Financial Statements which form part of this report are contained in pages 67 to 80.

## G: 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 2016, the Authority had an actual staff complement of one thousand, one hundred and twenty-two (1,122) which was approximately 85% of the approved staff complement of one thousand, three hundred and sixteen (1,316). The actual staff complement for the year 2015 was one thousand and seventy-two (1,072) or approximately 81% of the approved complement of one thousand, three hundred and twenty-two (1,322). The actual staff complement for 2016 exhibits an increase of 5% when compared with that of 2015.

Of the one thousand, one hundred and twenty-two (1,122) employees, four hundred and eighty-five (485) or approximately 43% were male, while six hundred and thirty-seven (637) or approximately 57% were female.

Recruitment for the period under review totaled one hundred and forty-seven (147) with 66% being male and 34% female. One hundred and twenty-four (124) new employees were enrolled in the Authority's Life and Health Plans, while forty-six (46) were enrolled in the Pension Plan. The number of employees promoted amounted to seventy-four (74) and departures amounted to seventy-six (76), resulting in a staff turnover of 6.8% as compared with 9.6% in the previous year. Of the seventy-six (76) departures, forty-seven (47) persons resigned, seven (7) retired, five (5) had their services terminated, fifteen (15) were dismissed for various offences and two (2) died.

## **H: 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.

Due to the close collaboration between the Applications and Infrastructure Sections, the Division successfully completed several projects and also provided the necessary service and support throughout the organisation to enable the successful achievement of objectives.

Considerable resources and time were dedicated to the continued development of an upgraded Total Revenue Processing System - **TRIPS 2.0**. Staff conducted several iterations of internal and user testing for the eServices, Core Taxes and Core Customs components, created test scenarios and generated test data. They also updated requirements documentation where required, reviewed and provided feedback on several software requirements specifications and related documents, acted as liaison between Crown Agents and the Authority's business experts to confirm requirements and log test issues.

In order to implement the Government of Guyana's 2016 budget measures relating to increased fees for licences, several changes to the Licence Revenue Processing System (LRPS), through which the licences are administered, became necessary. All relevant changes were completed and successful testing was carried out by support staff of the LRPS application along with Licence Revenue Office business users. Staff also commenced conducting the analysis and design of online services for the processing of licences with initial focus on the registration and transfer of motor vehicles and the issue and renewal of drivers' licences. The prototype and initial database diagram were produced, while a review by staff of the Division was completed. The first phase of application development is scheduled for the year 2017.

This year saw the successful electronic submission of Form 2 for several agencies, inclusive of those of the Revenue Authority. Given the state of employers' data, it became necessary to provide a software tool to assist with the verification of employees' data (e.g. employees' names, dates of birth etc.). As a result, the taxpayer verification software was designed, developed and implemented to assist employers to cleanse their data and therefore improve the accuracy of the data submitted. Several sessions were held with selected organisations to sensitise them on the requirements for the preparatory exercise as well as for the electronic submission of Form 2 and Form 5.

A Tax Operations Records Management System was also implemented to meet the needs of the Tax Operations and Services Division. This project involved the expansion of the Authority's existing Records Management System and saw the scanning of all documents in archived taxpayers' files and all tax returns as they are submitted. Further, the record management system for Customs and Tax Exemptions were moved from SharePoint to an open-source solution, Alfresco, due to costs and other challenges. The configuration of Alfresco, data migration and testing were completed. Given the

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complexities of preparing the financial budget for this organisation a software solution was also developed, tested and implemented to compile and present the capital and current budgets.

The development of online fillable forms was undertaken and to date a total of fourteen (14) forms were developed and published on the Authority's website. These included applications for trade, miscellaneous and liquor licences, transfer of motor vehicles and the individual income tax return. In addition, the form for Value-Added Tax was developed with a barcode to facilitate automatic data entry. Attention is to be focused on the development of tax returns as fillable, bar-coded forms.

Work continued on several projects related to the existing Human Resource/Payroll software, *PeopleNet*, which commenced during the previous year. These included the completion of technical and other preparatory work for the creation and printing of employees' badges by the Human Resource Management Division. In addition, the leave management module of the software was adjusted and a new method of recording leave balances was introduced while several updates and changes were made to facilitate the calculation of salary increases and new reports were developed. The software was also moved from a physical server to a high availability environment.

The Division embarked on the development of a software solution to facilitate the electronic application, approval and processing of leave for staff members and continued working on the development of a solution to aid in the administration of a performance appraisal system. Work also commenced on the development of a web-based application to manage both the time keeping devices and the time records of employees of the Authority. In addition, time clocks were installed at all wharf locations to ensure that staff at those locations are accounted for in the central time system database.

Several upgrades were also completed during the year under review. These included, the upgrade to the VMware infrastructure at both the production and recovery sites, along with the virtual infrastructure switches and server. The Veeam backup and replication appliance were updated to the latest version, while the external Domain Name Servers were upgraded and configured with the necessary features and the disaster recovery site was furnished with updated host hardware. In addition, the database server was migrated to a new Windows server 2008 machine and the Oracle WebLogic application server was migrated to two new Dell R320 servers.

### **I: INTELLIGENCE AND RISK MANAGEMENT DIVISION**

The Intelligence and Risk Management Division is a critical functional area within the Guyana Revenue Authority. It is responsible for maintaining a central information database through ongoing collection of data that are tested and risk analysed to determine potential tax evasion and disseminate to other functional areas, 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 nine hundred and ninety-two (992) taxpayers were

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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 number of taxpayers monitored was 27% below the amount monitored in 2015.

The monitoring of one hundred and ninety-five (195) owners of business establishments in regional locations resulted in reports on fifty-three (53) of them being forwarded to the Audit Division, one hundred and seven (107) to Debt Management, sixty-eight (68) to Tax Operations and Services, six (6) to Law Enforcement and Investigation and forty-two (42) to Tax Compliance and Enforcement Division.

Information gathered on sixty-three (63) market stall holders resulted in reports on eight (8) being forwarded to the Tax Operations and Services Department, forty-eight (48) to Debt Management and thirty-four (34) to Integrated Regional Tax Offices. Further, information gathered on fifty-five (55) taxpayers within the Agriculture and Construction sectors who were beneficiaries of tax exemptions were forwarded to various Divisions inclusive of Law Enforcement and Investigation, Tax Exemption processing and Verification, Debt Management and Audit Divisions.

A total of five hundred and thirty-eight (538) individuals within the transportation sector were monitored and reports relating to seven (7) of those were forwarded to the Audit Division, two hundred and eighteen (218) to the Debt Management Division and one hundred and forty-one (141) to the Tax Operations and Services Department for further action to be taken.

Information pertaining to one hundred and thirteen (113) Medical Practitioners were evaluated. Twenty-four (24) reports were forwarded to Tax Operations and Services Department, fifty-one (51) to Debt Management, nineteen (19) to Audit Division and nineteen (19) reports were forwarded to Tax Compliance and Enforcement Division.

In addition, information was gathered on nineteen (19) operators within the Commercial Property Rental/Apartments/Hotels sector and eleven (11) contractors. Relevant information was forwarded to various Divisions for further action where necessary.

### **J: INTERNAL AFFAIRS DIVISION**

This Division is mandated to ensure that the actions and practices of staff, in the course of executing their responsibilities and duties, are conducted in conformity with established laws, policies, procedures and rules of conduct in order to promote the image of the GRA and to secure public confidence in the integrity of its staff.

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To this end, staff of the Division conducted investigations into allegations and complaints made against staff of the Authority. A total of forty-one (41) such investigations were completed for the reporting period. This activity saw the same number of investigations being completed for the corresponding period in 2015. Several major investigations were among those completed and resulted in appropriate disciplinary actions, inclusive of written warnings, suspensions without pay and termination of services being taken against officers who were found to have contravened the Employee Code of Conduct.

In addition, investigations into the lifestyles and rapid and unexplained accumulation of wealth of employees were also carried out. During the year under review, a total of twenty-eight (28) of these investigations were completed. To carry out the investigations, staff of the Division conducted a total of two hundred and sixty-six (266) 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 thirty (30) as compared with seventy-four (74) during 2015. 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. During the year under review, the Division was able to acquire and have installed additional cameras in new areas while in other areas, which were considered high risk, existing cameras were replaced with those of higher resolution to enable better quality footage. One thousand, five hundred and ninety-six (1,596) such monitoring activities were conducted while sixty-five (65) camera recordings of the examination of imported goods profiled by the Risk Profiling Committee were conducted. The random monitoring of work attendance, overtime work and its related costs were carried out on eighty-three (83) occasions. Visits were also made to Integrated Regional Tax Offices to monitor the activities of staff and one hundred and seventy-two (172) special assignments were completed and relevant reports were prepared.

### **K: 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 comprises three (3) Sections namely:

1. Internal Audit Taxes, which is responsible for conducting audits and special assignments of Internal Revenue Taxes, VAT and the Common and Corporate Services Divisions.
2. The Internal Audit Customs is responsible for conducting audits and special assignments at the Customs, Excise and Trade Operations.

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3. Internal Audit Quality Review which is responsible for conducting reviews of all applications processed for tax exemption by the Tax Exemption Processing and Verification Division and declarations processed by the Customs, Excise and Trade Operations.

In September, the Post Clearance Audit Unit was temporarily assigned to the Internal Audit Customs and comprised staff from the disbanded Import Unit of the Goods Examination Section. The Unit was tasked with the responsibility of conducting customs examinations on containers deemed high risk with a view to collecting additional duties and taxes where evasion is detected.

The division completed six hundred and ten (610) audit examinations over the period under review. Twenty-three (23) routine and twelve (12) special audits were conducted by Internal Audit Taxes Unit and twenty (20) routine and eighty-four (84) special audits were completed by the Internal Audit Customs Unit. In addition, the Quality Review Unit completed one hundred and sixty-four (164) audits, while three hundred and seven (307) audits were conducted by the Post Clearance Audit Unit.

The Internal Audit Taxes Section completed sixteen (16) audits of Internal Revenue and of this total, six (6) were special assignments for which reports were submitted to the Commissioner-General and ten (10) were routine audits which were finalized and the report was submitted to the Commissioner-General and the Internal Audit Committee. Some of the areas audited included Travel Tax tickets sold at the Cheddi Jagan International Airport, Professional Fees, Liability and Compliance Certificates issued, the Licence Revenue Office and Internal Revenue Operations at the Integrated Regional Tax Offices.

Meanwhile, audits completed for Value-Added Tax amounted to eleven (11), inclusive of two (2) special assignments for which reports were submitted to the Commissioner-General. Areas audited included VAT operations at the Integrated Regional Tax Offices, Public Entertainment, VAT Refunds and Dishonored Cheques among others.

Eight (8) audits of the Common and Corporate Services Divisions were completed in various areas including the Imprest Account, Facilities Management, Communication and Tax Advisory Services and Human Resources Management Divisions. Of the total audits completed, four (4) were special assignments and the reports were submitted to the Commissioner-General.

Audits completed by the Internal Audit Customs totaled one hundred and four (104). These audits comprised twenty (20) routine and eighty-four (84) special assignments. All of the routine audits were finalized and submitted to the Commissioner-General, Corporate Secretary 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, permits issued for the Prior to Processing (PTP) and Permit for Immediate Delivery (PID) facilities and system procedures at the Entry Processing Unit.

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One hundred and sixty-four (164) 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 all declarations processed by the Customs, Excise and Trade Operations which had attached either conditional or un-conditional exemptions. For the period January to August 2016, the Unit identified for recovery a total of \$126.6 M in additional taxes and fines of which \$19.3M were paid.

Staff of the Post Clearance Audit Unit conducted examinations of three hundred and seven (307) containers which were selected for post clearance examination. Of the containers examined, seventy-nine (79) were found with discrepancies and as a result, duties and taxes were assessed and penalties instituted to the value of \$67.4M, of which \$9M was collected by the end of the year.

During the year under review, the Division experienced several constraints which impacted its ability to complete audits in a timely manner. These included shortages of human and computer resources and the delayed/non-submission of documents and responses to audit reports from Auditee Management.

### **L: 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, 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. Despite the challenges, the Division was able to achieve its goals.

Enforcement and anti-smuggling exercises which were conducted on land amounted to one thousand, seven hundred and sixty-nine (1,769), while seventy-nine (79) 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 eighty (380) 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 ninety-seven (97) occasions during the year.

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Eight hundred and twenty (820) 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. Enforcement exercises were conducted in the Regions to provide guidance and support to the Division's staff located at various outstations, while staff were also engaged in joint operations with agencies such as the Guyana Energy Authority, the Guyana Defence Force Coast Guard and the Customs Anti-Narcotics Unit.

Further, staff conducted examinations/verification of imported and exported goods at transit sheds on seven hundred and forty-six (746) occasions and examination/verification of imported and exported goods at various ports of entry on five thousand (5,000) occasions.

Revenue collected from these activities amounted to \$268.5M. The table below compares revenue collected during 2015 with that collected during 2016.

Activity	2016	2015	Quantity Variance	% Variance
Fines & Compensation	57,287,988	53,750,585	3,537,403	6.6
Additional Taxes	158,121,205	89,470,245	68,650,960	76.7
Sale of Seizures	52,688,440	62,466,031	(9,777,591)	-15.7
Sale by auction	436,333	44,311,790	(43,875,457)	-99
<b>Total</b>	<b>268,533,966</b>	<b>249,998,651</b>	<b>18,535,315</b>	<b>7.4</b>

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

### **M: LEGAL SERVICES DIVISION**

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

Staff of the Division undertook the prosecution and defense of eighty-five (85) ongoing matters before the Magistrate and High Courts where defendants were charged with offences which included failure to submit Tax Returns for various tax types, failure to remit taxes and evasion of customs duties and taxes. The Courts granted judgement in favour of the Authority in one (1) matter. The institution of

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

legal proceedings in relation to new matters did not occur during the year since a number of those were settled departmentally and others were in the process of being settled.

Opinions, letters and responses to requests for legal advice which were received from the Commissioner-General and other Departments/Divisions of the Authority were also prepared. A total of one hundred and fourteen (114) such opinions, letters and responses were prepared.

Revenue recovered by the Authority through its Legal Services Division amounted to \$14.9M as compared to \$24.8M collected during the year 2015, exhibiting a decrease of approximately 40%.

### **N: PLANNING AND ANALYSIS DIVISION**

The Planning and Analysis Division is mandated to ensure the Guyana Revenue Authority's mandate is fulfilled through:

- Effective planning, forecasting, coordinating, organising, monitoring and evaluating of financial and non-financial work programme commitments of the various operational areas;
- Analyzing revenue collections and the results achieved by the various operational areas, in relation to their respective revenue projections and Annual Work Programmes;
- Providing analytical support to facilitate effective execution of respective mandates and achievement of Work Programme Objectives;
- 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 2016 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 Ministry of Finance and the Chairman of the Governing Board, while twelve (12) Monthly Analytical Revenue Reports were completed and submitted to the Commissioner-General.

Further, twelve (12) Monthly Revenue Collection Reports were prepared for submission to the Governing Board. Two hundred and thirty-four (234) Management Information System (MIS) and other specialised reports were generated for Senior Management within the Authority, while fifty-eight (58) reports were generated for external agencies.

The Division also completed one hundred and thirty-six (136) special assignments in relation to Work Programme Commitments and Revenue Collection Projections and analyzed two hundred and thirteen (213) monthly reports on Work Programme Commitments and Results achieved which were submitted by all functional areas.

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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.

### **O: 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), the proper Commodity Processing Codes (CPCs) are used and are consistent with the Authority's Regime Breakdown of Codes and that the valuation method used for imported goods are applied according to the valuation principles provided in the General Agreement on Tariffs and Trade/World Trade Organisation (GATT/WTO) and outlined in the Fifth Schedule of the Common External Tariff.

During the year under consideration, staff of the Revenue Protection Division received a total of three thousand, five hundred and twenty-three (3,523) customs declarations for review and completed the review of three thousand, four hundred and sixty-nine (3,469). While reviewing those declarations, one thousand, one hundred and fifty-seven (1,157) reports were prepared recommending examinations to verify particulars of vehicles and quantities of goods declared and one hundred and sixty-nine (169) declarations were recommended for post verification audits. Upon completion of the reviews, two thousand, seven hundred and thirty-eight (2,738) reports were prepared recommending the payment of additional taxes and seven hundred and fifty-two (752) 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 fifty-four (54) declarations.

The additional taxes identified for collection upon completion of reviews amounted to \$1.073B which was 6.6% more than the amount identified for collection in 2015.

### **P: TAX AUDIT DIVISION**

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

The Division completed a total of one thousand, four hundred and ninety-one (1,491) audits during the year under review which resulted in a total of \$8.2B in revenue being identified for recovery from a combined effort of the sections in the Division namely Self-Employed and PAYE, Companies and Large Taxpayers, VAT Refunds, VAT Audit and Enforcement and Regional Audit.

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Staff of the VAT Audit and Enforcement Section conducted one hundred and four (104) routine examinations and recovered \$93.5M in revenue along with an additional \$350M from the verification of one thousand, one hundred and two (1,102) VAT Refund claims. Compliance visits were conducted on eight hundred and seventy-eight (878) occasions inclusive of three hundred and twenty-one (321) follow-up visits. Two hundred and nineteen (219) new VAT registrants were identified for the period under review.

Twenty-four (24) audits of companies and other large taxpayers resulted in \$5.3B 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 one hundred and eight (108) and resulted in the recovery of \$623M. It should be noted that two (2) of the twenty-four (24) audits recovered \$245M.

Further, forty-one (41) audits of VAT Refund claims resulted in the retention of \$578M through the disallowance of input tax credits and the recovery of output VAT, while an additional twenty-one (21) comprehensive audits resulted in the recovery of a further \$1.042B.

Revenue recovered by staff located at the Integrated Regional Tax Offices amounted to \$189M upon completion of ninety-one (91) audits of various categories of taxpayers.

### **Q: TAX COMPLIANCE AND ENFORCEMENT DIVISION**

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. It comprises of two (2) Sections namely Examination of Returns and Compliance and PAYE, Refunds and Mortgage Interest Relief Sections.

#### **Examination of Returns and Compliance Unit**

During the year staff received and examined a total of six hundred and ninety-eight (698) schedules relating to Withholding Tax and conducted one hundred and thirty-seven (137) field visits to facilitate the examinations which resulted in the recovery of \$234.4M in revenue. Two hundred and eight (208) Travel Voucher Tax schedules were also received and examined with a total of fifty-seven (57) field visits being conducted and \$72.1M in revenue recovered during the period.

In relation to Premium Tax and Tributors' Tax, schedules received and examined by staff of the Section totaled one hundred and thirty-four (134) and four hundred and thirty-five (435) respectively. Two hundred and seventy-seven (277) field visits were conducted and \$56.9M in revenue recovered for Premium Tax while there were fifty-six (56) field visits and the recovery of \$12.7M in revenue for Tributors' Tax. In addition, four thousand, four hundred and two (4,402) Travel Tax tickets were reconciled during ninety-eight (98) field visits and seven hundred and sixty-six (766) reports were prepared on the findings.

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Staff also conducted reviews of tax returns submitted by Self-Employed persons which were received from several areas of operations including Objections and Appeals, Debt Management, Mortgage

Interest Relief and Central Data Processing. These tax returns amounted to seven hundred and fifty-five (755) and reviews were completed on six hundred and thirty-six (636) resulting in six hundred and five (605) re-assessments/additional assessments being processed to the value of \$14.9M. Further, verification activities were conducted on twelve thousand, one hundred and sixty-nine (12,169) Income Tax Returns submitted by Self-Employed persons and verification was approved for twelve thousand, three hundred and ninety-three (12,393) returns (inclusive of those which were not completed during the previous year). Eleven thousand, three hundred and forty-four (11,344) Notices of Assessment (NOA) were printed upon approval of verification and subsequently dispatched to the taxpayers.

Preliminary reviews were conducted on sixty-eight (68) Corporation Tax returns, while detailed examinations were conducted on one hundred and forty-three (143) such returns together with the requisite financial statements. Eleven (11) set-off with respect to losses by the companies and one hundred and twenty-seven (127) set-off with respect to wear and tear were also examined. In addition, verification activities were approved for three hundred and sixty-seven (367) returns, while three hundred and fifty-two (352) Notices of Assessment were printed and dispatched to the companies.

### **PAYE Unit**

The verification and examination of one thousand, one hundred and four (1,104) Annual Employers' Declarations (Form II) which were submitted by employers under the Pay As You Earn (PAYE) system was also completed. Six hundred and sixty-one (661) of the Form IIs were reconciled with information contained in the Monthly Employer's Returns (Form 5). Four hundred and sixty-five (465) field visits were conducted to facilitate the examinations which resulted in sixteen (16) cases being forwarded to the Debt Management Division for follow-up with employers regarding outstanding liability. Revenue identified for recovery as a result of those examinations amounted to \$67.3M exhibiting an increase of \$61.2M or 1,003% over the \$6.1M identified in 2015.

### **Refund Verification Unit**

Staff of the Unit are tasked with the responsibility of processing claims for refund of internal revenue taxes. To this end, staff processed two thousand, eight hundred and thirty-five (2,835) claims for refund of various tax types which amounted to \$846.5M.

One hundred and ninety-eight (198) claims for refunds were submitted by companies. Of that amount, one hundred and sixty-three (163) claims to the value of \$685.8M were related to Corporation Tax, while the remaining thirty-five (35) claims to the value of \$16.9M were related to Property Tax.

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Claims from employed persons for refund of Income Tax totaled two thousand, three hundred and seventeen (2,317) and amounted to \$18.8M, while ninety-three (93) claims for refund of Income Tax

and one hundred and fifty-five (155) for refund of Property Tax were processed for Self-Employed persons. These claims valued \$108M and \$14.3M respectively. In addition, \$2.6M in Withholding Tax comprising seventy (72) claims were also processed.

Vouchers were prepared to give effect to these refunds and forwarded to the Revenue Accounting Section to facilitate payment. During the year 2016 a total of \$746M was paid in refunds to several categories of taxpayers as shown in Table XVIII below.

TAX TYPE	REFUNDS PAID	REFUNDS PAID
	2015	2016
Corporation Tax	1,077,428,329	514,605,038
Property Tax – Companies	8,986,946	99,197,453
Income Tax – Self Employed	129,106,763	78,592,764
Income Tax – Employed (PAYE)	46,882,331	39,822,924
Property Tax – Individual	2,598,428	12,692,556
Withholding Tax	9,172,285	1,488,497
<b>TOTAL</b>	<b>1,274,175,082</b>	<b>746,399,232</b>

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

### **Mortgage Interest Relief Unit**

During the year 2016, staff of the Unit received four hundred and eighty-eight (488) applications for Mortgage Interest Relief and of this amount two hundred and twenty-two (222) were re-applications. Four hundred and thirty-one (431) interviews were conducted and a total of five hundred and eighty-six (586) applications were processed, this includes those received but not processed during the previous year.

Preliminary reports were prepared for all applications while, five hundred and thirty-three (533) were finalized upon completion of investigation and verification activities and six hundred forty-one (641)

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

letters were dispatched. During the conduct of verification activities, one million, one hundred and ninety-eight thousand, one hundred and ninety-one dollars (\$1,198,191.00) in outstanding taxes were identified and remitted by taxpayers prior to applications being finalised.

In addition, claims for reimbursement were also received from financial institutions and these amounted to one thousand, five hundred and thirty-three (1,533). One thousand and eighty (1,080) of those claims were processed and verification activities were completed for nine hundred and fifty-three (953). Further, seven hundred and eighty-seven (787) vouchers were dispatched to the Revenue Accounting Section to facilitate payment and reimbursement claims were paid to the value of \$57.852M as compared to \$198.879M which was reimbursed in 2015.

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

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

To this end, fifteen thousand, four hundred and six (15,406) applications for tax exemption were received, verified and processed exhibiting a decrease of 2% when compared with the amount received and processed during the previous year. Of the applications received, thirteen thousand, three hundred and sixty-five (13,365) were approved, while ninety-four (94) were denied. At the end of the year, one thousand, nine hundred and forty-seven (1,947) 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 ninety-nine (99) Investment Agreements which figure exhibited a decrease of 41% when compared with the corresponding figure for the previous year. Of this amount, twenty-seven (27) which originated from the Guyana Geology and Mines Commission (GGMC) and forty-three (43) which originated from Guyana Office for Investment (Go Invest) were recommended for approval. Meanwhile, four (4) from Go Invest were not recommended for approval and the remaining were awaiting review at the end of the year.

Other activities undertaken by staff included the referral of fourteen (14) applications for exemptions to the Intelligence and Risk Management Division for intelligence gathering to determine whether additional action is necessary prior to granting approval. One hundred and forty-five (145) applications were referred to the Law Enforcement and Investigation Division for investigation and verification activities to be conducted. Those applications were related to entities registering for manufacturing status, applicants who were required to pay pro-rated taxes on motor vehicles, verification of non-governmental/charitable status of organisations and verification of companies/businesses seeking renewal of or supplementary Investment Agreements.

During the year, staff also forwarded one hundred and fifty (150) applications to the Compliance Section to determine whether applicants were tax compliant.

## **S: TRAINING AND DEVELOPMENT DIVISION**

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

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

### **INTERNAL TRAINING**

Internal training programmes organized by the Training and Development Division benefitted in excess of nine hundred staff members and were intended to equip staff members with the necessary skills needed to function in their capacity. Some of the programmes conducted covered areas such as ‘Customer Service’, ‘Stress Management’, ‘Communication Skills’, ‘Supervisory Management’ and ‘Enhancing Professionalism’. Orientation activities also benefitted a total of thirty-eight (38) newly recruited staff.

Further, technical training in several fields was facilitated by Consultants from organisations such as the Inter-American Center for Tax Administration (CIAT), Canadian Executive Services Organisation (CESO), Caribbean Regional Technical Assistance Centre (CARTAC) and the World Customs Organisation (WCO). Training was provided in areas including Audit Techniques, Intelligence Gathering, Auditing Large Taxpayers and Transfer Pricing which benefitted approximately eighty-five (85) staff drawn from the Audit and the Intelligence and Risk Management Divisions.

Training on International Trade Agreements was provided to a total of seventy-seven (77) staff members, while fifty-five (55) staff from various areas of operations were beneficiaries of training in Data Security Policy. Thirty-one (31) staff from Customs, Excise and Trade Operations and Revenue Protection Division benefitted from online training in basic Spanish, while twenty-six (26) Customs Officers attended the ‘Customs and Trade Facilitation Level One’ programme and a further, one hundred and two (102) benefitted from the Customs Officer 1 training programme. Twenty-eight (28) Patrol Officers attended a programme which was specially designed for them, while an additional twenty-two (22) staff from Customs, Excise and Trade Operations and other related areas were beneficiaries of a workshop on Border Strategic Goods Control and Dual Use and Strategic Trade Controls Enforcement which was facilitated by the WCO. Also, the Guyana Revenue Authority along with the National Ozone Action Unit facilitated a workshop for Customs Brokers and Importers on Ozone Depleting Substances which were attended by twenty-seven (27) participants. Twenty-one (21) Law Enforcement Officers, Security Officers and Drivers were beneficiaries of training in the use of firearm.

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Senior management staff of the Authority also participated in several joint meetings/workshops inclusive of the meeting on Global Forum which was attended by senior staff across the Authority and workshops on Risk Assessment in the Caribbean Region and the United Nations Security Council Resolution Implementation Programme. Senior staff members also participated in meetings held with delegations from CIAT and CARTAC to assess various aspects of tax administration.

Staff of the 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 two (102) Secondary School students as well as coordinating activities related to the issuance of new Bursary awards to a total of twenty-one (21) students. Bursary awards to continuing students were also presented.

### **EXTERNAL TRAINING – LOCAL**

Several programmes were hosted by the Public Service Ministry. These included Principles of Professional Secretarial Practice, Human Resource Management and Personnel Policies and Practices. Beneficiaries to these programs included Administrative Assistants and Clerks from several Divisions.

The Bank of Guyana conducted training on Counterfeit Detection which was attended by staff of the Central Data Processing and Revenue Accounting Division, while the Arthur Lok Jack Graduate School of Business facilitated an online workshop on Anti-Money Laundering and the Inter-American Development Bank (IDB) and the Caribbean Customs Law Enforcement Council (CCLEC) facilitated the Customs Management and Leadership online programme. Staff of the Internal Audit Division as well as the Planning and Analysis Division benefitted from training on Forensic Accounting and Investigation which was facilitated by the Ministry of the Presidency.

Senior Management staff of the Authority participated in several joint meetings inclusive of the 16<sup>th</sup> Joint Meeting of the CARICOM Standing Committees of Chiefs of Immigration and Comptrollers of Customs, the Advance Cargo Information System Implementation and Oversight Committee, the National Extractive Industries Transparency Initiatives Symposium, the Twentieth Meeting of the Senior Officials of the Legal Affairs Committee (SOLAC), Implementation of the WTO Trade Facilitation Agreement, 42<sup>nd</sup> Meeting of the Council for Trade and Economic Development (COTED) and the Twenty-First Meeting of the SOLAC held via video conference.

Other workshops attended by staff included the Guyana National Risk Assessment workshop, workshops on producing a Medium-Term Macroeconomic Framework for Guyana, Fraud and Forensic Auditing and a seminar for Customs Officers at Ports of Entry. Further, the workshop on Understanding and Developing a Communication Mechanism for Effective Management of Wildlife in Guyana was attended by Senior Management staff attached to the Customs, Excise and Trade Operations.

### **EXTERNAL TRAINING/CONFERENCES – OVERSEAS**

Conferences, workshops and training programmes which were held overseas in countries such as Canada, Florida, Peru, China, Switzerland and Panama as well as those within the Caribbean were attended by forty-three (43) staff members. These conferences included, the Leadership Symposium, held in Barbados during the month of September, the Seminar on the Feasibility to Establish a Regional Tax Audit Team in the Caribbean, held in St. Lucia and a visit to the Canadian Bank Note Company in Ottawa, Canada in October were all attended by the Commissioner-General and other Senior Management Staff.

The Deputy Commissioner, Customs, Excise and Trade Operations participated in the Annual AML/CFT, Anti-Fraud and Financial Crimes Conference and Post Conference Workshop in Antigua. The International Anti-Counterfeiting Coalition Conference held in Florida, the Regional Workshop on the Implementation of the WTO Trade Facilitation Agreement held in Panama and the Workshop on Developing Capacity for National Border Controls of Living Modified Organisms in Small Developing States in the Caribbean, held in Trinidad and Tobago, were attended by Managers of Customs, Excise and Trade Operations, while Supervisors and other technical staff of various areas of the Authority participated in other overseas programmes including the Strengthening Strategic Trade Controls in the Caribbean in Barbados, the workshop on Customs and Trade Facilitation (Level 1 and 11) in Trinidad and Tobago and the WTO programme on Trade Facilitation held in Geneva, Switzerland.

A programme on the Exclusive Economic Zone (EEZ) was held in Jamaica and was attended by the Principal Manager, Drug Enforcement Unit, Law Enforcement Division, while the Senior Manager, Communication and Tax Advisory Services Division attended the WCO Regional Seminar on the Harmonized System in the Dominican Republic. The Head, Human Resources Management Division participated in the CIAT Correspondent Network Meeting in Panama, while the Regional Workshop on Tax Administration Diagnostic Assessment Tool (TADAT) and Revenue Administrations' Fiscal Information Tool (RA-FIT) held in Barbados was attended by the Assistant Commissioner, Tax Compliance and Enforcement and Senior Manager, Planning and Analysis.

Other overseas programmes from which staff of the Authority benefitted included the workshop on Strengthening the Technical Capacity of Public Finance Managers in Selected Caribbean Small Island Developing States, held in Trinidad, the Sub-Regional Workshop on the Rules of Origin for Caribbean Member States in the Dominican Republic, Revenue Forecasting and Tax Policy Analysis Workshop in

Barbados, the Property Taxation Seminar held in St. Lucia, the Last Mile Seminar in Peru and the Caribbean Organisation of Tax Administrators (COTA) Executive Council Meeting held in Barbados.

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## **SAFETY AND HEALTH/WELLNESS**

Staff members were also exposed to training under the Authority's Occupational Safety and Health programme and also participated in discussions on Fire Inspection Awareness. Further, as part of the Wellness programme, staff across the organisation were sensitized on various diseases including HIV/AIDS, Diabetes, Hypertension, Mental Health, Men's Health, Prostate and Colon Cancer and other chronic diseases and were educated on Nutrition and Healthy Living.

Screening of the eyes, ear, nose and throat as well as for cancer and other health issues 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 continued at the Authority's Headquarters and the Annual Walk Race was held in January. This activity sought to foster unity among staff, encourage staff to be more active and to stress the importance and value of adding exercise to everyday life.

**REPORT OF THE AUDITOR GENERAL**



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AG: 141/2022

17 August 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 2016**

*Qualified Opinion*

I have audited the accompanying financial statements of the Guyana Revenue Authority, which comprise the statement of financial position as at 31 December 2016, 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.

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 2016, and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRSs).

*Basis for Qualified Opinion*

The sum of \$3.631 billion reported as Fixed Assets was overstated by \$262.475M, which resulted from 103 payments made from January to June 2017, but were incorrectly recorded in 2016. Further, 652 assets valued \$119.264M were not located and presented for verification.

The correctness and accuracy of the \$895.603M reported as Land and Buildings could not be determined. Moreover, relevant documentation was not provided to aid verification of ownership and value for three properties.

The accuracy of the \$59.222M reflected on the financial statements as inventories could not be determined. Moreover, the inventory valuation report reflected a balance of \$38.967M, resulting in a difference of \$20.255M.

The cash book was not closed at 31 December 2016, a breach of the cash basis of accounting policy adapted by the Authority. Moreover, the cash book reflected a balance of \$448.735M on this date, compared to a nil balance on the bank reconciliation statement. Further, 108 receipt vouchers and 462 payments for sums totalling \$217.592M and \$666.327M, respectively, were recorded from 3 January 2017 to 17 August 2018, resulting in the netting off of the cash book balance of \$448.735M.

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

The completeness and accuracy of \$164.393M reported as the balance due to Consolidated Fund could not be determined. Moreover, \$52.040M, \$9.766M, and \$30.604M were refunded to the Consolidated Fund in July 2017, May 2018, and August 2018, respectively, giving an unaccounted difference of \$71.983M.

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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Guyana Revenue Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Guyana, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with ISAs and ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Authority to cease as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

  
D. SHARMA  
AUDITOR GENERAL

AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## GUYANA REVENUE AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

	Notes	2016	2015
<b><u>FIXED ASSETS</u></b>			
Land and Buildings	2	895,602,525	828,920,557
Motor Vehicles & Boats	2	338,373,938	323,331,901
Computer Equipment	2	1,518,839,337	1,367,209,101
Office Equipment	2	497,290,507	349,573,905
Containers/Scanner	2	167,370,606	213,669,389
Office Furniture	2	213,669,389	145,877,946
		<b>3,631,146,302</b>	<b>3,228,582,799</b>
Capital Work in Progress		0	-
<b>TOTAL FIXED ASSETS</b>		<b>3,631,146,302</b>	<b>3,228,582,799</b>
<b><u>CURRENT ASSETS</u></b>			
Inventories	3	59,222,350	45,957,376
Cash in hand	4	2,257,478	2,257,478
Cash at bank	5	165,364,101	72,953,764
<b>TOTAL CURRENT ASSETS</b>		<b>226,843,929</b>	<b>121,168,618</b>
<b>TOTAL ASSETS</b>		<b>3,857,990,231</b>	<b>3,349,751,417</b>
<b><u>CURRENT LIABILITIES</u></b>			
Balance due to Consolidated Fund		164,392,501	13,790,861
<b>TOTAL CURRENT LIABILITIES</b>		<b>164,392,501</b>	<b>13,790,861</b>
<b><u>FINANCED BY:</u></b>			
Government of Guyana Contribution	6	2,905,447,464	2,547,810,290
Project Financing	20	775,749,529	775,749,529
Grants	7	12,400,737	12,400,737
		<b>3,693,597,730</b>	<b>3,335,960,556</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>		<b>3,857,990,231</b>	<b>3,349,751,417</b>

The Financial Statements were approved by the Board of Directors:

	
Chairman	Member

The accompanying notes form an integral part of these Financial Statements.

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## GUYANA REVENUE AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2016

	Notes	2016	2015
<b><u>INCOME</u></b>			
Subsidy	20	4,855,449,377	4,536,284,249
<b>TOTAL INCOME</b>		<b>4,855,449,377</b>	<b>4,536,284,249</b>
<b><u>EXPENDITURE</u></b>			
<i>Wages and Salaries</i>			
Wages and Salaries	8	1,846,912,269	1,803,137,011
Revision of Wages & Salaries		154,248,646	69,472,736
Overhead Expenditure	9a & b	881,087,568	722,816,149
<b>Total Wages and Salaries</b>		<b>2,882,248,483</b>	<b>2,595,425,896</b>
<i>Other Charges</i>			
Material Equipment & Supplies	10	145,795,151	223,828,393
Fuel and Lubricants		41,691,530	40,352,013
Rental and Maintenance of Buildings	11	169,786,690	145,500,017
Transport Travel and Postage	12	139,223,146	113,325,518
Utility Charges	13	206,552,083	203,947,288
Other Goods and Services	14	417,281,857	402,180,659
Other Operating Expenses	15	78,059,779	87,669,255
Education Subventions and Training	16	10,184,439	4,841,904
Rates and taxes & Subvention to Local Authorities	18	34,080	-
Subsidies and Contribution to Local and Intl Org	17	15,499,894	9,563,474
Refunds of Revenue		697,970,964	699,984,293
<b>Total Other Charges</b>		<b>1,922,079,613</b>	<b>1,931,192,814</b>
<b>TOTAL EXPENDITURE</b>		<b>4,804,328,096</b>	<b>4,526,618,710</b>
<b>SURPLUS</b>		<b>51,121,281</b>	<b>9,665,539</b>
<b>Excess of Grant Over Expenditure</b>			
<b>Excess of Releases Over Expenditure</b>		<b>51,121,281</b>	9,665,539
		<b>51,121,281</b>	<b>9,665,539</b>

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## GUYANA REVENUE AUTHORITY CASH FLOW STATEMENT AS AT DECEMBER 31, 2016

		2016	2015
<b><u>Cash Flows from operating activities</u></b>			
Cash Releases from Government of Guyana	20	4,855,449,377	4,536,284,249
Cash paid to suppliers, employees and taxpayers		<u>(4,804,328,096)</u>	<u>(4,526,618,710)</u>
<b>Net Cash flow from operating activities</b>		<b>51,121,281</b>	<b>9,665,539</b>
<b><u>Cash Flows from investing activities</u></b>			
Cash Releases from Government of Guyana	19	440,452,122	329,985,430
Purchase of property, plant and equipment		(400,121,466)	(325,860,108)
Capital Work in Progress		-	-
<b>Net Cash flow from investing activities</b>		<b>40,330,656</b>	<b>4,125,322</b>
Net increase in cash		<b>91,451,937</b>	<b>13,790,861</b>
Cash at beginning of period		75,212,303	61,444,809
Cash in Imprest Accounts/ increase or decrease in imprest		-	-
Cash in Foreign Currency floats/ increase or decrease in currency floats		-	(23,367)
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		-	-
Cash repaid for previous accounting period		-	-
Cashbook overstated		-	-
Unreconciled Difference		-	-
<b>Cash at end of period*</b>		<b><u>166,664,240</u></b>	<b><u>75,212,303</u></b>
<b>Due to Consolidated Fund :</b>			
Current		<b><u>164,392,501</u></b>	<b><u>13,790,861</u></b>
ODS		51,121,281	9,665,539
FFMP		16,337	16,337
Capital		-	-
Overpayment to the Consolidated Fund		40,330,656	4,125,322
Liability		-	-
Grants		-	-
Cash in imprest, floats and POS/ Change in Cash in imprest, floats and POS		12,384,400	12,384,400
Refund to the consolidated accounts for previous years		2,270,678	2,270,678
Previous years balance due to consolidated fund		-	-
Refund to the consolidated accounts for preceeding year year		72,940,564	46,748,966
Cashbook overstated		-	-
Unreconciled Balance		1,009	1,061
		<b><u>179,064,925</u></b>	<b><u>75,212,303</u></b>

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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

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

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

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

### **NOTE 1 (b): SIGNIFICANT ACCOUNTING POLICIES**

The Financial Statements have been prepared under the historical cost convention whereas Fixed Assets are valued at their

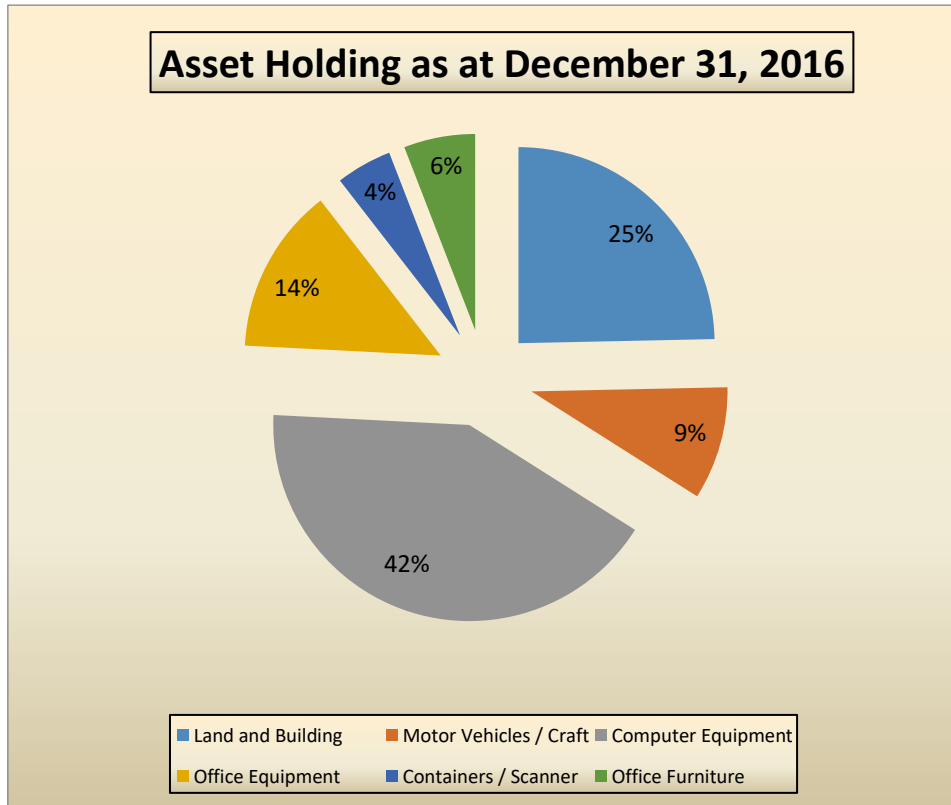
- A. Acquisition Cost and no depreciation is reported.
- B. The Revenue Authority operates on a Cash Basis of Accounting and as such there are no accruals of expenses. The allocations are provided by Parliament in the Estimates of Expenditure. In addition, the surplus of revenue (releases) over expenditure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

### **NOTE 2: FIXED ASSETS**

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

The Asset holding of the Revenue Authority as at December 31, 2016 is displayed in the Chart overleaf:

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS



Land and Building	<b>895,602,525</b>
Motor Vehicles / Craft	<b>338,373,938</b>
Computer Equipment	<b>1,518,839,337</b>
Office Equipment	<b>497,290,507</b>
Containers / Scanner	<b>167,370,606</b>

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

The following table sets out GRA's Fixed Asset position as at December 31, 2016:

	Land and Buildings	Motor Vehicles and Boats	Computer Equipment and Software	Office Equipment	Office Furniture	Containers/Scanners	WIP	Total
Cost/Valuation as at Jan 1 2016	828,920,557	323,331,901	1,367,209,101	349,573,905	145,877,946	213,669,389	-	3,228,582,799
								-
<b>Additions:</b>								
GRA	66,681,968	12,600,000	151,630,236	147,716,602	21,492,660	-		400,121,466
FFMP	-		-	-	-	-		-
MCA	-	-	-	-	-	-		-
Min. of Tourism	-	-		-	-	-		-
Printer written off via Loss Report	-	-		-	-	-		-
<b>Disposal/Transfer</b>	-	-	-	-	-	-		-
<b>Total</b>	<b>895,602,525</b>	<b>335,931,901</b>	<b>1,518,839,337</b>	<b>497,290,507</b>	<b>167,370,606</b>	<b>213,669,389</b>	<b>-</b>	<b>3,628,704,265</b>
<b>Adjustments</b>		<b>2,442,037</b>						<b>2,442,037</b>
Cost/Valuation as at Dec 31, 2016	895,602,525	338,373,938	1,518,839,337	497,290,507	167,370,606	213,669,389	-	3,631,146,302

**Acquired through Want of Entry**

### **NOTE 3: INVENTORIES**

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

Stock Item	2016	2015
Office Materials & Supplies	21,986,304	11,265,716
Janitorial Supplies	1,462,765	878,950
Preprinted Forms	34,035,938	32,987,042
Cleaning and Extermination	1,698,327	-
Other Goods and Services	39,016	-
<b>TOTAL</b>	<b>59,222,350</b>	<b>45,957,376</b>

### **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 below:

Description	2016	2015
<b>Imprest Accounts</b>		
Customs & Trade Administration	-	-
Internal Revenue	-	-
<b>GRA Imprest</b>	<b>2,000,000</b>	<b>2,000,000</b>
Foreign Currency Float	257,478	257,478
<b>TOTAL</b>	<b>2,257,478</b>	<b>2,257,478</b>

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

### 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 overleaf:

Description	2016	2015
Bank of Guyana - Main A/c #01620004470	165,350,901	72,940,564
<b>Republic Bank POS Accounts</b>		
Customs & Trade Administration	6,600	6,600
Internal Revenue	6,600	6,600
<b>TOTAL</b>	<b>165,364,101</b>	<b>72,953,764</b>

### NOTE 6: GOVERNMENT OF GUYANA CONTRIBUTION

The Accumulated Fund for the Authority on its formation represented the values of Fixed Assets transferred from the Inland Revenue and Customs & Excise Departments. Subsequent to this, all capital items procured through Government of Guyana Contributions and grants have been included in this figure for the respective years. The table overleaf sets out the movement in the Fund for the year ended 31st December 2016.

Accumulated Fund	Fixed Assets	Net Current Assets	Total 2016	2015
As at Jan 1, 2016	3,228,582,799	121,168,618	<b>3,349,751,417</b>	<b>3,009,570,613</b>
Movement during the year (Note 6a)	402,563,503	105,675,311	<b>508,238,814</b>	<b>340,180,804</b>
<b>As at Dec 31, 2016</b>	<b>3,631,146,302</b>	<b>226,843,929</b>	<b>3,857,990,231</b>	<b>3,349,751,417</b>

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

### NOTE 6(a) - ANALYSIS OF MOVEMENT DURING THE YEAR

Purchases of Fixed Assets- GRA	400,121,466	
Acquisition of Fixed Assets (want of entry)	-	
Purchases of Fixed Assets- MCA	-	
FFMP Asset Acquired Ministry of Tourism	-	
Disposals of Fixed Assets Adjustments to Vehicles and Boats	<u>2,442,037</u>	
		402,563,503
Inventories	13,264,974	
Foreign Currency & POS Floats	-	
Cash at Bank	<u>92,410,337</u>	<u>105,675,311</u>
		<b><u>508,238,814</u></b>

	2016	2015
<b>Accumulated Fund as at 31st December, 2016</b>	<b>3,857,990,231</b>	<b>3,349,751,417</b>
<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	(164,392,501)	(13,790,861)
<b>GOG Contribution As at 31st December, 2015</b>	<b>2,905,447,464</b>	<b>2,547,810,290</b>

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## 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 2016 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, 2016 is \$16,337.

### Balance on Grants as at 31st December, 2016

Grant Type	2016	2015
Training Grant - ODS	16,337	16,337
Caribbean Development Bank	12,384,400	12,384,400
<b>TOTAL</b>	<b>12,400,737</b>	<b>12,400,737</b>

## NOTE 8: WAGES AND SALARIES

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6111	Administrative	518,425,639	496,557,177
6112	Senior Technical	382,569,464	385,436,205
6113	Other Technical & craft skills	409,239,294	396,201,267
6114	Clerical & Office Support	406,149,000	403,120,027
6115	Semi-Skilled and Unskilled operatives	114,619,870	103,222,180
6116	Contract Employees	15,540,833	13,770,511
6117	Temporary Employees	368,169	4,829,644
<b>TOTAL</b>		<b>1,846,912,269</b>	<b>1,803,137,011</b>

## NOTE 9(a): OVERHEAD EXPENDITURE

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6131	Other Direct Labour Costs (see Note 9b)	309,707,919	206,045,557
6133	Benefits & Allowances	334,078,043	290,274,457
6134	National Insurance	145,732,682	130,736,859
6135	Pensions	91,568,924	95,759,276
<b>TOTAL</b>		<b>881,087,568</b>	<b>722,816,149</b>

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

### **NOTE 9(b): MEMBERS' EMOLUMENTS**

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

Name	2016	2015
Lennox Benjamin	144,000	144,000
Clyde Roopchand	-	90,000
Sonia Roopnauth	144,000	144,000
Jawahar Persaud	-	72,000
Lawrence Williams	-	48,000
Gobin Ganga	144,000	144,000
Jermaine Grant	144,000	84,000
Rawle Lucas	240,000	105,000
<b>TOTAL</b>	<b>816,000</b>	<b>831,000</b>

### **NOTE 10: MATERIALS, EQUIPMENT AND SUPPLIES**

Expenditure under this head comprised the following sub-heads:

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6221	Drugs & Medical Supplies	700,000	683,782
6222	Field Materials & Supplies	-	-
6223	Office Materials & Supplies	52,878,260	52,967,396
6224	Print & Non Print Materials	92,216,891	170,177,215
<b>TOTAL</b>		<b>145,795,151</b>	<b>223,828,393</b>

### **NOTE 11: RENTAL AND MAINTENANCE OF BUILDING**

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6241	Rental of Buildings	108,085,345	100,569,488
6242	Maintenance of Buildings	47,865,546	31,067,286
6243	Janitorial & Cleaning Supplies	13,835,799	13,863,243
<b>TOTAL</b>		<b>169,786,690</b>	<b>145,500,017</b>

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

### NOTE 12: TRANSPORT, TRAVEL AND POSTAGE

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2,015
6261	Local Travel & Subsistence	70,292,345	41,538,651
6262	Overseas Conference & Official Visits	-	-
6263	Postage, Telex and Cablegram	34,889,914	46,302,148
6264	Vehicle Spares & Services	34,040,887	25,484,719
6265	Other Transport Travel & Postage	-	-
<b>TOTAL</b>		<b>139,223,146</b>	<b>113,325,518</b>

### NOTE 13: UTILITY CHARGES

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2,015
6271	Telephone Charges	21,052,003	22,036,814
6272	Electricity Charges	130,000,000	125,709,424
6273	Water Charges	4,080	703,779
6274	Wireless Charges	55,496,000	55,497,271
6275	Internet Charges	-	-
<b>TOTAL</b>		<b>206,552,083</b>	<b>203,947,288</b>

### NOTE 14: OTHER GOODS AND SERVICES PURCHASED

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6281	Security Services	243,351,207	198,155,880
6282	Equipment Maintenance	67,280,513	103,894,762
6283	Cleaning & Extermination Services	12,044,098	10,740,643
6284	Others	94,606,039	89,389,374
<b>TOTAL</b>		<b>417,281,857</b>	<b>402,180,659</b>

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

### NOTE 15: OTHER OPERATING EXPENSES

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6291	National & Other Events	12,141,199	7,330,120
6293	Refreshments & Meals	5,750,671	4,067,449
6294	Others	60,167,909	76,271,686
<b>TOTAL</b>		<b>78,059,779</b>	<b>87,669,255</b>

### NOTE 16: EDUCATION, SUBVENTION AND TRAINING

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6301	Education Subvention	-	-
6302	Training	10,184,439	4,841,904
<b>TOTAL</b>		<b>10,184,439</b>	<b>4,841,904.00</b>

### NOTE 17: SUBSIDIES & CONTRIBUTIONS TO LOCAL AND INTERNATIONAL ORGANISATIONS

Expenditure under this head comprised the following sub-heads:

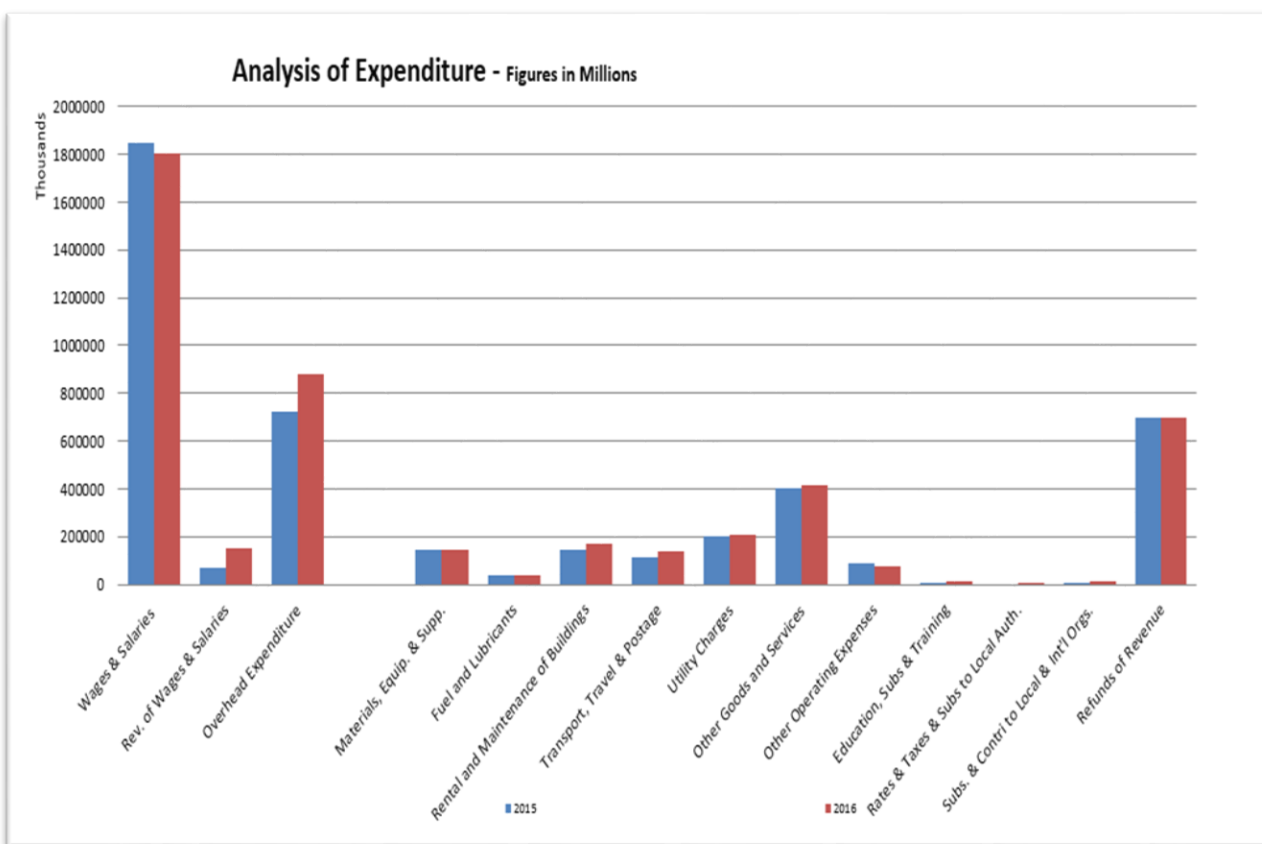
Code	Description	2016	2015
6321	Local Organisation	-	-
6322	International Organisation	15,499,894	9,563,474
<b>TOTAL</b>		<b>15,499,894</b>	<b>9,563,474</b>

### NOTE 18: RATES & TAXES AND SUBVENTIONS

Expenditure under this head comprised the following sub-heads:

Code	Description	2016	2015
6311	Rates and Taxes	34,080	-
6312	Subventions and Local Authorities	-	-
<b>TOTAL</b>		<b>34,080</b>	<b>-</b>

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS



Line Item	2015	2016
Wages & Salaries	1,846,912,269	1,803,137,011
Rev. of Wages & Salaries	69,472,736	154,248,646
Overhead Expenditure	7,22,816,149	881,087,568
Materials, Equip. & Supp.	145,795,151	145,795,151
Fuel and Lubricants	40,352,013	40,352,013
Rental and Maintenance of Buildings	145,500,017	169,786,690
Transport, Travel & Postage	113,325,518	139,223,146
Utility Charges	203,947,288	206,552,083
Other Goods and Services	402,180,659	417,281,857
Other Operating Expenses	87,669,255	78,059,779
Education, Subs & Training	4,841,904	10,184,439
Rates & Taxes & Subs to Local Auth.	0	34,080
Subs. & Contri. to Local & Int'l Orgs.	9,563,474	15,499,894
Refunds of Revenue	699,984,293	697,970,964

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS

### **NOTE 19: CAPITAL APPROPRIATION**

The total appropriation for capital for the year 2016 was \$500M. Total released to the Revenue Authority was \$440.45M . Of this amount the sum of \$399.16M was expended. This resulted in a liability of \$41.29M as at 31st December, 2016 to be remitted to the Consolidated Fund. Please see table below.

Balance on Capital Appropriation

Funding - Source	2016	2015
MCA - GOG Counterpart Contribution		
GRA/ GOG		4,125,322
<b>TOTAL</b>		<b>4,125,322</b>

### **NOTE 20: PROJECT FINANCING**

Projects	2016	2015	2014	2013	2012	2011	2010	2009
MCA - GOG Counterpart Contribution				-	-	-	-	405,000,000
FFMP Asset Finance				-	-	-	-	
Public Service Technical Assistant Credit				-	-	-	-	

### **NOTE 20: SUBSIDY**

Releases under current expenditure amounted to \$4,855.4B. Total current expenditure amounted to \$4,804.33B. This resulted in a surplus of \$51.1M.

# HIGHLIGHTS

## ANNUAL REPORT AND STATEMENT OF ACCOUNTS



Honourable Minister of Finance, Mr. Winston Jordan, US Ambassador, Mr. Perry Holloway, Chairman of the Governing Board of the GRA, Mr. Rawle Lucas and acting Commissioner-General, Mrs. Ingrid Griffith together at the handing over ceremony



The quantity of equipment donated by the US Embassy to the GRA's Law Enforcement and Investigation Division (LEID).



UN Security Council Terrorism Executive, O’Neil Hamilton speaking to a gathering of Customs and Enforcement officers



A quantity of cocaine unearthed in plywood

# APPENDICES

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## APPENDIX 1 INDIVIDUAL TAX RATES

### Years of Assessment 1992 - 1993

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

### Years of Assessment 1994 - 1997

Flat Rate of Tax	33 1/3% of Chargeable Income
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### Years of Assessment 1998 to 2003

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

### Years of Assessment 2004 - 2006

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

### Years of Assessment 2007 - 2013

33 1/3% of the amount of Chargeable Income
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### Year of Assessment 2014 -

30% of the amount of Chargeable Income
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# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## SELF-EMPLOYED INDIVIDUALS

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

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

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

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

### Capital Gains Tax Rate

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	½%
For every Dollar of the remainder of Net Property	¾%

### 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	½%
For every dollar of the remainder of Net Property	¾%

### Year of Assessment 2014 -

On the First \$40,000,000 of Net Property	0%
For every dollar of the remainder of Net Property	¾%

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## APPENDIX 2 COMPANY TAX RATES

1	Minimum Tax on Turn over	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 Non-Commercial Companies  Telephone Companies Commercial Companies Other Companies	Years of Assessment 1995 - 2011  Year of Assessment 2012 -	45% 35%  45% 40% 30%
3	Capital Gains Tax			20%
4	Property Tax	Years of Assessment 1986 – 1992	On the first \$500,000 of Net Property	½%
			On every Dollar of Net Property in excess of \$ 500,000	¾%
		Years of Assessment 1993 – 1999	On the first \$500,000 of Net Property	Nil
			For every Dollar of the next \$5,000,000 of Net Property	½%
			For every Dollar of the remainder of Net Property	¾%
		Years of Assessment 2000 – 2013	On the first \$1,500,000 of Net Property	Nil
			For every dollar of the next \$5,000,000 of Net Property	½%
			For every dollar of the remainder of Net Property	¾%
		Year of Assessment 2014 -	On the first \$10,000,000 of Net Property	Nil
			For every Dollar of the next \$15,000,000 of Net Property	½%
			For every dollar of the remainder of Net Property	¾%

# ANNUAL REPORT AND STATEMENT OF ACCOUNTS

## 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**

<b>Year of Assessment</b>	<b>Amount of Deduction</b>
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	\$660,000 + 5.6% (Gross less than \$200,000)

