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## BUSINESS ADDRESS

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### GUYANA REVENUE AUTHORITY SECRETARIAT

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

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

### DEPARTMENTS

#### INTERNAL REVENUE

Commissioner  
Internal Revenue  
GPO Building  
Robb Street, Georgetown,  
Guyana, South America.  
Telephone # 225-7282 Fax # 225-5588

#### *Internal Revenue Branch Offices*

**New Amsterdam**  
Vryman's Erven, New Amsterdam,  
Berbice, Guyana,  
South America.  
Telephone # 333-4898 or 4899

#### **Linden**

Republic Avenue,  
Linden,  
Guyana,  
South America.  
Telephone # 444-6341 or 4163

#### **Corriverton**

8 Calerin Skeldon,  
Corriverton, Berbice,  
Guyana,  
South America.  
Telephone # 339-2659 or 2654

#### VALUE ADDED & EXCISE TAXES

##### DEPARTMENT

210E Albert & Charlotte Sts  
Georgetown, Guyana  
South America  
Telephone # 227-7672 or 227-7310

#### CUSTOMS & TRADE ADMINISTRATION

Commissioner,  
Customs & Trade Administration,  
Georgetown, Guyana,  
34 Main Street  
South America.  
Telephone # 225-9102 Fax # 226-2128

#### *Customs & Trade Administration Branch Offices*

##### **Linden**

Linmine Compound, Linden,  
Guyana, South America.  
Telephone # 444-2513

##### **New Amsterdam**

5 Strand, New Amsterdam,  
Berbice, Guyana,  
South America.  
Telephone # 333-2513

##### **Corriverton Office/**

##### **Berbice Anti Smuggling Squad**

# 78 Village, Corriverton, Berbice,  
Guyana, South America.  
Telephone # 339-2727

##### **Lethem**

Takutu Guest House,  
Lethem, Guyana,  
South America.  
Telephone # 772-2033

##### **Anna Regina – Tax/Customs Office**

Anna Regina Office Complex,  
Essequibo Coast,  
Guyana,  
South America.  
Telephone # 771-4593 or 4176



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## **BUSINESS ADDRESS**

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### **SERVICE DIVISIONS**

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#### **HUMAN & FINANCIAL RESOURCES**

19 Middle Street,  
Georgetown, Guyana,  
South America.  
Telephone # 227-8222

#### **PLANNING, COMMUNICATION & OPERATIONAL PROCEDURES**

Customs House  
34 Main Street,  
Georgetown, Guyana,  
South America.  
Telephone # 223-9323

#### **INFORMATION TECHNOLOGY**

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

#### **LEGAL SERVICES**

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

#### **ENFORCEMENT, INTELLIGENCE & QUALITY REVIEW**

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

#### **CORPORATE COMMUNICATION UNIT**

210E Albert & Charlotte Sts.  
Georgetown, Guyana  
South America  
Telephone # 227-7672 ext. 222

#### **AUDIT & VERIFICATION**

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

#### **INTERNAL AUDIT**

19 Middle Street  
Georgetown, Guyana,  
South America.  
Telephone # 227-8313

#### **INTERNAL AFFAIRS**

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

#### **REMISSION UNIT**

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

#### **LICENCE REVENUE OFFICE**

Smyth & Princess Streets,  
Georgetown, Guyana,  
South America.  
Telephone # 225-6143 or 223-5501

#### **PROJECT EXECUTION UNIT**

357 Lamaha & East Streets  
Georgetown, Guyana,  
South America.  
Telephone # 225-5051



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

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## GOVERNING BOARD

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<b>Mr. Clyde Roopchand</b> Chief Planning Officer State Planning Secretariat	...	Chairman
<b>Dr. Ashni Kumar Singh</b> Director, Office of the Budget Ministry of Finance.	...	Member up to September 2006
<b>Mr. Lennox Benjamin</b> Chief Statistician Bureau of Statistics.	...	Member
<b>Mr. Lawrence Williams</b> Governor Bank of Guyana	...	Member
<b>Mr Khurshid Sattaar</b> Commissioner-General Guyana Revenue Authority	...	Member



## ANNUAL REPORT & STATEMENT OF ACCOUNTS

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### LETTER OF TRANSMITTAL

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The Honourable Dr. Ashni Kumar Singh  
Minister of Finance  
Ministry of Finance  
Main & Urquhart Streets,  
Georgetown, Guyana.

Dear Minister,

As provided under section 28 of the Revenue Authority Act, No.13 of 1996, I have the honor to submit to you the Report of the Governing Board, on the activities, financial affairs, operations and performance of the Revenue Authority for the year ended 31st December 2006, together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,

Clyde Roopchand  
Chairman  
Governing Board

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

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

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## **CORE VALUES**

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**The Core values of the Guyana Revenue Authority are:**

- \* **Integrity**
- \* **Professionalism**
- \* **Respect**
- \* **Cooperation**

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

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

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

**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.





# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

## **OUR VISION**

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

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

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

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

## **REVENUE AUTHORITY ORGANISATION**

During 2006, the Authority continued to focus on organisational strengthening and capacity building as part of the measures under the Fiscal and Financial Management Programme. Among the organisational changes approved by the Governing Board and implemented in 2006 were:

- \* establishment of the Value Added and Excise Taxes Department which is headed by a Commissioner who is assisted by a Deputy Commissioner and 4 Assistant Commissioners, one each for Operations, Compliance and Arrears Collection, Refunds Verification and Audit and Legislation, Tax Advisory Services and Objections;
- \* establishment of a Corporate Communication Unit which is headed by a Director who reports to the Commissioner – General;
- \* the Licence Revenue Office was de-linked from Internal Revenue Department. The office is headed by a Director who reports to the Commissioner – General.

These changes are expected to improve the efficiency of the organisation leading to improved taxpayer services.

The revised Organisation chart is depicted at Appendix 1.

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**REPORT OF THE GOVERNING BOARD**

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**INTRODUCTION**

The year 2006 was remarkable for the Revenue Authority; it marked the completion of seven years of operation and the period during which there were major structural changes to facilitate modernization. There were many challenges which the Authority faced in an effort to execute its growing mandate to administer the major taxation statutes of Guyana, and participated in innovations to re-engineer business systems and processes through state of the art information technology and implementation of various tax reform measures. The key tax reform measure was the implementation of VAT which was deferred to January of 2007 but for which pre-implementation activities were relevant. Simultaneously, the initiative was taken to introduce the new Taxpayer Identification Number which ensures a unique number assigned to tax registrants.

During this period revenue collection continued to exhibit an upward trend. Collections amounted to \$58.5 Billion, an increase of approximately 6.8% over the amount of \$53 Billion which was collected in 2005.

**Value Added and Excise Taxes**

With the approval of the Value Added Tax and Excise Tax Acts by the National Assembly in 2005, attention was focused on preparations for the administration of the Acts. To this end, the Value Added and Excise Taxes Department was established, staff recruited in phases and training of staff commenced. Registration of taxpayers commenced on October 1, 2006 and a Tax Advisory Visit programme was launched shortly thereafter to ensure that registered taxpayers understand the obligations placed on them by the Acts.

An extensive public education programme was also launched during 2006 and included seminars, workshops and other programs on both radio and television. Public Notices, leaflets and booklets were also produced and widely distributed. Most of the operational manuals and procedures were put in place to ensure the efficient functioning of the Department at the commencement of January 2006.

**Institutional Strengthening Measures**

**Taxpayer Identification Number**

At the Guyana Revenue Authority, it is felt that full computerisation of the organisation will not only make it more accessible to taxpayers but it will enable taxpayer information to be more readily available to the Authority thus impacting positively by minimizing revenue loss and enhancing revenue collection.



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

The first step to facilitating this process of having a Total Revenue Integrated Processing System is the introduction of the TIN. Thus the National Assembly approved an amendment to the Income Tax Act Chap. 81:01 to include a TIN for registering taxpayers. This move seeks to ensure that all taxpayers/persons transacting business with any government agency are required to be the holder of a TIN. Moreover, it would contribute to improvement in the level of compliance and an increase in the efficiency of processing transactions since the Guyana Revenue Authority will be better positioned to monitor taxpayer activities and the administration of the Tax Acts will be made easier.

### **Total Revenue Integrated Processing System**

The Fiscal and Financial Management Programme implemented by the Government of Guyana and funded by the Inter American Development Bank include as sub-component I 'Tax Policy and Administration'. The main focus of this sub-component is enhancing the information technology infrastructure and building the database capacity of the Revenue Authority. As a consequence, Crown Agents of the United Kingdom were contracted to supply and install the new system, Total Revenue Integrated Processing System (TRIPS) to bring together all registered Value Added and Excise Taxes, Internal Revenue and Customs and Trade registered taxpayers onto a single database previously stored separately by individual Departments.

TRIPS operates "Tax Type" areas for these separate revenue activities however, through the Taxpayer Identification Number it maintains one central record of basic bio-data whilst operating separate registration of the different tax types.

### **Organisation and Management Review**

Also as part of the Fiscal and Financial Management Program, PricewaterhouseCoopers Management Consultants Ltd. of Trinidad, was contracted to conduct an Organisation and Management review. The review, which is expected to be completed in 2007, is intended to contribute to the improved performance of the Authority through a review of the structural arrangements and propose an appropriate framework for strengthening the organisation and management capacity.

### **Training / Bursary Awards**

Attention was also focused on maintaining a skilled and professional workforce. Hence, staff members were exposed to workshops, seminars, conferences and training programmes held both locally and overseas. Funding for programmes was provided either fully or in part by the Guyana Revenue Authority/Government of Guyana and other agencies such as the Commonwealth Secretariat and the Inter American Development Bank.

Areas on which training was provided locally included the Convention on International Trade in Endangered Species (CITES), the monitoring and control of ozone depleting substances, aviation security, the Multilateral Trading System and the use of firearms.

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



Officers also represented the organisation at conferences/committee meetings which were held overseas. The 28th Conference of the Customs Law Enforcement Council which was held in St. Lucia, the Security Policy Advisory Committee meeting held in Antigua and Barbuda and the COTA Technical Conference also held in St. Lucia were attended by senior officials. In addition, staff attached to the Customs and Trade Administration also received exposure to training in combating terrorism and workshops on World Trade Organisation trade facilitation negotiations.

During 2006, eighteen (18) children of parents/guardians employed by the organisation received Bursary Awards from the Guyana Revenue Authority. The granting of Bursary Awards which is part of the organisation's Welfare Programme, is an annual feature intended to reward the children for their excellent achievement at the SSEE examination and to assist them in acquiring their school supplies.

## **Regional Customs Tournament**

The Customs Sports Club successfully hosted the 31st Caribbean Customs Sports Tournament which was held under the theme "Strengthening Regional Integration through Sports and Culture". Seven teams participated in various sporting disciplines. Visiting teams were also given a tour of the city and its environs and left with lasting impressions of Guyanese hospitality and culture.

## **HIV/AIDS Policy**

The Authority adopted the International Labour Organisation's Code of principles for HIV/AIDS policy and formally launched its Peer Educators Group in December. The group, consisting of 31 staff members, was trained in several areas of counseling and presented at a simple ceremony marking World AIDS Day.

We, the members of the Governing Board, wish to thank the management and staff of the Guyana Revenue Authority for the professional way in which they conduct themselves in executing their duties as revenue officers and for their commitment to ensuring that the objectives of the organisation are achieved.

## **REVENUE COLLECTION**

Revenue collection for the year 2006 totalled \$58.5 Billion. This exceeded the approved budget of \$54.8 Billion by \$3.7 Billion or approximately 6.8%. When compared to actual total collection in 2005 of \$53 Billion, revenue collection in 2006 increased by \$5.5 Billion or 10.4%.

Revenue collected by Internal Revenue for 2006 was \$30.5 Billion while \$28 Billion was collected by the Customs and Trade Administration.

For the year 2006 our cost of collection was approximately 3.2%. The cost of collection for the year 2005 was 3.7%.

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



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

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

	2005	2006		
	Actual	Budget	Actual	Variance
<b>Internal Revenue</b>	27.2	27.6	30.5	2.9
<b>Customs and Trade Administration</b>	25.8	27.2	28.0	0.8
<b>Total:</b>	53.0	54.8	58.5	3.7

## **DIVISIONAL PERFORMANCE**

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

### **A: HUMAN AND FINANCIAL RESOURCES DIVISION**

This Division is mandated to facilitate the recruitment of the highest quality human resources, to provide them with a competitive compensation package, to implement training and other developmental programmes and to provide high quality financial and administrative support services to assist the Authority in achieving its goals.

#### **HUMAN RESOURCE**

##### **STAFF ESTABLISHMENT**

To carry out this mandate, the organisation had an actual staff strength of 941 or 90% of the approved staff establishment of 1,041. Of the total of 941 employees, 425 or 45% were male while 516 or 55% were female. At the end of the previous year the staff strength was 909 reflecting a net increase of 32 persons.

During the year under review, 105 persons comprising 39 males and 66 females were recruited. Separations, which amounted to 58, consisted of 41 resignations, 7 dismissals, 6 terminations and 4 deaths, resulting in a staff turnover of 6.2% relative to 7.9 % in 2005. A total of 41 persons resigned while 13 persons were dismissed as management continued its efforts to stamp out malpractices within the organisation.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## TRAINING/CONFERENCES

Training and development of staff is viewed as a key ingredient in achieving the organisation's vision of gaining recognition and respect from its clients and other stakeholders. In this regard staff at all levels attended various training programmes held internally and externally.

- **INTERNAL TRAINING**

During the month of February, thirteen (13) Customs Officers attached to the Cheddi Jagan International Airport, participated in a 3-day training programme on the Convention on International Trade in Endangered Species (CITES). The training was intended to enlighten the Officers on the local regulations surrounding such trade as well as the international agreements to which Guyana is bound.

A total of eighty – one (81) staff members attached to the Customs and Trade Administration were exposed to training in the use of firearms. The training, which lasted over a period of five days, was conducted by officers attached to the Tactical Services Unit of the Guyana Police Force.

Twenty-eight HIV/AIDS Peer Educators participated in training activities over the period May 17 – May 19 at the office of the Public Service Union. The training was intended to provide participants with the information and skills to educate their peers on HIV/AIDS and other related illnesses.

The monitoring and control of Ozone Depleting Substances was the content of a two-day training programme which was held during the month October. The programme which was attended by nineteen (19) staff members drawn from various Divisions within the Guyana Revenue Authority was intended to teach participants to monitor and control the import and export of products containing ozone depleting substances.

Thirty-one (31) employees participated in an induction/orientation programme which enabled recruits to gain an understanding and appreciation of the mission, vision and mandate of the organisation while at the same time expose them to the role and functions of the various Departments/Divisions of the Organisation.

- **EXTERNAL TRAINING (LOCAL)**

'English Language for the Office' was the content of a programme which was held over the period July 4 – July 7 and attended by three staff members. The programme was conducted by the Public Service Ministry with the aim of improving the writing skills of the participants.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



operation. Ms. Ingrid Griffith attended a two-day special meeting of the Regional Intelligence Committee – Cricket World Cup (Immigration and Customs Sub Committee) in Grenada and Ms Joy Joseph Assistant Commissioner, Customs and Trade Administration, attended a two-week symposium on Border Security which was held in Antigua and Barbuda.

Ms. Ingrid Griffith and Ms. Hema Khan attended a Senior Leadership workshop which was held in Trinidad and Tobago in October. The workshop was intended to strengthen the capacity of tax administrators in planning and implementing tax reforms. Further, three senior staff members attended a three – day seminar on Intellectual Property Enforcement which was also held in Trinidad and Tobago.

The People’s Republic of China hosted a two-week programme for officials of Customs Administrations in developing countries. This programme was attended by a Customs Officer during the month of November and was aimed at enhancing the ability of Customs Administrations in risk profiling, valuation techniques and enforcement.

During the month of November, two staff members attached to the Customs and Trade Administration attended a one-week Caribbean Border Enforcement training programme. The programme was conducted in Barbados and was intended to provide participants with an intelligence led approach to securing the borders through the sharing of information between agencies.

Mr. Iqram Alli, Assistant Commissioner, Customs and Trade Administration, attended a World Customs Organisation Strategic Consultancy workshop in Trinidad over the period November 27 – December 1. The workshop provided an opportunity for participants to develop strategic consultancy skills and the capability of working as part of a team to conduct diagnostics.

The Joint Meeting of Immigration, Customs and Regional Intelligence Officers which was held over the period December 6 – December 7 in St. Lucia was attended by Ms. Ingrid Griffith. The meeting put into context the analysis of regional security threats, outlined the implications for the Immigration and Customs sectors and sensitized Immigration and Customs officials as to their role in regional security.

## ***WELFARE PROGRAMMES***

### **• BURSARY AWARDS**

During the year, a total of eighteen (18) children of employees received Bursary Awards. The year 2006 was the sixth year in the organisation’s history for the granting of such awards.



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

At a simple ceremony, which was organised to mark the occasion, Master Christian Welch who achieved the highest marks received the maximum award of \$15,000.00 per annum while the second-highest award of \$12,000.00 per annum was received by Ms. Joelle Harmon. The other awardees each received \$10,000.00 per annum.

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

### • **PENSION SCHEME /MEDICAL SCHEME**

The Authority continued to contribute to the Retirement Plan (Pension Scheme) and the Medical Scheme administered by Colonial Life Insurance Co. (CLICO).

With regards to the pension scheme, contribution to which scheme is voluntary, employees are required to contribute 4% of their basic salary towards the scheme while the Authority contributes on behalf of each employee 8% of their basic salary.

In relation to the Medical Scheme all employees are enrolled in this scheme. This scheme is a combination of health and insurance benefits for each staff member. The Authority pays the contribution for each staff, however staff with registered dependants are required to contribute for their dependants at prescribed rates.

## **ADMINISTRATIVE SERVICES**

Maintenance and renovation of buildings occupied by the various Departments/Divisions/Units of the organisation continued during the year under review. Substantial work was carried out on the interior of the building housing the Value Added and Excise Taxes Department and the Information Technology Division. Construction was also carried out at the former Sanata Textile compound to accommodate a warehouse for use by the Customs and Trade Administration. Guard huts and an office building were constructed while two 40ft containers were acquired and put in place to house seized items.

Major renovation and extension commenced on the building housing the Licence Revenue Office and is slated for completion early in 2007. Branch offices also benefited from maintenance. General repairs were carried out on the office buildings and residences located at Linden, Corriverton and New Amsterdam.

Measures were put in place at all locations to improve security. Among such measures were the use of metal detectors by security personnel to scan members of the public and grillwork and armored doors were installed at office buildings which lacked such features.



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



The operation of the vehicle pool, which commenced in 2005, continued throughout the year. At the end of the year, fourteen (14) vehicles were assigned to the pool along with twelve (12) drivers.

## **FINANCIAL RESOURCE**

### **CURRENT EXPENDITURE**

Total appropriated expenditure for the Guyana Revenue Authority for the year 2006 was \$1.889 Billion. The Authority also received \$7.8 M as reimbursement for rent from the FFMP. Current expenditure for the year was \$1.889 B. At the end of the year a balance of \$8.3 Million remained and this was repaid to the Accountant General. These figures are all reflected in the audited Financial Statements.

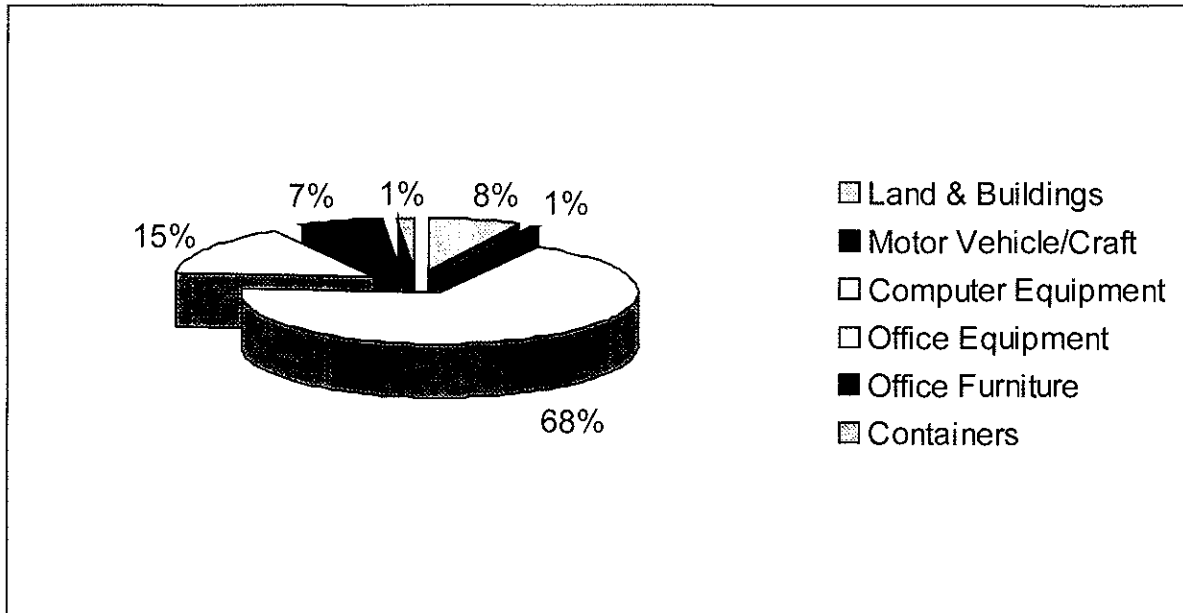
### **CAPITAL EXPENDITURE**

The Capital Budget approved for the Guyana Revenue Authority was \$65 Million. A total of \$63.7 Million was expended towards capital items for the year. At the end of the year a balance of \$1.3 Million remained and was repaid to the Accountant General. The breakdown of Capital Expenditure is shown in the chart overleaf and in Table II.

### **FINANCIAL STATEMENTS**

The Audited Financial Statements which form part of this report are contained in pages 46 to 58.

**CHART I  
CAPITAL EXPENDITURE 2006**



**TABLE II  
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2006 BY TYPE OF ASSET**

Category of Asset	Amount \$ M
Land & Buildings	4.8
Motor Vehicle/Craft	0.5
Computer Equipment	43.3
Office Equipment	9.8
Office Furniture	4.5
Containers	0.8
<b>Total</b>	<b>63.7</b>

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



## **B: PLANNING, COMMUNICATION AND OPERATIONAL PROCEDURES DIVISION**

This Division is mandated to promote a positive image of the organisation, effectively communicating information to all stakeholders on the organisation's mission, laws etc., monitoring operational plans and ensuring that the operational support needs of the organisation are met.

During 2006, the Division continued in its efforts to promote voluntary compliance with the Tax and Customs Laws and Regulations. To this end, weekly radio programmes were aired covering various topics which included the filing of tax returns, Consumption Tax, Tax Practice Certificate, Compliance Certificate, Motor Vehicle Registration, Liquor Licensing, Tax Exemption/Remission and Employers' Returns. Tax sites were set up at strategic locations around Georgetown to aid members of the public with the completion and timely submission of their tax returns. The Division continued to prepare and circulate bulletins which covered areas such as prohibited and restricted imports, licensing of motor vehicles, filing of tax returns and tax exemptions. Booklets/handbooks covering the various taxes administered by the organisation were also prepared and circulated to members of the public. The quarterly newsletter, 'Revenue News', was prepared, printed and circulated to members of staff and interested stakeholders.

Several proposals for organizational strengthening were also prepared during the year. Proposals were prepared for the establishment of a Corporate Communication Unit and the restructuring of the Legal and the Information Technology Divisions. During the year, adjustments were made to the organisational structure of the Value Added and Excise Taxes Department while procedure manuals and forms for use in the said Department were prepared.

Revision of the Consolidated Tax Act Vol. II was completed during the year and the revised Act was printed. Revision of the Regulations to the Customs Act Chap. 82:01 was completed and printing is expected to commence early in 2007.

## **C: INTERNAL AUDIT DIVISION**

The Internal Audit Division is tasked with the responsibility of auditing the accounting and internal control systems to ensure compliance with standards and procedures.

During the year under review, the Division conducted twenty-seven (27) audits at the Internal Revenue Department of which fourteen (14) reports were finalized. The areas audited included dishonored cheques, collection procedures, taxpayers' returns, withholding tax, Travel Voucher tax, Travel Tax tickets and refunds. In addition, the operations of the Licence Revenue Office as well as the branch offices located at New Amsterdam, Anna Regina and Corriverton were audited.

Twenty-five (25) audits were conducted at the Customs and Trade Administration. However, only fourteen (14) of those reports were finalized. Collection procedures, seizure of goods, remission of duties and taxes, inventory of firearms, bills of sight, merchants' overtime and intoxicating



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

liquor licences were among the areas audited. Audits were also conducted at the Cheddi Jagan International Airport, the New Amsterdam, Linden and Anna Regina offices.

Audit examinations carried out at other Divisions combined amounted to thirteen. Among the areas audited at the Human and Financial Resources Division were salaries and wages, bank accounts and reconciliation, imprest, contracts and vote accounts. The Information Technology, Legal and Enforcement Divisions were also subjected to audit examinations.

The Division also conducted eight (8) special investigations at the request of the Commissioner-General and the Deputy Commissioner – General. These investigations were in relation to the proposed system for the collection of duties and taxes in foreign currency at airports and seaports, verification of computer hardware acquired by the Authority, issuance of Tax Compliance certificates and the system in place for foreigners who are issued work permits to honour their tax obligations.

### **D: INTERNAL AFFAIRS**

This Division is mandated to conduct investigations into allegations of corruption against members of staff and also to investigate their assets.

During the year under review, the Division continued to conduct investigation into allegations made against members of staff. These allegations originated from members of the public and from within the Guyana Revenue Authority.

In addition, staff of the Division monitored the use of the Prior to Processing and the Permit for Immediate Delivery facilities by importers and exporters at the wharves and the Cheddi Jagan International Airport. The operation of the Container Tracking System was also monitored with selected containers from the system being observed from the point of examination to the point of release to the respective importers. Further, full examination was conducted on cargo which was profiled as “high risk”, goods were escorted from wharves to private warehouses and goods imported in commercial quantities at the Cheddi Jagan International Airport were examined.

### **E: AUDIT AND VERIFICATION DIVISION**

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

The performance of field and desk audits on returns submitted by individual and corporate taxpayers continued during 2006. Forty-eight audits comprising 28 desk and 20 field audits were completed during the year.

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



Of the 28 desk audits, twenty (20) were on individual taxpayers and eight (8) on corporate taxpayers. For field audits, 14 audits were conducted on sixteen (16) individuals and 8 corporate taxpayers. In addition, eleven (11) special investigations were completed by the Division along with three hundred and fourteen (314) post assessment verifications.

The Division recovered \$337.9 M in additional revenue as a result of the audits completed. Of this amount, \$90.1M was based on agreements which were arrived at with taxpayers.

## **F: LEGAL SERVICES DIVISION**

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

During 2006 the Division dealt with 396 ongoing matters in both the Magistrate and High Courts. The defendants were charged with offences which included failure to remit PAYE deductions, smuggling and making false declarations.

In addition, the Division commenced prosecution in the Magistrate's Court in 767 cases of non-submission of returns/deductions and 623 cases of non-submission of Employer's Returns. The preparation of opinions on legal issues, responses to requests for legal advice from the Commissioner-General and other Departments/Divisions within the organisation were also undertaken and 170 such responses were prepared.

The staff continued to prepare, serve and enforce demand letters which is a prerequisite to the filing of 101 Certificates. Twenty-four such letters were filed. Eleven judgements which were granted in favour of the Guyana Revenue Authority were enforced.

## **G: REMISSION UNIT**

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

A total of seven thousand, eight hundred and ninety-eight (7,898) applications were received for tax exemptions/concessions. Of this amount, seven thousand, three hundred and fifty-eight (7,358) or approximately 93% were verified and processed while seven thousand, two hundred and twenty-six (7,226) approval letters were prepared and dispatched. In addition, the Unit dealt with 2,127 applications for prior to processing 2,091 cases of transfer of rights and processed and verified 1,511 Customs Declarations.



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

Further, staff of the Unit completed eight hundred and two special assignments and held a total of 740 meetings with applicants seeking duty-free concessions in order to clarify or obtain additional information or documents. Six hundred and eighty-eight (688) of these meetings were held internally and 52 externally. Denial letters were prepared and dispatched to 170 applicants and post approval verifications were conducted for 109 cases.

### **H: INFORMATION TECHNOLOGY DIVISION**

The mandate of the Information Technology Division is to provide coordinative, innovative, practical and timely information technology solutions to solve the business problems of the Revenue Authority.

The Division continued to carry out maintenance of software in use throughout the organisation. Maintenance was carried out on the PCTAX ADMIN and TAX ADMIN applications which are in use at the Internal Revenue Department, the Salaries and VOLTS applications used by the Human and Financial Resources Division and ASYCUDA and ASYCUDA Report application in use at the Customs and Trade Administration. The Licence Revenue application, which was developed by an external consultant, was implemented during the year by personnel from the Division who also provided training in the use of the application for staff of the Licence Revenue Office. In addition, the Division maintained all off-the-shelf software used by other Departments/Divisions/Units of the Authority.

A data cleansing exercise was undertaken during the year to facilitate the transfer of taxpayers' records from the PCTAX ADMIN database to the TRIPS database. The aim of the exercise was to identify and remove duplicate records. On completion of the exercise, in excess of seventeen thousand (17,000) records were imported onto the TRIPS database. This was accomplished under the supervision of the Crown Agents Consultants.

The preparation of specification, supervision of tender process and awarding of the tender for procurement of equipment for use by TRIPS was carried out by the Division in addition to the procurement of equipment for use in other areas of operation in the organisation. A network connection was installed between the Internal Revenue and the Value Added and Excise Taxes Departments while a network of desktop computers was set up at the Registry section of the Internal Revenue Department to facilitate the registration of taxpayers for the issuance of Taxpayer Identification Numbers. The installation of the network, UPS and telephone infrastructures for the Value Added and Excise Taxes Department was undertaken by external agencies and supervised by the Division.

Consultants attached to Crown Agents conducted training for staff of the Division in the operation and general administration of TRIPS and the basic operation and installation of ORACLE software. Staff members were subsequently involved in the testing of each module of the TRIPS application and anomalies were identified and reported to the developers for rectification.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## **I: ENFORCEMENT, INTELLIGENCE & QUALITY REVIEW DIVISION**

This Division provides the necessary investigative, enforcement and intelligence programmes which are aimed at promoting compliance with the Customs, Trade and Border laws of Guyana. Infractions of the Customs Laws resulted in the seizure of goods/articles and the imposition of fines.

### **ENFORCEMENT & INTELLIGENCE**

During 2006, the Unit received and investigated 309 reports of breaches of the Customs Laws and conducted 357 routine exercises to intercept persons involved in smuggling activities during which 119 persons were apprehended. From among those matters investigated, 109 cases were settled departmentally with persons paying the necessary fines and additional duties and taxes while in 75 instances seizures were effected and the goods sold via the tender process. Goods confiscated included alcoholic and non-alcoholic beverage, electronic and other household appliances. Revenue collected by the Division for 2006 is shown in the table below.

**TABLE III  
REVENUE COLLECTED - \$**

<b>Activity</b>	<b>2005</b>	<b>2006</b>	<b>Quantity Variance</b>	<b>% Variance</b>
Fines/Compensation	11,592,026	24,903,319	13,311,293	114.8
Additional Taxes	11,055,423	38,751,201	27,695,778	250.5
Sale of Seizures	5,137,460	5,460,627	323,167	6.3
<b>Total</b>	<b>27,784,909</b>	<b>69,115,147</b>	<b>41,330,238</b>	<b>148.8</b>

### **QUALITY REVIEW**

Sixty-one thousand, two hundred and ninety eight (61,298) cashier's listings of customs declarations were checked during the year. As a result of these checks, further investigations were conducted into two thousand four hundred and twenty four (2,424) such listings and an additional \$62.2 million in additional duties and taxes were collected. Fifty applications for refund of duties were processed and total of \$26.8 million in duties were refunded to importers. The section also issued 33 licences to Customhouse Brokers.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## J: LICENCE REVENUE

During the year 2006, a total of fifty-five thousand, three hundred and fifty-seven (55,357) motor vehicle licences were processed compared with fifty thousand, six hundred and thirty-seven (50,637) in 2005. There were eleven thousand, five hundred and fifty-five (11,555) new registrations compared with seven thousand, eight hundred and ten (7,810) that occurred during the year 2005. Table IV sets out the various categories of vehicles licensed and the new vehicles registered during the year 2006 as compared with 2005.

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

Type of Vehicle	Licenced Motor Vehicles 2006	New Registrations		Increase/Decrease
		2005	2006	
Private Cars	16,532	2,512	3,607	1,095
Hire Cars	2,740	368	519	151
Buses/Mini Buses	6,704	390	509	119
Lorries	8,241	294	582	288
Jeep	1,940	249	528	279
Land Cruiser/Rover	774	18	9	(9)
Construction Vehicles	50	-	221	221
Hearses	12	-	-	-
Ambulances	5	6	3	(3)
Fire Appliances	-	3	1	(2)
Station Wagon	120	68	65	(3)
Motor cycles	10,495	3,143	4,573	1,430
Vans / Pickups	3,340	490	571	81
Trailers	3,401	12	204	192
Articulated Vehicles	204	229	46	(183)
Tractors	799	28	117	(89)
<b>Total</b>	<b>55,357</b>	<b>7,810</b>	<b>11,555</b>	<b>3,745</b>

Table V shows the revenue collection from the Licence Revenue Office in the year 2006 compared with 2005. During the year, a total of \$1,352 million was collected from all heads as compared with \$1,113 million in 2005. The increase in revenue collection at the Licence Revenue Office for 2006 relative to 2005 resulted mainly from the significant increase in new vehicles registered which was in excess of three thousand. Chart II compares revenue collected for the year 2006 with the year 2005.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



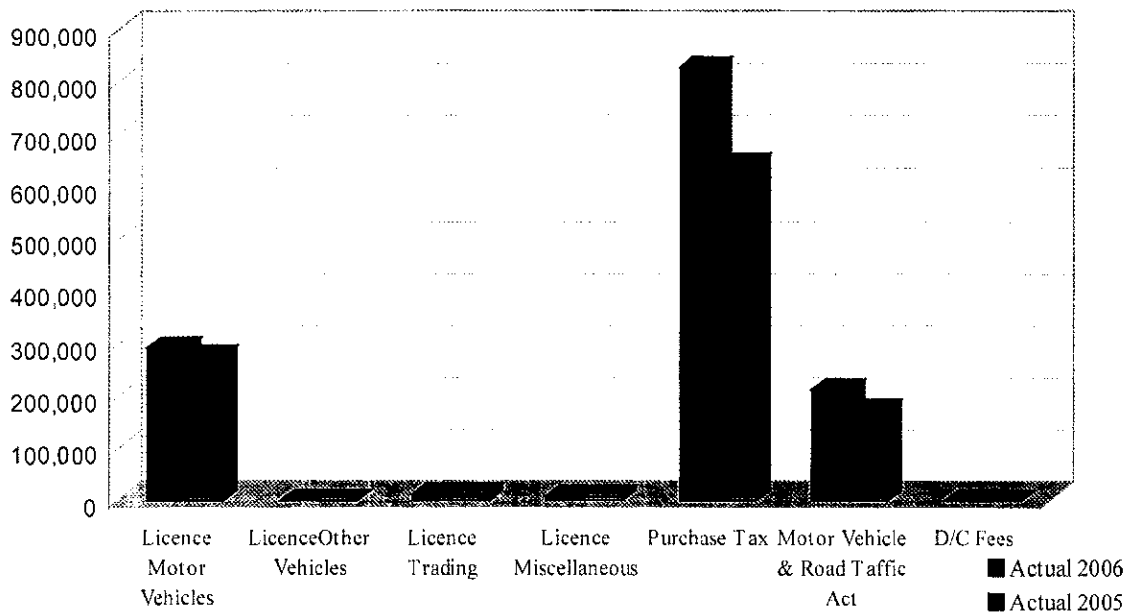
**TABLE V**  
**REVENUE COLLECTION (LICENCE REVENUE DIVISION)**  
**(\$000)**

Description	Actual 2006	Actual 2005
Licence Motor Vehicles	292,460	275,325
Licence – Other Vehicles	159	236
Licence – Trading	12,442	12,632
Licence – Miscellaneous	7,017	6,674
Purchase Tax	828,061	643,593
Motor Vehicles and Road Traffic Act	211,592	174,406
D/C Fees	0	0
<b>Total Collection</b>	<b>1,351,731</b>	<b>1,112,866</b>



**ANNUAL REPORT & STATEMENT OF ACCOUNTS**

**CHART II  
LICENCE REVENUE  
REVENUE COLLECTION  
FOR THE YEAR 2006 RELATIVE TO 2005 (\$ 000)**



## DEPARTMENTAL PERFORMANCE

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### INTERNAL REVENUE

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The mandate of the Internal Revenue Department is to collect all taxes due to the Government of Guyana through the effective and efficient administration of the income, corporate and other taxes and licences under the laws of Guyana for which it is responsible. This mandate is carried out through the three Divisions namely, Returns Processing and Taxpayer Services, Arrears Collection and Revenue Protection and Objections.

#### GROSS REVENUE COLLECTION

Actual Revenue collected by the Internal Revenue Department during the year 2006 was approximately \$30.5 Billion. This amount was \$2.9 Billion or 10.5% above the estimates of \$27.6 Billion approved by the National Assembly and represents a net increase. Total Revenues for 2006 by tax type is set out in the Table VI overleaf. As can be observed from the Table, revenue collection under various heads exceeded the estimates by approximately \$3.4 Billion and collections under other heads were under the estimates by \$0.5 Billion. Income Tax Others, Corporation Tax and Withholding Tax were the major tax types which contributed to the increase in collection and accounted for approximately 92.% of the excess. During the year, revenues amounting to \$30.5 Billion were deposited in the Consolidated Fund.

Revenue collected during the year under review exceeded that collected during the year 2005 by **\$3.3 Billion** or approximately **12%**. The actual collection for the year 2005 was **\$27.2 Billion**. Corporation Tax and Income Tax "Others" continued to be the two major heads of revenue, contributing **\$11.9 Billion** or **39%** and **\$11.7 Billion** or **38%** of total revenues respectively. Arrears collections contributed **5.8%** to total revenue collected. Corporation Tax of **\$838 Million** accounted for **47%** of total arrears collection. The charts overleaf compare revenue collection for 2006 with 2005 thus reflecting the change in the collection of revenue over the period. The major factors contributing to the increase in Revenue in 2006 were increases in arrears contribution by corporate taxpayers, closer monitoring of payments for all categories of taxpayers as well as salary increases paid to employees.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

**TABLE VI  
REVENUE COLLECTION  
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2006 (\$ 000)**

DESCRIPTION	APPROVED BUDGET	AMOUNT COLLECTED	AMOUNT PAID INTO CONSOLIDATED FUND	UNDER THE ESTIMATE	OVER THE ESTIMATE
INCOME TAX SELF EMPLOYED	993,200	1,030,686	1,030,686		37,486
INCOME TAX COMPANIES:	900	2,742	2,742		1,842
PRIVATE SECTOR	900	2,742	2,742		1,842
PUBLIC SECTOR	0	0	0		
CORPORATION TAX:	10,742,800	11,915,517	11,915,517		1,172,717
PRIVATE SECTOR	10,087,800	10,704,229	10,704,229		616,429
PUBLIC SECTOR	655,000	1,211,288	1,211,288		
WITHHOLDING TAX	1,570,500	2,051,516	2,051,516		481,016
INCOME TAX OTHERS	10,291,800	11,770,586	11,770,586		1,478,786
NET PROPERTY TAX	1,151,500	843,381	843,381		
PROCESS FEE	21,300	22,697	22,697		1,397
ENTERTAINMENT DUTY	2,800	2,007	2,007		
TRAVEL TAX	521,200	483,742	483,742		
CAPITAL GAINS TAX	139,600	161,687	161,687		22,087
PREMIUM TAX	60,000	64,277	64,277		4,277
PROFESSIONAL FEES	6,900	5,870	5,870	(1,030)	
TRAVEL VOUCHER TAX	708,000	598,517	598,517	(109,483)	
NATIONAL DEVELOPMENT TAX	100	58	58	(42)	
HOTEL ACCOMODATION TAX	107,800	102,462	102,462	(5,338)	
SERVICE TAX	108,300	103,815	103,815	(4,485)	
LICENCE MOTOR VEHICLES	292,500	292,460	292,460	(40)	
LICENCE OTHER VEHICLES	300	159	159	(141)	
LICENCE - TRADING	14,400	12,442	12,442	(1,958)	
LICENCE MISCELLANEOUS	7,600	7,017	7,017	(583)	
PURCHASE TAX - CARS	632,100	828,061	828,061		195,961
M/ VEHICLES & RD TRAF ACT	193,300	211,592	211,592		18,292
D/C FEES	0	0	0		
<b>GRAND TOTAL</b>	<b>27,566,900</b>	<b>30,511,291</b>	<b>30,511,291</b>	<b>(469,470)</b>	<b>3,413,861</b>

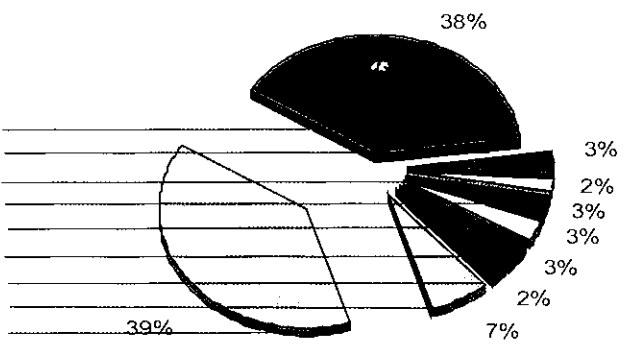
# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## CHART III REVENUE COLLECTION ANALYSIS

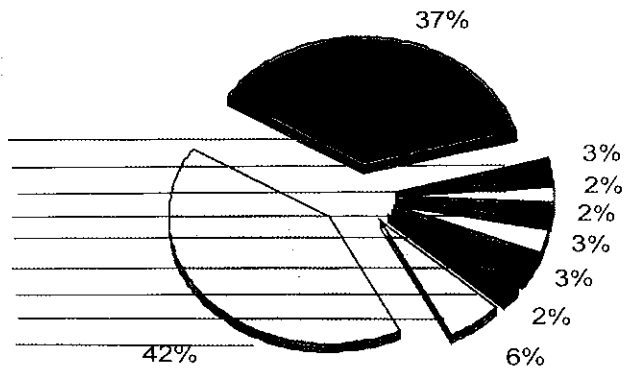
**2006**

DESCRIPTION	AMOUNT COLLECTED
Corporation Tax	11,915,517
Others	989,285
Travel Tax	483,742
Purchase Tax	828,061
Property Tax	843,381
Income Tax (Self Employed)	1,030,686
Travel Voucher Tax	598,517
With holding Tax	2,051,516
Income Tax Others	11,770,586
<b>TOTAL</b>	<b>30,511,291</b>



**2005**

DESCRIPTION	AMOUNT COLLECTED
Corporation Tax	10,016,401
Others	892,289
Travel Tax	498,528
Purchase Tax	643,593
Property Tax	806,917
Income Tax (Self Employed)	919,332
Travel Voucher Tax	665,234
With holding Tax	1,562,446
Income Tax Others	11,194,968
<b>TOTAL</b>	<b>27,199,708</b>





# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## REFUNDS AND NET REVENUE COLLECTION

During the period under review refund of taxes totalling \$21 Million were paid to taxpayers of various categories as is shown in Table VII below. This represented approximately 2.4% of the total refunds claimed during the year and prior periods. A realistic estimate of the unpaid refunds at 31st December, 2006 was \$859 Million of which Corporation Tax represented 82 % or \$703 M of the unpaid refunds. Non- payment of refunds was largely on account of the inadequate provision of funds for this purpose in the 2006 Budget.

**TABLE VII**  
**NET REVENUE COLLECTION 2006 (\$000)**

DESCRIPTION	GROSS COLLECTIONS	REFUNDS	NET COLLECTIONS
INCOME TAX	11,770,586	7,894	11,762,692
CORPORATION TAX	11,915,517	11,245	11,904,272
PROPERTY TAX	843,381	-	843,381
WITHHOLDING TAX	2,051,516	242	2,051,274
OTHER TAXES & DUTIES	3,930,291	1,504	3,928,787
<b>TOTAL</b>	<b>30,511,291</b>	<b>20,885</b>	<b>30,490,406</b>




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**RETURN PROCESSING & TAXPAYER SERVICES**


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**FILING OF TAX RETURNS**

During the year 2006, the Internal Revenue received a total of fifty-eight thousand, four hundred and seventy (58,470) tax returns filed by various categories of taxpayers. Employed taxpayers continue to be the main category of taxpayers filing returns. Table VIII below, shows a comparison of filers by various categories of taxpayers over the years 2001 to 2006. New filers in the year 2006 in respect of Corporation Tax Returns were 212, employed persons 3,209 and self-employed were 1,864.

**TABLE VIII  
RETURNS FILED BY TAXPAYER TYPE**

YEAR	EMPLOYEES	SELF-EMPLOYED	COMPANIES	TOTAL	INCREASE/DECREASE OVER PREVIOUS YEAR	
					AMOUNT	%
2001	47,247	22,813	1,389	71,449	9,865	16.0
2002	54,493	33,782	1,209	89,484	18,035	25.2
2003	39,101	18,195	2,147	59,443	(30,041)	(33.6)
2004	40,812	26,924	1,987	69,723	10,280	17.3
2005	36,637	18,148	1,335	56,120	(13,603)	(19.5)
2006	35,662	21,416	1,392	58,470	2,350	4.2

**RETURNS ASSESSED**

The assessment process requires the examination and data entry (Preprocessing) of all returns received prior to the issue of the notice of assessment. Table IX, shows details of returns assessed during the year 2006.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

**TABLE IX  
DETAILS OF RETURNS ASSESSED**

TAXPAYER	INCOME TAX	CORPORATION TAX	PROPERTY TAX	TOTAL
Employees	19,694	N/A	818	20,512
Self-Employed	4,922	N/A	1,525	6,447
Corporations	N/A	141	121	262
<b>TOTAL</b>	<b>24,616</b>	<b>141</b>	<b>2,464</b>	<b>27,221</b>

## TAX COMPLIANCE CERTIFICATES

The demand for motor vehicle, land and tender compliance certificates to facilitate the transfer of ownership of motor vehicles, title to land and buildings and the satisfaction of regulatory requirements in the issue of tenders, continued unabated during 2006.

A comparative analysis of the various types of Tax Compliance certificates issued during 2005 and 2006 is outlined in the Table X. A total of eleven thousand and fifty-five (11,055) compliance certificates were issued during the year. Three thousand, one hundred and ninety-four (3,194) compliances were issued for Land and Buildings, five thousand, nine hundred and twenty-five (5,925) for motor vehicles and one thousand and nine hundred and thirty-six (1,936) for tender purposes.

**TABLE X  
CERTIFICATES OF COMPLIANCE ISSUED**

TYPE OF CERTIFICATE	GEORGETOWN OFFICE		BRANCH OFFICES		TOTAL	
	2005	2006	2005	2006	2005	2006
Land	2,179	2,233	935	961	3,114	3,194
Motor Vehicles	4,355	4,889	949	1,036	5,304	5,925
Tender	1,575	1,533	524	403	2,099	1,936
<b>Total</b>	<b>8,109</b>	<b>8,655</b>	<b>2,408</b>	<b>2,400</b>	<b>10,517</b>	<b>11,055</b>



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## **OBJECTION**

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

The objections lodged with the Department, centered around the following areas: -

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

As at 31<sup>st</sup> December 2006, there were four thousand nine hundred and seventy-five (4,975) un-finalised objections on hand. Four thousand, three hundred and seventy-seven (4,377) of these related to individual taxpayers and the remaining five hundred and ninety-eight (598) were in respect of companies. The details are contained in Table XI.

**TABLE XI  
OBJECTIONS BY TAXPAYERS**

<b>PARTICULARS</b>	<b>COMPANIES 2006</b>	<b>INDIVIDUALS 2006</b>	<b>TOTAL 2006</b>
Un-finalised at the beginning of the year	512	3,874	4,386
Registered during the year	254	2,389	2,643
<b>Sub-Total</b>	<b>766</b>	<b>6,263</b>	<b>7,029</b>
Less: Finalized during the year	168	1,886	2,054
Un-finalised at the end of the year	598	4,377	4,975

## **ARREARS COLLECTION AND REVENUE PROTECTION**

The work in this Division, serves to reinforce the compliance and enforcement objective pursued by the Internal Revenue. Remittances of P.A.Y.E were monitored to ensure compliance with the law and to identify defaulters. In addition, P.A.Y.E audits were conducted, focusing on payment of 'Allowances' free of tax by employers. Some attempt was also made to determine arrears taxes through the process of file clearing. In this regard, during the year 2006, a total of two thousand four hundred and seventy-six (2,476) tax files were cleared manually. Through this process, a total of \$2.27 Billion in arrears taxes were identified and letters sent to the various defaulting taxpayers. However, at the present time the Department is still unable to determine accurately from the system, all taxes assessed for prior years for which payments are still outstanding. Table XII, shows a ten year comparison of current and arrears taxes collected including the year of assessment 2006.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

**TABLE XII  
REVENUE COLLECTIONS (CURRENT AND ARREARS - \$M)**

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Absolute Current</b>	13,306.3	12,919.6	15,567.8	18,151.5	16,924.6	19,293.9	19,947.6	22,904.2	25,524.0	28,730.2
<b>Arrears</b>	1,030.4	1,202.4	398.8	772.6	2,767.4	2,835.1	2,444.6	1,917.3	1,675.7	1,781.1
<b>Total Collections</b>	14,336.7	14,122.0	15,966.6	18,924.1	19,692.0	22,128.0	22,393.2	24,821.5	27,199.7	30,511.3
<b>Relative % Current</b>	92.81	91.49	97.50	95.9	85.9	87.19	89.08	92.28	93.84	94.16
<b>Arrears</b>	7.19	8.51	2.50	4.1	14.1	12.81	10.92	7.72	6.16	5.84
<b>Total %</b>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

**CUSTOMS AND TRADE ADMINISTRATION**

The mandate of this Department is to promote compliance with Guyana’s customs, excise, trade and border laws and regulations through quality service and responsible enforcement. This Department carries out its mandate through three Divisions, namely, Wharves and Warehouses, Regional Offices and Airport and the Commercial Operations Division.

**GROSS REVENUE COLLECTION**

The approved budget for the year 2006 for the Customs and Trade Administration was \$27.2 Billion. However the actual revenue collected for the period was \$28 Billion which represents an increase of \$0.8 Billion or 2.9% over the approved estimates. Revenue collected under several heads exceeded the estimates by \$1.2 Billion while revenue collected under other heads was under the estimates by \$.04 Billion. Consumption Tax collected on non-oil imports and alcoholic beverages and Import Duties were the major contributors to the increase in collection. Revenue collection for 2006 exceeded the 2005 collection figure of \$25.8 Billion by \$2.2 Billion or approximately 8.5%.

**TABLE XIII  
REVENUE COLLECTION  
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2006 (\$ 000)**

S/HEAD NO.	HEAD OF REVENUE	Approved Budget	Amount Collected	Amount Paid into Consolidated Fund	Under the Estimate	Over the Estimate
1	Import Duties	3,898,501	4,123,005	4,123,005		224,504
2	Warehouse Rent & Charges	12,398	16,046	16,046		3,648
3	Export Duties	5,598	7,118	7,118		1,520
4	Licences-Liquor	15,700	13,584	13,584	(2,116)	
5	Miscellaneous	134,603	43,406	43,406	(91,197)	
6	Consumption Taxes	22,572,901	23,277,734	23,277,734		704,833
	-Oil Imports	6,978,701	6,765,282	6,765,282	(213,419)	
	-Non-Oil Imports	10,408,800	10,972,746	10,972,746		563,946
	-Alcoholic Beverages	2,476,400	2,789,426	2,789,426		313,026
	-Other Local Goods	1,809,300	1,818,341	1,818,341		9,041
	-Overseas Telephone Bills	889,701	923,424	923,424		33,723
	-Betting Shops	9,999	8,514	8,514	(1,485)	
7	Overtime Fees	73,399	77,046	77,046		3,647
8	Departmental Fines	24,199	54,013	54,013		29,814
9	Stamp Duties	9,100	9,919	9,919		819
10	Environmental Tax	483,401	422,313	422,313	(61,088)	
	<b>Total</b>	<b>27,229,800</b>	<b>28,044,184</b>	<b>28,044,184</b>	<b>(369,358)</b>	<b>1,183,688</b>



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

## **REMISSION OF DUTIES AND TAXES**

### *Customs Duty and Consumption Tax*

All goods imported into Guyana are subject to Customs duties and taxes as specified in the First Schedule Part I of the Customs Act Chapter 82:01, and the Consumption Tax Act Chapter 80:02, except in cases where they are specifically zero rated under the said Schedules. However, there are instances when remissions are granted for a variety of purposes under the First Schedule Part III of the Customs Act Chapter 82:01, and the Consumption Tax Act Chapter 80:02. These exemptions of Customs Duty and Consumption Tax include:

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

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

### **Remission Policy**

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

1. Unconditional Exemptions
2. Conditional Exemptions

### *Unconditional Exemptions*

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

### *Categories of Unconditional Exemptions*

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

1. CARICOM
2. Diplomatic Missions
3. Economic Development/Foreign Funded Projects
4. Government/Government Related
5. Motor Vehicles 4 years old and over
6. Fuel
7. Partial Scope Agreements
8. Miscellaneous (includes other areas such as Lamps and Lanterns for illumination, samples and Mosquito nets, etc.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## *Conditional Exemptions*

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

## *Categories of Conditional Exemptions*

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

1. Contracts/Agreements
2. Remigrants
3. Fishing
4. Education
5. Health Sector
6. Public Servants
7. Places of Worship/Charitable Organisations/NGO's
8. Motor Vehicles (Covers all categories of motor vehicles)
9. Mining
10. Tourism
11. Agriculture
12. Other Industry
13. Miscellaneous (Includes other areas such as Meteorological, Scientific and Archaeological, etc.)

The table below reflects the value of revenue foregone as a percentage of actual revenue collected by the Customs and Trade Administration for the year 2006 relative to the year 2005.

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

	Total Revenue		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2005	2006	2005	2006	2005	2006	2005	2006
<b>Total</b>	25,781,112,000	28,044,184,000	1,332,504,841	3,073,807,363	6,502,042,613	16,260,656,230	7,834,547,454	19,334,463,593
<b>Ratio of remission to revenue collection</b>			5.17%	10.96%	25.22%	57.98%	30.39%	68.94%



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

## **COMMERCIAL OPERATIONS**

The operation of this Division is aimed at ensuring that the systems and procedures relating to entry processing, classification and valuation of goods and the Consumption and Excise Tax Programmes are efficient and effective.

### **DECLARATIONS**

During the year under review, the Division processed a total of fifty-four thousand nine hundred and ninety-six (54,996) declarations. The amount of declarations processed during 2006 represents an increase of approximately 11.5% over the 2005 figure of forty-nine thousand, three hundred and three (49,303). The increase in the amount of declarations processed resulted from an increase in trade activities.

**TABLE XV  
DECLARATIONS PROCESSED**

<b>Month</b>	<b>2005</b>	<b>2006</b>	<b>Variance</b>
<b>JANUARY</b>	2,945	5,011	2,066
<b>FEBRUARY</b>	3,531	4,011	480
<b>MARCH</b>	4,025	4,729	704
<b>APRIL</b>	4,038	3,699	(339)
<b>MAY</b>	3,863	4,984	1,121
<b>JUNE</b>	4,239	4,891	652
<b>JULY</b>	3,947	4,202	255
<b>AUGUST</b>	3,978	5,007	1,029
<b>SEPTEMBER</b>	4,147	4,425	278
<b>OCTOBER</b>	4,495	4,611	116
<b>NOVEMBER</b>	5,758	4,888	(870)
<b>DECEMBER</b>	4,337	4,538	201
<b>TOTAL</b>	<b>49,303</b>	<b>54,996</b>	<b>5,693</b>



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## WEIGHT OF IMPORTS AND EXPORTS

Approximately 3.65 billion kg of cargo was processed during 2006. Of that amount, 1.29 billion kg were related to imports and 2.36 billion kg to exports. The amount of cargo processed during 2006 represents a decrease of 0.01 billion kg when compared with the 2005 figure of 3.66 billion kg. Imports increased by 0.18 billion kg or 16 % while exports decreased by 0.16 billion kg or 6% when compared with the year 2005. These figures are set out in the Table XVI below.

**TABLE XVI  
NET WEIGHT (KG.)**

Months	2005			2006		
	Imports	Exports	Total	Imports	Exports	Total
January	51,800,000	151,900,000	203,700,000	54,100,000	69,500,000	123,600,000
February	132,600,000	146,900,000	279,500,000	61,900,000	149,300,000	211,200,000
March	98,300,000	72,800,000	171,110,000	81,800,000	83,500,000	165,300,000
April	51,300,000	64,800,000	116,100,000	212,800,000	173,500,000	386,300,000
May	129,600,000	265,600,000	392,500,000	98,100,000	258,400,000	356,500,000
June	168,500,000	230,500,000	399,000,000	151,900,000	302,300,000	454,200,000
July	95,200,000	334,400,000	429,600,000	89,400,000	284,900,000	374,300,000
August	70,900,000	358,600,000	456,500,000	92,200,000	145,900,000	238,100,000
September	71,700,000	416,300,000	488,000,000	213,900,000	251,900,000	465,800,000
October	54,500,000	79,200,000	133,700,000	63,200,000	398,600,000	461,800,000
November	125,900,000	261,800,000	387,700,000	79,200,000	102,200,000	181,400,000
December	61,300,000	143,400,000	204,700,000	92,500,000	146,200,000	238,700,000
<b>Total</b>	<b>1,111,600,000</b>	<b>2,526,200,000</b>	<b>3,662,110,000</b>	<b>1,291,000,000</b>	<b>2,365,200,000</b>	<b>3,657,200,000</b>

## VALUE OF IMPORTS AND EXPORTS

The value of imports and exports for 2006 totalled \$318.1 billion. This amount represents an increase of approximately \$47.9 billion over the 2005 value of \$270.2 billion. The 2006 figure represents \$193.6 billion and \$124.5 billion for import and export values respectively, while the values for 2005 were \$160.4 billion for imports and \$109.8 billion for exports.



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

**TABLE XVII  
VALUE OF IMPORTS AND EXPORTS (\$)**

Months	2005			2006		
	Imports	Exports	Total	Imports	Exports	Total
<b>January</b>	9,400,000,000	5,000,000,000	14,400,000,000	15,200,000,000	6,900,000,000	22,100,000,000
<b>February</b>	10,100,000,000	4,900,000,000	15,000,000,000	13,700,000,000	8,600,000,000	22,300,000,000
<b>March</b>	13,600,000,000	8,600,000,000	22,200,000,000	15,200,000,000	9,500,000,000	24,700,000,000
<b>April</b>	15,100,000,000	12,000,000,000	27,100,000,000	12,000,000,000	8,200,000,000	20,200,000,000
<b>May</b>	16,100,000,000	10,200,000,000	26,300,000,000	18,500,000,000	18,000,000,000	36,500,000,000
<b>June</b>	15,900,000,000	10,400,000,000	26,300,000,000	29,300,000,000	13,500,000,000	42,800,000,000
<b>July</b>	15,400,000,000	5,400,000,000	20,800,000,000	15,400,000,000	6,700,000,000	22,100,000,000
<b>August</b>	12,100,000,000	9,800,000,000	21,900,000,000	16,600,000,000	12,500,000,000	29,100,000,000
<b>September</b>	11,800,000,000	14,800,000,000	26,600,000,000	12,600,000,000	9,100,000,000	21,700,000,000
<b>October</b>	13,000,000,000	9,500,000,000	22,500,000,000	13,400,000,000	18,200,000,000	31,600,000,000
<b>November</b>	16,200,000,000	10,800,000,000	27,000,000,000	16,000,000,000	7,600,000,000	23,600,000,000
<b>December</b>	11,700,000,000	8,400,000,000	20,100,000,000	15,700,000,000	5,700,000,000	21,400,000,000
<b>Total</b>	<b>160,400,000,000</b>	<b>109,800,000,000</b>	<b>270,200,000,000</b>	<b>193,600,000,000</b>	<b>124,500,000,000</b>	<b>318,100,000,000</b>

## **REVENUE FROM IMPORTS AND EXPORTS**

Revenue collected on the value of imports and exports during 2006 amounted to \$21.9 billion and \$7.1 million respectively. The corresponding figures for 2005 were \$19.5 billion on the value of imports and \$9 million on the value of exports. A comparison of the collection figures for 2005 and 2006 reveals a 12.3% increase in revenue collected on imports and a 21.1% decrease in revenue collected on exports. Please see Table XVIII overleaf.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



**TABLE XVIII**  
**REVENUE COLLECTED – (\$ 000)**

Month	2005				2006				Variance			
	Imports	Exports	Other	Total	Imports	Exports	Other	Total	Imports	Exports	Other	Total
JAN.	977,000	621	555,379	1,533,000	1,602,000	452	628,548	2,231,000	625,000	(169)	73,169	698,000
FEB.	1,446,000	395	380,605	1,827,000	1,495,000	882	409,118	1,905,000	49,000	487	28,513	78,000
MARCH	2,034,000	278	422,722	2,457,000	1,854,000	931	434,069	2,289,000	(180,000)	653	11,347	(168,000)
APRIL	1,221,000	2,914	512,086	1,736,000	1,476,000	454	498,546	1,975,000	255,000	(2460)	(13,540)	239,000
MAY	2,046,000	302	448,698	2,495,000	2,073,000	452	574,548	2,648,000	27,000	150	125,850	153,000
JUNE	1,696,000	493	455,507	2,152,000	1,982,000	403	502,597	2,485,000	286,000	(90)	47,090	333,000
JULY	1,943,000	616	514,384	2,458,000	1,798,000	689	490,311	2,289,000	(145,000)	73	(24,073)	(169,000)
AUG.	1,306,000	1,200	969,800	2,277,000	1,696,000	573	502,427	2,199,000	390,000	(627)	(467,373)	(78,000)
SEPT.	1,520,000	323	464,677	1,985,000	1,860,000	561	531,439	2,392,000	340,000	238	66,762	407,000
OCT.	1,727,000	987	517,013	2,245,000	1,875,000	564	425,436	2,301,000	148,000	(423)	(91,577)	56,000
NOV.	1,651,000	554	509,446	2,161,000	2,142,000	659	585,341	2,728,000	491,000	105	75,895	567,000
DEC.	1,925,000	410	528,590	2,454,000	2,005,000	512	596,488	2,602,000	80,000	102	67,898	148,000
<b>TOTAL</b>	<b>19,492,000</b>	<b>9,093</b>	<b>6,278,907</b>	<b>25,780,000</b>	<b>21,858,000</b>	<b>7,132</b>	<b>6,178,868</b>	<b>28,044,000</b>	<b>2,366,000</b>	<b>(1961)</b>	<b>(100,039)</b>	<b>2,264,000</b>



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

## **REGIONAL OFFICES & AIRPORT**

### **OUT STATIONS**

The Customs and Trade Administration has offices located in several regions including Corriverton, New Amsterdam, Linden, Essequibo and Lethem. During 2006 staff at the various regional offices continued in their efforts to maximize revenue collection. Staff at the Corriverton Office facilitated the clearance of the ferry operating between Guyana and Suriname and the temporary importation/exportation of vehicles. Three hundred and eighty vessels were examined and reports prepared on them while 454 incoming and 433 outgoing ships' files were completed.

The examination of incoming postal packages amounted to 2,622 while outgoing packages examined totaled 498. Staff at all locations combined examined and released 919 consignments of cargo and processed 1,908 Customs declarations. In addition, 955 liquor licences were issued and 724 were renewed. Revenue collected from outstations amounted to \$230.4M.

### **CHEDDI JAGAN INTERNATIONAL AIRPORT**

At the Cheddi Jagan International Airport officers continued to process arriving and departing aircraft and passengers. They also completed files relating to incoming and outgoing aircraft as well as processed declarations for imported and exported cargo.

Revenue collection at CJIA amounted to \$703.7 M. Of this amount, \$264.4 M was collected from airport to airport transactions, \$210.6M from processing Jet Pak services, \$150.2M from processing cargo and \$46.2M from processing passengers' baggage. The remaining \$32.3 M was collected from other duties and taxes such as Stamp Duty, Export Duty, Environmental Tax, processing fees and other charges.

Revenue collection is shown in the table below.

**TABLE XIX  
REVENUE COLLECTION – (\$)**

<b>Location</b>	<b>2005</b>	<b>2006</b>	<b>% Variance</b>
CJIA - Timehri	557,916,492	703,721,074	26.13
Anna Regina	17,432,414	18,648,089	6.97
Lethem	48,708,124	38,908,269	(20.12)
Linden	3,476,534	1,787,609	(48.58)
New Amsterdam	19,522,699	18,547,938	(4.99)
Corriverton	127,555,881	152,518,589	19.57
Total	774,612,144	934,131,568	20.59

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



## **SHORTAGE OF STAFF AT OUTSTATIONS**

Operations at the outstations and the Cheddi Jagan International Airport continue to be affected by a shortage of staff. Three staff members, two from the Cheddi Jagan International Airport and one from the Anna Regina office, had their services terminated but there were no replacements.

## **SECURITY MEASURES**

During the year under review, improved security measures were implemented for the storage of revenue and its movement from the various offices to the Bank.



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

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## **VALUE ADDED AND EXCISE TAXES DEPARTMENT**

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

The Department, which was established during the latter half of 2006, carries out its mandate through a Commissioner who is assisted by a Deputy Commissioner and 4 Assistant Commissioners, each responsible for one of four (4) divisions namely: (a) Operations, (b) Compliance and Arrears Collection, (c) Refunds Verification and Audit and (d) Legislation, Tax Advisory Services and Objections.

### **CROWN AGENTS**

Crown Agents of the United Kingdom were contracted by the Guyana Revenue Authority to assist in the implementation of the Value Added and Excise Taxes and the new information technology system TRIPS which brings together all registered Value Added and Excise Taxes, Internal Revenue and Customs and Trade registered taxpayers onto a single database.

Several consultants were attached to the VAT Implementation Unit and subsequently the Value Added and Excise Taxes Department for varying periods during the year with one consultant, Mr. Mike Mintrum, having a long term assignment. Areas of specialty of the consultants included taxation, customs procedures, information technology, training, project management and Value Added Tax.

### **REGISTRATION**

The Department commenced registration of taxpayers on October 1, 2006 and at the end of the year under review had issued a total of 3,691 registration packages to potential registrants. A total of 2,059 applications were received and 1,639 certificates of registration were issued comprising 667 to companies/partnerships and 972 to self-employed persons.

Towards the end of the year the Department embarked on a registration strategy to encourage potential registrants to get registered. The tax roll was reviewed to establish the large companies which had not yet registered. Those companies were contacted by telephone to ascertain their registration intention/position and follow-up visits were subsequently made. Attention was also focused on identifying potential self-employed registrants who were contacted by telephone/letter and this was followed up by an advisory visit. During the month of December, warning letters were dispatched to companies and self-employed persons advising of compulsory registration as at January 1, 2007 of those who failed to get registered.

# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**



## **TAX ADVISORY VISITS**

A Tax Advisory Visit programme was also launched shortly after the commencement of registration. The objective of the programme is to ensure that registered taxpayers understand the obligations placed on them by the Acts and were complying with their requirements. In addition, the Department responded to numerous requests for advice/clarification on legal issues. Written responses were prepared for 112 such requests while advice/clarification was also given on a daily basis via telephone and to walk-in taxpayers and consumers. In response to the frequency of requests for advice and information, a help desk was established by the Department.

A continuous public education campaign was launched and the Department also conducted extensive seminars, workshops, information sessions and other educational programmes on both radio and television. Public notices, information bulletins and booklets were produced and widely distributed. Particular attention was paid to educating registered taxpayers on the record keeping necessary to fulfill the obligations placed on them by the Acts.

## **TRAINING**

Crucial to the successful implementation of VAT is the ongoing training of staff of the Department. This was conducted by the Crown Agents consultants. Training was provided in all areas of operations including registration/de-registration, returns processing, taxpayer accounting, refunds, customer service, auditing skills and advisory visit skills.

## **PROCEDURE MANUALS/FORMS**

Work on the preparation of procedure manuals and forms for use in the operations of the Department was carried out by staff of the organisation under the guidance of the consultants from Crown Agents. The manuals are for use as a guide to staff in the performance of their duties.



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## *Audit Office of Guyana*

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

AG: 105/2007

14 September 2007

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 2006

I have audited the financial statements of the Guyana Revenue Authority for the year ended 31 December 2006, as set out on pages 4 to 13 in accordance with Section 27(2) of the Guyana Revenue Authority Act No. 13 of 1996. These statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets.

### Respective Responsibilities of management and Auditors

The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws, regulations and contractual obligations, is the responsibility of Management of the Guyana Revenue Authority. My responsibility is to express an independent opinion on the statements based on these assertions and to report that opinion.

### Basis of Opinion

I conducted my audit in accordance with generally accepted auditing standards, including those of INTOSAI and International Federation of Accountants (IFAC). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Opinion

In my opinion, the financial statements presents fairly, in all material respects the financial position of the Guyana Revenue Authority as at 31 December 2006 and the results of its operation and cash flows for the year ended, in conformity with generally accepted accounting principles

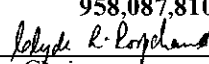
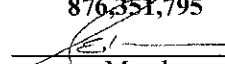
D. SHARMA  
AUDITOR GENERAL (ag.)

AUDIT OFFICE OF GUYANA  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## Guyana Revenue Authority Balance Sheet As at 31<sup>st</sup> December, 2006

	Notes	2006	2005
<b>Fixed Assets</b>	<b>2</b>		
Land and Buildings		477,435,360	472,598,406
Motor Vehicles & Craft		99,847,390	78,947,390
Computer Equipment		175,465,294	132,154,608
Office Equipment		122,482,175	112,648,791
Containers		824,000	
Office Furniture		70,160,332	65,693,547
		946,214,551	862,042,742
Capital Work in Progress		-	-
		946,214,551	862,042,742
 <b><u>Current Assets</u></b>			
Inventories	3	9,630,045	12,081,234
Cash in hand	4	2,230,014	2,214,619
Cash at bank	5	25,083,375	37,091,703
		36,943,434	51,387,556
 <b><u>Current Liabilities</u></b>			
Balance due to Consolidated Fund		12,685,775	24,694,103
Grants	7	12,384,400	12,384,400
		25,070,175	37,078,503
<b>Net Assets</b>		<b>958,087,810</b>	<b>876,351,795</b>
 <b><u>Financed By:</u></b>			
Government of Guyana Contribution	6	943,345,287	861,609,272
Public Service Technical Assistance Credit		14,742,523	14,742,523
		958,087,810	876,351,795
		 Chairman	 Member



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Income and Expenditure Account For the year ended 31<sup>st</sup> December, 2006

	Notes	2006	2005
<b>Subsidy</b>		<b>1,889,986,213</b>	<b>1,963,869,410</b>
<b>GOG Subventions</b>	<b>7</b>	<b>15,525,865</b>	<b>14,999,950</b>
<b>FFM – Reimbursements for Rent</b>	<b>18</b>	<b>7,800,000</b>	
<b>Total Income</b>		<b>1,913,312,078</b>	<b>1,978,869,360</b>
Wages and Salaries	<b>8</b>	702,562,139	619,964,427
Revision of Wages & Salaries		40,731,134	50,946,981
Overhead Expenditure	<b>9 a&amp;b</b>	451,688,689	369,325,672
<b>TOTAL WAGES AND SALARIES</b>		<b>1,194,981,962</b>	<b>1,040,237,080</b>
Material Equipment & supplies	<b>10</b>	75,738,211	73,114,042
Fuel and Lubricants		36,847,761	33,655,751
Rental and Maintenance of Buildings	<b>11</b>	118,565,100	76,089,972
Transport Travel and Postage	<b>12</b>	94,826,766	76,637,069
Utility Charges	<b>13</b>	76,369,421	58,469,533
Other Goods and Services	<b>14</b>	125,967,708	105,970,061
Other Operating Expenses	<b>15</b>	117,722,278	59,769,234
Education Subventions and Training	<b>16</b>	3,937,262	3,920,035
Rates and taxes & Subvention to Local Authorities		-	-
Subsidies and Contribution to Local Organisations	<b>17</b>	10,961,105	5,636,792
<b>REFUNDS OF REVENUE</b>		<b>33,516,456</b>	<b>410,677,276</b>
<b>TOTAL OTHER CHARGES</b>		<b>694,452,068</b>	<b>903,939,765</b>
<b>TOTAL EXPENSES</b>		<b>1,889,434,030</b>	<b>1,944,176,845</b>
<b>Excess of Grant Over Expenditure</b>		<b>3,199,414</b>	<b>12,377,380</b>
<b>Excess of Releases Over Expenditure</b>		<b>8,352,183</b>	<b>23,047,025</b>
		<b>11,551,597</b>	<b>35,424,405</b>



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## Guyana Revenue Authority Cash Flow Statement For the year ended 31<sup>st</sup> December, 2006

	<b>2006</b>	<b>2005</b>
<b><u>Cash Flows from operating activities</u></b>		
Cash Releases from Government of Guyana	1,889,986,213	1,963,869,410
Grant	15,525,865	14,999,950
Cash paid to suppliers and employees	(1,894,154,481)	(1,944,176,845)
<b>Net Cash flow from operating activities</b>	<b>11,357,597</b>	<b>34,692,515</b>
<b><u>Cash Flows from investing activities</u></b>		
Cash Releases from Government of Guyana	65,000,000	75,000,000
Purchase of property, plant and equipment	(63,671,822)	(73,352,922)
<b>Net Cash flow from investing activities</b>	<b>1,328,178</b>	<b>1,647,078</b>
Net increase in cash	<b>12,685,775</b>	<b>36,339,593</b>
Cash at beginning of period	37,078,503	28,432,450
Cash repaid to Government of Guyana	(24,694,103)	(27,693,540)
<b>Cash at end of period</b>	<b>25,070,175</b>	<b>37,078,503</b>
Due to Consolidated Fund	<b>12,685,775</b>	<b>24,694,103</b>
Current	<b>8,158,183</b>	
Capital	<b>1,328,178</b>	
Subvention	<b>3,199,414</b>	
Grants	<b>12,384,400</b>	<b>12,384,400</b>
	<b>25,070,175</b>	<b>37,078,503</b>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Notes on the Financial Statements For the year ended 31<sup>st</sup> December, 2006

### Note 1. Significant Accounting Policies

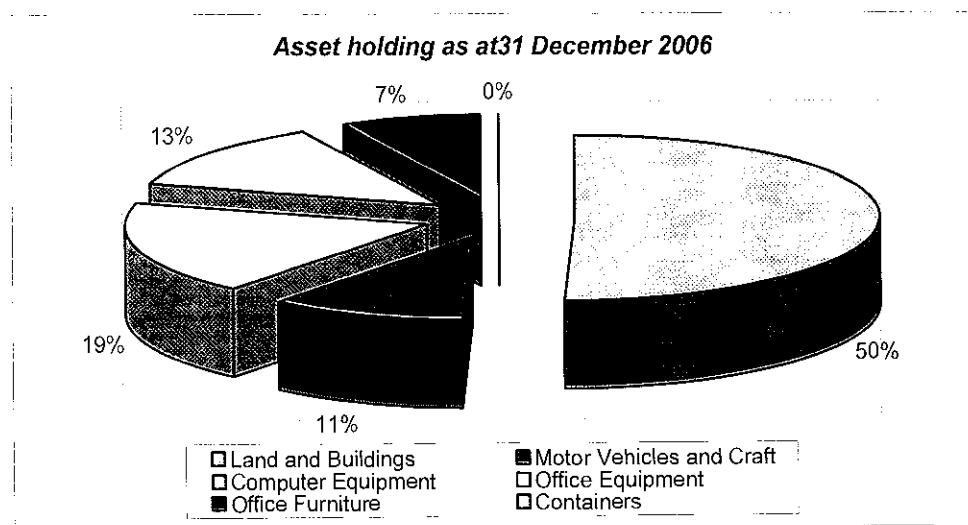
- A. The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets
- B. No depreciation is provided on fixed assets as the Revenue Authority operates on a cash basis from an allocation provided by Parliament in the Estimates of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

### Note 2. Fixed Assets

Fixed assets held by the Inland Revenue and Customs & Excise Departments at 27<sup>th</sup> January 2000, were independently valued by the Chief Valuation Officer at \$485.5M.

The Guyana Revenue Authority acquired a fleet of fifteen (15) motor vehicles during 2006. These were valued at \$20.5M by the Chief Valuation Officer and are included in the financial statements as additions to Motor Vehicles/Craft for the year.

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





# ANNUAL REPORT & STATEMENT OF ACCOUNTS

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

The asset position of the Revenue Authority as at 31<sup>st</sup> December 2006 is stated below.

	Land and Buildings	Motor Vehicle / Craft	Computer Equipment	Office Equipment	Containers	Office Furniture	Total
<b>Value of Fixed Assets at 1st January, 2006</b>							-
Comprising							
<b>Valuation</b>	472,598,406	78,947,390	132,154,608	112,648,791		65,693,547	862,042,742
Additions	4,836,954	20,900,000	43,310,686	9,833,384	824,000	4,466,785	84,171,809
<b>Disposals</b>							
<b>Value of Fixed Assets at 31st December, 2006</b>	<b>477,435,360</b>	<b>99,847,390</b>	<b>175,465,294</b>	<b>122,482,175</b>	<b>824,000</b>	<b>70,160,332</b>	<b>946,214,551</b>

## Note 3. Inventories

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

	2006	2005
Office Materials & Supplies	6,824,280	10,085,882
Preprinted Forms	2,805,765	1,995,352
<b>Total</b>	<b>9,630,045</b>	<b>12,081,234</b>

## Note 4. Cash in Hand

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

Imprest Accounts	2006	2005
Customs & Trade Administration	1,000,000	1,000,000
Internal Revenue	1,000,000	1,000,000
<b>Total Imprest</b>	<b>2,000,000</b>	<b>2,000,000</b>
Foreign Currency Float	230,014	214,619
<b>Total</b>	<b>2,230,014</b>	<b>2,214,619</b>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Note 5. Cash at Bank

This represents amount due to Consolidated Fund held at Bank of Guyana and floats in the Point of Sale accounts at the National Bank of Industry and Commerce Ltd.

	2006	2005
Bank of Guyana – Main A/c	25,070,175	28,432,450
<b>NBIC POS Accounts</b>		
Customs & Trade Administration	6,600	6,600
Internal Revenue	6,600	6,600
<b>Total</b>	<b>25,083,375</b>	<b>28,445,650</b>

## Note 6. Accumulated Fund

The Accumulated Fund for the Authority on its formation represented the values of Fixed Assets transferred from the Inland Revenue and Customs & Excise Departments.

The table below sets out the movement in the Fund for the year ended 31<sup>st</sup> December 2006.

Accumulated Fund	Fixed Assets	Net Current Assets	Total 2006	2005
<b>As at 1st January</b>	847,300,219	14,309,053	<b>861,609,272</b>	<b>785,149,201</b>
<b>Movement during the year (Note 6a)</b>	84,171,809	(2,435,794)	<b>81,736,015</b>	<b>76,460,071</b>
<b>As at 31st December</b>	<b>931,472,028</b>	<b>11,873,259</b>	<b>943,345,287</b>	<b>861,609,272</b>

### Note 6a - Analysis of movement during the year

Purchases of Fixed Assets	63,671,809
Disposals of Fixed Assets	-
Inventories	(2,451,189)
Motor Vehicles acquired	20,500,000
Foreign Currency & POS Floats	15,395
	<u><b>81,736,015</b></u>



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## Note 7. Grants

The Guyana Revenue Authority received a subvention grant of \$15.5M to finance customs sports tournament held in 2006.

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 this regard at the end of 2005 and has been included in 6294 – The balances on these Grants at 31<sup>st</sup> December 2006 are shown below.

	2006	2005
Subventions – Local Authority	12,326,451	
Training Grant – ODS		7,020
Caribbean Development Bank		12,377,380
<b>Total</b>	<b>12,326,451</b>	<b>12,384,400</b>

## Note 8. Wages and Salaries

Expenditures under this head comprised of the following sub-heads:

Code	Description	2006	2005
6111	Administrative	150,156,380	131,056,097
6112	Senior Technical	117,191,488	94,438,133
6113	Other Technical & craft skills	142,656,820	129,562,359
6114	Clerical & Office Support	200,729,720	185,944,432
6115	Semi-Skilled and Unskilled operatives	89,986,458	77,503,089
6116	Contract Employees	490,000	-
6117	Temporary Employees	1,351,273	1,460,317
<b>TOTAL</b>		<b>702,562,139</b>	<b>619,964,427</b>

## Note 9a. Overhead Expenditure

Expenditures under this head comprised of the following sub-heads:

Code	Description	2006	2005
6131	Other Direct Labour Costs (See Note 9b)	242,502,022	183,424,937
6133	Benefits & Allowances	121,584,638	108,330,711
6134	National Insurance	56,104,609	49,924,521
6135	Pensions	31,497,420	27,645,503
<b>TOTAL</b>		<b>451,688,689</b>	<b>369,325,672</b>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## **Note 9b. Members' Emoluments**

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

<b>Name</b>	<b>2006</b>	<b>2005</b>
Lennox Benjamin	144,000	108,000
Clyde Roopchand	180,000	138,000
Ashni Singh	96,000	105,000
<b>Total</b>	<b>420,000</b>	<b>351,000</b>

## **Note 10. Material Equipment & Supplies**

Expenditures under this head comprised of the following sub-heads:

<b>Code</b>	<b>Description</b>	<b>2006</b>	<b>2005</b>
6221	Drugs & Medical Supplies	168,075	185,187
6222	Field Materials & Supplies	-	-
6223	Office Materials & Supplies	29,723,089	40,422,408
6224	Print & Non Print Materials	45,847,047	32,506,447
<b>TOTAL</b>		<b>75,738,211</b>	<b>73,114,042</b>

## **Note 11. Rental & Maintenance of Buildings**

Expenditures under this head comprised of the following sub-heads:

<b>Code</b>	<b>Description</b>	<b>2006</b>	<b>2005</b>
6241	Rental of Buildings	49,908,508	40,267,205
6242	Maintenance of Buildings	51,790,870	27,120,284
6243	Janitorial & Cleaning Supplies	9,065,722	8,702,483
<b>TOTAL</b>		<b>110,765,100</b>	<b>76,089,972</b>

## **Note 12. Transport Travel & Postage**

Expenditures under this head comprised of the following sub-heads:

<b>Code</b>	<b>Description</b>	<b>2006</b>	<b>2005</b>
6261	Local Travel & Subsistence	53,781,028	38,071,743
6262	Overseas Conference & Official Visits	3,465,693	770,927
6263	Postage, Telex and Cablegram	7,047,615	6,112,088
6264	Vehicle Spares & Services	28,884,780	30,405,709
6265	Other Transport Travel & Postage	1,647,650	1,276,602
<b>TOTAL</b>		<b>94,826,766</b>	<b>76,637,069</b>



# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## Note 13. Utility Charges

Expenditures under this head comprised of the following sub-heads:

Code	Description	2006	2005
6271	Telephone Charges	16,167,441	14,294,479
6272	Electricity Charges	57,997,831	42,450,937
6273	Water Charges	315,889	442,117
6274	Wireless Charges	66,000	
6275	Internet Charges	1,822,260	1,282,000
<b>TOTAL</b>		<b>76,369,421</b>	<b>58,469,533</b>

## Note 14. Other Goods & Services Purchased

Expenditures under this head comprised of the following sub-heads:

Code	Description	2006	2005
6281	Security Services	55,027,235	42,676,185
6282	Equipment Maintenance	20,201,131	22,991,138
6283	Cleaning & Extermination Services	13,149,150	12,084,980
6284	Others	37,590,192	28,217,758
<b>TOTAL</b>		<b>125,967,708</b>	<b>105,970,061</b>

## Note 15. Other Operating Expenses

Expenditures under this head comprised of the following sub-heads:

Code	Description	2006	2005
6291	National & Other Events	4,232,751	2,180,986
6293	Refreshments & Meals	2,314,663	1,813,077
6294	Others	111,368,864	55,775,171
<b>TOTAL</b>		<b>117,916,278</b>	<b>59,769,234</b>

## Note 16. Education Subvention & Training

Expenditures under this head comprised of the following sub-heads:

Code	Description	2006	2005
6301	Education Subvention & Grants		755,000
6302	Training	3,937,262	3,165,035
<b>TOTAL</b>		<b>3,937,262</b>	<b>3,920,035</b>



# ANNUAL REPORT & STATEMENT OF ACCOUNTS



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

Expenditures under this head comprised of the following sub-heads:

<b>Code</b>	<b>Description</b>	<b>2006</b>	<b>2005</b>
6321	Local Organisation	104,700	40,000
6322	International Organisation	10,856,405	5,596,792
<b>TOTAL</b>		<b>10,961,105</b>	<b>5,636,792</b>

## **Note 18. Rental of VAT Building**

FFMP has agreed to reimburse the Guyana Revenue Authority for the amount spent on rental of the VAT Building. The following schedule shows the total amount outstanding by FFMP for rental paid by GRA for 2006.

### **Rental Paid by GRA**

<b>Date</b>	<b>PV#</b>	<b>Amount (\$)</b>
2006-03-09	1546/06	3,958,500
2006-06-09	4864/06	3,939,000
2006-09-19	7935/06	3,978,000
2006-12-08	10571/06	3,997,500
<b>Total</b>		<b>15,873,000</b>

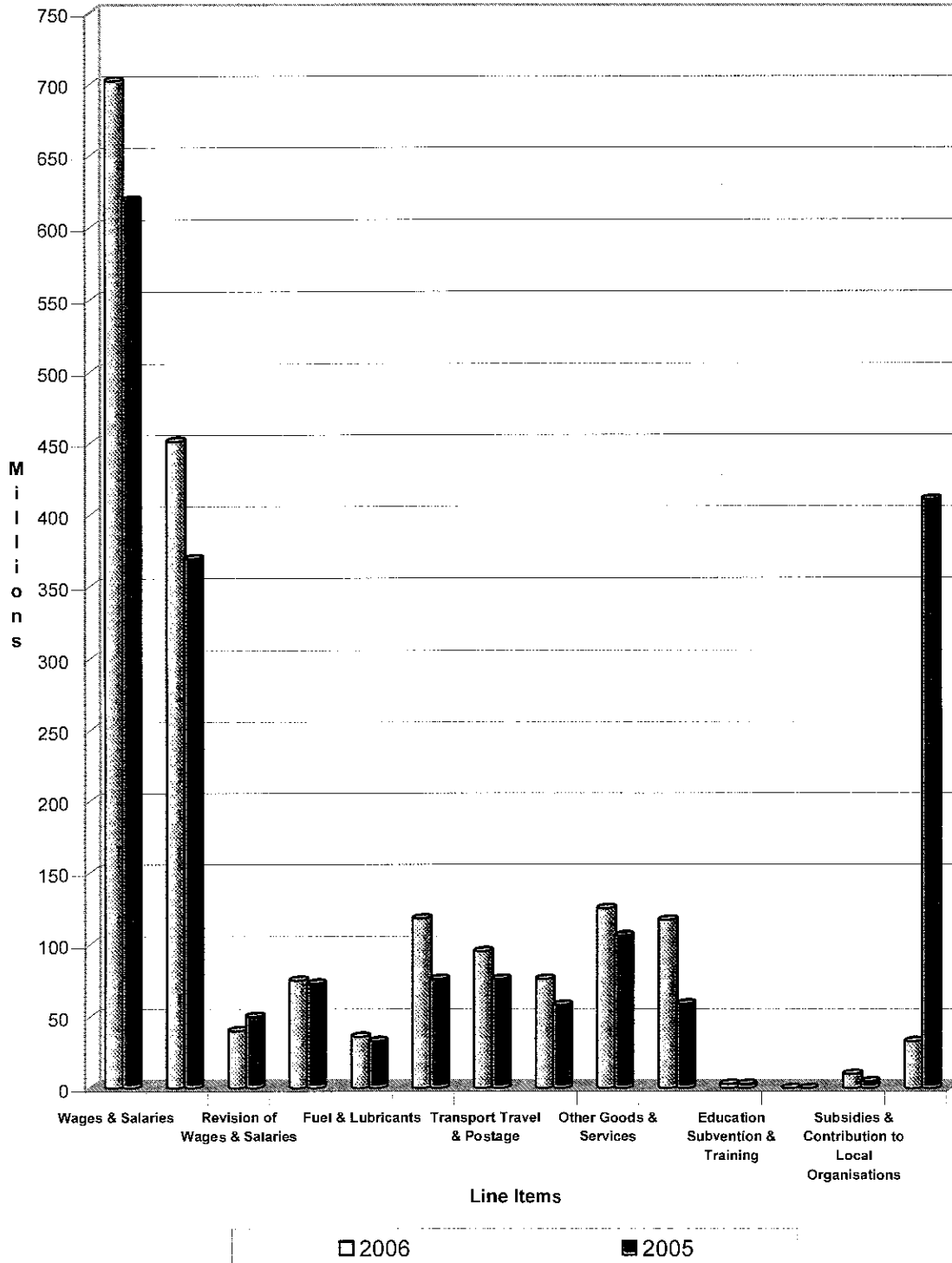
### **Reimbursement made by FFMP**

<b>Date</b>	<b>PV#</b>	<b>Amount (\$)</b>
2006-03-03	0/06	3,900,000
3/22/2006	9/6	3,900,000
<b>Total</b>		<b>7,800,000</b>

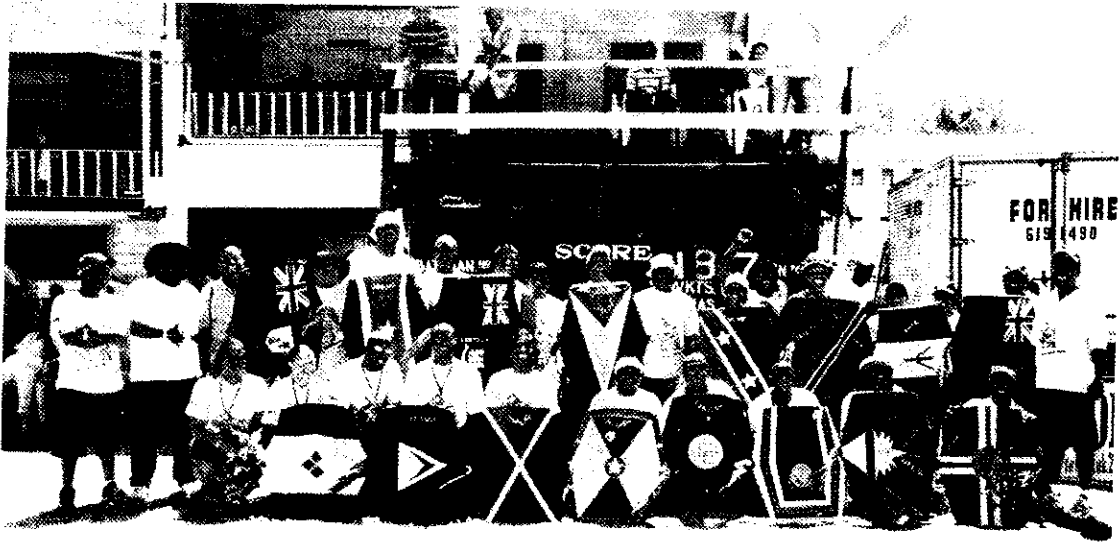
**Amount owing to GRA by FFMP**  
As at December 31<sup>st</sup>, 2006

**8,073,000**

## Guyana Revenue Authority Analysis of Expenditure



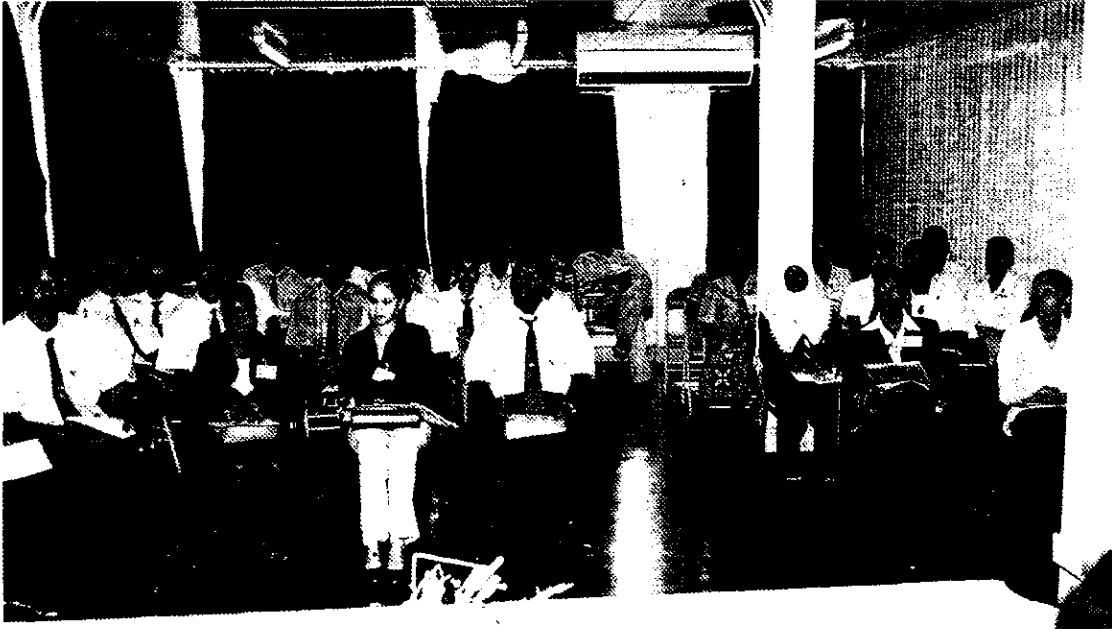
# Highlights



Participants of the 31<sup>st</sup> Caribbean Customs Sports Tournament



Bursary Awardees with Senior Staff Members



Participants at the Orientation Seminar



Peer Educators with staff of Training Division



# APPENDICES





# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## APPENDIX 2 Individual Tax Rates

### Years of Assessment 1992 - 1993

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

### Years of Assessment 1994 - 1997

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

### Years of Assessment 1998 to 2003

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

### Years of Assessment 2004 - 2006

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

### Year of Assessment 2007

33 1/3% of the amount of Chargeable Income
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# ANNUAL REPORT & 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:

<b>Exceeds \$10 Million</b>	Minimum Tax – 2%
<b>Less than \$10 million</b>	Presumptive Tax Method using factors such as size of business, number of employees, assets used in the business, training and years in practice, salaries of comparable employed individuals etc.

### Capital Gains Tax Rate

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

## PERSONAL PROPERTY TAX RATES

### Years of Assessment 1993 - 1999

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

### Years of Assessment 2000 to 2007

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





# ANNUAL REPORT & STATEMENT OF ACCOUNTS

## APPENDIX 3

### COMPANY TAX RATES

1	Minimum Tax on Turn over	Commercial Companies	Effective for YA 95-96	2%
		Non-Commercial Companies		
2	Corporation Tax on Chargeable Income	Commercial Companies	(from Y/A 1995)	45%
		Non-Commercial Companies		35%
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 – 2007	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%

## APPENDIX 4

### Withholding Tax Rates

	YA 1993- YA 2003	YA 2004- YA 2007
On Distribution to Non – Residents	15%	20%
On Interest on Savings Accounts		
On Interest on Loans secured by Bonds and similar instruments	15%	20%
On Discount on Treasury Bills		
On other Interest payments to Non – Residents	15%	20%
On payments other than Interest to Non – Residents	10%	20%