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BUSINESS ADDRESS

GUYANA REVENUE AUTHORITY SECRETARIAT

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

INTERNAL REVENUE

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

CUSTOMS & TRADE ADMINISTRATION

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

LICENCE REVENUE OFFICE

Smyth & Princess Streets,
Georgetown, Guyana,
South America.
Telephone # 225-6143 or 223-5507

Customs & Trade Administration Branch Offices

Linden

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

Internal Revenue Branch Office

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

New Amsterdam

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

Linden

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

Corriverton Office/ Berbice Anti Smuggling Squad

78 Village Corriverton, Berbice,
Guyana, South America.
Telephone # 39-2727

Corriverton

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

Lethem

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

Anna Regina - Tax/Customs Office

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

BUSINESS ADDRESS

GUYANA REVENUE AUTHORITY SECRETARIAT

COMMON SERVICES

HUMAN RESOURCE

357 Lamaha & East Streets,
Georgetown, Guyana,
South America
Telephone # 227-8782

PLANNING, COMMUNICATION & OPERATIONAL PROCEDURES

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

MANAGEMENT SERVICES

1. Finance & Administration

19 Middle Street,
Georgetown, Guyana,
South America.
Telephone # 223-7993

2. Information Technology

G.P.O. Building
Robb Street,
Georgetown, Guyana,
South America.
Telephone # 225-5586

LEGAL SERVICES

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

FIELD AUDIT

357 Lamaha & East Streets,
Georgetown, Guyana,
South America.
Telephone # 227-8834

INTERNAL AUDIT

Customs House
34 Main Street,
Georgetown, Guyana,
South America.
Telephone # 226-4428



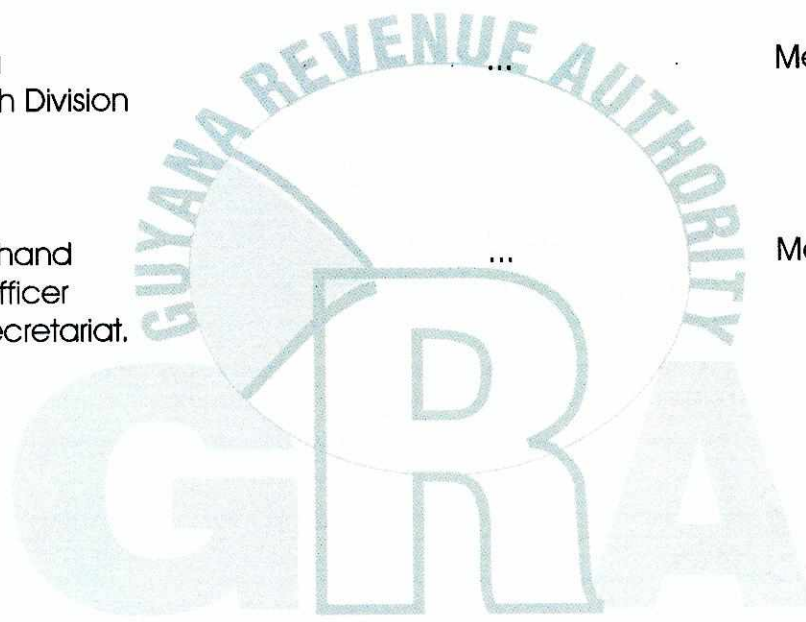
GOVERNING BOARD

Dr. Ashni Kumar Singh ... Chairman
Director
Office of the Budget
Ministry of Finance.

Mr. Lennox Benjamin ... Member
Chief Statistician
Bureau of Statistics.

Dr. Gobin Ganga ... Member
Director, Research Division
Bank of Guyana.

Mr. Clyde Roopchand ... Member
Chief Planning Officer
State Planning Secretariat.





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LETTER OF TRANSMITTAL

Honorable Saisenarine Kowlessar
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 2003 together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,

Clyde R. Roopchand

Clyde Roopchand
Chairman
Governing Board

MISSION STATEMENT OF THE GUYANA REVENUE AUTHORITY

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

CORE VALUES

The Core values of the Guyana Revenue Authority are:

- ◆ Integrity
- ◆ Professionalism
- ◆ Respect
- ◆ Cooperation

Integrity is the corner stone of our Administration. Integrity means treating all concerned fairly and applying the law fairly and consistently. This means 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 partnership and working together towards common goals. Co-operation involves followership as well as leadership.



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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

The overall design of the Revenue Authority focuses on the isolation of like functions within the organisation to achieve maximum efficiency, effectiveness, accountability, manageability, and to ensure the fair and impartial administration of Tax and Customs programmes.

The goal is to maximise accountability at the most senior management levels for the key result areas of the organisation by limiting the number of major functions for which senior executives are held accountable. To ensure the achievement of this goal, the organisation chart was amended in 2003 to incorporate the position of the Deputy Commissioner- General and two additional units, viz:- The Remission Unit which emanated from the passing of the Fiscal Enactment Amendment No. 2 Act (2003) and the Consumption Tax Audit Unit. Those changes to the organisational chart will be approved when the Board is reconstituted in 2004.

The proposed revised Organisation chart is depicted at Appendix 1.

REPORT OF THE GOVERNING BOARD

INTRODUCTION

The Guyana Revenue Authority began operating in January 2000 and is now in its 3rd year of operations as a semi autonomous agency. As a young and developing organisation, the administration coped admirably with the many changes and challenges which confronted it during the year 2003.

Change seemed to be the major theme for 2003. In June 2003, the Governing Board was reconstituted with the appointment of a new Chairman. From 1st September 2003, the vacant position of Commissioner- General was taken up by the then Commissioner of Internal Revenue, Mr. Khurshid Sattaur. A new position of Deputy Commissioner - General was created and Mr. Clement Sealey, a remigrant, was appointed to that position with effect from 1st September 2003. The appointment of these top managerial functionaries was indeed a major achievement since the organisation operated without a Commissioner-General for almost one (1) year. This in itself severely affected the making and implementation of any major decisions. The vacant position of Corporate Secretary was also filled.

NEW TAX MEASURES

Effective also from 1st September 2003, new tax policy measures were introduced under the Fiscal Enactment (Amendment Act) (No 2) of 2003 which abolished among other things, the discretionary powers of the President and the Minister of Finance in relation to the granting of exemptions / remission of taxes and duties. The Authority for such functions was now placed in the Taxing Acts of the Guyana Revenue Authority. This meant, the establishment of a Remission Unit in the Guyana Revenue Authority to deal with remission / exemption of taxes and duties. This and other changes introduced in the Fiscal Enactment (Amendment Act) (No 2) of 2003, had put a lot of pressure on the newly appointed administration, to implement as a matter of urgency, the many new tax measures imposed on it.

The many challenges, the amendments of the Fiscal Enactment (Amendment Act) (No 2) of 2003, posed for the organisation, were seen as opportunities for management to demonstrate their innate and acquired abilities to deal with and implement successfully many of the new responsibilities placed on the administration. I take this opportunity to express my personal gratitude to executive and non-executive staff who responded superbly to the challenge.

In October 2003, the Remission Unit was established and was overseen by the newly appointed Deputy Commissioner- General. The Service Tax on professionals and real estate agents and prescribed hotels was also introduced, but unfortunately a court order prevented the administration from implementing this aspect of the Act. In 2003, to enhance revenue collection and to protect the revenue, twelve accountants were appointed in the Consumption Tax Section of the Customs & Trade Administration. They are required to audit the books of manufacturers chargeable to Consumption Tax to ensure that the correct taxes are calculated and paid to the Customs & Trade Administration.

VOLUNTARY COMPLIANCE

In spite of the use of this and other enforcement methods to collect the taxes and duties, e.g. seizure of goods, prosecution of taxpayers and importers, etc. the Authority's objective is to promote a culture of voluntary compliance among taxpayers and importers. In this regard, it was necessary to educate the public about the



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laws administered by the Authority to enable them to meet their obligations voluntarily. It was also necessary that the image portrayed by the organisation, be customer oriented. Integral to the creation and promotion of this image is having a skilled, knowledgeable and professional work force. During 2003, several training programmes, both internal and external were conducted and included courses on customer care, managing resources and the budget, Asycuda Administration and Anti Corporation courses.

The vision of the Authority as a modern revenue collection agency, administering high quality, yet affordable compliance and enforcement programmes, of necessity, requires computerized systems and network facilities. This is a high priority for 2004, when it is expected to have on board an officer from the World Bank to help coordinate and develop the computer linkages, etc. of the entire Guyana Revenue Authority network. Also systems to monitor activities to detect corrupt practices and check containers to ensure that correct declarations are made will be introduced in early 2004. It is hoped that with these systems in place, revenue collection will be enhanced for 2004. In 2003, there was a shortfall of \$0.95B in revenue collection. Actual collection for 2003 was \$41.55B relative to a budgeted collection of \$42.5B.

The year 2003, was indeed a challenging year, but with the commitment and support of staff at all levels in the organisation, the Guyana Revenue Authority was able to remain a viable organisation and capable of maximizing collection in the coming years.

REVENUE COLLECTION

Total Revenue Collection for the year 2003 was \$41.55 Billion. This represented a shortfall of \$0.95 Billion or 2.2% from the approved budget of \$42.5 Billion for 2003. When compared to the actual total collection in 2002 of \$40.8 Billion, revenue collection in 2003 increased by \$0.75 Billion, of 1.8%.

Revenue collected by Internal Revenue for 2003 was \$22.4 Billion and \$19.15 Billion was collected by the Customs & Trade Administration.

For the year 2003 our cost of collection was approximately 4.3%. The cost of collection for the year 2002 was 3.3%.

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

TABLE I
BUDGETED AND ACTUAL COLLECTIONS (\$BILLION)

	2002	2002		
	Actual	Budget	Actual	Variance
Internal Revenue	22.1	22.3	22.4	0.1
Customs and Trade Administration	18.7	20.2	19.15	(1.05)
Total:	40.8	42.5	41.55	(0.95)

REVENUE LEAKAGE

In 2003, revenue leakage continued to be a problem for the Guyana Revenue Authority, despite efforts by the Government and the Administration to minimize such loss. The large informal sector in Guyana encourages widespread tax evasion, since transactions, whether legal or illegal, are mainly conducted in cash. The non-existence of any paper trail makes it very difficult for the organisation to determine and/or verify the income generated in the sector. The Fiscal Enactment Amendment Act 2003, sought to address this problem, by the introduction of presumptive tax, a tax on service and raise the fee for compliance certificate for professionals. The expected revenue benefits to be derived from this Act, were hampered with the passing of Court Order preventing the Commissioner-General from implementing certain aspects of the Act.

Additionally, revenue continues to be lost through the smuggling activities across the borders. In 2003, the Government introduced a fuel making system to detect whether the fuel is legal or not. The lack of adequate computerization to facilitate reliable record-keeping also contributes to loss of revenue.

During the year the organisation continued its efforts to educate and sensitise the public to their moral and legal responsibilities to the organisation in relation to the payment of taxes and duties.

HUMAN RESOURCE

STAFF ESTABLISHMENT

The approved staff establishment of the Guyana Revenue Authority at December 31, 2003 was 948 with the actual staff strength for the same period being 812 or approximately 86%. Of the total of 812 employees, 381 or approximately 47% were male while 431 or 53% were female. The staff strength at the end of the previous year was 840. There was therefore a net decrease of 28 persons.

During the year 2003, 28 persons (12 male and 16 females), were recruited. Separations which included deaths, resignations, dismissals, retirement and termination, accounted for 56 persons resulting on a staff turnover of 6.9% in 2003 relative to 7.1% in 2002. A total of 31 persons resigned while 19 persons were dismissed as the organisation continued in its efforts to reduce malpractices within the organisation.

TRAINING

During 2003, the organisation continued its focus on developing its human resources, which is seen as a key ingredient in achieving the organisation's vision of gaining recognition and respect from its clients and other stakeholders. Staff at all levels attended various training programmes held internally and externally.

◆ INTERNAL TRAINING

Several training programmes were conducted within the organisation. These included a two-week training programme on Monitoring and Control of Ozone Depleting Substances which was sponsored by the United Nations Environmental Programme

(UNEP) and coordinated by the Guyana Revenue Authority in liaison with the Hydro Metrological Office - Guyana. This programme was held during the month of March and was attended by 50 Customs Officers and its main objective was to provide the Customs Officers with the skills necessary to monitor and control the import and export of products containing CFC's and ODS's.

During the month of April, two (2) Officers, one each from Internal Revenue and the Customs and Trade Administration, participated in a one-week programme in Customer Care which was sponsored by the Public Service Ministry. Further, nine (9) Accountants attached to the Consumption Tax Section of the Customs and Trade Administration, participated in a seven-week training programme which exposed them to the operational procedures of the Customs and Trade Administration with special emphasis being placed on the Consumption Tax Section. Fifteen (15) staff, drawn from all levels of the Customs and Trade Administration, attended a training program entitled "Methods of Instruction".

During the month of July, the Authority held an induction/orientation programme for newly recruited staff. The programme was held to sensitise new staff to the Vision, Mission, Core Principles and the Role and Functions of the various Divisions in the Authority. "Promoting Standards in Guyana" was the focus of the programme which was attended by sixty (60) members drawn from the Customs and Trade Administration. This Programme was conducted by persons from the Guyana National Bureau of Standards.

◆ EXTERNAL TRAINING (LOCAL)

Staff members attended several training programmes which were conducted external to the organisation but within Guyana. Commencing in January, several senior officers attended one-week training programmes on **Managing Resources and Budgeting** which was conducted by CIDA consultants on the **Guyana Economic Management Programme (GEM2)** in collaboration with the Ministry of Finance.

Thirty (30) staff members of the Customs and Trade Administration including Directors, Supervisors and Customs Officers, participated in a one-week **Anti-Corruption course** which was conducted by the US Customs Service. This programme was conducted during the month of April. Two (2) staff from the Human Resources Division attended a three-month programme of **Personal Management** at the Adult Education Association while an additional three (3) staff attended a three-day seminar on **Personnel Practice and Policy** at the Public Service Ministry.

"Preparation for Retirement" was the content of a two-day seminar, which was held at the University of Guyana. This seminar was attended by the Assistant Commissioner-Taxpayer Services and Individual Taxes and Director-Consumption Tax and Excise. A three-month course on **Occupational Health and Safety**, held at the University of Guyana, was attended by the Supervisor of Security Services while a further three (3) staff attended a Public Service Ministry sponsored **Occupational Health and Safety Workshop**.

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During the period May - July, a total of 12 crew members of the Marine Unit of the Customs and Trade Administration attended a one-week programme conducted by the Guyana Defence Force - CoastGuard Division. The participants were trained in areas of Navigation and Pilotage, Tidal Calculations, Chartwork and Ship handling exercises among others. During the period July - September, a Director attached to the Customs and Trade Administration attended a National Search and Rescue programme which was hosted by the Civil Defence Commission while two (2) Customs Officers attended the Fish Specie Identification course which was conducted by CIDA. The United States Embassy was the host of a one-week programme on Fraudulent travel document which was attended by two (2) Customs Officers

A Port Security Assessment workshop sponsored by The Maritime Administration Department, Ministry of Public Works, was conducted during the month of October and attended by a director attached to the Customs and Trade Administration while an Engineer attached to the same Department participated in a programme on the Maintenance of Outboard Motors. This was sponsored by Mings Products and Services.

◆ EXTERNAL TRAINING (OVERSEAS)

During the month of March, two (2) Officers attached to the Customs and Trade Administration attended a one-week UNIX Foundation Training programme in Suriname. Two (2) additional officers attended the follow up programme, UNIX Advance and Asycuda Administration, which was held in St. Vincent in the month of May. The programme was funded by CARTAC and executed by the Caribbean Development Agency.

Six (6) Directors and Officers attached to the Customs and Trade Administration attended an Anti-Narcotics Programme which was held in Suriname during September. The programme was sponsored by the United States Customs Department.

WELFARE PROGRAMMES

◆ BURSARY AWARDS

In the year 2003, a total of eight (8) children of employees received Bursary Awards. The year 2003 was the third year in the organisation's history for the granting of such awards.

At a simple ceremony, which was organised to mark the occasion, Ms. Savannah Barnwell 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. Tessa Johnson. 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 regard to the pension scheme 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.

PLANNING, COMMUNICATION AND OPERATIONAL PROCEDURES

The Division continued to pursue its mandate of promoting a positive image of the organisation, effectively communicating information to all stakeholders on the organisation's mission, laws etc., monitoring operational plans and ensuring the operational support needs of the organisation are met.

The Division in pursuit of its role in increasing voluntary compliance by its clients, conducted a number of educational programmes. These included weekly radio broadcasts, live television programmes and seminars. Among the areas dealt with were Tax Practice Certificates, procedures for Entry Processing, Registration of manufacturers, Renewal of Licences for Motor Vehicles, Shops and Liquor, Employers' Returns - Form 2A, duties and responsibilities of importers, Consumption Tax and the new tax measures which emanated from the Fiscal Enactment Amendment (No.2) Act 2003. In addition, the Authority was showcased at the Career Day activities, which were hosted by the University of Guyana.

Several systems and procedures were examined with a view to improving their effectiveness. Areas examined included the Licence Revenue Office, the system for registering manufacturers and collecting local consumption Tax. The scope of work of the Quality Review Unit of the Customs and Trade Administration was also reviewed. The forms used for registration and income tax returns were also reviewed and new forms drafted. A handbook was prepared on the operational system to be used by the Remission Unit which was established to give effect to the changes resulting from the Fiscal Enactment Amendment (No.2) Act 2003.

In preparation for the reprinting of the Consolidated Tax Acts of Guyana - Vol. 2, amendments arising from the Fiscal Enactment Amendment (No.2) Act 2003, were incorporated into the Acts. Maintenance of the Authority's website continued throughout the year as well as the publication and distribution of leaflets on the various aspects of Tax and Customs laws and procedures. The newsletter, "Revenue News" was prepared and printed quarterly and 300 copies were circulated each quarter to staff and various organisations.

INTERNAL AUDIT

The Internal Audit Division is tasked with the responsibility of auditing the accounting and internal control systems in order to determine their efficiency and effectiveness. The Division is also responsible for conducting internal investigations.

During the year under review sixteen (16) audit assignments were conducted at the Internal Revenue Department. Areas audited included dishonored cheques, collection procedures, tax payers' files and returns, travel tax tickets, withholding tax and the Licence Revenue Office. Audits were also carried out at New Amsterdam, Linden, Anna Regina and Corriverton branch offices.

Audits conducted at the Customs and Trade Administration totalled twenty-nine (29). These covered areas such as the ASYCUDA system, collection procedures, want of entry, seizure of goods, inventory of firearms, remission of duties and consumption tax. Audits were also conducted at the branch offices located at New Amsterdam, Linden, Anna Regina, Timehri and Corriverton.

Ten Audits on the accounting records/documents were also carried out at the Management Services Division. Areas audited included salaries and wages, bank accounts and reconciliations, imprest, contracts and vote accounts.

Special investigations were conducted at the request of the Commissioner-General. These investigations, which amounted to seven, were related to alleged fraud by importers and allegations against staff. During the year 2003, with the view of ensuring that the asset register of the Authority is kept up-to-date, the physical verification of the assets of the Authority was completed.

FIELD AUDIT

This Division is tasked with the responsibility of ensuring compliance with the Income, Corporation and Property Tax Laws and in some instances the Consumption Tax Act, through performance of comprehensive field audits involving examination of taxpayer's financial statements and records. During the latter part of 2003 the Division came under the direct supervision of the Deputy Commissioner-General to whom the Assistant Commissioner reports.

For the Financial year the Division conducted a total of 47 field audits of both corporate and individual taxpayers with wide industry coverage, the same being (80% to 90%) completed, and would yield additional taxes as indicated in Table II. However, the same would be subject to changes based on final agreement reached with the taxpayers. Additionally, in collaboration with the Customs and Trade Administration, an audit of consumption taxes was done that would yield in excess of one billion dollars.

**TABLE II
POTENTIAL ADDITIONAL TAXES**

Tax Assessed	\$
Corporation Tax	921,451,807
Property Tax	72,133,316
Income Tax	806,931,512
Consumption Tax	1,181,388,349
Total Tax Assessed	2,981,904,984

LEGAL SERVICES

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

During 2003, the Legal Division dealt with 79 matters in both the Magistrate and High Courts. The defendants were charged with offences including failure to remit P.A.Y.E. deductions, failure to submit P.A.Y.E Returns, non-submission of Employer's Returns, smuggling and evasion of import/export duties. A total of thirty-one (31) cases were completed during the year. Judgement was given in favour of the Guyana Revenue Authority in six (6) matters resulting in a total of \$6,464,151.00 being awarded to the Authority. However, execution proceedings did not take place as 'stays of execution' were granted to the defendants. The remaining twenty-five cases were withdrawn, discontinued or dismissed.

MANAGEMENT SERVICES

This Division has responsibility for providing high quality financial, technological and administrative support services to enable the Authority to fulfill its mission. These services are provided via two sections - Finance and Administration and Information Technology, which are managed by Assistant Commissioners who report to the Deputy Commissioner, Management Services.

The Information Technology Section continued with its maintenance of programmes and in particular with the maintenance of the PCTAX Admin and Salaries programmes. The design and coding of the Licence Revenue Office Application was completed during the year while modification of the AS 400 TAX Admin system was carried out to accommodate the new tax measures as they relate to Service tax, which became effective for September 1, 2003

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Maintenance of computer hardware continued throughout the year despite the shortage of technical support staff.

Staff of the Data Processing area were able to complete the printing of all arrear assessments, however, the intermittent malfunctioning of equipment prevented the scheduled printing of current assessments.

Finance and Administration continued to focus on the management of the Authority's current and capital expenditure. Main items of current expenditure were wages and salaries, materials, equipment and supplies, rental and maintenance of buildings and payment of refunds. Capital releases were utilized mainly in acquiring office furniture and office equipment.

During 2003, Administrative Services, which comprise Transportation, Security, Housekeeping and Canteen Services, continued to function albeit without the services of a Director of Administrative Services.

FINANCIAL STATEMENTS

The Audited Financial Statements which form part of this report are contained in pages 40 to 51.

CURRENT EXPENDITURE

The total appropriated expenditure for the Guyana Revenue Authority was \$1.822 Billion for the year 2003. Current expenditure for the year was \$1.815 Billion. At the end of the year a balance of \$7 Million remained and this was repaid to the Accountant General. These figures are all reflected in the Financial Statements.

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The Capital Budget approved for the Guyana Revenue Authority was \$110 Million. Of this amount the Finance Ministry released a total of \$85.9 Million while \$41.99 Million was expended towards capital items for the year. The breakdown of Capital Expenditure is shown in the chart below and in Table III. The balance of \$43.9 Million was paid over to the Accountant General.

CHART I
CAPITAL EXPENDITURE 2003

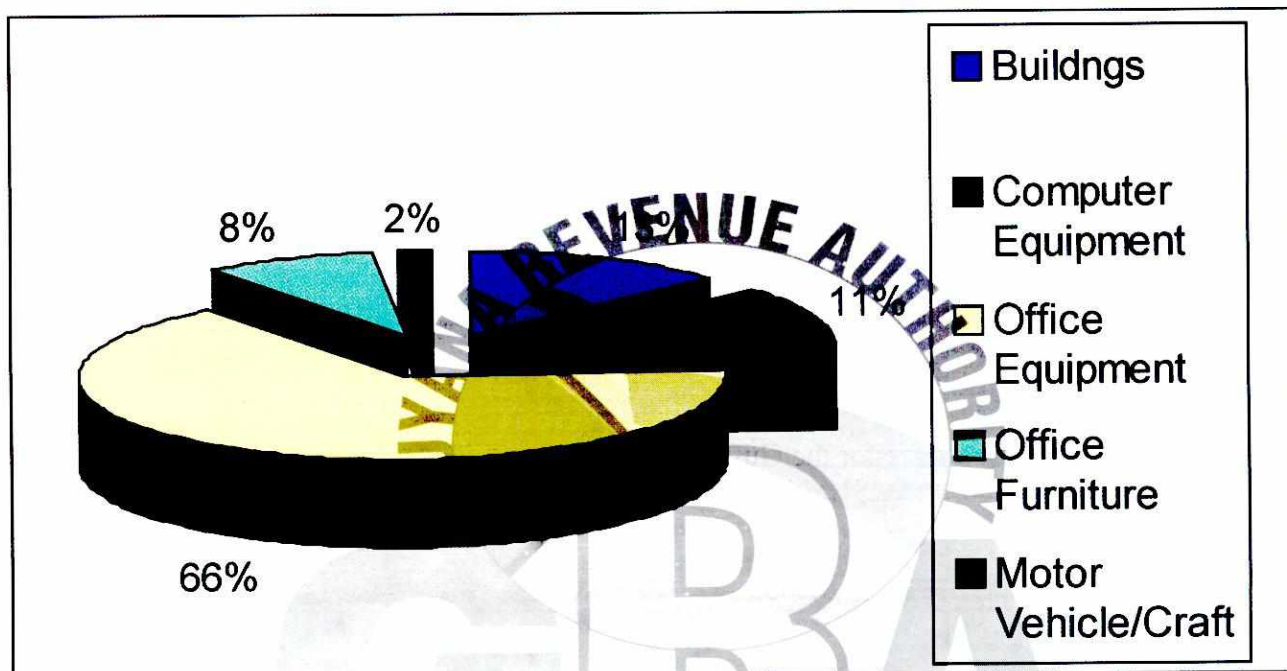


TABLE III
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2003 BY TYPE OF ASSET

Category of Asset	Amount (\$)
Buildings	5,593,052
Computer Equipment	4,593,537
Office Equipment	27,531,183
Office Furniture	3,568,910
Motor Vehicle/Craft	710,000
Total	41,996,682

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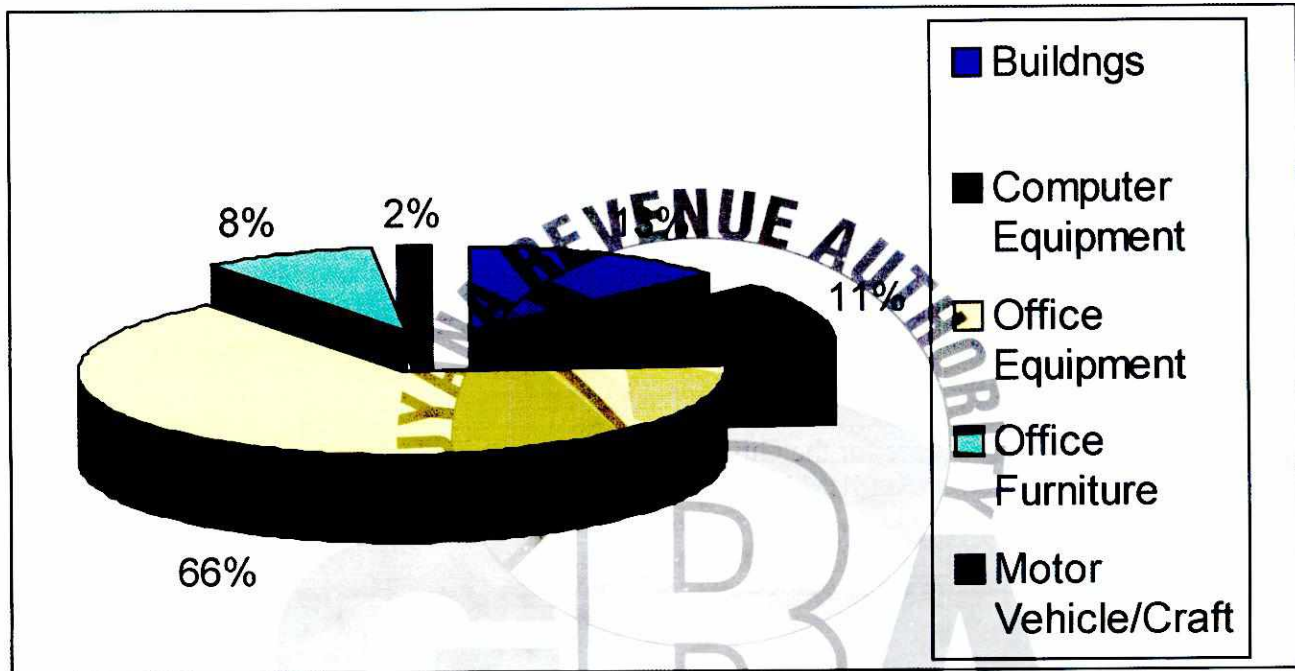
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**CHART I
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**TABLE III
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Category of Asset	Amount (\$)
Buildings	5,593,052
Computer Equipment	4,593,537
Office Equipment	27,531,183
Office Furniture	3,568,910
Motor Vehicle/Craft	710,000
Total	41,996,682

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INTERNAL REVENUE

Gross Collection Revenue

Actual Revenue collected by the Internal Revenue Department during the year 2003 was approximately \$22.4 Billion. This amount was above the estimates approved in the National Assembly of \$22.3 Billion by \$0.1 Billion or 0.4%. The Total Revenues for 2003 by tax type is set out in the Table V below. As can be observed from the Table, revenue collection under various heads exceeded the estimates by approximately \$0.8 Billion and collections under other heads were under the estimates by \$0.7 Billion. Corporation Tax and Property Tax were the major tax types contributing to the increase in collection and accounting for approximately 92% of the excess. During the year, revenues amounting to \$22.4 Billion were deposited in the Consolidated Fund.

**TABLE V
REVENUE COLLECTION
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2003 (\$ 000)**

DESCRIPTION	APPROVED BUDGET	AMOUNT COLLECTED	CONSOLIDATED FUNDS	UNDER THE ESTIMATE	OVER THE ESTIMATE
INCOME TAX SELF EMPLOYED	1,079,305	887,420	887,420	(191,885)	
INCOME TAX COMPANIES:	150	790			640
PRIVATE SECTOR	150	790			640
PUBLIC SECTOR		0			
CORPORATION TAX:		7,399,042	7,399,042		603,042
PRIVATE SECTOR		6,933,432	6,933,432		287,432
PUBLIC SECTOR	50,000	465,610	465,610		315,610
WITHHOLDING TAX	1,550,000	1,365,183		(184,817)	
INCOME TAX OTHERS	5,000	9,515,129		(123,871)	
NET PROPERTY TAX	200,000	385,770			153,770
PROCESS FEE	0,000	21,775	21,977		1,975
ENTERTAINMENT DUTY	0,000	3,401		(6,199)	
TRAVEL TAX	5,000	421,500	421,500	(44,500)	
CAPITAL GAINS TAX	150,000	138,323	138,323	(11,677)	
PREMIUM TAX	50,000	80,516	80,516		30,516
PROFESSIONAL FEES	3,500	4,260	4,260		760
TRAVEL VOUCHER TAX	769,000	679,131	679,131	(89,869)	
NATIONAL DEVELOPMENT TAX	100	265	265		165
HOTEL ACCOMODATION TAX	117,000	96,675	96,675	(20,325)	
SERVICE TAX	0	6,876	6,876		6,876
LICENCE MOTOR VEHICLES	244,750	248,983	248,983		4,233
LICENCE OTHER VEHICLES	250	145	145	(105)	
LICENCE - TRADING	12,008	12,473	12,473		465
LICENCE MISCELLANEOUS	9,492	7,996	7,996	(1,496)	
PURCHASE TAX- CARS	510,000	444,161	444,161	(65,839)	
M/ VEHICLES & RD TRAF ACT	155,000	174,734	174,734		19,734
D/C FEES	0	0	0		
GRAND TOTAL	22,311,555	22,393,148	22,393,148	(740,583)	822,176

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Revenue collected during the year 2003 was greater than that collected during the preceding year. The actual collection for the year 2002 was **\$22.1 Billion**. Revenue collection for 2003 exceeded this amount by **\$0.3 Billion** or **1.4%**. Corporation Tax and Income Tax "Others" continued to be the two major heads of revenue, contributing **\$7.4 Billion** or **33%** and **\$9.5 Billion** or **42%** of total revenues respectively. Arrears collections contributed **10.92%** to total revenue collected. Corporation Taxes of **\$1.09 Billion** accounted for **45%** of total arrears collection. The charts overleaf compare 2003 with 2002 thus reflecting the change in the collection of revenue over the period. The major factors contributing to the increase in Revenue in 2003 were increases in arrears contribution by corporate taxpayers, closer monitoring of payments from all categories of taxpayers as well as salary increases paid to employees.



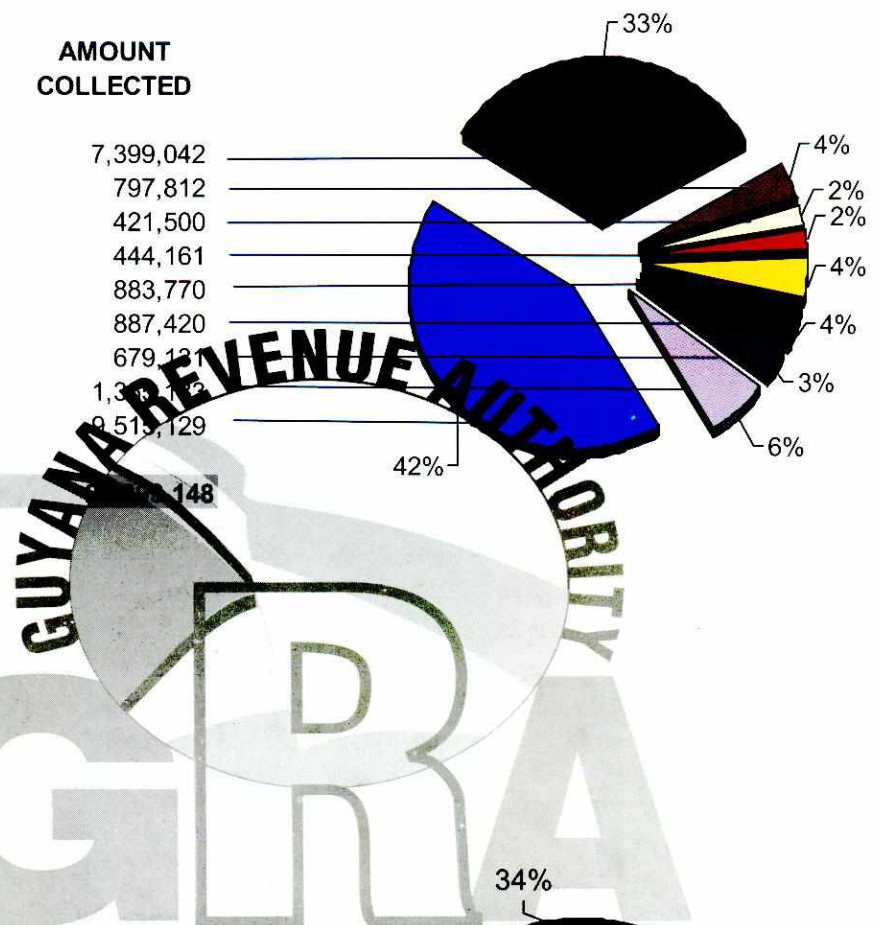
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CHART II REVENUE COLLECTION ANALYSIS

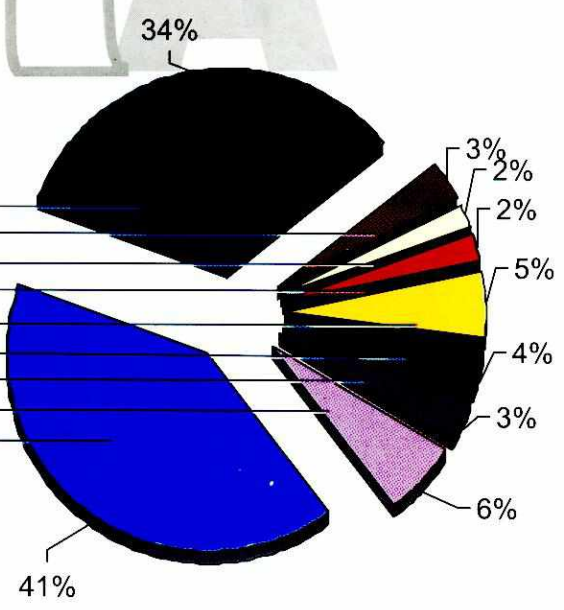
2003

DESCRIPTION	AMOUNT COLLECTED
Corporation Tax	7,399,042
Others	797,812
Travel Tax	421,500
Purchase Tax	444,161
Property Tax	883,770
Income Tax (Self Employed)	887,420
Travel Voucher Tax	679,131
With holding Tax	1,377,129
Income Tax Others	9,513,129
TOTAL	22,128,132



2002

DESCRIPTION	AMOUNT COLLECTED
Corporation Tax	7,447,499
Others	714,928
Travel Tax	451,500
Purchase Tax	470,763
Property Tax	1,150,034
Income Tax (Self Employed)	778,128
Travel Voucher Tax	717,596
With holding Tax	1,372,759
Income Tax Others	9,024,925
TOTAL	22,128,132



REFUNDS AND NET REVENUE COLLECTION

During the period under review of taxes totalling \$628 Million were paid to taxpayers of various categories as shown in Table V below. This represented approximately 39% of the total refunds claimed during the year and prior periods. A realistic estimate of the unpaid refunds at 31st December, 2003 was \$976 Million of which Corporation Tax represented 81% or \$972M of the unpaid refunds. This amount was owing to 242 Corporate Taxpayers. Non-payment of refunds was largely on account of the inadequate provision of funds for this purpose in the 2003 Budget.

NET REVENUE COLLECTION 2003 (\$000)

DESCRIPTION	GROSS COLLECTIONS	REFUNDS	NET COLLECTIONS
INCOME TAX	9,515,129	38,303	9,476,826
CORPORATION TAX	7,399,042	564,211	6,834,831
PROPERTY TAX	883,770	124	883,646
WITHHOLDING	1,365,183	22,236	1,342,947
OTHER TAXES & DUTIES	3,229,083	2,989	3,226,094
TOTAL	22,392,207	627,863	21,764,344

RETURN PROCESSING & TAXPAYER SERVICES

FILING OF TAX RETURNS

During the year 2003, the Internal Revenue received a total of seventy-three thousand, seven hundred and sixty (73,760) tax returns filed by various categories of taxpayers. Employed taxpayers continue to be the main category of taxpayers filing returns. Table VI below shows a comparison of filers by various categories of taxpayers over the years 1998 to 2003. New filers in the year 2003 in respect Corporation Tax Returns were 27.

RETURNS FILED BY TAXPAYER TYPE

YEAR	EMPLOYEES	SELF-EMPLOYED	COMPANIES	TOTAL	INCREASE/DECREASE OVER PREVIOUS YEAR	
					AMOUNT	%
1998	27,148	13,176	1,585	41,905	-	-
1999	31,859	1,444		46,457	4,546	10.8
2000	42,711		1,386	61,133	14,676	32.6
2001	47,247		1,389	61,135	5	16.0
2002 (revised)	54,493	33,782	1,209	89,484	18,035	25.2
2003	48,219	24,266	1,275	73,760	(15,724)	17.6

RETURNS ASSESSED

The assessment process requires the examination and data entry (Preprocessing) of all returns received prior to the issue of the notices of assessment. Table VII, shows details of returns assessed for which notices of assessment were printed during the year 2003.

A special exercise was conducted to print Notices of Assessment and as a result, a total of sixty-three thousand and seventy (63,070) returns were assessed and notices printed.

**TABLE VII
DETAILS OF RETURNS ASSESSED**

TAXPAYER	INCOME TAX	CORPORATION TAX	PROPERTY TAX	TOTAL
Employees	51,146	N/A	262	51,408
Self-Employed	9,431	N/A	1,441	10,872
Corporations	N/A	395	395	790
TOTAL	60,577	395	2,098	63,070

TAX COMPLIANCE CERTIFICATES

The demand for motor vehicle, land and tender compliance certificates to facilitate the transfer of ownership of motor vehicles, land and buildings and the satisfaction of regulatory requirements in the issue of tenders, continued unabated during 2003.

A comparative analysis of the various types of Tax Compliance certificates issued during 2002 and 2003 is outlined in the Table VII. A total of nine thousand three hundred and eighteen (9,318) compliance certificates were issued during the year. Two thousand seven hundred and twenty-one (2,721) compliances were issued for Land and Building, four thousand, nine hundred and thirty-eight (4,938) for motor vehicles and one thousand, six hundred and fifty-nine (1,659) for tender purposes.

**TABLE VII
DETAILS OF RETURNS ASSESSED**

TYPE OF CERTIFICATE	GEORGETOWN OFFICE		BRANCH OFFICES		TOTAL	
	2002	2003	2002	2003	2002	2003
Land	1,866	1,777	869	944	2,735	2,721
Motor Vehicles	4,190	3,937	801	1,001	4,991	4,938
Total	6,056	5,714	1,670	1,945	7,726	7,659

LICENCE REVENUE

During the year 2003, a total of forty-five thousand, five hundred and twenty-one (45,521) motor vehicle licences were processed compared with thirty-nine thousand, seven hundred and ninety-two (39,792) in 2002. There were five thousand nine hundred and twenty-seven (5,927) new registrations compared with four thousand, two hundred and sixty-nine (4,269) that occurred during the year 2002. Table IX sets out the various categories of vehicles licenced and the new vehicles registered during the year 2003 as compared with 2002.

**TABLE IX
LICENCED MOTOR VEHICLE & NEW VEHICLES REGISTERED**

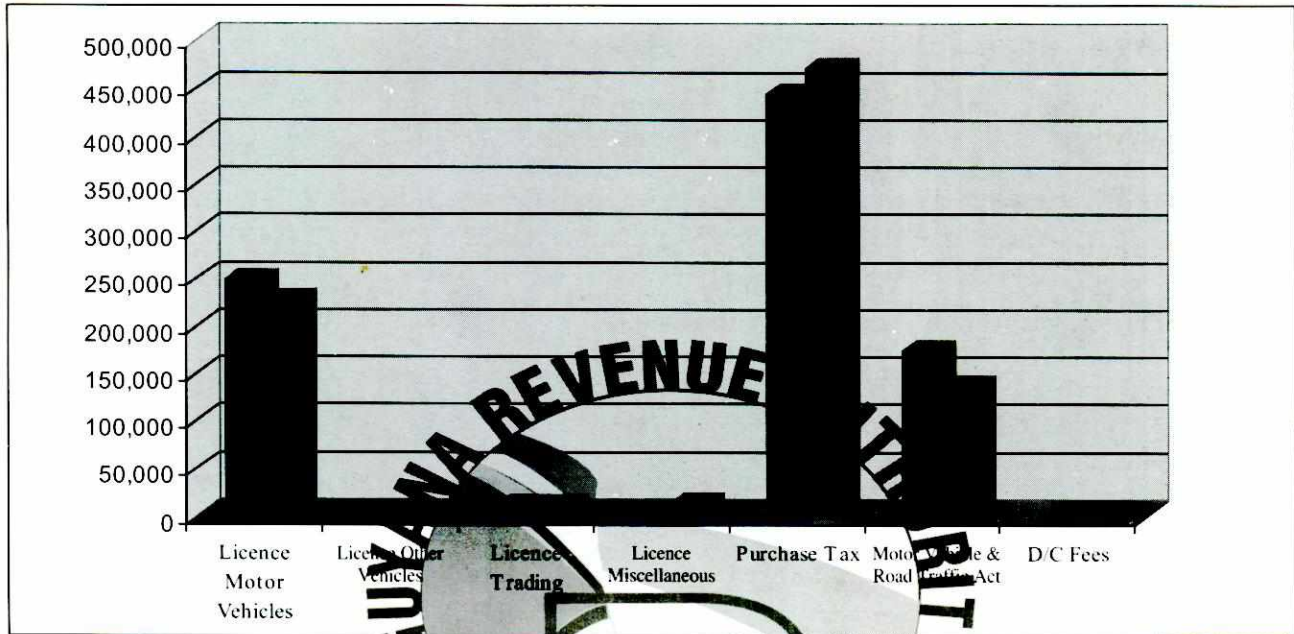
Type of Vehicle	Licenced Motor Vehicles 2003	New Registration		Increase/Decrease
		2002	2003	
Private Cars	13,112	1,264	1,464	200
Hire Cars	1,556	287	323	36
Buses/MiniBuses	604	277	356	79
Lorries	217	427	746	319
Jeep	1,726	229	-	(229)
Land Cruiser/Rover	749	3	-	(3)
Construction Vehicles	10	1	71	70
Hearses	14	2	-	(2)
Ambulances	4	3	2	(1)
Fire Appliances	-	3	-	(3)
Station Wagon	91	8	-	(8)
Motor cycles	9,568	1,192	2,701	1,509
Vans - Pickups	3,327	226	-	(226)
Trailers	1,307	197	100	(97)
Articulated Vehicles	99	15	18	3
Tractors	336	135	146	11
Total	45,521	4,269	5,927	1,658

Table X shows the revenue collection from the Licence Revenue Office in the year 2003 compared with 2002. During the year, a total of \$888 million was collected from all heads as compared with \$861 million in 2002. Chart III compares revenue collected for the year 2003 with the year 2002.

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

Description	Actual 2003	Actual 2002
Licence Motor Vehicles	248,983	228,322
Licence - Other Vehicles	145	150
Licence - Trading	12,473	11,572
Licence - Miscellaneous	7,996	13,328
Purchase Tax	477,162	470,763
Motor Vehicles and Road Traffic	174,374	136,920
D/C Fees	0	0
Total Collection	888,493	861,055

**CHART III
LICENCE REVENUE
REVENUE COLLECTION
FOR THE YEAR 2003 RELATIVE TO 2002 (\$000)**



EXAMINATION AND INVESTIGATION

The Examination and Investigation Division conducted a number of desk examinations and audits of returns submitted by both individual and corporate taxpayers. The achievement of the various aspects of the work conducted in the Division is set out in Table XI.

**TABLE XI
ACHIEVEMENT OF EXAMINATION AND INVESTIGATIONS DIVISION**

PARTICULARS	TARGET	ACHIEVED	VARIANCE
<u>Companies</u>			
Cases targeted for Desk Examination	52	19	(33)
Cases targeted for Special Investigation	3	1	(2)
<u>Individuals</u>			
Cases targeted for Desk Examination	188	36	(152)
Cases targeted for Special Investigation	89	48	(41)

**TABLE XII
ADDITIONAL TAX - RE-AGREEMENTS SIGNED**

PARTICULARS	2002 (Revised)	2003
Income Tax	25,008,546	22,188,605
Corporation Tax	5,716,327	462,554
Withholding Tax	40,057,268	24,822,806
Property Tax	0	146,749
Penalty	2,327,951	2,693,425
Premium Tax	0	973,493
Total	73,110,092	51,286,912

The Division entered into agreements with taxpayers to settle their tax liability with the Department. Taxpayers signed agreements with respect to cases examined and which yielded an additional amount of revenue to the tune of fifty-one million, two hundred and eight-six thousand and nine hundred and twelve dollars (\$51,286,912). Table XII compares additional taxes collected under the various tax types in year 2002 with year 2003, in respect of agreements signed.

Arising from the examination and investigation, where no agreements were signed by taxpayers to liquidate their taxes, assessments/additional assessments were raised and which accounted for eighty-four million, two hundred and seventy-three thousand, two hundred and eighty-three

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dollars (\$84,273,283) in Income Tax, sixty-four million, three hundred and thirty-one thousand, two hundred and seventy-eight dollars (\$64,331,278) in Corporation Tax and one million, nine hundred and eighty thousand, five hundred and seventy-three dollars (1,980,573) in Property Tax.

Moreover 4 cases were referred to the Arrears Collection and Revenue Protection Division for enforcement of Income Tax in the amount of thirty-five million, five hundred and sixty-two thousand, six hundred and seventy-eight dollars (\$35,562,678), Property Tax in the amount of one million, one hundred and seventy-three thousand, one hundred and eighty seven dollars (\$1,173,187), Withholding Tax of two million, two hundred and thirty-eight thousand, four hundred and seventy-three dollars (\$2,238,473) and Premium Tax of five million, nine hundred and thirty-five thousand and eighty dollars (\$5,935,080).

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 area:-

Disputes over interpretation of the various acts administered by the Commissioner-General of the Guyana Revenue Authority.

Disputes over the admissibility of particular items of expenditure that were claimed as deductible expenses in computing chargeable income.

Disputes over the admissibility of claims for deductions in computing chargeable income.

As at 31st December 2003, there were two thousand five hundred and forty-three (2,543) un-finalised objections on hand. Two thousand, one hundred and ninety-two (2,192) of these related to individual taxpayers and the remaining three hundred and fifty-one (351) were in respect of companies. The details

**TABLE XIII
OBJECTIONS BY TAXPAYERS**

PARTICULARS	COMPANIES 2003	INDIVIDUALS 2003	TOTAL 2003
Unfinalised at the beginning of the year	300	1,532	1,832
Registered during the year	115	1,803	1,918
Sub-Total	415	3,335	3,750
Less: Finalized during the year	64	1,143	1,207
Unfinalised at the end of the year	351	2,192	2,543

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 2003, a total of one thousand and sixteen (1,016) tax files were cleared manually. Through this process, a total of \$5.4B in arrears taxes were identified and letters sent to the various defaulting tax payers. 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 XIV, shows a ten year comparison of current and arrears taxes collected including the year of assessment 2003.

TABLE XIV
REVENUE COLLECTION (CURRENT AND ARREARS - \$M)

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Absolute Current	8,904.5	12,071.9	13,311.4	13,306.3	12,919.6	15,567.8	18,122.1	16,924.6	19,293.9	19,947.6
Arrears	479.7	370.5	396.0	1,270.4	1,202.1	391.8	772.5	2,767.4	2,835.1	2,446.6
Total Collections	9,384.2	12,442.4	14,937.4	14,336.7	14,122.0	15,959.6	18,924.1	19,692.0	22,128.0	22,393.2
Relative % Current	94.89	97.02	97.37	92.81	91.49	97.50	95.9	85.9	87.19	89.08
Arrears	5.11	2.98	2.65	7.19	8.51	2.50	4.1	14.1	12.81	10.92
Total %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

CUSTOMS AND TRADE ADMINISTRATION

Gross Revenue Collections

The approved budget for the year 2003 for the Customs and Trade Administration was \$20.18 Billion. However the actual revenue collected for the period was \$19.15 Billion. This represents a decline of \$1.03 Billion or 5.1% from the approved estimates; This decrease in revenue collection by the Department resulted from loss in revenue through smuggling, undervaluation and the unstable local environment and this significantly affected trade and ultimately revenue. During the year a total of \$19.15 Billion in revenue collection was deposited into the Consolidated Fund as shown in Table XV below while \$53 Million was deposited directly into the Sub-Treasury.

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

S/HEAD NO.	HEAD OF REVENUE	Approved Budget	Amount Collected	Amount Paid into Consolidated Fund	Over the Estimate	Under the Estimate
1	Import Duties	3,321,710	3,321,710	3,321,710		(518,290)
2	Warehouse Rent & Charges	13,552	9,742	9,742		(3,810)
3	Export Duties	7,000	11,699	11,699	4,699	
4	Licences-Liquor	15,282	15,470	15,470	188	
5	Miscellaneous	8,675	23,070	23,070	14,395	
6	Consumption Taxes	15,727,000	15,321,486	15,321,486		(405,514)
	-Oil Imports	3,975,000	4,308,556	4,308,556	333,556	
	-Non Oil Imports	7,992,000	7,271,694	7,271,694		(720,306)
	-Alcoholic Beverages	1,935,000	1,829,107	1,829,107		(105,893)
	-Other Local Goods	1,491,495	1,413,866	1,413,866		(77,629)
	-Other Telephone Bills	325,345	489,519	489,519	164,174	
	-Betting Shops	8,160	8,744	8,744	584	
7	Overtime Fees	91,740	53,684	53,684		(38,056)
8	Departmental fines	118,698	42,558	42,558		(76,140)
9	Stamp Duties	5,053	5,146	5,146	93	
10	Environmental Tax	353,000	344,185	344,185		(8,815)
	Total	20,180,000	19,148,750	19,148,750	517,689	(1,094,415)

REMISSION OVERVIEW

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:

- ❖ Remission agreed to by the 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.)

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.

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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 Archeological, etc.)

The table below reflects the ratio of total conditional and unconditional exemptions granted as compared to the actual revenues collected by the Guyana Revenue Authority for the year 2003.

**TABLE XVI
ACTUAL REVENUE AND REMISSION (\$)**

	Total Revenue		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2002	2003	2002	2003	2002	2003	2002	2003
TOTAL	18,720,429,905	19,148,750,675	3,889,574,619	4,062,517,000	11,596,676,731	11,708,597,135	15,486,251,351	15,771,114,135
Ratio of Remission to revenue collection			20.78%	21.22%	61.95%	61.15%	82.72%	82.36%

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.

During the period under review, discussions continue to be held with local and foreign consultants with a view to upgrade the ASYCUDA system and extending it to the wharves, the Cheddi Bhatat Jagan International Airport and outstations. Defaulting importers were "black listed" to guard against the submission of dishonored cheques. A log book is in place to monitor the processing of entries as they are received and the procedure to regularise the transfer of the rights of consignments from one importer to another was enforced during the year. A log book was also introduced to monitor the transfer of entries from the entry processing unit to the cashier. Plans for improved security at the airport, wharves, etc. and to monitor activities to detect corrupt practices and to ensure that correct decisions are made were drafted for approval and implementation in 2004.

Additionally, numerous seizures were made from premises which operated in contravention of the Intoxicating Liquor Licencing Act and the spirituous liquor Registers were updated.

DECLARATIONS

The Division processed a total of forty-six thousand and ninety-eight (46,098) declarations during the period under review. Of this amount, thirty-three thousand, eight hundred (33,800) were for imports and twelve thousand, two hundred and ninety-eight (12,298) were for exports. These figures are set out in the Table XVII.

The amount of declarations processed during 2003, represents an 8.4% decrease over the 2002 figure of fifty thousand, three hundred and eight (50,308) of which 38,650 were for imports and 11,658 were for exports.

**TABLE XVII
DECLARATIONS PROCESSED**

Month	2002 (revised)			2003			Total Variance		
	Imports	Exports	Total	Imports	Exports	Total	Imports	Exports	Total
JANUARY	4,027	919	4,946	3,108	1,004	4,112	(919)	85	(834)
FEBRUARY	2,839	847	3,686	2,129	1,004	3,133	(710)	157	(553)
MARCH	3,124	989	4,113	2,073	879	2,952	(1,051)	(110)	(1,161)
APRIL	3,189	1,002	4,191	2,404	989	3,393	(785)	(13)	(798)
MAY	3,068	1,072	4,140	3,014	1,028	4,042	(54)	(44)	(98)
JUNE	3,022	884	3,906	3,216	1,119	4,335	194	235	429
JULY	3,121	950	4,071	3,070	1,165	4,235	(51)	215	164
AUGUST	3,561	905	4,466	2,654	982	3,636	(907)	77	(830)
SEPTEMBER	3,079	974	4,053	2,506	966	3,472	(558)	(8)	(566)
OCTOBER	3,268	1,156	4,424	2,735	1,341	4,076	(533)	(185)	(348)
NOVEMBER	3,065	1,047	4,112	3,094	1,081	4,175	29	34	63
DECEMBER	3,287	913	4,200	3,782	740	4,522	495	(173)	322
TOTAL	38,650	11,658	50,308	33,800	12,298	46,098	(4,850)	640	(4,210)
% of total declarations	76.83	23.17		73.32	26.68				

WEIGHT OF IMPORTS AND EXPORTS

Approximately 2.74 billion kg of cargo was processed during 2003 of which 0.86 billion and 1.88 billion kg were for imports and exports respectively. The amount of cargo processed during 2003 represents a decrease of 1.9 billion or 40.9% when compared with the 2002 figure of 4.65 billion kg. Imports decreased by 0.23 billion kg (21.1%) while exports decreased by 1.69 billion kg (47.3%) when compared with the year 2002. These figures are set out in Table XVIII.

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

Months	2002			2003		
	Imports	Exports	Total	Imports	Exports	Total
January	147,753,032	556,535,269	704,288,301	80,335,791	60,222,972	140,558,763
February	58,797,530	169,817,393	228,614,923	62,145,651	73,875,761	136,021,412
March	66,971,622	592,422,051	659,393,673	41,241,655	62,562,555	103,804,210
April	53,640,920	265,954,969	319,595,889	79,196,288	162,305,402	241,501,690
May	90,674,321	195,634,028	286,308,349	64,328,877	275,960,668	340,289,545
June	80,953,224	256,712,813	337,666,037	63,072,587	314,515,876	377,588,463
July	99,918,160	453,129,979	553,048,139	70,941,139	307,945,107	378,886,246
August	58,292,032	93,158,539	151,450,571	134,348,381	55,982,017	190,330,398
September	110,681,100	159,578,464	270,259,564	48,470,278	71,853,620	120,323,898
October	79,905,086	355,102,065	435,007,151	86,321,632	222,631,099	308,952,731
November	149,892,860	309,659,727	459,552,587	60,527,407	215,632,056	276,159,463
December	87,632,872	160,278,237	247,911,109	73,178,121	54,039,544	127,217,665
Total	1,085,112,759	3,567,983,534	4,653,096,293	864,107,807	1,877,526,677	2,741,634,484

VALUE OF IMPORTS AND EXPORTS

Imports and exports for 2003 had a estimated total value of \$196.4 billion which represents an increase of \$1.9 billion over the 2002 figure of \$194.5 billion. The 2003 figure represents \$107.4 billion for import and \$88.9 billion for export value respectively, while the value for 2002 represents \$106.6 billion for imports and \$87.9 billion for exports.

TABLE XIX
VALUE OF IMPORTS AND EXPORTS (\$)

Months	2002			2003		
	Imports	Exports	Total	Imports	Exports	Total
January	8,666,405,959	7,588,186,177	16,254,592,136	11,146,796,000	10,483,507,000	21,630,303,000
February	7,540,526,368	6,597,140,872	14,137,667,240	8,186,788,000	5,523,074,000	13,709,862,000
March	8,313,234,793	7,099,068,634	16,312,303,427	7,250,619,000	5,526,943,000	12,777,562,000
April	9,213,055,000	7,095,860,000	16,308,924,000	10,156,191,000	7,322,205,000	17,478,396,000
May	10,047,000,000	7,379,774,000	17,426,774,000	8,853,965,000	6,779,618,000	15,633,583,000
June	9,079,436,000	6,314,579,000	15,394,015,000	8,844,871,000	8,076,427,000	16,921,298,000
July	9,080,934,000	8,460,253,000	17,541,187,000	9,253,433,000	7,445,034,000	16,698,467,000
August	8,236,532,000	5,606,056,000	13,842,588,000	7,976,138,000	5,886,254,000	13,862,392,000
September	8,603,080,000	7,369,546,000	15,972,626,000	8,959,258,000	6,820,637,000	15,779,895,000
October	10,621,412,000	12,293,863,000	22,915,275,000	10,208,299,000	12,182,360,000	22,390,659,000
November	7,966,648,000	7,832,471,000	15,799,119,000	8,558,695,000	7,013,470,000	15,572,165,000
December	9,211,791,000	3,361,340,000	12,573,131,000	8,000,276,000	5,917,937,000	13,918,213,000
TOTAL	106,580,055,120	87,898,146,684	194,478,201,804	107,395,079,000	88,977,466,000	196,372,545,000

REVENUE FROM IMPORTS AND EXPORTS

Revenue collected on the value of imports during 2003 was \$14.9 billion, the same as for 2002. The revenue collected on the value of exports was \$11.7 million while the corresponding figure for 2002 was \$7.9 million. The 2003 collection figure on exports represents a 48% increase when compared with the 2002 collection figure. Please see table XX.

**TABLE XX
REVENUE COLLECTED - (\$ 000)**

Month	2002 (REVISED)				2003				VARIANCE			
	Imports	Exports	Other	Total	Imports	Exports	Other	Total	Imports	Exports	Other	Total
JAN.	1,139,458	554	415,150	1,555,162	1,026,112	742	416,018	1,442,872	(113,346)	188	868	(112,290)
FEB.	1,118,034	683	270,547	1,389,264	1,040,836	1,746	270,595	1,313,177	(77,198)	1,063	48	(76,087)
MARCH	1,112,838	474	263,471	1,376,783	941,734	719	259,527	1,201,980	(171,104)	245	(3,944)	(174,803)
APRIL	1,197,142	619	321,626	1,519,387	1,067,287	460	289,069	1,356,816	(129,855)	(159)	(32,557)	(162,625)
MAY	1,298,918	425	316,657	1,616,000	1,134,799	408	308,168	1,443,375	(164,119)	(17)	(8,489)	(172,625)
JUNE	1,216,639	326	282,888	1,499,853	1,136,611	706	351,818	1,489,135	(80,028)	380	68,930	(10,718)
JULY	1,286,656	339	258,097	1,545,092	1,383,366	1,097	359,655	1,744,118	96,710	758	101,558	199,026
AUG.	1,254,550	654	330,108	1,585,312	1,180,860	1,000	386,456	1,568,316	(23,750)	452	56,458	33,160
SEPT.	1,121,293	952	324,210	1,446,455	1,100,985	1,274	393,399	1,495,658	(110,308)	322	69,189	(40,797)
OCT.	1,341,672	1,061	314,993	1,657,726	1,883,144	1,825	368,300	2,253,269	595,543	764	53,307	595,543
NOV.	1,422,922	1,293	349,506	1,773,721	1,235,632	756	436,939	1,773,327	(49,394)	(537)	87,433	(394)
DEC.	1,389,693	501	365,480	1,754,674	1,710,650	857	395,042	2,106,551	351,877	356	29,562	350,877
TOTAL	14,899,815	7,881	3,812,727	19,510,423	14,901,584	11,696	4,255,006	19,148,750	(361,673)	3,815	422,363	428,321

The mandate of this Division is to facilitate the timely release of goods and travellers at international border points of Guyana, ensuring that all duties and taxes are paid and prevent the shipment of contraband goods into Guyana. To effectively carry out this mandate the Division operates through various sections, namely, Wharves and Warehouse, Outstation and the Cheddi Bhanat Jagan International Airport.

OUT STATIONS

1. CORRIVERTON

Total Revenue collected at Corriverton for the year 2003 was \$131.6 million. This represented a \$25.6 million (24%) increase over the 2002 collection of \$106 million. This increase in revenue was mainly due to the better working environment created in 2002 and greater enforcement activities through more patrols of the Corentyne River with the patrol boat acquired in 2002.

2. LETHEM

During 2003 revenue collection at Lethem totalled \$53.7 million which represents an increase of \$4.9 million or 10% over the 2002 collection of \$48.8 million. Room for improvement in revenue collection continues to exist at this location particularly with the anticipated increase cross border trade between Guyana and Brazil which will result from the completion of the Guyana/Brazil bridge. Construction of this bridge, which ceased during the latter half of 2002, restarted during the year.

Despite the completion of the design and layout of the office complex and container yard to house Customs, Immigration, Port Health and other officers, construction has still not commenced in 2003.

In 2002 a request was made by the Customs and Trade Administration through the Ministry of Foreign Affairs/ Brazilian Embassy Georgetown to facilitate the initiation of discussion between Guyana and Brazil Department of Customs to establish a Memorandum of Understanding and procedures for our operations at Lethem when the bridge is completed. The matter is on-going and a meeting is scheduled for June 2004.

The Guyana/Brazil Land Cargo Agreement which was signed by both countries is yet to be ratified by the Guyana Government. It is necessary for this to be done expeditiously to facilitate trade that is already ongoing. This matter is long outstanding.

3. NEW AMSTERDAM

Total Revenue collected at New Amsterdam for the year 2003 was \$24.2 million as compared with \$12.6 million in year 2002. The 2003 figure represents an increase of 92% when compared with the 2002 revenue collection. There is much room for improvement in all areas of Customs activities in Berbice in general and at New Amsterdam in particular. One building for the accommodation of officers was rehabilitated. However, there is still the need for the rehabilitation of another building to house officers stationed at the location.

A Patrol boat is needed at this location to patrol the Berbice River and the Coast on either side of its mouth. Riverain and coastal patrols would generate an increase in revenue collection and reduce the ease with which smuggling is done in the area now. This boat was not acquired in 2003. There is much work to be done with the registration of manufacturers, enforcement of the excise laws and anti smuggling activities.

CBJ INTERNATIONAL AIRPORT

Total collection from the CBJ International Airport for the year was \$381.6 million as compared with \$386.7 million in 2002. This represents a decrease of \$5.1 million or 1.3%. Movement of passengers and cargo declined during the year thereby impacting negatively on revenue collection at the airport. Improved security measures, which include the installation of cameras will be put in place shortly.

5. ESSEQUIBO

Revenue collection at Anna Regina amounted to \$23.5 million. This represents an increase of 135% over the 2002 figure of \$10 million. Work continues in the collection of duties, Consumption and Excise taxes. However, smuggling of fuel, narcotic drugs, arms and ammunition and other items continues across the Venezuela border. There is therefore the need for staff strengthening, training and equipment to deal effectively with the situation.

ENFORCEMENT, INTELLIGENCE AND QUALITY REVIEW

This Division provides the necessary investigations, 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 and Intelligence

During the year under review, the section was actively involved in individual and joint exercises with other Law Enforcement agencies to interdict persons smuggling goods, narcotics, firearms, ammunition and other illegal goods. The total number of exercises conducted during 2003 was 345 relative to 325 in 2002.

The section received and investigated 146 reports of breaches of the Customs Laws and 100 persons were apprehended for such breaches relative to 90 persons in 2002. Following the investigations, 6 persons were charged and 28 seizures were effected. The items seized including fuel, goods, boats and engines and some were forfeited to the state. The revenue collected by the Enforcement section is shown in Table XXI.

**TABLE XXI
REVENUE COLLECTED - \$**

Activity	2002	2003	Quantity Variance	% Variance
Fines/Compensation	21,784,604	23,525,641	1,741,037	8
Additional Taxes	10,866,083	18,006,188	7,140,105	65
Sale of Seizures	2,139,606	6,290,505	4,150,899	194
Total	34,790,293	47,822,334	13,032,041	37.5

Quality Review

During the period under review, the Quality Review section checked 13,290 from which a total of \$9.1 million in additional duties were collected. The Section also processed applications for refunds. A total of \$39.9M in duties was refunded to importers in 2003. Also, 42 Customhouse Brokers were issued with licences and 10 complaints of malpractices by Customs staff were received and investigated. The section also received and closed ship and aircraft files.



Office of the Auditor General of Guyana



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AG: 52/2004

1 June 2004

**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 2003**

I have audited the financial statements of the Guyana Revenue Authority for the year ended 31 December 2003, as set out in pages 4 to 13 in accordance with Section () of the Guyana Revenue Authority Act No. 13 of 1996. These statements have been prepared under the historical cost convention as modified by the revelation of fixed assets.

Respective Responsibilities of Management and Auditors

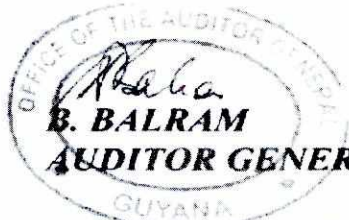
The preparation of the financial statements, including assertions relating to their completeness, accuracy and validity, and compliance with applicable laws regulations and contractual obligations, is the responsibility of the Management of the Guyana Revenue Authority. My responsibility is to express 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Guyana Revenue Authority as at 31 December 2003 and the results of its operation and cash flows for the year then ended, in conformity with generally accepted accounting principles.



B. BALRAM
AUDITOR GENERAL (ag.)

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GUYANA

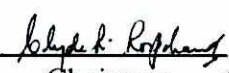


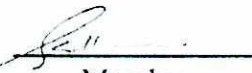
ANNUAL REPORT & STATEMENT OF ACCOUNTS



Guyana Revenue Authority Balance Sheet As at 31st December, 2003

	Notes		2002
Fixed Assets	2		
Land and Buildings		472,598,406	469,113,146
Motor Vehicles & Craft		51,997,390	53,662,390
Computer Equipment		75,756,927	56,440,152
Office Equipment		62,745,052	34,283,114
Office Furniture		<u>45,878,397</u>	<u>43,220,957</u>
		708,976,172	656,719,759
Capital Work in Progress		<u>2,107,792</u>	-
		<u>711,083,964</u>	<u>656,719,759</u>
<u>Current Assets</u>			
Inventories	3	6,508,110	19,520,987
Cash in hand	4	2,000,000	2,000,000
Cash at bank		<u>51,572,609</u>	<u>18,567,764</u>
		<u>60,080,719</u>	<u>40,088,751</u>
<u>Current Liabilities</u>			
Balance due to Consolidated Fund		51,572,609	18,458,928
Training Grant		-	108,836
		<u>51,572,609</u>	<u>18,567,764</u>
Net Assets		<u><u>719,592,074</u></u>	<u><u>678,240,746</u></u>
<u>Financed By:</u>			
	5		
Government of Guyana Contribution		704,849,551	678,240,746
Public Services Technical Assistance Credit		<u>14,742,523</u>	-
		<u><u>719,592,074</u></u>	<u><u>678,240,746</u></u>


 Chairman


 Member



ANNUAL REPORT & STATEMENT OF ACCOUNTS

Guyana Revenue Authority Income and Expenditure Account For the year ended 31st December, 2003

	Notes	2003	2002
Subsidy		1,882,471,156	1,355,154,725
Training Grant	6	428,012	474,000
Total Income		1,822,899,168	1,355,628,725
Wages and Salaries	7	513,146,595	487,938,731
Revision of Wages & Salaries		28,695,748	27,052,622
Overhead Expenditure	8a&b	275,999,702	249,154,228
TOTAL WAGES AND SALARIES		817,842,045	764,145,581
Material Equipment & supplies	9	58,937,671	68,663,062
Fuel and Lubricants		16,827,077	11,362,931
Rental and Maintenance of Buildings		60,762,673	53,498,172
Transport Travel and Postage	11	49,741,279	49,338,388
Utility Charges	12	47,739,977	38,509,547
Other Goods and Services	13	74,021,868	61,653,860
Other Operating Expenses	14	10,451,312	6,122,511
Education Subventions and Training	15	1,833,762	1,919,427
Rates and taxes & Subvention to Local Authorities		38,907	176,850
Subsidies and Contribution to Local Organisations	16	9,849,522	8,274,389
REFUNDS OF REVENUE		667,311,336	273,525,581
TOTAL OTHER CHARGES		997,515,384	573,044,718
TOTAL EXPENSES		1,815,357,429	1,337,190,299
Excess of Grant Over Expenditure		(108,836)	108,836
Excess of Releases Over Expenditure		7,650,575	18,329,590
		7,541,739	18,438,426

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Guyana Revenue Authority Cash Flow Statement

	2003	2002
<u>Cash Flows from operating activities</u>		
Cash Releases from Government of Guyana	1,822,471,156	1,355,154,725
Training Grant	428,012	474,000
Cash paid to suppliers and employees	(1,815,357,429)	(1,337,190,299)
Net Cash flow from operating activities	7,541,739	18,438,426
<u>Cash Flows from investing activities</u>		
Cash Releases from Government of Guyana	85,918,716	52,000,000
Purchase of property, plant and equipment	(41,996,682)	(51,870,662)
Net Cash flow from investing activities	43,922,034	129,338
Net increase in cash	51,463,773	18,567,764
Cash at beginning of period	18,567,764	39,914,883
Cash repaid to Government of Guyana	(18,458,928)	(39,914,883)
Cash at end of period	51,572,609	18,567,764
Due to Consolidated Fund	51,572,609	18,458,928
Balance - Training Grant	-	108,836
	51,572,609	18,567,764



ANNUAL REPORT & STATEMENT OF ACCOUNTS

Guyana Revenue Authority Notes on the Financial Statements For the year ended 31st December, 2003

Note 1. Significant Accounting policies

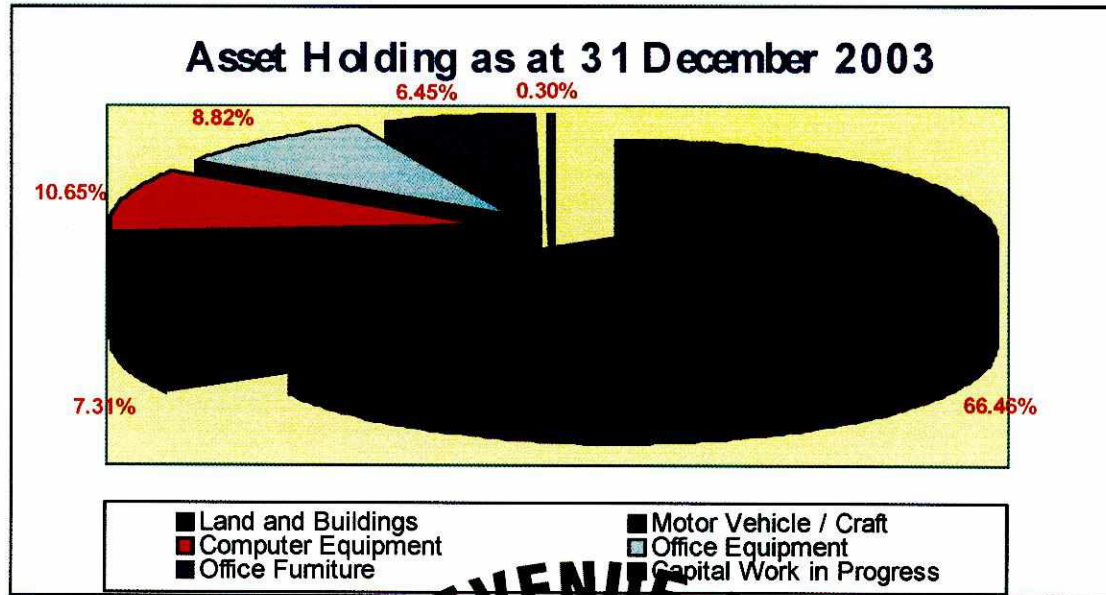
- A.** The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets
- B.** No depreciation is provided on fixed assets as the Revenue Authority operates on a cash basis from an allocation provided by Parliament in the Estimates 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 First In First Out method of valuation. Inventories are procured with funds allocated for Current Expenditure and consequently are shown as a movement in the Consolidated Fund in the Financial Statements.

Note 2. Fixed Assets

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

A Grant of computer equipment valued at \$14,742,523 was received through the Public Service Technical Assistant Credit Agreement. This is included in the \$19,316,775 shown as additions to computer equipment.

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



Note 2. Fixed Assets (cont'd)

The asset position of the Revenue Authority as at 31st December 2003 is stated below

(\$ 000)

	Land and Buildings	Computer Equipment	Office Furniture	Motor Vehicle / Craft	Office Equipment	Capital Work in Progress	Total
Cost or Valuation at 31st January, 2003							-
Comprising							
Valuation	427,150,000	50,169,390	16,997,000	15,357,600	18,642,400	-	528,316,390
Cost	41,963,146	3,493,000	39,441,152	18,225,514	24,578,557	-	128,403,369
	469,113,146	53,662,390	56,441,152	34,183,114	43,220,957		656,719,759
Additions for the year	3,485,260	710,000	19,316,775	28,461,938	2,657,440	2,107,792	56,739,205
Disposals		2,375,000					2,375,000
Cost or Valuation as at 31st December, 2003							
Comprising							
Valuation	427,150,000	47,794,390	16,997,000	15,357,600	18,642,400	-	525,941,390
Cost	45,448,406	4,203,000	58,759,927	47,387,452	27,235,997	2,107,792	185,142,574
	472,598,406	51,997,390	75,756,927	62,745,052	45,878,397	2,107,792	711,083,964

Note3. Inventories

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



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		2002
Office Materials & Supplies	3,224,228	8,608,487
Preprinted Forms	3,283,882	10,912,500
Total	6,508,110	19,520,987

Note 4. Imprest Accounts

This represents the amount of Imprest float with respect to the Standing Imprest held the Revenue Authority, as set out below.

		2002
Customs & Trade Administration	1,000,000	1,000,000
Internal Revenue	1,000,000	1,000,000
Total Imprest	2,000,000	2,000,000

Note 5. Accumulated Fund

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

The table below sets out the movement in the Fund for the year ended 31st December 2003

Accumulated Fund	Fixed Assets	Net Current Assets	Total 2003	2002
As at 1st January	656,719,759	21,520,987	678,240,746	607,199,097
Movement during the year (Note 6a)	39,621,682	(13,012,877)	26,608,805	71,041,649
As at 31st December	696,341,441	8,508,110	704,849,551	678,240,746

Note 5a - Analysis of movement during the year

Purchases of Fixed Assets	41,996,682
Disposals of Fixed Assets	(2,375,000)
Inventories	(13,012,877)

26,608,805

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Note 6. Training Grant

The Guyana Revenue Authority received a grant of \$424,012 for further training on Ozone Depleting Substances. Expenditure of \$536,848 has been included in 212 - Training (including scholarships) shown in Note 15

Note 7. Wages and Salaries

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

			2002
101	Administrative	128,882,312	137,722,366
102	Senior Technical	63,313,337	57,777,412
103	Other Technical & craft skills	83,522,325	79,447,330
104	Clerical & Office Support	164,071,538	142,279,091
105	Semi-Skilled and Unskilled operatives	72,540,707	70,053,523
106	Contract Employees	-	-
107	Temporary Employees	816,376	659,009
			487,938,731

Note 8a. Overhead Expenditure

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

			2002
201	Other Direct Labour Costs	131,785,662	122,122,379
203	Benefits & Allowances	89,181,881	79,792,481
204	National Insurance	31,875,506	29,474,691
205	Pensions	23,156,653	17,764,677
			249,154,228

Note 8b. Members' Emoluments

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

		2002
Lennox Benjamin	144,000	180,000
Gobin Ganga	120,000	
Linda Gossai	-	144,000
Clyde Roopchand	144,000	144,000
Dolly Singh	24,000	144,000
Ashni Singh	180,000	144,000
		756,000

Note 9. Material Equipment & Supplies

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

Code	Description	2003	2002
121	Drugs & Medical Supplies	62,827	94,959
122	Field Materials & Supplies	-	6,830
123	Office Materials & Supplies	25,403,918	21,425,073
124	Print & Non Print Materials	33,470,926	47,136,200
TOTAL		58,937,671	68,663,062

Note 10. Rental & Maintenance of Buildings

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

Code	Description	2003	2002
141	Rental of Buildings	35,609,596	37,908,206
142	Maintenance of Buildings	19,456,960	11,528,072
143	Janitorial & Cleaning Supplies	5,696,117	4,061,894
TOTAL		60,762,673	53,498,172

Note 11. Transport Travel & Postage

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

Code	Description	2003	2002
161	Local Travel & Subsistence	26,506,368	22,760,144
162	Overseas Conference & Official Visits	579,814	999,972
163	Postage, Telex and Cablegram	5,864,233	4,167,696
164	Vehicle Spares & Services	15,225,698	19,599,536
165	Other Transport Travel & Postage	1,565,166	1,811,040
TOTAL		49,741,279	49,338,388

Note 12. Utility Charges

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

Code	Description	2003	2002
171	Telephone Charges	10,956,489	10,251,334
172	Electricity Charges	36,053,567	27,341,256
173	Water Charges	103,774	94,331
175	Internet Charges	626,147	822,626
TOTAL		47,739,977	38,509,547

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Note 13. Other Goods & Services Purchased

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

			2002
181	Security Services	35,328,850	29,317,040
182	Equipment Maintenance	13,505,791	6,693,529
183	Cleaning & Extermination Services	12,455,926	13,811,790
184	Others	12,731,301	11,831,501
			61,653,860

Note 14. Other Operating Expenses

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

			2002
191	National & Other Events	407,600	34,707
193	Refreshments & Meals	705,815	434,727
194	Others	9,337,897	5,653,077
			6,122,511

Note 15. Education Subvention & Training

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

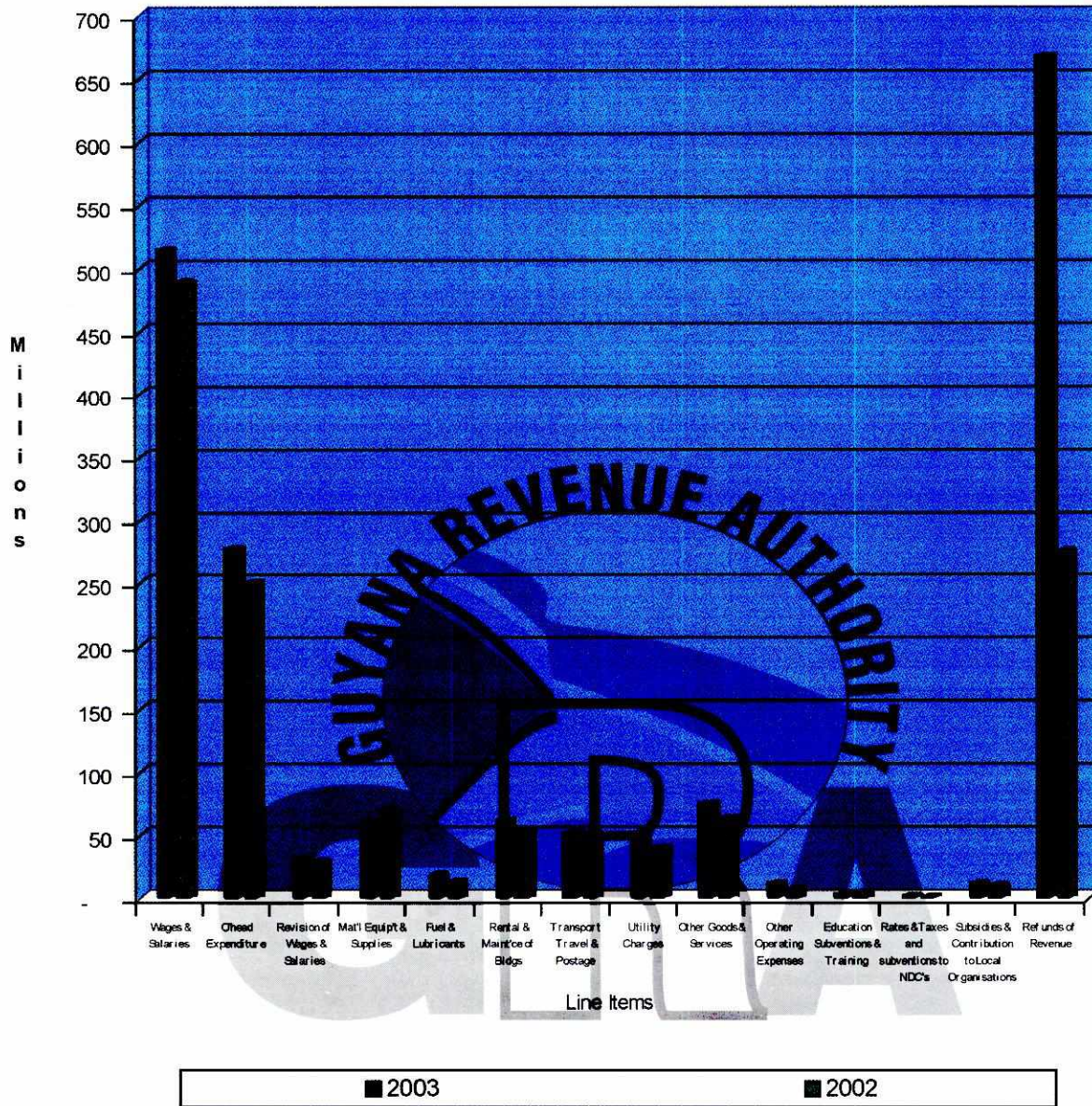
			2002
211	Education Subvention & Grants	-	136,500
212	Training (including scholarships) (see Note 6)	1,833,762	1,782,927
			1,919,427

Note 16. Subsidies & Contributions to Local & International Organisations

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

			2002
231	Local Organisation	64,000	71,500
232	International Organisation	9,785,522	8,202,889
			8,274,389

Analysis of Expenditure



HIGHLIGHTS



US Ambassador Mr. Ronald Goddard, facilitators and participants at the closing ceremony of the Anti Corruption Course



Career Day Activities at University of Guyana, Turkeyen Campus



Members of the GRA cricket team.



Bursary awardees with senior staff members



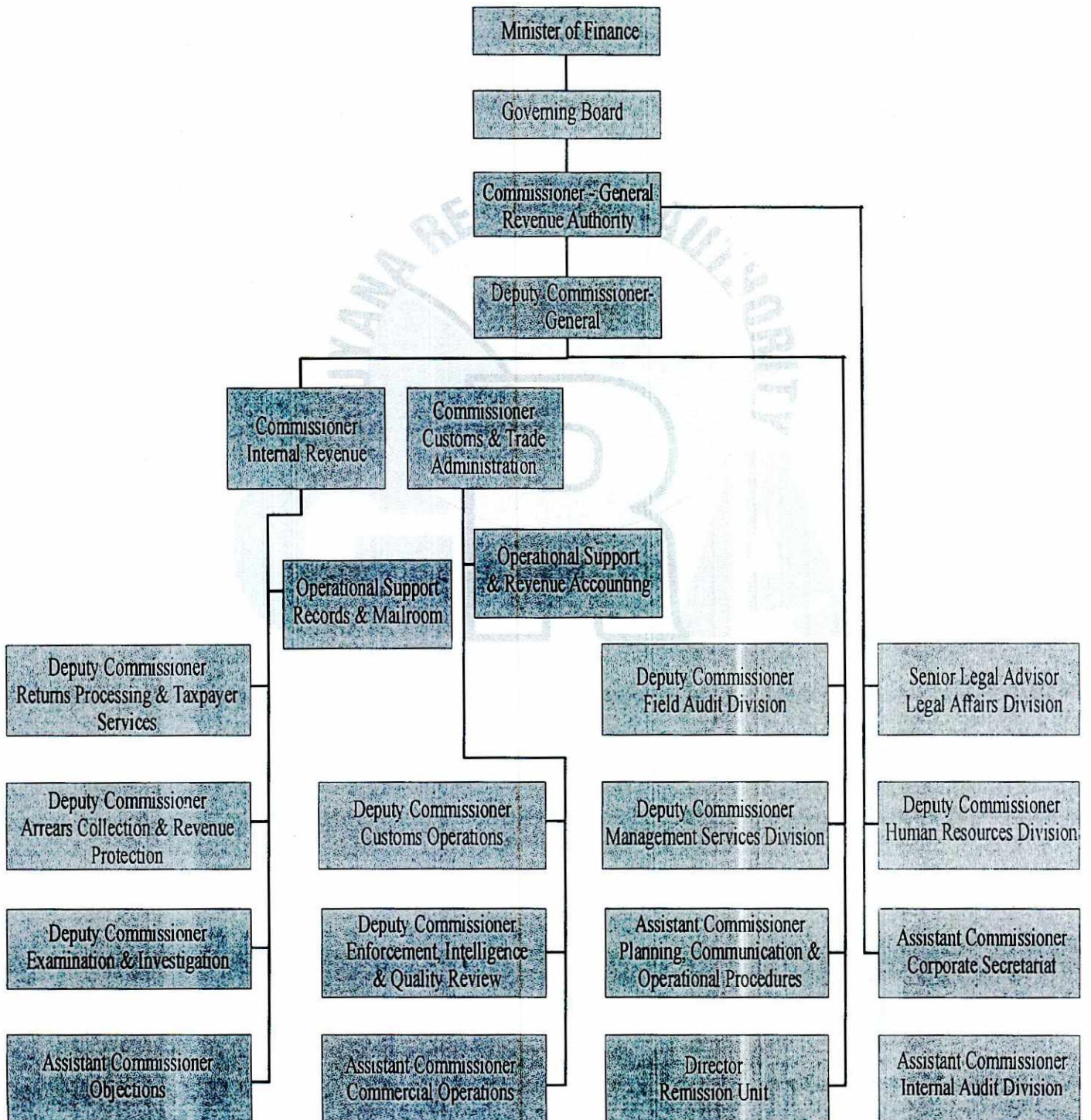
Participants at the Orientation Programme



Registry Staff - Internal Revenue, at work.

APPENDICES

APPENDIX I GUYANA REVENUE AUTHORITY - REVISED ORGANISATION CHART 2003 -



APPENDIX 2

Individual Tax Rates

Year 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

Year of Assessment 1994 - 1997

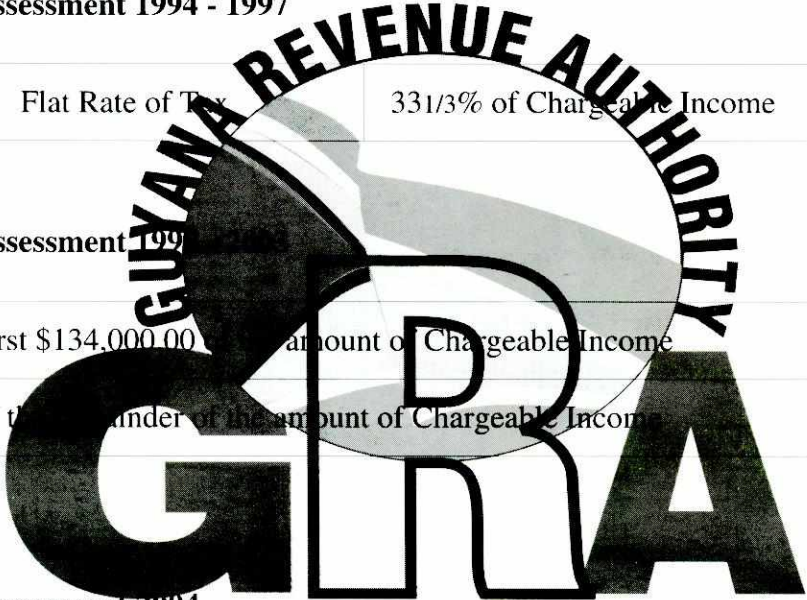
Flat Rate of Tax	33 1/3% of Chargeable Income
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Year of Assessment 1998

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

Year of Assessment 2004

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





ANNUAL REPORT & STATEMENT OF ACCOUNTS

SELF EMPLOYED INDIVIDUALS

Effective 1st September 2003.

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

Exceeds \$10 Million

Minimum Tax - 2%

Less than \$10 Million

Presumptive Tax Method using factors such as size of business, number of employees, assets used in the business, training and years in practice, salaries of comparable employed individuals etc.

Capital Gains Tax Rate

Capital Gains Tax	20%
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PERSONAL PROPERTY TAX RATES

Year of Assessment 1993 - 1999

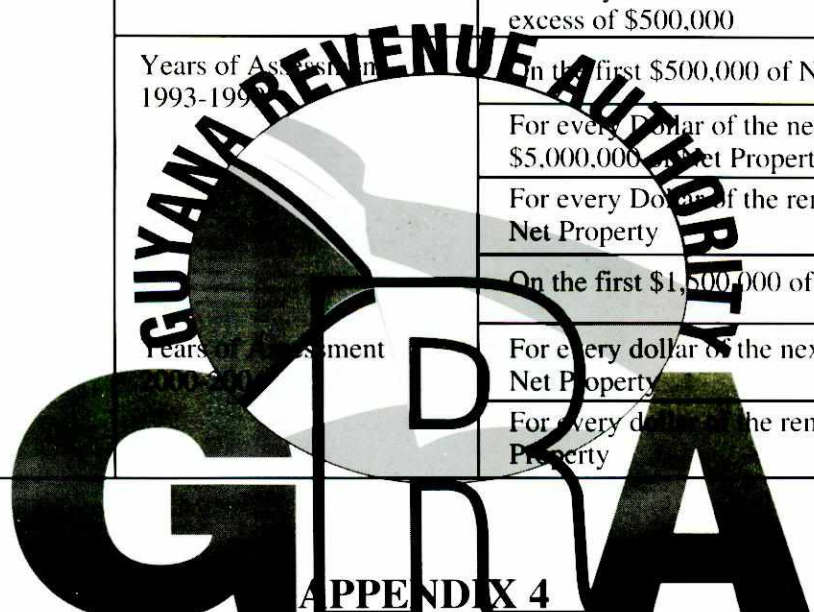
On the first \$5,000,000 of Net Property	0%
For every Dollar of the next \$5,000,000 of Net Property	1/2%
For every Dollar of the remainder of Net Property	3/4%

Year of Assessment 2000 to 2004

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

**APPENDIX 3
COMPANY TAX RATES**

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



**APPENDIX 4
WITHHOLDING TAX RATES**

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

APPENDIX 5

PREMIUM TAX RATES

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

**APPENDIX 6
PERSONAL INCOME TAX DEDUCTIONS**

Year of Assessment	Amount of Deduction
1992	\$48,000 or 1/3 of income whichever is greater
1993	\$72,000 or 1/3 of income whichever is greater
1994	\$120,000
1995	\$120,000
1996	\$144,000
1997	\$180,000
1998-2003	\$216,000
2004	\$240,000