



# GUYANA REVENUE AUTHORITY



**Annual Report**  
And Statement Of Accounts  
For year ending  
31st December 2007



# GUYANA REVENUE AUTHORITY



## ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR YEAR ENDING 31ST DECEMBER 2007

## CONTENTS

	Page No.
<i>Business Address</i>	5
<i>Members of the Governing Board</i>	8
<i>Letter of Transmittal</i>	9
<i>Mission Statement</i>	10
<i>Core Values</i>	10
<i>Revenue Authority Organisation</i>	11
<i>Report of the Governing Board</i>	12 - 14
<i>Revenue Collection</i>	14
<i>Performance of Service Divisions</i>	15
<i>Human Resource</i>	
Staff Establishment	15
Training	15 -18
Welfare Programmes	18
<i>Finance</i>	
Current Expenditure	19
Capital Expenditure	19
Audited Financial Statements	19
<i>Planning, Communication &amp; Operational Procedures</i>	20
<i>Internal Audit</i>	21
<i>Internal Affairs</i>	21
<i>Audit and Verification</i>	22
<i>Legal Services</i>	22
<i>Remission Unit</i>	23
<i>Information Technology</i>	23
<i>Enforcement Intelligence &amp; Quality Review</i>	24

## CONTENTS

	Page No.
<i>Corporate Communication Unit</i>	25
<i>Facilities Management</i>	25
<i>Departmental Performance</i>	26
<i>Internal Revenue</i>	
Gross Revenue Collection	26 - 28
Refunds and Net Revenue Collection	29
Return Processing and Taxpayer Services	
- Filing of Tax Returns	30
- Returns Assessed	30
- Tax Compliance Certificates	31
Licence Revenue	32 - 33
Objection	34
Arrears Collection and Revenue Protection	34 - 35
<i>Customs and Trade Administration</i>	
Gross Revenue Collections	36
Commercial Operations	
- Declarations	37
- Weight of Imports and Exports	37
- Value of Imports and Exports	38
- Revenue from Imports and Exports	39 - 40
Regional Offices and Airport	
- Out Stations	41
- Cheddi Jagan International Airport	41 - 42
<i>Value Added and Excise Taxes</i>	
Gross Revenue Collection	43 - 44
Registration	45
Return Processing	45
Refunds Verification and Processing	45
Legislation and Tax Advisory Services	46
Objections	46
Compliance	46
Import Verification	47
Regional Offices	47 - 48
Remission of Duties and Taxes	49 - 51
Audited Financial Statements	52 - 64
Highlights	65 - 66

## CONTENTS

Page No.

### Appendices

1	Organisation Chart	67
2	Individual Tax Rates	68 - 69
3	Company Tax Rates	70
4	Withholding Tax Rates	70
5	Premium Tax Rates	71
6	Personal Income Tax Deduction	71

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

### **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 Stand, 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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### **VALUE ADDED & EXCISE TAXES**

Commissioner,  
Value Added and Excise Taxes,  
210E Albert & Charlotte Sts  
Georgetown, Guyana  
South America  
Telephone # 227-7672 or 227-7310

### *Value Added & Excise Taxes Branch Offices*

#### **New Amsterdam**

5 Strand New Amsterdam,  
Berbice, Guyana,  
South America.  
Telephone # 333-3524

#### **Linden**

Linmine Compound, Linden,  
Guyana, South America.  
Telephone # 444-2130

#### **Rosignol**

Lot 17 Rosignol Public Road  
West Coast Berbice, Guyana,  
South America.  
Telephone # 330-2337

#### **Corriverton**

8 Calcrin, Skeldon,  
Corriverton, Berbice,  
Guyana,  
South America.  
Telephone # 339-2819

#### **Parika**

1983 Parika Highway  
East Bank Essequibo  
Guyana, South America.  
Telephone # 260-4981

#### **Anna Regina**

Anna Regina Office Complex,  
Essequibo Coast,  
Guyana,  
South America.  
Telephone # 771-5267

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## **BUSINESS ADDRESS**

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### **SERVICE DIVISIONS**

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#### **HUMAN RESOURCE**

216-217 Lamaha Street,  
Georgetown, Guyana,  
South America.  
Telephone # 227-0471

#### **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**

Customs House  
34 Main Street,  
Georgetown, Guyana,  
South America.  
Telephone # 227-8313

#### **INTERNAL AFFAIRS**

357 Lamaha & East Streets  
Georgetown, Guyana,  
South America.  
Telephone # 226-9901

#### **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

#### **FINANCE DIVISION**

216-217 Lamaha Street  
Georgetown, Guyana,  
South America.  
Telephone # 227-8222



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## **GOVERNING BOARD**

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<b>Mr. Clyde Roopchand</b> <b>Chief Planning Officer</b> <b>State Planning Secretariat</b>	...	Chairman
<b>Ms. Sonya Roopnauth</b> <b>Director of Budget</b> <b>Ministry of Finance</b>	...	Member
<b>Mr. Lennox Benjamin</b> <b>Chief Statistician</b> <b>Bureau of Statistics.</b>	...	Member
<b>Mr. Lawrence Williams</b> <b>Governor</b> <b>Bank of Guyana</b>	...	Member
<b>Mr. Khurshid Sattaur</b> <b>Commissioner-General</b> <b>Guyana Revenue Authority</b>	...	Member

**LETTER OF TRANSMITTAL**

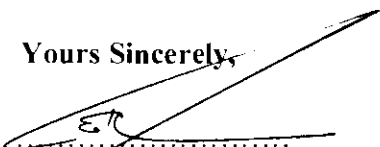
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**The Honorable Mr. Winston Jordan  
Minister of Finance  
Ministry of Finance  
Main & Urquhart Streets,  
Georgetown, Guyana.**

**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 31<sup>st</sup> December 2007, together with the audited Balance Sheet and Income and Expenditure Account.**

**Yours Sincerely,**



**Khurshid Sattaar  
Commissioner-General**

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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.

## 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 2007, 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 2007 were:

- ❖ de-linking of the Human Resource function from the Human and Financial Resources Division. The Human Resource Division is headed by a Deputy Commissioner who reports to the Commissioner – General while the Finance Division is headed by a Deputy Commissioner (ag) who also reports to the Commissioner – General
- ❖ establishment of a Regional Office Division of the Value Added and Excise Taxes Department. The Division is headed by an Assistant Commissioner.
- ❖ establishment of a Regional Tax Office as a pilot project in Corriverton, Berbice. It is intended that the Head of the Office report to the Deputy Commissioner – General.
- ❖ the Licence Revenue Office which previously operated as an independent Unit now functions as a Unit of the Internal Revenue Department.
- ❖ the establishment of a Facilities Management Unit to ensure the timely and efficient maintenance of the buildings occupied by the various Departments/Divisions/Units of the Authority.
- ❖ the absorption of the Refunds Audit and Verification Division of the Value Added and Excise Taxes Department under the Audit and Verification Division.

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.

## **REPORT OF THE GOVERNING BOARD**

### **INTRODUCTION**

The Guyana Revenue Authority has completed its eight year of operations during which revenue collection has maintained its upward trend. Total collection during the year under review amounted to \$78.5 B, an increase of \$20 B or 34 % over the \$58.5 B collected in 2006. However, net collections totalled \$77.3 B since \$1.2 B was refunded to taxpayers by the Value Added and Excise Taxes Department.

During the year, attention continued to be focused on measures intended to improve organizational capacity and efficiency. In addition, the Authority efficiently implemented the Value Added Tax and Excise Tax Acts and throughout the year paid particular attention to educating taxpayers and consumers on various aspects of those Acts.

### **Amendment to the Value Added Tax Act**

The VAT Amendment Act was passed in the National Assembly on January 23, 2007. The Amendment gives the Minister of Finance the power to determine the list of items to be zero-rated or made exempt without first seeking the approval of the National Assembly. The Amendment also gives the Minister, by order subject to affirmative resolution of the National Assembly, the authority to increase or decrease the monetary amounts set out in the Act and to amend Schedules III, IV and V.

### **Institutional Strengthening Measures**

#### **Simplified Customs Declaration**

The Simplified Customs Declaration, Form C73, was brought into effect on December 3, 2007. The objective was to simplify the process for clearance of household and personal effects in barrels and gift packages at wharves and the Cheddi Jagan International Airport.

#### **Integration of Audit Functions**

In a continued effort to improve and strengthen capacity, all Audit functions were consolidated into a centralized Division. Effective December 2007, the Refunds Verification and Audit Division of the Value Added and Excise Taxes Department was de-linked and integrated into the Audit and Verification Division.

#### **Establishment of VAT Regional Offices**

The Value Added and Excise Taxes Department was reorganized to include in its structure a Regional Offices Division. The Division is headed by an Assistant Commissioner who reports to the Commissioner, Value Added and Excise Taxes Department. The Division comprises five Regional Offices located across the country which are being managed by Directors/Supervisors.

## **Establishment of a Regional Tax Office**

The Governing Board of the Authority approved the establishment of a Regional Tax Office in Corriverton, Region 6, as a Pilot Project. The Regional Tax office is intended to provide a “one-stop” office where a taxpayer may access all of the tax services provided by the Authority whether it be Internal Revenue, Customs, VAT or Excise Tax under one roof.

## **Organisation and Management Review**

PricewaterhouseCoopers Management Consultants Ltd. of Trinidad was contracted to conduct an Organisation and Management review which commenced in 2006. The review was completed during the year under review and 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.

Areas on which training was provided locally included maritime Law Enforcement, Border Security, Detection of Counterfeit Currency, Aviation Security and Detection of drugs, explosives and chemicals using the Itemiser III machine.

Conferences, training programmes and workshops which were held overseas included the Information Technology Conference and Exhibition which was held in Mexico, the Technical Working Group meeting hosted by the Caribbean Negotiating Machinery and held in Grenada and a Network Meeting for Caribbean Ozone Officers which was coordinated by the United Nations Environmental Programme and held in St. Lucia. In addition, staff also participated in other training programmes such as Managing Taxpayer Services and Chemical Weapons which were also conducted overseas.

During 2007, sixteen (16) students whose parents/guardians are 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.

## **Mashramani 2007**

The Guyana Revenue Authority participated in the 2007 Mashramani Costume and Float Parade under the theme “VAT - Equal Participation for Greater Development” and secured the second prize in the full costume medium band category.

## Occupational Safety and Health

In observance of Blood Donor Day 2007, the Authority's Occupational Safety and Health Committee in collaboration with the Ministry of Health, National Blood Transfusion Service launched a blood donation drive. More than twenty staff members participated in the drive. Also, peer educators and other staff members participated in the Phillip Van der Hyden Walk which took place in November in support of persons living with or affected by HIV/AIDS. In addition, the Customs House Training Room was designated a Temporary HIV/AIDS Testing Site on National Testing Day and scores of staff members and members of the public took the opportunity to get tested.

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 2007 totalled \$77.3 Billion. This exceeded the approved budget of \$60.8 Billion by \$16.5 Billion or approximately 27.1 %. When compared to actual total collection in 2006 of \$58.5 Billion, revenue collection in 2007 increased by \$ 18.8 Billion or 32.1 %.

Revenue collected by Internal Revenue for 2007 was \$32.5 Billion while \$8.1 Billion was collected by the Customs and Trade Administration and \$37.9 Billion collected by the Value Added and Excise Taxes Department. Value Added and Excise Taxes actual collections were net of \$1.2 B which was refunded to taxpayers.

For the year 2007 our cost of collection was approximately 2.8%. The cost of collection for the year 2006 was 3.2%.

Table 1 shows details of the Budgeted and Actual Collections for the Revenue Authority for the period under review.

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

	2006	2007		
	Actual	Budget	Actual	Variance
Value Added and Excise Taxes	-	24.8	36.7	11.9
Customs and Trade Administration	28.0	5.8	8.1	2.3
<b>Sub-Total</b>	<b>28.0</b>	<b>30.6</b>	<b>44.8</b>	<b>14.2</b>
Internal Revenue	30.5	30.2	32.5	2.3
<b>Grand Total</b>	<b>58.5</b>	<b>60.8</b>	<b>77.3</b>	<b>16.5</b>

## **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 RESOURCE DIVISION**

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

### **STAFF ESTABLISHMENT**

To carry out this mandate, the Authority had an actual staff strength of 1,032 or approximately 85% of the approved staff establishment of 1,216. Of the total of 1,032 employees, 394 or 38% were male while 638 or 62% were female. At the end of the previous year the staff strength was 941 reflecting an increase of 91 persons.

During 2007, a total of 178 persons were recruited comprising 75 males and 103 females. Separations amounted to 87, resulting in a staff turnover of 8.4% as compared to 6.1 % in 2006. A total of 52 persons resigned, 14 were dismissed and 11 had their services terminated. There were 5 retirements, 3 deaths and 2 persons retired medically unfit.

### **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**

As part of Guyana Revenue Authority's strategy for Revenue Protection, staff who functioned as cashiers were trained in the detection of counterfeit currency. The training was facilitated by Mr. Leslie Glenn, Manager and Mr. Joseph Lall, Director (ag) Operations, of the Bank of Guyana. Participants were exposed to the concept of Legal Tender, security features of the Guyana, United States and Euro notes and the Central Bank's response to counterfeiting.

Several staff members benefited from training conducted by the Public Service Ministry. Sixty-seven staffers participated in a programme which covered "Report Writing" and was aimed at enhancing officers' ability to write well structured reports.



Fifty-six (56) 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.

Approximately twenty officers attached to the Customs and Trade Administration and the Customs Anti-Narcotics Unit were trained by two senior officers attached to the Canadian Customs Technology Department in the use of an Itemiser III machine which is used to detect drugs, explosives and chemicals. Areas covered during the training included the ingredients of explosive devices, auto calibration, sampling and analyzing and response to a suspicious piece of luggage or a package.

Emphasis was also placed on training, both technical and non-technical, for employees attached to the Value Added and Excise Taxes Department during 2007. To this end, a total of 150 new recruits and staff from the regional offices were exposed to training on the basics of Value Added Tax while 16 Auditors and Compliance Officers participated in training on Returns Processing, Payments and Refunds. Stock Verification, Large Taxpayers Audit and Auditing with TRIPS were training programmes which were attended by Auditors attached to the Department. Further, "Management of Revenue Debt" and a Compliance workshop were conducted for Compliance Officers while Tax Specialists and staff of the Corporate Communication Unit participated in a VAT Help Desk workshop and media training.

Audit Skills and Computer Audit were the focus of two programmes conducted for Auditors, Accounting Officers, Directors, Supervisors and other staff attached to the Regional Offices of the Value Added and Excise Taxes Department while all staff attached to the regional offices participated in an Excise Tax workshop.

## **◆ EXTERNAL TRAINING (LOCAL)**

Maritime Law Enforcement and Aviation Security were the focus of two training programmes which were conducted during the months of July and August respectively. These programmes, which raised the participants' awareness of security related issues, were attended by a total of seven staff members attached to the Customs and Trade Administration and were facilitated by personnel from the Guyana Defence Force and the Police Force.

Staff members attached to various Departments/Divisions of the Authority also benefited from several training programmes which were conducted by the Public Service Ministry. These programmes covered areas such as Customer Care, Human Resource Development, Professional Secretarial Practice, Procurement and Stores Management, and Personnel Practice and Policy. A total of twelve staff members benefited from those programmes.

During the month of November, resource personnel from the United States Department of Homeland Security conducted a workshop under the theme "Strengthening Border and Port Security". The programme, which was attended by twenty-four officers attached to the Customs and Trade Administration, the Customs Anti-Narcotic Unit and the Immigration Department of the Guyana Police Force, was a direct follow-up to an assessment conducted by the Inter-American Committee Against Terrorism, Organisation of American States to determine Guyana's training and assistance needs.

## ❖ EXTERNAL TRAINING/CONFERENCES (OVERSEAS)

The World Customs Organisation hosted an Information Technology Conference and Exhibition in Vera Cruz, Mexico over the period April 23 – 27 which was attended by Ms. Ingrid Griffith, Deputy Commissioner, Customs and Trade Administration and Ms. Fiona Holder, Assistant Commissioner, Information Technology. The conference was held under the theme “Old World to New: IT Facilities Transition”.

“Managing Taxpayer Services” was the focus of a training programme attended by Ms. Nadia DeAbreu, Director of the Corporate Communication Unit and facilitated by the United States Treasury Department of Technical Assistance. The programme, which was held in Antigua over the period May 15 – 17, targeted taxpayer service representatives attached to revenue collection agencies in the Caribbean and addressed issues which included the importance of taxpayer services, managing and evaluating the service.

A network meeting for Caribbean Ozone officers which was held in St. Lucia during the month of May was attended by Mr. Joshua Hubbard, Assistant Commissioner attached to the Customs and Trade Administration. The meeting was aimed at building the capacities of National Ozone Customs Officers and was coordinated by the United Nations Environmental Programme.

Ms Janet Abbensetts, Assistant Commissioner, attended a forum on HIV/AIDS which was facilitated by the Pan Caribbean Coalition and held in Trinidad on June 7. The objective of the forum was to facilitate a structured Caribbean business response to mitigating the impact of AIDS in the work place by adopting prevention and treatment strategies that promote private and public partnership.

Mr. Ramnarine Makardajh, Director attached to the Customs and Trade Administration, attended a Chemical Weapons training programme in Switzerland over the period June 25 – 29. The programme was sponsored by the Organisation for Prohibition of Chemical Weapons and introduced participants to chemical warfare agents, use of protective gear, detection and decontamination equipment among other issues.

Mr. Iqram Ali, Assistant Commissioner attached to the Customs and Trade Administration, attended the Regional Workshop on World Trade Organisation Trade Facilitation Negotiations for Caribbean countries. The workshop, which was held in Trinidad and Tobago over the period July 9 – 13 and facilitated by the Inter American Development Bank/Integration of Latin America, focused on ensuring more effective participation by Caricom member states in the final phase of trade facilitation negotiations.

Mr. Iqram Ali also attended the Technical Working Group meeting for negotiations on the Economic Partnership Agreement which was held in Grenada over the period July 17 - 19, 2007. This meeting was hosted by the Caribbean Negotiating Machinery.

Mr. Maurice Abraham, Assistant Commissioner – Employment Administration, attended a General Management Training programme which was held in Antigua and Barbuda

over the period October 9-11. The programme which was hosted by COTA in association with the United States Treasury Department, Office of Technical Assistance focused on Human Resource Management and the identification of future initiatives and specific country interventions which tax administrations might desire.

Prevention of illegal Wildlife Trade was the focus of a programme which was hosted by the International Fund for Animal Welfare in Trinidad and Tobago over the period November 26-29. The Authority's representative was Mr. Bridgemohan Persaud, Supervisor attached to the Customs and Trade Administration.

## ***WELFARE PROGRAMMES***

### **◆ BURSARY AWARDS**

During the year, a total of sixteen (16) children of employees received Bursary Awards. The year 2007 was the eighth year in the organisation's history for the granting of such awards.

At a simple ceremony, which was organised to mark the occasion, Master Saif Khalil 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 Master Walter Roberts. 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.

## B: FINANCE DIVISION

### CURRENT EXPENDITURE

Total appropriated expenditure for the Guyana Revenue Authority for the year 2007 was \$2.17 Billion while the Fiscal and Financial Management Project (FFMP) reimbursed the Authority \$19.5 million for rent of the VAT building and \$1.4 million of refunded revenue cheques were re-deposited into the Authority's account resulting in a total income of \$2.19 billion. Current expenditure for the year amounted to \$2.187 billion. At the end of the year a balance of \$3.0 Million remained and this is to be repaid to the Accountant General. These figures are all reflected in the Audited Financial Statements.

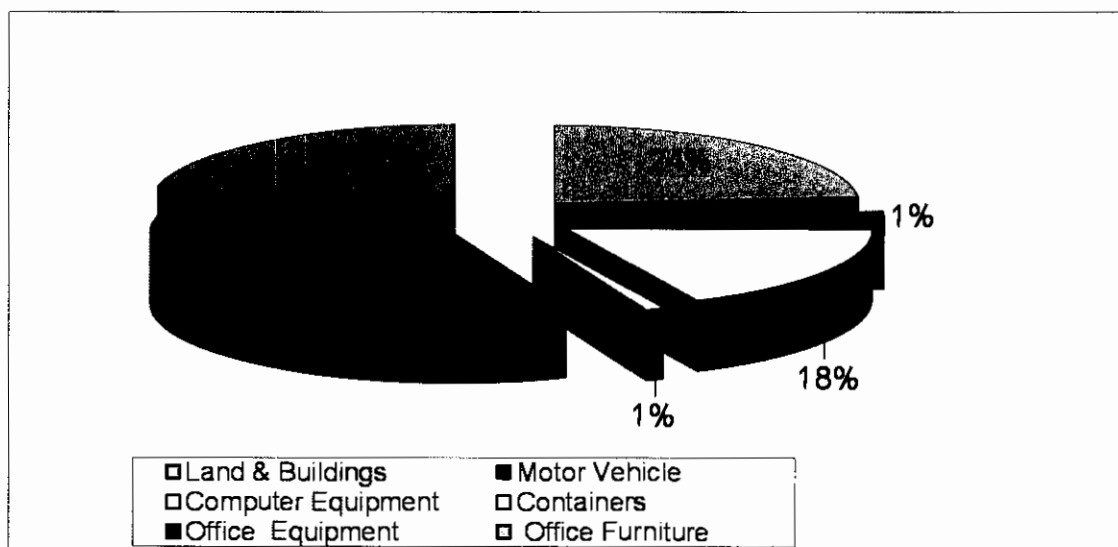
### CAPITAL EXPENDITURE

The Capital Budget approved for the Guyana Revenue Authority was \$66 Million. The Ministry of Finance released the full amount. A total of \$64.26 Million was expended towards the purchase of capital items and for the construction of the Linden Office Complex. The amount of \$1.28 Million was paid to the contractor as retention fees while the balance of \$0.46 Million is to be paid over to the Accountant General. The breakdown of Capital Expenditure is shown in the chart below and in Table II.

### FINANCIAL STATEMENTS

The Audited Financial Statements which form part of this report are contained in pages 51 to 63.

**CHART I  
CAPITAL EXPENDITURE 2007**



**TABLE II  
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2007 BY TYPE OF ASSET**

Category of Asset	Amount \$ M
Land & Buildings	15.16
Motor Vehicle	1.02
Computer Equipment	11.47
Office Equipment	22.02
Office Furniture	13.97
Containers	0.62
<b>Total</b>	<b>64.26</b>

## C: PLANNING, COMMUNICATION AND OPERATIONAL PROCEDURES DIVISION

During the year under review the mandate of this Division was revised due to the removal of the communication function. Hence, the Division is now mandated to monitor operational plans and to ensure that the operational support needs of the organisation are met.

Staff of the Division prepared several proposals which lent to the organisational strengthening of the Authority. Proposals were prepared for the establishment of Regional offices for the Value Added and Excise Taxes Department, the de-linking of the Finance and Human Resource Divisions, and the re-structuring of the Information Technology and Legal Divisions. In addition, proposals were prepared to incorporate the Audit Division of the Value Added and Excise Taxes Department into the Audit and Verification Division in an effort to remove duplication of functions, and to establish a 'one-stop' Regional Tax Office at Corriverton, Berbice, to enable taxpayers to access all services administered by the Authority in one building.

The preparation and revision of manuals of operation were also carried out during the year while a review of the entry processing system of the Customs and Trade Administration which was replete with recommendations was drafted and circulated for discussion. Leaflets were prepared on the procedures for the collection of foreign currency at the Cheddi Jagan International Airport and on the requirement and process for the export of products to Brazil.

The Division also updated and prepared the Value Added Tax and Excise Tax Acts for printing, completed the revision of the Regulations to the Customs Act and updated and printed booklets which were disseminated at the University of Guyana Career Day activities



## **D: 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 2007, the Division conducted twenty-four (24) audit examinations at the Internal Revenue Department. Of these examinations, only eight (8) reports were finalized due to the non-response of the Departmental Head to the draft reports. The areas audited included collection procedures, taxpayers' files and returns, refunds and Travel Tax tickets. In addition, the operations of the Licence Revenue Office as well as the branch offices located at New Amsterdam, Linden, Corriverton and Anna Regina were audited.

Audit assignments conducted at the Customs and Trade Administration amounted to twenty-six (26). However, only five (5) of those reports were finalized. The ASYCUDA system, collection procedures, want of entry, seizure of goods, inventory of firearms, remission of duties, bills of sight and merchants' overtime were among the areas audited. Audit examinations were also conducted at the Cheddi Jagan International Airport, the New Amsterdam, Linden, Anna Regina and Corriverton offices.

Thirteen (13) audit examinations were conducted at the then Human and Financial Resources Division during the period under review. However, only two (2) reports were finalised by the Division. Areas audited included salaries and wages, bank accounts and reconciliation, imprest, procurement, NIS deductions, vote accounts and vehicle log books.

At the request of the Commissioner-General, the Deputy Commissioner – General and the Internal Audit Committee, the Division conducted sixteen (16) special investigations. Matters investigated included the construction carried out at the Sanata Textile Compound, irregularities highlighted by the Office of the Auditor General on the Authority's Financial Statement for year ended December 31, 2006, collection of Value Added and Excise Taxes, procedures for outgoing cargo from the Guyana Post Office Corporation to the Authority's outstations, remittance of taxes for online ticket sales by airlines and the verification of collections, reporting and accountability for all revenue relating to entries processed by the ASYCUDA system after December 31, 2006.

## **E: INTERNAL AFFAIRS DIVISION**

This Division is mandated to conduct investigations into allegations of corruption against members of staff, investigate their assets, be part of the goods inspection team, provide escort services and monitor the surveillance equipment.

During 2007, staff of the Division conducted 45 investigations into allegations made against members of staff. Twenty-five (25) of those allegations originated from within the Authority while the remaining twenty (20) originated from members of the public. In addition, 53 special investigations were conducted and reports on those investigations completed.

Further, 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 was monitored. 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, goods were escorted from wharves to private warehouses while goods imported in commercial quantities at the Cheddi Jagan International Airport were examined and surveillance cameras located at the Cheddi Jagan International Airport were monitored.

## **F: 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 Tax, Trade and Border Laws and Regulations.

Staff of the Division conducted seventy-eight (78) audits on returns submitted by individual and corporate taxpayers during 2007. This total comprised forty-six (46) field and thirty-two (32) desk audits. Of the forty-six (46) field audits, nineteen (19) were on individual taxpayers and sixteen (16) on corporate taxpayers, four (4) on the Pay As You Earn (PAYE) system and seven (7) on Value Added Tax registrants. Of the thirty two (32) desk audits, twenty (20) were conducted on individual and twelve (12) on corporate taxpayers.

In addition, the Division conducted several special exercises which were designed to identify new taxpayers and as a result one hundred and fifty (150) new taxpayers were added to the tax register while twenty-six (26) companies were identified for mandatory registration under the Value Added Tax Act. Further, seven (7) special assignments and two hundred and forty-eight (248) post assessment verifications were completed.

As a result of the audits completed, revenue totalling \$880 Million was identified for recovery by the Division. Of this amount, \$421 Million was based on agreements which were entered into with taxpayers.

## **G: 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 the year the staff of the Division continued to prosecute ongoing matters in both the High and Magistrate's Court. There were three hundred and thirteen (313) matters ongoing and the defendants were charged with offences including non-submission of Employers' Returns, non-submission of returns of deductions and smuggling.

Further, the Division commenced prosecution in the Magistrate's Court of one hundred and nineteen (119) cases of non-submission of returns of deductions. Staff also prepared opinions and responses to requests for legal advice from the Commissioner-General and other Departments/Divisions of the Authority which amounted to one hundred and seventy-eight (178). The preparation and service of demand letters, which is a prerequisite to the preparation, service and enforcement of 101 Certificates, were also carried out. Ninety-eight (98) such letters were prepared and served. Judgments granted in favour of the Authority during the period under review amounted to four (4).



## **H: 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.

The Unit verified and processed a total of eleven thousand, two hundred and fifty-seven (11,257) applications for the remission and exemption of duties and taxes and ten thousand, two hundred and sixty-six (10,266) approval letters were prepared and dispatched.

In addition, the Unit granted approval to four thousand, nine hundred and thirty-four (4,934) applications by importers for the use of the Prior to Processing facility and prepared and dispatched a total of nine thousand, eight hundred and ninety-seven (9,897) denial letters. Staff also conducted six hundred and six (606) special assignments and six hundred and five (605) meetings with applicants seeking duty-free concessions in order to clarify or obtain additional information. Staff of the Unit also responded to five hundred and sixty-eight (568) requests for information by members of the public and verified one hundred and ninety-eight (198) Customs Declarations.

## **I: 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 Licence Revenue application, the PCTAX ADMIN application which is in use at the Internal Revenue Department, the Salaries and VOTES applications used by the Human and Financial Resources Division and TRIPS which is in use at the Customs and Trade Administration and the Value Added and Excise Taxes Department. In addition, the Division maintained all off-the-shelf software used by other Departments/Divisions/Units of the Authority. Staff attached to the Division also facilitated user acceptance testing of TRIPS modules to be used by the Internal Revenue Department and developed an application for use by the Tax Advisory Services section of the Value Added and Excise Taxes Department. The PCTAX ADMIN application was also installed at the Anna Regina office of the Internal Revenue Department.

Database and network administration activities were also undertaken throughout the year and included performing back-up of the databases, adding/removing users, modifying user profiles and resetting user passwords. Further, the Division rendered hardware and infrastructure support throughout the Authority which entailed the installation/set up of new equipment, repairs to existing equipment and the logging and removal of unserviceable and obsolete equipment. An inventory of existing equipment was also undertaken during the year under review.

A data cleansing exercise was undertaken with the aim of identifying and removing duplicate records from the taxpayer database while data collection/extraction and the printing of reports as requested by various Heads of Divisions were all completed during the year. In addition, staff of the Division received training from the Crown Agents Consultants on the administration of the Oracle and Crystal Report software.



Staff also liaised with external contractors for the supply of equipment for use in various areas of operation in the organisation and supervised the installation of the equipment and requisite infrastructure.

## **J: 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 the year, the Unit received and investigated 330 reports of breaches of the Customs Laws and conducted 347 routine exercises to intercept persons involved in smuggling activities. As a result of those investigations and exercises, there were 113 instances of detention of goods, 94 seizures and 96 persons were apprehended. A total of 110 cases were settled departmentally with persons paying the necessary fines and additional duties and taxes while charges were instituted against 13 persons and 3 were successfully prosecuted. At the end of 2007 there was a total of 73 matters pending. Goods confiscated included alcoholic and non-alcoholic beverage, electronic and other household appliances. Revenue collected by the Unit for 2007 is shown in the table below.

**TABLE III  
REVENUE COLLECTED - \$**

<b>Activity</b>	<b>2006</b>	<b>2007</b>	<b>Quantity Variance</b>	<b>% Variance</b>
Fines/Compensation	24,903,319	47,121,718	22,218,399	89.2
Additional Taxes	38,751,201	26,949,200	(11,802,001)	(30.5)
Sale of Seizures	5,460,627	65,291,306	59,830,679	1095.7
Total	69,115,147	139,362,224	70,247,077	101.6

### **QUALITY REVIEW**

During the year under review the Unit investigated and verified 155 advanced ships' manifests and 62 advanced aircraft cargo manifests. Thirty-two (32) visits were made to the premises of Customhouse Brokers to ensure compliance with the Authority's requirements. The offloading of containers from vessels and the de-stuffing of those containers were monitored while the verification of 3,348 customs declarations against cashier's listings was completed.

Forty-six (46) applications for the refund of customs duties were processed and a total of \$44 million in duties were refunded to importers. The Unit also issued 35 licenses to Customhouse Brokers and the printing and distribution of new identification cards to the licensed brokers were undertaken.

## **K: CORPORATE COMMUNICATION UNIT**

During the year under review, the activities carried out by the Unit were focused on motivating taxpayers to voluntarily comply with Guyana's Tax, Trade and Border Laws and Regulations.

To this end, press releases informing taxpayers of the changes and policies relating to VAT, TIN and other tax issues were carried by both the print and electronic media. A VAT Policy Corner was also developed to educate taxpayers and clarify issues and was published on a weekly basis in the print media. VAT "Talk Tents" were convened at several locations along the East Coast and East Bank of Demerara where registrants and consumers were educated on issues including the completion of returns and products and services which are zero-rated and exempt.

Infomercials and time signals were utilised to encourage taxpayers to submit their returns in a timely manner while the weekly radio programme "Revenue Update" and weekly television programme "Focus on GRA" discussed the major services provided by the Authority as well as current issues within the organisation. Staff attached to the Unit along with staff members of other Divisions/Units of the Authority, appeared on various other television programmes such as Guyana Today and the Early Watch Show to disseminate information.

Throughout the year, the Unit published notices on VAT exempt and zero-rated items among other issues. Focus group meetings were also held with rice farmers, the Private Sector Commission, the Consumers Association, the Bureau of Statistics and the Ministry of Tourism, Industry and Commerce. The Unit also participated in the Guyana Gift and Craft Show which was held during Cricket World Cup, the Moruca Expo, Corriverton Town Day and Guy Expo 2007 where the TIN public relations campaign was launched.

## **L: FACILITIES MANAGEMENT UNIT**

The Facilities Management Unit is responsible for ensuring that maintenance and renovation of buildings occupied by the various Departments/Divisions/Units of the organisation are done in a timely and efficient manner.

During the year under review, substantial renovation was carried out on the interior of the building housing the Human Resource and Finance Divisions which included the installation of doors, electrical fixtures and fittings and carpeting. Major renovation on the building housing the Licence Revenue Office, which commenced in 2006, continued during 2007. Work to improve the security such as the installation of glass and grillwork on the cashier cage and counter area were completed. Repairs were also carried out on the roof of the building housing the Customs and Trade Administration.

The building housing the Corriverton Office also underwent major renovation to the roof and interior, where there was the construction of a cashier cage and counter facilities. Construction of a building to house the Authority's operations at Linden got underway during the year under review, while construction of a guard hut, renovation of cashier cage and installation of grillwork were carried out at the building located at Parika.

## DEPARTMENTAL PERFORMANCE

### INTERNAL REVENUE

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 2007 was approximately \$32.5 Billion. This amount was \$2.3 Billion or 7.6 % above the estimates of \$30.2 Billion approved by the National Assembly and represents a net increase. Total Revenues for 2007 by tax type is set out in the Table IV overleaf. As can be observed from the Table, revenue collection under various heads exceeded the estimates by approximately \$2.45 Billion and collections under other heads were under the estimates by \$0.16 Billion. Income Tax Others, Corporation Tax and Income Tax – Self Employed were the major tax types which contributed to the increase in collection and accounted for approximately 94% of the excess. During the year, revenues amounting to \$32.5 Billion were deposited in the Consolidated Fund.

Revenue collected during the year under review exceeded that collected during the year 2006 by **\$2 Billion** or approximately **6.5%**. The actual collection for the year 2006 was **\$30.5 Billion**. Corporation Tax and Income Tax “Others” continue to be the two major heads of revenue, contributing **\$13 Billion** or **40 %** and **\$12.9 Billion** or **39%** of total revenues respectively. Arrears collections contributed **11%** to total revenue collected. Corporation Tax of **\$1,683 Million** accounted for **46%** of total arrears collection. The charts overleaf compare revenue collection for 2007 with 2006 thus reflecting the change in the collection of revenue over the period. The major factors contributing to the increase in Revenue in 2007 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 IV  
REVENUE COLLECTION  
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2007 (\$ 000)**

DESCRIPTION	APPROVED BUDGET	AMOUNT COLLECTED	AMOUNT PAID INTO CONSOLIDATED FUND	UNDER THE ESTIMATE	OVER THE ESTIMATE
INCOME TAX SELF EMPLOYED	1,094,846	1,250,710	1,250,710		155,864
INCOME TAX COMPANIES:	900	341	341	(559)	
PRIVATE SECTOR	900	341	341	(559)	
PUBLIC SECTOR	0	0	0		
CORPORATION TAX:	12,541,154	13,087,996	13,087,996		546,842
PRIVATE SECTOR	11,394,554	11,980,058	11,980,058		585,504
PUBLIC SECTOR	1,146,600	1,107,938	1,107,938	(38,662)	
WITHHOLDING TAX	2,110,200	2,127,448	2,127,448		17,248
INCOME TAX OTHERS	11,440,300	12,892,546	12,892,546		1,452,246
NET PROPERTY TAX	930,300	942,991	942,991		12,691
PROCESS FEE	24,600	19,619	19,619	(4,981)	
ENTERTAINMENT DUTY	0	596	596		596
TRAVEL TAX	600,066	540,687	540,687	(59,379)	
CAPITAL GAINS TAX	170,500	229,490	229,490		58,990
PREMIUM TAX	65,700	66,761	66,761		1,061
PROFESSIONAL FEES	6,494	4,985	4,985	(1,509)	
TRAVEL VOUCHER TAX	661,334	571,092	571,092	(90,242)	
NATIONAL DEVELOPMENT TAX	100	18	18	(82)	
HOTEL ACCOMODATION TAX	0	10,338	10,338		10,338
SERVICE TAX	0	25,062	25,062		25,062
LICENCE MOTOR VEHICLES	307,839	309,775	309,775		1,936
LICENCE OTHER VEHICLES	261	174	174	(87)	
LICENCE - TRADING	15,414	13,187	13,187	(2,227)	
LICENCE MISCELLANEOUS	8,063	8,189	8,189		126
PURCHASE TAX - CARS	0	158,884	158,884		158,884
M/ VEHICLES & RD TRAF ACT	210,529	220,966	220,966		10,437
D/C FEES	0	0	0		
<b>GRAND TOTAL</b>	<b>30,188,600</b>	<b>32,481,855</b>	<b>32,481,855</b>	<b>(159,066)</b>	<b>2,452,321</b>

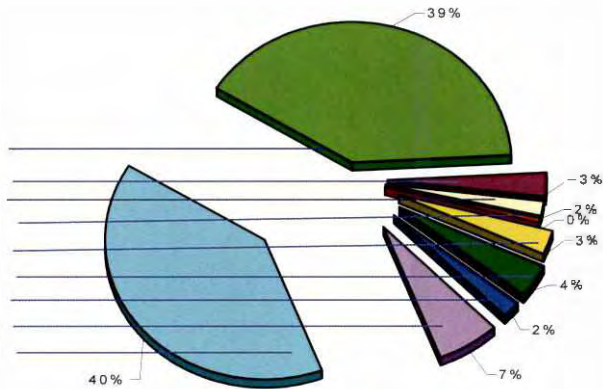
# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## CHART II REVENUE COLLECTION ANALYSIS

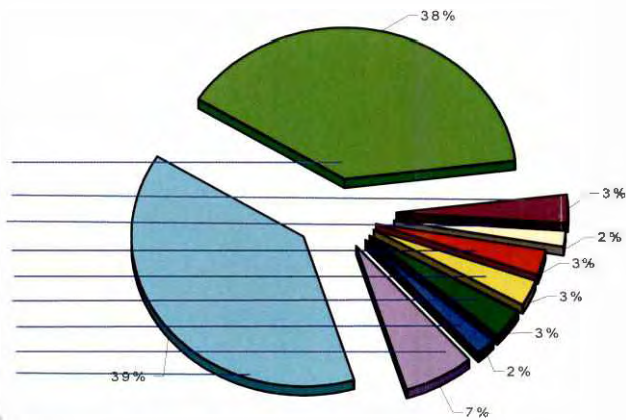
**2007**

DESCRIPTION	AMOUNT COLLECTED
Corporation Tax	13,087,996
Others	909,501
Travel Tax	540,687
Purchase Tax	158,884
Property Tax	942,991
Income Tax (Self Employed)	1,250,710
Travel Voucher Tax	571,092
With holding Tax	2,127,448
Income Tax Others	12,892,546
<b>TOTAL</b>	<b>32,481,856</b>



**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>





**REFUNDS AND NET REVENUE COLLECTION**

During the period under review refund of taxes totalling \$1.2 Million were paid to taxpayers of various categories as is shown in Table V below. This represented approximately 0.13% of the total refunds claimed during the year and prior periods. A realistic estimate of the unpaid refunds at 31<sup>st</sup> December, 2007 was \$988 Million of which Corporation Tax represented 83% or \$819M of the unpaid refunds. Non-payment of refunds was largely on account of the inadequate provision of funds for this purpose in the 2007 Budget.

**TABLE V  
NET REVENUE COLLECTION 2007 (\$000)**

<b>DESCRIPTION</b>	<b>GROSS COLLECTIONS</b>	<b>REFUNDS</b>	<b>NET COLLECTIONS</b>
INCOME TAX	12,892,546	1,229	1,2891,317
CORPORATION TAX	13,087,996	31	13,087,965
PROPERTY TAX	942,991	-	942,991
WITHHOLDING TAX	2,127,448	-	2,127,448
OTHER TAXES & DUTIES	3,430,874	-	3,430,874
<b>TOTAL</b>	<b>32,481,855</b>	<b>1,260</b>	<b>32,480,595</b>



**RETURN PROCESSING & TAXPAYER SERVICES**

**FILING OF TAX RETURNS**

During the year 2007, the Internal Revenue received a total of sixty-three thousand and four (63,004) 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 2002 to 2007. New filers in the year 2007 in respect of Corporation Tax Returns were 198, employed persons 2,589 and self-employed were 2,052.

**TABLE VI  
RETURNS FILED BY TAXPAYER TYPE**

YEAR	EMPLOYEES	SELF-EMPLOYED	COMPANIES	TOTAL	INCREASE/DECREASE OVER PREVIOUS YEAR	
					AMOUNT	%
2002	54,493	33,782	1,209	<b>89,484</b>	18,035	25.2
2003	39,101	18,195	2,147	<b>59,443</b>	(30,041)	(33.6)
2004	40,812	26,924	1,987	<b>69,723</b>	10,280	17.3
2005	36,637	18,148	1,335	<b>56,120</b>	(13,603)	(19.5)
2006	35,662	21,416	1,392	<b>58,470</b>	2,350	4.2
2007	37,254	24,366	1,384	<b>63,004</b>	4,534	7.7

**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 VII, shows details of returns assessed during the year 2007.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



**TABLE VII  
DETAILS OF RETURNS ASSESSED**

TAXPAYER	INCOME TAX	CORPORATION TAX	PROPERTY TAX	TOTAL
Employees	13,298	N/A	742	14,040
Self- Employed	7,160	N/A	1,752	8,912
Corporations	N/A	492	677	1,169
<b>TOTAL</b>	<b>20458</b>	<b>492</b>	<b>3,171</b>	<b>24,121</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 2007.

A comparative analysis of the various types of Tax Compliance certificates issued during 2006 and 2007 is outlined in the Table VIII. A total of twelve thousand and twenty-six (12,026) compliance certificates were issued during the year. Of that total, three thousand, six hundred and twenty-three (3,623) compliances were issued for Land and Buildings, six thousand, two hundred and ninety-six (6,296) for motor vehicles and two thousand, one hundred and seven (2,107) for tender purposes.

**TABLE VIII  
CERTIFICATES OF COMPLIANCE ISSUED**

TYPE OF CERTIFICATE	GEORGETOWN OFFICE		BRANCH OFFICES		TOTAL	
	2006	2007	2006	2007	2006	2007
<b>Land</b>	2,233	2,586	961	1,037	3,194	3,623
<b>Motor Vehicles</b>	4,889	5,174	1,036	1,122	5,925	6,296
<b>Tender</b>	1,533	1,642	403	465	1,936	2,107
<b>Total</b>	<b>8,655</b>	<b>9,402</b>	<b>2,400</b>	<b>2,624</b>	<b>11,055</b>	<b>12,026</b>



## LICENCE REVENUE

A total of forty-four thousand, one hundred and eighty-six (44,186) motor vehicle licences were processed during 2007 as compared with fifty-five thousand, three hundred and fifty-seven (55,357) in 2006. New registrations for the year amounted to eight thousand, seven hundred and thirty-nine (8,739) while the corresponding figure for 2006 was eleven thousand, five hundred and fifty-five (11,555). Table IX sets out the various categories of vehicles licensed and the new vehicles registered during the year 2007 as compared with 2006.

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

Type of Vehicle	Licenced Motor Vehicles 2007	New Registrations		Increase/Decrease
		2006	2007	
Private Cars	16,742	3,607	2,421	(1186)
Hire Cars	3,013	519	601	82
Buses/Mini Buses	3,097	509	505	(4)
Lorries	2,845	582	561	(21)
Jeep	2,000	528	2,968	2440
Land Cruiser/Rover	600	9	364	355
Construction Vehicles	140	221	3	(218)
Hearses	16	-	-	-
Ambulances	8	3	1	(2)
Fire Appliances	-	1	8	7
Station Wagon	160	65	-	(65)
Motor cycles	10,056	4,573	161	(4,412)
Vans / Pickups	3,335	571	613	42
Trailers	1,170	204	173	(31)
Articulated Vehicles	190	46	44	(2)
Tractors	814	117	316	199
<b>Total</b>	<b>44,186</b>	<b>11,555</b>	<b>8,739</b>	<b>(2,816)</b>

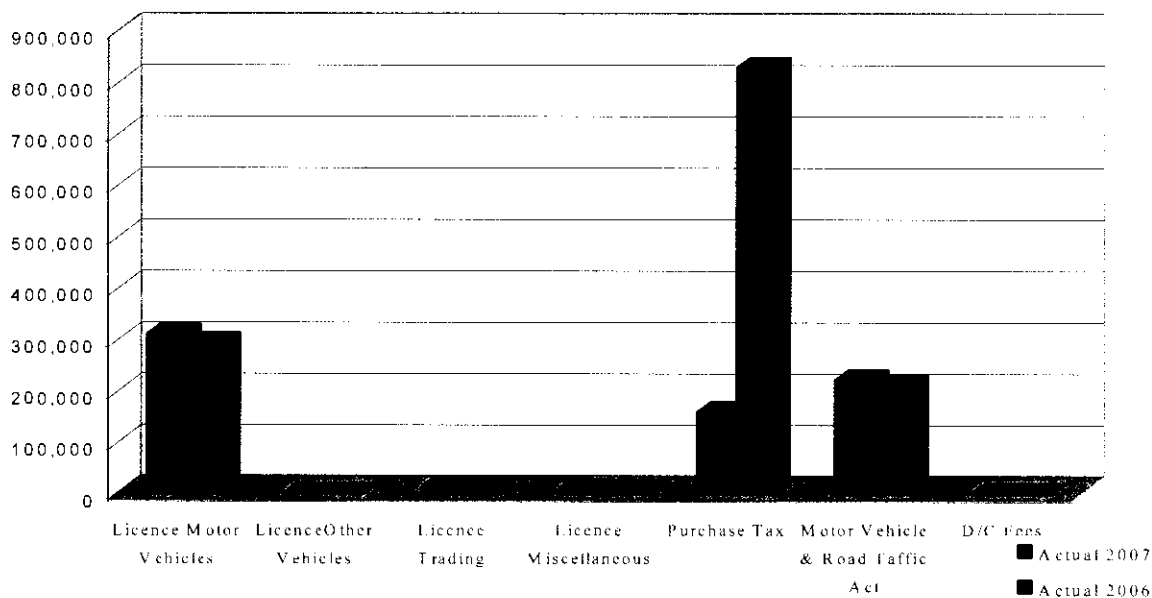
Table X shows the revenue collection from the Licence Revenue Office in the year 2007 compared with 2006. During the year, a total of \$711 million was collected from all heads as compared with \$1,352 million in 2006. The decrease in revenue collection at the Licence Revenue Office for 2007 relative to 2006 resulted mainly from the repeal of the provisions relating to Purchase Tax and the enactment of the Value Added Tax. Chart III compares revenue collected for the year 2007 with the year 2006.



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

Description	Actual 2007	Actual 2006
Licence Motor Vehicles	309,774	292,460
Licence – Other Vehicles	173	159
Licence – Trading	13,188	12,442
Licence – Miscellaneous	8,189	7,017
Purchase Tax	158,884	828,061
Motor Vehicles and Road Traffic Act	220,967	211,592
D/C Fees	0	0
<b>Total Collection</b>	<b>711,175</b>	<b>1,351,731</b>

**CHART III  
LICENCE REVENUE  
REVENUE COLLECTION  
FOR THE YEAR 2007 RELATIVE TO 2006 (\$ 000)**



## 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 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 2007, there were four thousand nine hundred and five (4,905) un-finalised objections on hand. Four thousand, two hundred and forty-nine (4,249) of these related to individual taxpayers and the remaining six hundred and fifty-six (656) were in respect of companies. The details are contained in Table XI.

**TABLE XI  
OBJECTIONS BY TAXPAYERS**

<b>PARTICULARS</b>	<b>COMPANIES 2007</b>	<b>INDIVIDUALS 2007</b>	<b>TOTAL 2007</b>
Un-finalised at the beginning of the year	598	4,377	4,975
Registered during the year	203	1,812	2,015
<b>Sub-Total</b>	<b>801</b>	<b>6,189</b>	<b>6,990</b>
Less: Finalized during the year	145	1,940	2,085
Un-finalised at the end of the year	656	4,249	4,905

## ARREARS COLLECTION AND REVENUE PROTECTION

The work in this Division, serves to reinforce the compliance and enforcement objective pursued by the Internal Revenue Department. 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 2007, a total of one thousand three hundred and twenty-two (1,322) tax files were cleared manually. Through this process, a total of \$2.45 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

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



outstanding. Table XII shows a ten year comparison of current and arrears taxes collected including the year of assessment 2007.

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

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	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	28,803.8
	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	3,678.0
	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	32,481.8
	91.49	97.50	95.9	85.9	87.19	89.08	92.28	93.84	94.16	88.7
	8.51	2.50	4.1	14.1	12.81	10.92	7.72	6.16	5.84	11.3
	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, 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 2007 for the Customs and Trade Administration was \$5.8 Billion. However the actual revenue collected for the period was \$8.1 Billion which represents an increase of \$2.3 Billion or 39.6 % over the approved estimates. Revenue collected under several heads exceeded the estimates by \$2.4 Billion while revenue collected under other heads was under the estimates by \$.02 Billion. Import Duties and Consumption Tax collected early in the year under review were the major contributors to the increase in collection. Revenue collection for 2007 was below the 2006 collection figure of \$28 Billion by \$19.9 Billion or 71% due mainly to the repeal of the Consumption Tax Act and the enactment of the Value Added and Excise Tax Acts.

**TABLE XIII**  
**REVENUE COLLECTION**  
**CURRENT REVENUE APPROPRIATION FOR THE YEAR 2007 (\$ 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	4,400,100	5,980,823	5,980,823		1,580,723
2	Warehouse Rent & Charges	17,392	20,439	20,439		3,047
3	Export Duties	6,900	8,749	8,749		1,849
4	Licences-Liquor	-	-	-		
5	Miscellaneous	58,525	57,812	57,812	(713)	
6	Consumption Taxes	667,201	1,401,037	1,401,037		733,836
	-Oil Imports	-	385,337	385,337		385,337
	-Non-Oil Imports	-	311,221	311,221		311,221
	-Alcoholic Beverages	396,202	388,020	388,020	(8,182)	
	-Other Local Goods	181,955	190,947	190,947		8,992
	-Overseas Telephone Bills	88,079	125,369	125,369		37,290
	-Betting Shops	965	143	143	(822)	
7	Overtime Fees	76,779	96,882	96,882		20,103
8	Departmental Fines	66,728	55,346	55,346	(11,382)	
9	Stamp Duties	10,089	10,267	10,267		178
10	Environmental Tax	474,200	513,115	513,115		38,915
	<b>Total</b>	<b>5,777,914</b>	<b>8,144,470</b>	<b>8,144,470</b>	<b>(21,099)</b>	<b>2,387,655</b>

**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 are efficient and effective.

**DECLARATIONS**

During the year under review, the Division processed a total of fifty-two thousand, three hundred and eighty-eight (52,388) declarations. The amount of declarations processed during 2007 represents a decrease of approximately 4.7% as compared to the 2006 figure of fifty-four thousand, nine hundred and ninety-six (54,996). The decrease in the amount of declarations processed resulted from a minor decrease in trade activities.

**TABLE XIV  
DECLARATIONS PROCESSED**

<b>Month</b>	<b>2006</b>	<b>2007</b>	<b>Variance</b>
<b>JANUARY</b>	5,011	2,174	(2,837)
<b>FEBRUARY</b>	4,011	3,325	(686)
<b>MARCH</b>	4,729	5,044	315
<b>APRIL</b>	3,699	4,443	744
<b>MAY</b>	4,984	5,418	434
<b>JUNE</b>	4,891	4,885	(6)
<b>JULY</b>	4,202	4,573	371
<b>AUGUST</b>	5,007	4,071	(936)
<b>SEPTEMBER</b>	4,425	4,365	(60)
<b>OCTOBER</b>	4,611	5,428	817
<b>NOVEMBER</b>	4,888	4,846	(42)
<b>DECEMBER</b>	4,538	3,816	(722)
<b>TOTAL</b>	54,996	52,388	(2,608)

**WEIGHT OF IMPORTS AND EXPORTS**

Approximately 6.5 billion kg of cargo was processed during 2007. Of that amount, 1.6 billion kg were related to imports and 4.9 billion kg to exports. The amount of cargo processed during 2007 represents an increase of 3.1 billion kg when compared with the revised 2006 figure of 3.4 billion kg. Imports increased by 0.4 billion kg or 33 % while exports increased by 2.7 billion kg

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



or 122.7% when compared with the year 2006. These figures are set out in the Table XV below.

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

Months	2006 (Revised)			2007		
	Imports	Exports	Total	Imports	Exports	Total
January	54,100,000	69,500,000	123,600,000	41,900,000	68,200,000	110,100,000
February	61,900,000	149,300,000	211,200,000	207,100,000	61,000,000	268,100,000
March	81,800,000	83,500,000	165,300,000	198,600,000	211,700,000	410,300,000
April	212,800,000	173,500,000	386,300,000	133,602,000	210,200,000	343,802,000
May	98,100,000	258,400,000	356,500,000	237,501,000	621,500,000	859,001,000
June	75,900,000	151,100,000	227,000,000	112,200,000	1,948,600,000	2,060,800,000
July	89,400,000	284,900,000	374,300,000	133,000,000	691,600,000	824,600,000
August	92,200,000	145,900,000	238,100,000	97,700,000	81,400,000	179,100,000
September	213,900,000	251,900,000	465,800,000	91,900,000	116,000,000	207,900,000
October	63,200,000	398,600,000	461,800,000	144,300,000	737,300,000	881,600,000
November	79,200,000	102,200,000	181,400,000	91,700,000	130,200,000	221,900,000
December	92,500,000	146,200,000	238,700,000	124,000,000	68,200,000	192,200,000
<b>Total</b>	<b>1,215,000,000</b>	<b>2,215,000,000</b>	<b>3,430,000,000</b>	<b>1,613,503,000</b>	<b>4,945,900,000</b>	<b>6,559,403,000</b>

## VALUE OF IMPORTS AND EXPORTS

The value of imports and exports for 2007 totalled \$439.7 billion. This amount represents an increase of approximately \$143 billion over the revised 2006 value of \$296.7 billion. The 2007 figure represents \$283.1 billion and \$156.6 billion for import and export values respectively, while the value for 2006 represents \$178.9 billion for imports and \$117.8 billion for exports. This is shown in Table XVI overleaf.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



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

Months	2006 (Revised)			2007		
	Imports	Exports	Total	Imports	Exports	Total
January	15,200,000,000	6,900,000,000	22,100,000,000	4,500,000,000	8,600,000,000	13,100,000,000
February	13,700,000,000	8,600,000,000	22,300,000,000	11,200,000,000	5,700,000,000	16,900,000,000
March	15,200,000,000	9,500,000,000	24,700,000,000	20,100,000,000	19,100,000,000	39,200,000,000
April	12,000,000,000	8,200,000,000	20,200,000,000	85,173,000,000	24,100,000,000	109,273,000,000
May	18,500,000,000	18,000,000,000	36,500,000,000	22,536,000,000	13,443,000,000	35,979,000,000
June	14,600,000,000	6,800,000,000	21,400,000,000	19,300,000,000	13,500,000,000	32,800,000,000
July	15,400,000,000	6,700,000,000	22,100,000,000	18,100,000,000	13,000,000,000	31,100,000,000
August	16,600,000,000	12,500,000,000	29,100,000,000	21,600,000,000	10,600,000,000	32,200,000,000
September	12,600,000,000	9,100,000,000	21,700,000,000	19,400,000,000	12,500,000,000	31,900,000,000
October	13,400,000,000	18,200,000,000	31,600,000,000	21,900,000,000	15,700,000,000	37,600,000,000
November	16,000,000,000	7,600,000,000	23,600,000,000	16,500,000,000	10,900,000,000	27,400,000,000
December	15,700,000,000	5,700,000,000	21,400,000,000	22,800,000,000	9,500,000,000	32,300,000,000
<b>Total</b>	<b>178,900,000,000</b>	<b>117,800,000,000</b>	<b>296,700,000,000</b>	<b>283,109,000,000</b>	<b>156,643,000,000</b>	<b>439,752,000,000</b>

## REVENUE FROM IMPORTS AND EXPORTS

Revenue collected on the value of imports and exports during 2007 amounted to \$5.9 billion and \$8.7 million respectively. The corresponding figures for 2006 were \$21.9 billion on the value of imports and \$7.1 million on the value of exports. A comparison of the collection figures for 2006 and 2007 reveals a 72.6% decrease in revenue collected on imports and a 22.7% increase in revenue collected on exports. Please see Table XVII overleaf.



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

Month	2006				2007				Variance			
	Imports	Exports	Other	Total	Imports	Exports	Other	Total	Imports	Exports	Other	Total
JAN.	1,602,000	452	628,548	2,231,000	318,145	601	1,366,343	1,685,089	(1,283,855)	149	737,795	(545,911)
FEB.	1,495,000	882	409,118	1,905,000	378,683	715	49,972	429,370	(1,116,317)	(167)	(359,146)	(1,475,630)
MARCH	1,854,000	931	434,069	2,289,000	502,067	662	112,238	614,967	(1,351,933)	(269)	(321,831)	(1,674,033)
APRIL	1,476,000	454	498,546	1,975,000	446,636	743	47,427	494,806	(1,029,364)	289	(451,119)	(1,480,194)
MAY	2,073,000	452	574,548	2,648,000	440,050	918	56,739	497,707	(1,632,950)	466	(517,809)	(2,150,293)
JUNE	1,982,000	403	502,597	2,485,000	483,496	333	67,673	551,502	(1,498,504)	(70)	(434,924)	(1,933,498)
JULY	1,798,000	689	490,311	2,289,000	537,476	728	63,596	601,800	(1,260,524)	39	(426,715)	(1,687,200)
AUG.	1,696,000	573	502,427	2,199,000	600,232	676	49,223	650,131	(1,095,768)	103	(453,204)	(1,548,869)
SEPT.	1,860,000	561	531,439	2,392,000	490,163	854	91,455	582,472	(1,369,837)	293	(439,984)	(1,809,528)
OCT.	1,875,000	564	425,436	2,301,000	616,354	829	74,888	692,071	(1,258,646)	265	(350,548)	(1,608,929)
NOV.	2,142,000	659	585,341	2,728,000	618,885	910	92,613	712,408	(1,523,115)	251	(492,728)	(2,015,592)
DEC.	2,005,000	512	596,488	2,602,000	548,636	779	82,732	632,147	(1,456,364)	267	(513,756)	(1,969,853)
<b>TOTAL</b>	<b>21,858,000</b>	<b>7,132</b>	<b>6,178,868</b>	<b>28,044,000</b>	<b>5,980,823</b>	<b>8,748</b>	<b>2,154,899</b>	<b>8,144,470</b>	<b>(15,877,177)</b>	<b>1,616</b>	<b>(4,023,969)</b>	<b>(19,899,530)</b>



## **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 the month of February, operations commenced at the Bartica regional office which was manned by two staff members whose main responsibilities were the entering and clearing of yachts. Staff at the Corriverton office continued to facilitate the clearance of the ferry operating between Guyana and Suriname and the temporary importation/exportation of vehicles which amounted to four thousand, seven hundred and twenty-seven (4,727). Four hundred and forty-six (446) international vessels were examined and reports prepared on them while six hundred and ninety-seven (697) incoming and six hundred and thirteen (613) outgoing ships' files were completed.

The examination of incoming postal packages amounted to three thousand, three hundred and twenty-one (3,321) while outgoing packages examined totaled seven hundred and twenty-five (725). Staff at various locations processed a combined total of four thousand, two hundred and seventeen (4,217) customs declarations and examined and released one thousand and eighteen (1,018) consignments of cargo. In addition, nine hundred and fifty-five (955) liquor licences were issued and seven hundred and twenty-four (724) were renewed. Revenue collected from outstations amounted to \$244.5 million.

### **CHEDDI JAGAN INTERNATIONAL AIRPORT**

At the Cheddi Jagan International Airport officers continued to process arriving and departing aircrafts 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 \$286.8 million. Of this amount, \$273.4 million or 95% was collected as import duty while the remaining \$13.4 million was collected from other duties, taxes and fees including Export Duty, Environmental Tax, processing fees and other charges.

Revenue collection is shown in the table overleaf.

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

<b>Location</b>	<b>2006</b>	<b>2007</b>	<b>% Variance</b>
CJIA - Timehri	703,721,074	286,826,810	(59.24)
Anna Regina	18,648,089	21,515,024	15.37
Lethem	38,908,269	21,595,060	(44.49)
Linden	1,787,609	1,768,651	(1.06)
New Amsterdam	18,547,938	9,224,373	(50.27)
Corriverton	152,518,589	190,327,778	24.79
Bartica	-	27,500	100
<b>Total</b>	<b>934,131,568</b>	<b>531,285,196</b>	<b>(43.13)</b>



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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. This mandate is carried out through four (4) Divisions namely: (a) Operations, (b) Compliance and Arrears Collection, (c) Legislation, Tax Advisory Services and Objections and (d) Regional Offices.

### **GROSS REVENUE COLLECTION**

The approved estimate for the Department for the year under review was \$24.8 billion while revenue collection amounted to \$37.8 billion representing an increase of \$13 billion or approximately 52.4% over the approved estimate. A further analysis reveals that collection of Value Added Tax amounted to \$22.5 billion which represents an increase of \$10.4 billion or 85.9% over the estimate of \$12.1 billion while collection of Excise Tax amounted to \$15.3 billion representing an increase of \$2.6 billion or 20.5% over the approved estimate of \$12.7 billion. The approved estimate for Licence Fees was \$16.1 million and collection amounted to \$13.8 million. During the year, after payment of refunds, revenue amounting to \$36.7 billion was paid into the Consolidated Fund.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



**TABLE XIX  
REVENUE COLLECTION  
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2007 (\$ 000)**

Sub-Head Revenue	Approved Budget	Amount Collected	Amount Paid into Consolidated Fund	Under the Estimate	Over the Estimate
<b>Value Added Tax:</b>	<b>12,111,332</b>	<b>22,490,664</b>	<b>22,490,664</b>		<b>10,379,332</b>
<b>591 Imports</b>	<b>7,950,152</b>	<b>13,389,438</b>	<b>13,389,438</b>		<b>5,439,286</b>
Goods	7,950,152	13,376,328	13,376,328		5,426,176
Services	-	13,110	13,110		13,110
<b>592 Domestic Supply</b>	<b>4,161,180</b>	<b>9,091,273</b>	<b>9,091,273</b>		<b>4,930,093</b>
Goods	4,161,180	9,091,273	9,091,273		4,930,093
Services	-	-	-		
<b>598 Miscellaneous - VAT:</b>	<b>-</b>	<b>9,953</b>	<b>9,953</b>		<b>9,953</b>
Interest	-	2,847	2,847		2,847
Penalties	-	7,106	7,106		7,106
<b>Excise Tax:</b>	<b>12,725,668</b>	<b>15,384,017</b>	<b>15,384,017</b>		<b>2,658,349</b>
<b>595 Imports</b>	<b>10,375,094</b>	<b>13,819,627</b>	<b>13,819,627</b>		<b>3,444,533</b>
Motor Vehicles	2,202,424	4,540,323	4,540,323		2,337,899
Petroleum Products	6,749,363	8,040,301	8,040,301		1,290,938
Tobacco Products	751,309	899,385	899,385		148,076
Alcoholic Beverages	671,997	339,618	339,618	(332,379)	
<b>596 Domestic</b>	<b>2,350,575</b>	<b>1,564,390</b>	<b>1,564,390</b>	<b>(786,185)</b>	
Alcoholic Beverages	2,350,575	1,564,390	1,564,390	(786,185)	
<b>599 Miscellaneous - Excise:</b>	<b>-</b>	<b>-</b>	<b>-</b>		
Interest	-	-	-		
Penalties	-	-	-		
<b>Licence Fees</b>	<b>16,186</b>	<b>13,863</b>	<b>13,863</b>	<b>(2,323)</b>	
Liquor Licence	16,186	13,863	13,863	(2,323)	
<b>TOTAL</b>	<b>24,853,187</b>	<b>37,888,544</b>	<b>37,888,544</b>	<b>(1,120,887)</b>	<b>14,156,245</b>
<b>Refunds Paid</b>			<b>1,161,502</b>		
<b>Funds transferred to Consolidated Fund (net)</b>			<b>36,727,042</b>		

## REGISTRATION

During the year, the Section issued nine hundred and twenty-one (921) registration packages to potential registrants. However, registration was completed for eight hundred and twenty-eight (828) Value Added Tax and four (4) Excise Tax registrants and registration certificates were issued to all of them. De-registration activities were also conducted resulting in one hundred and thirty-seven (137) Value Added Tax and two (2) Excise Tax registrants being de-registered during the year while similar activities remained pending at the end of the year for forty-eight (48) Value Added Tax and three (3) Excise Tax registrants.

## RETURNS PROCESSING

A total of twenty-two thousand, two hundred and ninety-four (22,294) returns were filed by Value Added Tax registrants and twenty-two (22) by Excise Tax registrants during the year under review. Staff reviewed and processed eighteen thousand and forty-eight (18,048) Value Added Tax returns and twenty-two (22) Excise Tax returns while investigation into the accuracy of a further one thousand, eight hundred and eight (1,808) Value Added Tax returns remained pending. This is shown in Table XX below.

**TABLE XX**  
**RETURNS FILED BY TAX TYPE**

<b>Tax Type</b>	<b>Returns Distributed</b>	<b>Returns Filed</b>	<b>Returns Processed</b>
Value Added Tax	29,091	22,294	18,048
Excise Tax	22	22	22
<b>Total</b>	<b>29,113</b>	<b>22,316</b>	<b>18,070</b>

## REFUNDS VERIFICATION AND PROCESSING

Requests for refunds can arise in two main categories namely: refund of input tax claimed under section 35 of the VAT Act 2005 and refunds for special cases, claimed under Section 37 of the Act. Staff processed a total of eight hundred and twelve (812) claims for refund of taxes amounting to \$2.1 billion. Of that total, six hundred and eighty-three (683) were claimed under Section 35 and one hundred and twenty-nine (129) under Section 37. Of the total number of claims for refunds, one hundred and thirteen (113) amounting to \$112.4 million were rejected and six hundred and ninety-nine (699) were processed. Of the claims processed, four hundred and sixty-two (462) were paid resulting in \$1.16 billion in taxes being refunded. This is shown in the table overleaf.



**TABLE XXI  
DETAILS OF REFUND APPLICATIONS PROCESSED (\$000)**

Description	Section 35		Section 37		Total	
	Number	Amount (\$)	Number	Amount (\$)	Number	Amount (\$)
<b>Received</b>	683	2,020,761	129	92,981	812	2,113,742
<b>Rejected</b>	99	111,654	14	772	113	112,426
<b>Processed</b>	584	1,706,838	115	53,447	699	1,760,285
<b>Paid</b>	375	1,121,278	87	40,224	462	1,161,502

**LEGISLATION AND TAX ADVISORY SERVICES**

Activities carried out by the staff attached to this Division focused on ensuring that registrants and consumers understood the requirements of the Act and Regulations and were provided with advice and information whenever necessary.

Staff provided two thousand, eight hundred and twenty (2,820) responses to telephone requests for advice/information on VAT and Excise Tax related issues, one thousand, five hundred and thirty-one (1,531) responses to visiting taxpayers/members of the public and a further three hundred and fifty-two (352) written responses were also prepared and dispatched. Advisory and compliance visits to registrants totalled two thousand, one hundred and forty-one (2,141) while eighty-eight (88) seminars and information sessions were conducted. Staff also participated in outreach activities including “Talk Tents” to educate registrants and consumers, appeared on television programs and provided information and assistance to other Section/Units.

**OBJECTIONS**

The Value Added Tax Act of 2005 allows registered taxpayers to file an objection against decisions made by the Commissioner, Value Added and Excise Taxes. During the year, only two objections were registered by the Department and both were outstanding at the end of the year. Taxes amounting to \$657,117 were objected to by registrants.

**COMPLIANCE**

Services provided by this Division are focused on ensuring that registrants comply with the requirements of the Value Added Tax Act and Regulations. Activities undertaken include routine compliance visits and investigations into instances of non-compliance.



# **ANNUAL REPORT & STATEMENT OF ACCOUNTS**

Compliance Officers investigated one thousand, three hundred and fifty-nine (1,359) cases where registrants failed to file VAT returns and four hundred and ninety-three (493) instances of failure to register with the Department. There were three hundred and thirty-seven (337) cases where estimated assessments were raised while the Division dealt with seven (7) requests for time to file returns. In addition, three hundred and fifty-six (356) warning letters were prepared and issued to taxpayers and one hundred and eight (108) reports were prepared with a view to instituting legal proceedings.

## **IMPORT VERIFICATION**

This Unit, which is under the directive of the Deputy Commissioner, Value Added and Excise Taxes was established to conduct risk analysis and random sampling of customs declarations in an effort to prevent revenue leakage. The Unit is also mandated to build and maintain a Customs valuation database.

During 2007, staff attached to the Unit examined six thousand, three hundred and seventy-two (6,372) Customs declarations of which six thousand and eighty (6,080) were verified correct and two hundred and ninety-two (292) were adjusted and additional Value Added and Excise taxes levied on the items. As a result, \$150.6 million in additional revenue was identified of which Value Added Tax amounted to \$40million and Excise Tax amounted to \$66 million. The remaining revenue was for customs duties.

## **REGIONAL OFFICES**

Regional Offices of the Department were established during the year under review in six areas namely: Linden, Anna Regina, Rosignol, New Amsterdam, Corriverton and Parika. These offices, although understaffed, provided service to a combined total of four hundred and forty-two (442) registrants.

Staff attached to the offices received two thousand, six hundred and ninety-five (2,695) returns which were further processed at the main office. Compliance/advisory visits conducted by staff amounted to three hundred and twenty (320) while checks at places of entertainment totaled thirty-eight (38). Twenty-two (22) applications for the refund of taxes were received.

The renewal and issue of new liquor licences were carried out at all regional offices resulting in three hundred and forty-three (343) licences being renewed while one hundred and fifty-six (156) new licences were issued. Officers also conducted visits to establishments to ensure that requirements were met before the licences were issued.

Revenue collection in the regions and the CJIA amounted to \$756.8 million of which \$728.8 million or 96% were Value Added Taxes, and \$28 million or 4% were Excise Taxes. Of the \$728.8 million collected for VAT, \$552.9 million or 76% were on imports and \$175.9 million or 24 % were on domestic goods and services. Table XXII overleaf shows revenue collection at Regional offices and the CJIA



**TABLE XXII  
REVENUE COLLECTION (\$)  
VALUE ADDED AND EXCISE TAXES**

Area	Value Added Tax			Excise Tax			Total
	Imports	Domestic	Total	Imports	Liquor	Total	
<b>New Amsterdam</b>	2,000,510	79,705,891	81,706,401	-	2,631,130	2,631,130	84,337,531
<b>Anna Regina</b>	20,460,678	36,879,826	57,340,504	173,440	1,226,009	1,399,449	58,739,953
<b>Linden</b>	88,977	22,414,965	22,503,942	-	207,250	207,250	22,711,192
<b>Lethem</b>	22,298,962	454,941	22,753,903	71,550	-	71,550	22,825,453
<b>Corriverton</b>	115,871,264	36,441,299	152,312,563	3,504,192	36,250	3,540,442	155,853,005
<b>CJIA</b>	349,406,513	-	349,406,513	20,150,444	-	20,150,444	369,556,957
<b>CJIA (Baggage)</b>	42,794,491	-	42,794,491	-	-	-	42,794,491
<b>Total</b>	<b>552,921,395</b>	<b>175,896,922</b>	<b>728,818,317</b>	<b>23,899,626</b>	<b>4,100,639</b>	<b>28,000,265</b>	<b>756,818,582</b>

## REMISSION OF DUTIES AND TAXES

### *Customs Duty and Value Added 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 Value Added Tax Act No. 10 of 2005 except in cases where they are specifically zero rated and exempt 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 Value Added Tax Act No. 10 of 2005. These exemptions include:

- ◆ Remissions agreed to by Government of Guyana with external, bilateral and multilateral agencies including CARICOM, CET.

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



- ◆ 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.

### *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

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



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 and the Value Added and Excise Taxes Department for the year 2007 relative to the year 2006.

**TABLE XXIII**  
**REVENUE COLLECTION RELATIVE TO THE**  
**VALUE OF EXEMPTIONS GRANTED IN 2007**  
**(\$000)**

	Total Revenue		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2006	2007	2006 (revised)	2007	2006	2007	2006 (revised)	2007
<b>Total</b>	28,044,184	44,871,512	9,333,865	24,551,104	16,260,656	15,871,238	25,594,521	40,422,342
<b>Ratio of remission to revenue collection</b>			33.28%	54.71%	57.98%	35.37%	91.26%	90.08%

Total Exemptions for 2007 was G\$40,422,342,616 representing 90.08% of total revenue collections for the period which was G\$44,871,512,000. Conditional Exemptions was G\$24,551,104,077 or 54.71% of the total revenue collection while Unconditional Exemptions represented 35.37% or \$15,871,238,539 of total revenue collection.

The large amount of conditional exemptions during the year under consideration, can be attributed to factors including increased exemptions to companies resulting from an increased number of Investment Agreements approved by the Government of Guyana to sustain economic development. The extraordinary non-recurring event of Cricket World Cup 2007, an increase in the importation of fuel from outside CARICOM and the ongoing GUYSUCO-Skeldon Modernisation Project during the period under review, also contributed to an increase in the value of exemptions granted.



## *Audit Office of Guyana*

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AG: 79/2008

7 November 2008

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 2007

I have audited the financial statements of Guyana Revenue Authority as set out on pages 4 to 14 in accordance with the Audit Act 2004.

### 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 clauses is the responsibility of the management of the Guyana Revenue Authority. My responsibility is to express an independent opinion on these statements based on my audit and to report my opinion to you.

### Basis of Opinion

The audit was conducted in accordance with Generally Accepted Auditing Standards, including those of the International Organization of Supreme Audit Institutions (INTOSAI) and the International Standards on Auditing, issued by the 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 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 on pages 4 to 14 present fairly, in all material respects, the financial position of the Guyana Revenue Authority as at 31 December 2007, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.



AUDIT OFFICE  
63 HIGH STREET  
KINGSTON  
GEORGETOWN  
GUYANA

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority

### Balance Sheet

As at 31<sup>st</sup> December, 2007

	Notes	2007	2006
<b>Fixed Assets</b>	<b>2</b>		
Land and Buildings		492,594,933	477,435,360
Motor Vehicles & Craft		141,672,390	99,847,390
Computer Equipment		250,811,735	175,465,294
Office Equipment		171,905,614	122,482,175
Containers		1,442,000	824,000
Office Furniture		99,613,203	70,160,332
		<u>1,158,039,875</u>	<u>946,214,551</u>
Capital Work in Progress		1,280,055	-
		<u>1,159,319,930</u>	<u>946,214,551</u>
<b><u>Current Assets</u></b>			
Inventories	<b>3</b>	19,017,637	9,630,045
Cash in hand	<b>4</b>	2,244,957	2,230,014
Cash at bank	<b>5</b>	16,340,703	25,277,375
		<u>37,603,297</u>	<u>37,137,434</u>
<b><u>Current Liabilities</u></b>			
Balance due to Consolidated Fund		3,943,103	12,685,775
Grants	<b>7</b>	12,384,400	12,384,400
		<u>16,327,503</u>	<u>25,264,175</u>
<b>Net Assets</b>		<u><u>1,180,595,724</u></u>	<u><u>958,087,810</u></u>
<b><u>Financed By:</u></b>			
Government of Guyana Contribution	<b>6</b>	1,048,404,071	943,345,287
FFM Asset Finance		117,449,130	
Public Service Technical Assistance Credit		14,742,523	14,742,523
		<u>1,180,595,724</u>	<u>958,087,810</u>

## Guyana Revenue Authority Income and Expenditure Account For the year ended 31<sup>st</sup> December, 2007

	Notes	2007	2006
<b>Subsidy</b>		<b>2,170,304,703</b>	<b>1,889,986,213</b>
<b>GOG Subventions</b>		<b>-</b>	<b>15,525,865</b>
<b>FFM – Reimbursements for Rent</b>	<b>19</b>	<b>19,500,000</b>	<b>7,800,000</b>
<b>Redeposited – Refund of Revenue Cheques</b>		<b>1,414,215</b>	
<b>Total Income</b>		<b>2,191,218,918</b>	<b>1,913,312,078</b>
Wages and Salaries	<b>8</b>	868,990,526	702,562,139
Revision of Wages & Salaries		91,477,660	40,731,134
Overhead Expenditure	<b>9 a&amp;b</b>	494,527,168	451,688,689
<b>TOTAL WAGES AND SALARIES</b>		<b>1,455,995,354</b>	<b>1,194,981,962</b>
Material Equipment & supplies	<b>10</b>	124,413,064	75,738,211
Fuel and Lubricants		48,792,441	36,847,761
Rental and Maintenance of Buildings	<b>11</b>	107,298,948	118,565,100
Transport Travel and Postage	<b>12</b>	107,071,207	94,826,766
Utility Charges	<b>13</b>	83,464,518	76,369,421
Other Goods and Services	<b>14</b>	161,132,713	125,967,708
Other Operating Expenses	<b>15</b>	88,240,351	117,722,278
Education Subventions and Training	<b>16</b>	8,164,628	3,937,262
Rates and taxes & Subvention to Local Authorities	<b>17</b>	569,389	-
Subsidies and Contribution to Local Organisations	<b>18</b>	1,326,184	10,961,105
<b>REFUNDS OF REVENUE</b>		<b>1,260,005</b>	<b>33,516,456</b>
<b>TOTAL OTHER CHARGES</b>		<b>731,733,448</b>	<b>694,452,068</b>
<b>TOTAL EXPENSES</b>		<b>2,187,728,802</b>	<b>1,889,434,030</b>
<b>Excess of Grant Over Expenditure</b>			3,199,414
<b>Excess of Releases Over Expenditure</b>		3,490,116	8,352,183
		<b>3,490,116</b>	<b>11,551,597</b>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Guyana Revenue Authority Cash Flow Statement For the year ended 31<sup>st</sup> December, 2007

	2007	2006
<b><u>Cash Flows from operating activities</u></b>		
<b>Receipts</b>		
Cash Releases from Government of Guyana	2,170,304,703	1,889,986,213
Grant	-	15,525,865
FFM – Reimbursements for Rent	19,500,000	
Redeposited – Refund of Revenue Cheques	1,414,215	
<b>Payments</b>		
Grant-Customs Sports Tournament	-	(12,326,451)
Cash paid to suppliers and employees	(2,187,728,802)	(1,889,434,030)
<b>* Net Cash flow from operating activities</b>	<b>3,490,116</b>	<b>11,551,597</b>
<b><u>Cash Flows from investing activities</u></b>		
Cash Releases from Government of Guyana	66,000,000	65,000,000
Purchase of property, plant and equipment	(64,257,878)	(63,671,822)
Capital Work in Progress	(1,280,055)	-
<b>Net Cash flow from investing activities</b>	<b>462,067</b>	<b>1,328,178</b>
Net increase in cash	3,952,183	12,879,775
Cash at beginning of period	25,264,175	37,078,503
Cash repaid to Government of Guyana	(12,879,775)	(24,694,103)
Unreconciled Difference	(9,080)	
<b>Cash at end of period</b>	<b>16,327,503</b>	<b>25,264,175</b>
Due to Consolidated Fund	3,943,103	12,879,775
Current	3,481,036	8,352,183
Capital	462,067	1,328,178
Subvention	-	3,199,414
Grants	12,384,400	12,384,400
	<b>16,327,503</b>	<b>25,264,175</b>

\* Note 20

2006 Audited Net Cash flow from operation activity was not correctly stated since it did not agree with the 2006 Audited Income and Expenditure Account.

Adjustments were made to the Cash Flow 2006 comparative figure to reflect the correct amount as follows:

Net Cash Flow from operation activity – Increased by \$194,000

Amount due to consolidated fund for 2006 – Increased by \$194,000 (New total represents actual amount paid to MOF)

Cash at Bank for 2006 - Decreased by \$194,000



## Guyana Revenue Authority Notes on the Financial Statements For the year ended 31<sup>st</sup> December, 2007

### Note 1. Significant Accounting Policies

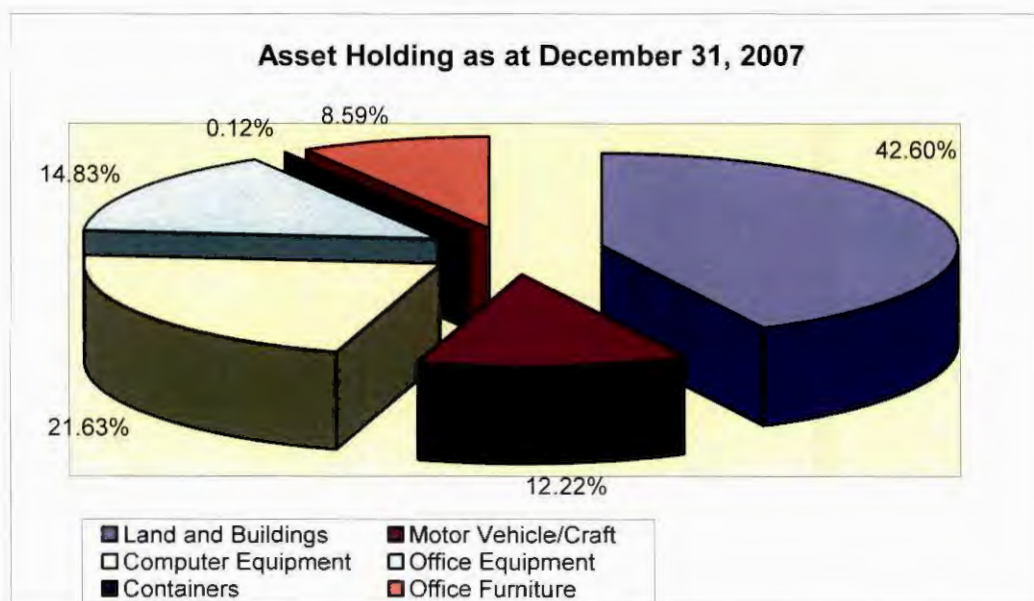
- A. The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets
- B. No depreciation is provided on fixed assets as the Revenue Authority operates on a cash basis from an allocation provided by Parliament in the Estimates of 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 twenty-three (23) motor vehicles during 2007. These were valued at \$35.7 M 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 2007 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, 2007</b>							-
Comprising							
<b>Valuation</b>	477,435,360	99,847,390	175,465,294	122,482,175	824,000	70,160,332	946,214,551
GRA Additions	15,159,573	36,780,000	11,466,550	22,020,564	618,000	13,975,691	100,020,378
<b>Work in Progress</b>	1,280,055						1,280,055
<b>FFMP</b>		5,045,000	67,496,095	27,402,875		17,505,180	117,449,150
<b>Disposals</b>	-	-	3,616,204	-	-	2,028,000	5,644,204
<b>Value of Fixed Assets at 31st December, 2007</b>	<b>493,874,988</b>	<b>141,672,390</b>	<b>250,811,735</b>	<b>171,905,614</b>	<b>1,442,000</b>	<b>99,613,203</b>	<b>1,159,319,930</b>

## Note 3. Inventories

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

	2007	2006
Office Materials & Supplies	12,501,037	6,824,280
Preprinted Forms	6,516,600	2,805,765
<b>Total</b>	<b>19,017,637</b>	<b>9,630,045</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	2007	2006
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	244,957	230,014
<b>Total</b>	<b>2,244,957</b>	<b>2,230,014</b>

## 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 Republic Bank.

	2007	2006
Bank of Guyana – Main A/c	16,327,503	25,264,175
<b>NBIC POS Accounts</b>		
Customs & Trade Administration	6,600	6,600
Internal Revenue	6,600	6,600
<b>Total</b>	<b>16,340,703</b>	<b>25,277,375</b>

## Note 6. Government of Guyana Contribution

The Accumulated Fund for the Authority at 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 2007.

Accumulated Fund	Fixed Assets	Net Current Assets	Total	2006
<b>As at 1st January</b>	931,472,028	11,873,259		<b>861,609,272</b>
<b>Movement during the year (Note 6a)</b>	213,105,379	9,402,535		<b>81,736,015</b>
<b>As at 31st December</b>	<b>1,144,577,407</b>	<b>21,275,794</b>		<b>943,345,287</b>

### Note 6a – Analysis of Movement during the Year

Purchases of Fixed Assets	64,257,878
Disposals of Fixed Assets	(5,644,204)
Inventories	9,387,592
Motor Vehicles acquired	35,762,520
Foreign Currency & POS Floats	14,943
Computer Equipment – FFMP Funded	117,449,130
Work in Progress	1,280,055
	<b>222,507,914</b>

## Note 7. Grants

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 2007 are shown below.

	2007	2006
Subventions – Local Authority		
Training Grant – ODS		
Caribbean Development Bank	12,384,400	12,384,400
<b>Total</b>	<b>12,384,400</b>	<b>12,384,400</b>

## Note 8. Wages and Salaries

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

Code	Description	2007	2006
6111	Administrative	181,379,620	150,156,380
6112	Senior Technical	174,369,162	117,191,488
6113	Other Technical & craft skills	172,133,777	142,656,820
6114	Clerical & Office Support	227,240,608	200,729,720
6115	Semi-Skilled and Unskilled operatives	102,984,059	89,986,458
6116	Contract Employees	9,442,638	490,000
6117	Temporary Employees	2,440,662	1,351,273
<b>TOTAL</b>		<b>869,990,526</b>	<b>702,562,139</b>

## Note 9a. Overhead Expenditure

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

Code	Description	2007	2006
6131	Other Direct Labour Costs (See Note 9b)	257,990,779	242,502,022
6133	Benefits & Allowances	134,316,889	121,584,638
6134	National Insurance	64,190,122	56,104,609
6135	Pensions	38,029,378	31,497,420
<b>TOTAL</b>		<b>494,527,168591</b>	<b>451,688,689</b>

## Note 9b. Members' Emoluments

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

Name	2007	2006
Lennox Benjamin	144,000	144,000
Clyde Roopchand	180,000	180,000
Ashni Singh	-	96,000
Sonia Roopnauth	132,000	-
Lawrence Williams	144,000	-
<b>Total</b>	<b>600,000</b>	<b>420,000</b>

## Note 10. Material Equipment & Supplies

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

Code	Description	2007	2006
6221	Drugs & Medical Supplies	174,246	168,075
6222	Field Materials & Supplies	-	-
6223	Office Materials & Supplies	54,813,847	29,723,089
6224	Print & Non Print Materials	69,424,971	45,847,047
<b>TOTAL</b>		<b>124,413,064</b>	<b>75,738,211</b>

## Note 11. Rental & Maintenance of Buildings

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

Code	Description	2007	2006
6241	Rental of Buildings	61,065,722	57,708,508
6242	Maintenance of Buildings	35,639,513	51,790,870
6243	Janitorial & Cleaning Supplies	10,593,713	9,065,722
<b>TOTAL</b>		<b>107,298,948</b>	<b>118,565,100</b>

## Note 12. Transport Travel & Postage

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

Code	Description	2007	2006
6261	Local Travel & Subsistence	64,234,698	53,781,028
6262	Overseas Conference & Official Visits	1,890,183	3,465,693
6263	Postage, Telex and Cablegram	6,429,179	7,047,615
6264	Vehicle Spares & Services	33,056,589	28,884,780
6265	Other Transport Travel & Postage	1,460,558	1,647,650
<b>TOTAL</b>		<b>107,071,207</b>	<b>94,826,766</b>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Note 13. Utility Charges

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

Code	Description	2007	2006
6271	Telephone Charges	20,884,508	16,167,441
6272	Electricity Charges	56,671,136	57,997,831
6273	Water Charges	2,193,116	315,889
6274	Wireless Charges	1,109,965	66,000
6275	Internet Charges	2,605,793	1,822,260
<b>TOTAL</b>		<b>83,464,518</b>	<b>76,369,421</b>

## Note 14. Other Goods & Services Purchased

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

Code	Description	2007	2006
6281	Security Services	88,161,578	55,027,235
6282	Equipment Maintenance	21,712,686	20,201,131
6283	Cleaning & Extermination Services	18,225,140	13,149,150
6284	Others	33,033,309	37,590,192
<b>TOTAL</b>		<b>161,132,713</b>	<b>125,967,708</b>

## Note 15. Other Operating Expenses

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

Code	Description	2007	2006
6291	National & Other Events	8,420,929	4,232,751
6293	Refreshments & Meals	3,313,421	2,314,663
6294	Others	76,506,001	111,174,864
<b>TOTAL</b>		<b>88,240,351</b>	<b>117,722,278</b>

## Note 16. Education Subvention & Training

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

Code	Description	2007	2006
6301	Education Subvention & Grants	-	-
6302	Training	8,164,628	3,937,262
<b>TOTAL</b>		<b>8,164,628</b>	<b>3,937,262</b>

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



## Note 17. Rates and Taxes and Subventions

Expenditure under this head comprised of the following sub-heads

Code	Description	2007	2006
6221	Rates and Taxes	569,389	-
6222	Subvention to Local Authorities	-	-
<b>TOTAL</b>		<b>569,389</b>	<b>-</b>

## Note 18. Subsidies & Contributions to Local & International Organisations

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

Code	Description	2007	2006
6321	Local Organisation	889,993	104,700
6322	International Organisation	436,191	10,856,405
<b>TOTAL</b>		<b>1,326,184</b>	<b>10,961,105</b>

## Note 19. FFMP – Reimbursement for Rent

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 reimbursed by FFMP for rent paid by GRA for 2007.

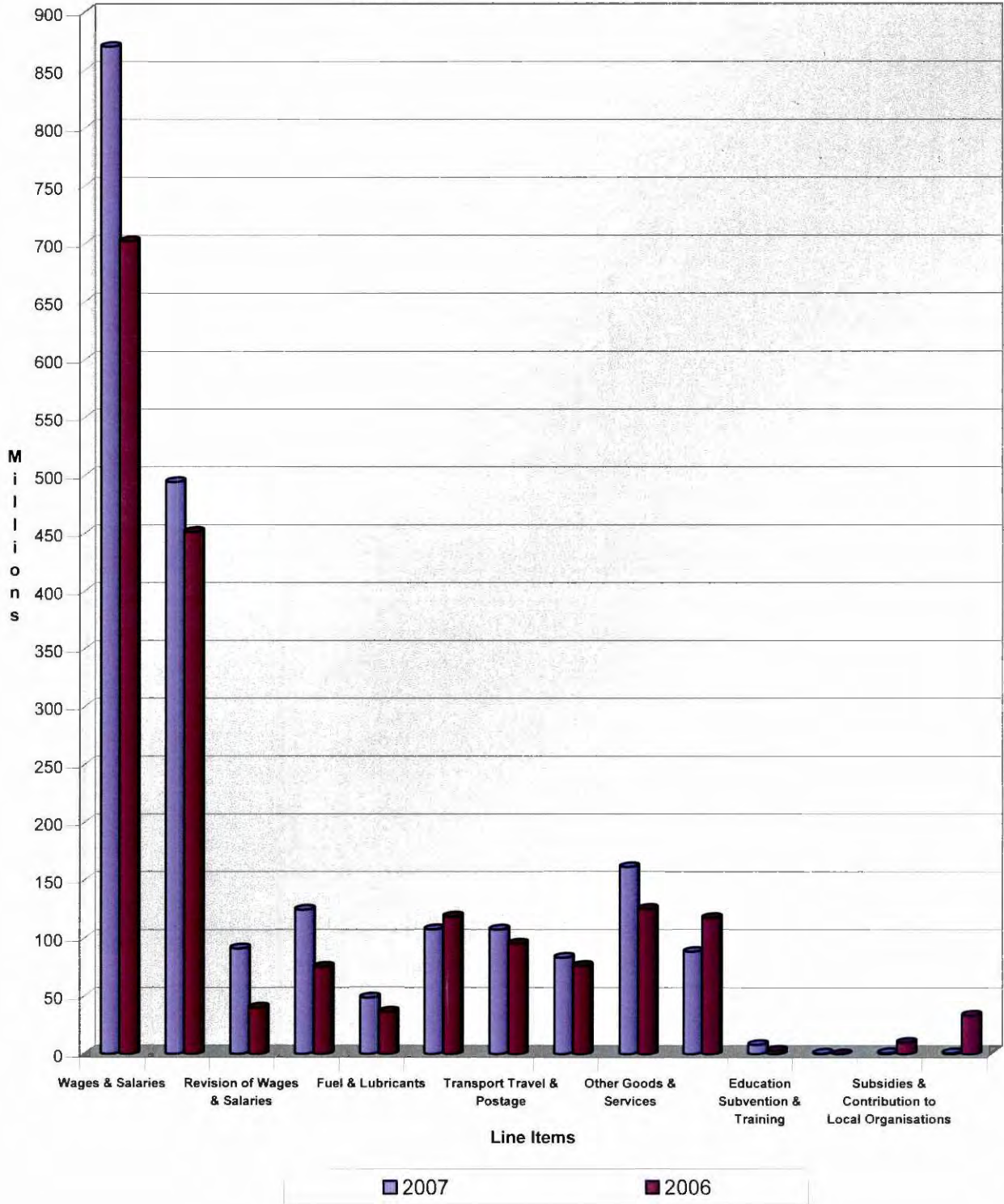
### Rental Paid by GRA

Date	PV#	Amount (\$)
6/3/2007	1923/07	4,637,100
8/26/2007	8390/07	4,637,100
12/7/2007	11107/07	4,637,100
<b>Total</b>		<b>13,911,300</b>

### Reimbursement made by FFMP

Date	PV#	Amount (\$)
5/31/2007	RV55/07	3,900,000
10/11/2007	RV127/07	7,800,000
12/31/2007	RV167/07	3,900,000
12/31/2007	RV207/07	3,900,000
<b>Total</b>		<b>19,500,000</b>

**Guyana Revenue Authority**  
*Analysis of Expenditure*





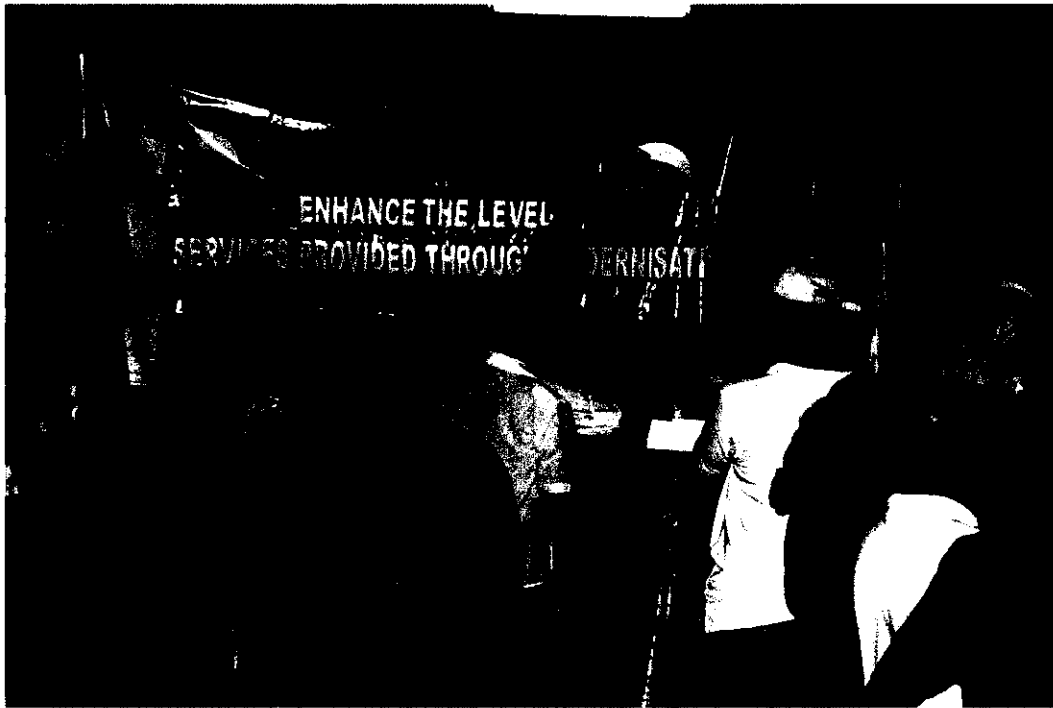
# Highlights



Participants and Resource Persons of the Passenger Enforcement Training



Bursary Awardees with Senior Staff Members



GRA'S outreach activities during Essequibo Nite



GRA's Costume Band on Mash Day

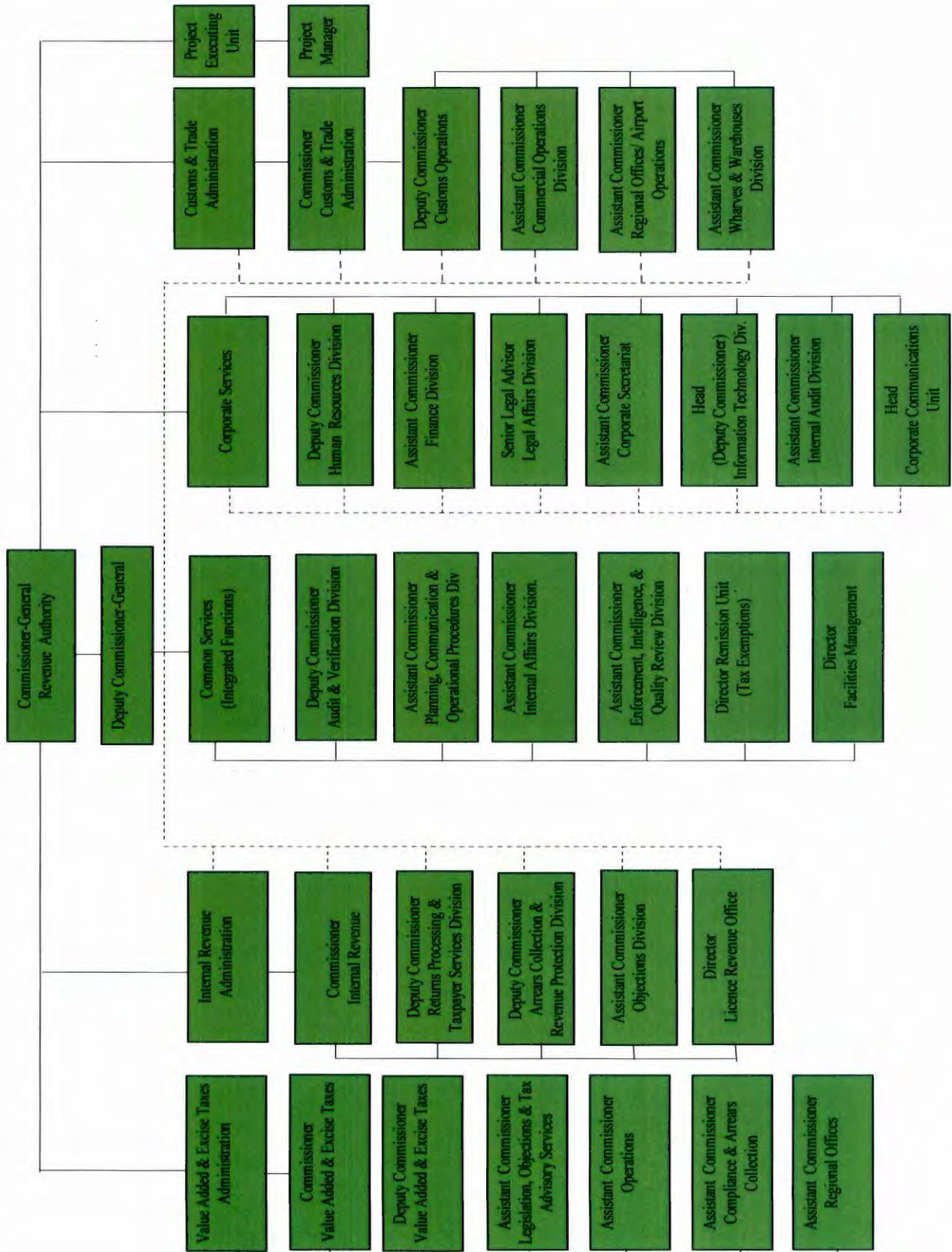


# APPENDICES

# ANNUAL REPORT & STATEMENT OF ACCOUNTS



APPENDIX I  
GUYANA REVENUE AUTHORITY  
ORGANISATION CHART





**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
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**Years of Assessment 1998 to 2003**

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

**Years of Assessment 2004 - 2006**

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

**Years of Assessment 2007 - 2008**

33 1/3% of the amount of Chargeable Income
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## 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>
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## PERSONAL PROPERTY TAX RATES

### Years of Assessment 1993 - 1999

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

### Years of Assessment 2000 to 2008

On the First \$7,500,000 of Net Property	0%
For every dollar of the next \$5,000,000.0 of Net Property	½%
For every dollar of the remainder of Net Property	¾%

**APPENDIX 3**

**COMPANY TAX RATES**

1	Minimum Tax on Turn over	Commercial Companies	Effective for YA 95-96	2%
		Non-Commercial Companies		
		Commercial Companies	From YA 97 applied to Commercial Companies only	2%
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 – 2008	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 2008
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%

## 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 paid 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 - 2006	\$240,000
2007	\$300,000
2008	\$336,000