



GUYANA REVENUE AUTHORITY



Annual Report
And Statement Of Accounts
For year ending
31st December 2009



GUYANA REVENUE AUTHORITY



DRAFT
ANNUAL REPORT
AND STATEMENT OF ACCOUNTS
FOR YEAR ENDING
31ST DECEMBER 2009

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BUSINESS ADDRESS

GUYANA REVENUE AUTHORITY SECRETARIAT

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Deputy Commissioner-General
357 Lamaha & East Streets, Georgetown
Guyana, South America
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DEPARTMENTS

TAX OPERATIONS & SERVICES DEPARTMENT

Head

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

INTERNAL REVENUE OPERATIONS

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Berbice, Guyana,
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Guyana, South America.
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Corriverton

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Corriverton, Berbice,
Guyana,
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Telephone # 339-2659 or 2654

Anna Regina

Anna Regina Office Complex,
Essequibo Coast,
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Telephone # 771-5266/7

VAT & EXCISE TAX OPERATIONS

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VAT & Excise Tax
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Georgetown, Guyana
South America.
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VAT & Excise Tax Operations Branch Offices

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Berbice, Guyana,
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Linden

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

Rosignol

Lot 17 Rosignol Public Road
West Coast Berbice,
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Corriverton

8 Calcrin, Skeldon,
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VAT & EXCISE TAX OPERATIONS
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Parika

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Guyana, South America.
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Head

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34 Main Street
Georgetown, 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,
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Telephone # 772-2033

Anna Regina

Anna Regina Office Complex,
Essequibo Coast,
Guyana, South America.
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BUSINESS ADDRESS

SERVICE DIVISIONS

HUMAN RESOURCE MANAGEMENT

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

COMMUNICATION & TAX ADVISORY SERVICES

210E Albert & Charlotte Sts.
Bourda
Georgetown, Guyana,
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Telephone # 227-8432.

INFORMATION TECHNOLOGY

210E Albert & Charlotte Sts.
Bourda
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South America.
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LEGAL SERVICES

357 Lamaha & East Streets,
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LAW ENFORCEMENT & INVESTIGATION

Customs House
34 Main Street
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FACILITIES MANAGEMENT & OPERATIONAL SUPPORT SERVICES

216-217 Lamaha Street
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AUDIT & VERIFICATION

GPO Building
Robb Street,
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INTERNAL AUDIT

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INTERNAL AFFAIRS

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Telephone # 225-6658.

GOVERNING BOARD

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

LETTER OF TRANSMITTAL

**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 31st December 2009, together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'KS', is written over a horizontal dotted line.

**Khurshid Sattaur
Commissioner-General**

MISSION STATEMENT OF THE GUYANA REVENUE AUTHORITY

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

CORE VALUES

The Core values of the Guyana Revenue Authority are:

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

The Authority continued its re-organisation initiatives during 2009. Some of these initiatives resulted from the GTCP/IP and they were all undertaken with the aim of removing duplication of activities, improving efficiency and aligning structure to automated services. Among the major changes implemented were:

- ❖ the establishment of a Risk Management and Revenue Protection Division which was created by the merger of the Revenue Protection function, which was de-linked from the Law Enforcement and Investigation Division, and the Risk Management function, which was de-linked from the Intelligence Division. This Division is to be managed by a Head who is to be assisted by a Senior Manager;
- ❖ the creation of a Special Investigation Unit which was integrated into the Intelligence Division. This Division is now the Intelligence and Special Investigation Division which is headed by a Senior Manager;
- ❖ the de-linking of Training from the Human Resource Management Division and the creation of a separate Training Division. The Division is managed by a Senior Manager with reporting responsibility to the Commissioner-General;
- ❖ the establishment of a Marine Operations Unit within the Law Enforcement and Investigation Division. This Unit is supervised by a Group Leader with reporting responsibility to the Senior Manager, Law Enforcement and Investigation;
- ❖ the establishment of a Customs Filing Room. This Filing room, which was established under the GTCP/IP falls within the Commercial Operations Division of the Customs and Trade Administration and is managed by a Supervisor; and

- ❖ the de-linking of the Private Warehouse Section from the Wharves and Warehouse Division of the Customs and Trade Administration and integrating it within the Commercial Operations Division.

The revised Organisation chart is depicted at Appendix 1.

REPORT OF THE GOVERNING BOARD

INTRODUCTION

The Guyana Revenue Authority completed its first decade of operations during which revenue collection has maintained its upward trend. Total collection during the year under review amounted to \$89.0 B, an increase of approximately \$10 B or 12% over the \$79 B collected in 2008. Collections were net of \$2.7 B which was refunded to taxpayers by the Tax Operations and Services Department.

During the year, attention continued to be focused on measures intended to improve organizational capacity and efficiency. In addition, the Authority sought to focus on building the capacity of its employees through intensified training in order to provide taxpayers and members of the public with a more efficient service.

Institutional Strengthening Measures

Guyana Threshold Country Project/Implementation Plan (GTCP/IP)

During the year under review the Authority continued institutional strengthening initiatives under the Guyana Threshold Country Project/Implementation Plan (GTCP/IP) which are being funded jointly by the Millennium Threshold Account Programme and the Government of Guyana. These initiatives include the development of an integrated Tax Administration, strengthening of the Customs & Trade Administration, a review of tax reforms, the enhancement of VAT education and publicity programmes, the improvement of forecasting analysis capabilities and comprehensive training of staff at all levels. Integral to these initiatives is the restructuring of the Authority along functional lines rather than “by tax type” as was previously the case.

This restructuring has engaged the attention of Consultants attached to the Millennium Challenge Account headed by Chief of Party Dr. Coby Frimpong, collaborator for GRA Mr. Basil Joseph and a select group of senior staffers who developed a new structure for the organization, more specifically integrating the revenue functions, administration of Value Added, Excise and IR taxes, while streamlining other areas along functional lines. Customs & Trade Administration (C&TA), because of the uniqueness of their function, will in essence remain intact.

The re-organisation is aimed at modernizing the Authority and enhancing its ability to bring more persons into the tax catchment thus augmenting revenue collection.

Licence Revenue Office/Management Information System

The sale of a new computer generated motor vehicle licence commenced on Monday, March 23, 2009 at the Licence Revenue Office. This new computerized licence also confirmed the usage of the newly implemented Licence Revenue Office Management Information System (LRO/MIS) which will be implemented in a phased approach. This shift from the manual card system to a computerized system has allowed the Authority to provide a more efficient service to vehicle owners and has enhanced its ability to monitor and curb illegal activities to which the old manual system was prone.

TRIPS Generated Certificate of Compliance

Effective May 4, 2009 the Authority commenced issuing a new certificate of compliance which is being generated by the Total Revenue Integrated Processing System (TRIPS). The change to this type of certificate of compliance being issued will minimize opportunities for fraudulent activities to occur. The new certificate is being issued countrywide for all categories of compliance requests.

Expansion of Library Facilities

During the year under review, the Guyana Revenue Authority and the Guyana Threshold Country Project/Implementation Plan (GTCP/IP) began a collaborative effort to upgrade and expand the existing Library facilities and establish in its place a modern Learning Resource Centre. A new location, in Customs House, was identified and the necessary infrastructural works were completed, while a seminar was held to sensitize and obtain the support of senior staff members. Additional staff members for the Centre were identified, interviewed and subsequently recruited. The facility was relocated during the month of August and a Library Consultant, who was contracted under the GTCP/IP, commenced attachment to the Centre in September 2009. Furnishings and equipment were procured by both the GRA and the GTCP/IP and training of staff commenced.

Acquisition of Surveillance Boats

The Guyana Revenue Authority's efforts to combat smuggling have been boosted with the acquisition of three state-of-the-art surveillance boats which arrived at the John Fernandes Wharf on October 31, 2009. The boats represent an investment of \$40 million and were specially designed for enforcement activities. Their deployment is expected to enable the entity to be more independent in its attempts to reduce the annual revenue loss to illegal trading and would help to provide a level playing field for legitimate importers.

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. Through these training programmes staff members and taxpayers alike benefited through knowledge gained in areas relating to new job techniques, handling conflict situations, improving on leadership roles and customer service skills and even training staff to train others within the Guyana Revenue Authority.

Staff members at all levels of the organisation benefitted considerably from technical training facilitated under the Guyana Country Plan/Implementation Project (GTCP/IP) which is financed by the Millennium Challenge Account. Some of the areas covered by the training programmes included Applied Techniques for Economic Analysis, Database Development and Management, Macroeconomic Consistency Analysis, Revenue Analysis and Forecasting, Report Writing for Economic Analysis, Post Clearance Audit Procedures, Compliance Audit and Voluntary Compliance. Financial Investigation Techniques, Intelligence, Large Taxpayers Audit, Advance Audit and Verification, Advanced Valuation and Advanced Rules of Origin were also among the areas in which staff received training.

Staff members also participated in conferences, training programmes and workshops which were held overseas and these included the 7th Meeting of the CARICOM Standing Committee of Chiefs of Immigration and Comptrollers of Customs which was held in Suriname, the 31st Annual Conference of the Caribbean Customs Law Enforcement Council (CCLEC) which took place in Martinique and the Joint Meeting of Customs Officials which was held in St. Lucia. Counterfeit Detection was the focus of a three-day programme which was held in Trinidad and Tobago while the CARICOM Tax Treaty Workshop was held in Barbados, the Benchmarking of Trade Facilitation System Project Meeting in St. Kitts, a Regional Wildlife Meeting in Suriname and the Green Customs Initiative was attended by staff members in the Dominican Republic.

Further, during the year, a total of eighteen (18) children of employees 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 of employees for their excellent achievement at the National Grade Six Assessment examination and to assist them in acquiring their school supplies.

Occupational Safety and Health

Forty staff members along with approximately thirty-five (35) members of the public participated in the annual Phillip Van der Hyden Walk which took place on October 25, in support of persons living with or affected by HIV/AIDS. Further, in observance of National Week of Testing, temporary HIV/AIDS testing sites were established at various GRA locations over the period November 17 to November 19. These locations included the VAT office at Charlotte & Albert Streets, GPO building, Customs House and the Integrated Tax Office at Linden and approximately one hundred and sixty (160) persons, inclusive of staff members, took the opportunity to get tested.

REVENUE COLLECTION

Revenue collection for the year 2009 totaled \$89.0 Billion. This exceeded the approved budget of \$86.2 Billion by \$2.8 Billion or approximately 3%. When compared to actual total collection in 2008 of \$79 Billion, revenue collection in 2009 increased by approximately \$10 Billion or 12%.

Revenue collected by Internal Revenue Operations for 2009 was \$36.7 Billion while approximately \$7.7 Billion was collected by the Customs and Trade Administration and \$44.6 Billion by the Value-Added and Excise Taxes Operations. Value-Added and Excise Taxes collections were net of \$2.7 Billion which was refunded to taxpayers.

For the year 2009 our cost of collection was approximately 3.37%. The cost of collection for the year 2008 was 3.0%.

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

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TABLE I
BUDGETED AND ACTUAL COLLECTIONS (\$BILLION)

	2008	2009		
	Actual	Budget	Actual	Variance
Internal Revenue	34.5	37.3	36.7	(0.6)
Customs and Trade Administration	7.4	7.7	7.7	0.0
Value Added and Excise Taxes	37.1	41.2	44.6	3.4
Total	79.0	86.2	89.0	2.8

DIVISIONAL PERFORMANCE

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

A: HUMAN RESOURCE MANAGEMENT DIVISION

This Division is mandated to:

- facilitate the recruitment, maintenance and retention of the highest quality human resources with a view to ensuring that the services required of the Revenue Authority by the various clients are delivered on a timely basis.
- establish the image of the Revenue Authority as an attractive employer, through the provision of competitive compensation and benefits package and other awards.
- establish and maintain standards of technical performance and disciplined behaviour amongst all managers and employees.

During the year under review the Division continued with the preparation of Job Descriptions which was initially spearheaded by two Human Resource Consultants. Staff liaised with the Heads of the various functional areas resulting in five hundred and one (501) job Descriptions being prepared.

The Division found it necessary to develop a Policy Manual to bring alignment to the new strategies adopted by the Authority. The manual includes 15 policies which were reviewed by the Human Resource policy Committee which comprised all Functional Heads or their representatives. Seven (7) policies were approved by the Commissioner-General and the remaining eight (8) are to be approved by the Governing Board.

STAFF ESTABLISHMENT

To carry out its mandate, the Authority had actual staff strength of one thousand and eighty-eight (1,088) or approximately 77% of the approved staff establishment of one thousand, four hundred and ten (1,410). Of the one thousand and eighty-eight (1,088) employees, four hundred and eighty-two (482) or 44% were male while six hundred and six (606) or 56% were female. At the end of the previous year the staff strength was one thousand and forty-eight (1,048) reflecting a reduction of forty (40) persons.

During the year under review, a total of one hundred and seventeen (117) persons were recruited while eighty-four (84) persons were promoted. Separations amounted to eighty-three (83), resulting in a staff turnover of 7.6%, the same as the previous year. A total of thirty-eight (38) persons resigned, fifteen (15) were dismissed, nineteen (19) had their services terminated, nine (9) persons retired and two (2) persons died.

B: TRAINING DIVISION

One of the institutional strengthening recommendations under the GTCP/IP was for the removal of training from within the Human Resource Management Division and the creation of a separate Training Division. The Division is headed by a Senior Manager and is mandated to arrange, coordinate and implement training and other developmental programmes for the staff of the Guyana Revenue Authority with the aim of developing their full capacity to assist the Authority in the achievement of its goals.

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

MCA SPONSORED TRAINING

During the year under review, staff members at all levels of the organisation benefited from training programmes/workshops as part of the Guyana Country Plan/Implementation Project (GTCP/IP) which is financed by the Millennium Challenge Account.

Eighty-four (84) staff members were the beneficiaries of training designed for Instructors while thirty-nine (39) senior staffers participated in an "Executive Leadership" programme and forty-four (44) middle Managers in "Basic Management". Staff of the Planning and Analysis Division benefited from programmes which included Applied Techniques for Economic Analysis, Database Development and Management, Macroeconomic Consistency Analysis, Revenue Analysis and Forecasting and Report Writing for Economic Analysis.

Staff members attached to Customs and Trade Administration, Risk Management Unit, Internal Audit, Enforcement and Investigations and Legal Divisions benefited from training in areas such as

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Post Clearance Audit Procedures, Compliance Audit and Voluntary Compliance. "Financial Investigation Techniques" and "Intelligence" were programmes conducted for Officers attached to the Enforcement and Investigations, Intelligence and Special Investigation Divisions and the Risk Management Unit while Auditors benefited from training on Large Taxpayers Audit and Advance Audit and Verification. Customs Officers received training on Advanced Valuation and Advanced Rules of Origin.

Other MCA sponsored training programmes included Sensitization Workshops, Project Management for Training Managers, Macroeconomic Consistency Analysis, Training of Trainers programme and Executive Leadership and Strategic Planning. In excess of one hundred and seventy-four (174) staffers benefited from these programmes. In addition, facilitators from the Cave Hill School of Business, University of the West Indies, Barbados, conducted training programmes which focused on Conflict Management during the month of April and Stress/Change Management during the month of May. Twenty-seven (27) staff members were the recipients of training on the Myers-Briggs Type Inventory.

In addition members of staff also benefited from training programmes/workshops focusing on areas such as Conflict Resolution, Development of Standard Operational Procedures, Debt Management, Legal Drafting, Basic VAT Laws, Customer Care and Integrity Assessment.

OTHER TRAINING

"Detection of Counterfeit Local Currency Notes" was the focus of a seminar which was conducted in various regions of the country over the period January 20 to April 29. The seminar, which was facilitated by personnel of the Central Bank, was attended by a total of thirty-one (31) members of staff attached to various Divisions/Departments of the Guyana Revenue Authority including the Customs and Trade Administration, Tax Operations and Services Department and Licence Revenue Office.

Evidence Gathering, Development of Standard Operational Procedures, Basic Tax Laws saw the attendance of two hundred and eighty-seven (287) members of staff including Intelligence, Internal Affairs and Enforcement Officers and other clerical staff. These programmes were facilitated by Mr. Roby Benn of the Legal Services Division of the Authority and Consultants Ms. Elsie Croal and Mr. Basil Joseph.

Seven (7) members of staff representing the Licence Revenue Office were exposed to training in Motor Vehicle Licencing Module of TRIPS during the period December 7-8, 2009. Facilitating these sessions was Mr. Sean Richmond. A Customs Broker Workshop targeting on un-licenced, potential Customs Brokers saw the participation of eighty-five (85) such individuals. This workshop was facilitated by Customs Officials and Mr. B. Isaacs of the Caricom Secretariat.

◆ EXTERNAL TRAINING (LOCAL)

Staff members also benefitted from training programmes which were held by agencies such as the Ministry of Agriculture, the Ministry of Health and the Maritime Department. A Revised Kyoto

Convention and Safe Standards Workshop was conducted on June 22, 2009. Its focus involved the assessment of Guyana's readiness to implement WCO amended Kyoto Convention and SAFE framework and saw the participation of six (6) Senior Customs Officials and a Legal Officer.

One staff member attached to the Public Relations Section participated in a Television Production Workshop which was conducted by the University of Guyana over a two weeks period while the Maritime Department conducted a four-day programme which focused on the searching of vessels. Four (4) persons attended a three-day workshop on the Prevention of Illegal Wildlife Trade, two (2) attended the Hydrochloroflourocarbons Stakeholders Meeting and an additional two (2) attended a symposium on Alternative Ozone-Friendly Technology. These programmes were all sponsored by the Ministry of Agriculture.

A Tobacco Control Workshop and an Alcohol Control Meeting were both hosted by the Ministry of Health and were attended by three (3) staff members while Stigma and Discrimination in the Workplace was the focus of a workshop sponsored by GHARP which was attended by one member of staff

◆ EXTERNAL TRAINING/CONFERENCES (OVERSEAS)

Ms Ingrid Griffith, the then Deputy Head, Customs and Trade Administration attended the 7th Meeting of the CARICOM Standing Committee of Chiefs of Immigration and Comptrollers of Customs which was held in Suriname, the 31st CCLEC Conference which took place in Martinique and the Joint Meeting of Customs Officials which was held in St. Lucia.

Counterfeit Detection was the focus of a three-day programme which was held in Trinidad and Tobago and attended by two (2) members of staff while four persons attended a CARICOM Tax Treaty Workshop in Barbados. One staff member each attended the Benchmarking of Trade Facilitation System Project Meeting in St. Kitts, a workshop on Customs Automation Services Solution, a Regional Wildlife Meeting in Suriname and the Green Customs Initiative in the Dominican Republic.

Further, several staff members benefitted from training programmes which were conducted in India over the period August/September. These programmes covered areas such as the Audit of Public Sector Enterprises, Graphic Design, Modern Library Practices and Audit of Receipts.

WELFARE PROGRAMMES

◆ BURSARY AWARDS

During the year, a total of eighteen (18) children of employees received Bursary Awards. The year 2009 was the tenth year in the organisation's history for the granting of such awards.

At a simple ceremony, which was organised to mark the occasion, Miss Aliyyah Abdul-Kadir 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 Daniel Basdeo. The other awardees each received \$10,000.00 per annum. In addition continuing bursaries were issued to fifty-seven (57) students.

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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.

C: FINANCE DIVISION

CURRENT EXPENDITURE

Total releases to the Authority from the Ministry of Finance amounted to \$3,036 Million while current expenditure for the year amounted to approximately \$3,035 Million. At the end of the year a balance of \$1 Million remained and this is to be repaid to the Accountant General. These figures are all reflected in the audited Financial Statements.

CAPITAL EXPENDITURE

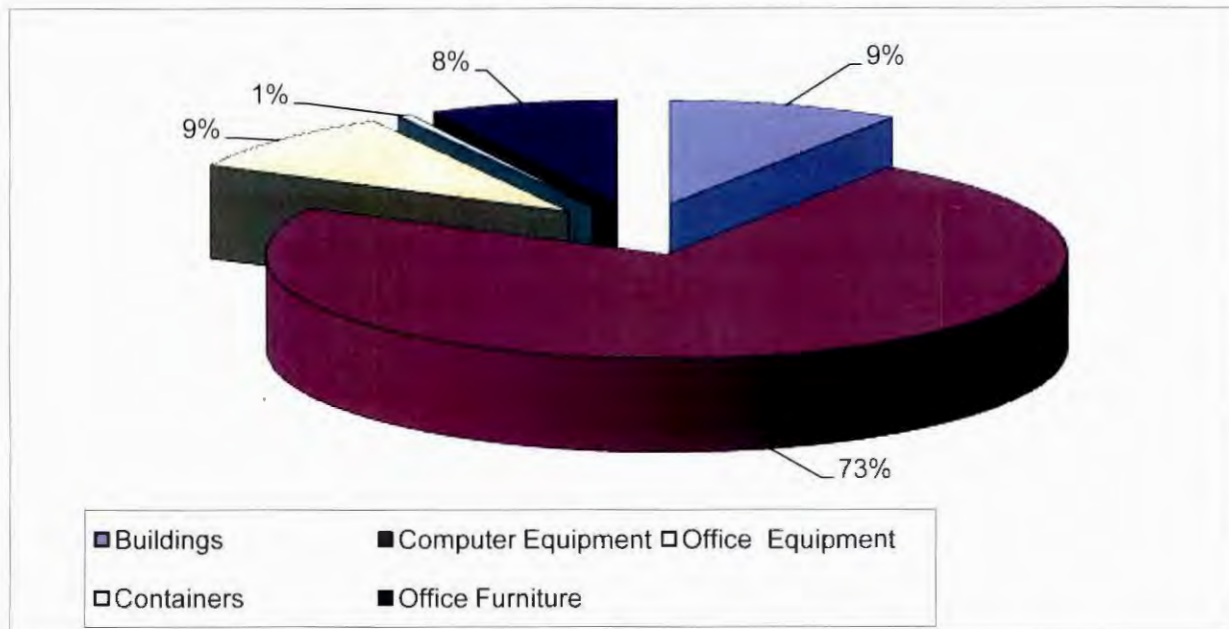
The Ministry of Finance released \$450 Million of which \$45 Million was released to GRA and \$405 Million was Millennium Challenge Account/Government of Guyana (MCA/GOG) counterpart contribution. Expenditure by the Guyana Revenue Authority amounted to \$44.998 Million and is shown in Chart I and Table II overleaf. Expenditure under the MCA project amounted to \$404.998 Million. Total expenditure for the year was therefore \$449.996 Million.

Excluded from capital expenditure for GRA is the sum of \$4.54 Million which was work-in-progress on lands and buildings brought forward from 2008. Excluded also, is the sum of \$55.01 Million which was unspent under the MCA project and brought forward from 2008.

FINANCIAL STATEMENTS

The audited Financial Statements which form part of this report are contained in pages 60 to 72.

**CHART I
CAPITAL EXPENDITURE 2009**



**TABLE II
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2009
BY TYPE OF ASSET**

Category of Asset	Amount \$ M
Office Equipment	4.2
Office Furniture	3.4
Computer Equipment	32.9
Buildings	4.2
Containers	0.2
Total	44.9

D: COMMUNICATION AND TAX ADVISORY SERVICES

This Division comprises the Public Relations Section, the Publication and Operational Procedures section and the Tax Advisory Services Section. The Division is mandated to ensure that all strategic, operational, procedural and communication advisory needs of stakeholders of the Authority are met in a timely manner and that all information disseminated is accurate, timely and reliable and in keeping with the Laws and Regulations governing the Authority.

During the year under review, the Division was able to achieve most of its targets despite the challenges faced. The major challenges included inadequate staffing, inadequate transportation facilities, inadequate and/or malfunctioning equipment such as computers, printers and difficulties accessing the server and internet. However, at the end of the year under review, most of the vacant positions in the Division had been filled.

Public Relations

Staff of the Section continued to educate taxpayers in order to encourage voluntary compliance. To this end, several live call-in/discussion programmes were held on both radio and television to inform taxpayers on the various taxes, their rights and obligations. "Focus on GRA" and "Lets Talk Tax" pre-recorded weekly and monthly television programmes respectively and "Revenue Update" a weekly radio programme, were produced and presented by the staff and covered activities and procedures of various operational areas of the Authority. Staff also coordinated the appearance of Senior GRA Officials twice monthly on "Lets Gaff" a live radio programme and on "Guyana Today" a live television programme during the year under review.

In addition staff issued one hundred and eighteen (118) press statements to the media to clarify issues relating to VAT, Licensing, and TIN among others, maintained a weekly VAT Policy corner in the print media and utilized all forms of the media to publish tax-related and other advertisements. Further, a quarterly newsletter was published to inform and sensitise staff on organisational policies and changes while the Authority's website was maintained. Staff also highlighted the Authority's activities and educated taxpayers and members of the public at events such as the Annual Berbice Expo and Trade Fair and the University of Guyana Annual Open/Career Day activities which were held at the Turkeyen Campus. During the month of April staff of this Section, assisted by other staff members of the Division, manned several "Tax Sites" around the city to inform and assist taxpayers in complying with the deadline for filing their tax returns.

A two-day outreach programme in Essequibo was organized by the Section and Officers conducted a workshop which focused on VAT, hosted a television programme and visited several places of business. The operation of the Section continues to be hampered by the lack of a Computerized Editing System which is currently being rented at a high cost and the inadequate provision of transportation facilities.

Tax Advisory Services

Staff attached to this Section researched the various Acts and Regulations administered by the Authority in order to respond to requests for interpretation of the Acts by taxpayers and other stakeholders and for the preparation of tax policies which were published in the print media. Written responses to one hundred and ninety (190) requests for interpretation were prepared while the formulation of tax policies amounted to sixty (60).

Staff also provided help-desk services to six hundred and forty-two (642) persons who used the call-in facility and three hundred and twelve (312) walk-in taxpayers. In addition, four hundred and eight-seven (487) calls to taxpayers were initiated by staff to provide guidance and promote voluntary compliance.

Compliance and advisory visits paid to newly registered taxpayers, potential registrants and other categories of taxpayers amounted to four hundred and fifty-eight (458). These visits were conducted to ensure taxpayers were fully aware of their rights and responsibilities under the various Tax Acts, to determine whether potential VAT registrants have satisfied the requirements for registration, distribution of educational material and to answer queries. Further, staff conducted twenty-nine (29) seminars with consumers, thirty-one (31) workshops, participated in call-in/discussion programmes on both radio and television and distributed educational material in the form of policies, brochures and booklets to taxpayers and consumers. Staff continued to provide verbal and written interpretation of legislation and policies to officials from various Divisions/ Sections within the Authority.

Publication and Operational Procedures

Staff prepared proposals to improve the efficiency and effectiveness of the services provided by the Organization. To this end, proposals for the Commissioner-General's consideration were prepared for the establishment of the Debt Management and Intelligence/Risk Management Divisions, provision of Duty-Free Concessions to Senior Staff, reactivation of Morawhana as a Port-of-Entry and establishment of the Revenue Protection and Marine Operations Units within the Enforcement Division. In addition, proposals were also prepared for the upgrading of the Functional Head of the Licence Revenue Office from Manager to Senior Manager, rotation of Senior Managers among the various Divisions/Sections, restructuring of the Transportation Section and the establishment of a Compliance Audit Unit and Post Clearance Control Verification Teams.

The preparation of manuals and Standard Operational Procedures (SOPs) were also undertaken. Areas for which manuals were prepared included Facilities Management and Operational Support Services, Finance and Internal Affairs Divisions which were finalized, printed and disseminated. The draft of a manual for the Human Resource Management Division was submitted to the Head, Human Resource Management Division for review while the preparation of the manual of operations for the Examination Section, Internal Revenue Operations was seventy-five percent (75%) completed at the end of the year.

The Procedures for Customs Operations at Lethem and Kurupukari and for Transporting Firms Operating between Guyana and Brazil were completed. The Section also supervised the translation of Customs forms from English to Portuguese to facilitate operations of the Takatu Bridge and liaised with the Printer for the typesetting of the translated forms. Procedure/policy documents were also prepared for the Issue of Excise Tax General Bond, Export of Wildlife, Requirements for Accessing Mining Exemptions, the Control of Firearms within the Authority, Goods Imported into Guyana at Lethem from Brazil and a policy for Persons Engaged in Small Projects in Remote Areas.

Taxpayer education materials were also prepared; the areas covered included Examination and Clearance of Passenger Baggage, Establishment of a Private Warehouse, Obtaining a Customs House Brokers Licence, Obtaining Compliance, Liability and Process Fee Certificates. During the month of July 2009, the Guyana Revenue Authority and the Guyana Threshold Country Project/Implementation Plan (GTCP/IP) began a collaborative effort to upgrade and expand the Library facilities and establish in its place a modern Learning Resource Centre. To this end the facility was relocated to a larger and more conducive environment, additional staff were recruited and a Library Consultant was retained by the MCA. Furnishings and equipment were procured by both the GRA and MCA, all books were catalogued and the printing of the catalogue cards was in progress. Twenty-two (22) books and one (1) compact disc were procured by MCA and added to the collection while a list of websites to which subscription would have to be undertaken was prepared by the Consultant and submitted to the Commissioner-General for approval.

E: INTERNAL AUDIT DIVISION

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

Throughout the year under review, the Division was hampered by inadequate transportation, constant malfunctioning of equipment and the absence of training for newly recruited staff members. In spite of these setbacks, the Division was successful in achieving its targets.

During 2009, the Division conducted seventy-four (74) audit examinations inclusive of twenty-one (21) special investigations. Forty-six (46) of these were conducted by the Internal Audit Section resulting in thirty-one (31) reports being finalized and twenty-eight (28) were conducted by the Quality Review Section resulting in nineteen (19) reports were finalized.

The Internal Audit Section conducted eleven (11) audit examinations at the Internal Revenue Operations and draft reports were issued for all examinations. Areas audited included dishonoured cheques, Process Fess, Travel Voucher Tax, Travel Tax Tickets and Compliance certificates and operations at the outstations. Of the reports issued, ten (10) were finalized. Eleven (11) audits were completed at the Value Added and Excise Taxes and ten (10) draft reports were issued. Of those, nine (9) reports were finalized with responses and one (1) without response. Some of the areas examined included Refund Processing and Verification, Objections, Registration, Revenue Collection and the operations at the Parika and Corriverton Regional offices. Eleven (11) audit exercises were completed among the Common Service Divisions and eleven (11) draft reports were issued. Six (6) of those reports were finalized with responses and five (5) were finalized without responses. The areas audited included Salaries and deductions, Local Travel and Subsistence, Procurement and Supplies Section, Imprest accounts, Transportation Section and the Legal Services Division among others.

The Quality Review Section prepared twenty (20) reports upon completion of examinations and monitoring of the Customs and Trade Administration. Eight (8) of those reports were finalized with responses while twelve (12) were finalized without responses. Staff conducted examinations of areas such as foreign currency collection at the CJI Airport, the Permit for Immediate Delivery and Prior to Processing systems, operations at several Transit Sheds and Regional Offices and Private Warehouse.

This Division also conducted twenty-one (21) special investigations which were requested by the Commissioner-General, Deputy Commissioner-General or the Internal Audit Committee. Thirteen (13) such investigations were conducted by the Internal Audit Section and eight (8) by the Quality Review Section.

F: INTERNAL AFFAIRS DIVISION

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

During 2009, staff of the Division conducted thirty-six (36) investigations into allegations made against members of staff. Eighteen (18) of those allegations originated from within the Authority while a similar amount originated from members of the public. In addition twenty-two (22) special reports were completed and nine (9) special investigations were conducted.

Further, staff continued to verify certificates of compliance which were submitted by contractors to the National Procurement & Tender Board (NP&TA Board) and/or the Regional Democratic Councils (RDCs). Two thousand, two hundred and eighty-eight (2,288) such certificates were verified.

The responsibility for monitoring of surveillance cameras was re-assigned to the Division during the year under review hence staff commenced monitoring activities at the Cheddi Jagan International Airport. The monitoring of the activities of staff located at various regional offices was also undertaken during the year under review and a preliminary report on persons having unrestricted access to Customs Offices was also prepared.

G: 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 promoting compliance with the Tax, Trade and Border Laws and Regulations.

Staff of the Division conducted one hundred and thirty-two (132) audits on various categories of taxpayers during 2009. This amount comprised sixty-one (61) on self-employed persons, forty-two (42) on VAT registrants, eighteen (18) on the PAYE system and eleven (11) on corporate taxpayers.

Of the total one hundred and thirty-two (132) audits conducted, one hundred and thirteen (113) or eighty-six percent (86%) resulted in \$6,202.2 million in additional taxes being identified for recovery. There were seventy-four (74) instances where taxpayers entered into agreements to pay a total of \$410.4M in additional taxes while assessments amounting to \$5,791.8M were raised in thirty-nine (39) instances. The remaining nineteen (19) audit examinations did not result in the recovery of additional revenue.

H: 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 five hundred and seventy (570) matters ongoing and the defendants were charged with offences including Non-Remittance of PAYE, Non-Remittance of VAT and Violation of Customs Act, Income Tax Act among others.

Further, the Division commenced prosecution in the Magistrate's Court of fourteen (14) cases for Non-Submission of VAT Returns, Non-Submission of PAYE Returns and Evasion of Customs Duties. Staff also prepared opinions and responses to requests for legal advice from the Commissioner-General and other Department/Divisions of the Authority which amounted to two hundred and fifty-three (253). The preparation and service of demand letters, which is a prerequisite to the preparation, service and enforcement of 101 Certificates, were also carried out. Twenty-nine (29) such letters were prepared and served.

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During the year under review twenty-eight (28) judgments were granted in favour of the Authority which amounted to one hundred and sixty-seven million, four hundred and fifty-seven thousand and eighty-five dollars (\$167,457,085.00).

I: TAX EXEMPTION PROCESSING AND VERIFICATION

This Division 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 Guyana Revenue Authority.

Staff of the Division received, verified and processed in excess of 14,115 applications for tax exemption and prepared and dispatched 12,926 approval and 217 denial letters. A total of nine hundred and fifty-seven (957) applications for tax exemptions were either queried or referred for additional information while one hundred and seventeen (117) pre-approval verifications and ninety-eight (98) post approval verifications were conducted by staff. Post approval verifications resulted in the recovery of approximately \$20.9 million in revenue.

In addition, staff also conducted five hundred and fifty-five (555) meetings with applicants to clarify information, completed six hundred and forty-three (643) special assignments on Legislation and Policy and reviewed a total of one hundred and twenty-one (121) Investment Agreements on behalf of the Minister of Finance. Of the Investments reviewed, 93 were recommended to the Minister. Further, staff verified and recommended for approval a total of 5,421 applications for the use of the Prior-to-Processing facility.

J: 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.

During the year under review the Division was committed to building its capacity and to this end embarked on a restructuring exercise, the recruitment of skilled human resources and training of all staff. After an analysis of the strengths and weaknesses of the Division a new Human Resource Structure along with relevant Job Descriptions were developed and presented to the Commissioner-General and Governing Board for approval. Upon approval the new Human Resource Structure was implemented, key senior personnel were recruited, current junior staff were placed in the new positions created and additional vacancies for staff were advertised. The Division also facilitated training for its staff in areas such as Change Management, Linux Operating System, Database Programming, Oracle Applications Development and Content Management (Intranet) which are still ongoing.

The Division successfully implemented the Vehicle Road Licensing module of the Licence Revenue Office Management Information System (LRO MIS). In addition, a full assessment of the LRO MIS was conducted and it was agreed by all relevant stakeholders that the system should be redone in its entirety. As a result, high level requirements for all modules were completed with more detailed work scheduled to continue in 2010. The extension of LRO MIS functionality to the Linden, Berbice and Anna Regina offices is ongoing while the provision of functionality to mobile users e.g. Enforcement, is still in the testing phase.

A requirement analysis for a new Human Resource/Payroll system was completed, potential suppliers were identified and a suitable product was selected following product demonstrations. The new system is scheduled to be implemented in the coming year after the finalisation of financing. The Division also

facilitated external consultants in the development of online declaration and manifest entry. All of the main modules were completed but the Division has not yet commenced testing.

External e-mailing capability was implemented on a limited scale. This service will be extended to all staff after the acquisition of virus protection equipment. In addition, the requirements analysis for an internet site was completed, training on Content Management technology was provided to staff of the Division, a prototype was developed and the final version was deployed. Staff also commenced the revamping of the Authority's Internet site to bring it in line with the new technology which was used in the development of the Intranet. This process is expected to be completed in 2010.

Staff also facilitated the activities of Consultants who embarked on a project to replicate TRIPS data between VAT and Customs. This project was subsequently redone using Linux as the new operating system for the servers resulting in improved stability and reliability. A review of TRIPS and the LRO MIS backup and recovery was undertaken. This resulted in improved Oracle Dataguard being implemented, offsite back-up storage set up and the dependency on tapes was replaced with the use of external hard drives.

The Division extended services to new remote locations inclusive of Lethem, Kurupukari, Linden and New Amsterdam, deployed all equipment acquired from the MCA and ensured that the requisite accommodation was present at all sites. Work commenced on the development and implementation of a comprehensive plan for High Availability functionality for all critical systems while staff commenced the implementation of recommendations made by the investigation team for the TRIPS dysfunction.

K: LAW ENFORCEMENT AND INVESTIGATION

This Division provides the necessary investigative and enforcement 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.

During the year under review, the Division conducted surveillance activities on both land and the waterways to ensure compliance with the Tax Laws while monitoring smuggling activities. Surveillance exercises amounted to four hundred and forty-one (441) while intelligence gathering exercises amounted to two hundred and thirty-eight (238). As a result of those activities, several seizures were effected. Items seized included alcoholic beverage, toys and clothing. Seizure of alcoholic beverage during the month of January resulted in the recovery of approximately \$5 million in taxes while seizure of toys, clothing and alcoholic beverage during the Christmas season valued approximately \$3 million.

Vehicles arriving into Guyana from Suriname and Brazil were monitored and this resulted in the seizure of several uncustomed vehicles. During the month of March, vehicles valuing approximately \$20 million were seized. The capability of the Marine Operations Unit of the Division was enhanced with the acquisition of three high-powered vessels to boost anti-smuggling activities. These vessels were acquired at a cost of \$40 million. During the year there was no prosecution of offenders as matters were settled within the Division after the imposition of fines and penalties. Revenue collected by the Division for 2009 is shown in the table overleaf.

**TABLE III
REVENUE COLLECTED - \$**

Activity	2008	2009	Quantity Variance	% Variance
Fines/Compensation	39,544,498	20,291,689.89	(19,252,808.11)	(49)
Additional Taxes	186,062,952	49,526,470.48	(136,536,481.52)	(73)
Sale of Seizures	11,119,265	7,531,600.00	(3,587,665.00)	(32)
Initiative	25,000	-	(25,000.00)	(100)
Total	236,751,715	77,349,760.37	(159,376,954.63)	(67)

L: FACILITIES MANAGEMENT & OPERATIONAL SUPPORT SERVICES

This Division is mandated to promote a safe, healthy, comfortable and clean working environment for staff of the Guyana Revenue Authority by facilitating the maintenance and renovation of buildings occupied by the various Departments/Divisions/Units of the organization, managing and maintaining a pool of motor vehicles and the servicing and maintenance of equipment in a timely and efficient manner.

During the year under review, the Division supervised the construction of several new buildings. These included a building for living accommodations at Kurupukari, office accommodations at High Street for staff located in Georgetown and completion of Warehouse Facilities at Eccles, East Bank Demerara for the storage of want-of-entry goods and vehicles, housing of the Authority's motor vehicle maintenance work shop, conducting auction sales, and a scanning port to scan containers.

The Division also managed construction works on several buildings which commenced in 2008 but were completed in 2009. These included the completion of buildings to house the Authority's integrated tax offices at Lethem and Parika, the completion of infrastructure works at the Government Multi-Purpose Complex at Lethem. A building to house the Customs operations at Kurupukari and the rehabilitation of the Customs Boathouse and the construction of an office were also completed at Charity. The buildings at Charity were intended to facilitate the mooring of GRA vessels used to conduct anti smuggling activities in the Essequibo river and the storage of goods detained by the Law Enforcement Division. The Customs Building at New Amsterdam was rehabilitated to accommodate an integrated Tax Office and a new building, for use as a Customs Checkpoint, was completed at Crab Island.

During the year under review the Division executed maintenance, repairs and servicing of generators and air conditioners at all GRA locations country wide. Repairs and servicing were also done to all vehicles (totaling sixty-two) attached to the motor vehicle pool. Staff also implemented changes to the Canteen Facilities to extend its services to staff at an additional location and revised the menu to enhance the quality of food prepared to meet the needs of staff and other supporters who use the canteen facilities. The Division also continued to monitor and, where necessary, strengthen the security services provided at all GRA locations. This resulted in the reduction of security breaches, thefts and break-ins.

The Division encountered several challenges during the year under review. These included the need to expend huge sums on the maintenance of vehicles which were acquired via the want of entry process, a difficulty in accessing adequate janitorial services due to contractors' reluctance to provide quotations for such services and a lack of adequate transportation facilities for staff of the Facilities Management Unit to execute their duties.

M: DEBT MANAGEMENT

This Division is mandated to utilize the investment made in automation combined with efficient collection strategies to ensure that taxes which are due and debts which are outstanding are collected/recovered in a timely manner thereby maximizing revenue collection.

The Division continued to monitor collections of outstanding tax balances and was able to determine arrears taxes partly through the process of file clearing. During the period under review a total of six hundred and forty-five (645) tax files were cleared manually comprising two hundred and four (204) which were related to companies and four hundred and forty-one (441) to individual taxpayers. As a result of the file clearing exercise, a total of \$5.3 Billion in arrears taxes were identified and collection proceedings commenced with the dispatch of demand letters to the defaulters. In excess of twenty thousand (20,000) demand notices were served and two hundred and seventy-two (272) cases were referred to the Legal Division for prosecution.

The Department is currently still unable to determine accurately from the system, all the taxes assessed for prior years for which payments are still outstanding. Over the years the Division has been faced with recurring difficulties in collecting outstanding taxes. These include tax payers defaulting on payment plans to which they agreed, the inordinately long time in which matters before the courts are dealt with and difficulties locating taxpayers' assets when judgment is granted in favour of GRA.

N: INTELLIGENCE AND SPECIAL INVESTIGATION

This Division is mandated to manage a centralized database through ongoing collection of data which is tested and analysed to determine tax fraud, insolvency, smuggling or any other activity which presents a risk to the operations and objectives of the Authority and to disseminate such information to management to protect and enhance revenue collection.

During the year under review, the Risk Management function of the Division was removed and replaced with a Special Investigation function. The operations of the Division were hampered by inadequate staff and transportation facilities and the non-activation of the Third Party information module on TRIPS. In spite of the fore mentioned constraints the Division generally surpassed its targets.

Staff of the Division conducted ninety-seven (97) clandestine visits during the period under review. Of these, sixty-nine (69) visits were conducted at randomly selected homes and places of business of suspected smugglers and other tax evaders while the remaining eighteen (18) were random visits to various GRA locations across the country with a view to detecting possible evasion of taxes and duties. Forty-eight (48) surveillance operations were conducted of which twenty-eight (28) were conducted at ports of entry/exit and business places across the country and twenty (20) were randomly conducted at locations which are considered susceptible to smuggling. The Division also prepared a combined total of eighty-eight (88) special reports and responses to correspondence on behalf of the Commissioner-General and the Deputy Commissioner-General, and on seventy-two (72) occasions disseminated Intelligence to

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the Anti-Smuggling Section of the Law Enforcement and Investigation and other Divisions within the GRA for appropriate action to be taken.

The Division also completed seven (7) special investigations during the period June to December 2009 and recovered revenue totaling \$64.5 million during that period. It should also be noted that in order to effectively carry out its mandate the Division has established and maintained links (MOUs) with various local and international Intelligence Agencies to facilitate the sharing of information and during the year staff interacted with these agencies on forty-two (42) occasions.

O: PROJECT MANAGEMENT/COORDINATION

The Project Management/Coordination Unit is mandated to coordinate, monitor, support and report on all projects within the Authority to which consultants are attached.

During the year under review, the major project monitored by the Unit was the Guyana Threshold Country Plan/Implementation Project (GTCP/IP) which was funded by the Millennium Challenge Account (MCA). Some of the tasks undertaken by consultants attached to the GTCP/IP included:

- the restructuring of the Authority along functional lines;
- implementation of a Performance Management System;
- development of a Human Resource policy manual;
- preparation of Job Descriptions;
- preparation of Standard Operating Procedures;
- streamlining of the Debt Management and Law Enforcement functions;
- strengthening of the Customs and Trade Administration;
- establishment of a modern Learning Resource Centre;
- review of Tax Statutes;
- creation of Tax Policy and Forecasting capability within the Authority; and
- establishment of a separate Training Unit and the enhancement of the Training Room.

Staff of the Unit monitored the activities of consultants to ensure that deliverables were met, held monthly meetings with the MCA committee to report on ongoing project activities and follow up on outstanding activities. They also liaised with the Chief of Party, GTCP/IP to ensure that outstanding issues were resolved.

The preparation and implementation of Job Descriptions and Standard Operating Procedures were also monitored resulting in five hundred and one (501) Job Descriptions and three hundred and eighty-two (382) Standard Operating Procedures being prepared. Of the total SOPs prepared, only ninety eight (98) or approximately 26% were implemented at the end of the period under consideration due to further restructuring in some functional areas resulting in the need to revise those SOPs, partial implementation of TRIPS at the Licence Revenue Office and the emergence of issues during implementation of SOPs for the Tax Operations and Services Department.

Discussions were also held with staff of several functional areas in order to prepare workflows for those areas. Subsequent to those discussions, SOPs were prepared for the Licence Revenue Office, the Marine Operations, Examination and Objections Units, Tax Operations and Services and Debt Management Divisions. An implementation plan for the establishment of the Marine Operations Unit of the Law Enforcement and Investigation Division was also prepared and staff assisted in the training of personnel attached to several Regional Offices on the use of SOPs and TRIPS related functionalities.

A review of the draft Memorandum of Understanding to facilitate the sharing of information among the Deeds Registry, National Insurance Scheme, Guyana Revenue Authority and GoInvest for the computerized linking of the Deeds Business Records was conducted and a report prepared and submitted to the Commissioner-General. Strategic Management workshops, which were conducted by Crown Agents consultants who modified TRIPS to optimize its use, and several other technical training programs, facilitated by GTCP/IP consultants, were also monitored.

P: PLANNING AND ANALYSIS

The Planning and Analysis Division is mandated to ensure that Guyana Revenue Authority's mandate is fulfilled through effective planning, forecasting, coordinating, organizing, monitoring and evaluating of financial and non-financial work program commitments; analyzing results achieved by the various operational areas in relation to their respective Annual Work Programs; in order to improve tax administration, resolve non-compliance and generate increased revenues.

Although the Division made satisfactory progress in fulfilling its mandate during 2009, it was hampered in the efforts to achieve its targets by issues such as the lack of technical skills, unavailability of and/or delays in obtaining the necessary information/explanations to complete analysis in a timely manner and late submission of Work Programme Commitments by several Functional Heads.

Staff of the Division coordinated the preparation of the Annual Work Programmes for all the operational areas and compiled the GRA's Annual Work Programme for submission to the Commissioner-General and the Governing Board. The results achieved in relation to the Work Programme Commitments by the various operational areas were monitored and analyzed.

For the year under review, the Division successfully coordinated four (4) Executive Management Meetings and three (3) General Management Meetings which were held to provide opportunities for Managers to be informed of development across GRA, discuss the progress made with respect to their work Programmes and resolve issues affecting them in their respective operational areas.

Revenue Collections were monitored and analyzed on a monthly basis to determine reasons for significant variances between the revenue collected and the amounts projected for each tax type so that appropriate corrective actions could be taken in a timely manner. Further, forty-three (43) Management Information System (MIS) and other specialized Reports were generated from TRIPS for Senior Managers across GRA in order to assist them to manage their respective operational areas and to facilitate the targeting of areas that require special attention. In addition, twenty-two (22) specialized reports were generated for external agencies. Staff also provided support and feedback to the Office of the Budget relating to revenue achievement, revenue analysis, revenue projection and other related information when required.



DEPARTMENTAL PERFORMANCE

TAX OPERATIONS AND SERVICES

CENTRAL DATA PROCESSING UNIT

REGISTRATION

For the year 2009, a total of two hundred and fifteen (215) registration packages were issued to potential VAT registrants. However, only one hundred and ninety (190) applications for registration were received and registration was completed for one hundred and seventy-nine (179) such applicants. Applications for registration for Excise Tax amounted to four (4) and registration activities were completed for all applicants. Staff also completed de-registration activities for twenty-two VAT registrants.

Staff distributed one thousand, three hundred and sixty-nine (1,369) packages to employers to facilitate their remission of taxes under the PAYE system while twenty eight thousand, three hundred and ninety-eight (28,398) individuals and four hundred and fifty-three (453) companies were registered for Taxpayer Identification Numbers (TIN). In addition, forty-three thousand, one hundred and sixty-six (43,166) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers and one hundred and seventy-eight thousand, three hundred and twenty-four (178,324) Returns for various tax types were distributed to taxpayers. The table below shows the number of taxpayers for whom registration activities were completed.

Staff of the Unit issued letters to four hundred and thirty-four (434) individuals and seventy-four (74) companies who made applications to conduct entertainment events.

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

Description	VAT	Excise Tax	TIN
Registration Applications Received	190	4	N/A
Taxpayers Registered	179	4	28,851
Certificates Issued	230	4	43,166

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LODGMENT OF RETURNS

For the year ending December 31, 2009, the Lodgment of various types of Tax Returns amounted to ninety-six thousand, six hundred and sixty-eight (96,668). Income Tax returns totaled sixty-three thousand, six hundred and eighty-two (63,682) or 66% of the total returns lodged while VAT and Individual Property Tax Returns totaled twenty-four thousand, five hundred and sixty-two (24,562) or 25% and six thousand, three hundred and seventy-two (6,372) or 6% respectively of the total returns lodged.

The lodgment of Employer's Returns (Form 2) amounted to one thousand and sixty-two (1,062) while seventeen thousand, six hundred and fifty-four (17,654) monthly remittance forms (Form 5) were also lodged by employers.

Verification activities were also carried out on all returns lodged to ensure that they were fully and accurately completed. As a result of such activities, three thousand, five hundred and forty (3,540) query letters were dispatched to taxpayers. The number of returns lodged by tax type is shown in the table below.

**TABLE V
NUMBER OF RETURNS RECEIVED**

TAX TYPE	AMOUNT
Income Tax Returns	63,682
Property Tax Returns (Individual)	6,372
Property Tax Returns (Company)	556
Corporation Tax Returns	558
Capital Gains Tax Returns	22
Excise Tax Returns	8
VAT Returns	24,562
Miscellaneous Taxes	898
Total	96,668

DATA ENTRY AND APPROVAL

Upon completion of verification activities, data from the tax returns are then entered into TRIPS and if correct, subsequently approved. Data from a total of one hundred and one thousand, two hundred and sixty-eight (101,268) returns were entered into TRIPS while approval of data entry for one hundred and four thousand, two hundred and ninety-seven (104,297) returns were completed (this figure includes approval of returns entered during the previous year). This is shown in Table VI overleaf.

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TABLE VI
NUMBER OF RETURNS ENTERED AND APPROVED

TAX TYPE	DATA ENTRY	DATA APPROVAL
Income Tax Returns	66,188	65,925
Property Tax Returns (Individual)	6,813	6,350
Property Tax Returns (Company)	773	683
Corporation Tax Returns	710	661
Capital Gains Tax Returns	5	5
Excise Tax Returns	39	37
VAT Returns	25,930	29,966
Miscellaneous Taxes	810	670
Total	101,268	104,297

INTERNAL REVENUE OPERATIONS

The mandate of the Internal Revenue Operations Division 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.

GROSS REVENUE COLLECTION

During the year 2009 the actual revenue collection amounted to \$36.7B while the budgeted figure which was approved in the National Assembly was \$37.3B. Actual collections fell short of the budgeted amount by \$0.6B or 1.6%. Total revenue for 2009 by tax type is set out in the table overleaf. As can be observed from the table, revenue collected under various heads exceeded the estimates by \$0.4B while collections under other heads were under the estimates by \$1B. During the year, revenue amounting to \$36.7B was deposited in the Consolidated Fund.

Revenue collected during 2009 was greater than that collected during the preceding year. The actual collection for the year 2008 was \$34.5B. Revenue collections for 2009 exceeded this amount by \$2.2B or 6.4%. Income Tax and Corporation Tax continued to be the two major heads of revenue contributing \$15.3B and \$15B or 41.7% and 40.9% respectively to total revenue. This is shown in Table VII overleaf while Chart II compares revenue collection in 2009 with that of 2008.

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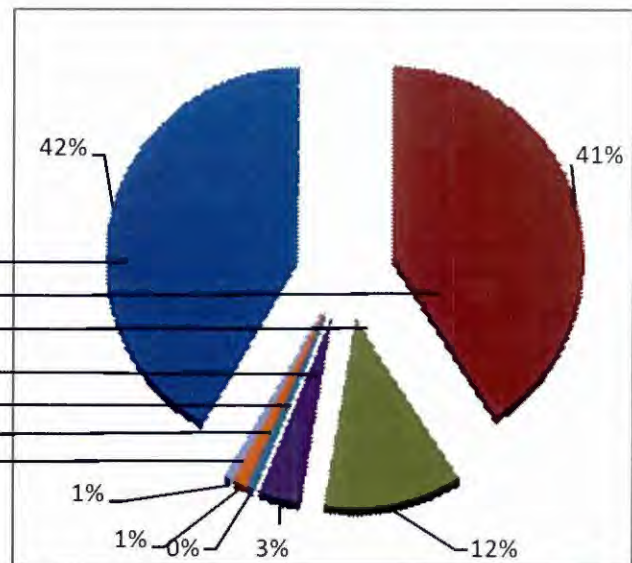
**TABLE VII
REVENUE COLLECTION
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2009 (\$ 000)**

DESCRIPTION	APPROVED BUDGET	AMOUNT COLLECTED	AMOUNT PAID INTO CONSOLIDATED FUND	UNDER THE ESTIMATE	OVER THE ESTIMATE
INCOME TAX	15,933,798	15,327,099	15,327,099	(606,699)	
PAYE	13,865,798	13,277,236	13,277,236	(588,562)	
SELF EMPLOYED COMPANIES	2,068,000	2,049,863	2,049,863	(18,137)	
PRIVATE SECTOR	0	0	0		
PUBLIC SECTOR	0	0	0		
CORPORATION TAX	14,804,643	14,982,131	14,982,131	0	177,488
PRIVATE SECTOR	14,045,708	13,994,702	13,994,702	(51,006)	
PUBLIC SECTOR	758,935	987,429	987,429	0	228,494
MISCELLANEOUS TAXES	4,279,629	4,294,945	4,294,945	0	15,316
WITHHOLDING TAX	3,012,200	2,888,193	2,888,193	(124,007)	
PROCESS FEE	30,181	26,500	26,500	(3,681)	
TRAVEL TAX	510,000	508,646	508,646	(1,354)	
PREMIUM TAX	98,560	117,802	117,802	0	19,242
PROFESSIONAL FEES	6,889	7,250	7,250	0	361
TRAVEL VOUCHER TAX	621,799	746,554	746,554	0	124,755
NET PROPERTY TAX	1,486,001	1,294,124	1,294,124	(191,877)	
CAPITAL GAINS TAX	238,595	217,064	217,064	(21,531)	
NATIONAL DEVELOPMENT TAX	0	0	0	0	
LICENCES	389,419	386,135	386,135	(3,284)	
MOTOR VEHICLES	367,918	358,696	358,696	(9,222)	
OTHER VEHICLES	213	163	163	(50)	
TRADING	11,591	9,895	9,895	(1,696)	
MISCELLANEOUS	9,697	17,381	17,381	0	7,684
PURCHASE TAX - CARS	0	0	0	0	
M/ VEHICLES & RD TRAF ACT	229,887	219,608	219,608	(10,279)	
D/C FEES	0	0	0	0	
GRAND TOTAL	37,361,972	36,721,106	36,721,106	(1,021,402)	380,536

**CHART II
REVENUE COLLECTION
ANALYSIS**

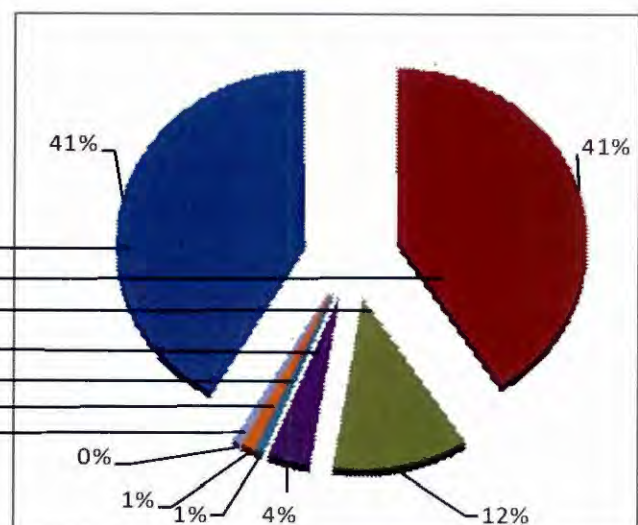
2009

DESCRIPTION	AMOUNT COLLECTED
Income Tax	15,327,099
Corporation Tax	14,982,131
Miscellaneous Taxes	4,294,945
Property Tax	1,294,124
Capital gains Tax	217,064
Licences	386,135
Others	219,608
TOTAL	36,721,106



2008

DESCRIPTION	AMOUNT COLLECTED
Income Tax	14,327,011
Corporation Tax	14,159,232
Miscellaneous Taxes	4,022,922
Property Tax	1,253,785
Capital gains Tax	218,252
Licences	356,213
Others	210,330
TOTAL	34,547,745



REFUNDS AND NET REVENUE COLLECTION

During the year 2009, refund of taxes amounting to approximately \$547M was paid to taxpayers of the various categories as is shown in Table VIII below.

**TABLE VIII
NET REVENUE COLLECTION 2009 (\$000)**

DESCRIPTION	GROSS COLLECTIONS	REFUNDS	NET COLLECTIONS
INCOME TAX	15,327,099	41,191	15,285,908
CORPORATION TAX	14,982,131	422,155	14,559,976
PROPERTY TAX	1,294,124	26,687	1,267,437
WITHHOLDING TAX	2,888,193	12,128	2,876,065
OTHER TAXES & DUTIES	2,229,559	44,792	2,184,767

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 2008.

A comparative analysis of the various types of Tax Compliance certificates issued during 2008 and 2009 is outlined in the table overleaf. A total of twelve thousand, eight hundred and thirty-five (12,835) compliance certificates were issued during the year. Of that total, three thousand, eight hundred and forty-five (3,845) certificates were issued for Land and Buildings, six thousand, four hundred and forty-three (6,443) for motor vehicles and two thousand, five hundred and forty-seven (2,547) for tender purposes.

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**TABLE IX
CERTIFICATES OF COMPLIANCE ISSUED**

TYPE OF CERTIFICATE	GEORGETOWN OFFICE		BRANCH OFFICES		TOTAL	
	2008	2009	2008	2009	2008	2009
Land	2,595	2,709	947	1,136	3,542	3845
Motor Vehicles	5,461	5,210	1,030	1,233	6,491	6,443
Tender	1,791	1,958	539	589	2,330	2,547
Total	9,847	9,877	2,516	2,958	12,363	12,835

INTERNAL REVENUE REGIONAL OFFICES

PROCESSING OF RETURNS

The Internal Revenue Operations Division has regional offices located in New Amsterdam, Corriverton, Linden and Anna Regina. During the year under review, staff continued to process taxpayers' returns resulting in nineteen thousand, two hundred and thirty-six (19,236) returns from employed and self-employed persons being processed. Returns from employed individuals for the combined offices amounted to ten thousand, two hundred and seventeen (10,217) while returns from self-employed individuals amounted to nine thousand and nineteen (9,019).

Data from a combined total of twenty-two thousand, six hundred and forty-four (22,644) returns were entered onto the Authority's database and processed. Data entry of Income and Property Tax Returns from employed individuals amounted to eleven thousand, six hundred and sixty-four (11,664) and two hundred and seventy-two (272) respectively. Data entry of Income and Property Tax Returns from self-employed individuals amounted to seven thousand, two hundred and sixty-seven (7,267) and three thousand, four hundred and forty-one (3,441) respectively. Further, a total of four hundred and thirteen (413) Employers' returns were received while four hundred and nine (409) were reconciled.

OBJECTIONS

Staff continued to register and finalise taxpayers' objections to assessments for both Income and Property Taxes. During 2009, officers registered a combined total of thirty-six (36) objections relating to Income Tax assessments and thirteen (13) relating to Property Tax. In addition, seventy-four (74) Income Tax and twenty-seven (27) Property Tax objections (including those outstanding from the previous year) were finalised.

TAX COMPLIANCE CERTIFICATES

Compliance certificates were issued to taxpayers to facilitate the transfer of ownership of motor vehicles, title to land and buildings and to satisfy regulatory requirements for the issue of tenders. A total of two thousand, nine hundred and fifty-eight (2,958) compliance certificates were issued during the year. Of that total, one thousand, one hundred and thirty-six (1,136) certificates were issued for land and buildings, one thousand, two hundred and thirty-three (1,233) for motor vehicles and five hundred and eighty-nine (589) for tender purposes.

FILES CLEARED

Through the process of file clearing, the staff were able to monitor the collection of outstanding tax balances. During the year under review, officers cleared a total of one thousand, eight hundred and seven (1,807) tax files manually.

REVENUE COLLECTION

Revenue collected by the offices amounted to \$1.2 Billion. A comparison of revenue collection during 2009 and 2008 is shown in the table overleaf.

**TABLE X
REVENUE COLLECTION**

LOCATION	2008 (\$)	2009 (\$)	VARIANCE (%)
New Amsterdam	364,949,309	446,165,084	22.3
Corriverton	60,410,896	66,047,281	9.3
Linden	460,762,969	479,943,062	4.2
Anna Regina	190,952,045	221,067,446	15.8
TOTAL	1,077,075,219	1,213,222,873	12.6

VALUE ADDED AND EXCISE TAXES OPERATIONS

The mandate of the Division 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.

GROSS REVENUE COLLECTION

Revenue collected during the year under review was \$47.4 Billion which was \$6.2 B or 15 % above the estimate of \$41.2 B which was approved by the National Assembly. Revenue collected under various heads exceeded the estimate by \$6.2 B while collections under other heads were under the estimate by approximately \$0.06 B. This is shown in Table XI overleaf.

Actual revenue collection during the previous year was approximately \$39.4 B. The collection for 2009 was therefore \$8 B or 20.3 % greater than that for 2008. After payment of refunds, revenue amounting to \$44.6 B was paid into the Consolidated Fund. The increased collection of Excise Tax, more particularly on Motor Vehicles and Petroleum Products, was the major contributing factor to the increased collection in 2009.

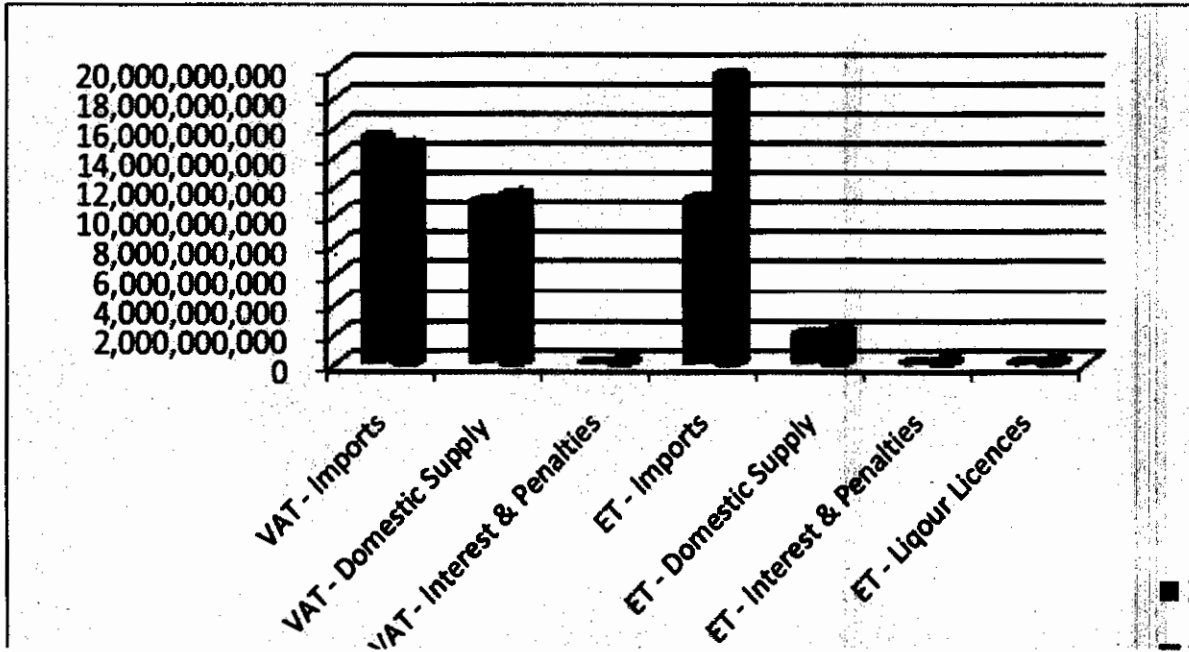
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**TABLE XI
REVENUE COLLECTION
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2009 (\$ 000)**

Sub-Head Revenue	Approved Budget	Amount Collected	Amount Paid into Consolidated Fund	Under the Estimate	Over the Estimate
Value Added Tax:	24,453,556	26,031,519	26,031,519		1,577,963
591 Imports	13,150,699	14,709,301	14,709,301		1,558,602
Goods	13,150,699	14,631,119	14,631,119		1,480,420
Services	-	78,182	78,182		78,182
592 Domestic Supply	11,278,256	11,288,215	11,288,215		9,959
Goods	11,278,256	11,288,206	11,288,206		9,950
Services	-	9	9		9
598 Miscellaneous - VAT:	24,601	34,003	34,003		9,402
Interest	10,099	21,862	21,862		11,763
Penalties	14,502	12,141	12,141	(2,361)	
Excise Tax:	16,828,585	21,427,101	21,427,101		4,598,516
595 Imports	14,727,399	19,392,242	19,392,242		4,664,843
Motor Vehicles	5,229,199	7,311,593	7,311,593		2,082,394
Petroleum Products	8,009,501	10,350,293	10,350,293		2,340,792
Tobacco Products	904,900	1,094,827	1,094,827		189,927
Alcoholic Beverages	583,799	635,529	635,529		51,730
596 Domestic	2,085,600	2,029,492	2,029,492	(56,108)	
Alcoholic Beverages	2,085,600	2,029,492	2,029,492	(56,108)	
599 Miscellaneous - Excise:	-	-	-		
Interest	-	-	-		
Penalties	-	-	-		
Licence Fees	15,586	5,367	5,367	(10,219)	
Liquor Licence	15,586	5,367	5,367	(10,219)	
TOTAL	41,282,141	47,458,620	47,458,620	(68,688)	6,245,167
Refunds Paid		2,781,445	2,781,445		
Funds transferred to Consolidated Fund (net)			44,677,175		

**CHART III
REVENUE COLLECTION ANALYSIS**



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 received a total of one thousand, three hundred and seventy-nine (1,379) claims for refund of taxes amounting to \$3.6 billion. Of the total received one thousand, three hundred and sixty-one (1,361) were processed comprising one thousand, one hundred and fifty (1,150) claimed under Section 35 and two hundred and eleven (211) under Section 37 of the VAT Act. Eighteen (18) claims amounting to \$7.45 million were rejected. Of the claims processed, nine hundred and thirty-six (936) were paid resulting in \$2.78 billion in taxes being refunded. This is shown in the table below.

**TABLE XII
DETAILS OF REFUND APPLICATIONS PROCESSED**

Description	Section 35		Section 37		Total	
	Number	Amount (\$B)	Number	Amount (\$B)	Number	Amount (\$B)
Received	1,168	3.38	211	0.22	1,379	3.6
Rejected	18	0.007	-	-	18	0.007
Processed	1,150	3.38	211	0.22	1,361	3.6
Paid	754	2.56	182	0.22	936	2.78

EXAMINATION

Activities undertaken 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.

Officers conducted sixty-seven (67) compliance checks on VAT registrants based on requests and complaints received. Twenty-two (22) investigations into voluntary VAT registrants were done to ensure that they were complying with their obligations under the Act. Staff also paid seventy-seven (77) visits to non-registrants to verify that they were not required to register under the VAT Act. In addition, thirty-three (33) warning letters were prepared and issued to defaulting taxpayers and two hundred and forty-three (243) public entertainment shows were monitored. Forty-three (43) visits were also paid to registrants to verify their eligibility to de-register.



REGIONAL OFFICES

Regional Offices of the Division were established in six areas namely: New Amsterdam, Corriverton, Linden, Anna Regina, Parika and Rosignol. During the year under review, staff at the regional offices conducted a total of three hundred and seventy-three (373) compliance and advisory visits to registrants. These visits were intended to educate taxpayers on issues related to VAT and to ensure that they were complying with the requirements of the VAT Act and Regulations. In addition, thirty-one (31) routine audits were completed and twenty (20) businesses were registered.

Staff also conducted checks during the staging of public entertainment events and a combined total of one hundred and thirty-nine (139) such checks were conducted. One hundred and thirty (130) new liquor licences were issued and one thousand, one hundred and forty-five (1,145) licences were renewed.

Total revenue collected by the regional offices during 2009 amounted to \$677 million while revenue collected during 2008 amounted to \$820 million. A comparison of these figures reveals a decline in the amount collected in 2009 of approximately 17%. This is shown in the table XIII below.

**TABLE XIII
REVENUE COLLECTION (\$)
VAT REGIONAL OFFICES**

Location	2008	2009	Variance (%)
New Amsterdam	117,162,643	94,256,228	(19.6)
Anna Regina	81,484,788	70,533,985	(13.4)
Linden	28,163,132	26,600,860	(5.5)
Lethem	21,326,827	28,368,367	33
Corriverton	132,050,795	138,397,634	4.8
Parika	109,626	5,405,066	4,830.5
CJIA (Packages)	368,269,041	256,893,793	(30.2)
CJIA (Baggage)	71,580,483	57,223,080	(20.1)
Total	820,147,335	677,679,013	(17.4)

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LICENCE REVENUE OFFICE

A total of seventy-seven thousand, one hundred and sixty-four (77,164) motor vehicle licences were processed during 2009 as compared with fifty-two thousand, eight hundred and sixty (52,860) in 2008. New registrations for the year amounted to ten thousand, two hundred and seventy-four (10,274) while the corresponding figure for 2008 was nine thousand, one hundred and eighty-seven (9,187). Table XIV sets out the various categories of vehicles licensed and the new vehicles registered during the year 2009 as compared with 2008.

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

Type of Vehicle	Licenced Motor Vehicles 2009	New Registrations		Increase/Decrease
		2008	2009	
Agricultural	2,849	653	522	(131)
Bus	4,688	540	546	6
Cycle	12,984	2,000	2,145	145
Diplomat	325	61	78	17
Goods	11,691	1,553	1,760	207
Hire	5,323	575	663	88
Military	12	2	17	15
Private	35,501	3,571	4,336	765
Trailer	2,153	232	207	(25)
Other	1,638*	-	-	
Total	77,164	9,187	10,274	1,087

*These licences for motor vehicles were sold by the Guyana Police Force but the breakdown by type of vehicle was not available.

Table XV overleaf shows the revenue collection from the Licence Revenue Office in the year 2009 compared with 2008. During the year, a total of \$605.7 million was collected from all heads as compared with the revised figure of \$595.4 million in 2008 – an increase of approximately 1.7%. Chart IV overleaf compares revenue collected during the year 2009 with that collected during the year 2008.

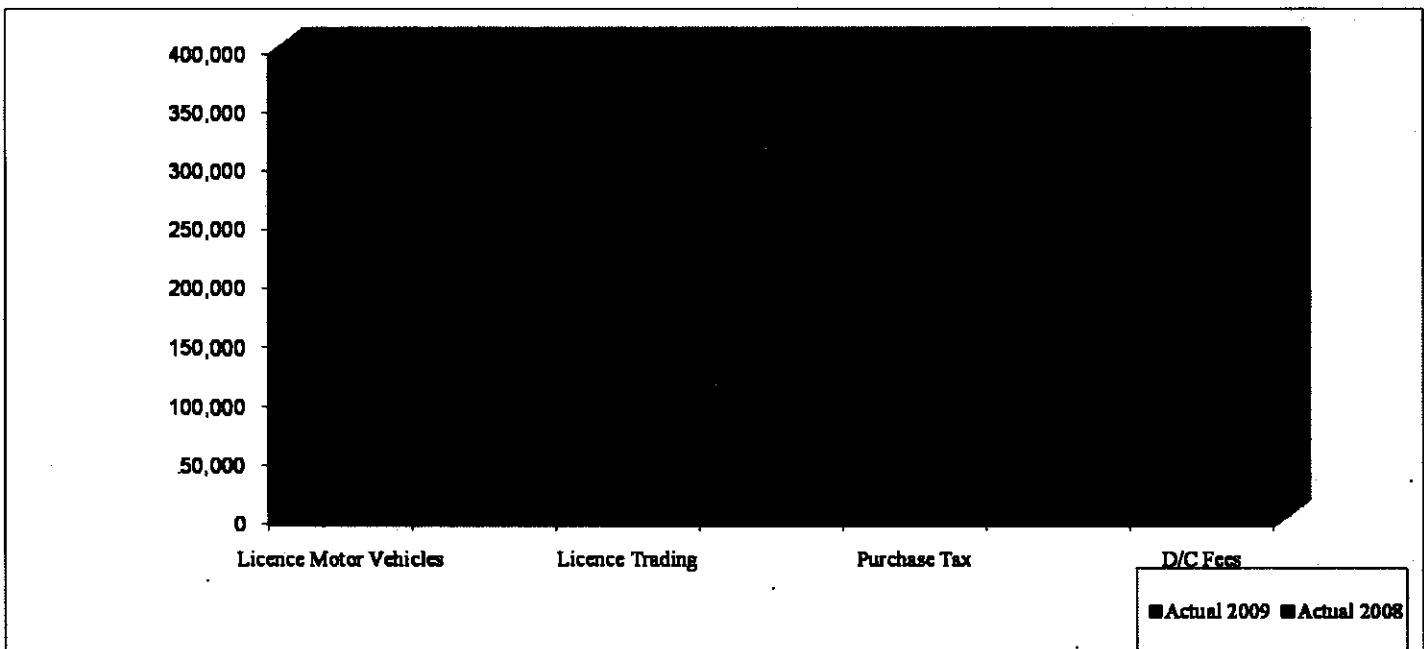
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**TABLE XV
REVENUE COLLECTION (LICENCE REVENUE DIVISION)
(\$000)**

Description	Actual 2009	Actual 2008 (Revised)
Licence Motor Vehicles	358,696	348,650
Licence – Other Vehicles	163	200
Licence – Trading	9,895	11,140
Licence – Miscellaneous	17,381	9,131
Purchase Tax	0	7,458
Motor Vehicles and Road Traffic Act	219,608	218,874
D/C Fees	0	
Total Collection	605,743	595,453

**CHART IV
LICENCE REVENUE
REVENUE COLLECTION
FOR THE YEAR 2009 RELATIVE TO 2008(\$000)**



OBJECTIONS

INCOME TAX

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 Division centered around the following areas: -

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

As at 31st December 2009, there were three thousand, eight hundred and fifty-two (3,852) un-finalised objections on hand. Three thousand, three hundred and twenty-four (3,324) of those were related to individual taxpayers and the remaining five hundred and twenty-eight (528) were in respect to companies. The details are contained in Table XVI.

**TABLE XVI
OBJECTIONS BY TAXPAYERS**

PARTICULARS	COMPANIES	INDIVIDUALS	TOTAL
Un-finalised at the beginning of the year	697	4,247	4,944
Registered during the year	69	720	789
Sub-Total	766	4,967	5,733
Less: Finalized during the year	238	1,643	1,881
Un-finalised at the end of the year	528	3,324	3,852

VALUE-ADDED TAXES

As at 31st December 2009, there were one hundred and twenty-five (125) un-finalised objections on hand. Twenty-eight (28) of those were related to individual taxpayers and the remaining ninety-seven (97) were in respect of companies. The details are shown in Table XVII.

**TABLE XVII
OBJECTIONS BY TAXPAYERS**

PARTICULARS	COMPANIES	INDIVIDUAL	TOTAL
Un-finalised at the beginning of the year	08	00	08
Registered during the year	150	39	189
Sub-Total	158	39	197
Less: Finalised during the year	61	11	72
Un-finalised at the end of the year	97	28	125

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. The 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 2009 for the Customs and Trade Administration was \$7.74 Billion. However the actual revenue collected for the period was \$7.68 Billion which represents a decrease of \$0.06 Billion or 0.8 % when compared to the approved estimates. Revenue collected under several heads was under the estimates by \$0.095 Billion while revenue collected under other heads was over the estimates by \$0.039 Billion. Revenue collection for 2009 was above the 2008 collection figure of \$7.4 Billion by \$0.28 Billion or 3.7 %.

**TABLE XVIII
REVENUE COLLECTION
CURRENT REVENUE APPROPRIATION FOR THE YEAR 2009 (\$ 000)**

	Approved Budget	Amount Collected	Amount Paid into Consolidated Fund	Under the Estimate	Over the Estimate
HEAD OF REVENUE					
Import Duties	6,790,199	6,804,449	6,804,449		14,250
Export Duties	9,600	8,173	8,173	(1,427)	
Others					
Environmental Tax	662,356	673,990	673,990		11,634
Consumption Tax		13,501	13,501		13,501
Overtime Fees	105,508	82,880	82,880	(22,628)	
Departmental Fines	41,312	27,040	27,040	(14,272)	
Miscellaneous	98,920	45,903	45,903	(53,017)	
Warehouse Rent & Charges	21,601	17,942	17,942	(3,659)	
Stamp Duties	13,722	12,772	12,772	(950)	
SUBTOTAL	943,419	874,028	874,028	(94,526)	25,135
Total	7,743,218	7,686,650	7,686,650	(95,953)	39,385

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

Fifty-four thousand, nine hundred and sixty-seven (54,967) declarations were processed during the year under review. This amount represents an increase of approximately 3.8% as compared to the 2008 amount of fifty-two thousand, nine hundred and sixty-two (52,962).

**TABLE XIX
DECLARATIONS PROCESSED**

Month	2008	2009	Variance
JANUARY	4,546	4,427	(119)
FEBRUARY	4,238	3,814	(424)
MARCH	3,582	4,361	779
APRIL	4,465	4,502	37
MAY	4,130	4,028	(102)
JUNE	4,289	4,320	31
JULY	4,807	4,836	29
AUGUST	4,558	4,277	(281)
SEPTEMBER	4,812	4,974	162
OCTOBER	4,946	5,070	124
NOVEMBER	3,823	5,051	1,228
DECEMBER	4,766	5,307	541
TOTAL	52,962	54,967	2,005

WEIGHT OF IMPORTS AND EXPORTS

During 2009, approximately 2.3 billion kg of cargo was processed. Of that amount, 1.5 kg billion were related to imports and 0.8 billion kg to exports. The amount of cargo processed during 2009 represents a decrease of approximately 0.4 billion kg when compared with the 2008 figure of 2.7 billion kg. Imports increased by 0.2 billion or approximately 15% while exports decreased by 0.6 billion kg or 43% when compared with the year 2008. These figures are set out in Table XX below.

**TABLE XX
NET WEIGHT (KG '000)**

Months	2008			2009		
	Imports	Exports	Total	Imports	Exports	Total
January	105,200	137,300	242,500	47,300	112,400	159,700
February	114,100	103,200	217,300	52,100	21,300	73,400
March	79,800	50,000	129,800	51,000	62,200	113,200
April	171,400	214,000	385,400	92,800	27,500	120,300
May	64,400	120,300	184,700	93,100	69,700	162,800
June	83,800	144,100	227,900	60,400	75,400	135,800
July	109,100	268,400	377,500	68,400	43,200	111,600
August	82,500	89,500	172,000	153,300	53,500	206,800
September	143,200	95,500	238,700	78,500	84,100	162,600
October	132,200	55,700	187,900	103,800	72,300	176,100
November	30,600	107,800	138,400	596,200	57,400	653,600
December	146,800	37,300	184,100	92,200	105,100	197,300
Total	1,263,100	1,423,100	2,686,200	1,489,100	784,100	2,273,200

VALUE OF IMPORTS AND EXPORTS

The value of imports and exports for 2009 amounted to \$523.1 billion representing an increase of approximately \$14.8 billion over the 2008 value of \$508.3 billion. Imports for 2009 were valued at \$345.4 billion, an increase of \$16 billion over the 2008 value of \$329.4 billion while exports which were valued at \$177.7 billion in 2009 exhibited a decrease of \$1.2 billion over the 2008 value of \$178.9 billion. This is shown in Table XXI overleaf.

TABLE XXI
VALUE OF IMPORTS AND EXPORTS (\$'000)

Months	2008			2009		
	Imports	Exports	Total	Imports	Exports	Total
January	16,100,000	12,200,000	28,300,000	21,200,000	27,000,000	48,200,000
February	21,200,000	24,000,000	45,200,000	15,500,000	4,300,000	19,800,000
March	16,600,000	8,400,000	25,000,000	16,000,000	11,400,000	27,400,000
April	15,900,000	15,600,000	31,500,000	131,500,000	19,600,000	151,100,000
May	20,800,000	9,000,000	29,800,000	23,500,000	16,000,000	39,500,000
June	27,600,000	16,100,000	43,700,000	15,600,000	12,300,000	27,900,000
July	107,500,000	24,400,000	131,900,000	19,000,000	9,500,000	28,500,000
August	20,400,000	24,300,000	44,700,000	18,000,000	14,500,000	32,500,000
September	25,400,000	14,400,000	39,800,000	16,800,000	16,100,000	32,900,000
October	24,200,000	11,600,000	35,800,000	21,400,000	14,400,000	35,800,000
November	12,700,000	11,700,000	24,400,000	22,900,000	11,400,000	34,300,000
December	21,000,000	7,200,000	28,200,000	24,000,000	21,200,000	45,200,000
Total	329,400,000	178,900,000	508,300,000	345,400,000	177,700,000	523,100,000

REVENUE FROM IMPORTS AND EXPORTS

Revenue collected on the value of imports and exports during 2009 amounted to \$6.8 billion and \$8.1 million respectively. During 2008 the corresponding figures were \$6.6 billion on the value of imports and \$8.6 million on the value of exports. A comparison of the collection figures for 2009 and 2008 reveals a \$0.2 billion or 3% increase in revenue collected from imports and a \$0.5 million or approximately 6% decrease in that collected from exports. Please see Table XXII overleaf.

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

Month	2008				2009				Variance			
	Imports	Exports	Other	Total	Imports	Exports	Other	Total	Imports	Exports	Other	Total
JAN.	429,573	759	69,702	500,034	532,110	658	52,227	584,995	102,537	(101)	(17,475)	84,961
FEB.	413,645	578	49,740	463,963	466,838	197	59,061	526,096	53,193	(381)	9,321	62,133
MARCH	404,561	454	39,207	444,222	522,878	1,002	49,555	573,435	118,317	548	10,348	129,213
APRIL	505,556	993	99,528	606,077	504,983	525	54,746	560,254	(573)	(468)	(44,782)	(45,823)
MAY	471,167	459	55,965	527,591	487,062	531	78,821	566,414	15,895	72	22,856	38,823
JUNE	513,825	747	54,826	569,398	528,380	498	63,187	592,065	14,555	(249)	8,361	22,667
JULY	587,581	1,260	76,587	665,428	547,085	689	72,388	620,162	(40,496)	(571)	(4,199)	(45,266)
AUG.	623,738	537	68,198	692,473	541,485	891	60,973	603,349	(82,253)	354	(7,225)	(89,124)
SEPT.	626,936	991	55,452	683,379	624,109	600	83,598	708,307	(2,827)	(391)	28,146	24,928
OCT.	661,084	676	108,275	770,035	643,529	1,495	100,169	745,193	(17,555)	819	(8,106)	(24,842)
NOV.	606,678	715	77,681	685,074	696,518	661	72,303	769,482	89,840	(54)	(5,378)	84,408
DEC.	767,793	464	98,124	866,381	709,472	426	126,996	836,894	(58,321)	(38)	28,872	(29,487)
TOTAL	6,612,137	8,633	853,285	7,474,055	6,884,449	8,173	874,024	7,686,646	192,312	(460)	20,739	212,591

REGIONAL OFFICES & AIRPORTS

Operations at the Regional Offices continued apace despite the challenges faced by the staff. Staff were hampered in their efforts to complete incoming and outgoing ships' files by the tardiness of importers, who use the PID and PTP facilities, in perfecting their entries. Efforts to combat smuggling in outlying areas, especially across the Corentyne River, continued to be hampered by the lack of timely information. The lack of adequate transportation facilities and other equipment also impaired the performance of staff at Regional Offices.

Officers at the Corriverton office continued to facilitate the clearance of the ferry operating between Guyana and Suriname and the temporary importation and exportation of vehicles which amounted to two thousand, five hundred and forty-three (2,543). Further, five hundred and ninety-three (593) incoming and five hundred and eighty-eight (588) outgoing ships' files were completed and three hundred and seventeen (317) International vessels were cleared.

The examination of incoming and outgoing postal packages and the processing/assessment of declarations were also carried out at the offices. Staff examined a combined total of two thousand, seven hundred and eighty-six (2,786) incoming packages, six hundred and thirty-three (633) outgoing packages and processed/assessed five thousand, two hundred and twenty-nine (5,229) declarations.

The examination of vehicles also continued at the Lethem location where three hundred and twenty-eight (328) vehicles were examined during the year under review. Revenue collected from Regional Offices (excluding CJIA and Ogle) amounted to \$256 Million.

CHEDDI JAGAN INTERNATIONAL & OGLE AIRPORTS

At the Cheddi Jagan International and the Ogle Airports 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. Three thousand, five hundred and sixty-one (3,561) incoming and three thousand, five hundred and thirty-six (3,536) outgoing aircrafts were processed along with two hundred and eighteen thousand and twenty four (218,024) incoming and two hundred and nineteen thousand, two hundred and seventy-six (219, 276) outgoing passengers. The completion of incoming and outgoing aircraft files amounted to three thousand, one hundred and sixty-nine (3,169) and three thousand, two hundred and fourteen (3,214) respectively.

Revenue collection at CJIA amounted to \$295.2 Million and is shown in the table overleaf.

**TABLE XXIII
REVENUE COLLECTION – (\$)
REGIONAL OFFICES AND AIRPORTS**

LOCATION	2008	2009	%VARIANCE
CJIA - Timehri	284,435,781	295,040,529	4
Anna Regina	35,332,848	28,310,151	(20)
Lethem	31,261,911	58,248,866	86
Linden	2,040,419	1,452,435	(29)
New Amsterdam	5,741,386	3,990,280	(30)
Corriverton	137,817,016	163,958,860	19
Bartica	115,000	120,000	4
Ogle	140,117	219,086	56
TOTAL	496,884,478	551,340,207	11

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.
- ◆ Remissions granted on the importation of goods in relation to foreign funded projects and pursuant to the schedules made under the Customs Act.
- ◆ Remissions granted to producing sectors of the economy such as mining, agriculture, tourism and information technology.

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

Remission Policy

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

1. Unconditional Exemptions
2. Conditional Exemptions

Unconditional Exemptions

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

Categories of Unconditional Exemptions

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

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

Conditional Exemptions

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

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Categories of Conditional Exemptions

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

1. Contracts/Agreements
2. Remigrants
3. Fishing
4. Education
5. Health Sector
6. Public Servants
7. Places of Worship/Charitable Organisations/NGO's
8. Motor Vehicles (Covers all categories of motor vehicles)
9. Mining
10. Tourism
11. Agriculture
12. Other Industry
13. Miscellaneous (Includes other areas such as Meteorological, Scientific and 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 2009 relative to the year 2008.

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

	Total Revenue		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2008	2009	2008	2009	2008	2009	2008	2009
Total	44,586,068	52,363,825	33,867,540	29,797,548	11,479,865	3,592,882	45,347,405	33,390,430
Ratio of remission to revenue collection			75.96%	56.90%	25.75%	6.86%	101.71%	63.76%

Total Exemptions for 2009 was G\$33,390,430,806 representing 63.76% of revenue collection for the period which was G\$52,363,825,000. Conditional Exemptions was G\$29,797,548,128 or 56.90% of revenue collection while Unconditional Exemptions represented 6.86% or \$3,592,882,678 of revenue collection.

Audit Office of Guyana

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AG: 13/2012

27 March 2012

**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 2009**

I have audited the financial statements of the Guyana Revenue Authority for the year ended 31 December 2009 as set out on pages 4 to 15 in accordance with Section 27(2) of the Guyana Revenue Authority Act No. 13 of 1996. These statements have been prepared under the historical cost convention as modified by the revaluation of fixed assets.

Respective Responsibilities of management and Auditors

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

Basis of Opinion

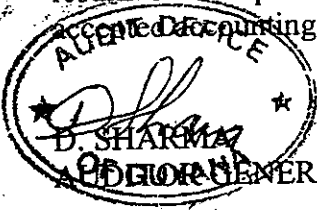
I conducted my audit in accordance with generally accepted auditing standards, including those of INTOSAI and International Federation of Accountants (IFAC). Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material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

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Opinion

In my opinion, the financial statements presents fairly, in all material respects the financial position of the Guyana Revenue Authority as at 31 December 2009 and the results of its operation and cash flows for the year ended, in conformity with generally accepted accounting principles


D. SHARMA
AUDITOR GENERAL (ag.)

AUDIT OFFICE OF GUYANA
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA

ANNUAL REPORT & STATEMENT OF ACCOUNTS



Revenue Authority Balance Sheet As at 31st December, 2009

	Notes	2009	2008
Fixed Assets	2		
Land and Buildings		714,832,238	497,916,914
Motor Vehicles & Craft		255,612,846	170,077,313
Computer Equipment		413,560,489	376,134,483
Office Equipment		232,138,384	198,517,208
Containers/Scanner		209,360,100	1,895,200
Office Furniture		109,697,893	101,819,514
		<u>1,935,201,950</u>	<u>1,346,370,632</u>
Capital Work in Progress		-	78,035,590
		<u>1,935,201,950</u>	<u>1,424,406,222</u>
 <u>Current Assets</u>			
Inventories	3	17,804,363	25,978,947
Cash in hand	4	2,219,929	2,203,691
Cash at bank	5	14,229,554	75,910,372
Receivable			615,260
		<u>34,253,846</u>	<u>104,708,270</u>
 <u>Current Liabilities</u>			
Balance due to Consolidated Fund		1,830,351	3,854,938
Grants	7	12,384,400	12,400,150
Accounts Payable	19	1,603	59,576,084
Total Current Liabilities		<u>14,216,354</u>	<u>75,831,172</u>
Net Assets		<u><u>1,955,239,442</u></u>	<u><u>1,453,215,320</u></u>
 <u>Financed By:</u>			
Government of Guyana Contribution	6	1,179,489,913	1,082,465,791
Project Financing	20	775,749,529	370,749,529
		<u>1,955,239,442</u>	<u>1,453,215,320</u>

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Guyana Revenue Authority Income and Expenditure Account For the year ended 31st December, 2009

	Notes	2009	2008
INCOME			
Subsidy		3,036,027,313	2,383,604,707
FFM – Reimbursements for Rent		615,260	-
Grant		986,490	4,459,000
Total Income		3,037,629,063	2,388,063,707
EXPENDITURE			
<i>Wages and Salaries</i>			
Wages and Salaries	8	1,065,605,258	1,055,366,758
Revision of Wages & Salaries		73,463,642	-
Overhead Expenditure	9 a&b	524,940,379	540,456,041
TOTAL WAGES AND SALARIES		1,664,009,279	1,595,822,799
<i>Other Charges</i>			
Material Equipment & supplies	10	100,739,873	87,081,644
Fuel and Lubricants		59,317,518	73,031,166
Rental and Maintenance of Buildings	11	97,524,058	80,590,275
Transport Travel and Postage	12	90,171,696	109,297,374
Utility Charges	13	148,306,608	109,835,430
Other Goods and Services	14	206,409,888	180,328,087
Other Operating Expenses	15	97,227,105	53,641,404
Education Subventions and Training	16	7,770,763	6,583,677
Rates and taxes & Subvention to Local Authorities	17	-	-
Subsidies and Contribution to Local & Int'l Org.	18	16,884,176	11,155,060
Refunds of Revenue		547,439,212	76,740,103
TOTAL OTHER CHARGES		1,371,790,897	788,284,220
TOTAL EXPENDITURE		3,035,800,176	2,384,107,019
SURPLUS		1,828,887	3,956,688
Excess of Grant Over Expenditure		500,150	101,750
Excess of Releases Over Expenditure		1,328,737	3,854,938
		1,828,887	3,956,688

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Guyana Revenue Authority Cash Flow Statement For the year ended 31st December, 2009

	2009	2008
<u>Cash Flows from operating activities</u>		
Cash Releases from Government of Guyana	3,036,027,313	2,383,601,707
Grant	986,490	4,459,000
FFMP Repayment	615,260	
Cash paid to suppliers and employees	(3,035,800,176)	(2,384,101,019)
Net Cash flow from operating activities	1,828,887	3,955,688
<u>Cash Flows from investing activities</u>		
Cash Releases from Government of Guyana	450,000,000	184,578,194
Purchase of property, plant and equipment	(449,996,933)	(46,989,409)
Capital Work in Progress		(78,033,901)
Net Cash flow from investing activities	3,067	59,554,884
Net increase in cash	1,831,954	63,510,572
Cash at beginning of period	75,897,172	16,326,503
Cash Paid to Liability (2008)	(59,042,574)	
Cash repaid to Government of Guyana	(4,470,198)	(3,941,103)
Unreconciled Difference	-	
Cash at end of period	14,216,354	75,897,172
Due to Consolidated Fund		
Current	1,830,351	3,955,688
ODS	1,328,737	3,954,938
FFMP	150	191,750
Capital	500,000	-
Liability	1,464	-
Grants	1,603	59,554,884
	12,384,400	12,384,400
	14,216,354	75,897,172

**Guyana Revenue Authority
Notes on the Financial Statements
For the year ended 31st December, 2009**

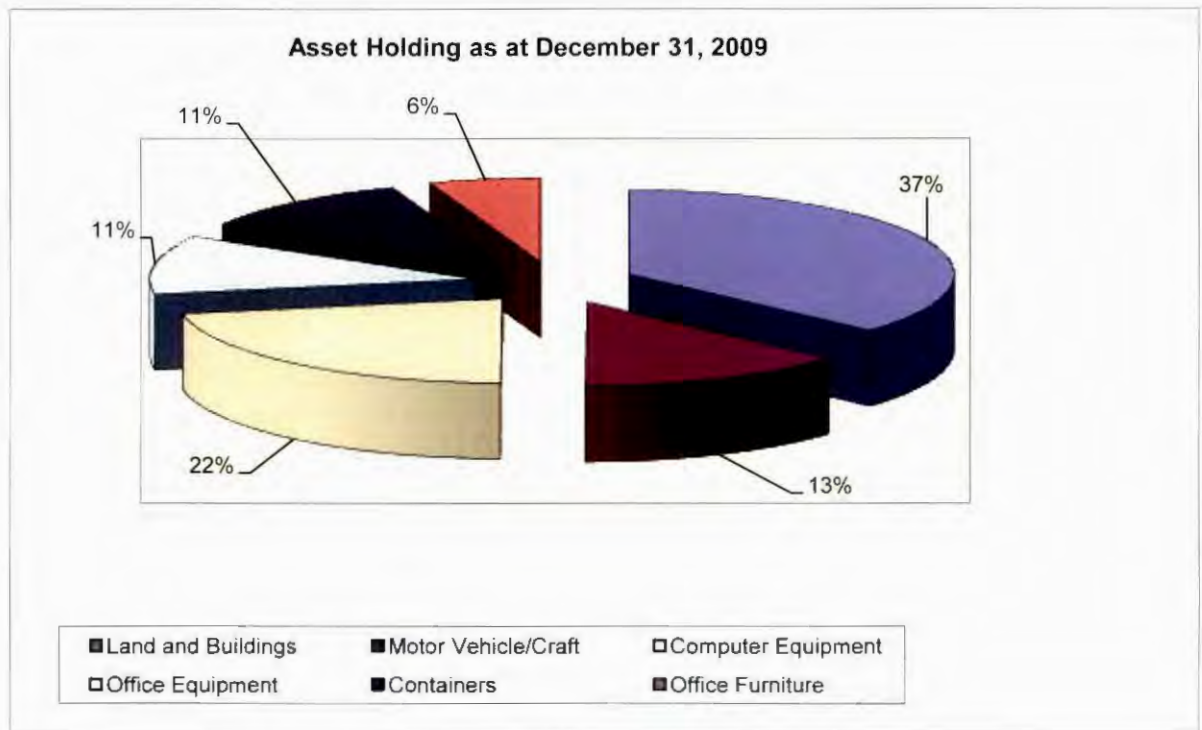
Note 1. Significant Accounting Policies

- 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 27th January 2000, were independently valued by the Chief Valuation Officer at \$485.5M.

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



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Note 2. Fixed Assets (cont'd)

The asset position of the Revenue Authority as at 31st December 2009 is stated below.

	Land and Buildings	Motor Vehicle/Craft	Computer Equipment	Office Equipment	Containers/Scanner	Office Furniture	WIP	Total
Value of Fixed Assets at 1st January, 2009								
Comprising								
Valuation/								
Cost	497,976,914	170,027,313	376,134,483	198,517,208	1,895,200	101,819,514	78,033,590	1,424,404,222
Additions								
GRA	8,754,504		32,863,726	4,265,300	250,000	3,405,719		49,539,249
FFMP		5,045,000						5,045,000
MCA	130,067,230	84,340,533	4,562,280	29,355,876	207,214,900	4,472,660		460,013,479
Disposal/Transfer		(3,800,000)						(3,800,000)
Total	636,798,648	255,612,846	413,560,489	232,138,384	209,360,100	109,697,893	78,033,590	1,935,201,950
GRA WIP	18,469,878						(18,469,878)	-
MCA WIP	59,563,712						(59,563,712)	-
Value of Fixed Assets as at 31st December, 2009								
	714,832,238	255,612,846	413,560,489	232,138,384	209,360,100	109,697,893	-	1,935,201,950

Audited numbers for Fixed Asset Note in 2008 Financial Statements were adjusted herein to reflect an incorrect formula used in this note in 2008.

Note 3. Inventories

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

Stock Item	2009	2008
Office Materials & Supplies	7,322,927	11,694,787
Preprinted Forms	10,481,436	14,284,160
Total	17,804,363	25,978,947

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.

Description	2009	2008
Imprest Accounts		
Customs & Trade Administration	1,000,000	1,000,000
Internal Revenue	1,000,000	1,000,000
Total Imprest	2,000,000	2,000,000
Foreign Currency Float	219,929	203,402
Total	2,219,929	2,203,402

Note 5. Cash at Bank

This represents amount held at Bank of Guyana and floats at Point of Sale accounts at Republic Bank.

Description	2009	2008
Bank of Guyana – Main A/c	14,216,354	75,897,172
NBIC POS Accounts		
Customs & Trade Administration	6,600	6,600
Internal Revenue	6,600	6,600
Total	14,229,554	75,910,372

Note 6. Government of Guyana Contribution

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

The table below sets out the movement in the Fund for the year ended 31st December 2009.

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	<i>Fixed Assets</i>	<i>Net Current Assets</i>	2008
	1,424,404,222	28,811,098	1,180,595,724
	510,797,728	(8,773,606)	272,619,596
	1,935,201,950	20,037,492	1,453,215,320

Note 6a – Analysis of Movement during the Year

Purchases of Fixed Assets - GRA	49,539,249	
Purchases of Fixed Assets - MCA	460,013,479	
FFMP Asset Acquired	5,045,000	
Disposals of Fixed Assets	(3,800,000)	510,797,728
Inventories	(8,174,584)	
Foreign Currency & POS Floats	16,238	
Receivables	(615,260)	(8,773,606)
		502,024,122

Note 6 Continued – Government of Guyana Contribution

GOG Contribution As at 31 st December, 2009	1,955,239,442
Less –	
MCA Counterpart Contribution – 2009	(405,000,000)
MCA Counterpart Contribution – 2008	(114,578,794)
FFMP Asset Assistance	(117,449,130)
FFMP Asset Assistance	
Public Service Technical Assistance Credit	(123,979,082)
	(14,742,523)
GOG Contribution As at 31st December	1,179,489,913

Note 7. Grants

CDB

- During 2005, the Authority received a \$15M grant from the Caribbean Development Bank for capacity building. The sum of \$2.6M has been expended in 2005. The balance on these Grants at 31st December 2009 is \$12.4M.

FFMP

- The FFMP has released to the Guyana Revenue Authority in 2009 the sum of \$1.5M. This was used to finance official overseas trips. The amount of \$615,260 was received to reimburse the current funds for an overseas trip undertaken in the year 2008 (shown as receivable in 2008). This amount was paid over to the Accountant General via cheque number 04-067167 dated 2009/10/20. Other expenditure amounted to \$384,740. Thus, resulting in a balance of \$500,000 (to be repaid to the Accountant General).

ODS: Ozone Depleting Substances

- The National Ozone Action Unit through Ministry of Agriculture in 2008 released \$759,000 for training. Guyana revenue Authority's actual expenditure amounted to \$657,250 in 2008 and \$101,600 in 2009 which have been included in 6302 Training (Note 16) resulting in a balance of \$150 remaining at 31st December, 2009 (to be repaid to the Accountant general).

Balance on Grants as at 31st December, 2009

	2009 (\$)	2008 (\$)
Training Grant – ODS	-	101,750
Caribbean Development Bank	12,384,400	12,384,400
Total	12,384,400	12,486,150

Note 8. Wages and Salaries

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6111	Administrative	246,131,655	235,039,198
6112	Senior Technical	219,126,387	212,990,967
6113	Other Technical & craft skills	210,901,839	207,551,600
6114	Clerical & Office Support	242,023,958	264,520,053
6115	Semi-Skilled and Unskilled operatives	139,906,552	130,937,650
6116	Contract Employees	5,271,186	2,469,836
6117	Temporary Employees	2,243,681	1,857,454
TOTAL		1,065,605,258	1,055,366,758

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Note 9a. Overhead Expenditure

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6131	Other Direct Labour Costs (See Note 9b)	233,013,549	254,509,077
6133	Benefits & Allowances	168,390,866	166,194,173
6134	National Insurance	75,850,638	75,037,103
6135	Pensions	47,685,326	44,715,688
TOTAL		524,940,379	540,456,041

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	2009 (\$)	2008 (\$)
Lennox Benjamin	144,000	144,000
Clyde Roopchand	180,000	180,000
Sonia Roopnauth	144,000	144,000
Lawrence Williams	144,000	144,000
Total	612,000	612,000

Note 10. Material Equipment & Supplies

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6221	Drugs & Medical Supplies	302,330	219,557
6222	Field Materials & Supplies	-	-
6223	Office Materials & Supplies	42,556,058	41,755,512
6224	Print & Non Print Materials	57,881,485	45,106,575
TOTAL		100,739,873	87,081,644

Note 11. Rental & Maintenance of Buildings

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6241	Rental of Buildings	54,440,452	49,671,452
6242	Maintenance of Buildings	33,915,217	22,554,467
6243	Janitorial & Cleaning Supplies	9,168,389	8,364,356
TOTAL		97,524,058	80,590,275

ANNUAL REPORT & STATEMENT OF ACCOUNTS



Note 12. Transport Travel & Postage

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6261	Local Travel & Subsistence	56,525,644	61,287,382
6262	Overseas Conference & Official Visits/(FFMP)	983,116	4,694,227
6263	Postage, Telex and Cablegram	7,523,516	12,143,229
6264	Vehicle Spares & Services	21,736,280	30,610,056
6265	Other Transport Travel & Postage	3,403,140	562,480
TOTAL		90,171,696	109,297,374

Note 13. Utility Charges

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6271	Telephone Charges	18,733,514	19,841,026
6272	Electricity Charges	115,654,722	85,316,641
6273	Water Charges	363,738	559,576
6274	Wireless Charges	13,080,631	2,110,184
6275	Internet Charges	474,003	2,008,003
TOTAL		148,306,608	109,835,430

Note 14. Other Goods & Services Purchased

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6281	Security Services	134,274,201	121,154,639
6282	Equipment Maintenance	25,473,363	23,082,404
6283	Cleaning & Extermination Services	18,110,601	18,293,381
6284	Others	28,551,723	17,797,663
TOTAL		206,409,888	180,328,087

Note 15. Other Operating Expenses

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6291	National & Other Events	6,158,807	4,152,870
6293	Refreshments & Meals	4,150,869	3,409,932
6294	Others	86,917,429	46,078,602
TOTAL		97,227,105	53,641,404

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Note 16. Education Subvention & Training

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6301	Education Subvention	-	-
6302	Training/ ODS Training/FFMP – Note 7	7,770,763	6,583,677
TOTAL		7,770,763	6,583,677

Note 17. Rates and Taxes and Subventions

Expenditure under this head comprised the following sub-heads

Code	Description	2009	2008
6221	Rates and Taxes	-	-
6222	Subvention to Local Authorities	-	-
TOTAL		-	-

Note 18. Subsidies & Contributions to Local & International Organisations

Expenditure under this head comprised the following sub-heads:

Code	Description	2009 (\$)	2008 (\$)
6321	Local Organisation	685,052	180,000
6322	International Organisation	16,199,124	10,975,060
TOTAL		16,884,176	11,155,060

Note 19

Capital Liability:

Total funding for capital for 2009 amounted to \$450M, \$45M being GRA/GOG and \$405M being MCA/GOG Counterpart Contribution. Total expenditure for capital amounted to \$450M; this resulted in a liability of \$3,067 (see below) as at 31st December, 2008, which represents projects that are committed to be paid upon completion or delivery of assets.

Capital Liability Account

Funding - Source	2009 (\$)	2008 (\$)
MCA- GOG Counterpart Contribution	1,603	55,015,371
GRA/GOG	1,464	4,540,713
Total	3,067	59,556,084

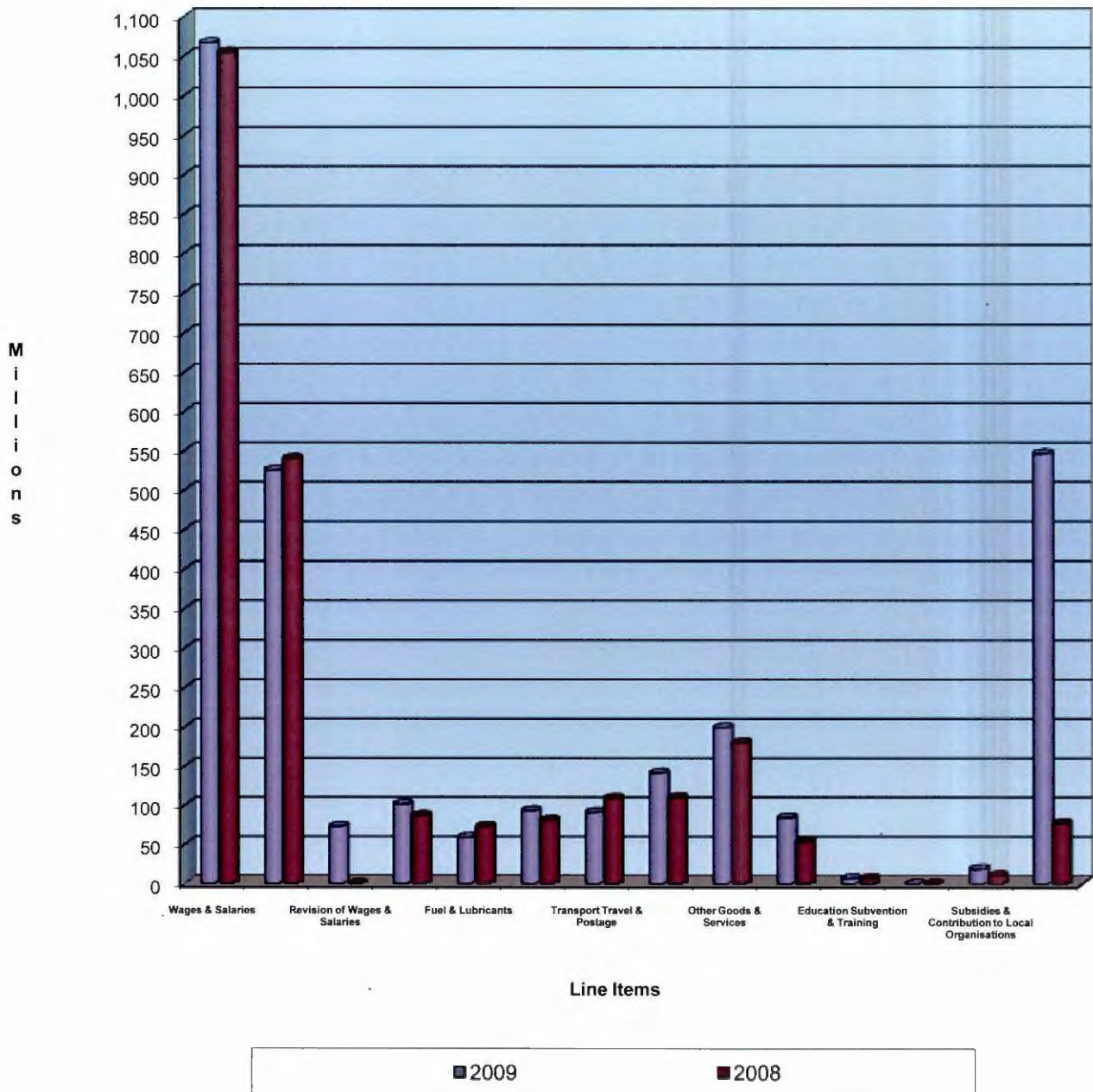
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Note 20. Project Financing

Project Financing	2009 (\$)	2008 (\$)
MCA- GOG Counterpart Contribution	405,000,000	114,578,794
FFMP Asset Finance		241,428,212
Public Service Technical Assistant Credit		14,742,523
Total	405,000,000	370,749,529

Guyana Revenue Authority Analysis of Expenditure



Highlights



One of the surveillance boats, which were acquired by the Authority to aid anti-smuggling activities, on a test run in the Demerara River



Members of the head table listen as the Commissioner-General addresses participants at an Integrity Workshop.



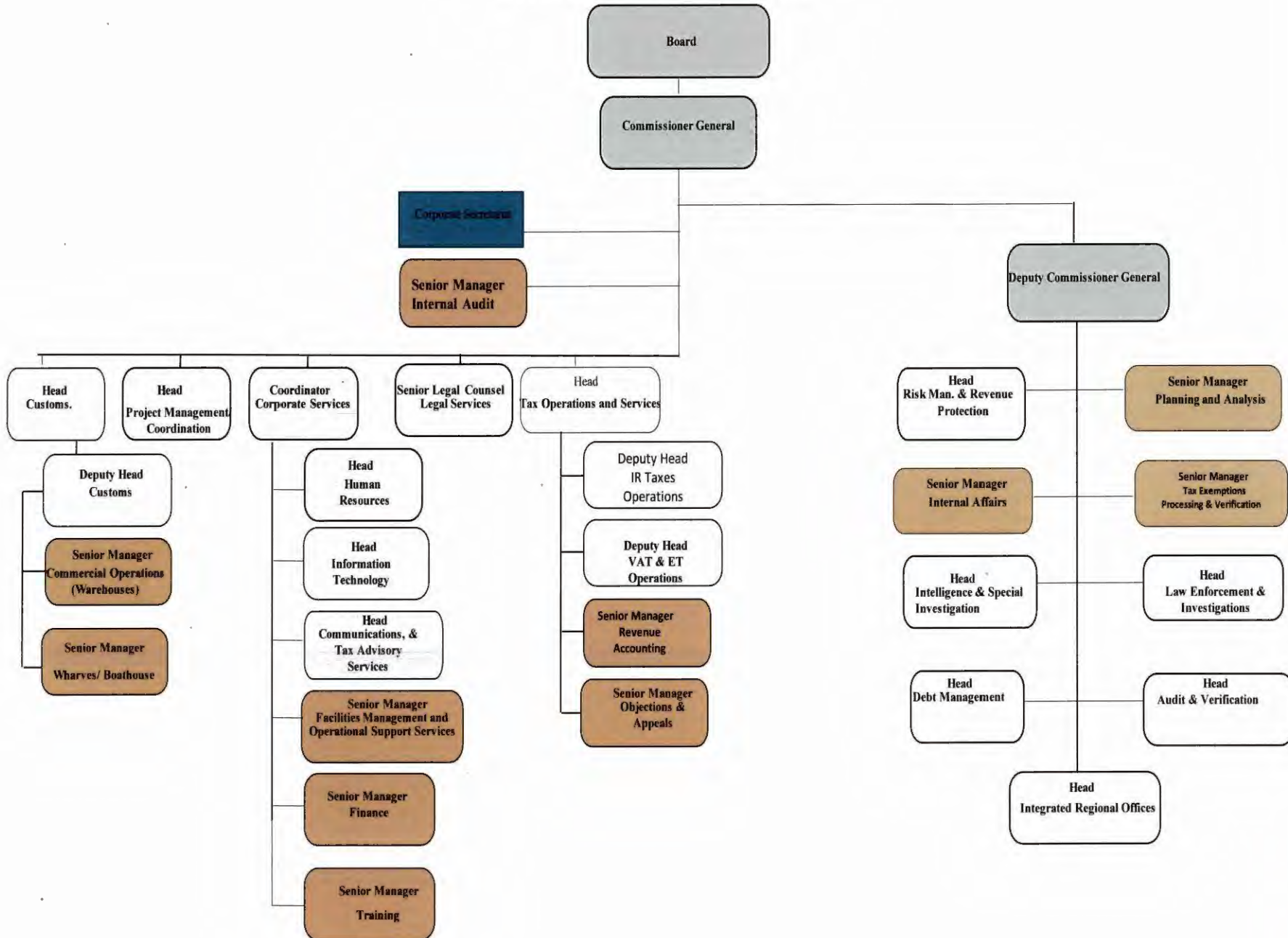
Head of the Human Resource Management Division addresses new members of staff during an Induction Seminar.



Staff attached to the recently upgraded Learning Resource Centre at workstations which were acquired under the GTCP/IP.

APPENDICES

APPENDIX I ORGANIZATION 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 - 2010

33 1/3% of the amount of Chargeable Income
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SELF EMPLOYED INDIVIDUALS

Effective 1st September 2003.

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

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

Capital Gains Tax Rate

Capital Gains Tax	20%
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PERSONAL PROPERTY TAX RATES

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 2010

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 Non-Commercial Companies	Effective for YA 95-96	2%
		Commercial Companies	From YA 97 applied to Commercial Companies only	2%
2	Corporation Tax on Chargeable Income	Commercial Companies	(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 – 2010	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 2010
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
2009 - 2010	\$420,000

