



GUYANA REVENUE AUTHORITY



GRA's
**ANNUAL REPORT
AND STATEMENT OF ACCOUNTS
FOR YEAR ENDING
31ST DECEMBER 2013**



GUYANA REVENUE AUTHORITY



GRA's

**ANNUAL REPORT
AND STATEMENT OF ACCOUNTS
FOR YEAR ENDING
31ST DECEMBER 2013**

ANNUAL REPORT & STATEMENT OF ACCOUNTS



CONTENTS

| | Page No. |
|--|-----------------|
| <i>Business Address</i> | 4-6 |
| <i>Members of the Governing Board</i> | 7 |
| <i>Letter of Transmittal</i> | 8 |
| <i>Mission Statement</i> | 9 |
| <i>Core Values</i> | 9 |
| <i>Vision</i> | 10 |
| <i>Organisation Structure</i> | 11 |
| <i>Report of the Governing Board</i> | 12-15 |
| <i>Revenue Collection</i> | 16-21 |
| <i>Performance of Departments</i> | |
| <i>Tax Operations and Services</i> | |
| Registration and Central Data Processing | 22-24 |
| Taxpayer Services | 25 |
| Refund of Taxes | 26-27 |
| Review of Returns | 27 |
| Examination | 28 |
| Objections | 28-30 |
| Licence Revenue Office | 31 |
| <i>Customs and Trade Administration</i> | |
| Commercial Operations | 32-33 |
| Wharves and Boathouse | 33-35 |
| <i>Integrated Regional Tax Offices</i> | 36-39 |
| <i>Remission of Duties and Taxes</i> | 39-41 |
| <i>Performance of Service Divisions</i> | |
| <i>Human Resource Management</i> | 41-42 |
| <i>Training</i> | 42-45 |
| <i>Finance</i> | 45-47 |



ANNUAL REPORT & STATEMENT OF ACCOUNTS

CONTENTS

| | Page No. |
|---|-----------------|
| <i>Communication & Tax Advisory Services</i> | 47-49 |
| <i>Internal Audit</i> | 49-50 |
| <i>Internal Affairs</i> | 50-51 |
| <i>Audit & Verification</i> | 51-52 |
| <i>Legal Services</i> | 52 |
| <i>Tax Exemption Processing and Verification</i> | 52-53 |
| <i>Information Technology</i> | 53-55 |
| <i>Law Enforcement & Investigation</i> | 55-57 |
| <i>Facilities Management & Operational Support Services</i> | 57-58 |
| <i>Debt Management</i> | 58-59 |
| <i>Intelligence and Risk Management</i> | 59-60 |
| <i>Planning & Analysis</i> | 60-61 |
| <i>Revenue Protection</i> | 61 |
| <i>Container Scanner & Goods Examination</i> | 61-62 |
| <i>Administrative Services</i> | 63 |
| <i>Financial Statements</i> | 64-80 |
| <i>Appendices</i> | 79 |
| 1 Individual Tax Rates | 80-82 |
| 2 Company Tax Rates | 83 |
| 3 Withholding Tax Rates | 84 |
| 4 Premium Tax Rates | 84 |
| 5 Personal Income Tax Deductions | 85 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



BUSINESS ADDRESS

GUYANA REVENUE AUTHORITY HEADQUARTERS

200-201 Camp Street,
Georgetown.

Tel: 592-227-8222, 592-227-6060

Commissioner-General

Tel: 592-227-8381 Fax: 592-227-8347

Deputy Commissioner-General

Tel: 592-227-8834

DEPARTMENTS

TAX OPERATIONS & SERVICES DEPARTMENT

INTERNAL REVENUE OPERATIONS

Deputy Head

Tel: 592-226-8840

VAT OPERATIONS

Deputy Head

Tel: 592-227-8462

CUSTOMS AND TRADE ADMINISTRATION

Deputy Head

Customs and Trade Administration

Tel: 592-225-4698

INTEGRATED REGIONAL TAX OFFICES

Head

200-201 Camp Street
Georgetown, Guyana.
South America.

Telephone # 592-227-6738

New Amsterdam

5 Strand, New Amsterdam,
Berbice, Guyana
South America.,

Telephone # 592-333-2513, 4899 or 3524

Linden

31'A' Co-op Crescent,
McKenzie, Linden,
Guyana, South America.

Telephone # 592-444-2918, 2916, 2913 or 6341

ANNUAL REPORT & STATEMENT OF ACCOUNTS

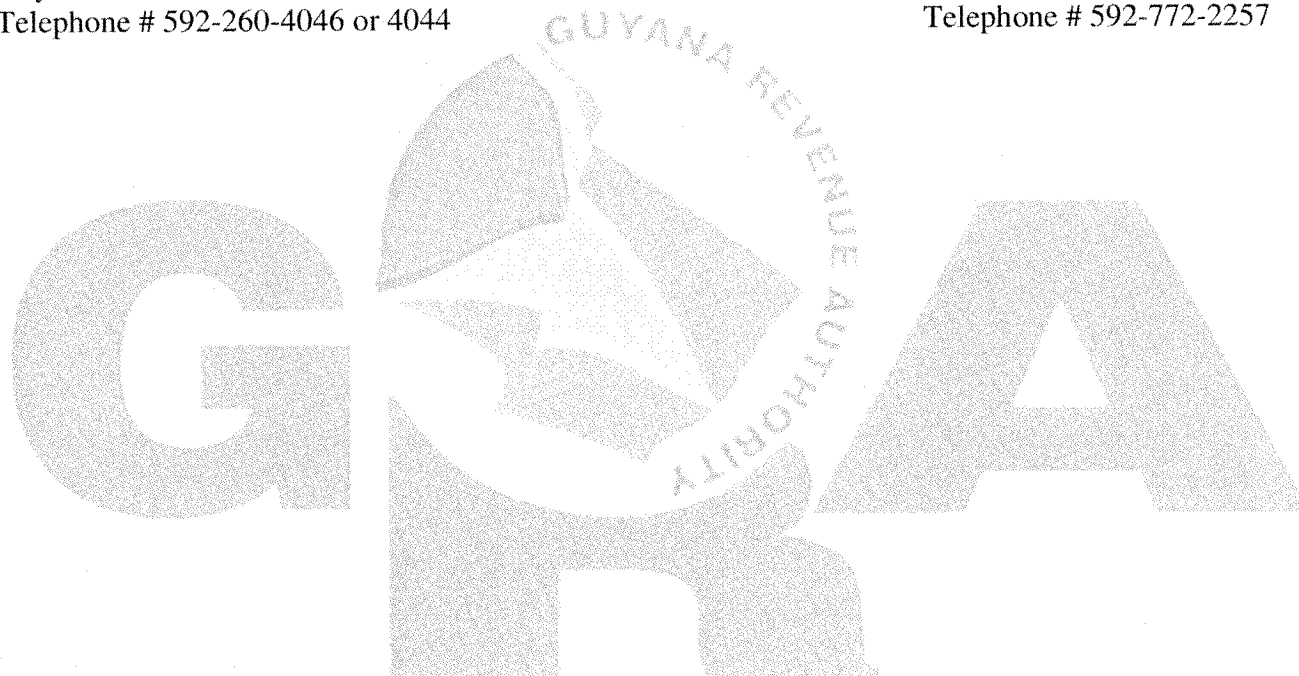


Corriverton
80 Calcairn, Skeldon,
Corriverton, Berbice,
Guyana,
South America.
Telephone # 592-339-2819, 2619 or 2324

Anna Regina
Takuba Lodge,
Compound Anna Regina
Essequibo Coast,
Guyana, South America
Telephone # 592-771-5265/6/7 or 4953

Parika
GRA Boathouse
East Bank Essequibo
Guyana, South America.
Telephone # 592-260-4046 or 4044

Lethem
Lot CB 9 Commercial Zone
Lethem, Guyana,
South America.
Telephone # 592-772-2257



ANNUAL REPORT & STATEMENT OF ACCOUNTS



SERVICE DIVISIONS

HUMAN RESOURCE MANAGEMENT

Telephone # 592-227-0471

AUDIT & VERIFICATION

Telephone # 592-226-8820

COMMUNICATION & TAX ADVISORY SERVICES

Telephone # 592-227-8222 Ext. 4200

INTERNAL AUDIT

Telephone # 592-227-8222 Ext. 4300

INFORMATION TECHNOLOGY

Telephone # 592-227-3516

INTERNAL AFFAIRS

Telephone # 592-227-8222 Ext. 3100

LEGAL SERVICES

Telephone # 592-226-1256.

TAX EXEMPTION PROCESSING & VERIFICATION

Telephone # 592-227-8222 Ext. 3500

LAW ENFORCEMENT & INVESTIGATION

Telephone # 592-227-8222 Ext. 3200

FINANCE

Telephone # 592-227-8222 Ext. 4500

OPERATIONAL SUPPORT SERVICES

Telephone # 592-227-3885

INTELLIGENCE, RISK MANAGEMENT & SPECIAL INVESTIGATION

Telephone # 227-8782 Ext. 3400

DEBT MANAGEMENT

Telephone # 592-225-5600

REVENUE PROTECTION

Telephone # 592-227-8222 Ext. 3300

PLANNING & ANALYSIS

Telephone # 592-227-8222 Ext. 2500

CONTAINER SCANNER & GOODS EXAMINATION

Telephone # 592-231-8001

FACILITIES MANAGEMENT

Telephone # 592-227-8222 Ext. 1300

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 Sattaur
Commissioner-General
Guyana Revenue Authority

...

Member

ANNUAL REPORT & STATEMENT OF ACCOUNTS



LETTER OF TRANSMITTAL

Mr. Winston Jordan
Honourable 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 and with the authorization of the Board, I have the honor to submit to you the Report of the Governing Board, on the activities, financial affairs, operations and performance of the Revenue Authority for the year ended 31st December, 2013, together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read 'Godfrey Statia', is written over a horizontal dotted line.

Godfrey Statia
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.

Cooperation is the means by which future challenges will be met. This involves building partnerships and working together towards common goals. Co-operation involves followership as well as leadership.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



OUR VISION

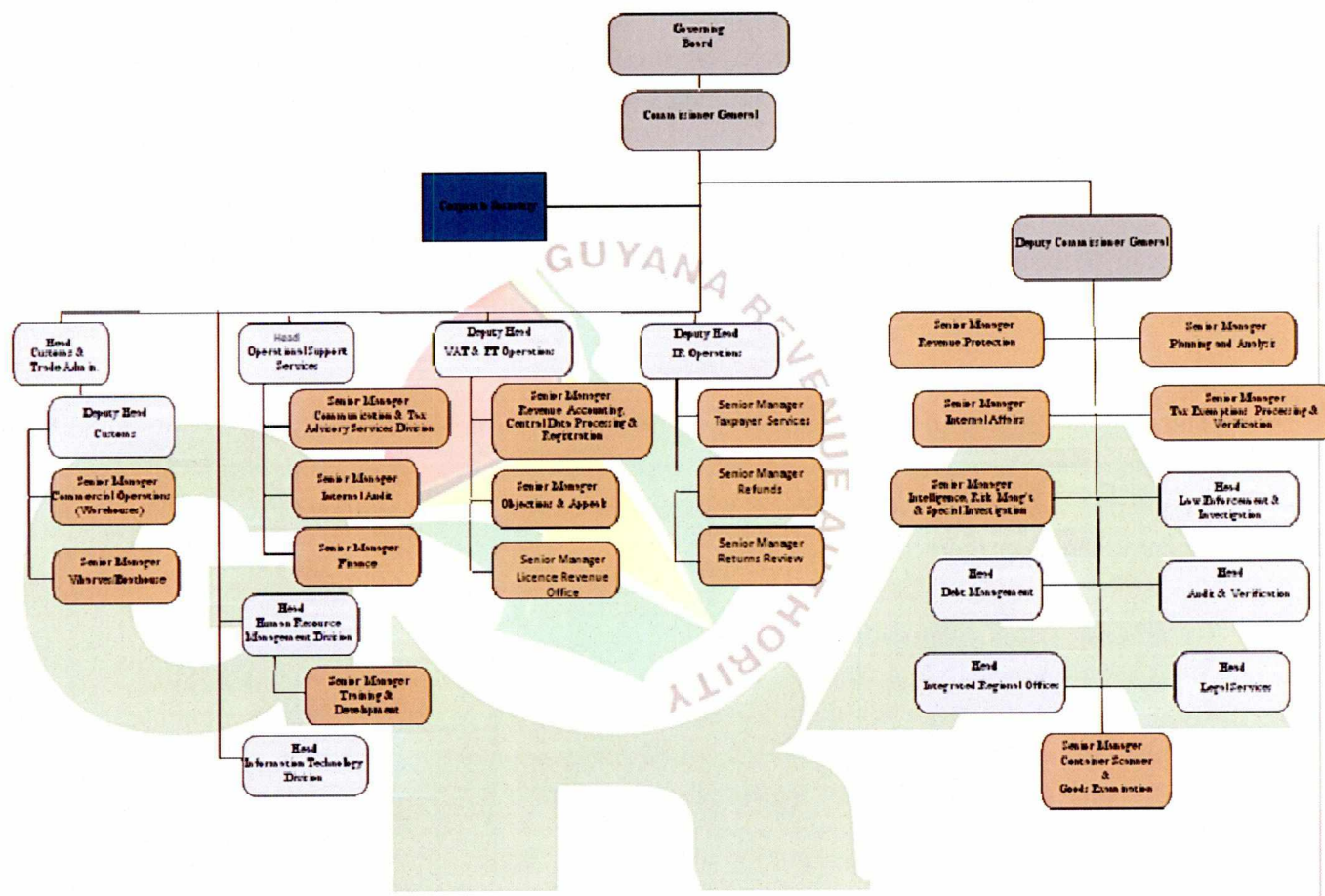
The Revenue Authority looks forward to being recognised and respected by clients and stakeholders for its integrity and fairness in administering high quality yet affordable programmes.

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

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

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

ORGANISATION STRUCTURE



ANNUAL REPORT & STATEMENT OF ACCOUNTS



REPORT OF THE GOVERNING BOARD

REVENUE COLLECTION

Revenue collection by the Authority has maintained its upward trend during the year 2013 with collection totaling \$126.5 B. This amount exceeded the approved budget of \$125.7B by \$0.8 B or approximately 0.6%. When compared with collection in 2012, which amounted to \$118.3B, collection in 2013 increased by \$8.2B or approximately 6.9%.

Internal Revenue

The approved revenue estimate for Internal Revenue taxes for the year 2013 was **\$50.4B**. Collections by Internal Revenue amounted to **\$51.7B** which represented an increase of **\$1.3B** or **2.57%** over the approved estimate for the year and **\$3.08B** or **6.3%** over the total collected for the year 2012.

VAT & Excise Tax

The estimate approved by Parliament for VAT (on both imports and domestic supply) and Excise Tax (domestic supply only) for the year 2013 was **\$40.6B**. Collection amounted to **\$37.5B** which represents a decrease of **\$3.1B** or **7.6%** when compared with the approved estimate and **\$0.25B** or **0.67%** over the total collected for the year 2012.

Customs & Trade Administration

The revenue estimate approved by Parliament for the Customs and Trade Administration (inclusive of Excise Tax on imports) for the year was **\$34.7B** while revenue collected amounted to **\$37.3B**. The amount collected represents an increase of **\$2.6B** or approximately **7.49%** above the approved estimate for the year and an increase of **\$4.8B** or approximately **14.78%** above the total collected for the year 2012.

Table I below shows the budgeted and actual collections for the Revenue Authority for the period under review while a more detailed analysis of revenue collection is undertaken in Tables II to IV.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



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

| | 2012 | 2013 | | |
|----------------------------------|--------|--------|--------|----------|
| | Actual | Budget | Actual | Variance |
| Internal Revenue | 48.62 | 50.4 | 51.7 | 1.3 |
| Value Added and Excise Tax | 37.25 | 40.6 | 37.5 | (3.1) |
| Customs and Trade Administration | 32.46 | 34.7 | 37.3 | 2.6 |
| Total | 118.33 | 125.7 | 126.5 | 0.8 |

INS

TITUTIONAL STRENGTHENING MEASURES

ELECTRONIC PAYMENT SYSTEM

During the year, the Guyana Revenue Authority commenced discussions with Commercial Banks to establish facilities which will allow taxpayers to remit their taxes electronically. The system will be similar to that which utility companies have in place with the local banks and will include a telebanking feature. The decision to implement this payment system was made in an effort to improve the service provided to taxpayers and to reduce the high volume of traffic at the Authority's Headquarters resulting from the consolidation of the Georgetown Offices. It is expected that this system will become operable during the first quarter of 2014.

INSTALLATION OF SCANNER AT CHEDDI JAGAN INTERNATIONAL AIRPORT (CJIA)

The GRA has acquired and installed a scanner at the CJIA to detect persons who try to evade customs duties by making a declaration that goods are for personal use when instead the goods are imported in commercial quantities. The scanner was acquired through funding from the Inter- American Development Bank at a cost of US\$100,000.

ONLINE MONITORING OF DECLARATION STATUS

A new online feature was launched which allows for the monitoring of Customs Declaration status by importers, exporters and brokers. This web-based feature enables them to access the information from their laptops or smart phones and eliminates unnecessary trips to the Customs and Trade Administration.

REDUCED PAPERWORK FOR PROCESSING CUSTOMS DECLARATIONS

In keeping with the provisions of the Customs Act, Chapter 82:01 the Commissioner-General of the Guyana Revenue Authority revised the requirements of submitting four (4) copies of each document, including the Form C72 when entering Customs Declarations. The revision enabled persons to file their

ANNUAL REPORT & STATEMENT OF ACCOUNTS

documents in duplicate with effect from September 1, 2013. The revision was aimed at simplifying Customs procedures, reducing the need for large storage space, decreasing the dwelling time of cargo and by extension, decreasing the costs associated with these activities.

IMPORTATION OF GOODS CONTAINING OZONE DEPLETING SUBSTANCES

The Guyana Revenue Authority intensified its campaign to ensure that importers are in compliance with the restriction placed on the importation of ozone depleting substances in keeping with the regulations made under Order No. 19 of 2007 of the Trade Act, Chapter 91:01. The Order limits the amount of hydrochlorofluorocarbons (HCFCs) and other ozone depleting substances that can be imported. Therefore, persons desirous of importing these harmful gases or equipment containing same must obtain the required permit the National Ozone Action Unit (NOAU).

Over time, approximately fifty (50) Customs and Enforcement Officers have been trained on Ozone Depleting Substances and the procedures used in the fight against their illegal importation. A number of importers have been found guilty of violating the order and have been advised of the requirements to avoid future breach.

NEW LEGISLATION

INCOME TAX

With effect from year of assessment January 1, 2014 the rate of tax upon the changeable income of every person, other than a company, was reduced from 33 1/3 % to 30 %.

Further, the Income Tax Act was also amended to grant partial relief from tax to first time home owners by allowing a deduction of interest payments on mortgage loans (Mortgage Interest Relief). The relief is limited to 30% of the interest paid on the principal sum of a loan not exceeding G\$30M.

PROPERTY TAX

The valuation date of properties for Property Tax purposes was changed from January 1, 1991 to January 1, 2011.

In addition, the first schedule to the Property Tax Act was amended by increasing the non-taxable net property from 7.5 million to 40 million dollars and to charge the remainder of net property at $\frac{3}{4}$ of one percent in the case of individuals, and by increasing the non-taxable net property from 1.5 million to 10 million dollars and to charge the next 15 million at $\frac{1}{2}$ of one percent and every dollar of the remainder at $\frac{3}{4}$ of one percent in the case of companies.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GRA's new headquarters located at 200-201 Camp Street, Georgetown

ANNUAL REPORT & STATEMENT OF ACCOUNTS



REVENUE COLLECTION

INTERNAL REVENUE COLLECTION FOR THE YEAR 2013 (\$000) TABLE II

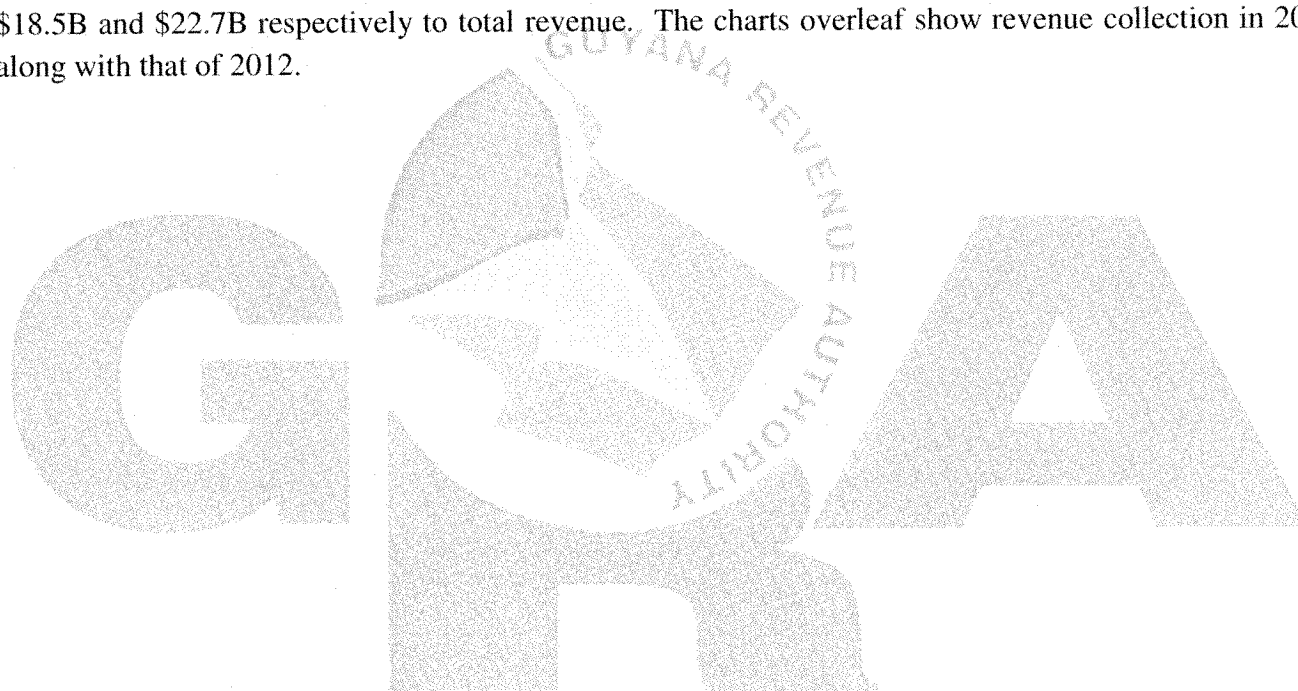
| DESCRIPTION | ACTUAL | BUDGETED | ACTUAL | Variance | |
|---------------------------|------------|------------|------------|-----------|-------------|
| | 2012 | 2013 | 2013 | Over 2012 | Over Budget |
| INCOME TAX SELF EMPLOYED | 3,374,793 | 3,910,372 | 3,307,352 | (67,441) | (603,020) |
| INCOME TAX OTHERS | 16,154,897 | 15,273,600 | 15,199,071 | (955,826) | (74,529) |
| CORPORATION TAX: | 19,576,192 | 21,080,639 | 22,689,259 | 3,113,067 | 1,608,620 |
| - Private Sector | 18,550,233 | 20,076,928 | 21,736,237 | 3,186,004 | 1,659,309 |
| - Public Sector | 1,025,959 | 1,003,711 | 953,022 | (72,936) | (50,689) |
| WITHHOLDING TAX | 4,843,271 | 5,100,000 | 4,932,363 | 89,092 | (167,637) |
| NET PROPERTY TAX | 1,866,183 | 2,087,025 | 2,571,800 | 705,617 | 484,775 |
| PROCESS FEE | 37,308 | 39,000 | 36,595 | (713) | (2,405) |
| TRAVEL TAX | 646,590 | 719,200 | 594,572 | (52,017) | (124,628) |
| CAPITAL GAINS TAX | 408,197 | 475,800 | 265,850 | (142,347) | (209,950) |
| PREMIUM TAX | 189,344 | 197,500 | 193,308 | 3965 | (4,192) |
| PROFESSIONAL FEES | 8,695 | 9,500 | 7,470 | (1,226) | (2,031) |
| TRAVEL VOUCHER TAX | 684,189 | 682,000 | 937,435 | 253,246 | 255,435 |
| LICENCE MOTOR VEHICLES | 512,892 | 539,840 | 586,841 | 73,948 | 47,001 |
| LICENCE OTHER VEHICLES | 152 | 160 | 183 | 31 | 23 |
| LICENCE - TRADING | 11,569 | 11,500 | 14,082 | 2,512 | 2,582 |
| LICENCE MISCELLANEOUS | 13,314 | 8,600 | 6693 | (6,620) | (1,907) |
| M/ VEHICLES & RD TRAF ACT | 294,078 | 315,000 | 331,713 | 37,635 | 16,713 |
| TOTAL | 48,621,665 | 50,449,736 | 51,674,587 | 3,052,922 | 1,224,851 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



During the year 2013, the actual revenue collection amounted to \$51.7B while the budgeted figure which was approved in the National Assembly was \$50.4B. Actual collections surpassed the budgeted amount by \$1.3B or 2.57%. Total revenue for 2013 by tax type is set out in Table II above. Revenue collection under various heads exceeded the estimates by \$2.5B while collection under other heads was under the estimates by \$1.2B. During the year, revenue amounting to \$51.7B was deposited in the Consolidated Fund.

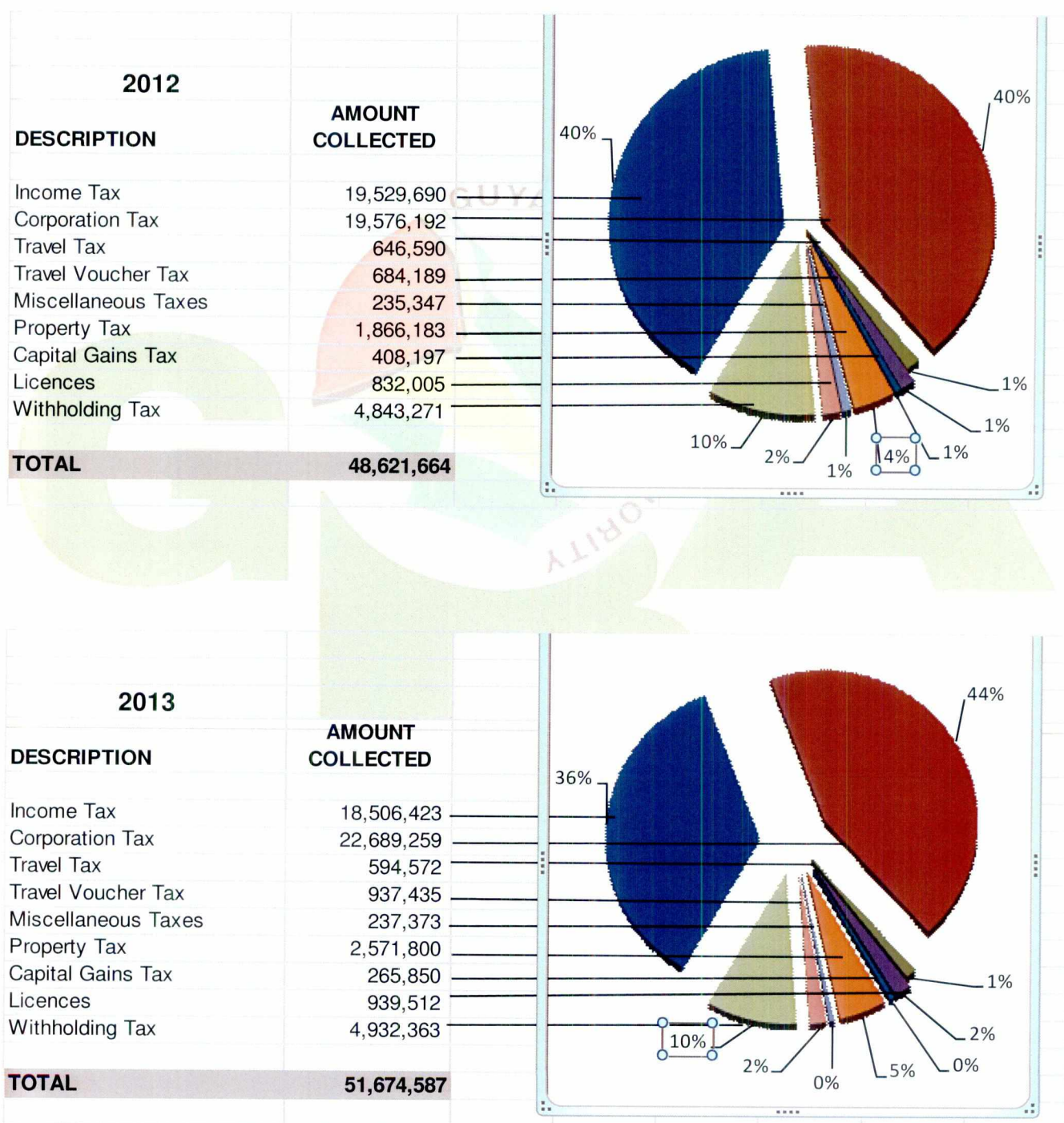
Revenue collected during 2013 was greater than that collected during the preceding year. The actual collection for the year 2012 was \$48.62B resulting in an increase of \$3.08B or 6.3% in 2013. Income Tax and Corporation Tax continued to be the two major heads of revenue contributing approximately \$18.5B and \$22.7B respectively to total revenue. The charts overleaf show revenue collection in 2013 along with that of 2012.



ANNUAL REPORT & STATEMENT OF ACCOUNTS



CHART I
ANALYSIS OF REVENUE COLLECTION
INTERNAL REVENUE



ANNUAL REPORT & STATEMENT OF ACCOUNTS



TABLE III
VAT AND EXCISE TAX OPERATIONS
REVENUE COLLECTION FOR THE YEAR 2013 (\$ 000)

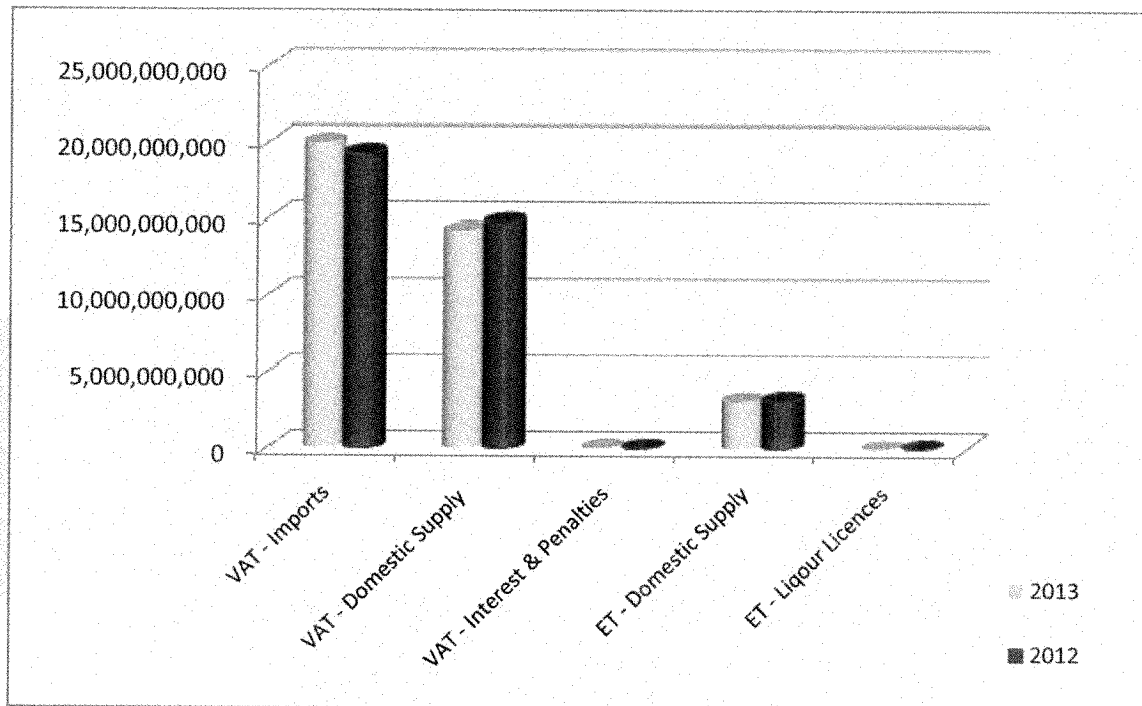
| DESCRIPTION | ACTUAL | BUDGETED | ACTUAL 2013 | Variance | |
|---------------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| | 2012 | 2013 | | Over 2012 | Over Budget |
| Value-Added Tax | 34,105,556 | 37,302,100 | 34,388,016 | 282,460 | (2,914,084) |
| Imports | 19,296,539 | 20,730,948 | 20,035,702 | 739,163 | (695,246) |
| -Goods (net of refunds) | 19,174,691 | 20,613,814 | 19,942,064 | 767,373 | (671,750) |
| -Services | 121,848 | 117,134 | 93,638 | (28,210) | (23,496) |
| Domestic Supply | 14,780,593 | 16,539,152 | 14,281,062 | (499,531) | (2,258,090) |
| -Goods | 14,780,593 | 16,539,152 | 14,281,062 | (499,531) | (2,258,090) |
| Miscellaneous VAT: | 28,424 | 32,000 | 71,251 | 42,827 | 39,251 |
| -Interest | 12,079 | 14,000 | 51,582 | 39,503 | 37,582 |
| -Penalties | 16,345 | 18,000 | 19,669 | 3,324 | 1,669 |
| EXCISE TAX | 3,147,469 | 3,261,917 | 3,135,735 | (11,734) | (126,182) |
| Domestic | 3,138,562 | 3,252,417 | 3,123,941 | (14,621) | (128,476) |
| -Alcoholic Beverages | 3,138,562 | 3,252,417 | 3,123,941 | (14,621) | (128,476) |
| Licence Fees | 8,907 | 9,500 | 11,794 | 2,887 | 2,294 |
| -Liquor Licence | 8,907 | 9,500 | 11,794 | 2,887 | 2,294 |
| TOTAL | 37,253,025 | 40,564,017 | 37,523,750 | 270,725 | (3,040,267) |

Revenue reported by this division during the period under review included VAT on imports and domestic supply and Excise Tax on domestic supply only.

Revenue collected totalled \$37.5B which was \$3.1B or 7.6% below the estimate of \$40.6B which was approved by the National Assembly. Revenue collected under various heads exceeded the estimate by approximately \$0.04B while collections under other heads were under the estimate by approximately \$3.08B. This is shown in Table III above. Revenue amounting to \$37.5B was paid into the Consolidated Fund.

Actual revenue collected under similar heads during the previous year was approximately \$37.2B. The collection for 2013 was approximately \$0.25B or 0.67% greater than that for 2012. The chart below compares revenue collection for the years 2012 and 2013.

**CHART II
ANALYSIS OF REVENUE COLLECTION
VAT & EXCISE TAX**



ANNUAL REPORT & STATEMENT OF ACCOUNTS



TABLE IV
CUSTOMS AND TRADE ADMINISTRATION
REVENUE COLLECTION FOR THE YEAR 2013 (\$ 000)

| DESCRIPTION | ACTUAL | BUDGETED | ACTUAL 2013 | Variance | |
|-------------------------------------|-------------------|-------------------|-------------------|------------------|------------------|
| | 2012 | 2013 | | Over 2012 | Over Budget |
| IMPORT DUTIES | 11,560,752 | 12,664,300 | 11,865,701 | 304,949 | (798,599) |
| EXCISE TAX - IMPORTS | 19,605,321 | 20,696,183 | 24,147,384 | 4,542,063 | 3,451,201 |
| -Motor Vehicles | 10,595,651 | 10,673,310 | 9,984,036 | (611,615) | (689,274) |
| -Petroleum Products | 6,598,232 | 7,445,153 | 11,783,127 | 5,184,895 | 4,337,974 |
| -Tobacco Products | 1,291,957 | 1,421,153 | 1,302,799 | 10,842 | (118,354) |
| -Alcoholic Beverages | 1,119,481 | 1,156,567 | 1,077,422 | (42,059) | (79,145) |
| WAREHOUSE RENT & CHARGES | 25,667 | 27,400 | 20,520 | (5,147) | (6,880) |
| EXPORT DUTIES | 9,061 | 9,500 | 14,076 | 5,015 | 4,576 |
| MISCELLANEOUS | 79,464 | 85,000 | 83,787 | 4,323 | (1,213) |
| OVERTIME FEES | 60,164 | 62,000 | 54,045 | (6,119) | (7,955) |
| DEPARTMENTAL FINES | 27,107 | 28,000 | 31,375 | 4,268 | 3,375 |
| STAMP DUTIES | 20,859 | 22,000 | 22,900 | 2,041 | 900 |
| ENVIRONMENTAL TAX | 1,070,925 | 1,127,800 | 1,071,651 | 726 | (56,149) |
| TOTAL | 32,459,321 | 34,722,183 | 37,311,440 | 4,852,119 | 2,589,257 |

During the year under review, the Customs and Trade Administration commenced including the revenue collected from Excise Tax on imports in its report on revenue collection.

With this adjustment, the approved budget for the Customs and Trade Administration was \$34.7B. However the actual revenue collected for the period was \$37.3B which surpassed the estimate by \$2.6B or 7.5%. Revenue collected under several heads was under the estimates by \$1.7B while revenue collected under other heads was over the estimates by \$4.3B. Revenue collection for 2013 was above the 2012 collection figure of \$32.4B by \$4.8B or 14.8%. The higher revenue collection in 2012 was due mainly to the increased collection of excise tax on imports.

During the year, revenue amounting to \$37.3B was deposited into the Consolidated Fund.

ANNUAL REPORT & STATEMENT OF ACCOUNTS

PERFORMANCE OF DEPARTMENTS

TAX OPERATIONS AND SERVICES

REGISTRATION AND CENTRAL DATA PROCESSING

REGISTRATION

For the year 2013, a total of three hundred and five (305) registration packages were issued to potential Value-Added Tax (VAT) registrants. However, only two hundred and twenty-one (221) applications for registration were received. Registration was completed for two hundred and twenty (220) such applicants while de-registration activities were completed for sixteen (16) VAT registrants. There was no registration of taxpayers for Excise Tax.

One thousand, three hundred and seventy-eight (1,378) packages were distributed to employers to facilitate their remission of taxes under the PAYE system, while twenty two thousand, six hundred and eight (22,608) individuals and three hundred and forty-nine (349) companies/partnerships were registered for Taxpayer Identification Numbers (TIN). In addition, twenty seven thousand, six hundred and fifty-seven (27,657) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers and a total of two hundred and twenty-nine thousand, three hundred and fifty-two (229,352) 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 Section also issued a total of six hundred and ninety-six (696) letters to individuals and companies who made applications to conduct public entertainment events during the year.

TABLE V
NUMBER OF TAXPAYERS REGISTERED AND
CERTIFICATES ISSUED

| Description | VAT | TIN |
|------------------------------------|-----|--------|
| Registration Applications Received | 221 | N/A |
| Taxpayers Registered | 220 | 22,957 |
| Certificates Issued | 272 | 27,657 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



LODGMET OF RETURNS

During the year under review, the lodgment of various types of Tax Returns amounted to one hundred eleven thousand, nine hundred and thirty-six (111,936). **Income Tax Returns** totaled seventy eight thousand, nine hundred and six (78,906) or approximately 70% of the total returns lodged while **VAT and Property Tax Returns** totaled twenty four thousand, four hundred and forty-six (24,446) or 22% and seven thousand, four hundred and forty-eight (7,448) or 7% respectively of the total returns lodged.

The lodgment of Employer's Returns (Form 2) amounted to one thousand, one hundred and eighty-four (1,184) while twenty thousand, four hundred and forty-two (20,442) 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, two thousand, three hundred and thirty-nine (2,339) letters were dispatched to taxpayers querying information contained in the Returns. The number of returns lodged by tax type is shown in the table VI below.

TABLE VI
NUMBER OF RETURNS RECEIVED

| TAX TYPE | AMOUNT |
|-----------------------------------|----------------|
| Income Tax Returns | 78,906 |
| Property Tax Returns (Individual) | 6,441 |
| Property Tax Returns (Company) | 1,007 |
| Corporation Tax Returns | 1,000 |
| Capital Gain Tax Returns | 27 |
| Excise Tax Returns | 24 |
| VAT Returns | 24,446 |
| Miscellaneous Taxes Returns | 85 |
| Total | 111,936 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS

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 eighteen thousand, one hundred and eighty-one (118,181) returns were entered into TRIPS while approval of data entered was completed for one hundred and seventeen thousand, five hundred and ninety-nine (117,599) returns.

The data entry of Employer's Returns (Form 2) amounted to one thousand, six hundred and fifty seven (1,657) while approval stood at one thousand, five hundred and sixteen (1,516). Twenty one thousand, nine hundred and ninety-eight (21,998) Monthly Remittance Forms (Form 5) were entered into TRIPS and twenty one thousand, seven hundred and sixty-nine (21,769) were approved.

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

TABLE VII
NUMBER OF RETURNS ENTERED AND APPROVED

| TAX TYPE | DATA ENTRY | DATA APPROVAL |
|-----------------------------------|-------------------|----------------------|
| Income Tax Returns | 82,060 | 81,387 |
| Property Tax Returns (Individual) | 6,653 | 6,598 |
| Property Tax Returns (Company) | 1,043 | 1,047 |
| Corporation Tax Returns | 1,032 | 1,024 |
| Capital Gains Tax Returns | 17 | 21 |
| Excise Tax Returns | 23 | 22 |
| VAT Returns | 26,413 | 26,669 |
| Miscellaneous Taxes | 940 | 831 |
| Total | 118,181 | 117,599 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



TAXPAYER SERVICES

During 2013, staff continued to issue compliance certificates to facilitate the transfer of ownership of motor vehicles, title to land and buildings and as a regulatory requirement for the submission of tenders.

The table below illustrates a comparative analysis of the types of Tax Compliance Certificates which were issued during the years 2012 and 2013. Thirteen thousand, five hundred and ninety-seven (13,597) compliance certificates were issued during 2013; this amount represents a 1.1% increase over the number of compliance certificates issued during 2012. Of the total issued during 2013, four thousand, seven hundred and ninety-seven (4,749) certificates were issued for the transfer of ownership of land and buildings, six thousand, three hundred and ninety-six (6,396) were issued for the transfer of ownership of motor vehicles and two thousand, four hundred and four (2,404) were issued for tender purposes.

TABLE VIII
CERTIFICATES OF COMPLIANCE ISSUED

| TYPE OF CERTIFICATE | TOTAL | |
|------------------------|---------------|---------------|
| | 2013 | 2012 |
| Land | 4,797 | 4,649 |
| Motor Vehicle | 6,396 | 6,443 |
| Tender | 2,404 | 2,357 |
| Total | 13,597 | 13,449 |

Other activities completed by staff of the Taxpayer Services Section included the issue of six hundred and twenty-seven (627) letters to taxpayers for exemption of withholding tax; one thousand, two hundred and seventy-one (1,271) letters for work permit and the processing of one thousand, five hundred and seventy-nine (1,579) estates of deceased persons. In addition, the issue of two thousand, one hundred and forty-three (2,143) liability certificates, one hundred and twenty-eight (128) tax practice certificates and seventy-six (76) certificates of assessment were also completed.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



REFUND OF TAXES

INTERNAL REVENUE

During the year 2013 attention was focused on refund of taxes to employed persons. To this end a total of \$42M was refunded to that category of taxpayers as compared to \$17.8M which was refunded in 2012. However, funds were not available to pay refunds to other categories of taxpayers.

TABLE IX
REFUNDS PAID BY TAX TYPE (\$)

| TAX TYPE | REFUNDS 2012 | REFUNDS PAID 2013 |
|-----------------------------------|-------------------------|------------------------------|
| Corporation Tax | 11,128,535 | - |
| Property Tax - Companies | 460,357 | - |
| Income Tax – Self Employed | 8,471,873 | - |
| Income Tax - Individual (PAYE) | 17,863,987 | 42,098,834 |
| Property Tax - Individual | 1,555,404 | - |
| Withholding Tax - Individual | 218,212 | - |
| TOTAL | 39,698,368 | 42,098,834 |

VALUE-ADDED TAX

Requests for refunds can arise in two main categories namely: refund of input tax claimed under Section 35 of the VAT Act 2005 and refunds for special cases, claimed under Section 37 of the Act. During the year under review, staff received a total of one thousand, three hundred (1,300) claims for refund of taxes amounting to \$3.9B. One thousand, three hundred and fifty-seven (1,357) claims were processed comprising: one thousand, one hundred and twenty-one (1,021) claimed under Section 35 and three hundred and thirty-six (336) claimed under Section 37 of the VAT Act. Twenty-three (23) claims amounting to \$0.62B were

ANNUAL REPORT & STATEMENT OF ACCOUNTS

rejected. The total refunds paid amounted to \$3.45B: comprising \$3.27B under Section 35 and \$0.18B under Section 37. The total revenue recovered amounted to \$0.6B: comprising \$0.6B under Section 35 and \$0.005 under Section 37. Table X below compares refunds paid during the year 2013 with that paid in 2012.

TABLE X
REFUNDS PAID

| Description | Refunds Paid 2012 | Refunds Paid 2013 |
|--------------|----------------------|----------------------|
| Section 35 | \$4.33 | \$3.27 |
| Section 37 | \$0.19 | \$0.18 |
| Total | \$4.52 | \$3.45 |

REVIEW OF RETURNS - INTERNAL REVENUE

Staff completed the review of ninety-eight (98) tax returns and processed seventy-two (72) additional assessments which were related to companies. The revenue recovered upon completion of those activities amounted to seventy-two million, nine hundred and nineteen thousand, one hundred and one dollars (\$72,919,101).

In relation to self-employed persons, five hundred and forty-six (546) tax returns were reviewed while three hundred and sixty (360) additional assessments were processed resulting in seventy-six million, six hundred and forty-seven thousand, five hundred and ninety-six dollars (\$76,647,596) in additional revenue being recovered.

One thousand and eleven (1,011) Forms II, which were submitted by employers under the PAYE system, and one hundred and thirty-seven (137) Tributors' Returns were also reviewed. The revenue recovered upon completion of those examinations amounted to six million, seven hundred and eighty-six thousand and ninety-five dollars (6,786,095).

The review of schedules relating to the remittance of withholding and travel voucher taxes totalled five hundred and forty (540) and ninety-four (94) respectively while three thousand, three hundred and fifty-four (3,354) flights were reconciled with the sale of travel tax tickets and eighty-one (81) reports on premium tax were examined. Revenue recovered was thirty-seven million, six hundred and ninety-seven thousand, four hundred and eleven dollars (\$37,697,411).

ANNUAL REPORT & STATEMENT OF ACCOUNTS

EXAMINATION - VALUE-ADDED TAX

The staff of the division conducted nine (9) compliance checks and five (5) voluntary VAT registrants checks for the period under review.

In addition, seventy-eight (78) public entertainment shows were monitored, while fifteen (15) visits were conducted for de-registration purposes.

For the period under the review a total of twenty six million, three hundred thousand dollars (\$26.3M) were recovered.

The activities mentioned above relate to the period January-April 2013 subsequent to which re-alignment of activities within the Section was undertaken.

OBJECTIONS

INCOME TAX

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

The objections lodged, centered on the following areas:

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

Table XI below details objections to Income Tax from both companies and individuals at the beginning and end of the year 2013.

TABLE XI
INTERNAL REVENUE TAXES
OBJECTIONS BY TAXPAYERS

| PARTICULARS | COMPANIES 2013 | INDIVIDUALS 2013 | TOTAL 2013 |
|--|---------------------------|-----------------------------|-----------------------|
| Un-finalised at the beginning of the year (revised) | 248 | 899 | 1,147 |
| Registered during the year | 48 | 291 | 339 |
| Sub-Total | 296 | 1,190 | 1,486 |
| Less: Finalised during the year | 117 | 469 | 586 |
| Un-finalised at the end of the year | 179 | 721 | 900 |

At the end of December 2013, there were nine hundred (900) un-finalised objections on hand. This figure exhibited a 21.5% reduction when compared with the total un-finalised objections at the end of 2012 which amounted to one thousand, one hundred and forty-seven (1,147).

Un-finalised objections relating to Individual Taxpayers totalled seven hundred and twenty one (721) or 80% of the total un-finalised objections at the end of 2013, while the remaining one hundred and 179 or 20% were in respect of Companies.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



VALUE-ADDED TAX

Un-finalised objections on hand as at December 31, 2013, for the category of Valued-Added Tax totalled seventy-six (76). Seventy-five (75) or approximately 99% of the un-finalised objections were in respect of Companies while the remaining un-finalised objection involved an Individual taxpayer. The details are shown in Table XII below.

TABLE XII
VALUE-ADDED TAX
OBJECTIONS BY TAXPAYERS

| PARTICULARS | COMPANIES 2013 | INDIVIDUAL 2013 | TOTAL 2013 |
|--|---------------------------|----------------------------|-----------------------|
| Un-finalised at the beginning of the year | 117 | 31 | 148 |
| Registered during the year | 52 | 99 | 151 |
| Sub-Total | 169 | 130 | 299 |
| Less: Finalised during the year | 94 | 129 | 223 |
| Un-finalised at the end of the year | 75 | 1 | 76 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS

LICENCE REVENUE OFFICE



A total of one hundred and seventeen thousand, seven hundred and three (117,703) motor vehicles were processed for the sale of licences during 2013 as compared with ninety six thousand, one hundred and eighty-six (96,186) 2012. New registrations for the year amounted to fifteen thousand, six hundred and ninety-four (15,694) while the corresponding figure for 2012 was sixteen thousand, one hundred and seventy-one (16,172). Table XIII below sets out the various categories of vehicles licenced and the new vehicles registered during the year 2013 as compared with 2012.

TABLE XIII
MOTOR VEHICLES LICENCED & NEW VEHICLES REGISTERED

| Type of Vehicle | Licenced Motor Vehicles 2013 | New Registration | | Increase/Decrease |
|-------------------------|---------------------------------|------------------|---------------|-------------------|
| | | 2013 | 2012 | |
| Agricultural | 7,646 | 1,179 | 1,373 | -194 |
| Diplomat | 398 | 48 | 55 | -7 |
| Goods | 17,861 | 2,299 | 2,272 | 27 |
| Government | 1,632 | 263 | 241 | 22 |
| Government/Agricultural | 56 | 22 | 24 | -2 |
| Hire | 15,297 | 1,603 | 1,519 | 84 |
| Military | 16 | 14 | 8 | 6 |
| Private | 74,797 | 10,266 | 10,680 | -414 |
| Total | 117,703 | 15,694 | 16,172 | -478 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



CUSTOMS AND TRADE ADMINISTRATION

COMMERCIAL OPERATIONS DIVISION

ENTRY PROCESSING

During 2013, staff of the Entry Processing Section vetted a total of fifty-seven thousand, six hundred and fifty-seven (57,657) declarations and completed lodgment and data input activities for all declarations which were vetted and accepted. Query activities were completed for two thousand, nine hundred and ninety-five (2,995) declarations and assessment was done for fifty-seven thousand, one hundred and three (57,103) declarations. Staff also processed fifteen (15) applications for refund of duties and performed one thousand five hundred and seventy-three (1,573) help desk activities. In addition, six hundred and fifty-eight (658) Permits for Immediate Delivery (PIDs) were processed and fourteen (14) Guarantee Instruments (Bonds) were reviewed and processed during the period under review.

FILING ROOM

Staff of the Filing Room received two hundred and three thousand, four hundred and forty-three (203,443) documents, sorted one hundred and eighty-nine thousand, two hundred and two (189,202) and classified and/or created one hundred and eighty-seven thousand, two hundred and two (187,202) files and one hundred and seventeen thousand, one hundred and sixteen (117,116) documents were scanned. Further, five thousand seven hundred (5,700) ship and aircraft files were received while four thousand six hundred (4,600) files were issued to the Internal Audit Division.

PRIVATE WAREHOUSE

During the year under review two hundred and sixty-seven (267) inspections were conducted on private warehouses. Of this amount, two hundred and forty-five (245) were inspections of existing warehouses, three (3) inspections were conducted on prospective private warehouses, seven (7) were in relation to the upgrading of existing private warehouses and twelve (12) were related to re-warehousing activities.

In addition, staff monitored the receipt and delivery of various items into and from private warehouses. The receipt of one thousand, three hundred and thirty-four (1,334) vehicles and one thousand, five hundred and sixty (1,560) tyres and generator sets were monitored while the receipt three thousand, eight hundred and twelve (3,812) cases of items into Duty Free shops were also monitored. The delivery

ANNUAL REPORT & STATEMENT OF ACCOUNTS

of one thousand, four hundred and twenty-three (1,423) vehicles, two hundred and eighty-three (283) tyres and generator sets were monitored along with the delivery of four hundred and thirty (431) cases of items from duty free shops.

EXCISE TAX

Considerable efforts were made by the staff attached to the Excise Tax Section of the Commercial Operations Division to resolve issues related to alcoholic beverages at bonded warehouses and also in regularizing the submission of documents by manufacturers of alcohol. In addition, staff reviewed one thousand, four hundred and sixty-five (1,465) transactions related to the manufacture, bottling and entering of liquor into bonded warehouses, conducted reconciliation activities for the removal of liquor from bonded warehouses for local consumption on seven thousand, seven hundred and fifty-seven (7,757) occasions and completed reconciliation of records relating to the transfer of liquor to other warehouses on five hundred and sixty (560) occasions.

Further, staff also inspected and sealed six hundred and forty-two (642) consignments of liquor which were released for export, approved the removal of goods from warehouses for local consumption, monitored the transfer of goods from warehouses and approved permits for the sale of bulk alcohol locally. Random visits were also carried out to ensure that warehouse records and distillery records were correctly maintained by warehouse staff and records in TRIPS were continuously reviewed to ensure that the correct taxes were paid on alcoholic, petroleum and tobacco products.

WHARVES AND BOATHOUSE DIVISION

WHARVES AND BOATHOUSE

The arrival of four hundred and ninety-five (495) vessels reported at the various Ports of Entry during the year 2013. Staff of the Division monitored the discharge of 917,119 metric tons of imported cargo which included cargo contained in 32,086 containers of varying sizes and 8,228 vehicles. Vessels cleared for departure by staff amounted to four hundred and forty-five (445) and contained a total of 690,770 metric tons of cargo for export in 31,670 containers. The loading of cargo for export was also monitored by staff.

Cargo, both containerised and other, were also processed for release upon completion of examination by Goods Examination Officers. A total of 24,181 containers of varying sizes, 11,382 vehicles and 386,120 other consignments inclusive of personal effects, were processed and released at various ports of entry.

The transfer of consignments of goods between Transit Sheds prior to a declaration being entered was also facilitated by staff while the closure of three hundred and sixty-three (363) incoming and three

ANNUAL REPORT & STATEMENT OF ACCOUNTS

hundred and forty-eight (348) outgoing ships' files was also achieved. The perfecting of entries under the Permit for Immediate Delivery (PID) and Prior to Processing (PTP) facilities was also accomplished although at the end of the year in excess of one hundred (100) entries were still to be perfected while six hundred and twenty-one (621) 'want of entry' slips were prepared with two hundred and sixty-six (266) still due for preparation at the end of the year.

In addition, revenue collected for year 2013 amounted to seven hundred and thirty one million, two hundred and eighty two thousand, seven hundred and twenty-three dollars (\$731,282,723) which is indicative of a surplus over the target by one hundred and ninety nine million, four hundred and ninety nine thousand, eight hundred and sixty nine dollars (\$199,499,869).

GUYANA POST OFFICE CORPORATION (GPOC)

Activities conducted by staff at the GPOC include the receipt, examination and delivery of sealed mail bags, parcels and packets and the escort of mail bags to and from the Cheddi Jagan and Ogle Airports. During the year staff received a total of fifteen thousand, three hundred and sixty-four (15,364) sealed mail bags, seven thousand, six hundred and sixty-two (7,662) parcels and eight thousand, three hundred and two (8,302) packets.

Delivery of sealed mail bags amounted to six thousand, one hundred and twenty-six (6,126) while four thousand, six hundred and twenty-seven (4,627) parcels and three thousand and seventy-three (3,073) packets were also delivered. Further, examinations were conducted on six thousand, five hundred and thirty-eight (6,538) incoming parcels as well as five thousand, one hundred and thirty-nine (5,139) incoming packets. Two thousand, five hundred and nine (2,509) outgoing parcels and nine hundred and ninety-seven (997) outgoing packets were also examined.

Revenue collected at the GPOC amounted to twenty million, seven hundred and eighty seven thousand, one hundred and forty-eight dollars (\$20,787,148).

CHEDDI JAGAN INTERNATIONAL AIRPORT (CJIA)

The arrival of three thousand, seven hundred and ninety two (3,792) incoming aircraft was monitored and documented and two hundred and twenty seven thousand, three hundred and fourteen (227,314) arriving passengers were processed and their baggage examined by staff attached to the Cheddi Jagan International Airport (CJIA) while the monitoring and processing of outgoing aircraft and passengers amounted to three thousand, seven hundred and eighty three (3,783) and two hundred and ninety four

ANNUAL REPORT & STATEMENT OF ACCOUNTS

thousand, six hundred and thirty eight (294,638) respectively. The number of both arriving and departing aircrafts exhibited a 22% decrease when compared with the number of aircrafts monitored during the year 2012 while there was a decrease of approximately 15% in the amount of arriving passengers processed and a decrease of approximately 10% in the number of departing passengers. The decrease was attributed to the withdrawal of airline services e.g. Delta and Ezejet and in the reduction in flights by other airlines.

The import and export of commercial cargo is also facilitated by staff of the CJIA. Staff are responsible for the examination and release of cargo for export and import and the detention and seizure of uncustomed and prohibited goods. During the year under review, staff processed 1,799,237 kgs of imported cargo and 2,420,343 kgs of cargo for export. In addition, 7,182 declarations were processed, 3,284 files on incoming aircraft and 3,718 files on outgoing aircraft were completed.

The total revenue collected during the year amounted to \$1,197,374,935 which fell below that collected during the year 2012 by approximately 14%. The decline in revenue collection resulted from the increased transfer of cargo to Transit Sheds in Georgetown prior to declarations being entered and duties and taxes being paid.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



INTEGRATED REGIONAL TAX OFFICES

The Guyana Revenue Authority has established Integrated Regional Tax Offices (IRTO) at various locations around the country. These offices now provide the services that were previously provided by the various branches of the Authority at one location.

REGISTRATION

Staff at all Offices processed a combined total of six thousand three hundred and thirty-one (6,368) applications for Taxpayer Identification Number. Seven hundred and twenty (720) applications were processed at the Anna Regina Tax Office while two hundred and eighty-five (285) were processed at Bartica and four thousand, one hundred and seven (4,107) at the New Amsterdam Office. Further, the Parika Tax Office completed the processing of one thousand, two hundred and nineteen (1,219) applications and Lethem, thirty seven (37).

TAX COMPLIANCE

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 four thousand, three hundred and fifty-six (4,356) certificates were issued during 2013. Of this total, six hundred and fifty-one (651) were issued at the Anna Regina Office, fifty (50) at Bartica, eight hundred and sixty-one (861) at Corriverton, seven hundred and forty-six (746) at Linden and two thousand and forty-eight (2,048) were issued at the New Amsterdam Office.

RETURNS PROCESSING

A total of thirty five thousand, three hundred and seventeen thousand (35,317) returns for Internal Revenue related taxes were lodged at the Integrated Regional Tax Offices and verification of data was completed for all of them. Data entry was completed for thirty six thousand, eight hundred and fifteen (36,815) returns, while approval was completed for thirty three thousand, seven hundred and eighty (33,780) returns.

At the Corriverton Office, six thousand, six hundred and nine (6,609) returns were lodged, data entry was completed for five thousand and eighty five (5,085) returns while approval was completed for five thousand, eight hundred and thirty one (5,831) returns, inclusive of returns for which data entry was completed during the previous year. Four hundred and ninety (490) returns were lodged, entered and approved at the Bartica Office, while staff at the Anna Regina Office completed lodgement activities for

ANNUAL REPORT & STATEMENT OF ACCOUNTS

seven thousand, seven hundred and twenty (7,720) returns and data entry and approval for seven thousand, six hundred and seventy (7,670).

With respect to the New Amsterdam office, returns lodged amounted to eleven thousand, nine hundred and twenty (11,920) while data entry was completed for fifteen thousand, seven hundred and fifteen (15,715) returns and approval was completed for twelve thousand, three hundred and fifty-nine (12,359).

Staff at the Parika office received three thousand and thirty-eight (3,038) returns for lodgement. Data entry and approval were completed for five hundred and thirty-nine (539) and five hundred and fifty-seven (557) returns respectively.

Five thousand, five hundred and thirty six (5,536) returns were lodged at the Linden Office and verification of data was completed for all of them. Data entry was completed for seven thousand, three hundred and sixteen (7,316) returns, while approval was completed for six thousand, eight hundred and seventy-three (6,873) returns.

OBJECTIONS

At the Corriverton office, seven (7) objections were registered while five (5) were registered at the New Amsterdam office; however, none of those were finalized. Meanwhile, three (3) objections were registered and finalized at the Linden office.

REFUNDS

There were one hundred and forty-six (146) applications for refund of VAT. Thirty-eight (38) of those applications were submitted to Anna Regina Office while the remaining one hundred and eight (108) were submitted to the Parika Office.

ADVISORY AND COMPLIANCE VISITS

A total of five hundred and thirty-nine (539) advisory and compliance visits were conducted by staff at the Integrated Regional Tax Offices. Of that amount, three hundred and fifty (350) were conducted at Corriverton, fifty-nine (59) at Linden, ninety (90) at New Amsterdam and forty (40) at Parika. These visits are conducted to ensure that taxpayers are complying with the requirements of the Laws and Regulations.

PUBLIC ENTERTAINMENT CHECKS

Staff monitored one hundred and fourteen (114) public entertainment events to ensure organisers remitted the correct amount of taxes. One hundred (100) events were monitored by staff at the New Amsterdam Office, four (4) at Parika, five (5) at Linden and five (5) at Anna Regina.

ANNUAL REPORT & STATEMENT OF ACCOUNTS

CUSTOMS OPERATIONS

At Corriverton, staff continued to facilitate the clearance of the ferry operating between Guyana and Suriname along with passengers and vehicles making use of the service. Five thousand, four hundred and sixty-two (5,462) passengers entered Guyana via the Canawaima Ferry at Moleson Creek while five thousand, nine hundred and eighteen (5,918) passengers departed Guyana. Two thousand, eight hundred and seven (2,807) vehicles with foreign registration were cleared for entry into Guyana while three thousand, eight hundred and thirty five (3,835) locally registered vehicles were cleared for exit from Guyana by staff at Moleson Creek.

Further, staff at the Anna Regina office cleared incoming and outgoing ships and completed ships' files. Fifty (50) incoming and outgoing ship files were completed while seventy-two (72) declarations were made.

OGLE AIRPORT

At the Ogle Airport, a total of twenty eight thousand, four hundred and four (28,404) arriving and departing local aircraft were processed along with seventy nine thousand, four hundred and thirty (79,430) arriving and seventy eight thousand, and fifty four (78,054) departing passengers. In addition, eight hundred and forty-four (844) arriving international flights and eight hundred and forty-one (841) departing international flights were also processed along with nine thousand six hundred and ninety-four (9,694) arriving and nine thousand, five hundred and fifty-five (9,555) departing passengers. A total of nine thousand, eight hundred and twelve (9,812) departure tax tickets were also sold.

REVENUE COLLECTION

The Total Revenue collection by the Integrated Regional Tax Offices for 2013 amounted to three billion, two hundred and seventy five million and eight hundred and fifty two thousand, seven hundred and forty-five dollars (\$3,275,852,745).

Of this amount, one billion, three hundred and forty-five million and forty nine thousand, two hundred and ten dollars (\$1,345,049,210) was collected by the Corriverton office. Six hundred and eighty-two million, eight hundred and fifty-four thousand, seven hundred and seven dollars (\$682,854,707) was collected by the New Amsterdam office while one hundred and ninety-six million, eight hundred and fifty-five thousand, five hundred and eighty-five dollars (\$196,855,585) was collected by the Lethem branch office.

One hundred and fifty-three million, four hundred and forty-two thousand, two hundred and fifty-nine dollars (\$153,442,259) was collected by the Parika office while three hundred and ninety-one million, one hundred and sixty-two thousand, four hundred and ninety-three dollars (\$391,162,493) was

ANNUAL REPORT & STATEMENT OF ACCOUNTS

collected by the Anna Regina office. Seven hundred and one million, six hundred and seven thousand, eight hundred and ninety-one dollars (\$701,607,891) was collected by the Linden office. The remaining one hundred and twenty-four million and ninety eight thousand, two hundred and sixty-nine dollars (\$124,098,269) was collected by the Bartica branch office. Revenue collection for the Ogle office totaled one million, seven hundred and thirty six thousand, one hundred and eighty five dollars (\$1,736,185).

EXEMPTION OF DUTY AND TAXES

Customs Duty, Excise Tax and Value-Added Tax

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

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

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

EXEMPTION POLICY

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

1. Unconditional Exemptions
2. Conditional Exemptions

Unconditional Exemptions

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS

Categories of Unconditional Exemptions

These relate to goods imported under various trade/partial scope agreements including:

1. CARICOM Trade Agreement (Treaty of Chaguaramas)
2. Guyana/Brazil Partial Scope Agreement;
3. CARICOM /Costa Rica Trade Agreement;
4. CARICOM/Columbia Trade Agreement;
5. CARICOM /Dominican Republic Trade Agreement;
6. Cariforum States/European Community Trade Agreement;
7. Motor Vehicles 4 years and older.

Conditional Exemptions

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

Categories of Conditional Exemptions

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

1. Government Contracts
2. Diplomatic Missions
3. Re-migrants
4. Public Officials
5. Foreign Funded Projects
6. Health Sector
7. Religious/Charitable /Non-Governmental Organisations
8. Fishing
9. Education
10. Motor Vehicles (covers all categories of motor vehicles)
11. Mining
12. Tourism
13. Agriculture
14. Miscellaneous (includes other areas such as Meteorological, Scientific, Archaeological, etc.)

The table overleaf reflects the value of revenue foregone as a percentage of actual revenue collected by the Guyana Revenue Authority, for customs duty, excise tax and value-added tax, for the year 2013 relative to the year 2012.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



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

| | Revenue Collection | | Conditional Exemptions | | Unconditional Exemptions | | Total Exemptions | |
|--|--------------------|------------|------------------------|------------|--------------------------|-----------|------------------|------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Total | 69,744,330 | 74,835,150 | 52,626,543 | 45,784,981 | 9,972,613 | 9,802,097 | 62,599,157 | 55,587,078 |
| Ratio of exemptions to revenue collection | | | 75.45% | 61.18% | 14.29% | 13.09% | 89.75% | 74.27% |

Total Exemptions for the year 2013 was G\$55,587,078,580 representing 74.27% of revenue collected by the Customs and Trade Administration and the Value Added and Excise Taxes Operations which amounted to G\$74,835,150,000. Conditional Exemptions was G\$45,784,981,267 or 61.18% of revenue collection while Unconditional Exemptions represented \$9,802,097,313 or 13.09% of revenue collection.

During the period 2012 to 2013, conditional exemptions declined while unconditional exemptions remained relatively stable. The decline in conditional exemptions resulted mainly from a decline in exemptions granted to Companies/Businesses, Ministries/Government Departments and Churches/Charitable Organisations.

PERFORMANCE OF SERVICE DIVISIONS

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS

- establish the image of the Revenue Authority as an attractive employer, through the provision of competitive compensation and benefits package and other awards.
- establish and maintain standards of technical performance and disciplined behaviour amongst all managers and employees.

◆ STAFF ESTABLISHMENT

During the year 2013, the Authority had an actual staff strength of one thousand one hundred and thirty (1,130) members of staff which was approximately 80% of the approved staff complement of one thousand, four hundred and ten (1,410). The actual staff strength for 2013, exhibited a small increase over the actual staff complement for 2012, which totalled one thousand and eighty (1,087) or approximately 77% of the approved staff establishment of one thousand, four hundred and two (1,402).

Of the one thousand and eighty (1,130) employees, four hundred and seventy-six (476) or approximately forty-two percent (42%) were male while six hundred and fifty (654) or approximately fifty-eight percent (58%) were female.

Recruitment for the period under review totalled one hundred and one (101) while promotions amounted to seventy-three (73). Separations amounted to sixty-six (66) resulting in a staff turnover of 5.8% as compared with 6.5% in the previous year. Of the sixty-six (66) departures, thirty-five (35) persons resigned, seven (7) retired, nine (9) had their services terminated and fifteen (15) were dismissed for various offences.

B: TRAINING DIVISION

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

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS

◆ INTERNAL TRAINING

Twenty-one (21) Internal Training Programmes were organized by the Training and Development Division which benefitted a total of five hundred and ninety-one (591) staff members. These programmes were intended to equip staff members with the necessary skills needed to function in their capacity. Programmes conducted included training on Risk Management which was attended by staff of Internal Audit Division, Risk Management Unit and was facilitated by the Caribbean Regional Technical Assistance Centre (CARTAC); Narcotics, attended by staff of the Customs and Trade Administration and facilitated by the Customs Anti-Narcotic Unit (CANU) in addition to basic training on the use of Firearms which was conducted by the Guyana Police Force.

Other programmes covered areas such as Effective Listening and Writing which benefitted Senior Managers, Passenger Interdiction, Debt Management Techniques, Basic Valuation and Classification Techniques, Rules of Origin, which was attended by staff of the Customs and Trade Administration, Developing the Corporate Image and Customer Service.

Further, several Orientation programmes were conducted for the benefit of newly employed staff members while a Work Study programme which benefitted ninety-two (92) Secondary School students and an Internship programme which benefitted a student from the University of Guyana were also facilitated.

◆ EXTERNAL TRAINING - LOCAL

There were also twenty-one (21) external programmes which were attended by one hundred and fifty four (154) staff members of the Authority. 'Auditing in a Digital Forensic Environment' was attended by fifteen (15) staff members of the Audit and Verification, Internal Audit and Intelligence and Risk Management Divisions and the facilitator was drawn from the Institute of Internal Auditors. 'Forensic Investigative Auditing' was attended by three (3) staff members attached to the Internal Audit Division while a seminar on 'Contract and Procurement Fraud' benefitted eight (8) staff from the Audit and Verification Division. The facilitator for both programmes was drawn from the Caribbean Institute of Forensic Accounting.

Workshops on money laundering, facilitated by staff of CIDA, Offshore Oil and Gas Resources: Environmental Risk Mitigation, organised by the United State Embassy, and World Trade Organisation/Guyana Trade Facilitation, hosted by the WTO Consultant, were all attended by staff attached to various Divisions. Other workshops which benefitted staff members included 'Improved Customer Service', 'Stockpiling of Arms and Ammunition', 'Outboard Operation/Maintenance' and 'Business Technology'. Additional programmes on the prevention of interpersonal violence, detection of

ANNUAL REPORT & STATEMENT OF ACCOUNTS

counterfeit currency, principles of Professional Secretarial Practice and Effective Business Writing were hosted by agencies including the Ministry of Home Affairs, the Bank of Guyana, the Public Service Ministry and personnel attached to the Arthur Lok Jack Graduate School of Business.

◆ EXTERNAL TRAINING/CONFERENCES - OVERSEAS

Staff also participated in conferences, workshops and training programmes which were held overseas. Countries such as India, Argentina, and Peru saw the attendance of several junior and senior staff members. During the month of April, the Commissioner-General, Mr. Khurshid Sattaur, attended the 47th Inter-American Center of Tax Administration's (CIAT) General Assembly while the Head of the Legal Services Division attended a workshop on Transfer Pricing in Latin America and the Caribbean which was also facilitated by CIAT. Both programmes were held in Buenos Aires, Argentina. The Deputy Head, Customs and Trade Administration attended the XXXV CCLEC conference which was held in Aruba while the Senior Manager, Planning and Analysis attended the World Customs Organisation (WCO) Regional Workshop on Economic Competitiveness package.

In addition, the 2nd Negotiation on European Union Law Enforcement Governance and Trade held in Brussels was attended by the Senior Manager, Container Scanner & Goods Examination while Senior Manager, Debt Management attended the seminar on Regional Integration and Cooperation in Tax Administration which was hosted by CIAT and held in Nairobi, Kenya and the Manager, Cheddi Jagan International Airport attended the programme on Sub-Regional International Passenger Interdiction, held in Jamaica.

Other overseas programmes which were attended included Graphic and Web Designing, Networking Security, Networking Integration and Support and Journalism which were all held in New Delhi, India; WCO Regional Workshop on Economic Competitiveness Package (ECP) held in Brazil, the Technical Aspects of the Transfer Regime of Chemical Weapons, conducted in Bogota, Colombia; Fraud Investigation, held in Grenada; Audit of Financial Institutions which was conducted in Trinidad and Tobago; and the WCO workshop on Risk Management held in the Dominican Republic. In addition, the Deputy Head, Internal Revenue and the Legal Officer both attended of the Seminar on the Implementation and Analysis of Recent Tax Trends held in Washington DC and facilitated by CIAT and the IDB.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



◆ HEALTH AND SAFETY/WELLNESS

Staff members who are Fire Marshalls and Peer Educators also benefitted from training under the Authority's Occupational Health and Safety programme while all staff were sensitized on fire safety. Further, as part of the Wellness programme conducted in collaboration with the Ministry of Health, staff across the organisation were sensitised on various diseases including HIV/AIDS, Cancer, Diabetes and Sickle Cell and also benefitted from cancer and dental screening. The Authority, in collaboration with several supporting Agencies, also conducted a mini health fair which was open to staff as well as members of the public. In excess of two thousand (2,000) persons benefitted from sensitization on health issues as well as mini health checks.

C: FINANCE DIVISION

FINANCE DIVISION

CURRENT EXPENDITURE

Total releases to the Authority from the Ministry of Finance amounted to \$4,136.38 million. The current expenditure for the year was \$4,134.50 million. At the end of the fiscal year, there was a balance of \$1.88 million; this sum was refunded to the Accountant General. These figures are all reflected in the Audited Financial Statements.

CAPITAL EXPENDITURE

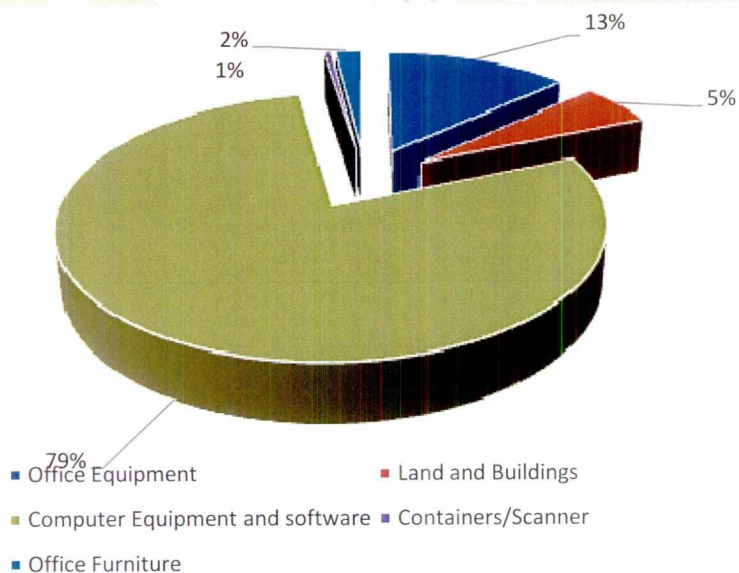
The Ministry of Finance released \$329.12 million and the sum of \$329.07 million was expended. This resulted in a balance of \$.05 million. The breakdown of capital expenditure is shown in the table hereunder:

ANNUAL REPORT & STATEMENT OF ACCOUNTS

TABLE XV
CAPITAL EXPENDITURE BY TYPE OF ASSET
FOR THE YEAR 2013

| Category of Asset | Amount \$ M |
|---------------------------------|----------------|
| Land and Buildings | 17.98 |
| Computer Equipment and software | 259.01 |
| Office Equipment | 43.92 |
| Containers/Scanner | 1.78 |
| Office Furniture | 6.38 |
| Total | 329.07 |

CHART III
CAPITAL EXPENDITURE 2013



ANNUAL REPORT & STATEMENT OF ACCOUNTS



FINANCIAL STATEMENTS

The Financial Statements which form part of this report are contained in pages 64 to 80.

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, procedural, communication and advisory needs of stakeholders of the Authority are met in a timely manner and that all information disseminated is accurate, timely and reliable and in keeping with the Laws and Regulations governing the Authority.

Public Relations

The Public Relations Section is mandated to provide all stakeholders with timely, reliable and relevant information using various communication channels to enable them to comply voluntarily with the laws and regulations administered by the Guyana Revenue Authority (GRA).

To this end, staff produced twenty-six (26) pre-recorded television programmes – “Focus on GRA” and eighty-six (86) pre-recorded radio programmes – “Revenue Update”. Appearances were also made on television programmes such as “Let’s Talk Tax” and “Guyana Today” and on the live radio programme “Let’s Gaff”. During these appearances, staff focused on promoting a positive image of the Authority and educating taxpayers thereby enabling them to comply with the Laws and Regulations. Some of the issues which were focused on during the programmes included Importation of Ozone Depleting Substances, GRA’s Anti-Smuggling Initiatives, Tax Exemption for the Manufacturing Sector, Clearing of Personal Effects, and Mortgage Interest Relief.

The television, radio and print media were also utilized to publish advertisements which aided compliance by taxpayers. A total of forty-seven (47) television, forty-five (45) radio and sixty-eight (68) print advertisements were prepared and published during the year under review. During the month of April, staff of the Section, in close collaboration with staff from other Divisions, manned tax sites which were established at several locations around the city and in the Regions. These sites were aimed at making taxpayers aware of their responsibilities under the various Tax Laws and promoting the submission of Tax Returns on or before the due date.

ANNUAL REPORT & STATEMENT OF ACCOUNTS

Further, staff also issued press releases as the need arose, arranged several press conferences, hosted workshops and participated in special events such as the Career Fairs and trade expositions. Booklets, brochures and tokens were distributed during the special events.

Tax Advisory Services

The Tax Advisory Services Section is mandated to provide advisory services to all stakeholders and to ensure that all taxpayers understand their obligations to comply with the requirements through the provision of written legislative information on taxes, the use of help desk services and advisory visits.

Staff of the Section prepared information on various taxes for publication on GRA's website while fifty-one (51) policies covering areas such as Employers' Returns (Form 2), taxable/non-taxable allowances, Tax Practice Certificate, Public Entertainment, Mortgage Interest Relief, importation of pharmaceuticals, duty-free concessions for re-migrants and payments to non-resident Companies were provided for publication in the print media. Thirty-seven (37) workshops and sixty (60) tax seminars were conducted which saw the attendance of five hundred and eighty-one (581) and one hundred and eighty (180) persons respectively. Beneficiaries of the workshops and seminars were drawn from companies such as Qualfon, Digicel, Guyana Stockfeed Ltd, and Alliance Security Service and associations such as the Berbice Chamber of Commerce, the Consultative Association of Guyanese Industries and the Guyana Teachers' Union.

A total of two hundred and seventy-four (274) responses to queries received via email and letters were prepared and dispatched while three thousand, one hundred and eight (3,108) responses to requests for information made over the telephone as well as follow-up calls to taxpayers were completed over the period. In addition, there were two thousand, seven hundred and thirteen (2,713) responses to queries made by 'walk-in' taxpayers.

Further, the Staff also collaborated with Internal Revenue, Tax Operations and Services Department in crafting information and the preparation of documents for use within the Mortgage Interest Relief Unit and distributed in excess of twenty three thousand (23,000) pieces of educational material to taxpayers and members of the public.

Publication & Operational Procedures

The Learning Resource Centre (LRC) which is a part of this Section continued to play an important role in facilitating the research needs of users. Staff throughout the organisation were able to use the resources to conduct research. Staff were successful in procuring Journals and books to aid research and these additions to the collection were all catalogued and the necessary barcode labels inserted and

ANNUAL REPORT & STATEMENT OF ACCOUNTS

scanned into the KOHA database. All copies of the Official Gazette were acquired and stored appropriately while newspaper articles covering issues related to the Authority were extracted and filed.

Staff of the Section continued to update Acts and Regulations administered by the Authority. To this end the Income Tax and Property Tax Acts were updated with recent amendments and, whenever necessary, Acts and/or Regulations were printed internally for distribution to staff. The preparation of new and adjustment to existing Standard Operating Procedures (SOPs) were also undertaken with a total of one hundred and eighty (180) SOPs being prepared and/or adjusted. These SOPs were related to the control of firearms and ammunition; temporary importation of vehicles, ozone depleting substances, scanning baggage of passengers and the operation of the Excise Tax Section of the Customs and Trade Administration among others. The flowcharts related to those SOPs were also adjusted.

The structures of several Divisions were adjusted to reflect ongoing changes to increase efficiency within the Authority. Articles were also prepared for publication in Newsletters published by organisations such as Caribbean Organisation of Tax Administrations (COTA) and Commonwealth Association of Tax Administrators (CATA).

E: INTERNAL AUDIT DIVISION

The Internal Audit Division is mandated to audit the Guyana Revenue Authority's accounting and internal control systems to ensure compliance with standards and procedures.

The Internal Audit Division comprises two (2) Sections; Internal Audit and Quality Review. The Internal Audit Section is responsible for conducting all audits and special assignments at the Tax Operations and Services Department and the Common Services Divisions. On the other hand, the Quality Review Section is responsible for conducting all audits and special assignments at the Customs and Trade Administration.

The Internal Audit Division completed a total of seventy-seven (77) audits of which forty-four (44) were completed by the Internal Audit Section and thirty-three (33) by the Quality Review Section.

Ten (10) audits of the Internal Revenue Division, inclusive of one (1) special assignment, were completed. Five (5) of those were finalised upon the receipt of responses from the Deputy Head, Internal Revenue and reports were submitted to the Commissioner-General and members of the Internal Audit Committee while three (3) reports were being drafted at the end of the year and one (1) audit did not result in significant findings. Areas audited included the sale of Travel Tax Tickets, the issue of Compliance and Liability Certificates, and Travel Voucher Tax among others.

ANNUAL REPORT & STATEMENT OF ACCOUNTS

Audits completed at Value-Added Tax Division amounted to seventeen (17), including one (1) special audit requested by the Commissioner General. Eight (8) reports were finalised, upon receipt of responses from the Deputy Head, Value-Added Tax, and were submitted to the Commissioner General. Five (5) reports were finalised without responses and three (3) draft reports were still awaiting responses at the end of the year. Public entertainment, registration/de-registration of taxpayers for VAT and refunds verification were some of the areas which were audited.

Seventeen (17) audits of the Service Divisions were also completed by the Internal Audit Unit. Of this total, nine (9) special and three (3) routine audits were finalised and reports submitted to the Commissioner- General and members of the Internal Audit Committee while four (4) audits were awaiting responses from the functional Heads and one audit did not result in significant findings. Areas audited included Salaries, Imprest account, procurement and Stores, Bank Reconciliation and the issue of contracts.

The Quality Review Section completed a total of thirty three (33) audits at the Customs and Trade Administration of which twenty five (25) were routine and eight (8) were special audits. Fourteen (14) of the routine audits were finalised and reports submitted to the Commissioner General and members of the Internal Audit committee, eight (8) were in the process of being finalised and three (3) were awaiting responses.

F: INTERNAL AFFAIRS DIVISION

This Division is mandated to ensure that the actions and practices of the 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.

To this end, the Division conducted thirty (30) investigations into allegations against staff which originated externally and thirty (30) into allegations which originated internally. Reports on the findings were completed and submitted to the Commissioner-General. Verification exercises which were carried out on Certificates of Compliance submitted by Contractors to the National Procurement and Tender Administration Board and/or Regional Democratic Councils amounted to forty-seven (47).

Staff of the Division also monitored CCTV surveillance cameras located at the Cheddi Jagan International Airport and Transit Sheds. One thousand, one hundred and eighty-nine (1,189) such monitoring activities were conducted during the period under review while twenty-nine (29) camera recordings of the examination of imported goods profiled by the Risk Management Unit were conducted. The random monitoring of staff attendance, overtime work and related costs were carried

ANNUAL REPORT & STATEMENT OF ACCOUNTS

out on ninety (90) occasions and similar monitoring of declarations of foreign currency by passengers departing CJIA were done on twelve (12) occasions. Two (2) visits were made to GRA locations across the country to monitor the activities of staff and sixteen (16) special assignments were completed and relevant reports were prepared.

At the end of the year, staff were in the process of gathering information to investigate the rapid and unexplained accumulation of wealth of several employees.

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.

During the month of May 2013, the Governing Board of the Guyana Revenue Authority granted its approval for the restructuring of the Division by de-linking the Examinations Section from Tax Operations and Services Department and integrating it with the Audit and Verification Division. The restructuring was intended to facilitate specialization within a functional tax audit environment and concentration on revenue recovery activities in the field. The process of selecting taxpayers for audits was changed to follow a risk based approach while the audits are of a comprehensive nature with all tax types being targeted during the audit. Along with the restructuring, staff of the Division also benefitted from training on international standards, best practices, and reporting techniques.

The Division completed a total of four hundred and seventeen (417) audits during the year under review which resulted in a total of \$1,376 M in revenue being identified for recovery. Nineteen (19) audits of Companies resulted in nine hundred and fifty million and eight hundred and thirty thousand dollars (\$950.83M) in revenue being identified for recovery while audits of Large Taxpayers amounted to ninety (90) and resulted in the recovery of seventy-four million, six hundred and thirty thousand dollars (\$74.63M) in revenue.

In addition, Refunds and VAT Compliance audits amounted to thirty-one (31) with a total of two hundred and twenty-four million, six hundred and thirty-eight thousand dollars (\$224.638M) in revenue being recovered, while PAYE and VAT Routine audits totalled fifty-two (52) and resulted in the recovery of sixty-nine million, two hundred thousand dollars (\$69.2M) in revenue.

Revenue recovered upon completion of twenty-one (21) audits of various categories of taxpayers by staff located at the Integrated Regional Tax Offices netted twenty-four million, three hundred and thirty

ANNUAL REPORT & STATEMENT OF ACCOUNTS

six thousand dollars (\$24.336M) in revenue while the completion of two hundred and four (204) audits for refund purposes recovered a total of thirty-two million dollars (\$32M).

H: LEGAL SERVICES DIVISION

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

Staff of the Division undertook the prosecution and defense of two hundred and seventy-four (274) ongoing matters before the Magistrate and High Courts while proceedings were instituted in relation to twenty-six (26) new matters. Defendants were charged with offences which included failure to submit Returns for various tax types and failure to remit taxes. In instances where defendants were either found guilty or pled guilty, fines, as stipulated by the Laws, were instituted and outstanding taxes were awarded to the Authority. Writs, amounting to forty-one (41), were also prepared, filed and served by staff of the Division.

In addition, staff prepared legal opinions and responded to requests for legal advice which were received from the Commissioner General and other Departments of the Authority. These responses amounted to one hundred and twenty (120). During the period under review three (3) judgments granted in favor of the Authority.

I: TAX EXEMPTION PROCESSING AND VERIFICATION DIVISION

The Division is tasked with the efficient 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 Authority.

To this end, fifteen thousand, three hundred and eight (15,308) applications for tax exemption were received, verified and processed by staff while eleven thousand, seven hundred and sixty-three (11,763) letters of approval and one hundred and nine (109) letters of denial were prepared and dispatched. Further, three thousand, four hundred and thirty-six (3,436) applications were queried or referred for additional information and two hundred and ninety-nine (299) meetings (both internal and external) were conducted with applicants for tax exemption.

There were thirteen thousand, one hundred and thirty-six (13,136) instances where information was entered into TRIPS as a result of approvals granted. Further, staff also reviewed two hundred and six (206) Investment Agreements. Of this amount, twenty three (23) were recommended for approval to the

ANNUAL REPORT & STATEMENT OF ACCOUNTS

Guyana Geology and Mines Commission (GGMC) and one hundred and seventy-two (172) to Guyana Office for Investment (Go Invest). Eleven (11) were not recommend for approval.

Four hundred and ten (410) special assignments on legislation and policy were executed during the year while one thousand, seven hundred and thirty-eight (1,738) applications for use of the 'Prior to Processing' (PTP) facility were verified and recommended for approval while one thousand, seven hundred and thirty-nine (1,739) PTP entries were perfected.

J: INFORMATION TECHNOLOGY DIVISION

The Information Technology Division is mandated to provide coordinative, innovative, practical and timely information technology solutions to solve the business problems of the Revenue Authority. In 2013, the Division successfully completed several projects despite the challenges experienced. The key achievements are grouped into three categories namely application, quality assurance and infrastructure.

APPLICATION

Staff completed the computerisation of Drivers' Licences which will be printed from the system using specially designed paper. There was also the upgrade to GRA's Website which was launched in August and included a change in platform. Efforts to secure and optimise the website are continuous.

The development of software application for *Electronic Taxpayer Registration*, which will allow taxpayers to create their own online account and apply for a TIN, was 94% complete at the end of the year while the application to facilitate *Electronic Employers' Returns Submission* was created as part of the Authority's Online Services suite of applications but is still to be released.

In order to alleviate the need for taxpayers to have large amounts of cash on their person, the Authority enlisted the cooperation of Banks and other financial institutions to provide an *online payment service*. Software application was developed to match sample files submitted by institutions and was ready for use at the end of the year. Also, the software which allowed taxpayers to view the status of their Customs Declarations was given added functionality to allow persons to also view all queries associated with that declaration. Further, an application was completed in September 2013 which allows for the updating and adding of the Harmonised System 2012 codes for commodity description within TRIPS. Implementation is awaiting the necessary changes to TRIPS by Crown Agents.

Other achievements included the completion of the initial analysis and design of software for the management of Mortgage Interest Relief applications, the development and deployment of an application to correct tax returns and print original Notices of Assessment while an application to allow staff of the Debt Management Division to enter data and print Provisional Assessments was completed

ANNUAL REPORT & STATEMENT OF ACCOUNTS

and user testing was in progress at the end of the year. Changes were also made to the Licence Revenue Processing System (LRPS) to facilitate changes to the inspection process for the registration of motor vehicles while the development of a solution to use data from TRIPS for risk management purposes was commenced.

QUALITY ASSURANCE

Quality assurance activities undertaken by staff were primarily related to research, testing and post-implementation support of the various applications developed in-house or supplied. Among those for which such activities were carried was the Expansion of SharePoint-Kofax Scanning and Document Management solution within Customs Filing Room, the Administrative Services Unit, IR Taxes Filing Room and the Tax Exemption Processing and Verification modules. Staff also carried out post-implementation support for the PeopleNet application which included preparation and enhancement of ad hoc PeopleNet Reports for the Human Resource Division and Salaries Section, testing of fixes and updating of the production environment, in addition to the provision of user training and update of user guides.

Other applications for which quality assurance activities were conducted included the Service Desk Manage Engine 8.1, in-house developed applications such as those for printing Notices of Assessment, the Customs Declaration Query, Licence Revenue Processing System Inspection, Migrated Apex Applications, Biometric Timekeeping System and the Basic Vehicle Expense Tracking System (BVETS) for Transportation Section and Finance Division.

INFRASTRUCTURE

Consolidation of GRA's offices to the new Headquarters. The Infrastructure staff not only planned and executed the movement of its own resources but also guided the movement of equipment of other Divisions. A significant part of the move was the relocation of the Data centre. This was done successfully with no downtime detected by users.

Upgrade of Domain to Windows Server 2008. During the last quarter of 2013 the Domain and Active Directory services were upgraded from Windows Server 2003 to Windows Server 2008. This project was completed successfully and without disruption to services. Due to the new security and performance features now available, several improvement projects will be undertaken during the year 2014.

Expansion of Wide Area Network. Connectivity was expanded at the John Fernandes Wharf to include the provision of all Information Technology services to a second office. There was also expansion to Ogle Airport and connectivity to the Customs Office at the General Post Office (GPO).

Configuration of Local Area Network at Headquarters. Although the structured cabling for the building was installed by external sources, the rest of the network – Ethernet switches, routers, firewalls

ANNUAL REPORT & STATEMENT OF ACCOUNTS

and end devices - were successfully configured and installed by Infrastructure staff to facilitate high speed connectivity to all users within the building.

Implementation of Eagle Eye Timekeeping Solution. Staff also assisted with the installation and configuration of fingerprint readers and relevant software for the timekeeping system procured by GRA. This solution was implemented to log the attendance of all staff. Weekly maintenance was carried out on the fingerprint readers.

Other achievements by the Infrastructure Section included the Implementation of Veeam Backup and Replication Solution which provides a fast, stable and effective back-up and restoration solution resulting in improved resilience and disaster recovery. In addition, several smaller projects were executed to improve the security and performance of the infrastructure in addition to daily operational and maintenance tasks.

K: LAW ENFORCEMENT AND INVESTIGATION DIVISION

The Law Enforcement and Investigation Division (LEID) has the responsibility of monitoring exports and imports at the various ports of entry, curbing smuggling activities, managing the GRA's warehouse at Eccles, East Bank Demerara, and conducting investigations into reports of non-compliance.

During the period under review, the Division conducted enforcement and anti-smuggling activities over land on three hundred and twenty-one (321) occasions while (36) such activities were conducted on the waterways. These activities resulted in the seizure and detention of goods and vehicles in which the goods were found. In some instances, the individuals opted to pay fines in addition to the applicable duties and taxes while in other instances legal proceedings were instituted against the offenders. Items seized were mainly motor vehicles, alcoholic and non-alcoholic beverages, chicken and wearing apparel. One hundred and eighty-five (185) reports on investigations relating to seizures and detention of goods were completed.

Staff conducted twelve (12) investigations based on information which was referred by the Intelligence Section while twenty-eight (28) enforcement activities for compliance with specific laws were executed.

Verification, profiling and examination of high risk imports were undertaken on one thousand and seventy-eight (1,078) occasions. With respect to examination and verification of exported goods at the

ANNUAL REPORT & STATEMENT OF ACCOUNTS

various ports, two thousand, two hundred and seventy-three (2,273) activities were executed during the period under review.

At the end of 2013, the Division had forwarded ten (10) matters to the Legal Services Division for commencement of legal proceedings. They included two (2) instances of detention of vehicles, one (1) case of detention of jet skis, one (1) matter of under valuation of a quantity of television sets, the seizure of a quantity of assorted general merchandise, five (5) instances of detention of assorted alcoholic and non-alcoholic beverages.

Drug Enforcement

A total of one thousand, four hundred (1,400) declarations were scheduled and examined by the staff of the Drug Enforcement arm of the Division while sixty-nine (69) consignments which were scheduled for export under the prior to processing facility were examined during the period under the review. One thousand, eight hundred and seventy-seven (1,877) containers, one hundred and seventy-two (172) other packages (boxes and pallets) and twenty-five (25) bulk loadings (on vessels) were routinely examined for export. Further examinations were conducted on seventy-seven (77) containers which were referred to Drug Enforcement by staff of Container Scanner upon completion of scanning and two (2) containers which were scheduled for export were referred to Container Scanner by Drug Enforcement.

The rummaging of vessels were conducted on fifty-three (53) occasions while two hundred and four (204) examinations of containers imported with seal discrepancies were conducted. One (1) joint exercise was conducted in collaboration with external investigative agencies including CANU and the Guyana Police Force.

Staff were instrumental in seizing several shipments of cocaine and other illicit or psychotropic substances which were concealed among cargo for export. The seizures included 359.8 kilograms of cocaine which was found in a container on February 19, 2013 with an estimated street value of \$1.79 B and 640.642 kilograms of marijuana was discovered in a container on July 5 with an estimated street value of \$300 M.

The total revenue collected by the Division for 2013 was one hundred and five million, eight hundred and fifty one thousand, seven hundred and eighty dollars (\$105,851,780). Table XVI below compares revenue collected during 2013 with that of 2012.

**TABLE XVI
REVENUE COLLECTED**

ANNUAL REPORT & STATEMENT OF ACCOUNTS



| Activity | 2013 | 2012 | Quantity Variance | % Variance |
|----------------------|--------------------|--------------------|----------------------|---------------|
| Fines & Compensation | 27,052,774 | 22,943,293 | 4,109,481 | 17.9 |
| Additional Taxes | 33,669,574 | 58,979,305 | (25,309,731) | (42.9) |
| Sale of Seizures | 45,129,432 | 41,079,005 | 4,050,427 | 9.9 |
| Total | 105,851,780 | 123,001,603 | (17,149,823) | (13.9) |

L: FACILITIES MANAGEMENT & OPERATIONAL SUPPORT SERVICES

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

During the year under review, staff of the Division ensured that repairs and general maintenance of equipment were conducted throughout the Authority and these included repairs to and servicing of Uninterrupted Power Supply (UPS) systems, air conditioning units and generators. There was also electrical maintenance, the cleaning of the compounds and interior of buildings housing the various offices, administering of pest control treatment, plumbing works and other miscellaneous maintenance works. Staff also supervised the relocation of a steel door and vault from the GPO Building to the GRA Headquarters.

Capital works were also completed at several locations during the year under review. These included the installation of a generator, construction and renovation of fences and gates, installation of a vault and construction of a guard hut at the Lethem Integrated Tax Office. Completed also were the construction of a guard hut and paving of the compound at the Anna Regina Integrated Tax Office, construction of accommodation for the Central Stores, fire exits to the northern side of the building and external washrooms for taxpayers and disabled persons. Further, construction of the Training Room, store room for Facilities Management and completion of a fence by the addition of razor wires were all completed at the Headquarters.

The identification of land and construction of a two (2) storey building were also undertaken at Mabura while air conditioning units were installed at the Customs Boathouse and the building housing the staff

ANNUAL REPORT & STATEMENT OF ACCOUNTS

of the Berbice Anti-Smuggling Squad (BASS) was rehabilitated and painted. Further, accommodation was constructed for the generator at the Scanner site and modification was carried out to the Offices housing the Finance Division.

Staff of the Transportation Section of the Division continued to manage the pool of motor vehicles operated by the Authority in order to meet the transportation needs of the various functional areas and ensured that vehicles were serviced and repaired whenever necessary to maintain road worthiness. Further, staff of the Security Section of the Division made regular weekly and monthly site visits to all of the Authority's locations to ensure that security standard operating procedures were being complied with.

At the end of 2013, capital works were in progress at several locations. At the Lethem Integrated Tax Office repairs to the office building, construction of a storage bond and the extension of the existing trestle were still in progress while rehabilitation of living quarters, construction of office building, fence and vehicle shed as well as installation of cameras were ongoing at the Linden Integrated Tax Office. At the Scanner site, GNSC compound, the construction of an all weather road, filing room, a shed over the scanner, rebuilding of stairs and the extension of the marine wing doorway to accommodate GRA's boats were all in progress.

Works were also in progress at Charity and included the construction of a Boathouse and removal of sunken vessels while the painting to the exterior of the building housing the Customs Boathouse, fabrication and installation of a sign to identify the Boathouse to the public, as well as the construction of a ramp and extension to the shed at the Eccles State Warehouse will continue into the year 2014.

Construction of a filing room and the renovation of three (3) residential buildings at the Anna Regina Integrated Tax Office as well the procurement of a 20ft container and construction of a trestle at the Kurupukari Office commenced during the year and are also scheduled for completion during 2014.

M: DEBT MANAGEMENT DIVISION

This Division is mandated to utilise 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 the number of tax files cleared amounted to one thousand, five hundred and seventy-six (1,576) of which four hundred and

ANNUAL REPORT & STATEMENT OF ACCOUNTS

sixty nine (469) were related to Companies and one thousand, one hundred and seven (1,107) to individual taxpayers.

A total of thirteen billion, eight hundred and six million, four thousand, three hundred and twenty-one dollars (\$13,806,004,321.00) in arrears taxes were identified through this process and liability letters were dispatched to delinquent taxpayers. Arrears taxes collected as a result amounted to eleven billion, five hundred and fifteen million, eight hundred and ninety-six thousand, seven hundred and ninety-five dollars (\$11,515,896,795.00).

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

- ❖ Difficulty locating taxpayers.
- ❖ Numerous mails to taxpayers being returned as a result of taxpayers not available to receive same.
- ❖ Taxpayers not responding readily to correspondence and also making numerous requests for extension of time.
- ❖ Taxpayers resorting to various schemes to frustrate the efforts to collect outstanding revenue.
- ❖ Matters which are taken before the Courts not being dealt with in a timely manner. The Courts, in many instances, grant the delinquent taxpayers further time to comply.
- ❖ Difficulties locating assets owned by the taxpayers when judgments are entered against them.

There were no special exercises to collect outstanding taxes. The process of collecting outstanding assessed tax is an ongoing one and strategies are presently in place to aid in the collection of the taxes eg. visits, telephone calls etc.

N: INTELLIGENCE, RISK MANAGEMENT AND SPECIAL INVESTIGATION DIVISION

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.

For the period under review, the Risk Management Unit profiled a total of forty six thousand, five hundred and sixty two (46,562) declarations for imports and twelve thousand, one hundred and sixty-six (12,166) declarations for exports. Of the declarations for imports which were profiled, two thousand, six hundred and fifty-eight (2,658) were profiled for document review, fifteen thousand, seven hundred and

ANNUAL REPORT & STATEMENT OF ACCOUNTS

sixty-four (15,764) for verification of declared particulars, three thousand, five hundred and ninety (3,590) for examination of items while twenty four thousand, five hundred and fifty (24,550) were approved for processing with declared particulars.

Declarations for exports which were profiled for document review amounted to two (2), while those profiled for verification of declared particulars totalled two thousand, three hundred and sixty-nine (2,369) and those profiled for examination of items totalled six thousand, six hundred and four (6,604). Two thousand, five hundred and thirty (2,530) declarations were profiled for the scanning of consignments while the declarations approved for processing with declared particulars amounted to six hundred and sixty-one (661).

The Intelligence Section of the Division completed a total of two hundred and forty-five (245) investigations. Those investigations were based on information received through various sources inclusive of the Hotline, Internal Memoranda, e-mails as well as on monitoring and surveillance activities conducted by staff. Upon completion of the investigations, reports were prepared and forwarded to various Divisions of the Authority for necessary follow up action to be taken. One hundred and seventeen (117) reports were forwarded to the Audit and Verification Division, ninety-two (92) to Debt Management, seventeen (17) to the Law Enforcement and Investigation Division and the remaining to the Internal Affairs Division, Licence Revenue Office and the Integrated Regional Tax Offices.

O: PLANNING AND ANALYSIS DIVISION

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 programme commitments; analyzing results achieved by the various operational areas in relation to their respective Annual Work Programmes in order to improve tax administration, provide critical support to the Office of the Budget-Ministry of Finance, Commissioner General and GRA's Senior Managers in order to improve tax administration, resolve non-compliance and generate increased revenues.

Consequently, the Planning and Analysis Division prepared thirty-six (36) monthly and fortnightly revenue collection statements for dispatch to the Ministry of Finance and the Chairman of the Governing Board and an executive summary of the Authority's 2013 Annual Work Program in relation to nineteen (19) functional areas.

Further, thirty-nine (39) monthly analytical revenue reports and thirteen (13) monthly revenue collection reports were prepared for submission to the Governing Board. Two hundred and ninety-

ANNUAL REPORT & STATEMENT OF ACCOUNTS

nine (299) Management Information System (MIS) reports were generated for senior management within the Authority while one hundred and fifty-one (151) reports were generated for external agencies.

The Division also completed eighty-two (82) special assignments in relation to Work Program commitments and revenue collection projections and analyzed two hundred and twenty-five (225) monthly reports on Work Program commitments and results achieved which were submitted by all functional areas.

P: REVENUE PROTECTION DIVISION

This Division is mandated to enhance revenue collection by ensuring that duties and taxes on imported goods are correctly assessed and to ensure that the TRIPS valuation database is maintained in a timely manner.

During the year under consideration, staff of the Revenue Protection Division selected a total of two thousand, seven hundred and two (2,702) declarations for review and completed the review of two thousand, six hundred and thirty-four (2,634) declarations. Of those completed, the declared value of the items on one thousand, seven hundred and four (1,704) declarations were re-assessed while the remaining nine hundred and thirty (930) declarations were accepted with their declared values.

The re-assessment of the declared values resulted in the recovery of \$591.63 million in additional revenue while fines to the value of \$1.97 million were levied on the offending importers. This resulted in total revenue of \$593.6 million being collected. That amount exhibited an increase of 8% over the revenue recovered by the Division during the year 2012.

Q: CONTAINER SCANNER AND GOODS EXAMINATION DIVISION

The Division comprises two (2) sections namely the Container Scanner Section and the Goods Examination Section. The Container Scanner Section is mandated to use the Portal Scanner to facilitate a more advanced and efficient system of examination of containerized cargo for narcotic substances to meet international requirements. The Goods Examination Section is mandated to conduct physical examinations of cargo for import and export to ensure they are consistent with their declarations, to prevent the passage of illegal items/un-customed goods and narcotic substances through the ports of entry and to ensure that the correct duties and taxes are applied.

Staff of the Goods Examination Section carried out examinations on both incoming and outgoing consignments. The incoming consignments which were examined included nine thousand, nine hundred

ANNUAL REPORT & STATEMENT OF ACCOUNTS

and ninety three (9,993) containers of various sizes, a combined total of two hundred and forty six thousand, three hundred and twenty (246,320) skids, pallets, boxes and crates, five thousand, and forty nine (5,049) vehicles inclusive of industrial vehicles and four thousand, six hundred and fifty two (4,652) motor cycles. As a result of those examinations, seventy nine (79) instances of short shipment of cargo and an additional fifty eight (58) instances of various other discrepancies were identified resulting in those consignments being temporarily detained pending rectification by the importer. There was also the perusal of eleven thousand, six hundred and fifty two (11,662) documents to facilitate the examinations. All incoming cargo, except for those temporarily detained, were released in a timely manner.

Outgoing cargo that were examined and sealed comprised forty thousand, five hundred and eighty three (40,583) containers of various sizes, a combined total of thirty eight thousand, four hundred and eighty nine (38,489) skids, pallets, boxes, barrels, and crates, two thousand three hundred and one (2,301) boxes containing soil samples, precious metal and monetary notes and nine (9) trucks. In addition, the bulk loading of cargo on vessels was monitored on one hundred and fifty nine (159) occasions. Of the total number of containers examined, thirteen thousand six hundred and sixty eight (13,668) were scheduled for scanning before being released for shipping and sixty two (62) were detained. All outgoing cargo were released for shipping upon completion of examination and sealing.

Declarations flagged for scanning amounted to two thousand, seven hundred and fifty three (2,753) and as a result staff of the Container Scanner Section prepared and issued two thousand, six hundred and eighty five (2,685) letters to exporters to present their containerized cargo for scanning. Staff scheduled eight thousand and ninety two (8,092) declarations related to consignments for export for scanning and a total of seven thousand, eight hundred and eleven (7,811) containers were scanned and results recorded on Forms C72. Further, eighty two (82) containers which were scanned were referred for further detailed examination by Goods Examination officers.

During the period under review, the Division assessed a total of \$11.9M in additional revenue from the examination of cargo.

ANNUAL REPORT & STATEMENT OF ACCOUNTS

R: ADMINISTRATIVE SERVICES

The Administrative Services Unit was established in March 2013 consequent to the centralization of the Georgetown Offices of the Authority. The services provided by the Unit are supportive in nature and essential to the smooth functioning of the various Departments/Divisions. Services provided include the maintenance of a central filing room and mail room, provision of switchboard, receptionist and janitorial services and the operation of scanning and copy centers on each floor.

During the period ending December 31, 2013, staff attached to the Unit prepared and posted a total of one hundred and seventy five thousand and thirty-four (175,034) pieces of mail inclusive of TIN certificates, VAT returns, lodgment receipts and cheques. Thirty one thousand, one hundred and eighty four (31,184) pieces of mail, inclusive of fifteen thousand, three hundred and eighty-six (15,386) applications for tax exemption, were received from taxpayers and distributed internally while fourteen thousand, seven hundred and thirty-seven (14,737) pieces of inter-departmental mail were received and distributed. Mail received from the Guyana Post Office Corporation amounted to twenty three thousand, four hundred and thirty-two (23,432) of which seven thousand three hundred and ninety-one (7,391) were mail from taxpayers and sixteen thousand and forty-one (16,041) were returned mail.

Telephone operators were responsible for receiving and routing thirty-nine thousand, three hundred and nineteen (39,319) incoming and outgoing calls while staff manning the receptionist desk provided assistance to taxpayers as needed and in the process distributed a total of seventy three thousand, nine hundred and thirty-three (73,933) forms including tax returns, application forms for driver's licence, Motor Vehicle Registration and TIN. Further, more than 250,000 copies of various documents were produced by staff operating the copy centers.

Staff attached to the Filing Room are tasked with the receipt, processing and appropriate storage of documents relating to taxpayers, both individual and corporate. To this end, eighty one thousand, one hundred and seventy five (81,175) files relating to individual taxpayers and one thousand, four hundred and thirty five (1,435) relating to companies were received, processed and filed appropriately. Requests for three thousand, nine hundred and thirty-three (3,933) files were processed, two thousand, nine hundred and ninety seven (2,997) were issued while one thousand three hundred and eighty six (1,386) were returned. Tax Returns for various tax types which were received and processed for filing amounted to one hundred and twenty four thousand, five hundred and thirty four (124,534) while seventy seven thousand, one hundred and seventy nine (77,179) were placed in relevant files.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



Audit Office of Guyana

P.O. Box 1002, 63 High Street, Kingston, Georgetown, Guyana

Tel: 592-225-7592, Fax: 592-226-7257, <http://www.audit.org.gy>

AG: 7/2018

16 January 2018

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 2013

I have audited the accompanying financial statements of Guyana Revenue Authority, which comprise the statement of financial position as at 31 December 2013, the income and expenditure statement and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing (ISAs) issued by the International Federation of Accountants (IFAC), the International Standards of Supreme Audit Institutions (ISSAIs) and the Audit Act 2004. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

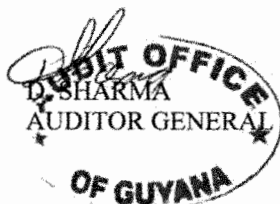
Basis for Qualified Opinion

The sum of \$660M was allocated from the 2013 appropriation for payment of refunds to taxpayers, but was received during the year 2014. This was accounted for as income in the year ended 31 December 2013, which contravenes the cash basis of accounting where monies are recorded in the year of receipt. As a result, income is overstated by the sum of \$660M.

The sum of \$660M was shown as refund of revenue payments for the year ended 31 December 2013. However, these sums were expended out on the 22 December 2014 but observed as recorded in the cash book for the year 2013. This is in contravention of the cash basis of accounting, which requires that sums spent are recorded in the year of payment. As a result, expenditure for the year 2013 is overstated by \$660M.

Qualified Opinion

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements give a true and fair view, in all material respects, of the financial position of the Guyana Revenue Authority (GRA) as at 31 December 2013 and of its financial performance and its cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

| | Notes | 2013 | 2012 |
|--------------------------------------|-------|----------------------|----------------------|
| <u>FIXED ASSETS</u> | | | |
| Land and Buildings | 2 | 778,177,585 | 760,201,726 |
| Motor Vehicles & Craft | 2 | 310,512,846 | 310,512,846 |
| Computer Equipment | 2 | 839,257,093 | 580,248,689 |
| Office Equipment | 2 | 307,007,191 | 263,087,574 |
| Containers/Scanner | 2 | 212,134,217 | 210,351,700 |
| Office Furniture | 2 | 122,554,369 | 116,171,723 |
| | | 2,569,643,301 | 2,240,574,258 |
| Capital Work in Progress | | - | - |
| TOTAL FIXED ASSETS | | 2,569,643,301 | 2,240,574,258 |
| <u>CURRENT ASSETS</u> | | | |
| Inventories | 3 | 16,771,590 | 11,265,562 |
| Cash in hand | 4 | 2,275,100 | 2,282,816 |
| Cash at bank | 5 | 12,414,999 | 64,220,974 |
| TOTAL CURRENT ASSETS | | 31,461,689 | 77,769,352 |
| TOTAL ASSETS | | 2,601,104,990 | 2,318,343,610 |
| <u>CURRENT LIABILITIES</u> | | | |
| Balance due to Consolidated Fund | | - | 51,805,976 |
| TOTAL CURRENT LIABILITIES | | - | 51,805,976 |
| <u>FINANCED BY:</u> | | | |
| Government of Guyana Contribution | 6 | 1,812,954,724 | 1,478,387,368 |
| Project Financing | 19 | 775,749,529 | 775,749,529 |
| Grants | 7 | 12,400,737 | 12,400,737 |
| | | 2,601,104,990 | 2,266,537,634 |
| TOTAL LIABILITIES AND CAPITAL | | 2,601,104,990 | 2,318,343,610 |

The Financial Statements were approved by the Board of Directors on :



 Chairman Member

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

| | Notes | 2013 | 2012 |
|---|--------|----------------------|----------------------|
| <u>INCOME</u> | | | |
| Subsidy | 20 | 3,476,377,866 | 3,349,755,129 |
| Grant | 7 | - | - |
| Refunds of Revenue | | 660,000,000 | 600,000,000 |
| TOTAL INCOME | | 4,136,377,866 | 3,949,755,129 |
| <u>EXPENDITURE</u> | | | |
| <i>Wages and Salaries</i> | | | |
| Wages and Salaries | 8 | 1,529,525,854 | 1,423,528,999 |
| Revision of Wages & Salaries | | 88,469,605 | 78,611,161 |
| Overhead Expenditure | 9a & b | 649,687,628 | 582,432,099 |
| Total Wages and Salaries | | 2,267,683,087 | 2,084,572,259 |
| <i>Other Charges</i> | | | |
| Material Equipment & Supplies | 10 | 112,564,756 | 84,454,492 |
| Fuel and Lubricants | | 79,892,668 | 93,674,446 |
| Rental and Maintenance of Buildings | 11 | 346,015,418 | 359,038,586 |
| Transport Travel and Postage | 12 | 95,927,268 | 76,254,324 |
| Utility Charges | 13 | 167,138,648 | 152,898,234 |
| Other Goods and Services | 14 | 329,034,756 | 372,761,317 |
| Other Operating Expenses | 15 | 56,913,150 | 82,737,520 |
| Education Subventions and Training | 16 | 1,912,381 | 6,494,813 |
| Rates and taxes & Subvention to Local Authorities | 17 | - | - |
| Subsidies and Contribution to Local and Intl Org | 17 | 17,419,728 | 31,485,800 |
| Refunds of Revenue | | 659,999,928 | 548,194,024 |
| Total Other Charges | | 1,866,818,701 | 1,807,993,556 |
| TOTAL EXPENDITURE | | 4,134,501,788 | 3,892,565,815 |
| SURPLUS | | 1,876,078 | 57,189,314 |
| Excess of Releases Over Expenditure | | 1,876,078 | 57,189,314 |

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013

| | | 2013 | 2012 |
|---|----|-------------------|-------------------|
| <u>Cash Flows from operating activities</u> | | | |
| Cash Releases from Government of Guyana | 20 | 4,136,377,866 | 3,349,755,129 |
| Refund of Revenue | | | 600,000,000 |
| Cash paid to suppliers and employees | | (4,134,501,788) | (3,892,565,815) |
| Net Cash flow from operating activities | | 1,876,078 | 57,189,314 |
| <u>Cash Flows from investing activities</u> | | | |
| Cash Releases from Government of Guyana | 18 | 329,117,284 | 50,938,730 |
| Purchase of property, plant and equipment | | (329,069,043) | (49,905,670) |
| Capital Work in Progress | | - | - |
| Net Cash flow from investing activities | | 48,241 | 1,033,060 |
| Net increase in cash | | 1,924,319 | 58,222,374 |
| Cash at beginning of period | | 66,503,790 | 24,201,858 |
| Cash in Imprest Accounts/ increase or decrease in imprest | | | |
| Cash in Foreign Currency floats/ increase or decrease in currency floats | | (7,716) | 72,426 |
| Cash at POS accounts/ increase or decrease in cash at POS | | - | - |
| Cash paid to Liability | | - | - |
| Cash repaid to Government of Guyana for accounting periods prior to the immediate preceeding year | | (51,805,976) | (9,790,839) |
| Cash repaid for the accounting period | | (1,924,319) | (6,203,090) |
| Unreconciled Difference | | - | 1,061 |
| Cash at end of period* | | 14,690,098 | 66,503,790 |
| Due to Consolidated Fund : | | - | 51,805,976 |
| Current | | 1,876,078 | 5,383,338 |
| Refunds of revenue | | - | 51,805,976 |
| ODS | | 16,337 | 16,337 |
| FFMP | | - | - |
| Capital | | 48,241 | 1,033,060 |
| Liability | | - | - |
| Grants | | 12,384,400 | 12,384,400 |
| Cash in imprest, floats and POS/ Change in Cash in imprest, floats and POS | | 2,288,300 | 2,296,016 |
| Paid to consolidated fund | | (1,924,319) | (6,416,398) |
| Unreconciled balance | | 1,061 | 1,061 |
| | | 14,690,098 | 66,503,790 |

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 (a): BACKGROUND

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

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

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

NOTE 1 (b): DISCLAIMER

The Financial statements for the year 2013 were signed by Mr. Rawle Lucas, Chairman of the Governing Board and Mr. Godfrey Statia, Commissioner- General in the year 2018. It must be duly noted, that these individuals did not serve in the respective capacities during the Financial year 2013.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

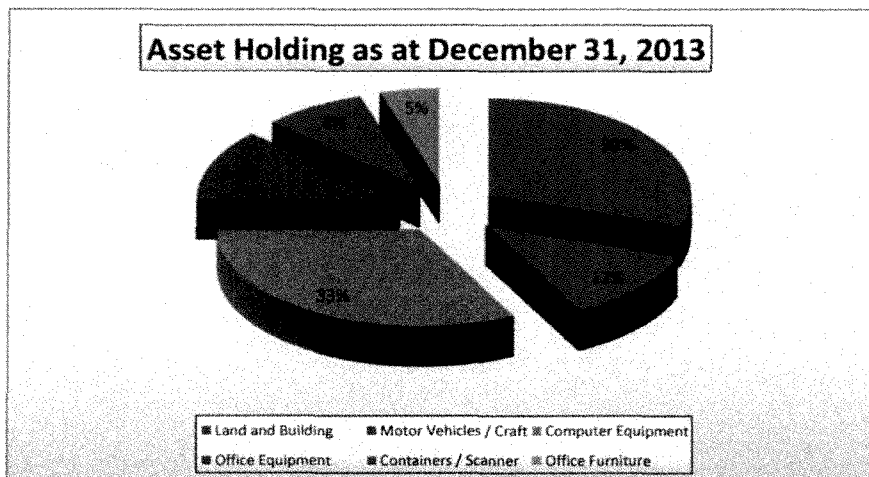
NOTE 1 (c): SIGNIFICANT ACCOUNTING POLICIES

- A) The Financial Statements are prepared in accordance with the Guyana Revenue Authority Act 1996.
- B) The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets.
- C) 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.
- D) The Guyana Revenue Authority conforms to the cash basis of accounting.
- E) Inventories have been valued at the 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 Funds in the Financial Statements.

NOTE 2: FIXED ASSETS

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

The Asset holding of the Revenue Authority as at December 31, 2013 is displayed in the Chart below:



ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 2: FIXED ASSETS (Continued)

The following table sets out GRA's Fixed Asset position as at December 31, 2013:

| | Land and Buildings | Motor Vehicle / Craft | Computer Equipment | Office Equipment | Containers/ Scanner | Office Furniture | WIP | Total |
|-----------------------------------|--------------------|-----------------------|--------------------|------------------|---------------------|------------------|-----|---------------|
| Cost/Valuation as at Dec 31, 2012 | 760,201,726 | 310,512,846 | 580,248,689 | 263,087,574 | 210,351,700 | 116,171,723 | - | 2,240,574,258 |
| | | | | | | | | - |
| Additions: | | | | | | | | |
| GRA | 17,975,859 | - | 259,008,404 | 43,919,617 | 1,782,517 | 6,382,646 | - | 329,069,043 |
| FFMP | - | - | - | - | - | - | - | - |
| MCA | - | - | - | - | - | - | - | - |
| Min. of Tourism | - | - | - | - | - | - | - | - |
| Printer written off via Loss | - | - | - | - | - | - | - | - |
| Disposal/Transfer | - | - | - | - | - | - | - | - |
| Total | 778,177,585 | 310,512,846 | 839,257,093 | 307,007,191 | 212,134,217 | 122,554,369 | - | 2,569,643,301 |
| Cost/Valuation as at Dec 31, 2013 | 778,177,585 | 310,512,846 | 839,257,093 | 307,007,191 | 212,134,217 | 122,554,369 | - | 2,569,643,301 |

Acquired through Want of Entry

NOTE 3: INVENTORIES

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

| Stock Item | 2013 | 2012 |
|-----------------------------|------------|------------|
| Office Materials & Supplies | 9,125,785 | 11,478,455 |
| Preprinted Forms | 7,645,805 | 8,095,200 |
| Total | 16,771,590 | 19,573,655 |

NOTE 4: CASH IN HAND

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

| Description | 2013 | 2012 |
|--------------------------------|------------------|------------------|
| 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 | 275,100 | 282,816 |
| Total | 2,275,100 | 2,282,816 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 5: CASH AT BANK

This represents amount held at Bank of Guyana and floats at Point of Sale accounts at Republic Bank Limited. Details are set out in the Table below:

| Description | 2013 | 2012 |
|--|-------------------|-------------------|
| Bank of Guyana - Main A/c #01620004470 | 12,401,799 | 57,385,963 |
| Refund of Revenue | | 6,821,811 |
| Republic Bank POS Accounts | | |
| Customs & Trade Administration | 6,600 | 6,600 |
| Internal Revenue | 6,600 | 6,600 |
| Total | 12,414,999 | 64,220,974 |

NOTE 6: GOVERNMENT OF GUYANA CONTRIBUTION

The Accumulated Fund for the Authority on its formation represented the values of Fixed Assets transferred from the Inland Revenue and Customs & Excise Departments. Subsequent to this, all capital items procured through Government of Guyana Contributions and grants have been included in this figure for the respective years. The table below sets out the movement in the Fund for the year ended 31st December 2013.

| Accumulated Fund | Fixed Assets | Net Current Assets | Total 2013 | 2012 |
|------------------------------------|----------------------|--------------------|----------------------|----------------------|
| As at Jan 1, 2013 | 2,240,574,258 | 77,769,352 | 2,318,343,610 | 2,234,444,101 |
| Movement during the year (Note 6a) | 329,069,043 | (46,307,663) | 282,761,380 | 83,899,509 |
| As at Dec 31, 2011 | 2,569,643,301 | 31,461,689 | 2,601,104,990 | 2,318,343,610 |

NOTE 6(a) - Analysis of movement during the year

| | | |
|---|--------------|--------------------|
| Purchases of Fixed Assets- GRA | 329,069,043 | |
| Acquisition of Fixed Assets (want of entry) | - | |
| Purchases of Fixed Assets- MCA | - | |
| FFMP Asset Acquired | - | |
| Ministry of Tourism | - | |
| Disposals of Fixed Assets | - | 329,069,043 |
| Inventories | 5,506,028 | |
| Foreign Currency & POS Floats | (7,716) | |
| Cash at Bank | (51,805,975) | (46,307,663) |
| | | 282,761,380 |

| | 2013 | 2012 |
|---|----------------------|----------------------|
| Accumulated Fund as at 31st December, 2013 | 2,601,104,990 | 2,318,343,610 |
| <i>Less -</i> | | |
| MCA Counterpart Contribution - 2009 | (405,000,000) | (405,000,000) |
| MCA Counterpart Contribution - 2008 | (114,578,794) | (114,578,794) |
| FFMP Asset Assistance | (117,449,130) | (117,449,130) |
| FFMP Asset Assistance | (123,979,082) | (123,979,082) |
| Public Service Technical Assistance Credit | (14,742,523) | (14,742,523) |
| Grants | (12,400,737) | (12,400,737) |
| Balance due to the consolidated fund | | (51,805,976) |
| GOG Contribution As at 31st December, 2013 | 1,812,954,724 | 1,478,387,368 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 7: GRANTS

CDB

During 2005, the Authority received a \$15M grant from the Caribbean Development Bank for capacity building. The sum of \$2.6M has been expended in 2005. There has been no other expenditure to date. The balance on this grant as at December 31, 2013 remains \$12.4M.

ODS: Ozone Depleting Substances

During the year 2011 The National Ozone Action Unit through the Ministry of Agriculture released \$777,750 for training. The amount of \$ 761,413 was expended over the years 2011 and 2012. The the balance on the grant as at December 31, 2013 is \$16,337

Balance on Grants as at 31st December,2013

| Grant Type | 2013 | 2012 |
|----------------------------|-------------------|-------------------|
| Training Grant - ODS | 16,337 | 16,337 |
| Caribbean Development Bank | 12,384,400 | 12,384,400 |
| Total | 12,400,737 | 12,400,737 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 8: Wages and Salaries

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|---------------------------------------|----------------------|----------------------|
| 6111 | Administrative | 361,488,121 | 349,362,084 |
| 6112 | Senior Technical | 361,725,332 | 305,733,090 |
| 6113 | Other Technical & craft skills | 333,650,015 | 329,157,755 |
| 6114 | Clerical & Office Support | 344,947,799 | 269,462,409 |
| 6115 | Semi-Skilled and Unskilled operatives | 97,556,501 | 132,607,554 |
| 6116 | Contract Employees | 17,673,193 | 26,368,342 |
| 6117 | Temporary Employees | 12,484,893 | 10,837,765 |
| TOTAL | | 1,529,525,854 | 1,423,528,999 |

NOTE 9(a): Overhead Expenditure

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|---|--------------------|--------------------|
| 6131 | Other Direct Labour Costs (see Note 9b) | 204,422,180 | 176,507,243 |
| 6133 | Benefits & Allowances | 264,576,224 | 247,285,171 |
| 6134 | National Insurance | 111,859,305 | 97,634,934 |
| 6135 | Pensions | 68,829,919 | 61,004,751 |
| TOTAL | | 649,687,628 | 582,432,099 |

NOTE 9(b): Member's 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 | 2013 | 2012 |
|-------------------|----------------|----------------|
| Lennox Benjamin | 144,000 | 132,000 |
| Clyde Roopchand | 180,000 | 165,000 |
| Sonia Roopnauth | 144,000 | 132,000 |
| Jawahar Persaud | 144,000 | 72,000 |
| Lawrence Williams | 144,000 | 132,000 |
| Total | 756,000 | 633,000 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 10: Materials, Equipment and Supplies

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|-----------------------------|--------------------|-------------------|
| 6221 | Drugs & Medical Supplies | 640,881 | 600,199 |
| 6222 | Field Materials & Supplies | - | - |
| 6223 | Office Materials & Supplies | 43,340,305 | 32,035,900 |
| 6224 | Print & Non Print Materials | 68,583,570 | 51,818,393 |
| TOTAL | | 112,564,756 | 84,454,492 |

NOTE 11: Rental and Maintenance of Building

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|--------------------------------|--------------------|--------------------|
| 6241 | Rental of Buildings | 175,171,129 | 46,563,452 |
| 6242 | Maintenance of Buildings | 159,577,022 | 302,824,506 |
| 6243 | Janitorial & Cleaning Supplies | 11,267,267 | 9,650,628 |
| TOTAL | | 346,015,418 | 359,038,586 |

NOTE 12: Transport, Travel and Postage

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|---------------------------------------|-------------------|-------------------|
| 6261 | Local Travel & Subsistence | 38,248,359 | 32,998,967 |
| 6262 | Overseas Conference & Official Visits | 4,967,068 | 3,054,968 |
| 6263 | Postage, Telex and Cablegram | 12,631,839 | 11,656,234 |
| 6264 | Vehicle Spares & Services | 40,080,002 | 28,544,155 |
| 6265 | Other Transport Travel & Postage | - | - |
| TOTAL | | 95,927,268 | 76,254,324 |

NOTE 13: Utility Charges

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|---------------------|--------------------|--------------------|
| 6271 | Telephone Charges | 24,659,681 | 22,708,168 |
| 6272 | Electricity Charges | 111,409,701 | 103,450,125 |
| 6273 | Water Charges | 1,365,589 | 5,990,438 |
| 6274 | Wireless Charges | 29,703,677 | 20,749,503 |
| 6275 | Internet Charges | - | - |
| TOTAL | | 167,138,648 | 152,898,234 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 14: Other Goods and Services Purchased

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|-----------------------------------|--------------------|--------------------|
| 6281 | Security Services | 178,419,262 | 162,665,594 |
| 6282 | Equipment Maintenance | 50,502,958 | 170,757,538 |
| 6283 | Cleaning & Extermination Services | 11,264,407 | 11,348,836 |
| 6284 | Others | 88,848,129 | 27,989,349 |
| TOTAL | | 329,034,756 | 372,761,317 |

NOTE 15: Other Operating Expenses

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|-------------------------|-------------------|-------------------|
| 6291 | National & Other Events | 9,512,252 | 7,515,050 |
| 6293 | Refreshments & Meals | 5,802,137 | 5,468,602 |
| 6294 | Others | 41,598,761 | 69,753,868 |
| TOTAL | | 56,913,150 | 82,737,520 |

NOTE 16: Education, Subvention and Training

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|----------------------|------------------|------------------|
| 6301 | Education Subvention | - | - |
| 6302 | Training | 1,912,381 | 6,494,813 |
| TOTAL | | 1,912,381 | 6,494,813 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS

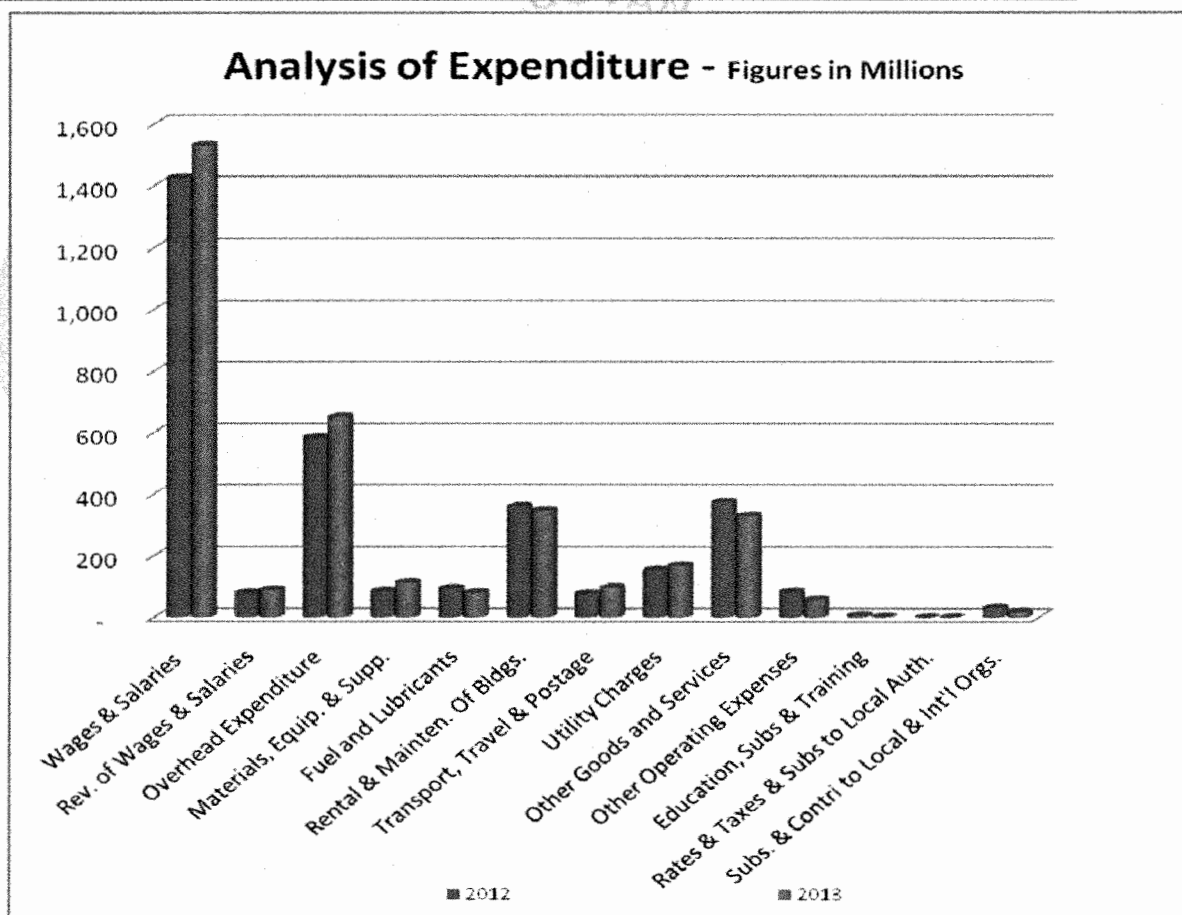


GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 17: Subsidies & Contributions to Local and International Organisations

Expenditure under this head comprised the following sub-heads:

| Code | Description | 2013 | 2012 |
|--------------|----------------------------|-------------------|-------------------|
| 6321 | Local Organisation | 1,042,207 | 1,015,290 |
| 6322 | International Organisation | 16,377,521 | 30,470,510 |
| TOTAL | | 17,419,728 | 31,485,800 |



ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 18: Reallocation of Capital Funds

The total appropriation for capital for the year 2013 was \$450M; of this amount \$120.88M was reallocated to and expended under the 'Current Programme.' This expenditure was necessary to complete works to the CLICO building. The building is rented by GRA and owned by the National Insurance Scheme (NIS). As such, capital works conducted to the building must be expensed under the 'Current Programme.'

In light of the foregoing, the amended capital allocation was \$329.12. Total expenditure for capital amounted to \$329.07M; this resulted in a liability of \$0.05M as at 31st December, 2013 to be remitted to the Consolidated Fund. Please see table below.

Balance on Capital Appropriation

| Funding - Source | 2013 | 2012 |
|------------------------------------|---------------|------------------|
| MCA - GOG Counterpart Contribution | - | - |
| GRA/ GOG | 48,241 | 1,033,060 |
| TOTAL | 48,241 | 1,033,060 |

NOTE 19: Project Financing

| Projects | 2013 | 2012 | 2011 | 2010 | 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 |

NOTE 20: Subsidy

Releases under current expenditure amounted to \$4,015.49M (\$3,355.5M + \$660M). However, \$120.88M of the capital allocation was expended under 'current expenditure'. Therefore, the total subsidies amounted to \$4,136.38M. Please refer to note 18.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



Guyana Revenue Authority

Capital Votes Assets - CLICO Rented Building 2013 To Be Expensed in Financial Statements

| PV# | DESCRIPTION | Capital Asset Cost/ Value |
|---------|---|------------------------------|
| | Clico - Construction of Central Stores | 1,170,486.00 |
| | Clico - Construct washrooms externally | 432,218.00 |
| | Clico - Construct washrooms externally | 144,072.00 |
| | Clico- modification at casheir entrance area and ground floor washrooms | 417,870.00 |
| | Clico- modification at casheir entrance area and ground floor washrooms | 139,290.00 |
| | Clico - construct female and disable washrooms | 425,745.00 |
| | Clico - construct female and disable washrooms | 141,915.00 |
| | Clico - construction of training room | 5,610,829.00 |
| | Clico - construction of training room | 5,021,600.00 |
| | Clico - construction of training room | 559,602.00 |
| | Clico - construction of southern emergency exit t | 3,120,075.00 |
| | Clico - construction of southern emergency exit t | 2,496,060.00 |
| | Clico - construction of southern emergency exit t | 624,015.00 |
| | Clico - construction of additional washroom facilities | 1,107,928.00 |
| | Clico - construction of additional washroom facilities | 886,322.00 |
| | Clico - construction of additional washroom facilities | 221,585.00 |
| | Clico - contruction of Health & wellness Centre | 4,589,235.00 |
| 3361/13 | Clico - contruction of Health & wellness Centre | 3,655,324.00 |
| | Clico - contruction of Health & wellness Centre | 917,847.00 |
| | Clico - Supply and installation of carpet | 170,000.00 |
| | Clico - Installation of AC unit on 2-3 floor | 1,027,900.00 |
| | Clico - Construction of fire escape | 511,340.00 |
| | Clico - Construction of timber floor | 1,432,920.00 |
| | Clico - Installation of electrical cabling for UPS | 557,700.00 |
| | Clico - Additional electrical work completed | 1,232,162.00 |
| | Clico - Supply and installation of ac | 988,650.00 |
| | Clico - modification and completion of H/O | 22,591,124.00 |
| | Clico - civil works done,external walls | 1,015,514.00 |
| | Clico - civil and Electrical works completed | 1,121,527.00 |
| | Clico - Electrical work done | 4,997,185.00 |
| | Clico - additional civil work | 150,000.00 |
| | Clico - additional civil work | 162,820.00 |
| | Clico - installation of Ac | 109,850.00 |
| | Clico - Electrical work-UPS infrastructure | 1,317,000.00 |
| | Clico - Rehabilitation of building | 630,000.00 |
| | Clico -Rehabilitation of Building | 80,650.00 |
| | Clico -civil works | 150,000.00 |
| | Clico - final payment for IP PBX | 4,056,385.00 |
| | Clico - installation of structured cabling and switch infrastructure | 1,740,906.00 |
| | Clico - additional console to support the telephone operators | 2,136,160.00 |
| | Clico -Structured Cabling & Swiching network | 494,425.00 |
| | Clico -Installation of IT infrastrucutre | 5,116,546.00 |
| | Clico - IT infrastructure | 1,740,906.00 |
| | Clico -Supervision services for the completion and modification | 1,367,500.00 |
| | Clico - design / Drawing & Supervision of Building works | 3,418,356.00 |
| | Clico - Design/ drawing and Supervision of Building Works | 1,128,761.00 |
| | Clico - Supply and application system to seal all construction joints | 4,055,175.00 |
| | Clico - Supply and application system to seal all construction joints | 6,758,625.00 |
| | Clico - Supply and application system to seal all construction joints | 2,703,450.00 |
| | Clico - construction of Eastern driveway & shed to main entrance | 3,441,708.00 |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



| | | |
|--------------------|---|-----------------------|
| | Clico - construction of Eastern driveway & shed to main entrance | 688,224.00 |
| | Clico - construction of Eastern driveway & shed to main entrance | 1,988,217.00 |
| | Clico - construction of Eastern driveway & shed to main entrance | 764,092.00 |
| | Clico - electricity to Canteen | 2,062,400.00 |
| | Clico - Electricity Feed to Canteen | 340,000.00 |
| | Clico - remodelling guard hut | 585,000.00 |
| | Clico - Remodeling office | 145,000.00 |
| | Clico - Remodeling office | 150,000.00 |
| | Clico - Remove wall in existing office space | 125,000.00 |
| | Clico - Enlarge office | 150,000.00 |
| | Clico - door including iron montgomery and dividing existing office space | 40,000.00 |
| | Clico - removing wall in existing office space. | 40,000.00 |
| | Clico - remodelling office | 60,000.00 |
| | Clico - Remodeling of Audit and Verification final payment | 40,000.00 |
| | Clico - remodelling of Guard Hut | 2,177,416.00 |
| | Clico - Modification of main Guard Hut at head office | 575,000.00 |
| | Clico - installation of PDU + elevator back up system e | 2,875,104.00 |
| | | |
| GRAND TOTAL | | \$ 120,882,716 |

A large, faint watermark is centered on the page. It consists of a circular emblem with a gear-like design, similar to the GRA logo, and the text 'GUYANA REVENUE AUTHORITY' curved around the top. Overlaid on this watermark is the word 'APPENDICES' in a large, bold, serif font.

APPENDICES

ANNUAL REPORT & STATEMENT OF ACCOUNTS

APPENDIX 1

Individual Tax Rates

Years of Assessment 1992 - 1993

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

Years of Assessment 1994 - 1997

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

Years of Assessment 1998 to 2003

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

Years of Assessment 2004 - 2006

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

Years of Assessment 2007 - 2013

| |
|--|
| 33 1/3% of the amount of Chargeable Income |
|--|

From Year of Assessment 2014

| |
|--|
| 30% of the amount of Chargeable Income |
|--|

ANNUAL REPORT & STATEMENT OF ACCOUNTS



SELF-EMPLOYED INDIVIDUALS

Effective 1st September, 2003.

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

Exceeds \$10 Million Minimum Tax – 2%

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

Capital Gains Tax Rate

| | |
|--------------------------|------------|
| Capital Gains Tax | 20% |
|--------------------------|------------|

PERSONAL PROPERTY TAX RATES

Years of Assessment 1993 - 1999

| | |
|---|------|
| On the first \$5,000,000 of Net Property | 0% |
| For every Dollar of the next \$5,000,000.00 of Net Property | 1/2% |
| For every Dollar of the remainder of Net Property | 3/4% |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



Years of Assessment 2000 to 2013

| | |
|---|------|
| On the First \$7,500,000 of Net Property | 0% |
| For every dollar of the next \$5,000,000.00 of Net Property | 1/2% |
| For every dollar of the remainder of Net Property | 3/4% |

From Year of Assessment 2014

| | |
|---|------|
| On the First \$40,000,000 of Net Property | 0% |
| For every dollar of the remainder of Net Property | 3/4% |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



APPENDIX 2 COMPANY TAX RATES

| | | | | |
|---|--------------------------------------|---------------------------------|---|-----|
| 1 | Minimum Tax on Turn over | Commercial Companies | Effective for YA 95-96 | 2% |
| | | Non-Commercial Companies | | |
| | | Commercial Companies | From YA 97 applied to Commercial Companies only | 2% |
| 2 | Corporation Tax on Chargeable Income | Commercial Companies | From Y/A 1995 | 45% |
| | | Non-Commercial Companies | | 35% |
| | | Telephone Companies | From Y/A 2012 | 45% |
| | | Commercial Companies | | 40% |
| | | Other 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 – 2013 | On the first \$1,500,000 of Net Property | Nil |
| | | | For every dollar of the next \$5,000,000 of Net Property | ½% |
| | | | For every dollar of the remainder of Net Property | ¾% |
| | | From Year of Assessment 2014 | On the first \$10,000,000 of Net Property | Nil |
| | | | For every Dollar of the next \$15,000,000 of Net Property | ½% |
| | | | For every dollar of the remainder of Net Property | ¾% |

ANNUAL REPORT & STATEMENT OF ACCOUNTS



APPENDIX 3 WITHHOLDING TAX RATES

| | YA 1993- YA 2003 | From YA 2004 |
|---|-----------------------------|-------------------------|
| 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 4 PREMIUM TAX RATES

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



APPENDIX 5 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 - 2011 | \$420,000 |
| 2012 | \$480,000 |
| 2013 - | \$600,000 |

