

# Official Report

*PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2015-2016) OF THE ELEVENTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN*

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34<sup>TH</sup> Sitting

Friday, 26<sup>th</sup> February, 2016

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*Assembly convened at 2.05 pm*

*Prayers*

*[Mr. Speaker in the Chair]*

## **OATH OF A NEW MEMBER**

**Mr. Speaker:** Hon. Members, following the resignation of Dr. Clive Ramesh Jagan and my call upon the representative of the People's Progressive Party (PPP) list of candidates, I have been informed that the name of Ms. Bhagmattie Veersammy was extracted from the list and that Ms. Veersammy was on the 26<sup>th</sup> February, 2016 declared to be an elected Member of the National Assembly. Before Ms. Veersammy can take part in the proceedings of the Assembly, she is required to make and subscribe the Oath, before the Assembly, as required by article 167 of the Constitution. Ms. Veersammy is present and she can now make and subscribe the Oath which will be administered to her by the Clerk.

*The Oath of Office was administered to and subscribed by the new Member.*

## **ANNOUNCEMENTS BY THE SPEAKER**

### **Welcoming of the new Member**

**Mr. Speaker:** Hon. Member, Ms. Bhagmattie Veersammy, I wish to extend, first of all, congratulations on your being called upon to serve in this noble Assembly. On behalf of the Hon. Members of Parliament and, indeed, on my own behalf, I bid you welcome. Let me express the hope that you will add lustre and – I was going to say the word “polish” and I will use that word - polish to the Assembly. Welcome.

### **Members resumed their seats**

**Mr. Speaker:** Hon. Members, you will recall that at the last sitting I drew to your attention the absence of two Members, Hon. Winston Felix and the Hon. Keith Scott. They did not take their seats on that day, as I pointed out to you, in consequence of an order of the Supreme Court. That order has been stayed as of today, and the Hon. Members are now back in their places, in this chamber.

### **PRESENTATION OF PAPERS AND REPORTS**

The following Papers were laid:

- (1) An Amendatory Agreement No. 2270/BL-GY (Amendment No.1) signed on 20<sup>th</sup> December, 2015 between the Co-operative Republic of Guyana and the Inter-American Development Bank for US\$3,100,000.00 for the Sustainable Housing for the Hinterland Programme
- (11) Financing Agreement No. 5753–GY dated 29<sup>th</sup> December, 2015 between the Co-operative Republic of Guyana and the Inter National Development Association for SDR \$2,700,000.00 for additional financing for the University of Guyana Science and Technology Support Project. [*Minister of Finance*]

### **PUBLIC BUSINESS**

### **GOVERNMENT BUSINESS**

### **BILLS – Second Readings**

### **FIREARMS (AMENDMENT) BILL 2016**

A BILL intituled:

“AN ACT to amend the Firearms Act.” [*Vice-President and Minister of Public Security*]

**Mr. Speaker:** Hon. Members, we will now proceed with the second reading of the Firearms Amendment Bill 2016, Bill No.2 of 2016, which was published on the 10<sup>th</sup> February, 2016.

**Vice-President and Minister of Public Security [Mr. Ramjattan]:** I rise to move the Firearms (Amendment) Bill 2016, Bill No.2 of 2016, be now read a second time.

Mr Speaker, the Firearms Act makes provision for what should be the range of fees in relation to shotguns, pistols and revolvers, rifles and also those that deal with firearms. As for the last budget, Cabinet did approve that these be increased from the existing rates, namely \$2,000 for shotguns to \$5,000, from \$5,000 for pistols and revolvers to \$25,000, \$7,500 for rifles to \$40,000 and for the dealers in firearms and ammunition from \$20,000 to \$150,000.

There is, what is called, need for these increases, largely because there is revenues to be spent on processing, right down to final approval of applicants. This requires an effort on the part of the police force, and takes away resources generally that would be, more or less, dealing with law enforcement, right up from the processing to the final approval.

That effort is comprised of three stages. First of all, the application is made to the Commander of the division, and then that Commander will assign a Constable or other rank to go and check on the person, as to whether that person is of good character in the community from where the applicant came. Then there is another process whereby after that is checked off, it is sent to the Commissioner's office for purposes of ensuring that the applicant's antecedents are positive, in the sense that that person did not have previous convictions, and so on. In that process, the Commissioner's office would be dealing with the processing and filing away of the applicant's forms. The third stage being the Firearms Licencing Board, where members of the Board do an interview and ask the relevant questions for purposes of making the final decision, more or less, as to whether that person should be granted the licence or not. This three-tier system, as it were, then leads to whether there should be the granting or a non-granting. And then after that, of course, the Minister issues the licence through the Commissioner of Police.

2.20 p.m.

All these various stages require resources. In view of the fact that so much effort is needed because there are so many applicants, it was decided that, to recapture some of the revenues spent in relation to matters dealing with the processing of applications right up to the final approval, there should be increases in these firearm licences and, of course, the dealership. It is important that the rationale for the increases be understood.

Generally, acquiring a firearm under the category of Rifle and Pistol and Revolver requires the applicant to be one who deals with large sums of moneys. We feel that increases from \$5,000 to \$25,000 and \$7,500 to \$40,000 are not that formidable in these times nor will cause a problem in any way for those who are licensed gun holders.

In relation to the shotgun licence, this category involves farmers and Amerindians, who do hunting in the interior areas. The increase is from \$2,000 to \$5,000. Also, we do not see this amount as an exorbitant increase or would do damage to those persons who are the licensed firearm holders for shotguns.

Mr. Speaker, that being the rationale, we felt that it was necessary that we bring these amendments here so that we could have the increases that would ensure that we have revenues to do the work, which this sector of the Guyana Police Force (GPF) has to do to ensure that we get the best candidates/applicants to be firearm licence holders.

Also, every year, the renewal of firearms licences takes an effort from a number of policemen, hence, this increase. To recoup the cost for the resources expended and the renewals, we have decided that the fees be increased.

In relation to the categories of firearms, I would like to bring to the attention of the National Assembly the usefulness of statistics to understand that, under the category of Shotgun there are just over 3,000 registered firearm holders; under the category of Pistols/Revolvers – 4,500 or just above that; and under the category of Rifle, there are 347 registered firearm holders. There are approximately 8,000 and more persons who are licensed firearm holders under those three categories. I do not have the statistics for the dealers, but I do not think that there are more than five of them.

The rationale in relation to this being given, and the fact that, having spoken to some of these persons who are licensed firearm holders, and this was more or less a personal effort on my part, it seems that, although some of them did indicate that there might have been a bit too much of an increase, the general sentiment was that they had to deal with so much money that they needed the firearms. I think that this is something that ought to be welcomed and approved by this National Assembly in the context of the circumstances that I have just mentioned.

I commend this Firearms (Amendment) Bill 2016, to this National Assembly for its approval.  
*[Applause]*

**Mr. Seeraj:** Mr. Speaker, first of all, I would like to join you and the Members of this National Assembly in welcoming and congratulating our newest addition, Mrs. Sheila Veerasammy, to the National Assembly.

I have known this young lady for quite a while, and I agree with some of the sentiments you expressed. I can say that from personally working with Mrs. Veerasammy, this House and its deliberations will be quite richer due to her addition to this hallowed Chamber.

I would also like to make two small contributions to the Firearms (Amendment) Bill – Bill No. 2 of 2016. To say that, we know and appreciate that the processing of applications indeed calls for a lot of resources, but these were being done over the years. We have to be quite sensitive to the vulnerable groups when we are dealing with matters of this nature.

I have been in some parts of the countryside recently, in areas such as the Essequibo and Mahaica. Some of the questions asked had to do with requests for firearms licences to protect large sums of moneys. There are categories of licensed firearm holders that depend on these firearms not only to protect large sums of money, but rather, to protect their source of livelihood in some instances.

I refer particularly, to hunters and farmers who protect their crops. For example, in the rice sector, at sowing time, sometimes there are large flocks of ducks that overnight can destroy the seedlings that farmers would have broadcasted. Therefore, farmers need to afford their crops some amount of protection.

The timing of this increase is also something that we have to address. This is a period of time in the rice sector, for example, where farmers are going through a very tough time. It was only a few days ago that the Hon. Member, Mr. Rajkumar, mentioned that farmers in Essequibo received as little as \$700 to \$1,000 per bag of paddy. This price has dropped from \$3,000 per bag on average against a background of a promise of \$6,000 per bag, which never materialised.

Speaking about promises, I know the coalition, A Partnership for National Unity/Alliance for Change (APNU/AFC), on the campaign trail, spoke about no new taxes or increases in taxes. As a matter of fact, reductions were promised, the most popular being the Value-Added Tax (VAT).

We see a situation here, where not only is there a proposal to increase the fees for firearms licences, but also for increases in licences for the different categories of mills. Again, the timing of the increase is so out of place, in the sense that the industry is going through tough times. The farmers begged for a little relief, in terms of the taxes on fuel. They now have to go through additional expenses to get the irrigation supplies to do mechanical pumping. Instead of considering some amount of relief, what we find happening is that the burden on the backs of the farmers, are added to. This, of course, is the most recent, where we have seen this increase for licensing.

There is not even a phased approach to recognise how sensitive this issue is and to recognise how hard-pressed some people will be. Of course, if one is receiving \$1 million salary, then \$5,000 is nothing. When one is getting all of his/her benefits paid for chauffeur, vehicles, housing, *et cetera*, then \$5,000 is nothing, but it means a lot to farmers who are on the breadline and who cannot even service their loans. Every little cent counts; every dollar means a lot to the farmers and \$5,000 can spell the difference between eating today or going to bed hungry.

If in recognition of how crucial this matter is and how pressed the farmers are at this moment, we could have at least said that in recognition of the process that they have to go through, and the amount of resources to process the applications, as the Hon. Minister said. What about renewals? To process applications, there is a long drawn-out application, but for renewals that would have been covered with all of the background checks being done, *et cetera*, and one does not have to go through that entire process again. So why are you pressing the farmers?

There are other areas where taxation comes in, but shows how insensitive this Government is to the ordinary people. Of course, it is not a tax, it is a licence fee, but it is an increase. The Government is in the clouds and is insulated from economic hardships by the recent 50% and more increase that the ministers received in their salaries, which was termed as “fat-cat” salaries. Now they are insulated and isolated from the ordinary people. Some of them cannot face the people, especially on the West Bank, where the Government is contemplating shutting down entire communities and displacing workers. Sir, do you not think that \$5,000 means a lot to these people? When we are living in isolation of the reality on the ground, we tend to make proposals like these without recognising how difficult it will be.

Some of the farmers had even mentioned that there might be people here who were earning huge salaries and did not even have to pay the licence fees. We have to be sensitive and recognise that there are vulnerable groups out there. As a caring Government that spoke so much about a new and fresh approach and a good life for all, the reality that we are seeing are not measures to put in place to bring about a good life for all. We are seeing a good life for a few and a very small few. That is what we are seeing. These measures are adding to the hardship of those vulnerable groupings.

I am pleading with the Government to re-consider, especially the increase in the licensing fees for the farmers, the hunters and those people who work in the interior to protect their source of livelihoods and to also protect their livelihoods itself. I make this differentiation in respect of those people who hunt, as a source of their livelihood and those farmers who use a firearm now and again to protect their different crops, particularly the rice crop.

The farmers in rice sector are talking about giving back. The rice sector was further burdened, when an unknown person affiliated with the Government, without any advertisement, was given a contract approximately \$420 million to supply fertilisers. This was the farmers’ money. We could have taken some of that money and pay for the licence fees for all of the farmers who are owners of shotguns.

This fresh approach is not really bringing about the good life, especially for this category of people that I am talking about – the farmers and the hunters. When all that is happening is added up, the picture is very gloomy. There is no silver lining at the end of this dark cloud that is

hanging over the heads of our people – our farmers. The Government has to go and talk with the farmers. Some of the farmers, who have to pump water into their fields, do not have the money to buy fuel.

2.35 p.m.

They probably would have gotten more fuel if, at least, the Minister of Finance, the Hon. Jordan had consider even a temporary waiver, recognising the hardship of the taxes for fuel. Fuel would have been just over \$300 per gallon; not for free. Farmers would have been in a better position to save much more of their crops.

This high handedness and insensitive move by this Administration and the excuses that we have to extent resources, the Ministers are now getting huge salaries to be more efficient and to work harder. So, I do not see how it is a more efficient Government machinery and a more efficient bureaucracy need more money to do that which was being done for less over the years. It would appear that they need more money to cover up for incompetency and to add to the burden of our people.

I want to make a plea to the Government to reconsider the draconian increases in the fees, especially in the category for shotguns that is proposed in Firearm Amendment Bill - Bill No. 2 and ask that the Hon. Minister of Public Security take it back to the Cabinet for reconsideration and reduction, and to even consider not applying the entire amount for renewals. Like I said earlier, persons do not have to go through the long process of vetting for renewals. It is just a matter of issuing another license as the year comes to an end.

That is my plea, for the Government to reconsider and ease the burden on these which I consider as vulnerable groups - our farmers and hunters. Thank you. [*Applause*]

**Mr. Rohee:** Apart from reading the Explanatory Memorandum to the Bill that is before us, I also listened very attentively to the Hon. Minister speak to what he described as the reasons behind bringing such a Bill to this honourable House. While there is not much in the Explanatory Memorandum that one could rely on, what we understand from the Minister is that he found it “necessary” to bring the Bill to solicit from the House, the need for the increases. The words, he used, “found it necessary”.



Then, in his presentation a few minutes ago, the Hon. Minister spoke to the need for the increases. I am still searching for an explanation, the rationale behind the need for the increases that are with us for consideration. I doubt whether it will be found in the words that the Minister used, when he spoke to the question of the amnesty, as was reported in the media, where he described himself as “the bad man”.

Why did the Government find it necessary for these increases to be brought for us to consider? We heard the Minister speak to what he described as the three-tier rationale for the increases. We are aware of the three-tier rationale, having served in the Government for a considerable amount of time. What we are also aware of is, when he said that individuals at the Ministry of Public Security and the Guyana Police Force have to take a considerable amount of time to process these applications. My question is what are they being paid for? That is their job.

When we hear the explanation, which I consider to be rather weak, that ranks of the Guyana Police Force have to take a considerable amount of time to process these applications, my query to that would be, what are they being paid for? The Guyana Police Force has ranks that have the responsibility, by law, to process applications. The Minister did mention who they are - the Division Commander. This is specified in the Firearms Act, that the Division Commander must play a role in respect to the oversight of the firearms applications, and there are others. I did not accept the argument that the Hon. Member has put forward in respect to what I would describe as “wastage of resources” *vis-à-vis* the Guyana Police Force.

Secondly, I would have thought that, in keeping with the manifesto of the coalition which spoke quite extensively and expansively to the question of the civilianisation of the Guyana Police Force, the solution would have been, as was done under the People’s Progressive Party/Civic (PPP/C) Administration, to extend and to expand, as far as possible, civilianisation of the force, thus, relieving the force of these responsibilities, but at the same time adding civilians to the force for them to fulfil what is more or less clerical and investigative responsibilities.

The People’s Progressive Party/Civic Administration hired 60 Data Entry Clerks, among other elements of civilians, as an adjunct to the Guyana Police Force, to deal with matters of a clerical nature, which the force did not have the resources to deal with. I would have thought that in

order to relieve the police ranks of this responsibility, we would have heard that more civilians would have been employed to address this problem.

Therefore, I see this exercise as nothing more than a fund raising exercise. The Hon. Minister of Finance may wish to describe it as revenue increases, but I see it mainly as a fund raising exercise, raising funds in a manner that puts pressure on the civilian population. Will this measure be aimed at stemming the flow of applications or is it aimed at stepping up the flow of applications in order to demonstrate the efficiency of the force?

I have in my possession a document that was circulated in this honourable House a few weeks ago, which is the Annual Report of the Guyana Police Force for 2011. In this document, at page 32, it speaks to the number of firearms that were processed by the force in 2011. According to this document, 156 firearms applications were processed by the Guyana Police Force in 2011. This is the latest Report. There is nothing in addition to this Report. It means that if the year has 365 days and 156 applications were processed in these 365 days, it gives us an average of 2 applications per day. Where is the pressure on the force? At page 48 of the said Report, in 2011, \$45.6 million was raised for the processing of 156 applications. This is a lot of money for 156 applications. It seems to me that if, in 2011, \$45.6 million was raised by the force as a result of simply processing just 156 application and we just heard from the Minister that he has thousands of applications yet to process, one can very well imagine the harvest that is going to be reaped, Hon. Minister of Finance, from this exercise. That is why I asked what appears to be a rhetorical question. Is it aimed at slowing down or is it aimed at speeding up the processing of applications?

I have a difficulty with additional licensing fees being attached to persons who are law-abiding citizens and have firearms that are licensed. I would have thought that the emphasis would have been on the illegal firearms rather than the legal firearms held by law-abiding citizens to protect lives, limb, and property. The focus seemed to have gone in another direction. What is the explanation for this? One would not have to go far to guess.

We heard from the upper limit of the Administration that firearms are pouring into the country across our borders. It would seem to me that the focus really should be on how to address that

problem, rather than taxing those licences that are legally held by law-abiding citizens, who are prepared to renew their licences every year, depending on what the circumstances might be.

2.50 p.m.

Therefore, my question is, why target the legal holders of firearms? The cost for the cheapest pistol or revolver is \$160,000. This would now go up to \$185,000 with the increase that is now being requested here. The most expensive pistol or firearm is \$200,000. This means that this would go up to \$225,000, VAT included. A shotgun is \$55,000 and this would now go up to \$60,000.

While what we are now moving here is an amendment for the farmers to be exempted from the licences, the fact of the matter is that the Government is putting a heavy increase on the dealers. How much is it? It is \$150,000 on the dealers. What does that mean? It means that the dealers, who import firearms, and the Hon. Minister has mentioned five of them, would pass on the additional costs to the purchasers.

For the Amerindian farmers and the ordinary farmers, and I am not talking about those that cultivate marijuana because there is a farmer and a farmer, the cost of the firearm would astronomically be increased as a result of the increase in the fees and we are not talking about the license cost as yet; this is the cost of the firearm. More than that, there would be a 100% duty on firearms imported into the country. If there is a 100% duty on firearms imported, in addition to the cost of the firearm and the increase in the licences for the firearms, the question is where and who will have to bear this cost?

There is an old saying and we all know, it is an old adage, *Stricter the Government wiser the population*. It follows that two things could happen and we are not advocating that they happen. We hope that they do not happen. When this Bill is passed an individual could come along and say that the procuring of a firearm these days are very expensive. It means that the individual would get firearms illegally in order to shortcut this exorbitant cost. This means that there is likely to be more illegally firearms circulating in the country. It happens with so many other products. As the costs go up, people find ways of circumventing those costs.

While we have two categories or one category which is the Amerindians who are exempted from the licence fees, we are now moving an amendment that farmers be included in this. In addition to that, the fact is that for even those exempted from the licence fees, the costs of the firearms would be exorbitant, as a result of the dealers having to pay more for their licence. In addition to that, there is the 100% duty which would be levied on firearms imported into the country.

The matter may appear rather simple on the surface, but the Hon. Minister would know that he inherited a system at the Ministry of Public Security, which has to do with a much more detailed manner in which licences and renewal for licences would have to be controlled or are to be controlled. I assume that the Hon. Minister will speak, as is conventional at the end of this debate. I would like him to inform this honourable House, where we are in respect of the upgrading of the Integrated Crime Information System (ICIS). That is to say, building a module that has to do with extending and approving licences, and also approving the renewal of the licences. I do not think that there is any system in place in respect to controlling the renewal of licences. That is going to be an extremely difficult one to supervise.

I would like to conclude my contribution because I heard that, when this matter was raised for the first time, the Hon. Member demonstrated a piece of paper where he had said that the previous Administration had a Cabinet paper where it had intended to increase the fees for licences. In the same breath, he admitted that it did not do so for political reasons. Well, obviously we understood how far reaching the impact and the effects would have been, had we increased the fees for licences among other licences that were considered to be increased.

I cannot agree fully with the rationale given by the Hon. Minister as to why these licence fees ought to be increased because I believe that the rationale that was given is a rather weak one. That is to say that the police are doing more or doing what they ought not to be doing. My submission, humbly, is that that is their duty and it is in the Firearm Act for them to fulfil certain responsibilities.

Finally, the facts reveal that two things will arise from this piece of legislation. One is the harvest that is going to be reaped from the increases. And, secondly, the impact it will have on the consumer, the purchaser of the firearm. *[Applause]*

**Mr. Ramjattan (replying):** Just a short rebuttal in relation to the matters raised and those that I think merit a rebuttal. The farmers and Amerindians that were spoken about by the Hon. Member, Mr. Seeraj, have had their shotguns licence fees increased from \$2,000 to \$5,000 after some, as I understand it, 23 years. That is not an extremely high raise or high increase for purposes of farmers or Amerindians' shotguns. If they feel that way well fine, the problem is, I do not see the increase as so exorbitant, as I had mention. I want to say that this is not a tax. This is a regulatory administrative arrangement for purposes of getting that which is the processing fees, and to have the renewal arrangements administered better for purposes of the processing of applications, right down to the issuance of brand new licences and also renewals.

In relation to the last speaker, he is giving the impression that, to check out the good character evidence before the grant is made, we should give this onto civilians. Well, I am not so certain that this Cabinet or Administration would want to do that. They had 23 years to do that and they did not do it, but they want us, in nine months, to do that. Well, we feel that the Firearms Licensing Approval Board, which is the third tier that deals with firearms licencing, is a civilian board that is made up of Dr. Bhairo Harry, Mr. Sukhai and, recently, former Magistrate Ms. Kim Kyte-John. They are civilians that make the final call in relation to these matters, as to whether they would grant applications after they came in and to do the investigative work, to find out whether there are antecedents as to the applicants. We do not need a civilian to do that, one has to be a policeman in the office that deals with clearance and all of that. Also, to go to the neighbourhood that the applicants come from, requires a policeman to question neighbours and to take short statements as to whether the person is a *bad John* or is a good samaritan. So it is important that we do not civilianise that aspect of the matter.

I want to say on the last point here that, what the previous Administration had in Cabinet was to increase the processing fees in addition to the firearm renewals. That is what the previous Administration's Cabinet paper had. It was never implemented because, strategically, the previous Administration obviously felt that it was not going to want it. But I am absolutely certain that if the Opposition had won the elections, it would have implemented it. [Mr. Nandlall: No.] You are telling me that, but whatever it is, it is quite clearly the case that there are hundreds and probably, of recent times, thousands of applications that have to be processed, unlike in 2011, when the Hon. Member had mentioned that the books said only 170.

If this Government had done as the Opposition had argued in their Cabinet, which was to charge these increases, what were they... Their increases were the processing fees for shotguns from \$200 to \$500; handguns from \$5,000 to \$20,000; rifles from \$5,000 to \$25,000; and the another category from \$5,000 to \$30,000. That would have been a huge matter because a lot of people are applying for firearms and if we now have to pay a processing fee, as they had done there, they are talking about harvest that would have been... [Ms. Sukhai-Campbell: It was a proposal.]

That was not a proposal. It was a Cabinet paper signed by Dr. Luncheon. [Ms. Campbell-Sukhai: It was not acted on] It was not acted on? Well, we are indicating that, based on the previous Administration's argumentations, and I have the Cabinet paper and all those arguments, we are now implementing it. Thank you very much for making our jobs a lot easier.

There is an amendment here and I just want to say quickly that for section 19, subsection (5), we are not going to support...

*Mr. Speaker hit the gavel.*

**Mr. Speaker:** Hon. Minister, I believe that when we are in the Committee of Supply we will deal with amendments.

**Mr. Ramjattan:** Yes, but at this stage I just want to say a few words - well to say that we are not supporting the proposed amendment. I urge that this National Assembly pass these sets of new fees for purposes of getting the resources for the administrative arrangements, for the processing applications right up to final approval.

**Mr. Speaker:** Hon. Members, I merely ask you to remember that in referring to Hon. Members opposite, you really should say Hon. Members and not them or they. Thank you.

*Question put and carried.*

*Bill read a second time.*

*3.05 p.m.*

*Assembly in Committee.*

**Clause 1**

*Clause 1 agreed to and ordered to stand part of the Bill.*

**Clause 2**

**Mr. Nandlall:** Mr. Speaker, I stand to propose the amendment:

“It is hereby proposed that Clause 2 of Bill No. 2 of 2016, the Firearms (Amendment) Bill 2016, be hereby amended by the addition of a new clause as Clause 2A which amends section 19(5) of the Principal Act by the insertion of the words ”or a farmer” immediately after the word “Amerindian”.”

**Mr. Rohee:** I rise to second the amendment.

*Amendment put and negatived.*

*Clause 2 as printed, agreed to and ordered to stand part of the Bill.*

**Clause 3**

*Clause 3 agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

*Bill reported without amendment, read a third time and passed.*

**MOTOR VEHICLES AND ROAD TRAFFIC (AMENDMENT) BILL 2016 – BILL NO.3/2016**

A Bill intituled:

“An Act to amend the Motor Vehicles and Road Traffic Act.” [*The Minister of Finance*]

**Minister of Finance [Mr. Jordan]:** I rise to move that the Motor Vehicles and Road Traffic (Amendment) Bill 2016 - Bill No.3/2016 be now read a second time.

Mr. Speaker, this Bill seeks to do two things. First, it seeks to exempt persons who are 65 years and older from the payment of the fees for a driver's licence. Second, it seeks to increase a set of fees and licences under this Act, which has not been done in the past 20 years or so.

In relation to the first objective, I think the honourable House would recall that, during my 2016 Budget Presentation, I did indicate that, with respect to pensions, in less than nine months, cumulatively, pensions had increased by 38.7%. We know that, perhaps, that is not enough but certainly enough that we can bear in a fiscal sense. While the economy improves - and we have committed to share the wealth - we are trying to find other ways of bringing the good life to all of our citizens, regardless of their age.

Mr. Speaker, you can see that there were two novel measures in this Budget, one of which we are now debating and, hopefully, it would have passage very shortly, and that is to seek to bring some measure of relief to persons 65 years and older, who are still driving, or who have intentions of driving, maybe for the first time; it is so that they will not be visited with a fee for this pleasurable activity. I do not believe that this part of the Bill will necessarily attract any negative from our Colleagues neither do I think that the second aspect of the Bill, which is increasing various fees and licences, will. These fees have been there, I am told, for at least 20 years. What we are seeking to do is improve the cost sharing aspect because, for many of these fees, it is doubtful that people are paying the full cost recovery. I do not think that it was meant to be because several of these fees are more regulatory than revenue raising, as such, but there is an element of cost. What we are asking taxpayers to bear, in some respect, is a part of that cost for the issuing of a licence, whether it be revenue raising or regulatory.

As I said, I think, for the most part, there was some tardiness in not reviewing these licences over the last 20 years. I say tardiness because, when one seeks to eventually increase these rates, they appear to be onerous and burdensome. I believe that, in going forward, there needs to be a trigger mechanism put in place that will see periodic reviews of many of these licences and not only this. I made reference, I think in my rebuttal or wrap up, that, when it comes to rates and taxes, which have not been increased, I believe since the mid to late 1990's, and the increases start to flow, it will make these increases look like child's play. I think a mechanism that will periodically review the rates and a trigger mechanism need to be in place. A trigger mechanism will come into place maybe once biennially or, maybe, once every three years, as required, so



that the burden is even smoothed out as opposed to appearing as a lump sum as happens after 20 years.

Even after 20 years, we have not really increased the fees as we should have. What was taken into consideration was the fact that it would have been even more burdensome if we were to put the fees on a 1996 base and inflate them. I call it cost sharing where we are asking the taxpayers to bear some level of the burden for issuing these licences.

I want to leave it there because this was a fiscal measure announced in the Budget and, as I said, it is both part regulatory and part revenue sharing. I commend this Bill to the House for passage.

Thank you. [*Applause*]

**Bishop Edghill:** Mr. Speaker, I rise to speak to Bill No. 3/2016 on which the Hon. Minister just addressed the House, explaining the reason for the Bill and what is hoped to be achieved.

Certainly, we would want to agree that any relief to our senior citizens, in terms of exemption from licence, is a good one. But the real issue with this Bill is the range of Guyanese that will be affected and the manner in which they will be affected, which I will point out shortly.

*3.20 p.m.*

The Hon. Minister, in his Budget speech, when the various measures were announced, said these words:

“Most of the measures, however, are designed to support our thrust of stimulating the economy while rekindling hope and confidence. These are essential ingredients towards attaining the Good Life.”

That was paragraph 6.1 of the Budget Presentation, under the Heading, “Measures”.

The last time that I checked, “to stimulate” means to create some amount of activity to create interest, but it is also to stir up enthusiasm. I really find it hard to believe that, when we go to the Guyanese people with these, what I will call, astronomical increases, it will create any interest, stir up any enthusiasm or it would stimulate any kind of growth in this country. The fact of the matter is that, when a Government increases fees, licences or taxes, literally, it is the worker who

pays the increase. It is out of that concern that we address this issue. When the licencing fee for the hire car man increases, it is the travelling public that will pay more. If the licencing fees for the canter truck or the goods lorry increase, the man who is seeking to move his two zinc sheets to repair his roof, the person who is seeking to move his five sacks of cement to cast his port or to do some maintenance on his house, will pay more. Everything will be passed on to the worker. It is going to be passed on to the worker in a context of where the worker is not having any increases or the Budget that has brought this measure that we are now debating to the fore has not brought any benefit for the worker. That is a very important thing for us to consider.

Most of these fees are moving in percentages of 100%, 200% and more. I know the Hon. Minister indicated that there were no increases for the last 20 years. I guess that he is admitting that the previous Government was able to create revenue streams to keep the economy moving where we did not have to pass on that burden to the worker and increase fees and licences that will be passed on to the worker. I think he is admitting that fact. I understand the Minister because he has to get more money and his Budget and his projections do not show an increase in jobs; they do not show that there will be huge foreign direct investments; they do not show that there will be increases in terms of the economy through other streams. So, the Minister has to have more money and the Minister's choice of having that money is to pass on that burden to the taxpayers. What this Bill simply says is that there is not an expanding pool of taxpayers but that the same pool of taxpayers that exists will be paying more. What the Minister should have been seeking to do is to expand the pool, widen the pool of taxpayers, but, in this instance, what he has done is to make the same set of people who are already paying all the taxes pay more. This is why we have a difficulty with this Bill.

I do not think any of us in this room are saying that there should be no increases in fees and licences, especially in light of what the Minister would have indicated, and that is that some of it is more regulatory for cost recovery purposes and the rest of it. I think if one looks at the size of the increase, the proportion of the increase, one sees that is why we are proposing an amendment of which I am sure my Colleague, who will speak after me, will address. We, on this side of the House, would say to the Minister to reconsider this because it will have direct impact. While we are saying that people 65 years and over will get a free driver's licence, that is a small pool. All the farmers who have to move their goods will be impacted. The people at Bourda Market and

Stabroek Market who have to buy the watermelon and the plantains when they come will be impacted because the cost will be passed on to them. The travelling public will have to pay the increases, so public transportation will go up because the bus man has to pay more for his licence. He is not going to say, "We like you." He is going to pass it on to the school children and the general public. This is the difficulty that we have because we are passing on greater costs to people, for example the school children. If this Bill goes through, the school children have to put on the \$20 more a day on their bus fare. And there is another order that is coming that will be affecting the cost of transportation that we will be talking about later in the afternoon. We have not given the school children the \$10,000 cash grant but we are asking them to pay more when they are going to school. This is the situation and the dilemma that we find ourselves in.

While I understand the Minister and his training that he has to have the money to keep the Budget moving, this approach of raising taxes could only be described as a lazy approach. It is a lazy approach of getting more revenue and I think it lacks imagination; it lacks innovation; and it will affect a large cross section of the people of this country. We ask that this Bill, as it is, be considered and even the amendments that we will be proposing be considered so that we could be able to alleviate the pressure on the people of this country.

Thank you very much, Sir. [*Applause*]

**Mr. Nandlall:** Thank you very much, Sir. I rise to make some brief remarks on the Bill that is before the House. The first measure of the Bill is that it seeks to remove or exempt from payment of licencing fees on drivers' licences from persons who are 65 years and over. We, on this side, would never oppose any measure that brings reprieve, in any form, to any grouping of Guyanese people so we welcome this exemption, but, at the same time, we say that the pool of people who will benefit from this exemption is simply too narrow.

In our approach, when we give exemptions and when we give ameliorating measures to people, we ensure that it captures the largest possible grouping of Guyanese. That is why, in our old age pension scheme, we removed the means test, for example, and we made it applicable to every single Guyanese over the age of 65. When we implemented a subsidy for the Guyana Power and Light Inc. (GPL) and the Guyana Water Inc. (GWI), we ensured that it applied to every single old age pensioner right across the length and breadth of this country.

We were told, right in this House, that the Amerindians did not benefit from our GPL and GWI subsidies. We were told that many people on the coastal plain did not benefit from those subsidies because they did not have a GPL metre in their names or they did not have a GWI metre in their names. That may be so, but, at the end of the day, tens of thousands of persons, old people, old age pensioners, had those metres in their names and they benefited - tens of thousands.

This measure, which targets drivers who are 65 years and older, targets a very narrow campus of persons. Take for example the Amerindians. Could the Hon. Minister of Finance tell us how many Amerindians, who are 65 years of age, in Orealla will benefit? Could he say how many Amerindians 65 years and older from Aishalton will benefit? Could he say how many in Waini will benefit? Could he say how many in Kaikan will benefit? How many at Kato will benefit? The point I am making is that we cannot be so myopic in our focus. This is intended to benefit a small number of urban pensioners and we reject that approach when we extend alleviating and ameliorating measures to our people. We are saying that these measures must extend right across the board and not be narrowed to a couple of people in Georgetown and, perhaps, outside of Georgetown who will benefit.

The Hon. Member, Amna Ally, is from De Edward village. Could she stand up and say how many persons from De Edward village will benefit from this? It is not more than 10. The Hon. Prime Minister is from Whim. If there are five persons at age 65 driving a car at Whim, those are a lot. We are saying that, while we represent the few and we are happy on behalf of the few who will benefit from this measure, we reject the approach and the principle of targeting certain special interest groups in our society, because this is what this Bill does.

The other thing is while we seem to target these few persons for benefit, when one counterbalances that with the remainder of the Bill, one will see that the other sections of the population have to *pay through their noses* to finance the exemption because every category of licences for every category of vehicles has been increased in the other parts of the Bill. So 10 persons will benefit and, essentially, 10,000 persons will be disadvantaged. What kind of measure is that? That brings me to the other parts of the Bill.

Clause 3, Section A of the First Schedule of the Bill, speaks to licence fees in respect to vehicles and it speaks to motorcycles and every other type of vehicle travelling on the roads of this country. Every single category of vehicles is targeted in this measure.

*3.35 p.m.*

What the measure does is increase all the licensing fees for every single category of vehicles by 50% and we are saying that that is exorbitant. The Minister conceded that this is not a revenue raising measure; that it is a regulatory measure. Well, if it is a regulatory measure, then revenue collection should not be a priority. Therefore, a 50% increase is not required. If it is regulatory and not intended to raise finance, then why raise it by 50%? I heard the argument also, coming from the other side, that these fees were not... I think the Minister of Finance said that we were tardy in not raising the fees. It was not tardiness; it was deliberate. We did not want to burden the people of this country with additional fees. So, Mr. Minister, it was not tardiness; it was prudence; it was compassion; it was our consideration for the people of this country.

Sir, I am being disturbed by Mr. Greenidge. Could I seek your protection from the Hon. Member? Thank you very much, Sir. So, for all the categories of vehicles that are targeted for a 50% increase, we are saying that it will harm no one. It would not harm the Treasury if those proposed fees are reduced by 50%. It cannot harm the economy but it will help thousands of Guyanese to benefit from this measure.

The horse cart man... I see there is a category of vehicle here that broadcast... This has to be the gentleman who drives a tapir at the Corentyne Coast and announces deaths. That is the only category that I could have placed this category of vehicles in. Even the death announcement man's fees to use his vehicle to announce the death of the people on the Corentyne Coast - and I hope I am able to move the Hon. Prime Minister - has to pay an increase in fees by 50%. So, when one goes and hires him to announce the death of his or her relatives, he or she would have to pay an increase in death announcement fees. As Bishop Edghill, who is an economist, rightly pointed out, the burden has to be passed on to someone and it is being passed on to the eventual taxpayer; it is being passed on to the ordinary citizen.

Minibuses are among the vehicles that are targeted. Children go to school every day; taxis are targeted; hire car drivers are targeted. What this means is that travelling expenses will increase

for school children and people right across Guyana. So, while we have a programme of 'Bs' - boats, buses, bicycles, and I am told Brian is added to it - and these measures that, on one hand, we are told, are designed to alleviate the travelling ordeal of our people, there is a measure that is being imposed right across the spectrum of motor vehicles that will have the ultimate impact of increasing minibus fares and the cost of travelling in this country, and we say that that is counterproductive.

We move to the other fees, because there are other fees apart from all the fees that one has to pay for the road licences. There is another set of fees for registration and for certificate of fitness for dealers, general licence, *et cetera*. Those categories of fees had been increased by 100%. Why do we need such extravagant and exorbitant increases in fees when we are told by the Hon. Minister of Finance that they are merely regulatory and not intended to raise revenue? We are saying that the Treasury cannot be adversely affected in any measurable way, by any observable way, if it is that these fees are cut by 50%.

You are proposing 100%. I see the dealer's licence fees have moved from \$200,000 to \$400,000; those are the types of increases. The Hon. Member, who is responsible for foreign affairs, spends a lot of time flying around the world and has never been connected to the ordinary Guyanese people. Now, he is in a far different position, a worse position. Therefore, he cannot relate to the ordeal and the plight that the ordinary Guyanese endures. And when this is added to that burden, it will become heavier. Even the horse cart man will have a heavier burden because that is how the horse cart is described, *a beast of burden*. Even, the *beast of burden* will carry a heavier burden when these measures are imposed.

We heard, two days ago, from Durban Park, as the Golden Arrow Head was raised, that we should work together and that the Opposition and the Government should meet each other halfway. Well, here it is: I am literally proposing 50%, a halfway measure. I am literally proposing to meet the Government halfway. It is for the Government to demonstrate that it means what it says.

Thank you very much, Sir. [*Applause*]

**Mr. Jordan (replying):** Thank you, Mr. Speaker. First, I shall like to thank the Hon. Member, Bishop Edghill, and the Hon. Member, Mr. Anil Nandlall, for their contributions. I, especially,

enjoyed the Hon. Member, Mr. Nandlall, if only for the theatrics that can enliven proceedings, even when persons nodded.

Mr. Speaker, I know we have a lot of Bills before us today, so I would not seek or dare to rebut all of the points that were made. Perhaps, some of them can be rebutted when the luncheon break has arrived. But, suffice to say, we know, in life, that only two things are certain - death and taxes - and we also know, as it relates to taxes, no one likes to pay taxes. Indeed, I think, all licences fees will end up coming out of one's pocket.

These measures, as they relate to the licences, as we said before, whenever we take this long, 20 plus years, to move a simple thing like a licence fee, if only just to recover part of the cost incurred in producing that licence, it ends up being a painful exercise when one seeks to increase the fees, and this is the situation that is happening here. The Hon. Member made mention that they did not, for 20 years, increase these fees because they did not want to add burden and, as I said, they were tardy in not doing so because, come sometime, these fees would have had to be increased or they would have had to be scrapped because they would not have worth the paper that they would have been written on. But, a more responsible Government, our Government, has seen the necessity to carefully examine these fees after their 20-year hiatus, and not fully pass through the 20-year effect but to ask taxpayers to share a small part of the recovery of the cost that was incurred with these licences.

As I said, I do not want to spend too much time on this Bill because we have about nine more before us. So, I will commend this Bill to the House and ask that it be passed as printed.

Thank you, Mr. Speaker.

*Question put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

**Mr. Chairman:** Hon. Members, there is an amendment and the amendment speaks to a later part of the document we have.

**Clauses 1 and 2**

*Clauses 1 and 2 agreed to and ordered to stand part of the Bill.*

**Clause 3**

**Mr. Chairman:** Hon. Members, an amendment has been proposed to First Schedule A and First Schedule B.

**Mr. Nandlall:** Sir, if I may be permitted, it is just to express an observation to say that my amendments technically form part of Clause 3, because the Schedule is part of Clause 3.

**Mr. Chairman:** Hon. Member, I thank you. That is correct but, I suspect, if the amendment is carried, then, of course, it will attach itself to Clause 3.

**Mr. Nandlall:** As it pleases you, Sir.

**Mr. Chairman:** I do not perceive it doing any harm but, if you see that, then please tell me.

**Mr. Nandlall:** No, Sir. If it is carried, then the Clerk of the National Assembly can make the adjustments *ex post facto*.

*3.50 p.m.*

**Mr. Nandlall:** It is hereby proposed that Bill No. 3 of 2016, the Motor Vehicles and Road Traffic (Amendment) Bill 2016, hereby be amended as follows:

By a reduction by 50% of “First Schedule –A- Licence Fees in Respect of Vehicles” and “B – Other Fees” enumerated in the said Bill.

**Mr. Chairman:** Do I have a seconder?

**Mr. Rohee:** Mr. Chairman, I move to second the amendment.

**Mr. Chairman:** Hon. Members, I crave your indulgence. We will treat clause 3, to which I referred earlier and to which the Hon. Nandlall had drawn my attention, to be recommitted as part of Schedule A. The record would show that clauses 1 and 2 stand part of the Bill. Clause 3 would be part of Schedule A and onwards.

*Question put.*



**Ms. Teixeira:** Division.

*Committee divided: Ayes 32, Noes 33 as follows:*

*Ayes*

Ms. Veerasammy

Mr. Gill

Mr. Ramson

Mr. Anamayah

Mr. Dharamlall

Mr. Charlie

Mr. Damon

Dr. Mahadeo

Mr. Chand

Mr. Neendkumar

Ms. Pearson-Fredericks

Mr. G. Persaud

Mr. Mustapha

Ms. Selman

Dr. Westford

Dr. Ramsaran

Ms. Persaud

Mr. Croal

Mr. Hamilton

Ms. Chandarpal

Dr. Persaud

Mr. Seeraj

Bishop Edghill

Mr. Lumumba

Ms. Campbell-Sukhai

Dr. Anthony

Ms. Manickchand

Mr. Nandlall

Mr. Ali

Ms. Teixeira

Mr. Rohee

Mr. Jagdeo

*Noes*

Mr. Rutherford

Mr. Rajkumar

Mr. C. Persaud

Mr. Figueira

Mr. Carrington

Mr. Allen

Mr. Adams

Ms. Bancroft

Ms. Wade

Ms. Patterson

Ms. Henry

Ms. Broomes

Dr. Cummings

Mr. Sharma

Ms. Garrido-Lowe

Ms. Ferguson

Ms. Hastings-Williams

Mr. Holder

Mr. Gaskin

Ms. Hughes

Mr. Patterson

Ms. Lawrence

Mr. Trotman

Mr. Jordan

Dr. Norton

Mr. Bulkan

Dr. Roopnarine

Lt. Col. (Ret'd) Harmon

Ms. Ally

Mr. Williams

Mr. Ramjattan

Mr. Greenidge

Mr. Nagamootoo

*Amendment negatived.*

*Question put.*

**Ms. Teixeira:** Division.

*Committee divided: Noes 32, Ayes 33 as follows:*

*Noes*

Ms. Veerasammy

Mr. Gill

Mr. Ramson

Mr. Anamayah

Mr. Dharamlall

Mr. Charlie

Mr. Damon

Dr. Mahadeo

Mr. Chand

Mr. Neendkumar

Ms. Pearson-Fredericks

Mr. G. Persaud

Mr. Mustapha

Ms. Selman

Dr. Westford

Dr. Ramsaran

Ms. Persaud

Mr. Croal

Mr. Hamilton

Ms. Chandarpal

Dr. Persaud

Mr. Seeraj

Bishop Edghill

Mr. Lumumba

Ms. Campbell-Sukhai

Dr. Anthony

Ms. Manickchand

Mr. Nandlall

Mr. Ali

Ms. Teixeira

Mr. Rohee

Mr. Jagdeo

*Ayes*

Mr. Rutherford

Mr. Rajkumar

Mr. C. Persaud

Mr. Figueira

Mr. Carrington

Mr. Allen

Mr. Adams

Ms. Bancroft

Ms. Wade

Ms. Patterson

Ms. Henry

Ms. Broomes

Dr. Cummings

Mr. Sharma

Ms. Garrido-Lowe

Ms. Ferguson

Ms. Hastings-Williams

Mr. Holder

Mr. Gaskin

Ms. Hughes

Mr. Patterson

Ms. Lawrence

Mr. Trotman

Mr. Jordan

Dr. Norton

Mr. Bulkan

Dr. Roopnarine

Lt. Col. (Ret'd) Harmon

Ms. Ally

Mr. Williams

Mr. Ramjattan

Mr. Greenidge

Mr. Nagamootoo

*Clause 3 as printed, agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

*Bill reported without amendments, read a third time and passed.*

*Sitting suspended at 4.00 p.m.*

*Sitting resumed at 5.04 p.m.*

**FINANCIAL ADMINISTRATION AND AUDIT (AMENDMENT) BILL 2016 – BILL NO.  
4/2016**

A BILL intituled:

“AN ACT to amend the Financial Administration and Audit Act.” [*Minister of Finance*]

**Mr. Jordan:** I rise to move that the Financial Administration and Audit (Amendment) Bill 2016, Bill No. 4 of 2016 be now read a second time.

This is a rather simple amendment being proposed. As simple as it is, it has wider connotations in terms of what we, on this side of the House, have been speaking about, that is, transparency in transactions. I recall giving the keynote address to the Guyana Manufacturing and Services Association, at a dinner, last year. I indicated to the Members very early that we did not want people lining up asking for various concessions. We want to have a regime that is transparent so that an investor knows what he or she is getting or can get without having to come and get concessions through all kinds of non-transparent means, so to speak.

This is one in a series of measures that we will be proposing over time to enshrine in law, as far as possible, all fiscal concessions, so that in making decisions to invest one will know upfront what one will get. I do recall, in my previous incarnation, that the previous administration did make some attempts to do a similar procedure. As I do recall, in or around September 2003, section 12 of the Customs Act was repealed. That section allowed the discretion of the Minister via, what we used to call, Secretary to the Treasury (ST) letters. The Secretary to the Treasury is now known as the Finance Secretary (FS). There are no FS letters of those kinds. In those days, ST letters were issued on the advice of the Minister to give concessions as and when, in the opinion of the Minister, he thought it warranted. The problem there, however, is that we have commitments, under various laws, that we have to honour. For example, under the Vienna Convention, all accredited diplomats are exempt from various taxes, and so on. That, having been said, our customs laws have to reflect that fact. With the repeal of section 12 of the Act, we did not then make an adjustment to the Financial Administration and Audit Act to ensure that diplomats and international organisations can be exempt from all the taxes – want of entry charges, stamp duty, and so on. In recognition of the gap that had been created, I believe that former Hon. Minister of Finance Mr. Kowlessar had issued a letter of commitment to the Commissioner-General of the Guyana Revenue Authority (GRA), giving a commitment to amend this very law that we are seeking to amend today. I do not know for what reason that



commitment was not honoured. I am happy today to say that we are not only honouring a commitment that was given at that time, but we also are making certain that we are making transparent exemptions that so far are technically being granted illegally. I think they are still being granted based on the commitment letter.

As I said, this is a simple amendment which seeks to amend section 6 of the Financial Administration and Audit Act, to insert a new subsection which will permit the exemption by Order from the payment of such charges as want of entry, stamp duty, environmental tax to diplomatic counsel, international charitable and non-profit organisations and other entities which may be listed from time to time in the amendment. With that introduction I commend this Bill to the House. *[Applause]*

**Mr. Nandlall:** Sir, when I listened to the Hon. Minister I was a bit confused. I was not sure that the Hon. Minister was speaking in relation to or on the same Bill. The Bill, which is before the House, the Financial Administration and Audit (Amendment) Bill of 2016, Bill No. 4 of 2016, has a very narrow compass. It seeks to exempt from the payment of want of entry charges, stamp duty and environmental tax. Stamp duty, environmental tax and want of entry charges are exempt in relation to diplomatic consular agencies, I presume, but it is not mentioned here, international charitable and non-profitable organisations, semi-autonomous agencies, government departments and public corporations. That is all this Bill does. The Minister, when he speaks about having a uniformed regime of concessions for investors, I do not know what he is speaking about because this Bill has nothing to do with that. Maybe it is a different Bill or the Minister mixed up his notes.

As I said, this Bill has a narrow application and applies only to the organisations to which I mentioned, and in relation to only three matters – want of entry charges, stamp duty and environmental tax. Mr. Minister, perhaps in your response you will clarify for us the relevance of your earlier statements.

More fundamentally, the Financial Administration and Audit Act, the Principal Act, which this Bill seeks to amend, is an Act that was repealed by the Fiscal Management and Accountability Act 2003. If one is to read or peruse the contents of the laws of Guyana there is no Act that is called the financial administration and audit act. For example, if one looks at page 2 of the Bill

the short title states chapter 73:01, that chapter 73:01 ought to refer to the Principal Act which this Bill seeks to amend. Chapter 73:01 in the laws of Guyana is the Audit Act. I am told by the Hon. Member Gail Teixeira that on the website too it bears the same citation. There is some problem. Rather than listen to me, Mr. Greenidge is disturbing me, as he normally does. The Hon. Member is behaving dishonourably.

**Mr. Speaker:** I am sure we would not want to spoil the afternoon so far, Hon. Member. I would think that even your address to the Chair has to be improved. I am sure you will in due course.

**Mr. Nandlall:** The comments are bouncing up on me, Sir, and pitching on the other side - “ricochet”. The former Minister of Home Affairs, who was dealing with a lot of firearms, used the term. I am guided by him, Sir.

There seems to be a difficulty, in that the Financial Administration and Audit Act firstly is not part of the laws of Guyana because it is not in any of these books when one goes through the content. Second, chapter 73:01, which is the short title, which purports to be the short title of the Principal Act as per the Bill, is the Audit Act in the laws of Guyana. My recollection is that the Principal Act, Financial Administration and Audit Act had been repealed several years now, in 2003 which is over 12 years. A law cannot be repealed if it not in force. When a law is repealed, it is repealed. If for example, as I suspect, the argument is that it was saved in some other law then it becomes part of that other law and, therefore, the Principal Act, in which it is now situated, must be the Act which we ought to amend. Therefore there is conundrum of a technical nature. I see the Chief Parliamentary Counsel struggling to pass Hon. Member Mr. Patterson. Hopefully, he has assisted the Hon. Finance Minister and the corrections would be forthcoming because we do not want to pass a Bill that will be afflicted with technical difficulties. In this sense, it may be a nullity. That is my first set of observations.

I made reference to the fact that the Minister may have commenced his presentation by referring to another Bill, because he spoke about a wide range of matters which are not catered for and are not part of this Bill. The non-profit organisations and charitable organisation which are expressly targeted here, perhaps, the Minister may consider defining what qualifies as a charitable organisation and what qualifies as a non-profit organisation.

*5.19 p.m.*

The Minister obviously is one who is bent on revenue collection and we do not want his efforts to be defeated by organisations being established as a sham or a mere veneer, calling themselves charitable organisations and non-profit organisations, when in fact they are not, and therefore are allowed to benefit from the range of - I would not call this concessions, they are exemptions. The Minister used the term concessions - the exemptions which I believe the Minister genuinely wants to be enjoyed by authentic non-profit organisations and charitable organisations.

There is reference here to an environmental tax. My recollection is - of course, I am subjected to correction - is that the environmental tax was abolished. It was removed in the last Parliament of Guyana, while I recognised or rather I recall that the Hon. Minister in his budget presentation spoke futuristically in relation to the imposition of a new environmental tax. I do not think that it is prudent to exempt persons from a tax that does exist because that is essentially what this Bill seeks to do, to grant an exemption in respect of a tax that has not yet been imposed by law.

There is a Principal Act that does not seem to exist in law. There is a Bill that seeks to amend that Principal Act which does not seem to exist in law and it exempts a tax which does not seem to exist in law. This Bill has some difficulties and once they are ironed out and the authentic and genuine beneficiaries of this exemption are clearly targeted, identified and properly defined, we, on this side, will have no difficulty in supporting it, but we are in dire need of some kind of clarifications and response in relation to the matters which I have raised.

Thank you very much Sir. [*Applause*]

**Mr. Jordan (replying):** Sometimes there is a bit of difficulty in the House that people take words or certain phrases of your interventions and seek to infer things that you never did infer. I said at the beginning of my intervention that the attempt is here to enshrine in law what is being given on a discretionary basis at the moment, because there is no law prohibiting it even though it is being granted, was part of a wider attempt by this Government to enshrine concessions generally in law so as to make them transparent, so that we would not have to be giving... For example, as it presently stands, at the discretion of the Minister or the Commissioner-General, it could be given to whichever charitable organisation the Minister or the Commissioner-General may wish. That is a discretion. If it is enshrined in law and then we have a regulation or an Order detailing which can be a profitable organisation and which can be a non-profitable organisation,

then it is not left to the discretion of the Minister and it is not left to the discretion of the Commissioner-General.

It was a broader aspect I was looking at. I was not necessarily looking principally at the exemption that is listed here as such. It is to put it in the broader framework of transparency and enshrining these exemptions in law and removing discretionary powers and arrangements. That is what I was getting at. I hope it is clear to a legal eagle as my honourable friend and Member Mr. Nandlall.

Now, I find it hard to believe Mr. Nandlall's second aspect, to do with the Financial Administration Audit Act. Indeed the Financial Administration and Audit Act was repealed but one part was saved. I apologise to the hard-working people of the Ministry of Legal Affairs, in particular the Chief Parliamentary Counsel, because this is casting an aspersion on the Chief Parliamentary Counsel who has been there for more years than we could even remember. Is Hon. Member Mr. Nandlall saying that Mr. Dhurjon, the Chief Parliamentary Counsel...?

**Ms. Teixeira:** It is a Point of Order. There is nothing that the Hon. Member mentioned about the Chief Parliamentary Counsel or cast any aspersions on him. The main point, Sir, is that Chapter 73:01, in the purple book, is the Audit Act.

**Mr. Speaker:** Hon. Member, on a Point of Order, we are stretching now.

**Ms. Teixeira:** On the website there is the Audit Act and I have no doubt what the Member is saying may be very true, except he cannot have the same chapter as another Act. Therefore I think the issue with the Hon. Member is that there is a problem and therefore the Hon. Member should try to recognise that there is a problem and to rectify it. It is really a waste of time in this place. Go ahead, make mistakes everywhere.

**Mr. Speaker:** Hon. Member Ms. Teixeira, I must tell you that I find some difficulty in understanding how a Point of Order that you make or purport to make can deteriorate into a speech. When the Speaker is attempting to limit what you are saying you continue until you are finished. It is not accepted as conduct from someone as senior as you in this House. I would expect that persons, who are senior in here, should demonstrate to new Members a sort of conduct that they can emulate and that could not be one that I can accept.

**Ms. Teixeira:** I am sorry.

**Mr. Speaker:** Very well. Hon. Minister, you have the floor.

**Mr. Jordan:** Thank you Mr. Speaker. Let me quickly bring this to an end by saying that every Bill or amendment or Order or regulation before it gets to this House passes through the competent hands of the Chief Parliamentary Counsel and his staff, and that this Bill is properly done. I commend the amendment to the House for passage.

**Mr. Speaker:** Hon. Member, you are not down to speak again. The Minister has wound up the motion. You are rising, on what Hon. Member?

**Mr. Nandlall:** I am rising, Sir, to say that the issue I have raised has not been addressed.

**Mr. Speaker:** Hon. Member, I am simply asking if you are rising on a Point of Order. If you are not, then I will not allow you to speak.

**Mr. Nandlall:** So you are going to allow the House to fall into error.

**Mr. Speaker:** Are you questioning me, Hon. Member? You are not asking me a question.

**Mr. Nandlall:** I am enquiring, Sir.

**Mr. Speaker:** Hon. Member, please take your seat.

*Question put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

*Bill considered and approved.*

*Assembly resumed.*

*Bill reported without amendments, read the third time and passed.*

## **CUSTOMS (AMENDMENT) BILL 2016 – BILL NO. 5/2016**

A Bill intituled:

“AN ACT to amend the Customs Act.” [*Minister of Finance*]

**Mr. Jordan:** I rise to move that the Customs (Amendment) Bill 2016, Bill No. 5 of 2016 be now read a second time.

This Bill seeks to amend section 23 of the Customs Act, chapter 82:01, to standardise requirement of residency, entitlements and conditions with regard to concessions for duty-free vehicles imported by qualifying re-migrants and settlers.

No doubt, Guyana has a very large diaspora population and various Governments, to their credit, have sought to bring that diaspora closer to their natural home, in this case Guyana, and obviously for their resources, financial, human and otherwise. Given the various gaps in Guyana, be they financial, human resources, and so on, it is a very important area to be tapped. I believe that various administrations have sought to attract these skills and these finances through various schemes and incentives. The re-migrant scheme is one that has been there for quite a while.

5.34 p.m.

I dare say that in the early days it worked reasonably well, but of late some kinks have been thrown up, so to speak. In particular, one kink has to do with who really is a re-migrant and what are the entitlements, especially as it relates to vehicles. We have read in the newspapers and we have heard various stories about people being granted re-migrant status after coming home. Some, I understand, do not even bother to come and I do not know how that could happen. But they generally come home, collect their duty-free concessions, most notably on a car or cars and then, because of a system that is, I would say, generally lacks the supervision, or the manpower to supervise it, some problems have arisen. What we are seeking here, in this amendment, is to define who is a re-migrant, define the vehicle, and how it can be granted concessions and what happens after, I believe in this Act also, if certain breaches of the requirements occur.

Here, we are not going to bring in any new regulation *per se* but we are going to be using standard definitions of residency. We are asking, for example, that re-migrants must live in Guyana for at least 183 days. I think that is the general prescription of about six months that there is in other parts of the world, as it relates to residency. It is not a new imposition. It is just making it clear and bringing it under one body of laws. We are also saying that the vehicle must

be imported by the qualifying re-migrant, who being so qualified, once within six months of reassuming residency, or within six months as in the case of a settler who has arrived. Of course, contrary to what some may say, Guyana is still an attractive destination and some people are putting up their hands and coming forward to settle in Guyana. We have to also make provisions for settlers and we are actually putting them on the same footing as the re-migrant. They will get more or less the same status, in terms of proof of residency and also the incentives that they are given. Again, it is six months on reassuming residency, 183 days or six months after settlement.

Then in the case of the motor vehicle, once for the six months, providing that the vehicle is not older than eight years,... Now, that is the provision that is obviously coming in another Bill at this same session but this here, again, is to make certain that we put again everything under one section or one law, so that it is made very clear. The vehicle must be in the possession of the person for six months, the re-migrants can bring it here after six months of their arrival and the date of manufacture to the date of importation must not be more than the eight years. Then, of course, the settler or the re-migrant has to live for three years accumulatively in the case of a used vehicle and five years accumulatively in the case of a new motor vehicle. These are concessions that are granted to qualifying public servants, qualifying Members of Parliament, and so on. Again, they are streamlined concessions, at clause (c), in which the eligible public officer, again Member of Parliament, qualifying re-migrant and settler transfers or leases the motor vehicle prior to expiration of three years, in the case of a used vehicle, and five years in the case of a new vehicle.

I believe that this is a reasonable set of amendments and I do not foresee too much of a difficulty and I hope my honourable friends in the Opposition can support the amendments.

I thank you Sir. [*Applause*]

**Mr. Nandlall:** I rise to speak on the Bill that is before the House. As the Minister outlined, the Bill seeks to strengthen, so to speak, the regime that is extant and in place under the Customs Act, in respect of the grant of concessions to two categories of persons, re-migrants and settlers. We all are aware, and it is a matter of public notoriety, that the re-migrant scheme, as noble as the intention of that scheme may be, it has been the subject of abuse, misuse and manipulation. There are recorded cases in which re-migrating persons apply to the Ministry of Foreign Affairs

where the application has to be made, application is processed at the Ministry of Foreign Affairs, the person is deemed as a re-migrant, and as a matter of automaticity the Commissioner-General has to grant the concession. That process has been misused and abused because persons, as I said, come in conveniently, they get the vehicle in their names but it would have been purchased by another person. The person, who is the actual applicant, and the actual re-migrant, goes back to the United States of America, or wherever that person would have migrated from, and the vehicle is left here and used for the benefit and use of another. That person would be using the benefit of that concession which is really a defeat and an abuse of the concession.

When the vehicles are repossessed by the GRA enforcement officers, litigation ensues, because we are speaking about millions of dollars. All sorts of technical arguments would have been raised in the courts and there would have been a series of written judgements granted against the re-migrant scheme and granted in favour of person whom, it is genuinely known, attempted to defraud or abuse the scheme. There were loopholes in the system that needed to be corrected. As a result, three agencies, the Ministry of Foreign Affairs, the GRA and the Attorney General's Chambers, reviewed all the judgements that would have been rendered in recent times and examined the legislation, identifying or culling from the judgements the deficiencies identified and an opinion was prepared on how we can attempt to correct those deficiencies.

I believe that this Bill captures most – I am hoping that it captures – of that joint effort between those three agencies. That is essentially what the Bill seeks to do, to strengthen the re-migrant scheme, to prevent it from being abused. Hence, the residency requirement that the person must remain in Guyana for six months, because, as I said, the regular or the frequent scam was for the person to just come here fleetingly and make the applicant and then return to his or her permanent abode in another country while the concession is being processed. By this measure, the person must remain in Guyana. That person must produce the certificate of title, registration or other proof of ownership.

Of course, the Minister took the liberty of adding another measure which is to bring in vehicles within a certain age group, and we have no objection. Anyhow, because of the duties on vehicles are so high invariably, very new vehicles are brought in and those would have ordinarily attracted high duties, those types of vehicles are brought in, in any event. There will be new vehicles in any case. The Bill also deals with the prohibition against sale and or transfer, unless



the exploration of a specified period occurs depending on the type of vehicle. If it is a used vehicle, then it is three years. If it is a new vehicle, then it is five years.

This is a good measure. It is a good attempt by the Government to block the holes which have been identified in the system and hopefully this will go a far way in assisting the revenue authority in its quest to guard against abuse of the re-migrant scheme. Sir, we will support this Bill on this side.

Thank you very much Sir. [*Applause*]

**Mr. Jordan (replying):** I thank Hon. Member Nandlall for his intervention and his support. It is and just to reiterate that this amendment seeks to close some loopholes that the Hon. Member Nandlall was good enough to highlight. I, therefore, commend this Bill once again to the House for approved passage as printed.

*Question put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

*Bill considered and approved.*

*Assembly resumed.*

*5.49 p.m.*

*Bill reported without amendments, read the third time and passed.*

## **INCOME TAX (AMENDMENT) BILL 2016 – Bill No. 6/2016**

A BILL Intituled:

“AN ACT to amend the Income Tax Act.” [*Minister of Finance*]

**Mr. Jordan:** I rise to move that the Income Tax (Amendment) Bill 2016 – Bill No. 6 of 2016, be now read a second time. Mr. Speaker, Bill No. 6 of 2016, which is the Income Tax (Amendment) Bill, has three purposes. The first purpose is to increase the Income Tax Threshold from

\$600,000 to \$660,000 per annum. The second purpose is to amend section 13 of the Principal Act, to exempt the income earned by artistes from Income Tax, during festivities certified by the Ministry of Tourism and approved by the Commissioner General. The third purpose is to amend section 106 of the Principal Act, to provide for taxes paid in excess, to be applied by the Commissioner General in reduction of any amounts owing by a taxable person before a refund is given to that person.

In relation to the first objective, that is, the increase of the Income Tax Threshold from \$600,000 to \$660,000, I believe that this is a step in the right direction. Any benefit that can be given to our workers is a benefit earned and a benefit that we should all applaud, that we can actually have the fiscal room to do the kinds of increase that we have given. Sure, we would have loved to have given more, but it is a work-in-progress and this is just a start. As growth in the economy continues and revenue collection increases, all other measures, in relation to benefits for workers, will be under consideration. As of now, this benefit will obviously affect an additional 68,000 workers who will not be subjected to Income Tax. I think that this, in the context of our workers in Guyana, ought to be commended without objection.

In relation to the second objective, which is exempting the income of artistes from Income Tax, let me list two aspects here. Again, in the wider context of enshrining concessions, exemptions, *et cetera*, in law, as opposed to arbitrary grants or the Minister or the Commissioner General's fiat, this is once again another measure, which is the second for today, that we are actually enshrining.

When this Government took Office, it met a regime where the Minister granted, from time to time, exemptions, such as, VAT and Duty exemptions, *et cetera*, in relation to major events, whether it was held around Mashramani, Republic Day, Phagwah, *et cetera*. These were, no doubt granted, as a method of encouraging tourism, obviously - specifically entertainment tourism. Except that this depended on the Minister. Clearly, if it has a dependence on the Minister, then not everyone will feel comfortable because they will not know who would get or not. They will not know the rules of the game.

I am not professing that anything bad or indifferent happened in that time. I do not know as I was not around. I am saying that it would be better if it is in the laws, so that if a promoter wants to

bring an artiste, that information is in the laws. The laws state that if the promoter can get the approval from the Minister responsible for Tourism, whether it is for entertainment that is around a particular event, clean entertainment and so on. Clearly, we would not want to be exempting artistes who would come here and create confusion. I imagine some set of criteria would be set up regarding who these artistes are and so on. Once the artistes can get the go-ahead or the stamp of approval from the Minister of Tourism, then the Commissioner General would be empowered to exempt the income of that artiste from taxation.

As I said, it may look like a simple measure, but it is trending in the right direction, which is to enshrine more of these concessions. If we are going to grant them, then they should be enshrined. There must be some law that would allow us to give the concessions, as opposed to leaving it to somebody's fiat.

In relation to the third objective of the Bill, which is the whole issue of refunds, I know that this business of refunds is a very sore issue with many taxpayers. Those who rightly submit their taxes, go through the entire filing system and so on, they are due a refund and for years are going after that refund but cannot get it. For example, those persons who pay VAT have a long history of problems in trying to get their VAT refunds from the Commissioner General, *et cetera*.

This is not a substitute for not giving their taxpayers the refund. However, this allows the Commissioner General, by law, to apply a particular refund to any outstanding tax, penalty, interest and such like, that a taxpayer may have. It does not have to be only in relation to Income Tax. A taxpayer may be in good grace on the Income Tax side and is eligible for a refund. However, a particular taxpayer may be a business person, earning \$10 million or more in sales and, therefore, has to register for VAT. The business person may also have some outstanding issues as it relates to VAT. Once agreed, they could apply the refund due on the Income Tax to payment of the VAT aspect.

Similarly, one may have a refund for staying with the Income Tax for a particular year, but he or she may also have moneys owing to the Commissioner General for another year. This aspect allows the Commissioner General to net-off. If anything remains, then the difference is refunded. If nothing remains, then one continues to pay the difference to the Commissioner General.

In this way, the taxpayer will have to make whatever arrangement with the Commissioner General to ensure that, having this aspect of the amendment in his/her power and after all he/she has gone through, if the Commissioner General or the Government owes him/her money, he/she would have to be given the assurance that after this process is finished, whatever net is left, that he/she would promptly receive his/her money. I think, through our works and deeds, the Commissioner General (acting) should be able to give that commitment in public that there will be speedier processing of these refunds, once these net-offs are concluded.

Mr. Speaker, I again commend Bill No. 6/2016 to this House for passage. Thank you. *[Applause]*

**Mr. Ali:** The Hon. Minister of Finance would have outlined the various aspects of the Bill before us. The Hon. Minister of Finance would be well aware, as a practitioner and someone who would have been responsible for implementation, that the laws, when enshrined without the regulations, pose some amount of difficulty.

I wish to start with the second section of the Bill which deals with the artistes having exemption from taxes, during period of festivities. First of all, I wish to disagree with the Hon. Minister, in a sense that this Bill does not give the independence that he sought to portray, which would emerged as a result of this Bill. The Bill states that:

“Income earned by artistes during festivities...”

Let us stop at the word “festivities”. Who determines what is considered a festivity? The Bill does not say national festivities. In the Minister’s remarks, he gave some examples, such as, Phagwah, Mashramani and Easter. These are all festivities and we have a lot of festivities in the country that are national, religious and are cultural in nature. For example, I would say that the celebration of Eid is considered a festivity. Someone may say that this is a national festivity and he/she wishes to bring a particular artiste during this period. What happens when that application is made? It goes back to the Ministry that has to exercise a discretionary position as to whether it constitutes a festivity. The discretionary issue that the Hon. Minister is seeking to address is a void. It is not really avoided. Who in the Ministry would be responsible for determining whether the event is classified under a festivity?

I can speak to you as someone who had the responsibility. This was never executed by the Ministers. The technician, and both of us worked as technicians too, we take recommendations to the Minister and the Minister acts, based on the recommendations he would have before him. First of all, I think that there is a void here in relation to the definition of festivities.

*6.04 p.m.*

Secondly, “which were certified by the Ministry of Tourism”, this, again, opens up the question of discretion. Unless one can have his/her activity certified by the Ministry of Tourism he/she would not qualify. What are the guidelines that a person has to follow to ensure his/her activities are certified? Hon. Minister, let me give you an example, let us say that we have Mashramani and you have before you 20 or 25 applications for various activities. How do you deal with it? How do you prioritise? Is there any weightage that goes towards local artistes as against regional, or the use of local verses regional verses international? That is another question that we have to look at.

Now, once this activity is certified by the Ministry of Tourism it is then approved by the Commissioner General. One of the problems that we have with artistes coming into the country is when they leave without settling their debts. That is one of the biggest problems. When they owe hotels and there are outstanding indebtedness to small people who are supposed to benefit from these events. Did we not take some time to look at their interest when we were designing this amended? That we could have also designed in the law the protection of these small people who got the greatest hits sometimes, when there are these events.

The other issue I have is reciprocity. If we are giving this waiver to regional and international artistes, what negotiations or systems are we putting in place to ensure that our artistes also benefit from similar treatment when they go regionally and extra-regionally? These are things that we must be able to address and answer because we are making a law here that would benefit them. When we develop laws, we have to look, not narrowly, but we have to look at the law in context with what is happening regionally and globally and to situate the law in that international context, so that we protect our industries, we protect our people, and we protect our own internal environment. Hon. Minister, I do not see how the argument of discretionary power would be removed as a result of these laws.

I want to go to the first point, which is the adjustment of the Income Tax to \$650,000 annually or \$55,000 monthly. I believe that we have a moral ethical responsibility when we develop laws. To develop them in a way that is in keeping with our commitment to the people and our social contract with the people. When we are elected to this House, people elect us based on trust and beliefs in what we offer them, during the elections campaign. During that campaign the Government today would have made a promise to the Guyanese people to take that threshold to \$100,000. The Hon. Minister of Finance did not outline a case to convince us that the country cannot afford to set that threshold at \$100,000. If the Hon. Minister of Finance was moving away from that commitment and that promise, the least he could have done was to present a case to justify the reasons why that target cannot be achieved at this time. I think that the Hon. Minister of Finance owes the Nation a responsibility moreover his supporters to outline why is it this promise cannot be achieved.

In my opinion, looking at all the new revenue streams that will be coming into Government, as outlined by the Hon. Minister of Finance, we can afford much more than \$55,000 as the threshold. We would like the Government to justify to the people of this country why we cannot afford at least to put the level at \$75,000. If we were in Government, our commitment would have been to take the threshold to \$100,000. We have a track record of implementing and delivering on our commitments on this side of the House. We can do the score card and we will show to the Government and to the people of this country that on every single commitment, we made to the people of Guyana, we delivered.

We are not afraid to call a spade a spade. When the Government was in opposition and they had told the rice farmers they would get \$6000 and \$9000 per bag, we did the responsible thing. We had said that this could not have been achieved and that the sustainable price was \$3000, and we delivered on that. Not like the first promise made by the Government. The 20% increase in salaries for sugar workers was promised. We said that this was not sustainable and that we would keep the sugar and every single estate alive. Today, this Government, that said they would keep sugar alive, has indeed closed the Wales Sugar Estate.

Let me say that, in relation to the threshold of the Income Tax, we believe that a sustainable rate would be \$75,000.

The third point is in relation to the netting-off of taxes. Let me say that, on this side of the House, we are in full support of any measure that would reduce the burden on taxpayers. One of those burdens is the efficient and reliable processing of returns and refunds. Any measure that the Minister of Finance brings that would see businessmen, for example, getting their VAT refunds in a timely manner we are going to support that measure. However, we cannot support the argument that the Commissioner General is now empowered to offset taxes - the net-off effect. This is in contravention of Fiscal Management and Accountability Act (FMAA). [Ms. Lawrence: Carry us to the court.] That comment to “Carry you to court” if we take that attitude, then what is the use of this process? I think that, again, the latitude and discretion that is being placed in the Commissioner General, who reports to the Minister of Finance - and again the Minister of Finance is a practitioner and he cannot stand here and say that he does not exercise any, I would not say influence of power, but exercise any latitude over the operations of Guyana Revenue Authority (GRA). It is within his purview.

I believe that we are going down a dangerous road and this is more than discretionary. This is absolute power in the netting-off taxes and this can lead to many challenges. I would just like to highlight one - the Hon. Leader of the Opposition volunteered to assist the Government in relation to five companies that have large outstanding taxes for the people of Guyana and the country. If one follows court cases and understands what took place over the years, he/she would know what we would have done. We are going to support the Government to continue to work towards regaining those taxes, but when we are now putting the power between the Minister and the Commissioner General to net-off, then it is a dangerous scenario that we are creating.

I want to say that we on this side of the House believe that \$75,000 is justifiable and we would like the Hon. Minister to outline a case as to why this cannot be justified. In terms of the artistes, reciprocity is an important aspect and the outlining of a strict set of guidelines that define to the population what is the criteria, for example, the definition of festivity and how applications will be processed. Mr. Speaker, with these few remarks, I want to thank you for the opportunity to speak on this Bill. [Applause]

**Mr. Jordan (replying):** First off, I would, again, like to thank Hon. Member, Mr. Ali, for his comments. I am happy that he supported the exemption of artiste, generally, from the taxation. I think he had an issue with festivities and how they will be defined. Let me say that, I believe that

the Minister responsible for tourism will obviously be issuing guidelines as it relates to which festivity will be covered and how the exemption can be accessed through getting his or her approval.

The Hon. Member made a point that we are not really enshrining anything because it is not going to be independent. I do not know which mechanism, precisely, he was thinking about or if at all. Everything, like freedom, is circumscribed one way or the other.

*6.19 p.m.*

I cannot just put it out there that all artistes, regardless what they came here to do and so on, can come here and perform or whatever, and get exemptions from taxes on the income that they earned. Somebody has to be in charge of a process; that is why there are laws, generally. For anything that is enshrined, somebody has to administer it. There is no discretion, once the guidelines are published and are clear. If someone is coming for a Mashramani activity, he/she is coming to perform and it is a clean show, he/she is coming to perform for Phagwah, Eid or whatever the case maybe, that would be defined in the guidelines, even if there are just one or two, no problem, it is a festivity. The interest here is about promoting tourism.

While I take, generally, the whole issue about reciprocity and so on, it is a work-in-progress. Certainly, as a member of the Caribbean Community (CARICOM), we have to work towards that level of reciprocity. We already have it where we can work in another CARICOM country through the Caricom Single Market and Economy (CSME), there is also the free movement of artistes and so on. Everything is a work-in-progress. I take the Hon. Member's point about reciprocity, but that should not stop us as a leader in CARICOM, and we have always been a leader in Caricom, from making this move.

On the issue of the threshold, I feel that my good friend, the Hon. Member, I think that he was probably baiting me, more than being serious about an Income Tax Threshold of \$100,000 or \$75,000. Pull whatever figure you want to pull out of the air, the long and short is that, as the Minister of Finance, entrusted with the careful and prudent management of the country's resources, I have to look at all considerations and contenders for the sharing of resources. I do not know about any promise of \$100,000. Could somebody remind me? So, as I said, we are trending in the right direction.



I was told that the last time the threshold was increased was in 2012. As we all know, there was a different Administration in 2012, 2013, 2014, and a part of 2015. The threshold was never moved since then. In less than nine months of this Government, we have been able to move the threshold and we have talked about it trending in the right direction, in an upward trajectory as the economy grows and as our tax base could afford it. I believe, as I said, I know that the Hon. Member is not against this increase, he probably wants a bigger one. I want a bigger one too. I wanted to give a bigger one, but when I looked around we just did not have the resources.

The Hon. Member, Mr. Ali, has had his rebuttal chance and I would now ask that this Bill be put to the honourable House for approval. Thank you.

*Question put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

*Bill considered and approved.*

*Assembly resumed.*

*Bill reported without amendments, read a third time and passed.*

## **MISCELLANEOUS LICENCES (AMENDMENT) BILL 2016 – Bill No. 7/2016**

A BILL Intituled:

“AN ACT to amend the Miscellaneous Licences Act” [*Minister of Finance*]

**Mr. Jordan:** I rise to move that the Miscellaneous Licences (Amendment) Bill 2016 - Bill No. 7 of 2016 be now read a second time.

I am sure that we can dispose of this fairly quickly. It is a Bill to amend section 6 of the Principal Act by increasing the fee for a copy of a lost licence from \$200 to \$1,500. This is in keeping with earlier pronouncements that these fees have not been increased in the last 20 years. Our earlier arguments stand as it relates to increasing these fees to take account of the inflation and the cost

recovery efforts when forming these fees. I just would ask that this Bill be passed, as presented to the House.

**Mr. Hamilton:** The Bill before us is to amend the Miscellaneous Licences Act and it is to, again, raise fees. The Minister of Finance just indicated that the same argument that he proffered earlier in the afternoon, is the same argument that holds. One time the argument, is that it is a cost recovery measure, then another time it is to raise fees that were not raised for 20 odd years. Thirdly, it is regulatory. The long and short of it is that it is a form of taxation; that is the long and short of all of it.

It is another measure that the Ministers and Government are on and it is what I call *a merry money making venture*. From 2 o'clock this afternoon, the Government has been involved in *happy hour*, as indicated by the Hon. Prime Minister. I call it *a merry money making venture* - that is what is happening here.

What is good for the citizens to note is that the Government, seemingly, is attempting to go into every pocket of the citizens to take money out of. Long ago, when pants were made, they used to make what was called the *fabs* where persons used to put their change in. The Government here, with this Miscellaneous Licences Act, is going in the *fabs* to take out the little change that the man is seeking to secure.

The citizens should take note of this because it has serious implications. Seemingly this year, the intention is that the Government will seek to scrape every financial barrel to raise funds. As I said earlier, what is alarming is that, this afternoon, we would have debated several Bills and of all the Bills that we have debated, we will debate to some eight to 10 Bills before the night is out, all of those, except one, is putting some money in the citizens pocket. The only Bill that we debated tonight which would likely put some money in the citizens' pockets, was the increase of the Income Tax Threshold. But when the evening proceedings are checked, as I said, the Minister is giving the citizens with one finger and he is taking back with two hands. He is going the *fabs* as I said, with this Miscellaneous Licences Act.

I do not plan to be long, but just to indicate that the section to be changed is moving the sum from \$200 to \$1,500 and that is some 600 and odd percent increase. If the Bills that we would

debate and the increases are checked, they are not small increases. In this case, this increase is 600 and odd percent and when we go to the other Bills later, the Oscar coming...

*6.34 p.m.*

In this case, this increase is 600 and odd percent and when we go to the other Bills later, the Hucksters Licensing and Control (Amendment) Bill will be coming up and you will see the astronomical increases and the hundreds of percentages that these Bills will be increasing fees and taxes by. I am sure that the intention of the Minister and the Government is one only, and that is what the Government is unable to do for this country, attracting investment for development; it is seeking to take away money that is already in the pockets of the citizens.

I dare say, before I take my seat, and I did say in my Budget presentation, that the development and forward movement of any country cannot happen via taxation; it can only happen by investment and development of the economy.

Thank you very much. [*Applause*]

**Mr. Jordan (replying):** Thank you, Mr. Speaker. I thank the Hon. Member, Mr. Hamilton, for his intervention. As hilarious as it was, I believe that that intervention could have been considerably less if the Hon. Member had read the Explanatory Memorandum of this particular Bill.

It states:

“Clause 2 of the Bill seeks to amend section 6 of the Principal Act by increasing the fee for a copy of a lost licence.”

If one does not lose his or her licence, then the fee is not applicable. I think the point has been made and I commend this Bill for passage in this House.

*Question put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

*Bill considered and approved.*

*Assembly resumed.*

*Bill reported without amendments, read a third time and passed.*

## **AUCTIONEERS (AMENDMENT) BILL 2016 - BILL NO. 8/2016**

A Bill intituled:

“An Act to amend the Auctioneers Act.” [*Minister of Finance*]

**Mr. Jordan:** Mr. Speaker, I rise to move that the Auctioneers (Amendment) Bill 2016 - Bill No. 8/2016 be now read a second time.

Again, this is a very small and non-contentious Bill.

Clause 2 of the Bill seeks to amend section 3 (3) of the Principal Act by increasing the fee for an Auctioneer’s licence from \$3,500 to \$40,000. Again, this is a situation where a licence has not been increased for over 20 years.

Secondly, we would not be going into any *fabs* where this particular amendment is concerned because an auctioneer, as you well know, gets a commission from everything that he or she auctions. The auctioneer is not about to lose and, arguably, an auctioneer is not necessarily a poor individual, if you go by what happens at Christie’s and Sotheby’s. We probably do not have those highfalutin and high-sounding institutions and individuals, but we certainly have an auctioneer or two. It is a rarity to see an auctioneer doing his or her thing in Guyana but, in any event, as we seek to increase these fees and bring auctioneers in line with modern times, this will be one of several that have been identified for an increase.

I dare say, generally, as a theme that has run throughout our arguments and intervention this afternoon, that the Law Reform Commission that was recently established, I believe, should be in a position, as its work progresses, to take a look, again, at all of the laws that are on the books to determine to what extent they need revision, exclusions and repeals so that we can have a body of laws that speak more to the operations of a modern economy. To the extent that they remain on the books, they remain the law of Guyana and we have to apply those laws. Also, in

cases where it is a revenue measure, we have to ensure that, at least, the revenue is equal to the cost of the service that is being provided.

I commend this simple Amendment to the House for passage. [*Applause*]

**Mr. Nandlall:** Thank you very much, Sir. In my budget presentation, I said that the Hon. Minister of Finance casted his net so wide that he captured from man to mule. I want to extend that and say that he has captured the extant and the extinct because, in Guyana, we are unaware of auctioneers carrying on the business of auctioneering. When one checks the principal Act, one realises that the Registrar of the Supreme Court and the Bailiff at the Magistrates' Court are exempted from the application of the principal Act. The principal Act also has a provision that authorises the Minister to grant exemptions to any public officer carrying on an auction on behalf of the Government or any department of Government. Those examples aside, in Guyana, there is no auctioneer.

I know that Your Honour does not like to be brought into the arena but, I am sure that you cannot remember, in your living memory, attending any auction outside of the High Court's auction and outside of the Magistrates' Court's auction. I, certainly, do not know of any. I presume that the Minister will tell us that this is a regulatory measure rather than a fiscal or revenue generating measure. It is obvious that it will yield nothing because I do not know of the business of auctioneering being done in Guyana.

I must comment on the exorbitant increase. Even if we want to increase the fees, if we are hoping to create a new industry called an auctioneering industry, this is not an incentive. The licence fee has gone up from \$3,500 to \$40,000. The former Hon. Minister, Mr. Irfaan Ali, can tell us how many thousand per cent that is.

We are in a quandary; we do not know whether to support this or not to support it because we do not understand its relevance. I will rest my case on that.

Thank you. [*Applause*]

**Mr. Jordan (replying):** I thank the Hon. Member for his contribution. The Member did reference public officers being exempted in accordance with the law. I am sure, by implications,

the Hon. Member is also saying that private officers or individuals were not exempted. To the extent that the law remains on the books, as I have said before, it must be obeyed.

Even as a regulatory measure, it must be brought in line with the modern times to increase the Auctioneer licence from \$3,500 to \$40,000. This will not hurt the auctioneer in his or her pockets or in his *fabs*, so to speak.

I want to quickly draw the House's attention to a recent case which I know Hon. Member Nandlall might be familiar with, where, I think, a businessman was held up going out of the country with jewellery or gold that was in excess of a certain amount. Now, that law was on the books, I think, since sometime between 1972 and 1976 but it still is on the books. No one remembered it. None of us think that that law actually still existed but it is there. And, to the extent that it is there, it has to be applied.

The point I am making, though, is that the Law Reform Commission, as its work progresses, would have to look at all of these laws and determine the efficacy of them, whether their reason for existence still exists and so on. I am saying that, to the extent that the law remains on the books, it is the law of the land and it has to be applied.

I say that this particular amendment is simple and non-contentious and should be passed as presented to the House.

Thank you.

*The question was put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

*6.49 p.m.*

*Bill considered and approved.*

*Assembly resumed.*

*Bill reported without amendments, read the third time and passed.*

**HUCKSTERS LICENSING AND CONTROL (AMENDMENT) BILL 2016 – BILL NO. 9/2016**

**Mr. Jordan:** Mr. Speaker, I rise to move that the Hucksters Licensing and Control (Amendment) Bill 2016 - Bill No. 9/2016 be now read a second time.

In similar mould, this Bill seeks to increase the fee of a Huckster's licence in as much as it also attempts to capture, as part of our revenue and tax administration measures, certain individuals who are escaping the tax net. With the increase of this fee, every huckster, who travels on foot or with a man propelled vehicle or cycle, will now pay \$3,500 annually. For anybody who travels with a horse or other beast, bearing or drawing burden, the fee will be \$12,500. This includes mules. For any huckster who is travelling with a motor vehicle - I do not know why one should be called a huckster on a motor vehicle - the sum of \$62,500 will be charged annually for a licence. All the arguments in respect of the raising of these fees which, again, have not been increased for the past 20 plus years, hold in this instance. Without further ado, I commend this Bill to the House for passage.

Thank you, Sir. [*Applause*]

**Mr. Hamilton:** Thank you very much, Mr. Speaker. Let me just, in speaking on the Hucksters Licensing and Control (Amendment) Bill 2016 - Bill No. 9/2016, refer, in my opening statement, to paragraph 4.24 of the Minister's Budget Presentation to the National Assembly. Somewhere in the third line, he stated:

“In 2015, GO-Invest facilitated 148 projects across 7 economic sectors, namely, agriculture, light manufacturing, tourism, services, forestry, information and communication technology and energy. The potential value of investment facilitated amounted to \$89.3 billion, while the total potential jobs numbered about 8,400. GO-Invest also facilitated 44 foreign direct investments.”

He went on to say:

“In 2016, the agency hopes to facilitate \$160 new investments worth a total of \$11 billion.”

I stand here to make the point that what the Government seems to lack *via* not having a vision to attract investments...because, as indicated by the Minister's own word, we are moving from \$89 billion in investments in several sectors, some 200 odd projects inclusive of 44 foreign direct investments, to a projected \$11 billion in 2016. That is a decrease of some \$78 billion. The nation can now have a better understanding as to why, as I said earlier, the Government is attempting to find money, by all means necessary, by going into the pockets of the citizens of this country. That is *scraping every barrel* because money must be found to run the Government and to facilitate social services. As I said earlier, this is short-lived. It will be short-lived because money in the citizen's pocket has a finite number. There is only so much one can get out of the pocket of the citizens that is already in their pockets and in their bankbooks. It will come to an end. Therefore, these measures are short-sighted in nature and they will not redound to the development and the upliftment of this country of ours. What it will do is, by the end of 2016, with all these new tax measures, cause the citizens to be poorer than they were in Christmas, 2015.

The amendment is to amend section 3 of the principal Act. What is it doing or attempting to do here? It is saying at (a) that the huckster, who travels on foot or with a man-propelled vehicle or cycle, will now pay \$280. So the man in Mon Repos, the man in Triumph and the man in Beterverwagting, who, early in the morning, with their shells on their cycles, would collect a couple of cuirass from the koker and would go around the village blowing their shells to call out people to buy their cuirass, four-eyed fish and catfish so that, by the end of the day, they will be able to have something in their pockets so that they can feed their children, their fees will be increased by 1,150% [*Inaudible*] where a Government that says it cares about the people, a Government that says that it is committed to the development of the people, a Government that says it is committed to ensuring that all the citizens have a good life, and, as the Minister says, "the good life beckons"... How could the good life beckon for the fishmonger with his shell who will have to now pay 1,150% more on his licence?

The Bill states:

"The one who travels with the horse or other beast bearing or drawing burden..."



His burden... It is not just the burden of the beast anymore; the man also will be faced with added burdens because his fee will move from \$1,000 to \$12,500. For whatever reason, when the calculation is done, apparently, the Minister has a liking for 1,150% because this calculation is also like that of the horse cart man's percentage also increased by 1,150%. Therefore, it is added burden for the man's horse or donkey because he will now have to determine, by this increase, whether he feeds the donkey, feeds his children, or pays the fees.

Thirdly, for the person who travels with the motor vehicle, his or her burdens will be increased from \$5,000 to \$62,500. So for the young couple who stands at the corner of Regent Street and Wellington Street and Regent Street and King Street, the young family who goes out at Lusignan Market every Friday afternoon and Saturday at Mon Repos Market with their second-hand vehicle that their in-laws might have made available to them to go hustle so that they could feed their children, their burden would be increased. The fees would be increased from \$5,000 to \$62,500. What this person was paying for a year, he or she will now have to pay monthly.

*7.04 p.m.*

The young couple that is standing as I speak, I am sure they go to Regent and Wellington Streets and Regent and King Streets. Sunday mornings, Plaisance Market sees people who travel from the West Coast of Demerara, young and old, grandmother and grandchildren. Some travel with their carts, some with their trucks, and some with their cars, and go and try to ensure that they can put bread on their tables. Those persons, up to 2015, used to pay a fee for a year. The Government that cares for them is asking them now to pay over \$5,000 per month. As I said earlier, the Minister is trying his best and, in all his conversations this afternoon with all the money making Bills he brought, he has stayed clear away from calling the word "tax". He is afraid of that word really bad; all kinds of other words were used except "taxes".

What will be useful is for the Minister to say to us, with all of these fees and new taxes, how much money more the Government is expected to rake in this year than last year? That would be useful. With the 1,150%, the 100% and the 50%, it will be useful for the Hon. Minister of Finance, very shortly, to table, in this National Assembly, a synopsis of the likely increases, how much money, based on the number of persons who are to get these licences, and how many millions of dollars and tens of millions of dollars it will be increased by. Then, we will get a full

picture as to how much money will be left in the pockets of ordinary poor people and how much will be going into the coffers of the Government, and that is what all of this will do. It is not new money coming from anywhere; it is money that is already here. People already have it, but what will happen is, instead of various persons taking that money and investing it in their children's development and education and investing it in developing their houses, they will have to take that money and hand it over to the Government of Guyana through the Guyana Revenue Authority (GRA). That is what we have.

The Government, in all the Bills coming here, has not attempted to give to the people everything that is happening here. It is taking from the people that which they already have, and no Government can boast that it cares for the people when every measure is to take money from the people and not give money to the people. It does not follow.

People will have greater pain by the measures with less money. As I said, the increase for the fishmonger is from \$280 to \$3,500; it is a 1,150% increase, unheard of in taxation anywhere. The man who is driving his horse cart to sell his coconut oil and the man who sells his rice, the vegetables and the fruits in the village is being asked to pay \$11,500 more. For this category, also, the increase is 1,150% and, for those who travel with motor vehicles to do their huckstering work, the young couple - and many of us are acquainted with them in the communities, in the villages we belong to, and in Georgetown - as I said earlier, what they used to pay for a year for their licence, they will have to pay that monthly. They will have to pay a little more than \$5,000, again 1,150%.

So, we are unable to support these draconian tax measures that will increase the burden of the ordinary and poor people of this country.

Thank you very much. [*Applause*]

**Mr. Nandlall:** Sir, I want to begin by recognising the excellent presentation made by my Hon. Colleague, Mr. Joseph Hamilton. These measures, specifically the one contained in this Bill, cannot be looked at in isolation. We are part of a process, tonight, that will culminate in the imposition on the backs of the Guyanese people of 134 tax measures. That is what we are engaged in. So, we may have to overlap when we speak because, when we speak about the man who is a huckster and he is driving his truck, car or van to sell his goods, we cannot speak about

this measure alone of \$62,500 and forget that he has to pay an increased road licence, increased in a previous Bill, by 50%. He has to pay fitness for that very van which is raised by 100%; his driver's licence fees which has gone up by 100%; his registration fees which has gone up by 100%, and then he has Value Added Tax (VAT) and everything else. When we speak about "Uncle Ram" or "Neighbour Jones" and he drives his little canter truck, when he goes into your village, he already has to pay a whole menu of measures or expenses, and then, on top of that, he is taxed \$62,500, as the Comrade said, \$5,000 a month when it is broken down. This is a huckster who, more likely than not, has a loan at the Institute of Private Enterprise Development (IPED). He owes BM Soat Auto Sales for the vehicle that he has to pay for monthly. He has a box hand that he is throwing with his neighbour in the street. He has his children's school fees to pay and a whole set of other expenses. He did not contemplate this because, when he went to the ballot station to vote, in 2015, he read a Manifesto presented to him by the other side and it stated that there will be no new taxes and reduction of taxes. The Manifesto promised a "better life" and "we care". This is what they get now. If the hucksters are selling katahar, that is what they get.

I feel for the vendors and the hucksters who now have to bear these draconian measures that are coming out of nowhere. So, we cannot be oblivious to the social circumstances in our country. The fact is that the economy in which we live is contracting. The Hon. Minister reported a growth rate for 2015 that was the lowest that the country recorded over the last 10 consecutive years. The Hon. Minister, in his presentation, spoke to the decline of business in the country. We know that the dollar is depreciating. The Budget does not speak to the attraction of new investments and there is no measure designed here to attract new investments. So, we have disposable income diminishing and salaries not increasing. We are told about a collective bargaining arrangement, but this hammer is falling. One hundred and thirty-four tax measures are imposed on the backs of the Guyanese people, and, as my Hon. Colleague said, making them poorer than they were the day before because it is money that is being taken directly from them and there is no commensurate or proportionate increase in their income.

So, I do not know how and where the good life and from where this good life will beckon. It is not to the ordinary Guyanese, not to the sellers at Bourda. I have the 100-Day Plan of the Government. It states:

“Immediately implement a phased reduction of Value Added Tax (VAT)...”

The Value Added Tax: After 300 days, the rate is the same 16%. Where is the phased reduction? What do we have instead? Every conceivable licence fee is increased by 50%, 100% and 1150 %, as my Hon. Colleague spoke about. The good life beckons for the Hon. Harmon and I am not speaking to him. I am speaking to the people who have to bear the burden so that Mr. Harmon can get the good life that he is speaking about. If the Hon. Member goes to Phoenix Park and he goes back to Pouderoyen, he cannot convince the donkey cart man that he has to pay this huge sum of money. I cannot do it in Annandale either. If we have to go back to our villages, we will have difficulty because... Permit me, Sir, to read:

“Every Huckster who travels on foot...”

So the man who walks and sells, whether he sells broom, rat poison or hair slides, has a musical tone or a song that he sings, does not know that the coalition Government will be taxing him tomorrow morning.

*7.19 p.m.*

So, his little string of ponytails, pony slides, mirrors, machine needles, *et cetera*, he walks and sells. When the Hon. Member, Mr. Rohee, goes to Freedom House tomorrow, he might have to tell the people who sell on the pavement that the A Partnership for National Unity/Alliance For Change (APNU/AFC) Government had increased their fees and so they cannot walk and sell there anymore. They have to pay \$3,500 instead of \$200. That concerns the amendment about walking on foot.

It further states:

“Or with a man-propelled vehicle...”

This concerns the push-cart man. This concerns the man who pushes the music cart. I have to tell the man in Sophia. He passes my house every day and he plays a particular song – a chutney song – when he passes my house. I have to tell him early tomorrow that he has to pay \$3,500 as a new licence fee.

The snow cone cart man has to pay \$3,500. The coconut water vendor pushes a cart; it is man-propelled. From \$200, he now has to pay \$3,500.

It further states:

“Or on a cycle...”

I see the Hon. Member, Dr. Ramsaran, has a stack of *Mirror* newspapers. I believe that he would be going to market tomorrow. He better not use a bicycle because the fees have gone up. He has to stand on the road. It is because, if he travels on foot, there is a tax; if he uses a man-propelled vehicle, there is a tax; if he uses a cycle, there is a tax. I suppose that if one stands one place and sells, the Government cannot tax him/her.

I am going to Bourda Market tomorrow and speak to the vendors.

The second class of vendors is those who travel with a horse or other beast-bearing or drawing burden. The tax is the sum of \$12,500. This is the horse cart, the bull cart in the interior and all of these other animals. The man who uses the donkey cart is not exempt. The Hon. Member spoke about the man who pulls the cart through the village early in the morning.

The Hon. Member, Ms Ally, left D’Edward Village a long time ago. She has forgotten about the man who sells crushed ice with the donkey cart. The syrup will now get thin because the tax is too much. It is \$12,500. From \$1,000, it is now \$12,500.

Those who choose to sell in a motor vehicle now have to pay \$62,500 from \$5,000. This is another monthly expenditure that these people would have to endure.

At the end of the day, ultimately, it is the purchaser – the consumer, the ordinary Guyanese – who will have to bear this cost. This is because it will not be retained. These hucksters, as they are described legislatively, are not going to absorb this cost without passing it on. When we go to the market, as the Hon. Harmon would go with his driver, the price of *boulangier* will go up; the price of *eschallot* will go up, and the price of the *poi/bagee* will go up; the price of every single thing will go up in this country. The cost of living is continuously escalating and there is no commensurate increase in income. What that means is that the average Guyanese is becoming poorer with these measures. I thank you very much. *[Applause]*

**Mr. Jordan (replying):** What I believe was a simple Bill has been made into some histrionics that, while getting the sympathy and empathy of that side of the House, quite likely it is more than misleading, if not erroneous. [Mr. Norton: It is playing to the Gallery] It is playing to the Gallery, so to speak.

Are the Hon. Members Mr. Nandlall and Mr. Hamilton suggesting that uncle Ram, who is selling *katahar*, and neighbour Jane, who is selling mud *Curass*, and working and paying bills, paying children's school fee, and paying off his/her mortgage, should not be paying Income Tax or should not be paying an annual fee *in lieu* of Income Tax?

This huckster's licence fee is provided for in the Laws of Guyana. Chapter 91:06, section 3 (c) (i) states:

“no huckster's licence shall be required when the goods are exposed for sale in any room or stall in a market...”

So, the Hon. Member can go to Bourda Market and tell the vendors that they do not have to pay a hucksters licence fee.

“...or for the sale of bread, cakes, biscuits, pastry, ice, sweetmeats, jams, jellies, fresh fish, game, poultry, eggs, milk or vegetables grown in Guyana or of fresh fruit or coconut oil or charcoal or firewood or for the sale of any produce of land occupied or owned by the seller or his principal, or for the sale of any good, wares or merchandise by the real worker or maker thereof on his own behalf or by any person selling or seeking orders for goods, wares or merchandise to or from persons who are dealers therein and who buy to sell again;”

Further, section 7 (1) (iv) states:

“if the inhabitants of any rural area...”

This include D'Edward Village and Better Hope.

“...by petition satisfy the Minister that owing to the remoteness of their dwellings from any shop or training centre they stand in need of visits to the areas by hucksters it shall be competent for the Minister to authorise an officer to issue licences of the cart set out in

subparagraphs (b) and (c) above solely for use within such area, at a rate of duty not less than one-eighth of the amount duty therein prescribed.”

If they come from rural areas, they will pay one-eighth of the fee as long as they will stay in the rural areas.

The statements came from a Hon. Member of this House who is a former Attorney General. The Act was passed in 2012, Sir.

Sir, I believe that we have enjoyed ourselves enough on this topic. I commend this Bill for passage.

**Mr. Speaker:** Hon. Members, the question is that the Bill be read a second time.

*Question put.*

**Ms. Teixeira:** Division.

**Mr. Speaker:** Hon. Members, it appears that a division has been requested.

*The Assembly divided, Noes - 32, Ayes - 33, as follows:*

**Noes**

Ms. Veerasammy

Mr. Gill

Mr. Ramson

Mr. Anamayah

Mr. Dharamlall

Mr. Charlie

Mr. Damon

Dr. Mahadeo

Mr. Chand

Mr. Neendkumar

Ms. Pearson-Fredericks

Mr. G. Persaud

Mr. Mustapha

Ms. Selman

Dr. Westford

Dr. Ramsaran

Ms. G. Persaud

Mr. Croal

Mr. Hamilton

Ms. Chandarpal

Dr. Persaud

Mr. Seeraj

Bishop Edghill

Mr. Lumumba

Ms. Campbell-Sukhai

Dr. Anthony

Ms. Manickchand

Mr. Nandlall

Mr. Ali



Ms. Teixeira

Mr. Rohee

Mr. Jagdeo

**Ayes**

Mr. Rutherford

Mr. Rajkumar

Mr. C. Persaud

Mr. Figueira

Mr. Carrington

Mr. Allen

Mr. Adams

Ms. Bancroft

Ms. Wade

Ms. Patterson

*7.34 p.m.*

Ms. Henry

Ms. Broomes

Dr. Cummings

Mr. Sharma

Ms. Garrido-Lowe

Ms. Ferguson

Ms. Hastings-Williams

Mr. Holder

Mr. Gaskin

Ms. Hughes

Mr. Patterson

Ms. Lawrence

Mr. Trotman

Mr. Jordan

Dr. Norton

Mr. Bulkan

Dr. Roopnarine

Lt. Col. (Ret'd) Harmon

Ms. Ally

Mr. Williams

Mr. Ramjattan

Mr. Greenidge

Mr. Nagamootoo

*Question put and carried.*

*Bill read a second time.*

*Assembly in Committee.*

**Clause 1**

*Clause 1 agreed to and ordered to stand part of the Bill.*

**Clause 2**

**Mr. Nandlall:** Sir, I propose that Bill No. 9 of 2016, the Hucksters Licensing and Control (Amendment) Bill 2016 be hereby amended as follows:

By reducing all the fees stipulated thereof by 50%.

**Mr. Rohee:** Mr. Chairman, I would like to second the motion amending the Bill.

**Mr. Speaker:** Hon. Members, you have heard the proposer and seconder in relation to this Bill.

*Amendment put and negatived.*

*Clause 2 agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

*Bill reported without amendments, read the third time and passed.*

**Mr. Speaker:** Hon. Members, we are now past 7.30 p.m. We will suspend our sitting for half of an hour. We will resume at 8.10 p.m.

*Siting suspended at 7.41 p.m.*

*Sitting resumed at 8.17 p.m.*

**TAX (AMENDMENT) BILL 2016 – BILL NO. 10/2016**

A Bill intituled:

“AN ACT to amend the Tax Act.” [*Minister of Finance*]

**Mr. Jordan:** I rise to move that the Tax (Amendment) Bill 2016, Bill No. 10 of 2016 be now read a second time.

As set out in the Explanatory Memorandum, this Bill seeks to amend the Tax Act, Chapter 80:01. Clause 2 increases the duty payable for licence fees under the Act, and there are a range of licence fees therein that are so intended for increase. It also amends section 56 to provide for

resident Guyanese travellers who are 65 years and older to be exempted from the payment of travel tax. Further, clause 3 inserts a new section 73 which stipulates the requirement an applicant must satisfy when applying for a licence under the Act. An applicant has to satisfy section 60 of the Act as well as pay all taxes to the Guyana Revenue Authority or make arrangements for the payment of such taxes.

As it relates to the increase in duties payable for the licences, I think the thrust of our arguments throughout tonight holds here also, that many licences have not been increased for over two decades. It is time we seek to bring these licences up to date, taking into account the cost of administering the service and also cost recovery as it relates to these different licences.

Again, section 56 is going to assist our elderly population in that persons 65 years and over will now be exempted from payment of travel tax, that is, from paying \$2,500 which is the travel tax, the \$1,500 as security fee at the airport brings the total to \$4,000. The \$1,500 is the airport fee and we do not have jurisdiction over it. To the extent that we have jurisdiction over \$2,500, we are saying that our elderly population must also have chances of enjoying “the good life.” In addition to not having to pay for a driver’s licence, they are also, at their leisure when travelling, on a Guyanese passport, not having to pay the travel tax.

As it relates to the third aspect of the Bill, which is seeking to have applicants comply with section 16 of the Tax Act, I think it is fair to say, as I said also in my budget speech this year, that a fair number of citizens, eligible taxpayers, are escaping the tax net. I do not necessarily have to go over that. It is clear that certain categories of workers are, in accordance with what is claimed by the Commissioner-General, well known dodgers of tax. I think every effort, and every instrument in the armoury of the Commissioner-General, must be fully and appropriately used to make sure that all eligible taxpayers pay their tax. After all, if the base is widened then every opportunity is available to reduce rates over time, increase the threshold, which we talked about earlier tonight, and distribute wider benefits in the form of transfers, increased salaries, and so on.

Over time, moral suasion has been used for these particularly hard to get tax categories, but a review has shown that moral suasion is not working. We have to try a number of other legal

measures to bring those who are escaping the tax net within the fold of the tax. This measure here is seeking to bring a fair set of potential taxpayers within that net.

I think I was able to disabuse the misconceptions being pedalled that when a person goes for a driver's licence he must obtain income tax clearance. This measure is seeking to trap those who fall under the Tax Act as it relates to seeking licences. For example, categories, which will be covered include, but are not limited to, cinemas, video distributors, betting shops, and others. All those fall under the Tax Act. What we are saying is that section 60 provides that all taxes, which are due, must be payable or an arrangement be made with the Commissioner-General to pay those taxes. It is not a case that we are seeking to restrict or deny anybody practicing his or her profession. We are seeking that they pay their fair share of taxes. In fact, we have gone so far as to suggest that if the applicant is not compliant at the time when he or she is applying for the licence, the applicant can pay half the licence fee and get a six-month temporary licence and so he or she will have that six months to put him or herself in order for the future.

8.25 p.m.

I think we have really extended a discretionary and compassionate hand, even as we are saying that if a person was not paying taxes before it means that the person was not only cheating but that person was living off of somebody else's taxes that had been paid for the services that the person would have been consuming over the years that he or she had been dodging taxes. I believe it is only fair that once caught that the applicable penalties, interests and taxes the person will be made to pay. As we said, we are going to give a person six more months, to buy a half licence and, within that six months, make arrangements to pay whatever taxes might be owed.

That is the essence of this Bill and I commend it to the House for passage. [*Applause*]

**Mr. Ali:** The Hon. Minister of Finance, in bringing this wave of amendment, has made a few general points overriding all the Bills. One, he spoke about the removal of discretion and discretionary powers; two, he then spoke about equity and balance and, in this last Bill, it introduces the issue of widening the tax base, and three, compliance.

There are many methods in which we can use to force compliance or to ensure compliance in any system. The Minister of Finance alluded to a section of the society that is not within the tax

base at this moment and that section he is seeking to bring into the base. The method the Minister of Finance is proposing is to have measure that would cause a citizen of Guyana delay or undue difficulties in accessing certain services if his or her tax status is not up to date. The lawyers may want to take up the constitutionality of that and that is one of the issues that I want to raise.

The second issue is in relation to the wideness of these amendments. The amendments seek only to increase fees, penalties and widen the catchment, but it does not give the taxpayer an incentive, a motivation for voluntary compliance. I think before we go to draconian measures, we should have explore, as far as possible, the issue of voluntary compliance. It is how we could have motivated the population to move towards more voluntary compliance than a more draconian method that is proposed. I will tell you why, Mr. Speaker. The method, which is proposed by the Minister of Finance, has also its disadvantages. It has its disadvantages in relation to investment; it has its disadvantages in expansion itself. If you look at some of the proposed fees, it is based on the square footage of the building. There is a disincentive from moving small to medium in the structure of the fees that the Minister of Finance is proposing.

The Minister of Finance, himself, said earlier that some of the laws are outdated and the structure of the law gives the technician latitude to interpret it in the way they may want to interpret it. The Hon. Minister gives the example of the guy who was going out of the country with the gold band. If section 73 is looked at, it states:

“Any person applying for a licence under this Act...

“A licence under this Act” has a specific definition.

“Shall pay the licence fee, comply with section 60 of the Income Tax Act and pay all taxes due and payable to the Commissioner or make arrangement to the satisfaction of the Commissioner for the payment of all taxes due and payable.”

Then when you turn to the front of the Bill, clause 4 (2) speaks to distribution. Clause 6 (2), Video distribution, clauses 8 (3) and 9 (2) speak about distribution of various services. If you look at the Principal Act and the definition of the terms you will see, for example, that

“distributor” means a person in Guyana who on his own behalf or on behalf of any other person imports or otherwise procures films for exhibition in Guyana either by distribution to exhibitors for hire, reward or other consideration for his own use as an exhibitor.’

Then it defines an exhibitor and it defines what is meant by video, library or club. It means “an association of persons whether incorporated or not, the member whereof distribute among themselves videotapes for their own use.”

“Videotape” means any cassette tape or part of a cassette tape intended for use of the video set and includes any video disc slide and any other form of recording from which a visual image could be produced.’

We do not have copyright laws in Guyana. There are many small businesses that rent videos, small that sells videos, the carts on the road that sells compact discs (CDs), the digital versatile disc (DVD) shops. I think Giftland Office Max had a big section selling (DVDs). These are all small businesses that will be affected by this law and comes under the interpretation of this law.

When we speak about licence, there is the small shop owner from Diamond who might be selling soft drink who already has to pay commercial rate for electricity, water and now we are saying that that person has to pay an increase licence fee and will have to get the compliance. That is tax net and the Minister of Finance may want to say that the minibuss drivers and conductors may exclude this tax in his interpretation. The way the language is structured, I cannot see how they would not be captured in this net. They must be captured in this net.

If the Hon. Member Minister Carl Greenidge is saying, why we do not want them to be captured, I am very happy that in saying that he is confirming that the intention is to capture that. He is confirming that his intention is to capture them in a net and that is my deduction from what you are saying.

The issue here is the balance and the fairness. On one hand, there cannot be a series of legislation that increases the cost of doing business, that increases licensing, that increases taxes, and, on the other hand, there is no measure or set of incentive that is used in aiding the promotions of these businesses. For example, where are the incentives in the banking and commercial sectors that the Minister of Finance could address to make loans more affordable for the small businesses and

small enterprise? Where are the small measures that would enhance the capacity of the small businesses in the community? Where are those measures? Then, if the Minister of Finance is coming with all these comprehensive amendment...The Government when the Members were in Opposition, the Hon. Member Mr. Ramjattan consistently argued that the Ministers were granted too much power in the law – they had too many discretionary powers.

This entire Act speaks about the Minister shall and may and will. The Minister of Finance has made no attempt to address that which they complained about for years. They are coming with the amendments to deal with the increase licences and taxes, but the Minister of Finance has not dealt with any discretionary power granted to the Minister and Commissioner-General. A matter of fact, all the Bills, which we are passing tonight, have centralised the discretionary power to the Commissioner-General who is a subject of the Minister of Finance. We cannot escape that fact. The Bills are now institutionalising it. When we were in Government we reduced the power of the Minister.

The Minister of Finance had nothing to do with the granting of concessions. He was removed and the Hon. Member Minister Jordan is very well aware of this. He worked with the Government when we designed those measures and there many reports where the Hon. Minister of Finance participated and many reports in which he was speaking proudly of the accomplishments of the People's Progressive Party/ Civic (PPP/C) Government in relation to tax matters and in the way we handled tax matters.

Mr. Speaker, this entire Bill is moving our society into fear. The business community is driving the business community to fear. I will tell you why. The draconian method this Government is utilising, it is utilising power to achieve its objective.

*8.40 p.m.*

There is no public education; there is no attempt to voluntary compliance; there is no attempt to engage the taxpayer. Then we have to look at the capacity issues. We are bringing all these amendments. The Minister of Finance just said that there will be a system of temporary licence. What is the capacity of the GRA to manage such a system? Mr. Speaker, if you go to conduct a transaction at GRA now, it would take three to four days. People who are coming from Berbice to renew a licence, it takes two weeks.



This Government, in only nine months, is divorced from the reality of what the people are facing. **[Hon. Member (Government):** You are throwing these things in the air just like that. Where are you getting this from?] Well, challenge my figure. The GRA does not have the capacity to deal with all these amendments; to deal with all these new systems, new fees and new structure that the Hon. Minister of Finance is proposing. If someone, who wants a licence, goes to GRA tomorrow and realises that before the licence can be renewed, that person has to get the tax compliance and then that person has to do back seven years of tax returns or five years of tax returns, or three years of tax returns, and there are 2,000 taxpayers, so each taxpayer will have to go back three years. Imagine if there are 2,000 taxpayers and they would have to go back to two or three years of the records, it must be an unimaginable nightmare for GRA. I am not saying that we must not do this, but we have to understand that it must be done in a phase manner – all the sectors cannot be target.

Before we go to the wide cross section of the tax base, before we go to the wide tax net, we cannot even separate the problems that we have now with the big avoider and evaders. It is the big avoiders such as my honourable friend who has a lot of rice plantations. This GRA cannot handle the existing tax base.

The Minister of Finance alludes to leakages, incompetence, inefficiencies and we are not addressing those issues. We will address the incompetence in public infrastructure, but we are not addressing the incompetence... We are not addressing the existing weaknesses in GRA; we are not tightening those weaknesses, so that we can have the best result in the existing tax base. The Minister of Finance, on all the reports, pointed to the fact that we are not collecting from the existing base what we are supposed to collect. We are not even seeking to correct that and we want to expand the base. Do you know what will happen, Mr. Speaker? This will widen the avenue for leakages. The pipeline will become bore and porous in many other areas and this is the issue. We have to resolve this issue. It is known that old people would say, “*Do not hang your hat where your hand cannot reach it.*” We are expanding our reach and we cannot even control what is in our arm’s length. Mr. Speaker, that is the point. We are going to stretch the resources of GRA so thin that we are going to create more inefficiency in the tax system.

I want to say: Why is it targeting the ‘small and medium size’ people, when there are so much larger persons who we cannot control and they are outside the net? Is it the special interest? The

special interest will soon come to fore. It will come, but there seems to be an interest in going after the ‘small and medium size’ man and you are not looking at the people resembling the Hon. Member Ms. Ally. The ones who are already in the net but the Government cannot get what the system deserves out of them. For example, it is of some of the large companies that are having cases with taxes. Whilst we are putting pressure on the ‘small man’ here, we see a measure in the budget lower taxes based on alcohol content. How does the small man benefit from that? Who are the persons who will benefit from that? We see the ‘small’ man, who can afford a reconditioned car at \$1.8 million, is completely knocked out of the market now. Who would benefit from that measure? It is the protection of special interests at the expense of the ‘small’ man.

The entertainment industry is evolving and we have investments in multiplex cinemas; we have investments in new areas of entertainment. The ones who are not investing in that but still have the pushcarts are the ones who are now going to be penalised with this amendment. There is no way we can support this injustice to the ‘small’ man. There is no way we can support the abuse and misuse of power against the wellbeing of the ‘small’ man as outlined in this Bill.

Mr. Speaker, I rest my case by saying this: the PPP only interest is the people’s interest – the people’s welfare, the people’s wellbeing. As long as this Government does anything that would affect the wellbeing and welfare of the people of this country, especially, the ‘small and medium size’ man, they will have a champion in the PPP to fight for them.

I thank you. [*Applause*]

**Mr. Nandlall:** I rise to make my contribution to this Bill that is before the House. This Bill captures in its embrace approximately 50 different types of licences. Every conceivable type of commerce which requires a licence to be carried on in Guyana is embraced by this Bill. The ordinary liquor licence, the restaurant, the shop, the wine and spirit shop, entertainment, dance, goldsmith, pawnbroker, house agent, moneylenders and a whole host of persons or activities who or which require a licence to be carried on as a going concern are captured in this Bill. The focus of my presentation is directed to clause 3 of the Bill that adds a new section to the Principal Act. The new proposed section reads:

“Any person who apply for a licence under this Act shall

- a) Pay the licence fee
- b) Comply with section 60 of the Income Tax Act
- c) Pay all taxes due and payable to the Commissioner or make arrangements to the satisfaction of the Commissioner for the payment of all taxes due and payable.”

The 50 types of licences to which I have made reference will only be issued if these conditionalities are satisfied, which include complying with section 60 of the Income Tax Act and the requirement of payment of all taxes outstanding as well as or alternatively and arrangement with the Commissioner-General to pay off all taxes.

Now, we have different scenarios, which will unfold, that will present immeasurable difficulties, both to the GRA as well as to the applicant to for the licence. If, for example Sir, a person goes and make this application and that person tax is not in order, that person may own a hotel, that person may own a restaurant, that person may own a big entertainment centre, all going concerns, millions and millions of dollars of investments invested – in the hotel, bookings made and events planned. This applicant goes to apply for his licence at the requisite time of the year but cannot satisfy, for good reason, section 60 of the Income Tax Act. There may be an audit query; it is being audited by the Auditor General who is questioning a previous year assessment, which he has a right to do by law. How is this person going to have this licence renewed? What will happen in the interregnum? Will he have to shut his business down, while he sorts out a legitimate process, which is to object to his assessment and appeal it by using the statutory measures in the Income Tax Act, go to the tax appeal tribunal? It is all legitimate measures, and he is prepared to explore those measures. He is not violating the law. He is prepared to comply with the law, but this provision makes it impossible for him to comply with the law and to legitimately question or query an assessment. He is, by this law, coerced into enter into an arrangement to the satisfaction of the Commissioner-General to pay off all the tax. This defeats his right to question an assessment.

8.55 *p.m.*

That is the first legal hurdle the Hon. Minister will face in the implementation of this. As I said, what happens to the business, as a going concern? Would the man, woman or company have to abruptly close operations? Reference was made to a hotel. Would the hotelier be required to exempt and eject their guests? Events that are planned, will they be cancelled? Contractual arrangements that are entered into, will they be breached? Should the man, woman or company operate illegally whilst they pursue a legitimate challenge of their assessment?

That is a serious consideration that was, obviously, not taken into account, in the haste of the Minister to ensure that he collects taxes. We recognise that taxes are important for the running of the State. While we were in Government, we expended hundreds of millions of dollars in increasing the capabilities of the GRA. We brought consultants from Canada, England and Africa-Ghana. We brought systems like the Trade-Related Aspects of Intellectual Property Rights (TRIPS) and a host of computer software programmes, all designed to enhance the tax recovery mechanism of the State. We cannot be at fault for attempting to subvert the State's effort to collect taxes. We are saying that it must be done the proper way.

The Income Tax Act has, within its four corners, an unbelievable number of measures and powers which it confers upon the Commissioner General. It is perhaps the most powerful piece of legislation on our tax books. We all know that. There is a man named Mr. Frederick Mahaica who left this country when the Act was unleashed on him.

We must never second guess the powers of the Commissioner General or under estimate it. They are tremendous powers. That is why I said in my budget presentation that it is conceptually wrong and fundamentally flawed to pursue an initiative to recover taxes under the Income Tax Act, under the Corporation Tax Act or under the Tax Act itself because one would impose conditionalities in other statutory provisions. Each of these tax statutes has within them the sufficiency, adequacy and *repertoire* of remedial provisions ensconced within them, to enable the State to go behind the tax defaulters.

There is no need to make it contingent. Why is it that, for someone to get a pawn broker's licence, he/she must comply with this? If the Government believes that the pawn broker business person is not paying his/her taxes, it should go after him/her, have him/her audited and get him/her for what he/she owns.

Why do you starve, bankrupt or force him/her to close the business and to dismiss his/her employees? Those are measures that are not necessary. They are oppressive, authoritarian and have no place in a democratic society. That is the fundamental objection that we have.

The second objection that we have is, and Sir you would know that conceptually licence is a privilege, but licences that carry with it an economic activity is no longer a privilege. It is considered in law as almost right because it has proprietary interest attached to it.

A gun licence to a person who requires it for their personal safety has a different value in law, than that of a gun licence to a hunter because the hunter earns from it.

A hire-car driver's licence has, in law, a different value to a private car driver than it does to a taxi car driver because the taxi driver earns from that licence. All of these licences for the hotel, shop, pawn broker, house of agent and all the *repertoire* of licences, to which I have reference, all have that economic right and value attached to them. They are all intricately entwined with the person's right to work.

In 2001, we amended our Constitution. Unlike many of the Caribbean territories, we inserted the right to work as a substantive fundamental right. Many times people criticise our Constitution, including us in this House, but upon an objective and dispassionate examination of constitutions throughout the Caribbean, Guyana's Constitution stands tall in many respects and dwarfs the other Constitutions. No other constitution in the Caribbean has that substantive fundamental right - the right to work. It is contained in the other constitutions, but in the perambulatory sections as the declaratory principles. We changed that from the 1980 Constitution and made it a fundamental right to work in 2003. If one looks at the Constitution itself, it has the marginal note: No. 10/2003. This means Act No. 10 of 2003: Right to Work. This is what we provided:

Article 149(a):

“No person shall be hindered in the enjoyment of his/her right to work, that is to say, the right to free choice of employment”

When we impose the requirements and conditionalities that would affect a person's right to work and if he/she requires a licence and we attach to that licence that is entwined in his/her right to work, additional burdens that can be considered as hindering him/her in the enjoyment of his/her

right to work, then we will face the argument that this requirement in the Bill violates the person's Constitutional right.

In my budget presentation, I made reference to cases that were pending in the courts - an analogous situation. That was under the Income Tax Act; this is under the Tax Act. Under that Act, the categories of professionals are: architects, lawyers, accountants, doctors, pharmacists and a whole host of professionals. They require professional practice certificates. There was a measure imposed that connected the issuance of those certificates with merely their filings of tax returns, not that they must pay off their taxes or enter into an arrangement to the satisfaction of the Commissioner General to pay them off. They must merely file their taxes and bring it up to date. After 12 years, that matter is still in the courts.

I am respectfully giving the Hon. Minister notice that if they persist with this measure, we will challenge it in the courts. Those are my remarks. Thank you. *[Applause]*

**Mr. Jordan (replying):** I cannot be considered old in the sense of old, but I could not believe in all my years that I would have had to sit, especially in this honourable House, and listen to the Hon. Gentlemen speak against measures, designed to widen the tax base to include tax cheats, tax dodgers and all the others who are failing to pay their taxes. I am still left in a shock of what I am hearing because it appears to us that it is okay for those whose incomes are taxed before they can even get their moneys. Many of those persons are particularly in the public service; many of those have to pay tax if they are earning \$60,000. It appears as though those persons will continue to suffer and pay for all those tax dodgers, all those who are getting services and those who demand improved services more than the ones who are paying taxes, all because they can hire high-priced lawyers and accountants to help them dodge the payment of taxes.

The Bill is very clear. It states a "licence" and also that persons must comply with section 60. Section 60 in part states:

"We must file our taxes by April 30 every year".

We must not file our taxes for one year and then skip six years. If one does that then he/she must pay the penalty. Who are the bleeding hearts in this House who are suggesting that when a person is finally caught, he/she is asked to either pay the taxes immediately or make an

arrangement with the Commissioner General to pay these taxes? This happens all the time. Arrangements are made with the Commissioner General to defray accumulated taxes overtime. This is on-going even as we speak. I do not see a problem. In fact, we have gone further this year with this measure by saying:

“pay half of the licence and get six months...”

A person has six months to come up with an arrangement with the Commissioner General and he/she still has the right, in terms of filing an appeal, if he/she does not like it. It is still enshrined in the law. We have gone a considerable way in ensuring that persons’ right to work remains unfettered insofar as getting a licence to perform the particular profession or trade.

Let us be very clear. There are many licences to perform a trade or profession for which one has to satisfy prior conditions. If one wants a hotel licence, he/she has to satisfy prior requirements, such as those for the environment and sanitation, *et cetera* before he/she can finally go to GRA. If one wants a road licence, he/she has to acquire a Certificate of Fitness first. In order to get many licences to do a trade, one must satisfy prior conditions.

*9.10 p.m.*

What is wrong here in satisfying the prior legal and constitutional positions that one must pay his/her taxes every year by April 30<sup>th</sup>? No amount of threats is going to make us cower. The courts are there, it is a separate branch and one can go there. As was already shown, we would adhere to whatever decision the courts make, but we are not going to be cowered into thinking that we are not going to go ahead with the measure. One is free to go to the courts.

And so, I say to all those persons who have faithfully complied with the law, as it relates to the taxes, we are in your corner. We are seeking to ensure that their burden is lessened by those who are not paying taxes or are underpaying, those persons will face the full force of the law with this and the other measures that we have in mind and are going to be putting in place to ensure that a fair share is paid by everybody. With that, Mr. Speaker, I commend this Bill to the House.

*Question put, and agreed to.*

*Bill read a second time.*

*Assembly in Committee.*

**Clauses 1 and 2**

*Clauses 1 and 2 agreed to and ordered to stand part of the Bill.*

**Clause 3**

**Mr. Nandlall:** I rise with your leave to propose an amendment in the following terms. It is hereby proposed that:

“Clause 3 of the Bill, Bill No. 10 of 2016, the Tax (Amendment) Bill 2016 be hereby amended by deleting the proposed 73 (b) and (c) and the proviso immediately following.”

**Mr. Chairman:** Is there a seconder?

**Mr. Rohee:** I stand to second the proposed amendment.

*Amendment put and negatived.*

**Mr. Chairman:** Hon. Members, I have been dealing with an amendment to Clause 3. Would I be mistaken? I think not. The proposed amendment read by Mr. Nandlall was to Clause 3 of the Bill No. 10 of 2016.

*Clause 3 as printed, agreed to and ordered to stand part of the Bill.*

*Assembly resumed.*

*Bill reported without amendments, read the third time and passed.*

**MOTIONS**

**CONFIRMATION OF CUSTOMS (AMENDMENT OF SCHEDULES) ORDER 2016 - NO. 5 OF 2016**

“BE IT RESOLVED:

That this National Assembly, in accordance with Sections 8 and 43 of the Customs Act, Chapter 82:01, confirm the Customs (Amendment of Schedules) Order 2016 (No. 5 of 2016) which was



made on 9<sup>th</sup> February, 2016, under Section 8 of the Guyana Customs Act, Chapter 82:01 and published in the Official Gazette dated 10<sup>th</sup> February, 2016.” [*Minister of Finance*]

**Mr. Jordan:** “Be it resolved that this National Assembly in accordance with sections 8 and 43 of Customs Act, Chapter 82.01, confirm the Customs amendment...

**Mr. Speaker:** Are you rising on a point of order Madam?

**Ms. Teixeira:** Mr. Speaker, I need your help. When we took the vote just now and we put our amendment there were 32 on this side and 32 on that side and, therefore, the Bill was not carried. We did not call for division because it was very clear that the numbers... [*Interruption*] We do not have to, Sir.

**Mr. Speaker:** Hon. Member, you do not have to, but you are challenging it now?

**Ms. Teixeira:** I am just bringing it to your attention because the vote was declared incorrectly, in that the Bill was not passed because the votes between the two were equalled - 32/32. It is not my responsibility to call for a division all the time. This House keeps a record of everybody, all the time. The Opposition certainly knew that it was short of someone on its side too. So, you knew that you could not have won that vote.

**Mr. Speaker:** Hon. Member, I thank you for the observation you made, but the Speaker is in no position to do anything about that.

**Ms. Teixeira:** I am quoting Standing Order No. 48(3).

**Mr. Speaker:** Hon. Member, if there was a division, the Speaker would have been guided fully by the results, but the Speaker and all the Members relied on a voice vote, which yielded a certain result. Hon. Member, I do not know that if dialogue will help in this case. I know it will not help because we have already determined that vote. It was quite proper for a request for a division even before it was declared, but that did not happen. It was declared and then the Hon. Member rose to speak. There is no basis on which I would review this.

**Leader of the Opposition [Mr. Jagdeo]:** Mr. Speaker, the obligation...

**Mr. Speaker:** Hon. Member, would you wish to speak on this matter?

**Mr. Jagdeo:** Yes, on the same matter, Mr. Speaker.

**Mr. Speaker:** I will allow you to speak.

**Mr. Jagdeo:** Mr. Speaker, in this House there is an obligation on yourself and the staff of the Parliament Office to... [*Interruption*]

**Mr. Speaker:** Hon. Members, please let us hear this.

**Mr. Jagdeo:** In such a situation a vote was put. There were yeas and nays. In the determination of the yeas and nays, the Speaker had to make a judgement. In this case, we have equal numbers on both sides that said yea and nay. How could that judgment, in this case, be in favour of the Government? If it was brought to our attention, belatedly, that the numbers on that side were equal to the numbers on our side, it means that a vote which was equally acknowledged on both sides has been ruled by the Speaker in favour of the Government.

9.25 p.m.

Mr. Speaker, I do not know. We are in uncharted territory, so maybe the appropriate Standing Order... The Prime Minister has just pointed out that there is a Standing Order. In a case where the Speaker probably was not properly advised that the numbers were equal on both sides, how do we proceed in such a manner because the vote was not there? Thank you, Mr. Speaker.

**Mr. Speaker:** Hon. Member, I thank you for your statement. I will reply to that observation in this way. There was an opportunity for all of us to do then what we are doing now. It is not a question of voting in favour of the Government, as you put it Hon. Member. It is a question of making a determination at the time when it was made. In one way or the other that is what has happened.

Hon. Members on both sides had the opportunity at the time, just as is done with other Bills we consider - to call for a division. That was not done. It seems to me, if I may put it this way, somewhat convenient that, at that end and after the declaration by the Speaker, something is then brought to the Speaker's attention. I do not think that the Speaker can be asked to revisit that.

**Ms. Teixeira:** Standing Order 49 (2) states that:

“The result shall be declared by the Speaker or Chairperson stating ‘I think the Ayes have it’ or ‘I think the Noes have it’ as the case may be; but any elected Member may challenge the opinion of the Chair by claiming a division”.

As a result of the fact that there are equal Members on both sides of the House, from that time to now, can we ask that the matter be put to the House once again because the numbers are 32/32? Still, in this House, there has been no change. We are calling for a division on that basis. We are asking that the Tax (Amendment) Bill be put again to the House to correct what was a mistake or an error. *[Interruption]*

**Mr. Speaker:** It would not help for determination of this if Hon. Members are going to continue to...

**Minister of Natural Resources [Mr. Trotman]:** Sir, if it pleases you, may I address you on two points. The first is on the issue of the vote. The Standing Orders and Erskine May state that it is for the determination of the Speaker, having heard the yeas and the nays, undoubtedly. The record would show that the yeas were very loud. Your Honour made a decision based on that. If a Member of the House sought... *[Interruption]*

Sir, may I get the protection of the House? *[Interruption]* May I be permitted the protection of the House? The Erskine May is pellucid that it is for the determination of the Speaker, after hearing both sides. If a Member feels that the Speaker’s determination is unsound, he/she may challenge by calling for a division.

However you Honour, it brings me to the second point, with all due respect to this House and to the Chair, we are in a sense *functus*. We have moved on to another Bill. We cannot return to a Bill where the vote had already been taken on. We are *functus officio*. We have moved on and are dealing with a motion. We cannot return to a matter that has already been determined by the House. *[Interruption]*

*Mr. Speaker hit gavel.*

**Mr. Speaker:** Hon. Member, Mr. Jordan, do you wish the floor Sir?

**Mr. Jordan:** To proceed with the reading of the motion, Sir, should I continue?

**Mr. Speaker:** Hon. Member you will continue in a moment.

**Mr. Jordan:** Okay.

**Mr. Speaker:** I do not see how I could act differently. There is something called fair play here. This is not a convenient play, but fair play. One of the problems that we have is that we use the Standing Orders when it pleases us. We have to use it evenly all along. We cannot sit and allow a matter to go through, allow the Speaker to make a conclusion on it and when he moves on to the next matter, you say Mr. Speaker, wait a minute, we have now looked at this one and we have found so and so. We cannot do that.

I am saying we cannot operate in this House to good effect in that way. This matter had already been settled and we had moved to the other matter, so there is nothing more to be said of this to make the matter different.

We will now turn to the Confirmation of the Customs (Amendment of Schedules) Order 2016 No. 5 of 2016.

**Mr. Jordan:**

“BE IT RESOLVED

That this National Assembly, in accordance with Sections 8 and 43 of the Customs Act, chapter 82:01 confirm the Customs (Amendments of Schedules) Order 2016 (No. 5 of 2016) which was made on the 9<sup>th</sup> February, 2016, under Section 8 of the Customs Act, Chapter 82:01 and publish in the Official Gazette dated 10<sup>th</sup> February, 2016.”

**Mr. Speaker:** I thank the Hon. Minister. The motion is proposed.

*Motion proposed.*

**Mr. Ramson:** Allow me to say that it is a great pleasure to be able to speak on this proposed motion. Also, allow me to take the opportunity as well to welcome a number of the Guyana Revenue Authority (GRA) officers who are present in this House tonight - the hard working members of the GRA and their representatives.

The bills, amendments and motions that we had been debating here tonight, particularly this one, emanate out of the Budget Presentation by the Hon. Minister of Finance some two weeks ago. The substantive part of my speech is going to be dealing with, in particular, sections 5(1) and (12)(a), which deal the restrictions on the importation of vehicles, motor cars, vans, sport utility vehicles, pick-ups, buses and other similar vehicles that are eight years old and over from the date of manufacture to the date of importation.

Before I do so, I would like to make note of a statement that the Hon. Minister of Finance made a moment ago in reference to the objection he took about some of the statements made the Hon. Members on this side of the House, in his disapproval of that type of debate being conducted in this House. I found it a little bit surprising when we have heard during this very Budget debate, where these same budget measures were introduced, that an Hon. Minister in this House took the time in his very speech to make reference to my grandfather and the nexus to the People's National Congress (PNC). While I have no difficulty...

**Mr. Speaker:** Hon. Member, I am wondering if the point that you want to make now coincides with what we are doing here. It just seems to me that and I am not ruling at this moment I am leaving it to your good sense, but I do not believe that you are making the best use of time and the opportunity which you have. If you are going to take us off on what, for want for a better word, I would call an excursion, however strongly you feel about entering on that excursion. I would want to suggest that we try to deal with this and choose another opportunity for that purpose.

**Mr. Ramson:** I can assure you Mr. Speaker that I would only be spending a minute on this. I believed that it is only right, fair and proper that, if the opportunity was given to the Hon. Minister to make those references about my grandfather, I have an opportunity to respond.

**Mr. Speaker:** Hon. Member, I do not recall this taking place in this discussion. Was it now?

**Mr. Ramson:** The nexus is this...

**Mr. Speaker:** Not the nexus. Hon. Member, we cannot spend time on this much. If you wish to proceed and you go out of line I would rule you out of order. I have left you with your reasoning. What I am asking is whether this discussion that we have here was the occasion. If it was not the

occasion and it was on another occasion, would it be useful to bring it in here, however strongly you feel?

**Mr. Ramson:** If Mr. Speaker allows me the opportunity before interrupting beforehand, then maybe he would be able to determine, subsequently, whether it is allowed or not. I feel justified in my position that attacks are made on my family, whether inside or outside of this House and I am not allowed the opportunity or moment to respond.

**Mr. Speaker:** Hon. Member, perhaps you would have a moment to respond, but it is all a question of when.

**Mr. Ramson:** And I respectfully, Sir, am taking a minute of my presentation to respond condignly.

**Mr. Speaker:** You have persuaded me Hon. Member, proceed.

**Mr. Ramson:** Thank you very much Mr. Speaker.

**Mr. Speaker:** Why would you sit Hon. Member, you persuaded me and then you give up.

**Mr. Ramson:** The Hon. Member is on his feet.

**Mr. Mr. Speaker:** I beg you a pardon. Hon. Minister, did you raise on a Point of Order?

**Mr. Patterson:** Yes, Mr. Speaker.

**Mr. Speaker:** Let us hear the Point of Order, please.

**Mr. Patterson:** Under Standing Order 40(a), the Hon. Member that is asking your leave to make statements on a Member's comments, first made reference to my family and open the door.

*9.40 p.m.*

If the Hon. Member had a right to go down that road, Sir, then I demand equal rights, irrespective of whichever [*inaudible*]. I am not debating that.

**Mr. Speaker:** The Speaker ought not to say, “I told you so”, but, clearly, when Hon. Members move across this Chamber and make references which cannot be called other than a personal reference in nature, then the results will follow like that.

Hon. Member, you have persuaded me that you have a right that you feel strongly about, so then proceed.

**Mr. Ramson:** The Hon. Member, Minister Trotman, made reference to my grandfather and his nexus to the People’s National Congress (PNC). First of all, I would like to say that I stand here proudly as a third generation member of my family who has served this nation for decades as Members of Parliament, and to say that we are the first and only who have done that so far.

Second, my grandfather has shown, unequivocally, that, regardless of race, colour, creed, religion or political affiliation, he and my family are willing to serve this nation in the cause for development.

Finally, the Hon. Minister Trotman sits in this House as a Minister, as a Member of the Alliance For Change (AFC), that has come out of the PNC, so I will take no lectures on any references of *biting the hands that feed you* when he has come out of the very PNC party that he has abandoned.

**Mr. Speaker:** Hon. Member Mr. Ramson you did well up to the second point and, after that, you lost it, if I may use a common parlance. It is customary that, when the Speaker bangs the gavel and seeks your attention, you stop what you are doing right away. I will not have it any other way. This is a warning to you and, any other time this occurs, the Speaker might be forced to look to the Standing Orders to see what help he gets there.

**Mr. Ramson:** I am most grateful for the comments.

**Mr. Speaker:** No, you should not be grateful, sir. You have abused the opportunity I gave you.

**Mr. Ramson:** I am only responding to the abuse that I received.

**Mr. Speaker:** Mr. Ramson, you are warned not to explain your failing. Please proceed.

**Mr. Ramson:** Thank you very much, Mr. Speaker.

Now, in relation to this very motion that I am about to speak on, I...

**Mr. Speaker:** Hon. Member, Mr. Ramson, if someone rises on a Point of Order, then you have to sit.

**Mr. Trotman:** On a Point of Order, Standing Order No. 40, when I spoke, I did make reference to the Hon. Member's grandfather. I did not abuse the Hon. Member. What I said was that his grandfather was a proud member of the PNC and that his grandfather would be proud of him. Sir, I take issue with an allegation that I abused the Hon. Member when I spoke. I never did so and the record may be sent for. I never spoke in derogatory terms or abused the Hon. Member. Thank you, Sir.

**Mr. Ramson:** I guess the Hon. Member does not have anything more important to do than to talk about my grandfather.

*Mr. Speaker hit gavel.*

**Mr. Speaker:** I thank the Hon. Minister for his statement.

Hon. Member Ramson, you will not yield the floor and you do not care whether the Speaker gives it to you or not. You must allow me to invite you to continue. Please.

**Mr. Ramson:** Thank you. Moving on to the substantive part of my presentation, when one is in Government – and you are in Government now - whatever is said and done matters in a big way. In specific, when one is seeking to make changes to the law that restricts the importation of the vehicles into this country, one has to be able to separate the trees from the forest; one has to be able to keep his or her eyes on the big picture. Being able to keep one's eyes on the big picture, especially in Guyana, matters. It matters because Guyana is a developing country; we are a market-oriented economy that is in a developing country. Why this context is important is because, in developing countries, there are a lot more poorer people than richer people. This is nothing new and it is relative. On a global scale, there will be more poorer people on a socio-economic level than richer people. Just like life, economies and businesses work in cycles. Being able to restrict the importation of certain types of items affects the poorer class of people. I will explain how.



For market-oriented economies, there are persons who would not be able to afford these kinds of things and so the system is not designed for restrictions. When there are cycles for businesses, cycles for economies, when they increase as well as decrease, persons who are at the top of the cycles, when decreased, they will no longer be able to afford at the bottom level. It is inevitable, in business cycles, when persons are unable to afford it, there must be a particular niche for them, where the importation of a specific item is not restricted so that they would not be able to afford it. The point is that, if one is saying that the importation of specific items will be restricted without having the commensurate relaxation of taxes to make that specific item match, what persons currently are able to afford for vehicles that are older, then they are being deprived of an opportunity for the very market-oriented system that we all belong to.

Let me give the specifics of why the measure will not work. Some studies were done and the lowest cost for 2008 vehicles that are commonly imported into this country with cubic centimetres (cc) that are 1,500 and below, with duty, are, for example, the Toyota Allion - \$2.9 million, a Toyota Premio - \$3.2 million, a Toyota Rush - \$2.8 million, a Toyota IST - \$2.9 million, and a Toyota Vitz - \$2.6 million.

Now, for vehicles that are over 1,500 cc but less than 2,000 cc, there is the Nissan X-TRAIL at \$4.3 million, the Nissan Dualis at \$4.5 million, the RAV4 at \$4.6 million, and the Suzuki Escudo at \$4.4 million.

Now, with the measures that have reduced the taxation on vehicles that are four years and less, the cheapest a vehicle can be bought for that has an engine size of 1,500 cc, like the Toyota Vitz, would be \$2.6 million, and the Toyota Corolla which is below 2,000 cc but above 1,500 cc would cost \$3.1 million.

What are the statistics for our country? Seventy per cent of the vehicles imported into the country falls within the price range of \$1.5 million to \$2.5 million, with age ranging from the year 2002 to 2007. This importation and purchase is not as a result of preference; it is as a result of affordability. Do you logically think that if persons could have afforded to buy vehicles that are four years and less that they would not have done so? The current cost for acquisition of vehicles that start at eight years old, from the point of manufacturer to the point of importation, is restrictive and prohibitive to the point where it becomes impossible for them to afford. The

statistics is 70%. In addition to that, when there is a large section of purchases of vehicles being made as a result of loans being acquired or obtained from banks, the vast majority of persons who qualify for those loans are in the region of \$2 million. The Hon. Minister of Finance can access that information from the banking sectors or the Central Bank.

I started by saying what you say and what you do when you are in government matter in a big way. If this Government is serious about making the good life for all people, then the tax reduction up to four years should be increased up to eight years or even more. The Opposition is calling for 12 years. Why are we asking for 12 years? It is simple: the person at the bottom would not be able to afford it but it is not them alone. Seventy per cent of the vehicles that are bought in this country is within the region of \$1.5 million to \$2.5. This Government is restricting, for the vast majority of persons who import vehicles, persons' ability to afford imported vehicles since the cost of acquisition and the capital outlay become prohibitive.

The other point that I would like to make is a more general point. The coalition Government of which the PNC is the dominant party had every reason, in the book, to show this nation that it is not the PNC of the past. The PNC of the past was the one that had banned items such as channa, split peas, flour, potatoes and sardines. Those are the kinds of things that people worried about when they were going to give the PNC an opportunity to return into Government. Within the first eight months of being in office, the Government wants to ban items again. The Government wants to ban vehicles that are eight years and older. It wants to ban used tyres. What the Government is doing is reinforcing the fear that the vast majority of the public had when it did not want to vote for this coalition.

*9.55 p.m.*

Persons were worried that the PNC had not changed its stripes. I am only going to throw the thought out there, which everybody else is thinking about, what will be next? What will be the items that are next that are going to be banned as foreign currency dries up in this country? In the economy of this country, the money circulation started to shrink, as is shown by the Central Bank. As foreign currency starts to shrink, what else will you ban? I, only a few days ago, went to purchase some United States (US) currency and the rate of exchange is now \$214 to one. So, even if we were to accept the Hon. Minister's exchange rate of \$206, it has now moved to \$214.

We cannot accept the argument being proffered by this Government that we do not want Guyana to become a junkyard.

The illogicality of that reasoning defies intellectual belief and I will tell you why. Only Tuesday, I was in Trinidad, which is a country which Gross Domestic Product (GDP) is eight times the size of our entire GDP. Only Tuesday, while I was there for a matter before the Caribbean Court of Justice (CCJ), I was able to see a lot of really nice, big cars, but I also saw a lot of very old cars and I also know that Trinidad does not have any restrictions on the importation on those vehicles. In the United States and in England, they do not have any restrictions on those importations. What they do have is what is called a Ministry of Transport (MoT) test which measures their carbon emissions and their fuel efficiency. There are very limited countries that restrict the importation...

**Vice-President and Minister of Foreign Affairs [Mr. Greenidge]:** Mr. Speaker...

**Mr. Speaker:** Hon. Member, do you rise on a Point of Order?

**Mr. Greenidge.** Yes, Standing Order No. 40, Mr. Speaker. As a matter of fact, the list of countries that have no restrictions, as characterised by the speaker, is completely inaccurate. The question of banning also is inaccurate. I sat through that but I think he is going a little too far. I would suggest that he terminates his presentation and, if he has anything else to say, he sticks to what is correct and not fabricate issues.

**Mr. Speaker:** I thank the Hon. Member.

**Mr. Greenidge:** You cannot, for example, Mr. Speaker...

*Mr. Speaker hit gavel.*

**Mr. Speaker:** Hon. Member, I believe that the word that you used is an unfortunate word which ought not to have currency in this House. Maybe the Hon. Member might have been “mistaken”, but “fabricate” no. Perhaps, you might want to withdraw that epithet.

**Mr. Greenidge:** Mr. Speaker, I will say that the Hon. Member may not have fabricated facts but the presentations are perilously close.

**Mr. Speaker:** Hon. Ramson, you have the floor.

**Mr. Ramson:** I do not believe that that was a Point of Order, in any event. May I be allowed to continue?

**Mr. Speaker:** I did not hear the Hon. Member.

**Mr. Ramson:** I will just continue, Hon. Speaker.

**Mr. Speaker:** Hon. Member, did you mention something about a Point of Order? You did not need a Point of Order; I have given you the floor.

**Mr. Ramson:** Thank you, Sir. The argument...

**Mr. Greenidge:** Thank you very much, Mr. Speaker. My apologies for interrupting but could I draw your attention to the time? If it pleases you, Mr. Speaker...

**Mr. Speaker:** I thank the Hon. Member. It is a most appropriate matter to draw to the attention of the Speaker. He will receive a motion for continuation of our business beyond 10 o'clock.

**Mr. Greenidge:** Thank you very much, Mr. Speaker.

**Mr. Speaker:** Hon. Member Mr. Ramson, we will return to you in a moment.

### **Suspension of Standing Order No. 10**

**First Vice-President and Prime Minister [Mr. Nagamootoo]:** Mr. Speaker, I move that we continue this Sitting until 10.30 p.m.

*Question put, and agreed to.*

*Standing Order suspended.*

**Mr. Ramson:** The argument that has been made that the intention is not to turn Guyana into a junkyard, I believe, strongly, that the logicity of the reasoning of that argument defies any intellectual belief, since the argument, on its own, is premised on the fact that the unaffordability that the restrictions will cause to new cars being imported into this country will cause people not to be able to afford to buy new vehicles and, in an admitted situation where there is a contraction

or a restriction in money supply, the personal circumstances are not improving to the extent where they will be able to afford it very quickly. As a result, they will not want to make purchases for new vehicles in the very near future and the consequence of that is that those cars that they own currently will then continue to reduce in value and then they will become older. In essence, you are causing the old cars that are already here, without allowing the consumers to be able to purchase new vehicles, they will be able to turn, unfortunately, into junkyards on their own.

An attempt to prevent Guyana from becoming a junkyard without a commensurate relaxation of the taxes for the rest of the years for the vehicles does not make it more affordable for persons who are currently unable to afford the cost of acquisition for cars that are eight years old and less. So, if you are serious about making Guyana a place where people can have newer cars and a good life for everyone, then you have to be able to be serious about the tax measures not for vehicles that are four years or less, but for all vehicles. So, I will only conclude by saying that I am happy that I am no longer hearing the phrase, "It is time." It has subsequently been rephrased and replaced by "a fresh approach". The measures that we have seen implemented in this House tonight are anything but a fresh approach. I would say that the very phrase, "a fresh approach", coming from the Members on the other side is ironic when one considers the average age of the Members on the other side because they are anything but fresh.

Thank you very much. [*Applause*]

**Bishop Edghill:** Mr. Speaker, since we have been limited by time by the Prime Minister's motion, I will truncate much of what I wanted to say and get specifically into a measure that is proposed by the Hon. Minister's motion and would simply attempt to be the voice of a number of interested parties who this motion will affect. I was present in a meeting with the Leader of the Opposition when the members of the Guyana Taxi Service Association (GTSA) came to meet the Leader of the Opposition to discuss this particular matter. I will just seek this opportunity to inform the Hon. Minister of what this motion, if carried, will do for that industry.

The executives explained to us that, currently, they invest \$1,950,000 per vehicle and most of those vehicles are 10 to 12 years old, and the vehicle of choice seems to be the Toyota Allion. With this new measure, they will have to invest \$3 million to \$3.1 million. The expected and

anticipated rate of return is about \$15,000 per week and, with that kind of an investment, certainly, in order for them to be able to compensate for their investment, it will spell higher fares for the travelling public. So this simple measure for the public transportation industry...while they brought information as it relates to buses since they were not the Guyana Minibus Association and they had done the Math for the Guyana Minibus Association, they wanted to stick primarily with the Guyana Taxi Service Association.

What is worse, in their presentation - and the Hon. Minister may want to take note - is that, with this measure that is being introduced by way of this motion, the availability of spare parts will become a challenge because what one will actually have to do now is buy spare parts from specific authorised dealers in Guyana. Now, I am hearing that it is a good thing but that might be pandering to special interests because right now - and the Hon. Member, Mr. Ramson, who spoke before me, made the point in the midst of all that was happening - the issue of affordability...there is something about ownership that gives an individual a sense of pride, hope and future. When an individual can own a house lot, whether it is a \$92,000, \$200,000 or \$500,000, depending on his or her affordability, it gives him or her a sense of pride. When an average Guyanese public servant, with the modest incomes that he or she has been earning, can own a car for \$2.2 million, it gives him or her a sense of pride that he or she owns something and that he or she has value. This measure is going to move people away from that reach.

Hon. Members, you may want to consider that, with a public servant's salary where it is, he or she can go to the bank and get financing for a vehicle that costs \$2 million, \$2.2 million or \$2.5 million. With this measure that is driving vehicles' prices up to \$3 million or \$3.5 million, public servants' salaries may not be able to afford them the opportunity of getting that same loan from the bank to buy a vehicle at that cost. It puts them out of touch because the repayment terms might be too heavy for them to handle based upon their salaries. I also want to add to this. While in that meeting, the executive said that it can Google the various sites where it buys vehicles from and we will discover that, because of where Guyana is located, as compared to other countries, what becomes available to us will become more costly because, in the age range of eight years that is being proposed here, 50, 53 and 55 vehicles were available when the executive carried out that exercise.

*10.10 p.m.*

If there are countries that are closer that can get hold of those vehicles, there will be a scarcity in the market and the people will drive up the cost. So, eventually, the acquisition cost of the vehicles coming to Guyana will be higher and less Guyanese will be able to afford vehicles, which is certainly not giving them the good life that they have been asking and hearing about.

Sir, let me *précis* what I want say, in the interest of time. One, the cost of public transportation, whether for hire cars and taxis and minibuses, because of the acquisition cost, they will be forced to drive their cost up. So, that cost will be passed on to the travelling public.

Two, the ordinary public servant, the ordinary worker, that young professional, that young man who is getting married and got his house at Tuschen but is now working in Georgetown or Parfaite Harmonie and has to come to Georgetown or Diamond, who would have bought a \$2 million car, would not be able to afford the \$4 million, \$3.9 million or \$4.5 million, because this measure will drive the price up based upon the age of the car.

The cost of maintaining the car will become more expensive because, right now, the dealers are able to buy parts based upon second hand or used parts coming from Japan and elsewhere. So, there is a plethora of dealers who are able to provide persons with lights when there is an accident or could buy half of the car, the door or whatever the case is. If that moves out of the way and persons have to stay within this range that the Minister is proposing, they will have to go to a dealer and the price for the light will move from \$9,000 to \$65,000 and it makes it very difficult.

If I could contribute anything to this debate tonight, Sir, in this discussion, is to say to the Hon. Minister, in proposing his motion, and to the other Members of this House that, maybe the amendment that is being proposed by this side of the House, and I am sure my Colleague, when he speaks to that amendment, might make greater sense in our present circumstances... And if this is about greening the economy, because I suspect that that might be the motive and that might be the thrust, we must remind ourselves that Guyana is not a contributor to pollution as it is and what we know in the world today in the context of climate change. So, we do not have to put our people under that pressure. We are not a significant contributor.

I would think that it is with good reason or may be with some amount of justification that this measure is coming to the House but I think what we need to do is do what makes sense for our

people. This, as it is, with the eight years, will put a burden on the ordinary people of Guyana and I think we should avoid that. I think, at this late hour tonight, if we take the 50/50 approach that was touted, at least, on this one, we should think about what makes sense to the people out there. The Taxi Service Association said that 70 bases are registered from various parts of the country, hundreds of cars, and that does not include those who are outside of this Association. We are talking here about jobs. People have been able to put their moneys together; put down a \$500,000, get the car and they are earning meaningfully for their families, providing for their children and they are providing themselves with a decent living.

I would want to strongly support the amendments that are being proposed by our side and ask the Minister to consider those amendments and let us do what makes sense for the people of Guyana.

Thank you very much, Sir. [*Applause*]

**Ms. Manickchand:** Your Honour, thank you very much, but I am going to decline to speak this evening and I am going to give way to my brother, Mr. Anil Nandlall.

**Mr. Speaker:** You do not wish to speak.

**Ms. Manickchand:** I do not. Just so that Your Honour understands why, we were limited in the time that the Assembly was extended for, which, in a way, is muzzling the Government's side. I am going to decline for that...

*Mr. Speaker hit the gavel.*

**Mr. Speaker:** Hon. Member, I cannot allow you to do that. I cannot accept that comment. You said that you do not wish the floor, then your Colleague, to whom you say you have yielded, will have the floor, but I cannot allow you to say something which is so patently at variance with the facts.

Hon. Member Nandlall, if you want the floor, you have it.

**Mr. Nandlall:** Thank you, Sir. My comments on this motion are going to be as brief as I possibly can, having regard to the realities. Sir, Clause 2 of the Bill confers for two industries, industry and agriculture, a regime of exemptions but, again, those exemptions carry with them the conditionality to which I objected earlier, which is, that all tax returns, in accordance with



section 60 of the Income Tax Act, must be complied with and that all taxes must be paid off, arrears must be paid off and that this arrangement must be entered into to the satisfaction of the Commissioner General, in relation to the payment of taxes that may be assessed to be outstanding.

I would like to repeat, *mutatis mutandis*, all the arguments which I have articulated earlier in relation to this measure. It is going to be a disincentive as opposed to an incentive. The Hon. Minister of Natural Resources, Mr. Raphael Trotman, can relate to the fact that concessions were granted to the small miners in an effort to assist them, but a condition of a similar type was attached to those concessions and very few of the small miners were able to benefit. In fact, I read, in the newspapers, the Miners Association appealing to the Government to review that conditionality and the same thing will apply here. Therefore, I believe that this measure of granting concessions with one hand, as a veneer of encouragement... It is just a veneer, because the conditionality imposed is so onerous that it renders illusory the concessions which are granted. So, that is my first objection.

My second objection is the one in relation to the band in the importation of motor vehicles that are eight years old and over. But, before I elaborate on that matter, I want to give credit to the Minister of Finance for exempting, from that band, heavy duty vehicles, including trucks, lorries and vehicles used in the agricultural and industrial sectors, as well as vehicles for special purposes. At least the Minister listened to us. He listened to our appeals because, in his Budget Presentation, when the Hon. Minister spoke of this measure, he spoke of it in an all-encompassing manner and he spoke about vehicles generally. And, of course, vehicles will capture all manner of vehicles and I want to believe that we may have managed to persuade him to exempt, from those categories of vehicles, vehicles that would have impacted directly on the agricultural, construction and industrial sectors. So, Mr. Minister, I want to thank you for listening to us.

I want to revert to the category of the cars and to remind this House of the hardships already outlined by the Hon. Mr. Ramson, as well as Bishop Edghill, that this measure will impact disastrously on a large section of our people. Over 50,000 persons who could have afforded a car in 2015, once this measure kicks in, in 2016, will not be able to afford a car. While I agree with the argument that a better quality of car will be attracted under the new regime and while I agree

that the incentive of a reduction of the excise taxes are there, and those are good things, the fact is that the cost of the newer vehicle is three times or four times the cost of the older vehicles that are now being prohibited. So, while you are giving concessions that may be valued \$1 million, you are increasing the value of the car by \$3 million - the type of cars that will have to imported. So, the average car - I heard the name Toyota Allion being spoken of as a preferred brand - the very Toyota Allion, it could be a modern Toyota Allion now, a 2008 and above model, as opposed to the 2002 model now... For the 2002 Toyota Allion, the purchase price in Japan is about US\$2,500. When the dealer brings it and puts on his mark up and pays the duty and the excise tax, shipping, *et cetera*, he sells it for \$2.5 million. That is what he sells it for now. If you buy it on credit, then you pay interest on that credit facility and the dealers will tell you that they do not give, as a matter of policy, an extended credit facility. In fact, most dealers do not go beyond 15 months because the reality is that the cars are largely destroyed or taken out of Georgetown and beyond their capability of repossession in the event of default in payments. Now, when that is measured against the public servant's salary, it is not sustainable if 15 months will be given to pay for a \$4 million or \$5 million car; it can barely pay for a \$2.5 million car. As I said, while it is a better quality car, it is not the car that the poor man can afford. That is the gravamen of my concern and that is what I want to address.

*10.25 p.m.*

If persons go to the banks, many commercial banks have a loan that addresses motor cars, specifically. It goes under the name and style of "Deal on Wheels". One first has to qualify for the "Deal on Wheels". Therefore, one must have a salary that the bank will accept to service the loan that one is applying for. Recall that, with these new types of vehicles, the cost has gone up. Again, for the ordinary workers, the cost has gone beyond their reach.

The Guyana Auto Dealers Association issued a statement. We have, in this House, to pay heed and to take into account the sectors of our society that we are affecting. We, here, are speaking for the ordinary people. If the Government does not want to listen to us, then the Government should listen to the operators in the sector. If the Government does not want to listen to BM Soat Auto Sales, then it should listen to Car Care Enterprise. Their representative organisation has issued a statement. This is what it said:

“We the auto dealers of Guyana respectfully ask that the tax structure be reconsidered so that the perfect balance can be found between revenue earning, newer models and affordability.”

The Association called on the Government to consult with the relevant stakeholders to find the perfect balance to meet the needs of all. While import tax on vehicles newer than four years old with 1,500cc...

*Mr. Speaker hit gavel.*

**Mr. Speaker:** Hon. Member, you know the rule about quoting and not giving the origin of the documents. I have been very generous in terms of enforcing that rule, but I hope that you do not go on for much longer.

**Mr. Nandlall:** I am quoting, Sir, from a public statement that was issued by the Guyana Auto Dealers Association, which was widely carried in the press.

**Mr. Speaker:** Unfortunately, that may not be helpful enough in identifying the source of the publication, the date, *et cetera*. I am simply saying to you: do not quote for very much longer from the document.

**Mr. Nandlall:** Sir, I am quoting, from *Demerara Waves*, a publication of the statement from the Guyana Auto Dealers Association, dated 8<sup>th</sup> February, 2016, and I can make it available.

**Mr. Speaker:** Hon. Member, heed my advice. Do not quote extensively further from that document. Just simply make less use of it than you intend.

**Mr. Nandlall:** While the import taxes on vehicles fewer than four years old with 1,500cc engines have been reduced by 68% and the import taxes on vehicles with 2,000cc engines have been slashed by 85%, the Association argued that the actual cost of the vehicles plus the new taxes would make acquiring such vehicles prohibitive.

Notwithstanding the slash in the excise tax, to which I made reference earlier, because the new measure imposes upon the consumer to purchase a newer vehicle, the net effect of it is that the cost is higher.

According to the Association, the most stocked and affordable vehicles in Guyana range between the years of 2002 to 2010, most of them costing between \$2 million and \$3 million. Vehicles between the years of 2008 to 2010 cost between \$3 million and \$4 million. The Association reasoned that the proposed import restriction would result in Guyanese paying a minimum of \$3 million. The cheapest vehicle will become \$3 million, which knocks out the purchased and afforded models currently in Guyana.

The Association stated that the vehicle owners would find it even more difficult to pay their monthly instalments to either the banks or auto dealers because they would barely qualify and would barely make the necessary payments.

If the Government wants to ignore us, here it is that the auto dealers...and they sell cars every day to Guyanese from all walks of life who engage in every economic activity. It would not be prudent... **[Mr. Greenidge: It is not so.]** The Hon. Minister of Foreign Affairs is telling me that it is not so. I did not know that he sells cars. These people deal with the market; they sell cars to people of all walks of life, from every geographic corner of this country, occupying every space on the social and economic ladder of this country. The Guyana Auto Dealers Association should be the barometer which we use in implementing these measures.

The Guyana Auto Dealers Association raised another issue which I have not heard being mentioned in the debate so far. The Association spoke about the availability of spare parts. The Association said, in its statement, that the older models of pick-ups have stronger suspension and they work well in the hinterland. The diesel pumps of the newer models of canter trucks, *et cetera*, have problems since these newer models carry electronic diesel pumps.

While we were in Government, we bought some trucks. They are parked at certain Neighbourhood Democratic Councils (NDCs) in the country up to now. They cannot work because the hydraulic is computer-driven and computer-operated and we could not find a mechanic in Guyana to repair them properly.

We are saying that the Government will face the same problem. The Government does not have to face the same problem. It is not I who am saying that; it is the Guyana Auto Dealers Association.

*Mr. Speaker hit gavel.*

**Mr. Speaker:** Hon. Member, if you would allow one minute... Hon. Prime Minister, we were allowed to meet until the proposed 10 o'clock. I wonder whether, in order to complete our work, the Prime Minister would move a motion to allow us to continue for another half of an hour.

**Mr. Nagamootoo:** Taking into consideration the progress that we have made, I move that the House meets continuously until the end of this motion.

*Question put and agreed to.*

**Mr. Nandlall:** We are asking that the Government extends the eight-year limit to 12 years. We do this not because we accept the concept of a ban; we are against that. We believe in freedom of choice. We believe in giving people the freedom to choose. If they want an old vehicle, they can buy the old vehicle. There are fitness requirements that they have to meet. If the Government wants, it can improve the fitness requirements.

People, in many countries, have antique motor cars which are 70 years and 80 years old. I believe that the Minister of Foreign Affairs has one. There is no prohibition against them, but there are requirements in every country that persons must satisfy to make their vehicles environmentally-friendly, which is a new concept, but, originally, it was to make their vehicles road-worthy. That has always been the test. If I want a Morris Oxford that is 60 years old, but it is driving as well as a 2008 vehicle, on what basis should I not be permitted to import that vehicle into Guyana, if it is a vehicle that I want and have the money to buy? That is the type of freedom that the Guyanese people should enjoy. Why are we taking away that freedom in the year 2016?

Societies are working together to expand freedom – to give their people greater variety of choices – and here it is that the Government is restricting choices to the people. We reject that banning approach. However, in my 50/50 formula of meeting the Government halfway, we, on this side, are proposing that the ban be extended from eight years to 12 years. Let us do it in a phased way. Again, we, on this side, extend a hand of working together. They are proposing eight years; we are saying 12 years. Let us work together. The ball is in their court. Thank you very much. *[Applause]*

**Mr. Jordan (replying):** I do not have much to add to this debate. I think that I said all that I wanted to during my rebuttal and winding up of this exercise. I touched extensively on the matter of the restriction of the importation of vehicles to under eight years, and I did give a number of reasons why we are going down that road. We have heard several arguments in this House and we will continue to hear arguments for and against this measure. But I think that, over time, the wisdom of the approach that we have taken would be seen.

While on this matter, I wish to indicate to Hon. Member Ramson that he made a mistake. I am sure that he knew that he did. In saying that Trinidad and Tobago does not have a restriction on these cars, I think that he was a bit off. As recent as a couple of weeks ago, when the Government presented the Budget, this measure created a big furore in Trinidad and Tobago with the auto dealers because Trinidad and Tobago had restricted the importation of vehicles to vehicles not older than four years. Of course, Barbados had a restriction long before. In Jamaica, there is also a restriction. This is not something new. I think that, all around, respect for the environment, leaving an environment for our generations so that they can be proud of their forebears, is catching on. I do not want to deal much more with that.

I want to just quickly touch on the matter, which the Hon. Member Nandlall raised, that has to do with the requirements for accessing licences and concessions. I will just leave a question open: is there a suggestion that we should be giving concessions to people who are not paying taxes? Clause 2 states that exemptions shall not be given unless the requirement of filing taxes and paying the applicable taxes are met. I think that is a fair way to go. One cannot want exemptions when one is not paying his or her taxes. That is what we are trying to do now. We are trying to close the loophole on all of these concessions that are being given and are not being monitored properly; therefore, a lot of people are getting away.

*10.40 p.m.*

Every day, we are signing investment development agreements with people, but when a check is done, people bring in cars and a couple of other things. That is it. All the promised employment, value-added, going into the interior and rural areas, and so forth, are lost in translation. This is an approach that is both a tax administrative measure and a revenue raising measure, in so far as trying to bring into the tax net those who should be paying taxes.

The other aspect of the Order has important parts to do with the banning, that was already announced, of styrofoam as containers because of their obvious damage to the environment and also exemption for biodegradable food containers.

Finally, computer printer ink and toner cartridges for non-commercial printers will now be exempted.

I think the motion is before the House for approval, and I believe we are at a stage at this time to wrap this up and approve it.

Thank you Mr. Speaker. [*Applause*]

**Mr. Speaker:** I thank the Hon. Minister for his statement. Hon. Members, there are a number of proposed amendments to Order No. 5 of 2016 made under the Customs Act, chapter 82:01. Hon. Member Mr. Nandlall, would like to present the proposed amendments?

**Mr. Nandlall:** Thank you very much, Sir. The amendment I wish to propose is that Order No. 5 of 2016 be amended as follows:

- (i) 'By the deletion of clause 2 thereof;
- (ii) By substituting in clause 5(1) 12(a) the word 'twelve' for the word "eight";
- (iii) By inserting in clause 5(1) 12(b) a 'comma' and the word 'mining' immediately after the word "agricultural".'

Thank you very much Sir.

**Mr. Speaker:** I thank the Hon. Member, but may I enquire that it seems to me it may prove to be useful if we did the amendments individually since they refer to different clauses in Order No. 5.

**Mr. Nandlall:** As it pleases you, Sir.

**Mr. Speaker:** We will do the first amendment you proposed in relation to clause 2 and when that is disposed of, for or against, we will move to the second amendment since that treats with a

different clause, clause 5(1)12 (a), and then the third which deals with clause 5(1)12(b), rather than trying to do them altogether.

**Mr. Nandlall:** Your method, Sir, seems to be more convenient.

**Mr. Speaker:** Thank you.

## **Clause 2**

**Mr. Nandlall:** I move that Order No. 5 of 2016 be amended by the deletion of clause 2 thereof.

**Mr. Rohee:** Mr. Chairman, I stand to second the proposed amendment.

*Amendment put and negatived.*

*Clause 2 agreed to and ordered to stand part of Order No. 5.*

## **Clause 5**

**Mr. Nandlall:**

By substituting, in clause 5(1)12(a), the word “twelve” for the word “eight”.

**Mr. Rohee:** Mr. Speaker, I stand to support the second amendment as proposed.

*Amendment put and negatived.*

**Mr. Nandlall:** I propose the third and final amendment:

By inserting, in clause 5(1)12(b), a comma and the word “mining” immediately after the word “agricultural”.

**Mr. Rohee:** Mr. Speaker, I rise to second the third and final amendment.

*Amendment put and agreed to.*

*Clause 5, as amended, agreed to and ordered to stand part of the Order No. 5 of 2016.*

*Order No. 5 of 2016, as amended, agreed to and passed.*



**Bishop Edghill:** Mr. Speaker, just to point out to you that the clause by clause consideration was not done in Committee.

**Mr. Speaker:** I thank the Hon. Member. You have been in this House serving longer than I have been but I understand that for motions there is no committee. I do thank you for the alertness with which you have brought it to my attention.

Hon. Members, I do not believe that one should impute anything but an intention to help. It could not be otherwise. [Mr. Dharamkumar: Withdraw it.] Hon. Member Mr. Dharamkumar, there is nothing to withdraw.

Hon. Members, we have completed our work for this evening. I think there is relief all around. Hon. Prime Minister, may I ask you to move the adjournment?

#### **ADJOURNMENT**

**Mr. Nagamootoo:** Mr. Speaker, I move that this House be adjourned to Thursday, 10<sup>th</sup> March, 2016 at 2.00 p.m.

**Mr. Speaker:** The House stands adjourned to Thursday, 10<sup>th</sup> March, 2016.

*Adjourned accordingly at 10.52 p.m.*