



GUYANA REVENUE AUTHORITY



GRA's ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR YEAR ENDING 31ST DECEMBER 2012



GUYANA REVENUE AUTHORITY



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ANNUAL REPORT
AND STATEMENT OF ACCOUNTS
FOR YEAR ENDING
31ST DECEMBER 2012

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BUSINESS ADDRESS

GUYANA REVENUE AUTHORITY HEADQUARTERS

200-201 Camp Street,
Georgetown.
Tel: 592-227-8222, 592-227-6060

Commissioner-General

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

Deputy Commissioner-General

Tel: 592-227-8834

DEPARTMENTS

TAX OPERATIONS & SERVICES DEPARTMENT

Tel: 592-226-8840

INTERNAL REVENUE OPERATIONS

Deputy Head

Tel: 592-226-8840

VAT OPERATIONS

Deputy Head

Tel: 592-227-8462

CUSTOMS AND TRADE ADMINISTRATION

Deputy Head

Customs and Trade Administration

Tel: 592-225-4698

INTEGRATED REGIONAL TAX OFFICES

Head

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

Telephone # 592-227-6738

New Amsterdam

5 Strand, New Amsterdam,
Berbice, Guyana
South America.,
Telephone # 592-333-2513 or 3524

Linden

31'A' Co-op Crescent,
McKenzie, Linden,
Guyana, South America.
Telephone # 592-444-2918 or 6341

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

Parika
Parika Highway
East Bank Essequibo
Guyana, South America.
Telephone # 592-260-4046

Anna Regina
Takuba Lodge,
Anna Regina,
Essequibo Coast,
Guyana, South America
Telephone # 592-771-5266/7

Lethem
Multipurpose Complex,
Lethem, Guyana,
South America.
Telephone # 592-771-2257

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SERVICE DIVISIONS

HUMAN RESOURCE MANAGEMENT

Telephone # 592-227-0471

AUDIT & VERIFICATION

Telephone # 592-226-8820

COMMUNICATION & TAX ADVISORY SERVICES

Telephone # 592-227-8222 Ext. 4200

INTERNAL AUDIT

Telephone # 592-227-8222 Ext. 4300

INFORMATION TECHNOLOGY

Telephone # 592-227-3516

INTERNAL AFFAIRS

Telephone # 592-227-8222 Ext. 3100

LEGAL SERVICES

Telephone # 592-226-1256.

TAX EXEMPTION PROCESSING & VERIFICATION

Telephone # 592-226-1256 Ext. 3500

LAW ENFORCEMENT & INVESTIGATION

Telephone # 592-227-8222 Ext. 3200

FINANCE

Telephone # 592-227-8222 Ext. 4500

OPERATIONAL SUPPORT SERVICES

Telephone # 592-227-3885

INTELLIGENCE, RISK MANAGEMENT & SPECIAL INVESTIGATION

Telephone # 227-8782 Ext. 3400

DEBT MANAGEMENT

Telephone # 592-231-4707

REVENUE PROTECTION

Telephone # 592-227-8222 Ext. 3300

PLANNING & ANALYSIS

Telephone # 592-227-8222 Ext. 2500

CONTAINER SCANNER &

GOODS EXAMINATION

Telephone # 592-231-8001

FACILITIES MANAGEMENT

Telephone # 592-227-8222 Ext. 1300

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GOVERNING BOARD

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

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LETTER OF TRANSMITTAL

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

Dear Minister,

As provided under section 28 of the Revenue Authority Act, No.13 of 1996 and with the authorization of the Board, I have the honor to submit to you the Report of the Governing Board, on the activities, financial affairs, operations and performance of the Revenue Authority for the year ended 31st December, 2012, together with the audited Balance Sheet and Income and Expenditure Account.

Yours Sincerely,

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

**Godfrey Statia
Commissioner-General**

MISSION STATEMENT OF THE GUYANA REVENUE AUTHORITY

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

CORE VALUES

The Core values of the Guyana Revenue Authority are:

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

Integrity is the corner stone of our Administration. Integrity means treating all concerned fairly and applying the law fairly and consistently. This implies acting with honesty and openness.

Professionalism is the key to success in fully discharging our mission. It means being committed to the highest possible standards of conduct. Professionalism also implies performing duties with integrity, dedication and skill.

Respect is also a basis for dealing with colleagues and clients. It means being sensitive and responsive to the rights of individuals. Respect also involves acting with courtesy and consideration at all times.

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

OUR VISION

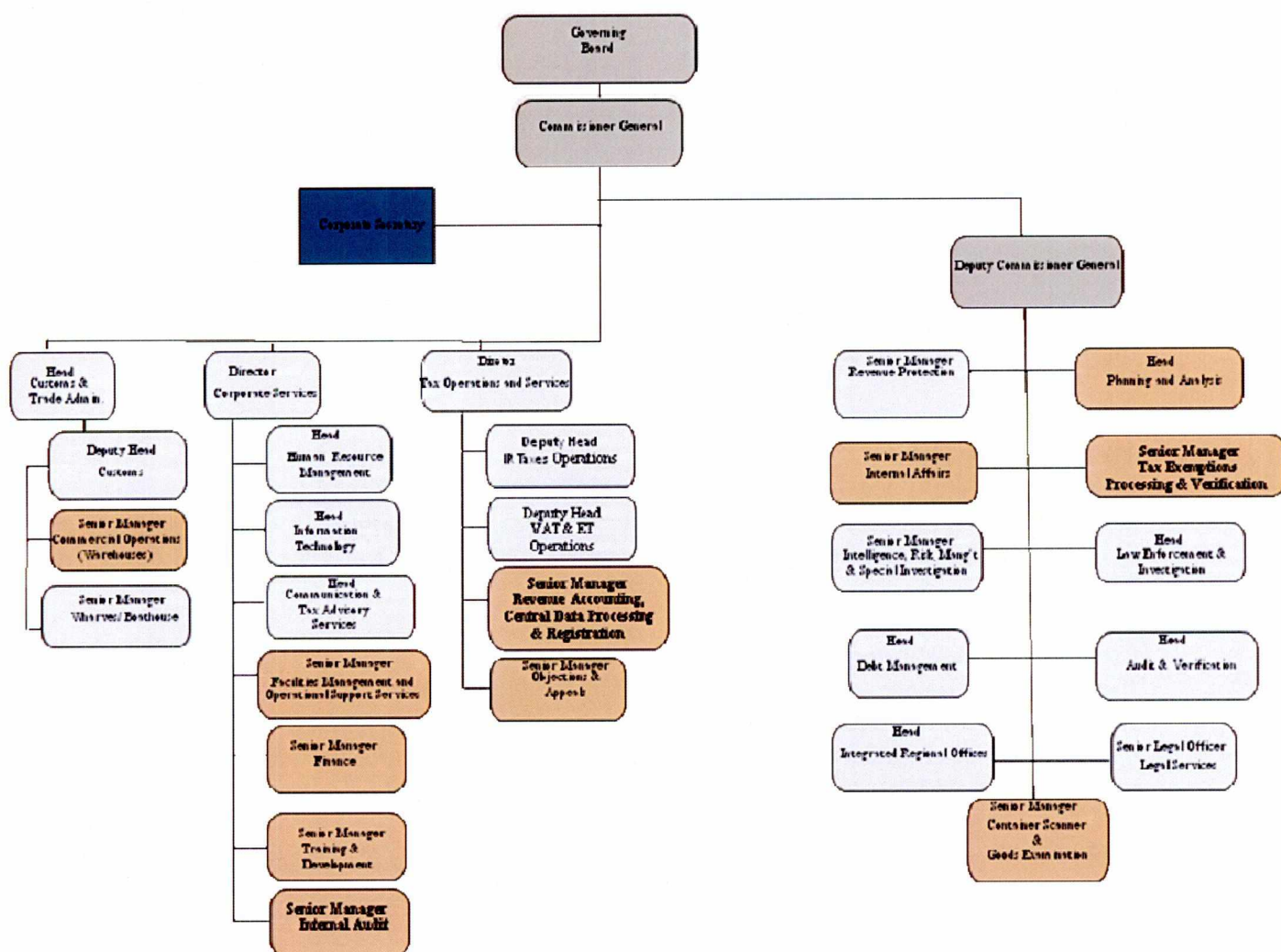
The Revenue Authority looks forward to being recognised and respected by clients and stakeholders for its integrity and fairness in administering high quality yet affordable programmes.

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

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

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

ORGANISATION STRUCTURE



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REPORT OF THE GOVERNING BOARD

REVENUE COLLECTION

Revenue collection by the Authority has maintained its upward trend during the year 2012 with collection totalling \$118.33 B. This amount exceeded the approved budget of \$116.82B by \$1.5 B or approximately 1%. When compared with collection in 2011 which amounted to \$111.4B, collection in 2012 increased by \$6.9B or approximately 6%.

Internal Revenue

The approved revenue estimate for Internal Revenue taxes for the year 2012 was **\$47.21B**. Collections amounted to **\$48.62B** which represented an increase of **\$1.41B** or **2.9%** over the approved estimate for the year and **\$1.38B** or **2.9%** over the total collected for the year 2011.

VAT & Excise Tax

The estimate approved by Parliament for VAT and Excise Taxes for the year 2012 was **\$56.72B**. Collections (after payment of \$4.5B in refunds) amounted to **\$56.86B** which represents an increase of **\$0.14B** or **0.2%** above the approved estimate and **\$3.8B** or **7.1%** over the total collected for the year 2011.

Customs & Trade Administration

The revenue estimate approved by Parliament for the Customs and Trade Administration for the year was **\$12.89B** while revenue collected amounted to **\$12.85B**. The amount collected represents a decrease of **\$0.04B** or approximately **0.3%** below the approved estimate for the year and an increase of **\$1.75B** or approximately **15.75%** above the total collected for the year 2011.

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

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

	2011	2012		
	Actual	Budget	Actual	Variance
Internal Revenue	47.24	47.21	48.62	1.41
Value Added and Excise Tax	53.06	56.72	56.86	0.14
Customs and Trade Administration	11.10	12.89	12.85	(0.04)
Total	111.40	116.82	118.33	1.51

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INSTITUTIONAL STRENGTHENING

ONLINE MONITORING OF DECLARATION STATUS

The GRA launched its online feature for the monitoring of Customs Declaration Status by importers, exporters and brokers. This is a web-based feature which enables them to access the information from their laptops or smart phones and prevents unnecessary trips to the Customs and Trade Administration.

AUTOMATION OF TRADE AND MISCELLANEOUS LICENCES

During the year, the GRA commenced the use of its new Licence Revenue Processing System (LRPS). This allowed for the automation of the sale of Liquor, Trade and Miscellaneous Licences. In addition, the sale of the automated licences also commenced at various Integrated Regional Tax Offices countrywide.

AUTOMATION OF MOTOR VEHICLES REGISTRATION

The utilization of the new LRPS also allowed for automation of the registration of motor vehicles. The automated system significantly reduces the time motor vehicle owners spend at the Licence Revenue Office while the new certificate of registration has enhanced security features such as watermark, micro fibers and ultraviolet images to allow for the detection of fraudulent certificates.

Initially, the new document was issued to persons registering new vehicles and subsequently to those requesting to change ownership of a vehicle, or change any of the facts (e.g. engine number, chassis number, colour of vehicle) stated on the registration.

NEW SYSTEM FOR RENEWAL OF MOTOR VEHICLE LICENCES

The amendment of the Motor Vehicle and Road Traffic Act Chapter 51:02, allowed the GRA to introduce a new system for renewal of Motor Vehicle Licences on the anniversary date of the initial registration of the vehicle. Previously, all Motor Vehicle Licences expired on December 31st of the year of purchase. The new system allows for motor vehicle owners to be notified of the due date of renewal via mail and also allows them to pay for their Licence at several Commercial Banks country wide once they are in receipt of the notification.

RELOCATION OF GRA'S GEORGETOWN OFFICES

GRA's Georgetown operations were carried out from six (6) separate locations. In an effort to improve efficiency, provide ease of access and timely service to taxpayers and the general public, a decision was taken to consolidate operations at the new Headquarters which is situated at Lot 200-201 Camp Street, Georgetown. This relocation, which commenced during the last quarter of 2012, was carried out in phases in order to minimize the disruption of services and is expected to conclude during the first quarter of 2013.



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

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TABLE II
INTERNAL REVENUE COLLECTION FOR THE YEAR 2012 (\$000)

REVENUE COLLECTION

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2011	2012	2012	Over 2011	Over Budget
INCOME TAX SELF EMPLOYED	2,794,143	3,055,638	3,374,794	580,650	319,156
INCOME TAX OTHERS	16,844,810	15,335,340	16,154,898	(689,912)	819,557
CORPORATION TAX:	18,444,445	20,107,337	19,576,192	1,131,747	(531,145)
- Private Sector	17,487,400	18,772,311	18,550,233	1,062,833	(222,078)
- Public Sector	957,045	1,335,026	1,025,959	68,914	(309,067)
WITHHOLDING TAX	4,976,940	4,316,539	4,843,271	(133,669)	526,732
NET PROPERTY TAX	1,722,980	1,830,045	1,866,183	143,203	36,138
PROCESS FEE	30,024	25,344	37,308	7,284	11,964
TRAVEL TAX	544,557	605,526	646,590	102,033	41,064
CAPITAL GAINS TAX	242,720	258,495	408,197	165,477	149,702
PREMIUM TAX	166,048	176,618	189,344	23,296	12,726
PROFESSIONAL FEES	7,675	8,334	8,695	1,020	361
TRAVEL VOUCHER TAX	708,048	711,082	684,189	(23,858)	(26,893)
LICENCE MOTOR VEHICLES	476,887	483,431	512,892	36,005	29,461
LICENCE OTHER VEHICLES	168	180	152	(15)	(28)
LICENCE - TRADING	16,291	16,499	11,569	(4,722)	(4,930)
LICENCE MISCELLANEOUS	12,122	12,063	13,314	1,192	1,251
PURCHASE TAX - CARS	-	-	-	-	-
M/ VEHICLES & RD TRAF ACT	256,350	270,670	294,078	37,728	23,408
TOTAL	47,244,207	47,213,141	48,621,665	1,377,458	1,408,524

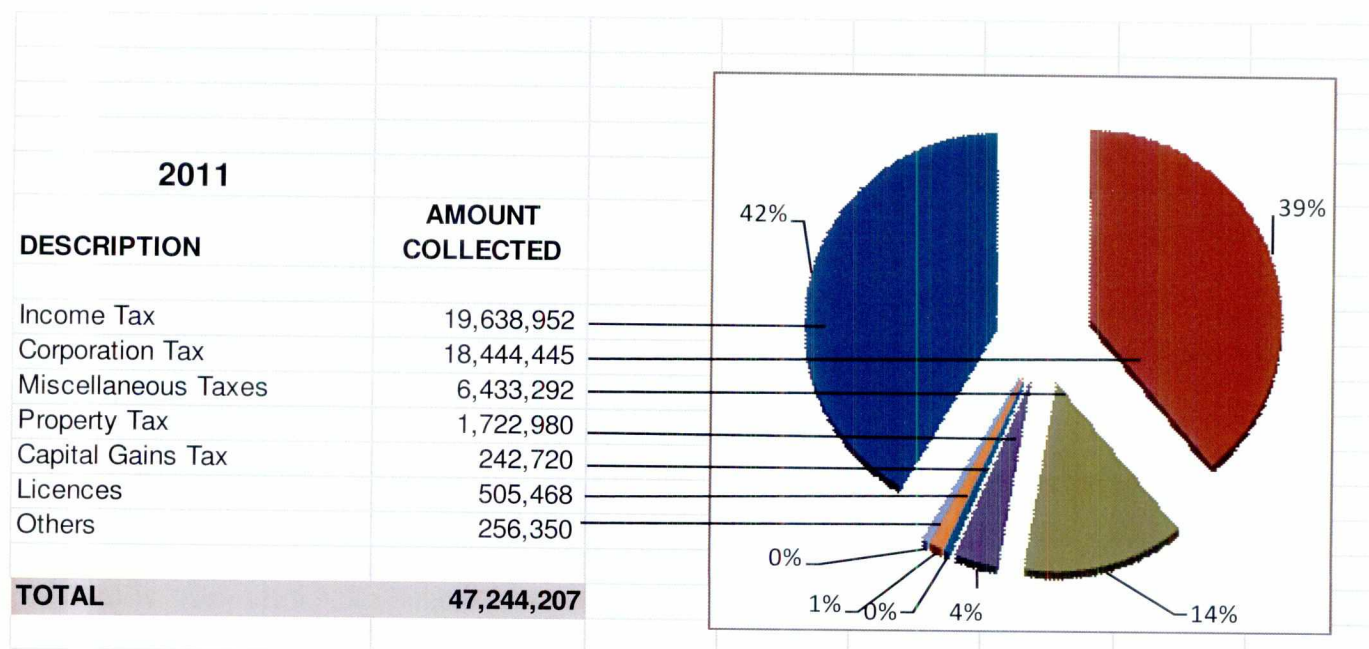
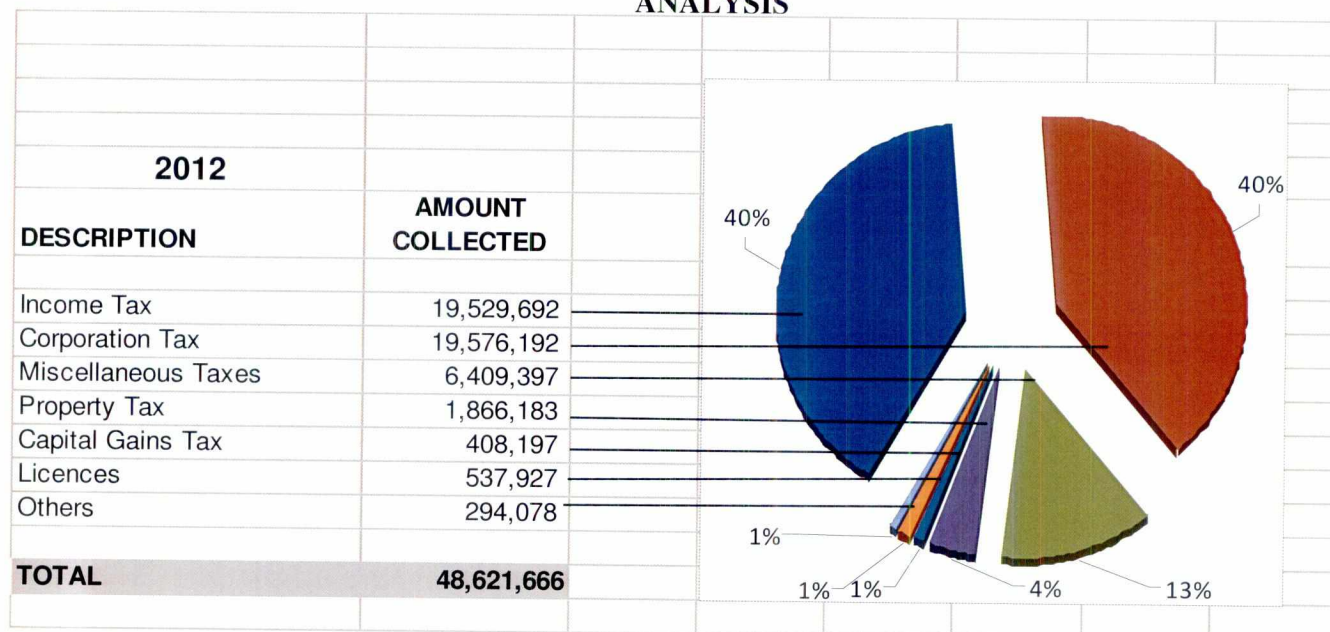
During the year 2012, the actual revenue collection amounted to \$48.6B while the budgeted figure which was approved in the National Assembly was \$47.2B. Actual collections surpassed the budgeted amount by \$1.4B or 2.9%. Total revenue for 2012 by tax type is set out in the Table above. As can be observed from the table, revenue collection under various heads exceeded the estimates by \$1.9B while collection under other heads was under the estimates by \$0.5B. During the year, revenue amounting to \$48.6B was deposited in the Consolidated Fund.

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Revenue collected during 2012 was greater than that collected during the preceding year. The actual collection for the year 2011 was \$47.2B. Revenue collection for 2012 exceeded this amount by \$1.4B or 2.9%. Income Tax and Corporation Tax continued to be the two major heads of revenue contributing approximately \$19.5B each to total revenue. The chart below compares revenue collection in 2012 with that of 2011.

**CHART I
REVENUE COLLECTION
ANALYSIS**



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TABLE III
VAT AND EXCISE TAX OPERATIONS
REVENUE COLLECTION FOR THE YEAR 2012 (\$ 000)

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL	Variance	
	2011	2012		Over 2011	Over Budget
Value-Added Tax	31,156,178	34,021,285	34,105,556	2,949,378	84,271
Imports	17,996,372	20,003,843	19,296,539	1,300,166	(707,304)
-Goods (net of refunds)	17,906,644	19,910,151	19,174,691	1,268,047	(735,460)
-Services	89,729	93,692	121,848	32,119	28,156
Domestic Supply	13,107,122	13,964,725	14,780,593	1,673,471	815,868
-Goods	13,107,122	13,964,725	14,780,593	1,673,471	815,868
-Services	-	-	-	-	-
Miscellaneous VAT:	52,683	52,717	28,424	(24,259)	(24,293)
-Interest	30,879	33,878	12,079	(18,800)	(21,799)
-Penalties	21,804	18,839	16,345	(5,459)	(2,494)
EXCISE TAX	21,900,578	22,703,413	22,752,789	852,212	49,377
Imports	19,077,422	19,564,018	19,605,321	527,899	41,303
-Motor Vehicles	7,808,603	7,998,335	10,595,651	2,787,048	2,597,316
-Petroleum Products	9,137,827	9,194,115	6,598,232	(2,539,595)	(2,595,883)
-Tobacco Products	1,161,014	1,235,711	1,291,957	130,943	56,246
-Alcoholic Beverages	969,978	1,135,857	1,119,481	149,503	(16,376)
Domestic	2,813,299	3,129,299	3,138,562	325,262	9,263
-Alcoholic Beverages	2,813,299	3,129,299	3,138,562	325,262	9,263
Miscellaneous Excise:	-	-	-	-	-
-Interest	-	-	-	-	-
-Penalties	-	-	-	-	-
Licence Fees	9,856	10,096	8,907	(949)	(1,189)
-Liquor Licence	9,856	10,096	8,907	(949)	(1,189)
TOTAL	53,056,755	56,724,698	56,858,345	3,801,590	133,647

Revenue collected during the year under review for Value Added and Excise taxes was \$56.86B which was \$0.14B or 0.2% above the estimate of \$56.72B approved by the National Assembly. Revenue collected under various heads exceeded the estimate by approximately \$3.51B while collections under other heads were under the estimate by approximately \$3.37B. This is shown in Table III above.

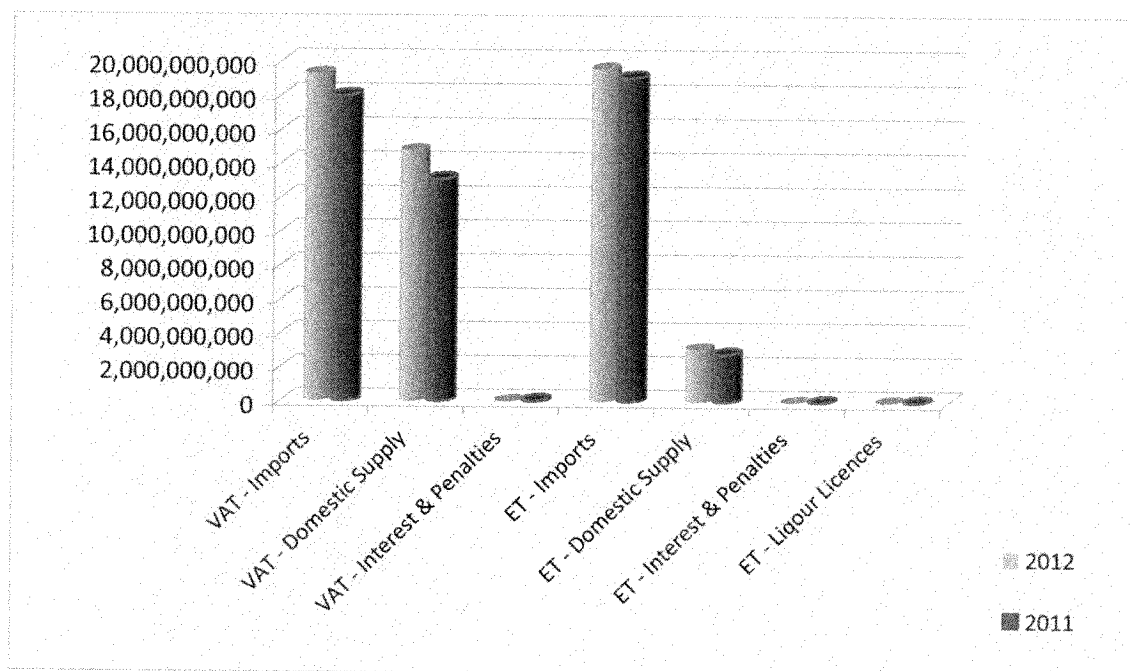
Actual revenue collection during the previous year was approximately \$53.06B. The collection for 2012 was therefore \$3.8B or 7.2% greater than that for 2011. Revenue amounting to \$56.86B was paid into the

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Consolidated Fund. The increased collection of Value-Added Tax on imported goods and Excise Tax on motor vehicles were the major contributing factors to the increased collection in 2012. The chart below compares revenue collection for the years 2011 and 2012.

CHART II
REVENUE COLLECTION ANALYSIS



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TABLE IV
CUSTOMS AND TRADE ADMINISTRATION
REVENUE COLLECTION FOR THE YEAR 2012 (\$ 000)

DESCRIPTION	ACTUAL	BUDGETED	ACTUAL 2012	Variance	
	2011	2012		Over 2011	Over Budget
IMPORT DUTIES	9,863,809	11,547,718	11,560,752	1,696,943	13,034
WAREHOUSE RENT & CHARGES	21,645	24,038	25,667	4,023	1,629
EXPORT DUTIES	9,621	5,795	9,061	(559)	3,266
MISCELLANEOUS	92,456	95,716	79,464	(12,992)	(16,252)
OVERTIME FEES	59,741	64,494	60,164	424	(4,330)
DEPARTMENTAL FINES	28,251	30,974	27,107	(1,145)	(3,867)
STAMP DUTIES	18,339	20,658	20,859	2,520	201
ENVIRONMENTAL TAX	1,014,088	1,096,592	1,070,925	56,837	(25,667)
TOTAL	11,107,950	12,885,985	12,854,000	1,746,050	(31,985)

The approved budget for the year 2012 for the Customs and Trade Administration was \$12.89B. However the actual revenue collected for the period was \$12.85B which fell below the estimate by \$0.04B or 0.3%. Revenue collected under several heads was under the estimates by \$0.05B while revenue collected under other heads was over the estimates by \$0.018B. Revenue collection for 2012 was above the 2011 collection figure of \$11.10B by \$1.75B or 15.7%. The higher revenue collection in 2012 was due mainly to the increased collection of import duties.

During the year, revenue amounting to \$12.85B was deposited into the Consolidated Fund.

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TAX OPERATIONS AND SERVICES

REGISTRATION AND CENTRAL DATA PROCESSING

REGISTRATION

For the year 2012, a total of two hundred and fifty-one (251) registration packages were issued to potential Value-Added Tax (VAT) registrants. However, only one hundred and fifty-four (154) applications for registration were received. Registration was completed for one hundred and sixty-five (165) such applicants while de-registration activities were completed for twenty-two (22) VAT registrants.

Two thousand and thirteen (2,013) packages were distributed to employers to facilitate their remission of taxes under the PAYE system while twenty five thousand, six hundred and eighty-eight (25,688) individuals and three hundred and sixty-seven (367) companies were registered for Taxpayer Identification Numbers (TIN). In addition, thirty eight thousand, eight hundred and sixty (38,860) TIN certificates were printed (inclusive of those printed for individuals and companies registered during the previous year) and dispatched to taxpayers. A total of one hundred and ninety thousand, seven hundred and forty-eight (190,748) Returns for various tax types were distributed to taxpayers. The table below shows the number of taxpayers for whom registration activities were completed.

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

Description	VAT	TIN
Registration Applications Received	154	N/A
Taxpayers Registered	165	26,055
Certificates Issued	230	38,860

LODGMENT OF RETURNS

For the year ending December 31, 2012, the Lodgment of various types of Tax Returns amounted to one hundred eleven thousand, two hundred and seventy-four (111,274). Income Tax Returns totalled seventy four thousand, nine hundred and ninety-nine (74,999) or 67% of the total returns lodged while VAT and Individual Property Tax Returns totalled twenty seven thousand, two hundred and eight (27,208) or 24% and six thousand, seven hundred and forty (6,740) or 6% respectively of the total returns lodged.

The lodgment of Employers' Returns (Form 2) amounted to one thousand, two hundred and ninety-three (1,293) while seventeen thousand, eight hundred and forty-three (17,843) Monthly Remittance Forms (Form 5) were also lodged by employers.

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Verification activities were carried out on all returns lodged to ensure that they were fully and accurately completed. As a result of such activities, two thousand, five hundred and seventy-six (2,576) query letters were dispatched to taxpayers. The number of returns lodged by tax type is shown in the table VI below.

TABLE VI
TAX RETURNS LODGED

TAX TYPE	AMOUNT
Income Tax Returns	74,999
Property Tax Returns (Individual)	6,740
Property Tax Returns (Company)	1,132
Corporation Tax Returns	1,192
Capital Gain Tax Returns	21
Excise Tax Returns	24
VAT Returns	27,208
Miscellaneous Taxes Returns	228
Total	111,544

DATA ENTRY AND APPROVAL

Upon completion of verification activities, data from the tax returns are then entered into TRIPS and if correct, subsequently approved. Data from a total of one hundred eleven thousand, three hundred and eighty-nine (111,389) returns were entered into TRIPS while approval of data entry for one hundred and eleven thousand, four hundred and eight (111,408) returns were completed (this figure includes approval of returns entered during the previous year).

The data entry of Employers' Returns (Form 2) amounted to one thousand, nine hundred and twenty seven (1,927) while approval stood at one thousand, eight hundred and thirty-seven (1,837). Seventeen thousand, four hundred and seventy-four (17,474) Monthly Remittance Forms (Form 5) were entered into TRIPS and seventeen thousand, nine hundred and forty-one (17,941) approvals were completed.

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

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TABLE VII
TAX RETURNS ENTERED AND APPROVED

TAX TYPE	DATA ENTRY	DATA APPROVAL
Income Tax Returns	78,890	78,162
Property Tax Returns (Individual)	6,931	6,945
Property Tax Returns (Company)	1,125	1,111
Corporation Tax Returns	1,159	1,152
Capital Gains Tax Returns	13	13
Excise Tax Returns	21	22
VAT Returns	22,158	22,912
Miscellaneous Taxes	1,092	1,091
Total	111,389	111,408

TAXPAYER SERVICES

CERTIFICATE OF COMPLIANCE

The issuing of compliance certificates to facilitate the transfer of ownership for motor vehicles, title to land and buildings and as a regulatory requirement for the issue of tenders, continued during 2012.

The table below illustrates a comparative analysis of the types of Tax Compliance Certificates which were issued during 2011 and 2012. Thirteen thousand, four hundred and forty-nine (13,449) compliance certificates were issued for 2012; this amount represents a 22.9 % increase over the number of compliance certificates issued in 2011. Of the total issued for 2012, four thousand, six hundred and forty-nine (4,649) certificates were issued for land and buildings, six thousand, four hundred and forty-three (6,443) were issued for motor vehicles and two thousand, three hundred and fifty-seven (2,357) were issued for tender purposes.

TABLE VIII
CERTIFICATES OF COMPLIANCE ISSUED

TYPE OF CERTIFICATE	TOTAL	
	2011	2012
Land	3,428	4,649
Motor Vehicle	5,504	6,443
Tender	2,009	2,357
Total	10,941	13,449

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Other activities conducted by the Taxpayer Services Division included the issue of seven hundred and forty-six (746) letters relating to withholding tax, one thousand, six hundred and forty-one (1,641) letters for work permit and the processing of one thousand, four hundred and forty-five (1,445) estates of deceased persons. In addition, the issue of two thousand, one hundred and thirteen (2,113) liability certificates, one hundred and thirty-nine (139) tax practice certificates and seventy-two (72) certificates of assessment were also completed.

REFUND OF TAXES

INTERNAL REVENUE

During the year 2012, refund of taxes amounting to approximately \$39M was paid to taxpayers of the various categories as compared to approximately \$592 M which was paid in the previous year. This is shown in the Table below.

TABLE IX
REFUNDS PAID BY TAX TYPE (\$)

TAX TYPE	REFUNDS 2011	REFUNDS PAID 2012
Corporation Tax	486,084,009	11,128,535
Property Tax - Companies	14,260,017	460,357
Capital Gains Tax - Individual	758,384	-
Income Tax – Self Employed	69,700,902	8,471,873
Income Tax - Individual (PAYE)	19,833,872	17,863,987
Property Tax - Individual	837,084	1,555,404
Withholding Tax - Individual	1,487,726	218,212
TOTAL	592,961,895	39,698,368

VALUE-ADDED TAX

Requests for refunds of Value-Added Tax can arise in two main categories namely: refund of input tax claimed under Section 35 of the VAT Act 2005 and refunds for special cases, claimed under Section 37 of the Act. During the year under review, staff processed a total of one thousand, four hundred and seven

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(1,407) claims for refund of taxes comprising one thousand, one hundred and six (1,106) claimed under Section 35 and three hundred and one (301) claimed under Section 37 of the VAT Act. The total refunds paid for the year under review amounted to \$4.52B comprising \$4.33B under Section 35 and \$0.19B under Section 37. A comparison of refunds paid for the years 2011 and 2012 is shown in the table below.

**TABLE X
REFUNDS PAID**

Description	Refunds Paid 2011	Refunds Paid 2012
Section 35	\$3.42	\$4.33
Section 37	\$0.22	\$0.19
Total	\$3.64	\$4.52

EXAMINATIONS

INTERNAL REVENUE

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

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

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

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

VALUE-ADDED TAX

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

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Officers conducted thirteen (13) compliance checks and fifteen (15) visits to voluntary registrants to ensure that they were complying with their obligations under the Act. Officers also conducted sixty-three (63) visits for de-registration purposes and monitored eighty-two (82) public entertainment shows.

In addition, six (6) warning letters were prepared and issued to defaulting taxpayers and a total of seventy-five million, six hundred and seventy-four thousand, two hundred and sixty-two dollars (\$75,674,262.00) in taxes were recovered by this Division during the year.

OBJECTIONS

INCOME TAX

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

The objections lodged centered on the following areas:

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

The table below shows objections to income tax from both companies and individuals at the beginning and end of the year 2012.

**TABLE XI
INTERNAL REVENUE TAXES
OBJECTIONS BY TAXPAYERS**

PARTICULARS	COMPANIES	INDIVIDUALS	TOTAL
Un-finalised at the beginning of the year (revised)	299	1,512	1,811
Registered during the year	67	260	327
Sub-Total	366	1,772	2,138
Less: Finalised during the year	138	897	1,035
Un-finalised at the end of the year	228	875	1,103

At the end of December 2012, there were one thousand, one hundred and three (1,103) un-finalised objections on hand. This figure exhibited a 39% reduction when compared with the total un-finalised objections at the end of 2011 which amounted to one thousand, eight hundred and eleven (1,811).

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Un-finalised objections relating to Individual taxpayers totalled eight hundred and seventy-five (875) or 79% of the total un-finalised objections while the remaining two hundred and twenty-eight (228) or 21% were in respect of Companies. The details are contained in Table above.

VALUE-ADDED TAX

Un-finalised objections on hand as at December 31, 2012, for the category of Valued-Added Taxes totalled one hundred and forty-eight (148). Thirty-one (31) out of the total un-finalised objections or approximately 21% were attributed to Individual taxpayers while the remaining one hundred and seventeen (117) or approximately 79% were in respect of Companies. The details are shown in Table XII below.

**TABLE XII
VALUE-ADDED TAX
OBJECTIONS BY TAXPAYERS**

PARTICULARS	COMPANIES	INDIVIDUALS	TOTAL
Un-finalised at the beginning of the year	102	73	175
Registered during the year	41	26	67
Sub-Total	143	99	242
Less: Finalised during the year	26	68	94
Un-finalised at the end of the year	117	31	148

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LICENCE REVENUE OFFICE

A total of ninety-six thousand, one hundred and eighty-six (96,186) motor vehicles were processed for the sale of licences during 2012 as compared with one hundred and forty thousand, eight hundred and ninety-four (140,894) in 2011. New registrations for the year amounted to sixteen thousand, one hundred and seventy-two (16,172) while the corresponding figure for 2011 was thirteen thousand, three hundred and ninety-three (13,393). Table XIII below sets out the various categories of vehicles licenced and the new vehicles registered during the year 2012 as compared with 2011.

TABLE XIII
MOTOR VEHICLES LICENCED & NEW VEHICLES REGISTERED

Type of Vehicle	Motor Vehicles Licenced 2012	New Registration		Increase/Decrease in New Registration
		2012	2011 (Revised)	
Agricultural	5,678	1,373	1,238	135
Diplomat	256	55	49	6
Goods	15,045	2,272	2,334	(62)
Government	1,660	241	156	85
Government/Agricultural	41	24	21	3
Hire	12,447	1,519	1,132	387
Military	1	8	3	5
Private	61,058	10,680	8,460	2,220
Total	96,186	16,172	13,393	2,779

CUSTOMS AND TRADE ADMINISTRATION

The mandate of this Department is to promote compliance with Guyana's Customs, Trade and Border Laws and Regulations through quality service and responsible enforcement. The Department carries out its mandate through two (2) Divisions, namely: Commercial Operations and Wharves and Boathouse.

COMMERCIAL OPERATIONS DIVISION

The Commercial Operations Division is comprised of the Entry Processing and Private Warehouse Sections and the Filing Room.

ENTRY PROCESSING

During 2012, staff of the Entry Processing Section of the Commercial Operations Division vetted a total of fifty-eight thousand, eight hundred and sixty-three (58,863) declarations, queried two thousand, six hundred and twenty-one (2,621) and assessed a total of fifty-five thousand, eight hundred and eighty-six (55,886). Staff also processed twenty-eight (28) applications for refund of duties and performed one thousand, three hundred and seventy-eight (1,378) help desk activities. In addition, six hundred and twenty-six (626) Permits for Immediate Delivery (PIDs) were processed.

PRIVATE WAREHOUSE

Staff attached to the Private Warehouse Section inspected and documented the warehousing of one thousand, four hundred and eighty-eight (1,488) vehicles, representing a 58% increase when compared to the number of vehicles that were warehoused for 2011. Staff also monitored the receipt and warehousing of three thousand, four hundred and ten (3,410) tires and generator sets. With respect to deliveries, the staff monitored and processed the delivery of one thousand, two hundred and six (1,206) vehicles which was an increase of 49% in comparison to 2011, while deliveries of tires and generator sets amounted to two thousand, three hundred and thirty-two (2,332). Two hundred and twenty-six (226) visits were made to the various warehouses to ensure that the facilities were in compliance with the applicable laws.

FILING ROOM

Staff of the Customs Filing Room are tasked with the efficient storage and retrieval of customs documents and to this end they received one hundred and ninety-two thousand, seven hundred and ninety-seven (192,797) customs declarations and six thousand, one hundred and twelve (6,112) ship and aircraft files. The sorting of customs documents amounted to one hundred and eighty-six thousand, one hundred and eighty-one (186,181). Staff also scanned one hundred and seventy-four thousand, four hundred and twenty-two (174,422) entries, classified documents and subsequently created one hundred and fifty thousand, three hundred and seventy-four (150,374) files for them.

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WHARVES AND BOATHOUSE DIVISION

WHARVES

The staff attached to the Wharves reported the arrival of a total of four hundred and eighty-four (484) vessels and the departure of five hundred and thirty-eight (538) vessels. This represented a 15% shortfall in the projected number of arriving vessels and a 12% increase in the projected number of departing vessels. In addition, one hundred and fifty (150) incoming ships' files and one hundred and one (101) outgoing ships' files were completed. Imported cargo processed during the year amounted 691,216 metric tons while exported cargo amounted to 699,250 metric tons. In addition, revenue collection by staff of the Wharves amounted to \$591,560,951.

BOATHOUSE

Staff of the Boathouse Section completed a total of three hundred and thirty (330) incoming ship's files and a total of two hundred and twenty-two (222) outgoing ship's files for 2012. Further, the loading of two hundred and sixty-three (263) vessels and the discharge of four hundred and fifty-one (451) were monitored. Revenue collected by staff amounted to \$13,738,430.

GUYANA POST OFFICE CORPORATION (GPOC)

Staff attached to the Customs operations at the GPOC examined a total of eight thousand, four hundred and forty-one (8,441) incoming parcels and two thousand, six hundred and forty-eight (2,648) outgoing parcels. With respect to packets, six thousand, three hundred and ninety-nine (6,399) incoming and one thousand, six hundred and ninety-three (1,693) outgoing packets were examined. Revenue collected at the GPOC on behalf of the Customs and Trade Administration amounted to eighteen million, six hundred and forty-five thousand, eight hundred and eighty-four dollars (\$18,645,884.00).

CHEDDI JAGAN INTERNATIONAL AIRPORT (CJIA)

Four thousand, six hundred and thirty-two (4,632) aircrafts arrived and eight hundred and four thousand six hundred and sixteen (4,616) departed during the period under review while four thousand, two hundred and fifty-seven (4,257) incoming aircraft and four thousand, five hundred and eighty (4,580) outgoing aircraft files were completed.

One million, two hundred and nine thousand and sixteen (1,209,016) metric tons of cargo were imported during the year through the CJIA while two million, one hundred and seventy-one thousand, nine hundred and five (2,171,905) metric tons were exported.

Revenue collection at the CJIA for 2012, inclusive of VAT and Excise Tax, amounted to one billion, three hundred and ninety-two million, eight hundred and four thousand, four hundred and seventy-eight dollars (\$1,392,804,478) while revenue collection exclusive of VAT and Excise Tax was four hundred and twenty million, three hundred and thirty-one thousand, four hundred and twenty-one (420,331,421).

INTEGRATED REGIONAL TAX OFFICES

The Authority has established Integrated Regional Tax Offices (IRTO) at several locations around the country. These include Lethem, Linden, Anna Regina, Parika, Corriverton and Linden. The aim of establishing the Tax Offices was the provision of a “one-stop” service to taxpayers thereby improving efficiency.

TAX COMPLIANCE

Compliance certificates were issued to taxpayers to facilitate the transfer of ownership of motor vehicles, title to land and buildings and to satisfy regulatory requirements for the issue of tenders. A combined total of four thousand, two hundred and seventy (4,270) certificates were issued by the Regional Tax Offices. Of this total, eight hundred and fifty-one (851) were issued at Anna Regina, seven hundred and eighty (780) at Corriverton, six hundred and fifty (650) at Linden and one thousand nine hundred and eighty-nine (1,989) at New Amsterdam.

RETURNS PROCESSING

A combined total of thirty five thousand, six hundred and thirty seven (35,637) Tax Returns inclusive of Employers’ Returns (Form 2) and Monthly Remittance Forms (Form 5) were lodged at the Regional Tax Offices. Data entry activities were completed for thirty four thousand, four hundred and twenty six (34,426) while data approval was completed for thirty one thousand, seven hundred and three (31,703).

Four thousand, four hundred and fifty four (4,454) returns were lodged at the Linden Office and verification of data was completed for all of them. Data entry was completed for two thousand, one hundred and sixty (2,160) returns, while approval of data entered was completed for two thousand, seven hundred and ninety-nine (2,799). These figures include returns which were lodged during the previous year.

At the Corriverton Office, eleven thousand, nine hundred and thirty-six (11,936) returns were lodged. Data entry was completed for nine thousand, two hundred and twenty-eight (9,228) returns while approval was completed for nine thousand, two hundred and twenty-two (9,222).

At the Anna Regina Office, seven thousand, three hundred and twenty-three (7,323) tax returns were lodged with data entry and data approval completed for all Returns.

Staff of the New Amsterdam Office, received eleven thousand, nine hundred and twenty four (11,924) Returns. Data entry was completed for fifteen thousand, seven hundred and fifteen (15,715) returns, inclusive of Returns which were lodged during the previous year, while data approval was completed for twelve thousand, three hundred and fifty-nine (12,359).

FILE CLEARING

Through the process of file clearing, staff were able to monitor the collection of outstanding tax balances. During the year under review, officers cleared a total of eight hundred and ninety-nine (899) files. One hundred and ninety-three (193) of those were cleared at the Linden Office while six hundred and fourteen (614) files were cleared at New Amsterdam Office and the remaining ninety-two (92) files were cleared at the Corriverton Office.

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OBJECTIONS

Staff at the Anna Regina Office registered and finalized twelve (12) objections while five (5) were registered at Linden and six (6) were registered at New Amsterdam. However, at the end of the year objections registered at Linden and New Amsterdam were still to be finalized.

LICENCES - ISSUE AND RENEWAL

A combined total of thirty six thousand, seven hundred and thirty-seven (36,737) Trade and Miscellaneous Licences were issued and renewed at the Integrated Regional Tax Offices. At the New Amsterdam Office, three thousand, one hundred and ninety-seven (3,197) licences were issued and renewed while five hundred and nine (509) were issued and renewed at the Parika Office and seven hundred and forty-three (743) were issued and renewed at the Anna Regina Office. Further, thirty eight (38) licences were issued and renewed at the Linden Office and thirty-two thousand, two hundred and fifty (32,250) liquor licences were issued at the Lethem Office.

ADVISORY AND COMPLIANCE VISITS

Two (2) visits to voluntary VAT registrants were conducted by staff of the Anna Regina Office while twelve (12) Advisory visits were executed by staff of the Corriverton Office. Forty-nine (49) compliance checks were conducted by staff at New Amsterdam while thirteen (13) such visits were conducted from the Parika Office. These visits sought to ensure that registrants understood their rights and responsibilities under the various Acts administered by the Authority.

PUBLIC ENTERTAINMENT CHECKS

Staff of the Anna Regina Office monitored one (1) public entertainment event to ensure the payment of relevant taxes by the promoters while nine (9) such events were monitored by staff of the New Amsterdam Office and six (6) by staff at Corriverton.

CUSTOMS ACTIVITIES

At Corriverton, staff continued to facilitate the clearance of the ferry operating between Guyana and Suriname along with passengers and vehicles making use of the service. The vessel was cleared on one hundred and fifty-eight (158) occasions while the number of incoming and outgoing passengers cleared totalled fourteen thousand, four hundred and thirty (14,430) and fourteen thousand, six hundred and fifty four (14,654) respectively. Foreign vehicles which were cleared for temporary importation and exportation amounted to five hundred and ninety-one (591) and six hundred and twenty-five (625) respectively while seven hundred and forty-seven (747) local vehicles were cleared for temporary exportation and seven hundred and thirty-one (731) were cleared upon return to Guyana. All incoming and outgoing ships' files related to the vessel were completed.

With respect to the New Amsterdam office, the number of international vessels reported, boarded and cleared by staff amounted to one hundred and twenty-seven (127) while coastal vessels which were reported, examined and cleared amounted to sixty-six (66). The number of incoming and outgoing ships' files which were completed amounted to eighty-nine (89) and ninety-four (94) respectively while incoming and outgoing postal packages which were examined totalled one thousand, six hundred and thirty-five (1,635) and three hundred and twenty-two (322) respectively.

Staff at Lethem continued to carry out examinations of both cargo and passenger vehicles as well as passengers' luggage in order to curb the smuggling of items and avoidance of taxes and duties. Thirty eight thousand, seven hundred and sixty-six (38,766) passenger vehicles were examined while two hundred and

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thirty-four (234) vehicles transporting cargo were examined. In addition, luggage accompanying passengers were examined on twenty six thousand, two hundred and fifty-six (26,256) occasions.

Further, a combined total of seven hundred and fifty-three (753) customs declarations were processed by staff at the Integrated Regional Tax Offices.

REVENUE COLLECTION

The Total Revenue collection by the offices for 2012 amounted to approximately \$3.6 Billion.

Of this amount, one billion, one hundred and seventy million, five hundred and twenty-nine thousand, three hundred and twenty-two dollars (\$1,170,523,569) was collected by the Corriverton office. Six hundred and eighty-three million, eight hundred and sixty-five thousand, seven hundred and eighty-one dollars (\$683,865,781) was collected by the New Amsterdam office while two hundred and seven million, six hundred and nineteen thousand, four hundred and eleven dollars (\$207,619,411) was collected by the Lethem branch office.

One hundred and seven million, three hundred and thirty-one thousand and sixty-seven dollars (\$107,331,067) was collected by the Parika office while three hundred and thirty-seven million, eight hundred and thirty-three thousand, nine hundred and eighty-two dollars (\$337,833,982) was collected by the Anna Regina office. The remaining one billion, one hundred and fifty million, five hundred and seventy-one thousand, three hundred and ninety-four dollars (\$1,150,571,394) was collected by the Linden office.

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EXEMPTION OF DUTY AND TAXES

Customs Duty, Excise Tax and Value-Added Tax

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

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

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

EXEMPTION POLICY

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

1. Unconditional Exemptions
2. Conditional Exemptions

Unconditional Exemptions

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

Categories of Unconditional Exemptions

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

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

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Conditional Exemptions

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

Categories of Conditional Exemptions

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

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

The table below reflects the value of revenue foregone as a percentage of actual revenue collected by the Guyana Revenue Authority, for customs duty, excise tax and value-added tax, for the year 2011 relative to the year 2012.

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

	Revenue Collection		Conditional Exemptions		Unconditional Exemptions		Total Exemptions	
	2011	2012	2011	2012	2011	2012	2011	2012
Total	64,164,705	69,744,330	52,622,379	52,626,543	9,369,654	9,972,613	61,992,033	62,599,157
Ratio of exemptions to revenue collection			82.01%	75.45%	14.60%	14.29%	96.61%	89.75%

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Total Exemptions for the year 2012 was G\$62,599,157,131 representing 89.75% of revenue collected by the Customs and Trade Administration and the Value Added and Excise Taxes Operations which amounted to G\$69,744,330,000. Conditional Exemptions was G\$52,626,543,454 or 75.45% of revenue collection while Unconditional Exemptions represented \$9,972,613,677 or 14.29% of revenue collection.

Exemptions have remained relatively stable over the years 2011 and 2012. However, an increase in revenue collection over the period under consideration resulted in a decline in the ratio of exemptions to revenue collection.

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PERFORMANCE OF SERVICE DIVISIONS

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

A: HUMAN RESOURCE MANAGEMENT DIVISION

This Division is mandated to:

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

◆ STAFF ESTABLISHMENT

To carry out this mandate, the Authority had an actual staff strength of one thousand and eighty-seven (1,087) or approximately 77% of the approved staff complement of one thousand, four hundred and two (1,402). The actual staff strength for the year 2012, exhibited a small increase over the actual staff strength for the year 2011, which totalled one thousand and eighty (1,080) or approximately 82% of the approved staff establishment of one thousand, three hundred and thirteen (1,313).

Of the one thousand and eighty (1,087) employees, four hundred and thirty-seven (437) or approximately forty percent (40%) were male while six hundred and fifty (650) or approximately percent (60%) were female.

Recruitment for the period under review totalled ninety-six (96) while promotions amounted to fifty-one (51). Separations amounted to seventy-one (71) resulting in a staff turnover of 6.5% as compared with 7.3% in the previous year. Of the seventy-one (71) persons who departed, forty-four (44) resigned, five (5) retired, five (5) had their services terminated, fourteen (14) were dismissed and three (3) died.

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B: TRAINING AND DEVELOPMENT DIVISION

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

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

◆ INTERNAL TRAINING

During the year a total of twenty (20) Internal Training Programmes were organized by the Training and Development Division which resulted in the attendance of five hundred and forty four (544) staff members. These programmes were intended to equip staff members with the necessary skills needed to function in their respective capacities. Included among the programmes were Practice Advisory Module for Auditors, Electronic Auditing, Fraud Detection Techniques, Tools and Techniques for Auditors as well as Forensic Auditing. The staff of the Internal Audit Division were the beneficiaries of these sessions which were sponsored by the Institute of Internal Auditors (IIA), both the Guyana and Trinidad and Tobago Chapters.

Thirty-two (32) staff members attached to Divisions including Goods Examination, Law Enforcement and Investigation, Wharves and Boathouse were exposed to Basic Narcotics Training, which was facilitated by the Officers of the Customs Anti Narcotic Unit (CANU). Some areas covered included the types and identification of narcotic substances, methods of concealment and procedures after arrest. The Convention on International Trade in Endangered Species (CITES) and the Green Customs Initiative were programmes which were facilitated by the staff of the Hydromet Office of the Ministry of Agriculture and benefitted staff of the Customs and Trade Administration.

In addition, members of staff also benefited from other internal workshops which focused on Post Clearance Techniques, Customs Brokerage, Communication Skills, Income Tax Legislation as well as Ozone Action Special Webinar. There were also training programmes for staff attached to the Revenue Protection Division and the Customs and Trade Administration in areas such as Valuation, Classification, Rules of Origin, Warehousing, Basic Accounting, Examination Techniques and the opening and closing of ships' files.

The staff of the Information Technology Division benefited from a workshop which demonstrated new TRIPS software. This demonstration was conducted by consultants attached to Crown Agents. Further, Auditors attached to the Audit and Verification, Internal Affairs and Post Clearance Audit Divisions participated in a workshop which covered the development of Tax Administration in Latin America and the Caribbean and which was facilitated by representatives of CIAT and Chile's IRS.

◆ EXTERNAL TRAINING - LOCAL

The Public Service Ministry (PSM) facilitated eleven (11) programmes which included Principles of Supervisory Management, Preparation for Retirement, Principles of Professional Secretarial

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Practice, Customer Care, Principles of Human Resources Development, the Practice of Human Resource Management, Government Accounting Procedures, Personnel Practice Policy and Occupational Health and Safety. These programmes were attended by staff from the Human Resource Management, Training and Development and Audit and Verification Divisions.

CARICOM also facilitated several workshops/meetings which included the meeting to consider the revised Report on Article 164 of the Treaty of Chaguramas and Products benefiting thereunder, the 35th Meeting of the Council for Trade and Economic Development (COTED), the 34th Meeting of the Customs Committee of COTED and the Legal and Technical Review of Article 238. These Meetings were attended by the Deputy Head and a Senior Manager of the Customs and Trade Administration.

Staff were also exposed to various other seminars covering areas such as Practical Materials Storage Management, a Draft National Policy on Georgetown Information which was conducted by the Ministry of Natural Resources and the Environment, along with a Specialised Workshop on the Prevention and Fight against Terrorism and its Financing which was facilitated by the United Nations Office on Drug and Crime.

Staff attached to the Law Enforcement and Investigation Division were participants in workshops which dealt with Narcotics, Seaport Security and Anti-Terrorism, Container Examination, and Container Control. These workshops were facilitated by the United States Embassy, the Guyana Police Force and the Guyana Defence Force Coast Guard.

Other programmes from which staff were able to benefit included Forensic Examination, Aid for Trade Workshop, Effective Inventory Management, Basic Purchasing Skills, Library Science and Project Management Concepts and Application. Administrative Secretarial Support, Administrative Development, as well as a seminar on the role of the Administrative Professional in an information society were also attended by staff.

◆ EXTERNAL TRAINING/CONFERENCES - OVERSEAS

The Commissioner General, Mr. Khurshid Sattaur, participated in the Inter-American Centre of Tax Administrations' (CIAT) 46th General Assembly which was held in Chile as well as its Technical Conference which was held in the Netherlands. The Deputy Commissioner-General, Mr. Clement Sealy and the Director, Tax Operations and Services Division, Ms Hema Khan, both attended the 22nd General Assembly and Technical Conference of the Caribbean Organisation of Tax Administrators (COTA) which was held in Trinidad and Tobago. Ms. Hema Khan also participated in COTA's 38th Meeting, also held in Trinidad.

The World Trade Organisation Meeting on Trade Facilitation which was held in Geneva and the 4th Meeting of the Joint Council under the Caricom-Dominica Republic Free Trade Agreement, held in Trinidad and Tobago, were both attended by Ms Karen Chapman - Deputy Head, Customs and Trade Administration. Mr. Wesley Duke, Senior Manager Law Enforcement and Intelligence Division participated in the 34th Conference of the Caribbean Customs Law Enforcement Council (CCLEC) hosted in St. Lucia while the Senior Manager attached to the Commercial Operations

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Division of the Customs and Trade Administration, visited Barbados Customs to observe the application and operation of the Advanced Binding Ruling system.

Mr. Francis Simmons, Head - Information Technology and Mr. Michael Blake, Senior Manager - Information Technology both participated in the Emerson Network Power-Liebert/Specom Customer Conference which was held in Columbus, Ohio and aimed at introducing participants to new and more efficient technologies in critical power management with respect to data centers.

Mr. Ron Simboo, Head - Debt Management and Ms. Lavina Waldron participated in the Regional Collection and Enforcement Workshop held in St. Kitts & Nevis and facilitated by the Caribbean Regional Technical Assistance Center (CARTAC) while Ms. Sharon Carrington, Head - Audit and Verification, attended a seminar on Taxation and Development which was held in Chile and facilitated by CIAT. Mr. Sean Richmond, Senior Manager, Commercial Operations was a beneficiary of the Sub Regional Capacity Building Workshop which was conducted by UNESCO in Castries, St. Lucia.

The World Customs Organisation (WCO) along with the Inter American Development Bank (IDB) and CCLEC facilitated a workshop on Non-Intrusive Inspection (NII) which was held in the Dominican Republic and attended by Mr. Stanley Phillips, Manager - Goods Examination.

Meanwhile, Ms Roslyn Corlette, Tax Specialist, Communications and Tax Advisory and Mr. Troy Vannooten, Manager, Law Enforcement and Investigation Division attended a Multilateral Environment Agreements (MEA) Enforcement Workshop for Customs Officials and Border Control Personnel in Santo Domingo. The workshop was facilitated by MEAs Capacity Building Project. Exchange of Information was the focus of a conference which was held in Florida, USA and hosted by CIAT. This was attended by Ms Deanah Matthias, Head – Internal Revenue Operations.

In addition, training on Advance Passenger Information System, hosted by CARICOM Implementation Agency for Crime and Security and the US Customs and Border Protection in collaboration with the Caribbean Basin Security Initiative, was held in Barbados and attended by Ms Yonette Heyligar, Senior Manager Wharves and Boathouse. The 6th Annual Container Control Programme Meeting, which was held in Panama City, was attended by staff attached to the Customs and Trade Administration while a Risk Management workshop, hosted by the Government of Jamaica was attended by staff attached to the Risk Management and Container Scanner and Goods Examination Divisions.

C: FINANCE DIVISION

FINANCE DIVISION

CURRENT EXPENDITURE

Total releases to the Authority from the Ministry of Finance amounted to \$3,949.76 million. The current expenditure for the year was approximately \$3,892.57 million. At the end of the fiscal year, there was a

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balance of \$57.19 million; this sum will be refunded to the Accountant General. These figures are all reflected in the Financial Statements.

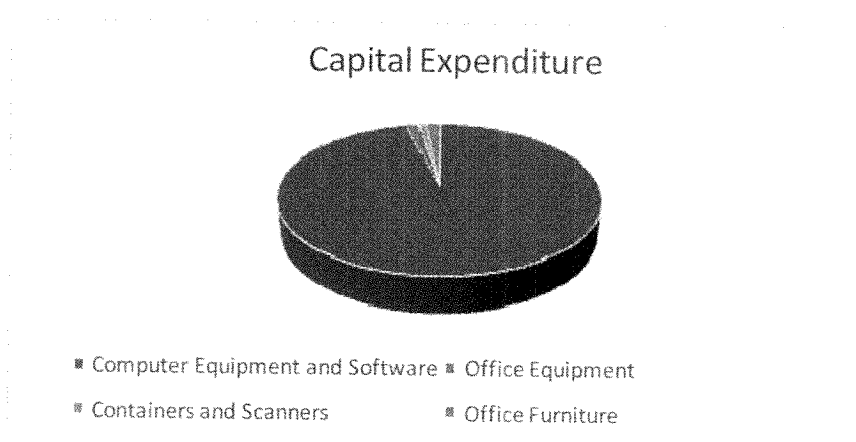
CAPITAL EXPENDITURE

The Ministry of Finance released \$50.94 million and the sum of \$49.91 million was expended. This resulted in a balance of \$1.03 million. The breakdown of capital expenditure is shown in the table and chart below.

TABLE XV
CAPITAL EXPENDITURE FOR THE YEAR ENDING 2012
BY TYPE OF ASSET

Category of Asset	Amount \$ M
Computer equipment and software	47.85
Office Equipment	.78
Containers and scanners	.41
Office Furniture	.87
Total	49.91

CHART I
CAPITAL EXPENDITURE 2012



FINANCIAL STATEMENTS

The audited Financial Statements which form part of this report are contained in pages 54 to 70.

D: COMMUNICATION AND TAX ADVISORY SERVICES

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

Public Relations

The television, radio and print media were utilized to publish advertisements which promoted the image of the organization, to aide taxpayers in complying with the Laws and Regulations, to promote the sale of Motor Vehicle Licences and to air other issues pertinent to the Authority. A total of fifty-two (52) television, thirty-three (33) radio and ninety-five (95) print advertisements were prepared and published during the year under review.

The pre-recorded radio programme, 'Revenue Update' and pre-recorded television programmes, 'Let's Talk Tax' and 'Focus on GRA' were frequently aired with the aim of educating taxpayers on various tax related issues. The actual number of programmes aired was one hundred and six (106), thirty-three (33) and forty-six (46) respectively. Further, staff also made thirteen (13) appearances on the live television programme - 'Guyana Today' and seven (7) appearances on the live radio programme - 'Let's Gaff.' These appearances were also aimed at educating taxpayers and promoting compliance and focused on issues such as the procedures for Clearing Personal Effects, obtaining a Tax Practice Certificate and Taxpayer Identification Number, filing Employers' Returns, Income Tax and Property Tax Returns, clearance of vessels entering and departing Guyana and the random selection of goods for examination among others.

During the month of April, staff of the Section, along with those from other Divisions, manned tax sites which were established at several locations around the city and in the regions. These sites were aimed at making taxpayers aware of their responsibilities under the various Tax Laws and promoting compliance with the deadline for submission of Tax Returns.

Distribution of tax policies to stakeholders of the Authority amounted to forty-three (43) while eight (8) visits to the regional locations were completed. Staff also issued a total of fifty-five (55) press releases, arranged several press conferences and participated in special events such as the University of Guyana's Career Day activities, GuyExpo, Berbice Expo and the Essequibo Technical Institute Career Fair. Booklets, brochures and tokens were distributed during these events.

Tax Advisory Services

During the period under review, staff received and processed eight thousand, eight hundred and thirty-two (8,832) tax related queries over the telephone. The significant increase in this activity can be attributed to increased awareness by taxpayers of the availability of this service. Guidance was also given to one thousand, five hundred and thirty-two (1,532) taxpayers and members of the public who visited the organisation and sought advice on the services provided by the organisation. Two hundred and ninety-nine (299) responses were also prepared to written queries (e-mails and letters).

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Forty-one (41) seminars and twenty-one (21) workshops were conducted by staff of the Section at various locations including several nursery and primary schools located in Regions 4 and 6. The attendance at these seminars/workshops totalled approximately seven hundred (700) persons and the topics covered included Employers' Returns, Property and Income Taxes among others.

A total of thirty-four (34) appearances were made by staff on the programme 'GRA in Focus' during the period under review. Approximately seven thousand, four hundred and forty (7,440) educational material and amendments were distributed to taxpayers at workshops and to taxpayers who visited the organisation. The Tax Advisory Services Section also prepared eighteen (18) tax policies and continued to provide information to update GRA's website.

Publication and Operational Procedures

Staff of the Section continued to update Acts and Regulations administered by the Authority and to this end the Income Tax and Value-Added Tax Acts were updated with recent amendments. Whenever necessary, Acts and/or Regulations were printed internally for distribution within the Authority. The preparation of new, as well as adjustments, to existing Standard Operating Procedures (SOPs) were also undertaken with a total of sixty seven (67) SOPs being prepared/amended. These SOPs were related to the granting of Tax Exemptions, the Release of Commercial Cargo, Random Selection of Imports for Examination, Currency Declaration and the Clearance of Coasting Aircraft among others. The flowcharts related to those SOPs were also adjusted.

The structures of several Divisions were adjusted to reflect ongoing changes to increase efficiency within the Authority. Staff also collaborated with staff of the Information Technology and Human Resource Management Divisions to facilitate the implementation of the new Human Resource/Payroll application – PeopleNet. Further, assistance was rendered in the research and drafting of Technical Papers for presentation at various fora.

The Learning Resource Centre which is a part of this Section continued to play an important role in facilitating the research needs of users. Staff throughout the organisation were able to use the internet services which were available along with online journals as well as text books to carry out research. Staff of the facility also ensured that all relevant material were catalogued and the necessary barcode labels inserted and scanned into the KOHA database, which allows access to the Centre's collection. Further, in excess of one hundred and thirty (130) items comprising books and magazines were added to the Centre's collection while copies of the Official Gazette were collected and stored appropriately.

E: INTERNAL AUDIT DIVISION

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

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

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A total of eighty-eight (88) audits, inclusive of twenty-four (24) special assignments, were completed by staff of the Division. Of this amount, sixty-one (61) were completed by Internal Audit and twenty-seven (27) by Quality Review.

Twenty-two (22) audits inclusive of six (6) special assignments were completed at the Internal Revenue Operations. Of the audits completed, eight (8) were finalized with responses from the auditee and two (2) were finalized without responses. At the end of the reporting period, finalisation of the reports from the remaining audits which were completed was pending. Some of the activities audited for Internal Revenue included Estate Duty, issue of Liability and Compliance Certificates, Refunds and Travel Tax Tickets.

Twenty-one (21) audits were executed at the Value Added and Excise Taxes Operations during 2012. This included seventeen (17) routine audits and four (4) special assignments which were carried out at the request of the Commissioner-General and the Internal Audit Committee. Activities audited included Dishonoured Cheques, Registration and De-Registration of taxpayers, public entertainment checks along with the Examination and Revenue Accounting Sections.

Although eighteen (18) audits were completed at the Corporate and Common Services Divisions, only sixteen (16) were finalised and submitted to the Commissioner-General, the Internal Audit Committee and the Governing Board. Areas audited Local Travel and Subsistence, Imprest Accounts, Electricity and Water Charges, overseas telephone charges, Procurement, State Overtime, Salaries and Deductions and the Training and Development and Human Resource Management Divisions.

The Quality Review Section completed twenty-seven (27) audits of which fourteen (14) were routine and thirteen (13) were special assignments. Twenty-three (23) of those audits were finalised and reports issued to the Commissioner-General and members of the Internal Audit Committee. The remaining audits are to be finalised in the coming year. Audits were conducted on the operations of several Transit Sheds, the Tax Exemption Processing and Verification Division and Customs Boathouse. An inventory of firearms and ammunition was also completed.

F: INTERNAL AFFAIRS DIVISION

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

To this end, the Division conducted twenty-four (24) investigations into allegations against staff which originated externally and twenty-five (25) into allegations which originated internally. Upon completion of the investigations reports recommending particular courses of action were prepared and submitted to the Commissioner-General. One thousand, one hundred and forty-one (1,141) verification exercises were carried out on Certificates of Compliance which were submitted by Contractors to the National Procurement and Tender Administration Board and/or Regional Democratic Councils.

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Staff of the Division also monitored CCTV surveillance cameras located at the Cheddi Jagan International Airport and Transit Sheds. One thousand, one hundred and sixty-one (1,161) monitoring activities were conducted during the period under review. Twenty-four (24) camera recordings of the examination of imported goods profiled by the Risk Management Unit were conducted. One hundred and sixteen (116) activities to randomly monitor work attendance, overtime work and related costs were also conducted while random monitoring of declarations of foreign currency by passengers departing CJIA were carried out on thirty-nine (39) occasions. Five (5) visits were made to GRA locations across the country to monitor the activities of staff and thirty-two (32) special assignments were completed and relevant reports prepared.

G: AUDIT AND VERIFICATION DIVISION

The Audit and Verification Division is mandated to provide high quality audit services to enable the Revenue Authority to achieve its mission of promoting compliance with the Tax, Trade and Border Laws and Regulations.

Staff of the Division completed a total of four hundred and fourteen (414) audits during the year under review of which three hundred and eighty-eight (388) resulted in the identification of \$1,475 million in additional taxes for recovery. Of that amount, \$1,303 million resulted from agreements being entered into with taxpayers while \$172 million resulted from assessments being raised.

Twenty (20) audits of large taxpayers were completed and this resulted in a total of \$343 million in additional taxes being identified while seventeen (17) audits of Companies identified \$253 million and 33 audits of taxpayers registered for VAT resulted in \$286 million being identified for recovery. Two hundred and four (204) post clearance audits, which targeted importers by conducting examinations of their records, business systems and all relevant commercial data subsequent to the clearance and release of cargo to verify the accuracy of declarations made, resulted in \$307 million in additional taxes being identified.

Thirty-one (31) audits were completed by staff located at the various Integrated Regional Tax Offices of which twenty-eight (28) resulted in the identification of \$31 million in additional revenue. The remaining audits, which amounted to one hundred and nine (109), were conducted on small and medium businesses, inclusive of self-employed persons and the PAYE system for remittance of income taxes. These audits resulted in the identification of \$255 million in additional taxes for recovery.

A further analysis of the \$1,475 million in additional revenue by tax type reveals that Income Tax accounted for \$549 million or 37%, Corporation Tax accounted for \$392 million or 26.5% and Value-Added Tax for \$305 million or 21%. Further, \$175 million or 12% was recovered from Withholding Tax, \$46 million or 3% from the PAYE system and \$8 million or 0.5% from Property Tax.

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H: LEGAL SERVICES DIVISION

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

Staff of the Division undertook the prosecution and defense of three hundred and sixty-eight (368) ongoing matters before the Courts. Prominent among the offenses committed by defendants were failure to file Returns for various tax types and failure to remit taxes deducted under the PAYE system. Sixty-nine (69) of the on-going matters were completed where defendants pleaded guilty and were fined for failure to file Returns while judgment was granted in favour of the Authority against those who failed to remit taxes however, the Court issued a stay of execution in those matters. Judgment was granted against the Authority in six (6) instances while other matters were withdrawn by either the defendant or the Authority and several matters were deemed abandoned by the Court.

In addition, legal proceedings were instituted for twenty-nine (29) matters. Staff of the Division also prepared one hundred and twenty-five (125) opinions and letters in response to requests for legal advice from the Commissioner-General and other Divisions/Departments. At the end of the year, work was in progress for the institution of legal proceedings in seven (7) matters.

I: TAX EXEMPTION PROCESSING AND VERIFICATION DIVISION

The Division is tasked with the efficient administration of the various categories of exemption and remission of duties and taxes in accordance with the Tax, Customs and other Laws and Regulations administered by the Revenue Authority.

To this end, fifteen thousand, four hundred and forty-two (15,442) applications for tax exemption were verified and processed by staff while thirteen thousand, five hundred and sixty-one (13,561) letters of approval and one hundred and thirty-one (131) letters of denial were also processed and dispatched. Further, one thousand, seven hundred and fifty (1,750) applications were queried or referred for additional information and five hundred (500) meetings (both internal and external) were conducted with applicants for tax exemption.

There were thirteen thousand, eight hundred and seventy-four (13,874) instances where information was entered into TRIPS as a result of approvals granted while pre-approval verification activities conducted amounted to seven hundred and fifty-six (756).

During the year, staff also reviewed a total of two hundred and forty seven (247) Investment Agreements resulting in fifty (50) recommendations for approval being made to the Guyana Geology and Mines Commission and one hundred and ninety-two (192) being made to Guyana Office for Investment (Go Invest). Five (5) Investment Agreements were not recommended for approval.

Two hundred and twenty-two (222) special assignments on legislation and policy were executed during the year while one thousand, six hundred and eighty-five (1,685) applications for use of the "prior to processing" facility were verified and recommended for approval and one thousand, eight hundred and twenty-one (1,821) prior to processing entries were perfected.

J: INFORMATION TECHNOLOGY DIVISION

The Information Technology Division is mandated to provide coordinative, innovative, practical and timely information technology solutions to solve the business problems of the Guyana Revenue Authority.

The Division's maturity can be categorised as 'stabilising' since most infrastructure systems have been created and attention is focused on balancing maintenance and support with the demands for new projects/systems. The three (3) areas of the Information Technology Division: Applications Development, Application Support and Infrastructure all completed significant amounts of the activities on the Division's work plan.

Projects which were successfully completed during the year included:-

- **Computerisation of the Trade and Miscellaneous Licence Registration:** The entire process of acquiring, renewing or replacing all Trade and Miscellaneous Licences were computerised. Certificates are now printed on a standard branded document. The automation of this function resulted in the Neighbourhood Democratic Councils (NDC's) handing over the administration of this activity to the Authority making it the sole agency responsible for the administration of trade and miscellaneous licences.
- **Development and Implementation of several supplementary software applications for TRIPS:** The Information Technology Division was instrumental in designing, developing, testing and implementing several software applications to support TRIPS. These applications were features that were missing from but required by TRIPS so that the software could work effectively.
- **Relocation to Camp Street Headquarters:** The Information Technology Division was instrumental in supporting the move to the Authority's headquarters at 200-201 Camp Street. During the month of October the Division commenced the relocation of the Authority's computer equipment which were previously housed at the various Georgetown offices.
- **Re-engineering of Motor Vehicle Registration:** A new registration process was tested and implemented during the course of 2012. This project significantly reduced the time taken to complete the registration or transfer of a vehicle and also saw the introduction of the new, secure motor vehicle licence which greatly reduced the risk of forgery.
- **Computerisation of Excise Operations:** The excise operations (the process of registering for an Excise Licence, at the then Licence Revenue Office) was computerized with assistance from the Information Technology Division during the period under review.
- **Expansion of Data Centre's capacity:** The high availability of data centre's total capacity was extended with twelve additional servers. This allowed the Division to host more applications and services in the virtual environment.

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- **Upgrading of virtual host:** The virtual host, VnWare vSphere, was also upgraded and the benefits of improved utilisation of the underlying hardware, improved security and additional feature sets were realized.
- **Expansion of virtual Infrastructure:** Additional physical servers were migrated to the highly available infrastructure.

Approximately five thousand, five hundred (5,500) Service Desk tickets were logged during the period under review and only 2% of this total remained unaddressed at the end of 2012. The main reason for some projects not being undertaken was budgetary constraints.

K: LAW ENFORCEMENT AND INVESTIGATION DIVISION

The Law Enforcement and Investigation Division (LEID) has the responsibility of monitoring exports and imports at the various ports of entry, curbing smuggling activities, managing the GRA's warehouse at Eccles, EBD and conducting investigations.

Anti-Smuggling

Staff of the Division conducted four hundred and ninety-nine (499) enforcement and anti-smuggling activities on land and ninety-one (91) on water while an additional fifty-nine (59) activities to enforce compliance with other Laws administered by the Authority were executed. Three (3) investigations and intelligence referrals were executed and two hundred and ten (210) reports on detention and seizures were prepared.

The verification, profiling and examination of high risk importers were completed on four thousand and sixteen (4,016) occasions while the examination and verification of both imports and exports at the various ports of entry amounted to five thousand, six hundred and seven (5,607).

The prosecution of one (1) offender in the Court of Law was completed during the year while the Division had forwarded six (6) matters to the Legal Services Division for the commencement of legal proceedings. These matters included two (2) cases relating to the detention of vehicles, one (1) to the detention of a Jet Ski, one (1) for under-valuation of a quantity of television sets in a 20 foot container, one (1) seizure comprising a quantity of assorted general merchandise and one (1) of detention of assorted alcoholic beverages.

Drug Enforcement

A total of four thousand, eight hundred and eighty-two (4,882) declarations were scheduled and examined by the staff of the Drug Enforcement arm of the Division while seven hundred and sixty-six (766) consignments which were scheduled for export under the "prior to processing" facility were examined during the period under the review. Four thousand, seven hundred and sixteen (4,716) containers and one hundred and seventy-eight (178) other packages (boxes and pallets) were examined for export. Forty-three (43) bulk loadings (of vessels) and eighty-four (84) containers (which were referred to Drug Enforcement by staff of the Container Scanner Section) were examined and forty (40)

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containers which were scheduled for export were referred to the Container Scanner by Drug Enforcement.

The rummaging of vessels were conducted on forty-nine (49) occasions while three hundred and sixteen (316) examinations of containers imported with seal discrepancies were conducted. Nineteen (19) exercises were conducted in collaboration with external investigative agencies including CANU and the Guyana Police Force while three (3) were conducted in collaboration with internal investigative Units.

Seizure of Narcotics

During the year under review, the Drug Enforcement Unit was instrumental in seizing several shipments of cocaine which were concealed within consignments for export. Among the seizures, 19.903 kilograms of marijuana was found in pumpkins in a container at the Guyana National Industrial Corporation (GNIC) Wharf. At the end of the year, this matter was being addressed in the Courts. Also, 2.8 kilograms of cocaine was found between two (2) empty containers at the John Fernandes Ltd Wharf (ship side). However, no arrests were made and an investigation was commenced by the DEU and Customs Anti-Narcotics Unit (CANU). A further 327.780 kilograms of cocaine was found concealed in packets of breeze laundry detergent in a container at the John Fernandes Ltd. container terminal on Mandela Avenue, Georgetown. The exporter pleaded guilty when placed before the Courts and was fined thirty thousand dollars (\$30,000) and sentenced to four (4) years in jail. At the Guyana National Shipping Corporation (GNSC) Wharf, 233 kilograms of cocaine concealed in bags of pelleted fish feed in a container was unearthed.

The total revenue collected by the LEID for 2012 was one hundred and twenty-three million and one thousand, eight hundred and fifty-six dollars (\$123,001,856). The Table below compares revenue collected during 2012 with that of the previous year.

TABLE XVI
REVENUE COLLECTED - \$

Activity	2011	2012	Quantity Variance	% Variance
Fines & Compensation	21,238,187	22,943,546	1,705,359	8.02
Additional Taxes	36,949,080	58,979,305	22,030,225	59.6
Sale of Seizure	18,960,790	41,079,005	22,118,215	116.6
Proceeds from Auction Sale	30,297,000	-	(30,297,000)	-
Total	107,445,057	123,001,856	15,556,799	14.47

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L: FACILITIES MANAGEMENT & OPERATIONAL SUPPORT SERVICES

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

During the year under review, staff of the Division ensured that repairs and general maintenance of equipment were conducted throughout the Authority and these included repairs to and servicing of Uninterrupted Power Supply (UPS) systems, air conditioning units and generators. There was also electrical maintenance, the cleaning of the compounds and interior of buildings (including carpets and tiles) housing the various offices, pest control, plumbing works and other miscellaneous maintenance works.

Capital works were also completed at several locations. These included repairs to the Corriverton Office (both residence and office building), the roadway at the exit gate of the GNSC container site and the Secretariat building. The refurbishing of the bond used by the Berbice Anti-Smuggling Squad (BASS) was also undertaken and entailed supplying a new electrical service and meter, constructing a generator room, rewiring the building to accommodate the generator, painting and constructing a fence and gate. Other capital works conducted by the Facilities Management and Operational Support Services Division for 2012 included the installation of additional cameras at the Internal Affairs Division, construction of office for staff at the Marine facility, re-wiring the Boathouse and construction of a storeroom. In addition, barricades were constructed and installed and windows were fabricated and installed at the Crab Island office, a sign board and a trestle to house the water tank were constructed at the Eccles Warehouse, while the ceiling was repaired and the building wired to accommodate a generator set at the Anna Regina Office and a generator room was constructed at the Parika Office.

During the year, staff of the Division also commenced the supervision of extensive works at the Authority's new Headquarters located at 200-201 Camp Street, Georgetown, the former CLICO building. Some of these works included preparation of a floor plan to accommodate staff in the building, civil works such as the construction of offices and cubicles to accommodate staff, the installation of tiles, ceiling, locks and service counters, utilities and electrical works. The Division was also instrumental in the process of relocating of staff from the various Offices to the new Headquarters during the months of October 2012 to December 2012.

At the end of 2012, the preparation for capital works at several locations began with bills of quantity and estimates being completed. These projects are scheduled to commence in 2013 and include the renovation of the Mabura outpost, repairs to the Anna Regina Office and associated residence and procurement of a 20ft container for the Kurupukari office.

Staff of the Transportation Section of the Division also continued to manage the pool of motor vehicles operated by the Authority and ensured that they were serviced and repaired whenever necessary to maintain road worthiness. Further, staff of the Security Section of the Division made regular weekly and monthly visits to all of the Authority's locations to ensure that security procedures were being complied with.

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M: DEBT MANAGEMENT DIVISION

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

During the year under review, no special exercise was conducted to collect outstanding taxes. Strategies presently in place to aid in the collection of the taxes commence with telephone calls and visits and escalate to legal proceedings.

Staff were able to determine arrears taxes partly through the process of file clearing. During the period under review a total of one thousand, one hundred and sixteen (1,116) tax files were cleared comprising four hundred and thirty-six (436) which were related to Companies and six hundred and eighty (680) to Individual taxpayers. As a result of the file clearing exercise, a total of \$17.9 Billion in arrears taxes were identified and collection proceedings commenced with the dispatch of liability letters to taxpayers. The Division has collected in excess of \$10.1 Billion in total arrears for the year 2012. This amount was consistent with the total arrears collected for the corresponding period of 2011.

Presently, the Division is unable to determine the total arrears taxes unpaid to December, 2012 for several reasons including the issue of debts computed in taxpayers' files being absent on TRIPS and the inaccurate figure being generated for the total unpaid arrears as at December 31, 2012 for the Age Debtor Report. Recurring difficulties over the years have affected the Division from maximizing its full potential in the collection of outstanding taxes. These include:

- ❖ Taxpayers not easily located;
- ❖ The time lapse between the time taxpayers are eventually located and their readiness to respond;
- ❖ Numerous mails being returned to the Division as a result of taxpayers not being available to sign and receive same, since all mails of this nature are sent by registered post.
- ❖ Taxpayers reverting to various schemes in attempts to frustrate the efforts of the Authority in its collection drive;
- ❖ The inordinately long time in which matters before the Courts are dealt with and difficulties locating taxpayers' assets when judgment is granted in favour of the Authority.

N: INTELLIGENCE, RISK MANAGEMENT AND SPECIAL INVESTIGATION DIVISION

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

Staff of this Division conducted fourteen (14) surveillance, monitoring and intelligence gathering activities on reported tax evaders while sixty-eight (68) such activities were carried out on suspected tax evaders.

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A total of twenty-nine (29) reports on tax evasion were received; these were sourced via the Hotline, from other functional areas within the Authority as well as gathered from TRIPS. Of the twenty-nine (29) reports received, investigations were completed for twenty seven (27) or 93% and where necessary information was forwarded to the relevant functional areas for further action. Two (2) investigations based on currency declaration reports were also conducted. Further, staff of the Division profiled twelve (12) taxpayers and forwarded this information to the relevant functional areas of the Authority.

For the period under review, the Risk Management Section profiled a total of fifty-seven thousand, five hundred and seventy-eight (57,578) import and export declarations. Of this amount, two thousand, four hundred and thirty-two (2,432) import declarations were profiled for document review, fourteen thousand two hundred and ninety-one (14,291) for verification of declared particulars, three thousand, seven hundred and sixty-six (3,766) for examination of items and twenty-three thousand, nine hundred and eighty-eight (23,988) were approved for processing with declared particulars.

Export declarations profiled for scanning amounted to four thousand, seven hundred and thirty (4,730), while those profiled for verification of declared particulars were two thousand, four hundred and twenty-two (2,422). The number of export declarations profiled for examination of items totalled five thousand, three hundred and sixty-four (5,364) while the declarations approved for processing with declared particulars amounted to five hundred and eighty-five (585).

O: PLANNING AND ANALYSIS DIVISION

The Planning and Analysis Division is responsible for ensuring that Guyana Revenue Authority's mandate is fulfilled through effective planning, forecasting, coordinating, organizing, monitoring and evaluating of financial and non-financial work programme commitments; analyzing results achieved by the various operational areas in relation to their respective Annual Work Programmes in order to improve tax administration; providing critical support to the Office of the Budget-Ministry of Finance, Commissioner General and GRA's Senior Managers in order to improve tax administration, resolve non-compliance and generate increased revenues.

Consequently, the Planning and Analysis Division prepared an executive summary of the Authority's 2012 Annual Work Program in relation to nineteen (19) functional areas. Two (2) General Management meetings were coordinated during the period under review and thirty-six (36) monthly and fortnightly revenue collection statements were prepared and dispatched to the Ministry of Finance and the Chairman of the Governing Board.

Further, thirty-three (33) monthly analytical revenue reports and twelve (12) monthly revenue collection reports were prepared for submission to the Governing Board. Two hundred and six (206) Management Information System (MIS) reports were generated for senior management within the Authority while twenty-two (22) reports were generated for external agencies.

The Division also completed ninety-eight (98) special assignments in relation to Work Program commitments and revenue collection projections and analyzed two hundred and forty-nine (249) monthly reports on Work Program commitments and results achieved which were submitted by all functional areas.

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P: CONTAINER SCANNER AND GOODS EXAMINATION DIVISION

The Division was formally established in June 2011 and comprises two (2) sections namely the Container Scanner Section and the Goods Examination Section. The Container Scanner Section is mandated to use the Portal Scanner to facilitate a more advanced and efficient system of examination of containerised cargo for narcotic substances to meet international requirements. The Goods Examination Section is mandated to conduct physical examinations of cargo for import and export to ensure they are consistent with their declarations, to prevent the passage of illegal items/un-customed goods and narcotic substances through the ports of entry and to ensure that the correct duties and taxes are applied.

Staff of the Goods Examination Section carried out examinations on both incoming and outgoing consignments. The incoming consignments which were examined included seven thousand, five hundred and forty six (7,546) containers, a combined total of one hundred and seventy thousand, three hundred and twelve (170,312) skids, pallets, boxes and crates, five thousand and twenty two (5,022) vehicles inclusive of industrial vehicles and two thousand, four hundred and twenty one (2,421) motor cycles. As a result of those examinations, seventy (70) instances of short shipment of cargo and an additional forty four (44) instances of various other discrepancies were identified resulting in those consignments being temporarily detained pending rectification by the importer. All incoming cargo, apart from those temporarily detained, were released in a timely manner.

Outgoing cargo that were examined and sealed comprised twenty eight thousand, four hundred and forty one (28,441) containers, a combined total of thirty thousand, two hundred and forty three (30,243) skids, pallets, boxes, barrels, and crates, twelve thousand, two hundred and fifty (12,250) boxes containing soil samples, precious metal and monetary notes and one (1) truck. In addition, one hundred and sixty-three (163) vessels, on which bulk cargo was loaded, were also examined. Of the total number of containers examined, fourteen thousand, two hundred and ninety five (14,295) were scheduled for scanning before being released for shipping and one hundred and twenty two (122) were detained for various discrepancies.

The Container Scanner Section received two thousand, five hundred and eighty nine (2,589) declarations related to consignments for export and two (2) declarations related to consignments for imports which were all flagged for scanning. As a result, three thousand, nine hundred and forty one (3,941) letters were issued to exporters to present containers to be scanned and twelve thousand, two hundred and fifty seven (12,257) containers were scheduled for scanning. Of those containers scheduled for scanning, twelve thousand and eighty two (12,082) were scanned of which one hundred and twenty (120) were detained after scanning due to concerns about the contents.

Staff of the Division also conducted one hundred and fifty nine (159) exercises with other investigative Divisions of the Authority and examined documentation to facilitate the use of the Permit for Immediate Delivery (PID) and Prior to Processing (PTP) systems by importers and exporters.

ANNUAL REPORT & STATEMENT OF ACCOUNTS

Q: REVENUE PROTECTION UNIT

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

The Revenue Protection Unit selected two thousand, four hundred and forty-six (2,446) declarations for review and completed the review of two thousand, four hundred and forty-four (2,444) of them. Of the amount completed, one thousand, four hundred and sixty-two (1,462) were reassessed for additional revenue amounting to five hundred and forty-six million, five hundred and thirty-eight thousand, five hundred and forty-eight dollars (\$546,538,548.00) representing a 12.5% increase when compared with the \$485,481,475.00 in additional revenue collected in 2011. The number of declarations which were accepted with declared values and other particulars amounted to nine hundred and eighty-two (982).

During the process of carrying out the review of those declarations, one thousand and seventy (1,070) declarations were recommended for physical examination of cargo and/or verification of declared particulars while three hundred and eighty (380) declarations were recommended for post clearance audit.



Audit Office of Guyana

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AG: 5/2018

15 January 2018

REPORT OF THE AUDITOR GENERAL TO THE MEMBERS OF THE GOVERNING BOARD OF THE GUYANA REVENUE AUTHORITY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

I have audited the accompanying financial statements of Guyana Revenue Authority which comprise the statement of financial position as at 31 December 2012, the income and expenditure statement and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



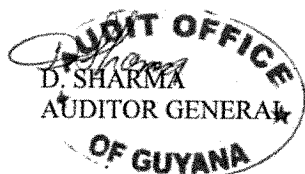
I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

The sum of \$600M was received during the year 2012 for payment of refunds of revenue to taxpayers. Of this sum, \$548.194M was reported as related expenditure for the year ended 31 December 2012. However only \$18.860M was expended during 2012 and the remainder of \$529.334M was utilized during 2013 to 2016 for refund payments. This is in breach of Section 43 of the Fiscal Management and Accountability Act 2003 which requires that any unexpended balances be returned to the Consolidated Fund at the end of the fiscal year. Further, this is in contravention of the cash basis of accounting which requires that sums spent are recorded in the year of payment. As a result, expenditure for the year 2012 is overstated by \$529.334M.

Qualified Opinion

In my opinion, except for the effect of the matter described in the Basis for Qualified Opinion section of my report, the financial statements give a true and fair view, in all material respects, of the financial position of the Guyana Revenue Authority as at 31 December 2012 and of its financial performance and its cash flows for the year then ended, in accordance with Generally Accepted Accounting Principles.



AUDIT OFFICE
63 HIGH STREET
KINGSTON
GEORGETOWN
GUYANA.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2012

	Notes	2012	2011 Restated
<u>FIXED ASSETS</u>			
Land and Buildings	2	760,201,726	760,201,726
Motor Vehicles & Craft	2	310,512,846	310,512,846
Computer Equipment	2	580,248,689	532,407,681
Office Equipment	2	263,087,574	262,309,676
Containers/Scanner	2	210,351,700	209,939,700
Office Furniture	2	116,171,723	115,296,959
		2,240,574,258	2,190,668,588
Capital Work in Progress		-	-
TOTAL FIXED ASSETS		2,240,574,258	2,190,668,588
<u>CURRENT ASSETS</u>			
Inventories	3	11,265,562	19,573,655
Cash in hand	4	2,282,816	2,210,390
Cash at bank	5	64,220,974	21,991,468
TOTAL CURRENT ASSETS		77,769,352	43,775,513
TOTAL ASSETS		2,318,343,610	2,234,444,101
<u>CURRENT LIABILITIES</u>			
Balance due to Consolidated Fund		51,805,976	9,044,884
TOTAL CURRENT LIABILITIES		51,805,976	9,044,884
<u>FINANCED BY:</u>			
Government of Guyana Contribution	6	1,478,387,368	1,436,716,304
Project Financing	19	775,749,529	775,749,529
Grants	7	12,400,737	12,933,384
		2,266,537,634	2,225,399,217
TOTAL LIABILITIES AND CAPITAL		2,318,343,610	2,234,444,101

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



 Chairman Member

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

	Notes	2012	2011 Restated
<u>INCOME</u>			
Subsidy	20	3,349,755,129	3,265,963,227
Refunds of Revenue		600,000,000	
Grant	7		777,750
TOTAL INCOME		3,949,755,129	3,266,740,977
<u>EXPENDITURE</u>			
<i>Wages and Salaries</i>			
Wages and Salaries	8	1,423,528,999	1,274,053,792
Revision of Wages & Salaries		78,611,161	123,612,610
Overhead Expenditure	9a & b	582,432,099	527,498,669
Total Wages and Salaries		2,084,572,259	1,925,165,071
<i>Other Charges</i>			
Material Equipment & Supplies	10	84,454,492	95,756,589
Fuel and Lubricants		93,674,446	64,463,630
Rental and Maintenance of Buildings	11	359,038,586	77,555,390
Transport Travel and Postage	12	76,254,324	67,227,829
Utility Charges	13	152,898,234	135,821,722
Other Goods and Services	14	372,761,317	191,939,216
Other Operating Expenses	15	82,737,520	66,958,879
Education Subventions and Training	16	6,494,813	9,605,876
Subsidies and Contribution to Local and Intl Org	17	31,485,800	30,563,073
Refunds of Revenue		548,194,024	599,125,078
Total Other Charges		1,807,993,556	1,339,017,282
TOTAL EXPENDITURE		3,892,565,815	3,264,182,353
SURPLUS		57,189,314	2,558,624
Excess of Releases Over Expenditure		5,383,338	2,558,624
Excess of Refunds Over Expenditure		51,805,976	
		57,189,314	2,558,624

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012

		2012	2011 Restated
<u>Cash Flows from operating activities</u>			
Cash Releases from Government of Guyana	20	3,349,755,129	3,265,963,227
Refunds of Revenue		600,000,000	
Grants [Ozone]			777,750
Cash paid to suppliers and employees		(3,892,565,815)	(3,264,182,353)
Net Cash flow from operating activities		57,189,314	2,558,624
<u>Cash Flows from investing activities</u>			
Cash Releases from Government of Guyana	18	50,938,730	156,567,600
Purchase of property, plant and equipment		(49,905,670)	(156,323,210)
Net Cash flow from investing activities		1,033,060	244,390
Unspent balance		58,222,374	2,803,014
Cash at beginning of period		24,201,858	21,408,054
Cash in Imprest Accounts/ increase or decrease in imprest			
Cash in Foreign Currency floats/ increase or decrease in currency floats		72,426	(9,210)
Cash repaid to Government of Guyana for prior years		(9,044,884)	-
Cash repaid to Government of Guyana for 2012		(6,949,045)	
Unreconciled Difference		1,061	
Cash at end of period*		66,503,790	24,201,858
Due to Consolidated Fund :		51,805,976	9,044,884
Current		5,383,338	5,163,140
ODS		16,337	548,984
Refunds of Revenue		51,805,976	
Capital		1,033,060	3,881,744
Overpayment to the Consolidated Fund			-
Grants		12,384,400	12,384,400
Cash in imprest, floats and POS/ Change in Cash in imprest, floats and POS		2,296,016	2,223,590
Paid to consolidated fund		(6,416,398)	
Previous years' balance in accounts			
Unreconciled Difference		1,061	
		66,503,790	24,201,858

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

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1 (a): BACKGROUND

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

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

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

NOTE 1 (b): DISCLAIMER

The Financial statements for the year 2012 were signed by Mr. Rawle Lucas, Chairman of the Governing Board and Mr. Godfrey Statia, Commissioner- General in the year 2018. It must be duly noted, that these individuals did not serve in the respective capacities during the Financial year 2012.

ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

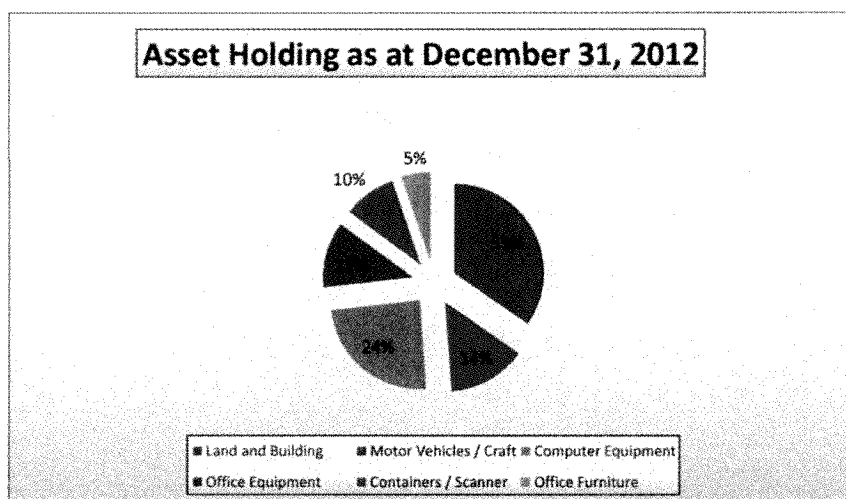
NOTE 1 (c): SIGNIFICANT ACCOUNTING POLICIES

- A) The Financial Statements are prepared in accordance with the Guyana Revenue Authority Act 1996.
- B) The Financial Statements have been prepared under the historical cost convention as modified for the revaluation of certain fixed assets.
- C) No depreciation is provided on Fixed Assets as the Revenue Authority operates on a cash basis from an allocation provided by Parliament in the Estimates of Expenditure. In addition, revenues collected are paid into the Consolidated Fund and form part of the Guyana Revenue Authority's Accounts.
- D) The Guyana Revenue Authority conforms to the Cash basis of accounting.
- E) Inventories have been valued at the lower of cost and net realisable value using the weighted average cost method of valuation. Inventories are procured with funds allocated for Current Expenditure and, consequently, are shown as a movement in the Accumulated Funds in the Financial Statements.

NOTE 2: FIXED ASSETS

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

The Asset holding of the Revenue Authority as at December 31, 2012 is displayed in the Chart below:



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GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 2: FIXED ASSETS (Continued)

The following table sets out GRA's Fixed Asset position as at December 31, 2012:

	Land and Buildings	Motor Vehicle / Craft	Computer Equipment and software	Office Equipment	Containers/ Scanner	Office Furniture	WIP	Total
Cost/Valuation as at Jan 1 2012	760,201,726	310,512,846	532,407,681	262,309,676	209,939,700	115,296,959	-	2,190,668,588
Additions:								
GRA			47,841,008	777,898	412,000	874,764	-	49,905,670
FFMP	-	-	-	-	-	-	-	-
MCA	-	-	-	-	-	-	-	-
Min. of Tourism	-	-	-	-	-	-	-	-
Printer written off via Loss	-	-	-	-	-	-	-	-
Disposal/Transfer	-	-	-	-	-	-	-	-
Total	760,201,726	310,512,846	580,248,689	263,087,574	210,351,700	116,171,723	-	2,240,574,258
Cost/Valuation as at Dec 31, 2011	760,201,726	310,512,846	532,407,681	262,309,676	209,939,700	115,296,959	-	2,190,668,588

NOTE 3: INVENTORIES

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

Stock Item	2012	2011
Office Materials & Supplies	2,751,107	11,478,455
Preprinted Forms	8,514,455	8,095,200
Total	11,265,562	19,573,655

NOTE 4: CASH IN HAND

This represents Standing Imprest held by the Revenue Authority, as well as, foreign currency float held at Travel Tax Ticket Booth at the Cheddi Jagan International Airport, Timehri. Please see table hereunder:

Description	2012	2011
<i>Imprest Accounts</i>		
Customs & Trade Administration	1,000,000	1,000,000
Internal Revenue	1,000,000	1,000,000
Total Imprest	2,000,000	2,000,000
Foreign Currency Float	282,816	210,390
Total	2,282,816	2,210,390

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GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 5: CASH AT BANK

This represents amount held at Bank of Guyana and floats at Point of Sale accounts at Republic Bank Limited. This also includes the balance on Refund of Revenue as at December 31, 2012. Details are set out in the Table below:

Description	2012	2011
Bank of Guyana - Main A/c #01620004470	57,385,963	21,978,268
Refunds of Revenue	6,821,811	
Republic Bank POS Accounts		
Customs & Trade Administration	6,600	6,600
Internal Revenue	6,600	6,600
Total	64,220,974	21,991,468

NOTE 6: GOVERNMENT OF GUYANA CONTRIBUTION

The Accumulated Fund for the Authority on its formation represented the values of Fixed Assets transferred from the Inland Revenue and Customs & Excise Departments. Subsequent to this, all capital items procured through Government of Guyana Contributions and grants have been included in this figure for the respective years. The table below sets out the movement in the Fund for the year ended 31st December 2012.

Accumulated Fund	Fixed Assets	Net Current Assets	Total 2012	2011
As at Jan 1, 2012	2,190,668,588	43,775,513	2,234,444,101	2,017,895,494
Movement during the year (Note 6a)	49,905,670	33,993,839	83,899,509	216,548,607
As at Dec 31, 2012	2,240,574,258	77,769,352	2,318,343,610	2,234,444,101

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

Purchases of Fixed Assets- GRA	49,905,670	
Acquisition of Fixed Assets (want of entry)	-	
Purchases of Fixed Assets- MCA	-	
FFMP Asset Acquired	-	
Ministry of Tourism	-	
Disposals of Fixed Assets	-	49,905,670
Inventories	(8,308,093)	
Cash in Hand	72,426	
Cash at Bank	42,229,506	
		33,993,839
		83,899,509

	2012	2011
Accumulated Fund as at 31st December	2,318,343,610	2,234,444,101
<i>Less -</i>		
MCA Counterpart Contribution - 2009	(405,000,000)	(405,000,000)
MCA Counterpart Contribution - 2008	(114,578,794)	(114,578,794)
FFMP Asset Assistance	(241,428,212)	(241,428,212)
Public Service Technical Assistance Credit	(14,742,523)	(14,742,523)
Grants	(12,400,737)	(12,933,384)
Balance due to consolidated fund	(51,805,976)	(9,044,884)
GOG Contribution as at 31st December	1,478,387,368	1,436,716,304

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GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 7: GRANTS

CDB

During 2005, the Authority received a \$15M grant from the Caribbean Development Bank for capacity building. The sum of \$2.6M has been expended in 2005. There has been no other expenditure to date. The balance on this grant as at 31st December 2012 remains \$12.4M.

ODS: Ozone Depleting Substances

The balance on the grant as at 31st December, 2010 was \$24,757. The National Ozone Action Unit through the Ministry of Agriculture in 2011 released \$777,750 for training. Guyana Revenue Authority's actual expenditure for 2011 amounted to \$253,523 resulting in a balance of \$524,227 for the said year. Therefore the overall balance for ODS was \$548,984 as at 31st December, 2011. During the year 2012, \$532,647 was expended under Ozone. Therefore, the balance remaining as at December 31st 2012 was \$16,337.

Balance on Grants as at 31st December, 2012

Grant Type	2012	2011
Training Grant - ODS	16,337	548,984
Caribbean Development Bank	12,384,400	12,384,400
Total	12,400,737	12,933,384

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GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8: Wages and Salaries

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6111	Administrative	349,362,084	308,871,421
6112	Senior Technical	305,733,090	280,110,888
6113	Other Technical & craft skills	329,157,755	256,699,564
6114	Clerical & Office Support	269,462,409	250,502,129
6115	Semi-Skilled and Unskilled operatives	132,607,554	139,985,911
6116	Contract Employees	26,368,342	31,392,632
6117	Temporary Employees	10,837,765	6,491,247
TOTAL		1,423,528,999	1,274,053,792

NOTE 9(a): Overhead Expenditure

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6131	Other Direct Labour Costs (see Note 9b)	176,507,243	166,938,366
6133	Benefits & Allowances	247,285,171	219,686,883
6134	National Insurance	97,634,934	85,860,520
6135	Pensions	61,004,751	55,012,900
TOTAL		582,432,099	527,498,669

NOTE 9(b): Member's Emoluments

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

Name	2012	2011
Lennox Benjamin	132,000	144,000
Clyde Roopchand	165,000	180,000
Sonia Roopnauth	132,000	144,000
Jawahar Persaud	72,000	-
Lawrence Williams	132,000	144,000
Total	633,000	612,000

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GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 10: Materials, Equipment and Supplies

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6221	Drugs & Medical Supplies	600,199	666,736
6222	Field Materials & Supplies	-	-
6223	Office Materials & Supplies	32,035,900	39,982,404
6224	Print & Non Print Materials	51,818,393	55,107,449
TOTAL		84,454,492	95,756,589

NOTE 11: Rental and Maintenance of Building

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6241	Rental of Buildings	46,563,452	48,201,953
6242	Maintenance of Buildings	302,824,506	20,528,263
6243	Janitorial & Cleaning Supplies	9,650,628	8,825,176
TOTAL		359,038,586	77,555,392

NOTE 12: Transport, Travel and Postage

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6261	Local Travel & Subsistence	32,998,967	28,598,096
6262	Overseas Conference & Official Visits	3,054,968	2,829,918
6263	Postage, Telex and Cablegram	11,656,234	7,425,669
6264	Vehicle Spares & Services	28,544,155	27,202,146
6265	Other Transport Travel & Postage	-	1,172,000
TOTAL		76,254,324	67,227,829

NOTE 13: Utility Charges

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6271	Telephone Charges	22,708,168	18,903,843
6272	Electricity Charges	103,450,125	102,245,460
6273	Water Charges	5,990,438	14,086,584
6274	Wireless Charges	20,749,503	539,635
6275	Internet Charges	-	46,200
TOTAL		152,898,234	135,821,722

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GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 14: Other Goods and Services Purchased

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6281	Security Services	162,665,594	135,127,654
6282	Equipment Maintenance	170,757,538	22,954,291
6283	Cleaning & Extermination Services	11,348,836	16,471,701
6284	Others	27,989,349	17,385,571
TOTAL		372,761,317	191,939,217

NOTE 15: Other Operating Expenses

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6291	National & Other Events	7,515,050	7,950,598
6293	Refreshments & Meals	5,468,602	4,862,254
6294	Others	69,753,868	54,146,027
TOTAL		82,737,520	66,958,879

NOTE 16: Education, Subvention and Training

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6301	Education Subvention	-	-
6302	Training	6,494,813	9,605,876
TOTAL		6,494,813	9,605,876

ANNUAL REPORT & STATEMENT OF ACCOUNTS

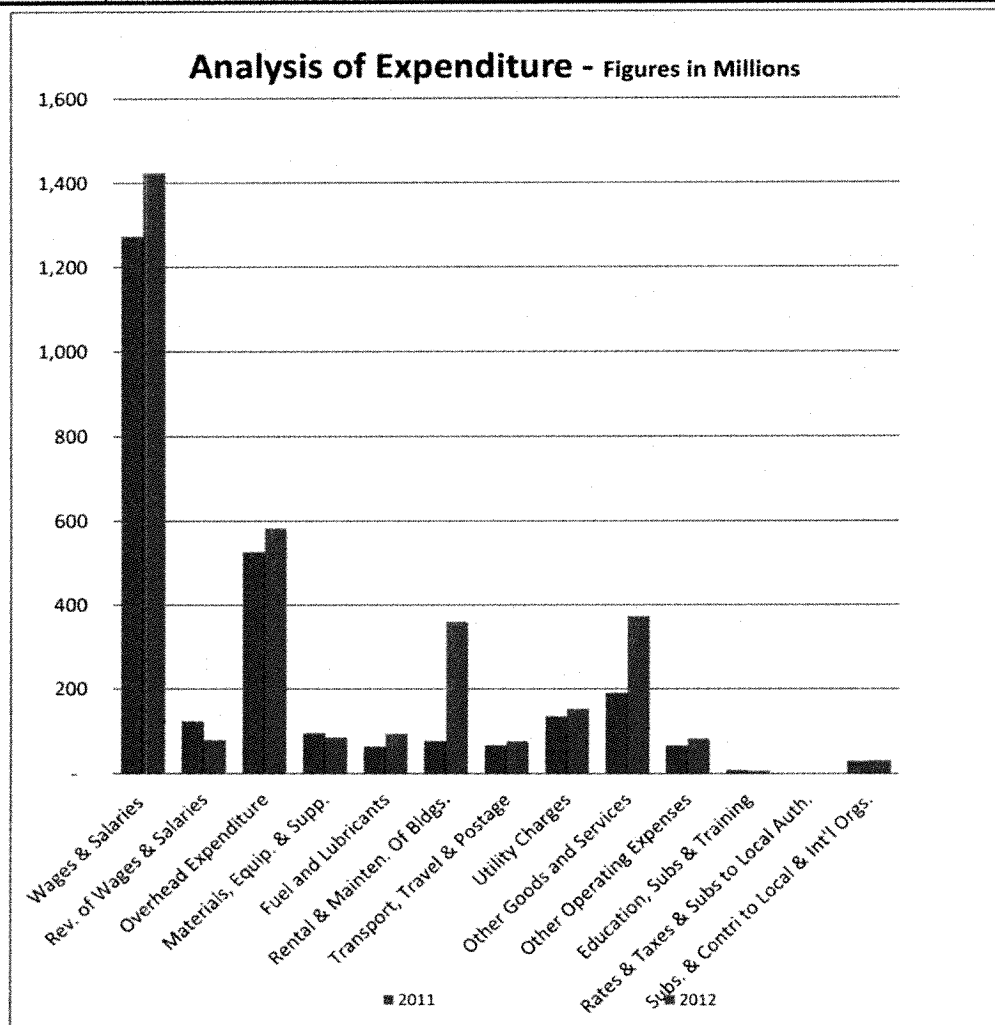


GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 17: Subsidies & Contributions to Local and International Organisations

Expenditure under this head comprised the following sub-heads:

Code	Description	2012	2011
6321	Local Organisation	1,015,290	968,744
6322	International Organisation	30,470,510	29,594,329
TOTAL		31,485,800	30,563,073



ANNUAL REPORT & STATEMENT OF ACCOUNTS



GUYANA REVENUE AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 18: Reallocation of Capital funds

The total appropriation for capital for the year 2012 was \$463.04M; of this amount \$417.53M was allocated to and expended under the 'Current Programme.' This expenditure was necessary to complete works to the CLICO building. The building is rented by GRA and owned by the National Insurance Scheme (NIS). As such, capital works conducted to the building must be expensed under the 'Current Programme.'

Additionally, \$5.43M of funds initially budgeted for under the 'Current Programme' were expended on urgent capital items. At the time, capital funding was not available and subsequent to this period a change of programme was inadvertently not requested by Guyana Revenue Authority for approval from Ministry of Finance for these items. Therefore, these amounts were capitalised and accounted for on the Balance Sheet.

In light of the foregoing, the amended capital allocation was \$50.94M (given the reduction of \$417.53M and inclusion of \$5.43M in the 'Capital Programme'). Total expenditure for capital amounted to \$49.91M; this resulted in a liability of \$1.03M as at 31st December, 2012 which will be remitted to the Consolidated Fund. See table below.

Balance on Capital Appropriation

Funding - Source	2012	2011
MCA - GOG Counterpart Contribution	-	-
GRA/ GOG	1,033,060	3,676,790
TOTAL	1,033,060	3,676,790

NOTE 19: Project Financing

Projects	2012	2011	2010	2009	2008
MCA - GOG Counterpart Contribution	-	-	-	405,000,000	114,578,794
FFMP Asset Finance	-	-	-	-	241,428,212
Public Service Technical Assistant Credit	-	-	-	-	14,742,523
TOTAL	-	-	-	405,000,000	370,749,529

NOTE 20: Subsidies from Government of Guyana

Releases under current expenditure amounted to \$3,537.65M. However, \$417.53M of the capital allocation was expended under the 'Current Programme'. Whilst \$5.43M of current funds were reallocated to the 'Capital Programme'. Therefore, the total amended subsidies under current expenditure amounted to \$3,949.76M. Please refer to note 18.

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Guyana Revenue Authority

Capital Votes Assets - CLICO Rented Building 2012 To Be Expensed in Financial Statements

PV #	Payee	Description	Capital Assets Cost/Value	Current Expenditure Line Item
3080/12	Aura Engineering Company	Construction of filing area & central stores	\$ 8,778,645	6242
4301/12	Aura Engineering Company	BOP for construction of filing area and central stores	\$ 1,755,729	6242
1505/12	Cummings Electrical Co. Ltd	Completion & modification of Clico building Camp st.	\$ 45,431,620	6242
1972/12	Cummings Electrical Co. Ltd	Completion & modification of Clico building Camp st.	\$ 42,786,132	6242
2100/12	Cummings Electrical Co. Ltd	Interim valuation No 2 work for 1 -15 July 2012	\$ 17,927,808	6242
2276/12	Cummings Electrical Co. Ltd	Interim payment rehabilitation works at Clico building	\$ 44,143,260	6242
2779/12	Cummings Electrical Co. Ltd	Electrical works for infrastructure at Clico	\$ 13,170,000	6242
2916/12	Cummings Electrical Co. Ltd	BOP completion & modification of Clico building Camp st	\$ 23,664,594	6242
3027/12	Cummings Electrical Co. Ltd	Contractors interim valuation report for rehabilitation works done at Clico	\$ 19,583,567	6242
4278/12	Cummings Electrical Co. Ltd	Interim valuation of works at Clico 23 Nov - 28 Dec 2012	\$ 11,839,220	6242
4294/12	Cummings Electrical Co. Ltd	Retention for various works completed at Clico Building Camp St	\$ 16,486,183	6242
4099/12	E & A Consultants	Payment for supervision provided for completion of Clico building	\$ 8,205,000	6242
4287/12	E & A Consultants	BOP for the design & supervision works - completion & modification of Clico building	\$ 4,102,500	6242
2636/12	E & A Consultants	Completion & modification of Clico building Camp st.	\$ 23,800,259	6242
2009/12	Innis Engineering Service	Advance supervision phase for completion & modification of Clico building Camp st	\$ 1,260,000	6242
2099/12	Innis Engineering Service	additional works for design and supervision of modification of Clico building	\$ 2,265,624	6242

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2849/12	Starcomm Office Furniture	payment for draws, cupboards and laminate desks[cubicles]	\$ 4,499,040	6242
3079/12	Cummings Electrical Co. Ltd	Installation of Air condition units at Clico Building	\$ 43,185,240	6282
2571/12	E. Networks	75% supply of structural cabling for Clico building	\$ 26,113,590	6282
4303/12	E. Networks	Bop for supply of structured cabling and switching network for Clico building	\$ 5,222,718	6282
2579/12	E. Networks	85% for the supply of IP PBX equipment for Clico building	\$ 34,479,274	6282
4302/12	E. Networks	Bop for supply & installation of IP PBX equipment for Clico Building	\$ 2,028,192	6282
4790/12	E. Networks	Advance for structured cabling & switch network for Clico Building	\$ 4,902,775	6282
3064/12	Clare Peters Creation	Purchase of 140 yards brocade	\$ 285,130	6284
4158/12	Charles Cadogan	Remedial work to sewer system at CLICO building	\$ 1,655,300	6294
4295/12	Cummings Electrical Co. Ltd	Disassembling cubicles and shelves at Kayman Sankar Building	\$ 8,929,391	6294
3068/12	GT&T	Transfer of services for GRA to Clico Building	\$ 1,025,759	6294
			\$ 417,526,550	

Summary of Current Expenditure

Line Item	Amount
6242 \$	289,699,181
6282 \$	115,931,789
6284 \$	285,130
6294 \$	11,610,450
\$	417,526,550

APPENDICES

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APPENDIX 1

INDIVIDUAL TAX RATES

Years of Assessment 1992 - 1993

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

Years of Assessment 1994 - 1997

Flat Rate of Tax	33 1/3% of Chargeable Income
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Years of Assessment 1998 to 2003

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

Years of Assessment 2004 - 2006

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

Years of Assessment 2007 - 2013

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33 1/3% of the amount of Chargeable Income

SELF-EMPLOYED INDIVIDUALS

Effective 1st September, 2003.

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

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

Capital Gains Tax Rate

Capital Gains Tax	20%
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PERSONAL PROPERTY TAX RATES

Years of Assessment 1993 - 1999

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

Years of Assessment 2000 to 2013

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

APPENDIX 2

COMPANY TAX RATES

1	Minimum Tax on Turn over	Commercial Companies Non-Commercial Companies	Effective for YA 95-96	2%
		Commercial Companies	From YA 97 applied to Commercial Companies only	2%
2	Corporation Tax on Chargeable Income	Commercial Companies	From Y/A 1995	45%
		Non-Commercial Companies		35%
		Telephone Companies	From Y/A 2012	45%
		Commercial Companies Other Companies		40% 30%
3	Capital Gains Tax			20%
4	Property Tax	Years of Assessment 1986 – 1992	On the first \$500,000 of Net Property	1/2%
			On every Dollar of Net Property in excess of \$ 500,000	3/4%
		Years of Assessment 1993 – 1999	On the first \$500,000 of Net Property	Nil
			For every Dollar of the next \$5,000,000 of Net Property	1/2%
			For every Dollar of the remainder of Net Property	3/4%
		Years of Assessment 2000 – 2013	On the first \$1,500,000 of Net Property	Nil
			For every dollar of the next \$5,000,000 of Net Property	1/2%
			For every dollar of the remainder of Net Property	3/4%

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APPENDIX 3

WITHHOLDING TAX RATES

	YA 1993- YA 2003	YA 2004- YA 2013
On Distribution to Non – Residents	15%	20%
On Interest on Savings Accounts	15%	20%
On Interest on Loans secured by Bonds and similar instruments		
On Discount on Treasury Bills		
On other Interest payments to Non – Residents	15%	20%
On payments other than Interest to Non – Residents	10%	20%

APPENDIX 4

PREMIUM TAX RATES

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

APPENDIX 5

PERSONAL INCOME TAX DEDUCTIONS

Year of Assessment	Amount of Deduction
1992	\$48,000 or 1/3 of income whichever is greater
1993	\$72,000 or 1/3 of income whichever is greater
1994	\$120,000
1995	\$120,000
1996	\$144,000
1997	\$180,000
1998 - 2003	\$216,000
2004 - 2006	\$240,000
2007	\$300,000
2008	\$336,000
2009 - 2011	\$420,000
2012	\$480,000
2013	\$600,000

