

REVENUE NEWS



January-June 2013



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OUR VISION

The Vision of the Guyana Revenue Authority is to gain recognition and respect from its clients and other stakeholders, through its integrity and fairness in administering high quality, yet affordable programmes. The 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 we must impose on clients and our efforts to ease the burden and 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.

OUR MISSION

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 wellbeing of the people of Guyana.

OUR CORE PRINCIPLES

The Guyana Revenue Authority's goal is to provide the best possible service at an affordable cost. The Guyana Revenue Authority will achieve this goal by the following core principles:

- Providing accessible, dependable and timely Service;
- Being fair and respectful
- Providing effective communication
- Managing our resources effectively and economically
- Being responsive and committed to improvement.

GRA - Moving Forward in 2013

- Commissioner General Mr. Khurshid Sattuar



The Guyana Revenue Authority (GRA) commenced the New Year on a high, basking in yet another remarkable achievement of revenue collection. In the face of many challenges, the organisation continues to show resilience and determination in achieving set goals. 2013 is now half spent and we make haste toward the end of another year; but we can pause for a moment to reflect on the challenges of the past year to see how we have overcome and then on the first half of 2013 to gauge how far we have come, and to determine how we move forward to end on another successful note.

In retrospection, the past year has truly been a challenging one, particularly in light of the new political dispensation, which brought with it financial challenges in terms of having expenditure approved. Apart from having to work with a limited budget to address administrative issues and take care of our overhead expenses, we were forced to make adjustments in the wake of destruction of our infrastructure at Linden as a result of fire. The organisation has also had to grapple with high staff turnover due to resignations, as well as having to part ways with some who became corrupted, having succumbed to inducements.

These challenges among others, made the task of revenue collection even harder as we began to feel the effects of a shrunk revenue base, impacted by reduced Corporation Tax and an increased threshold designed to improve the livelihoods of the working class and to make more money available to business for expansion and therewith, employment creation. We also faced the mammoth task of moving all our Georgetown operations to one location with the exception of the Wharves; a process that had major hiccups.

As always, we rose to the challenge. We worked hard as a team with the help of the Subject Minister and the Governing Board, who guided us in making effective and efficient use of our resources as belt-tightening measures were introduced. Through the hard work and dedication of management, officers and support staff, we were able to achieve our revenue and other goals for 2012.

Motivated by our gains, we committed ourselves once again, so as to make 2013 a better year. Thus far, as we review the first half of 2013, we can say that we have made strides toward achieving our target as we seek to rake in G\$125.7 billion in 2013 to fund a hefty budget.

We are also motivated by our new environment which lends to an improved organisation culture, enhanced employee engagement and job enrichment as it sets the foundation for a fair work environment.

Modernisation of the Guyana Revenue Authority (GRA) continues to be a work in progress. We have achieved another milestone of consolidating our Main Georgetown operations at one location, which will lead to more effective and efficient use of resources. We have bold initiatives to improve taxpayers service with the aim of improving voluntary compliance. There is much work to be done in benchmarking progress in this area, particularly as taxpayers clamour for electronic interface. We must support stakeholder migration to alternative channels that better meet their needs. We therefore seek to make progress in the rollout of our Online Taxpayer Service System (OLTS) that will enable electronic filing and other transactions.

We have achieved success in the automation of all of the services offered by the Licence Revenue Division. Our Importer/ Customs House Broker interface at Customs House was taken to another level at the close of 2012. As a result, Importers/ Brokers can now check the status of their entries from their homes, offices, smart phones or other devices with internet access.

Another area of success is the payment of PAYE Refunds to a large number of taxpayers for the first time in the history of the GRA. Additionally we have seen the establishment of the Bartica Integrated Tax office, resulting in the extension of the range of services offered at that location.

Early this year we were able to install our suitcase scanner at the Cheddie Jagan International Airport (CJIA) -Timehri, to check the import of goods in commercial quantities in suitcases and any illegal or prohibited items.

One of our main objectives for 2013 is to implement our internet and tele-banking tax payment system as we continue to work on the OLTS.

As we reflect on the gains made, I urge you all to let us continue to be committed to the success and modernisation of our organisation. I wish you all much success for the remainder of 2013.



An interactive panel discussion on Tax Administration!
Check your television guide or www.gra.gov.gy for broadcast times

BROADCAST SCHEDULE OF GRA'S TV PROGRAMMES

PROGRAMME	DAY	TIME	CHANNEL
Focus on GRA	Sunday	09:30hrs	HBTv 9
Focus on GRA	Sunday	12:30hrs	NCN 11
Focus on GRA	Sunday	18:00hrs	MTV 65
Focus on GRA	Saturday	17:30hrs	CNS 6
Focus on GRA	Monday	19:30hrs	Tarzie Bartica
Focus on GRA R/B	Thursday	18:30 hrs	MTV 65
Focus on GRA R/B	Monday	19:00hrs	HBTv 9
Focus on GRA R/B	Wednesday	12:30hrs	NCN 11
Focus on GRA R/B	Thursday	20:00hrs	CNS 6
Let's Talk Tax	Saturday	19:00hrs	NCN 11
Let's Talk Tax	Wednesday	17:15hrs	CNS 6
Let's Talk Tax	Thursday	19:30hrs	MTV 65
Let's Talk Tax	Tuesday	19:30hrs	HBTv 9

Editorial:

We Media, Media & Corporate Communications

Ms. Marcia Harris



the media would carry the story, embedded or not, once they found it to be news worthy. But technology has changed the rules of the game and media operatives and corporate entities must embrace these new rules or run the risk of extinction from bad publicity that may lead to irreparable damage.

Everyone is now virtually in the know in a click. No longer can Corporates ask, who leaked the

Developments in technology are changing the way we communicate as individuals and organisations. In all facets of communication, all have become involved and consumed. In the corporate world, as is the case in the world of Journalist, the lines of functional separation and responsibility are well near obliterated. Today, with the inundation of smart phones and other high-tech communication devices and the plethora of social media channels, journalists are challenged for the scup and corporate entities to control the flow of information, and in some cases misinformation. The task of image building and maintenance and reputation repair now has to be done across a broader media spectrum.

In the past, the print, radio or television would suffice to announce good news or undo damage done by a bit of bad news. A press conference would usually be called oran 'E' in ethics and economics as almost anyone and anything can be bought or sold, or simply uploaded on each individual's broadcast network. There is misuse of the social media platform as trivial issues seek to grab attention and serious issues are sometimes made a mockery due to lack of accuracy, insufficient content and timeliness, among others. Corporate employees replace loyalty, ethics and Standard Operating Procedures with narcissism as they seek to disseminate information at will, forgetting that while they may consider it a right, they also have a responsibility to themselves and the organisation they serve, to be mindful of the image they paint in their enthusiasm to share.

The way to go

While citizens and employees are breaking news, the professionals are spending too much time trying to get it right. It can take hours to write a press release or respond to an editorial, particularly when the facts are not forth coming; several hours and even days in some cases to get it approved for dissemination, so how do we compete when the audience becomes reporters themselves? Do they really provide quality journalism? The rules of the game

the entity concerned would issue a press release and

information, when everyone sees themselves as having the right to spread the word or share information. Citizens have become Journalists and employees Public Relations Specialist. Everyone wants to play an active role in the process of collecting, reporting, analyzing and disseminating news and information irrespective of the harm it can bring. In this new era of communication, no one means of content will do. Text, pictures, videos, you name it, all can be shared via a site like Twitter. Citizen Journalism has known to save lives and prevent tragedy, in other instances it has done quite the opposite.

With the influx of social media, objectivity lost its balance. There is lack of rigorous fact checking. There is no longer might have changed, but the elements of what makes news have not changed. Also, there is still need for accuracy and timeliness.

Corporations must therefore seek to embrace social media so that information is disseminated with immediacy, timeliness, brevity and accuracy at least in the first post, tweet, share or call. A different angle can be taken when all the added necessary details are in, particularly when there is easy access to the information by 'we media specialists.' It is also important for the organisation to have the first say; when they are mindful of being reactive rather than proactive. Corporations are now getting there. They can be found on what I call the more professional social sites like Twitter (Canada Revenue Agency) and on LinkedIn (World Bank), depending on what fits with their brand.

The GRA is expanding its social space, having sent out its first tweet in May, 2013 and is currently exploring other social media channels in an effort to reach a wider audience, both in terms getting our issues in the new first to them and to promote voluntary compliance. Social media is now part of the corporate communications mix. We encourage you to follow us on Twitter and like us on Facebook and have your friends and families do the same.



LEID Expanding to Boost REVENUE Collection

Known for its firm approach to issues of smuggling, the Guyana Revenue Authority's (GRA) Law Enforcement and Investigation Division (LEID), has been working tirelessly to ensure the country's revenue is protected. This Division which comprised the Surveillance and Anti Smuggling section (SASS), the Marine Operations Unit (MOU) and the Drugs Enforcement Unit (DEU), has now been further boosted with the addition of the Investigation Section (IS). The Investigation Section which is mandated to investigate all recipients of tax exemptions granted by the agency to ensure adherence and compliance with the Tax Laws of Guyana, was established in September 2012, and has conducted a significant number of investigations and recorded a number of achievements.

According to Mr. Shawn Smith, Manager of the IS, this new unit deals "primarily with pre and post verification in relation to tax exemptions applied for and or granted to sectors/individuals including re-migrants, public officialsthat equipment or vehicles are being used contrary to the approved purposes, the exempted party is made to pay all the taxes they were previously exempted from and all agencies previously involved in the process are notified. Currently, there are several matters pending for various categories of persons/businesses that were granted exemptions. In particular, it has been found that many re-migrants previously granted exemptions on motor vehicles,

subsequently sold same before the stipulated exemption period was up. This is in contravention of Section 23 (a) of the Customs Act, Chapter 81:01, which stipulates that a person must be resident in Guyana consecutively for a period of thirty-six (36) months and that such vehicles should not be leased, transferred or sold within that period.



It was also found that others have failed to honour the conditions set forth in their business agreements or have failed to adhere to the conditions of their business proposals.

Additionally, the Investigation Section is also tasked with the responsibility of investigating any other breaches of any of the Acts administered by the Guyana Revenue Authority (GRA), such as, the Excise and Value Added Tax Acts.

and public transportation such as, minibus operators and other vehicles in the 'B' and 'G' series." He also noted that under investment agreements, persons in the mining and logging sectors and fishing industry are also granted exemptions and are also subject to investigations.

Pre-approval investigations require verification that all criteria are in place for approval of exemptions. This means that businesses must be duly registered and have legitimate operations. Once these conditions are met, recommendations are made on the items deemed relevant for exemptions.

On the other hand, post exemption checks are examinations

made after exemptions have been granted. These examinations are made to ensure that the approved items are being utilized in the stipulated manner and for the stated purpose.

However, if upon post-approval examination it is found LEID is mandated to enforce the collection of revenue and by law conduct investigations and detain or seize goods and property where there is suspicion of evasion of duties and taxes. As such, each section of LEID is responsible for a specific set of actions which collectively contributes to the effective operation of the Division.

The MOU of the Division has been maintaining its surveillance activities on the waterways and has been monitoring smuggling activities at the various ports and suspected entry points.

In 2011, the mandate of the Division was expanded to include the DEU, which has been successful in securing a number of major drug busts. Added to that, SASS increased its surveillance activities across the country and



has maintained a strong presence at various established check points countrywide.

With continued enhancement to LEID, it is expected that upgrading of this Division which is also a part of the Taskforce on Fuel Smuggling and Contraband, will be significantly increasing its total contribution to the agency's target for 2013 revenue collection. For 2012, LEID efforts contributed \$123M to total revenues.

LIFE CHANGING TRAINING

"It will change your life. You'll come back a new person." This was one beneficiary's way of encouraging others to take up the opportunity to train overseas. Kwesi was excited about sharing his thrilling experience of studying in India, following in the footsteps of many of his peers. As much as he enjoyed studying there, he was more excited about relating his cultural experience of almost being mistaken for a Pakistani by Indian Soldiers, as he was unknowingly wearing their colours when he arrived in the border state. "Studying was good though. Overall it was a wonderful experience... I would encourage anyone to take the opportunity when it comes to study abroad," said Kwesi as he promised to continue with part two of what seem to be an epic story.

For years, the benefits of study abroad have been described in these words. I have spoken to several persons over the years, and everyone who has had the opportunity to study abroad believed it could greatly impact a student's life. I have always underestimated its long-term benefits - until now.

I studied in India during the first three months of this year. It was indeed an enriching experience as much knowledge was gained from the lectures and the openness of participants who



shared their failures and success stories. The sharing of different experiences helped us to better understand the application of theories to real world problems. This experience also highlighted the need for improvements our own countries, especially where information technology is important to improve service delivery. It has given me a renewed desire to remain on the path of Information Communication Technology.

The first large-scale survey to explore the long-term impact of study abroad on a student's personal, professional, and academic life shows that study abroad positively and unequivocally influences the career path, world-view, and self-confidence of students.



confidence, ambiguity, and a lasting impact on their world view. Networks are formed through friendships, which influences life changing decision. Studying with persons who have similar interest are links created from these opportunities, and participants are able to share their experiences with each other.

Studying abroad also fosters a global mindset. With globalization and its expanding effects, having a global frame of mind can certainly aid in one's own development. The opportunity influences your thinking, feeling, your entire being. Some experiences can be both good and bad, or it can be any of the extreme. However, my belief is that your experience is what you make of the opportunity.

Most persons who have studied abroad would echo the sentiments above. The benefits to be derived from studying abroad are many, and do not only accrue to individuals, but also to companies that have recognised the importance of such training.

Marcia spent the first four months of this year in India. She studied Development Journalism. "Being among twenty-two participants from twenty different countries the experience can only be described as phenomenal. We were dubbed the 60th DJs because we were the 60th batch of students. After twenty-two country presentations that covered history, population, economy, tourism, ICT, press freedom, culture and foreign relations among other areas the experience was global. You felt like you visited all those countries and rediscovered your own as much research had to be done. There was tremendous exposure to developmental issues such as gender equality, access to education and health care. The role of ICT in and impact of globalization on the local economy were also examined, she remarked.

Marcia said, "Although it was an intense programme, it was not all work. We found time to mingle with the people, visit their road side eateries for a hot meal and explore their overwhelming market places where you could negotiate the price of an item over a cup of tea. Those who were fascinated by you wanted to take a picture with you, although they did not want the actual picture. Our schedule included study tours, which allowed us to see the well-preserved rich history of India,"

• Personal Growth

A study conducted by the Institute for the International Education of Students (IES) from 1950 to 1999, shows that studying abroad is usually a life defining moment in a young person's life and continues to impact the participant's life for years after the experience.

Participants usually display increased maturity, self

• Intercultural Development

In addition to personal growth, overseas training exposes participants to other cultures. The cultural exchange often creates tolerance for other cultural beliefs and traditions, and develops the participants respect for other political and economic systems. The participants also develop a better understanding of their own cultural values and biases, and a "more sophisticated way of looking at the world" .

After leaving Guyana to study in India, my first sight of this incredible country was outside the airport. I felt like a complete stranger, beside the fact that I was. Interacting with cab and Rickshaw drivers was challenging. For the first time in my life I felt lost.

However, as time went by and I learnt of the culture, customs and beliefs of the people, I was able to interact with them more easily.

• Education and Career Attainment

Dr. Dwyer's study showed that overseas training influenced 87% of her respondent's decision to pursue higher education and career development. The data from the study however,





is not critical of any educational pursuits in the participant's own country, but highlights the value placed on training obtained overseas. Employees, however, should not be discouraged from further academic pursuits for personal and professional upward mobility in their country of origin.

• Good for business

While the overseas training has enormous benefits for the participant, it also benefits the employer. Some of those benefits include the ability to choose what new skills the workforce acquires, targeting skills to meet the needs of the agency's operation for now and in the future. The training of staff can result in better customer service, better work safety practices and productivity improvements. It also demonstrates to the employees that they are valued enough to invest in them, improving loyalty and staff retention. In turn, retention is a saving to the agency.

For the many employees of the Guyana Revenue Authority who have studied abroad, congratulations! For others aspiring to study abroad or attend an overseas training, the experience will most likely be a very rewarding and life changing one.



EXEMPTIONS & DEVELOPMENT

rule rather than the mere absence of taxation in particular circumstances, that is, an exclusion. Tax exemption can be partial or full, but are generally conditional.

Billions of dollars are granted in exemptions each year by the Guyana Revenue Authority in areas such as agriculture and agro-processing, tourism, manufacturing, information and communication technology, seafood and aquaculture, and wood processing sectors among others. While in the short term, these exemptions could have meant revenue gains, the multiplier effect in the longer term from increased levels of employment is an incentive for government to wavier tax now in order to collect more later in the form of direct taxes as more persons earn an income; and indirect tax as more becomes available for spending.

The GRA determines what materials and items are eligible for tax relief having regard to the various tax acts. The organization makes the final recommendation to the Minister of Finance whether to grant exemptions and waivers from customs duty, excise tax, and value added tax.

Again, in certain circumstances, tax holidays are granted to investors. A number of companies/businesses both foreign and domestic have benefited from investment incentives such as corporate tax exemption, income tax (In Aid of Industry) exemption, export tax exemption on non-traditional exports and, exemption from customs duty, excise tax and value added tax.

Perhaps the best news one can receive is news that they are exempt from paying taxes. Individuals all over the world pay taxes, some more than others. Taxation, however, was not meant to be a burden to people, but a means of improving their standards of living. In fact, taxation should not be seen as a burden, but as a way of meeting the country's developmental needs that we tend to overlook.

The earliest form of taxation can be traced back to the ancient civilizations of Egypt, Greece, and Rome. Egypt had tax collectors, called scribes. In Greece, the Athenians collected *Eisphora*, a type of tax for wartime expenses. They also imposed *metoikion*, a monthly tax for foreigners. In Rome, the first taxes were called *portoria*, since they were applied to imports and exports.

We have always been encouraged to "render unto Caesar that which is Caesar's..." regardless of the rate of tax because taxes are important for development. Tax revenues go towards the creation of employment, infrastructure development, payment for the provision of services and inducement for new or further investment, such as in the extractive industry or the renewable energy sector. To encourage investment and create employment are two of the objectives for granting tax exemptions. Tax exemption generally refers to a statutory exception to a general

Tax exemption may also refer to a personal allowance or free pay which is granted under the Law. A tax exempt status may provide a potential taxpayer complete relief from tax, tax at a reduced rate, or tax on only a portion of the items subject to tax. For examples, tax exemption granted to Remigrants from Value Added Tax and /or Import Duties. Duty Free concession is another type of tax exemption granted to certain categories of employees such as Government Ministers, Magistrates, Judges and other senior public officials.

Persons earning an income in Guyana are generally given a tax exemption on a portion of their income, referred to as the threshold or free pay. Beginning January 1, 2012, the statutory allowance or free pay (threshold) for individuals was increased from four hundred and eighty thousand dollars (\$480,000) to six hundred thousand dollars (\$600,000) per annum. Personal bank accounts of individuals over the age of sixty years (60) old can also be exempt from paying Withholding Tax upon application.

These personal statutory exemptions enable individuals to raise their standard of living by making more money available for spending on other things or saving and investment.

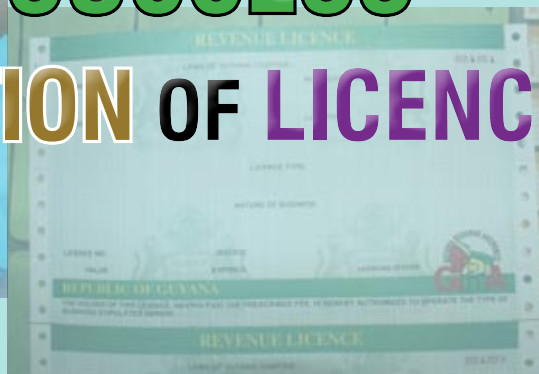
Although Taxation may be viewed in a negative light, it is integral in the scheme of things designed to promote human development. Guyana has some way to go, ranking 118th on the United Nations Human Development Index, according to the report launched earlier this year. According to the report progress is slow among HDI countries. In order to accelerate this, there needs to be greater investment in people, infrastructure and non-traditional markets. There is also need for social policy innovations as exemplified by Turkey (Health care for all and targeting the poor) and Brazil (expanding education access and equalizing funds across regions and municipalities). The foregoing developments require finance; while taxation is the major source of government revenue.



A BLEND OF SUCCESS THE EVOLUTION OF LICENCE SERVICES

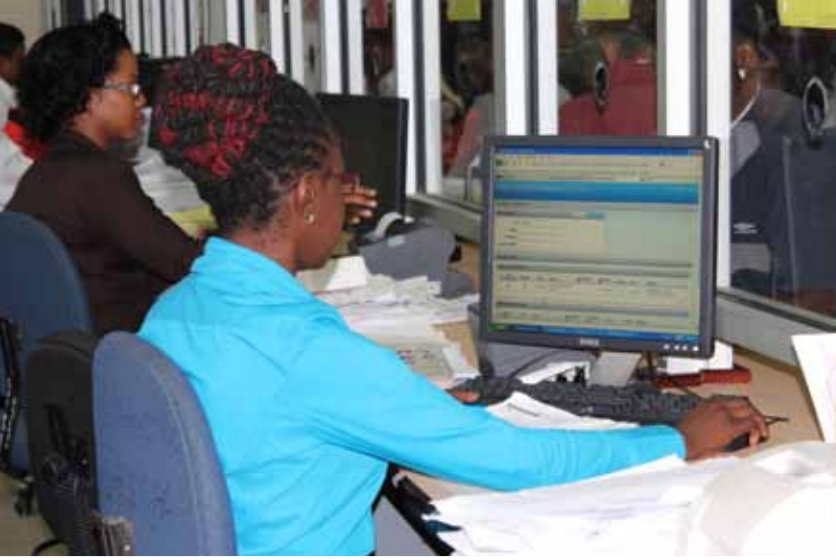
The Guyana Revenue Authority's (GRA) efforts to consolidate almost all of its operations in Georgetown to better serve taxpayers has taken steps to move the respective offices to its new Headquarters at 200-201 Camp Street, Georgetown.

While GRA's Licence Revenue Office (LRO) at Smyth and Princes Streets faced the brunt of taxpayer frustration with its long lines and congestion over the past years, efforts were continuously underway to increase access and ease frustration with additional services and interim processes. Some of these included the new system introduced in



2012 whereby Motor Vehicle Owners were able to renew their Motor Vehicle Licences (MVLs) on the anniversary of its registration. This system continues and GRA has been urging vehicle owners to ensure that they adhere to the mailed Notices sent to them reminding them to renew their MVLs. The Authority collaborated with several commercial banks to allow for persons with Notices to pay for their MVLs at those institutions to avoid the rush at the LRO.





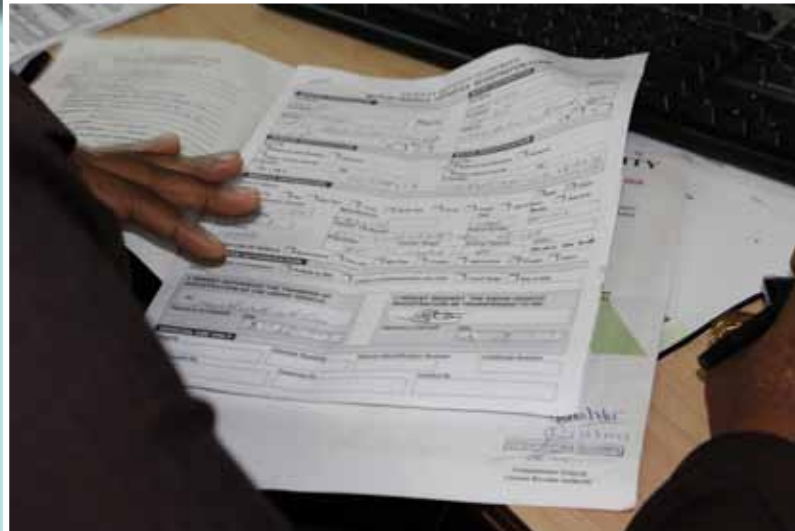
were returned to the latter during the process.

Vehicle owners would have also benefitted from another improved service at the LRO with the launch of the automated Motor Vehicle Registration which paved the way for a reduction in the processing time of the document.

In May 2013 the LRO was fully merged with other services and finally moved its Driver's Licence Unit. Initially, GRA had decided not to have its Drivers' Licence Unit transferred to its Headquarters since the module for the Licence Revenue Processing System (LRPS) was still under computerization. It was noted that the

Another notable interim process which was put in place was one allowing Drivers requesting a renewal of their Driver's Licences to be issued with a temporary three-day permit, while awaiting the new Driver's Licence which usually takes approximately two days to process.

The Trade and Miscellaneous Licence (TML), also issued by the LRO, has undergone automation as well during 2012. This automated document was extended to other Regions of Guyana as part of the licensing enhancement process. Upon examining an automated Trade and Miscellaneous Licence, one would observe that it has now been computerized and printed with all necessary information



GUYANA
CERTIFICATE OF VEHICLE REGISTRATION
 Section 5, The Motor Vehicles and Road Traffic Act Chapter 15:02

Plate	Effective Date	Chassis No.	Year
Manufacturer	Model	Horse Power/Engine Capacity	
Engine No.	Effective Date	Type of Vehicle	Condition
Unladen Weight	Seating Capacity	Registration	Colour
First Registration	Issue Date	Expiry Date	Wheel Count
Particulars of Owner(s)			
Authorising Officer		Signature	

manual and computerized versions of the module were still undergoing parallel runs to test and compare their efficiency, thus, the need for this specific unit to remain at the Licence Revenue Office for an extended period. This period proved to be short-lived. Taxpayers are now able to access all services at Camp Street, including Drivers' Licencing Services, Motor Vehicle Licences, Vehicle Registration and the Liquor, Trade and Miscellaneous Licence.

All licences are now fully automated, and the organisation is working on making available a new state-of- the-art plastic cards Drivers' Licence weaning out the current booklet-form.

upon the completion of the renewal process. The TML covers a range of licences sold by the GRA such as the Shop, Hotel, Ball and Dance, Lumber Yard and Huckster's licences.

Regional Democratic Councils (RDC) previously held the responsibility of issuing TMLs on behalf of the GRA. However, with the launch of the automated TML the responsibility was rerouted to the Authority, and all files

Examination of vehicles

While all services can now be accessed at the new location, persons visiting the headquarters to register a new vehicle or to transfer a registration, would need to have the inspection aspect of the service done at LRO in order to avoid a vehicle build up at the new location where there is not yet an available location for vehicle inspection to be carried out.



Taxation and the Extractive Industry

“The gold mining sector has been playing an increasingly important role in the domestic economy, with production reaching unprecedented levels. The growth of the industry has resulted in significant job creation and multiplier economic activity in mining communities and indeed throughout the country...The industry is also one of the principal destinations for inward Foreign Direct Investment (FDI), with several large scale investments in the sector, said Finance Minister, Dr. Ashni Singh in his 2013 Budget Speech.

In light of the fact that there is a boom in the gold and diamond mining industries, more attention is currently being placed on the importance of all relevant businesses and companies in this sector to voluntarily adhere to their tax obligations as it relates to the submission of their Returns and the remittance of the taxes required by law to be deducted from their profits and their employees income.

The term extractive industry refers to the physical extraction of metals, minerals and aggregates from the earth. Even though this trade defers from the traditional wholesale, retail or even manufacturing sector, the same requirement applies in relation to the statutory obligation of miners to submit Returns and remit the taxes deducted. However, the rate at which the tax is required to be deducted varies compared to the Pay As You Earn (P.A.Y.E) system.

The term Tributors according to the law (Section 33(13) of the Income Tax Act Chapter 81:01) refers to a “...person engaged in the gold or diamond mining industry who is rewarded for their labour under the tribute system, and includes divers, cooks, sailors, general managers, or

persons engaged in site operations.” All businesses such as companies and sole traders engaged in the gold or diamond mining industry are under a statutory obligation (see Section 33F (1) of the Income Tax Act) to deduct ten percent (10%) from the income given to those persons who fall under the tribute system and who are employed in their operation/organisation. This is the ten percent (10%) which is required to be remitted to the GRA on a quarterly basis along with the Remittance Form for Employers of Tributors.

Once this ten percent (10%) tax is remitted to the GRA, the tributors would then be liable by law (33F (6) of the Income Tax Act) to remit the outstanding twenty percent (20%) over to the GRA on or before 30th April, as a result of reduction in the Income Tax rate effective January 2013. Furthermore, all employers are required to issue to their employees a certificate showing the total salary and the total taxes deducted for the year in order for these Tributors or employees to submit their Individual Income Tax Return on or before 30th April.

There are different due dates applicable to **Returns** which are required to be submitted by gold and diamond mining businesses such as:

- 1. The Corporation & Property Tax Returns are due on or before 30th April;**
- 2. The Employers Return (Form 2) is due on 28th February in the following year for the previous year; and**
- 3. The Remittance Form for Employers of Tributors is due quarterly (i.e. 1st April, 1st July, 1st October, and 31st December).**

It should be noted that the ten percent (10%) Tributors Tax deducted from Tributors salaries is due also on a quarterly (1st April, 1st July, 1st October and 31st December) basis.

However, companies Corporation Tax payment is due on 15th March, 15th June, 15th September and 15th December.

Sole Traders (Individuals with a mining claim) must deduct the ten percent (10%) tax from persons deemed tributors employed in their business and pay it over on a quarterly basis as stated above. They are also required to submit the Remittance Form for Employers of Tributors at the same

time.

The Law (Income Tax Act) requires all individual earning an income in Guyana to submit an Individual Income Tax Return on or before 30th April. However, in order for a Tributor to submit his or her Return, he/she must attach the certificate, which was obtained from his/her employer, showing the total salary earned for the year and the total amount of taxes deducted.

Table showing Returns and payments required to be submitted by gold and diamond mining businesses:

Required To Submit:	Employers Return (Form 2)	Corporation Tax Return & Payment	Remittance Form For Employers Of Tributors & Payment Of Tax	Certificate To Be Given To Tributors Showing Salary Earned And Taxes Deducted For The Year	Property Tax Return And Payment
Companies	✓	✓	✓	✓	✓
Sole Traders	✓	✓	✓	✓	✓

Tax Holiday for Companies

The Income Tax (In Aid of Industry) Act Chapter 81:02 provides for a Tax Holiday period to be given to investment companies once they satisfy specific requirements. Section 2 of the Act states that “Notwithstanding anything to the contrary contained in the Income Tax Act (Chapter 81:01) or Corporation Tax Act (Cap. 81:03), it is hereby provided that the Minister may grant an exemption from Corporation Tax with respect to income from economic activity qualifying under one of the following circumstances:

- (a) The activity demonstrably creates new employment in one of the following areas:
 - (i) Region 1: Barima- Waini
 - (ii) Region 8: Cuyuni- Mazaruni
 - (iii) Region 9: Upper Takatu- Upper Essequibo

(iv) Region 10: Upper Demerara- Upper Berbice

- (b) The activity is new economic activity in Mineral exploration, extraction, or refining.

Therefore, once a business or company falls within the category listed above then it would be eligible for a tax holiday in relation to allowances stated in the law (Income Tax (In Aid of Industry) Act, Chapter 81:02).

In the absence of a tax holiday, persons involved in the gold mining business are required to pay two percent (2%) tax on the gross amount of proceeds received from the sale of gold to the Guyana Gold Board. Two percent (2%) tax is also required to be paid in the case of diamond but it is “... on the value placed by the Central Authority”, which is the Geology and Mines Commission (GGMC) in this case.





A Virtual Fight to Safeguard the World's Health



The introduction of the internet age and the use of the World Wide Web (www) have been considered among man's best innovations. However, with the advent of the internet age came a number of social issues that have posed serious problems and can inevitably lead to the detriment of man. Chief among these, is the availability of counterfeit pharmaceuticals and other illegal drugs via the internet, which has become so serious that the World Customs Organisation (WCO) in collaboration with INTERPOL and other regulatory and enforcement bodies worldwide, were left with no choice but to establish an operation that would focus on the health and safety of those prone to procuring medicines via the internet.

'Operation PANGEE'

For the second consecutive year Guyana, through the Guyana Revenue Authority (GRA), has participated in the fight against the sale of counterfeit pharmaceuticals and other illegal drugs dubbed 'Operation PANGEE.' Building on the success of its participation in 2012, the agency committed to the 6th operation of its kind, which ran from June 18-26, 2013. The GRA took its campaign to various Ports of entry with the aim of sensitizing Customs officers, not only of the dangers associated with purchasing pharmaceuticals online, but also the necessity of recording all medications entering Guyana. These campaigns were complimented with the recording and airing of a special edition of GRA's television programme, 'Let's Talk Tax'

which focused on the dangers of procuring pharmaceuticals via the internet and GRA's role in monitoring such imports.

As a result of this global initiative, more than 9610 websites linked to illicit online pharmacies were identified and shut down for 2013. In addition, there was the suspension of payment facilities of illegitimate pharmacies and the disruption of a substantial number of spam messages.

In 2012, the GRA collaborated with the Food and Drug Analyst Department. With the involvement of these two agencies, Guyana joined one hundred and ninety one (191) agencies in one hundred (100) countries in targeting the online sale of counterfeit and illegal medicines.



During 2012, eighteen thousand and forty one (18,041) websites were shut down, one hundred and six (106) persons investigated with seventy nine (79) arrests. A total of three million, seven hundred and fifty eight thousand, three hundred and ninety three (3,758,393) units of drugs valued ten million five hundred thousand United States dollars (\$US10, 500.000) were seized. Of the thirty seven (37) public awareness campaigns conducted, Guyana's efforts produced five.

According to INTERPOL's website, "with the aim of supporting the International Medical Products Anti-Counterfeiting Taskforce (IMPACT) and through the involvement of police,

customs and national regulatory agencies with support from Internet Service Providers (ISPs), payment systems providers and delivery services, Operation PANGAEA was conceived six years ago. Its aim was to disrupt the online criminal networks and activities connected with the selling of fake medicines online, such as credit card fraud; and to raise public awareness of the health risks linked to purchasing medicines online."

The website further noted that "the operations of PANGAEA are conducted through an International Internet Week of Action (IIWA) the goal of which is to protect the public's health by increasing public awareness about the dangers and risks associated with purchasing medicines and medical devices

from websites. Other goals included identifying the producers and distributors of counterfeit or otherwise illegal pharmaceutical products or medical devices, targeting these individuals or businesses with civil or criminal action, and seizing counterfeit and illegal products and removing them from the supply chain."

The first PANGAEA operation was conducted in 2008 and was organized by the Permanent Forum on International Pharmaceutical Crime (PFIPC) and INTERPOL. It began with ten (10) countries in 2008 and in 2012 participation rose to one hundred (100) countries.



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