

GUYANA

No. 23 of 2006

ORDER

Made Under

**THE VALUE-ADDED TAX ACT 2005
(Act No. 10 of 2005)**

**IN EXERCISE OF THE POWERS CONFERRED UPON ME BY
SECTION 98 OF THE VALUE-ADDED TAX ACT 2005, I
MAKE THE FOLLOWING ORDER:-**

Citation.

1. This Order may be cited as the Value-Added Tax Order 2006.

Amendment
of Schedule I
paragraph 1
to the Act.

2. Schedule I paragraph 1 to the Act is amended as follows –

- (a) by the deletion of the definitions of “ancillary transport services”, “foreign-going aircraft” and “international transport services” ;
- (b) by the insertion of the following definitions in their appropriate order –

“educational materials” means –

- (a) (i) printed books, including children’s picture books, children’s drawing books, colouring books, instructional newspapers or newsletters marketed to students; and

(ii) academic journals, academic periodicals and other educational, academic, or instructional printed matter, used for educational, literary and technical purposes, but not including magazines, pricelists, and directories;

- (b) school supplies of student-use quality, including school exercise books, pencils, and erasers, rulers, protractors, dividers and compasses for school use;

“education services” means education and hostel facilities for students and scholars provided by –

- (a) a pre-primary, primary, or secondary school;
- (b) a technical college, community college, or university; or
- (c) an educational institution established for the promotion of adult education, vocational training, technical education,

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Amendment
to Schedule I
paragraph 2
to the Act.

No. 11 of 1999.

Cap. 82:01.

Cap. 82:01.

Cap. 82:01.

3. Schedule 1 paragraph 2 is amended as follows

- (a) by the deletion of sub-paragraphs (f), (o) and (p);
- (b) by the insertion immediately after sub-paragraph (n) of the following -

“(o) a supply of water services and sewerage services provided by Guyana Water Incorporated;

(p) a supply of electricity by a person authorised under the Electricity Sector Reform Act;

(q) a supply of -

- (i) plain bread made with white or whole wheat flour, but not including all other bread such as French bread, Swiss bread, and sweet breads;
- (ii) raw white or brown rice, but not including all other rice such as basmati rice, converted rice, exotic species of rice, rice packaged with flavourings, or rice processed to allow for quick cooking;
- (iii) raw brown sugar;
- (iv) coconut, palm, corn, soybean and peanut oil;
- (v) cow's milk and milk powder, but not including other milk such as flavoured milk;
- (vi) baby formula, but not including baby foods;
- (vii) fresh fruits, but not including apples, grapes, dates, prunes, peaches, plums, strawberries;
- (viii) fresh vegetables, including onions, garlic, potatoes, but not including olives, carrots, radishes, broccoli, cauliflower;
- (ix) dried split peas, but not including other dried leguminous vegetables such as black eye peas, pigeon peas, chick peas (garbanzos);

(r) a supply of fertilizers;

(s) a supply of pesticides;

(t) motor vehicles for persons qualifying for exemption from Customs duties under section 23 of the Customs Act;

(u) importation of personal effects for re-migrants who qualify for exemption from Customs duties under section 23 of the Customs Act;

(v) goods imported for non-commercial purposes and contained in a passenger's baggage or imported in gift, parcels sent by air or sea or by parcel post, of which the CIF value does not exceed the Guyana dollar equivalent of US\$200.00, subject to the provisions contained in Annex I of the First Schedule Part I of the Customs Act;

(w) goods when imported and consultancy services, to be supplied to the State, or a local project funded

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- by grants or loans supplied by a foreign government (or agency of that government) or a public international organisation;
- (x) works and consultancy services purchased by a budget agency named in the schedule to the Fiscal Management and Accountability Act 2003;
 - (y) importation of raw materials to be used in the production of goods which will be subsequently exported by a taxable person who, to the satisfaction of the Commissioner-General, exports at least 50% of all of its products;
 - (z) an importation of items under an investment agreement entered into on behalf of the Government with taxable persons;
 - (aa) the first import, after the coming into operation of the VAT Act, of one of each large capital item of equipment such as a bulldozer, excavator, tractor, or similar heavy duty industrial machine by a person who invests in these items, provided that on the day prior to the coming into operation of the VAT Act the import of the item by the person was subject to Consumption Tax at a rate of zero percent and that the importation is not subject to an investment development agreement, and further provided that zero-rating of subsequent imports of these items are allowed under conditions and restrictions that may be prescribed by the Minister;
 - (bb) a supply of locally produced sand, stone, concrete blocks, lumber or similar materials of a type and quality used for construction, but not including items containing imported raw materials;
 - (cc) an importation of motor vehicles that are at least 4 years and older from the date of manufacture;
 - (dd) a supply of medical services and prescription drugs, to the extent provided in regulations issued by the Minister, and over the counter drugs, but not including vitamins, tonics, energy drinks, food supplements and similar products and supplements for promoting health and well being;
 - (ee) a supply of education services and educational materials;
 - (ff) coins, bank notes and other monetary instruments imported by or on behalf of the Bank of Guyana;
 - (gg) a supply of sports gear or sports equipment qualifying for exemption from Customs duties under the First Schedule to the Customs Act;
 - (hh) the supply of a cup, medal, shield, or similar trophy,

~~which is shown to the satisfaction of the Commissioner.~~

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trade, imported for the purpose of bestowal as an honorary distinction or prize, and either won abroad or awarded by a donor resident abroad;

- (ii) a passenger vehicle as shown to the satisfaction of the Commissioner-General to have been won abroad, or bestowed as an honorary prize to a sports personality;

Amendment
to Schedule
II paragraph
1 to the Act.

4. Schedule II paragraph 1 is amended as follows –

- (a) by the deletion of the definition of “education services”;
- (b) by the insertion of the following definitions in their appropriate order –

“ancillary transport services” means stevedoring services, lashing and securing services, cargo inspection services, preparation of customs documentation, container handling services and storage of transported goods or goods to be transported;

“export country” means any country other than Guyana and includes a place which is not situated in Guyana, but does not include a specific country or territory that the President by proclamation in the *Gazette* designates as one that is not an export country;

“international transport services” means –

- (a) the services, other than ancillary transport services, of transporting passengers or goods by road, rail, water or air –
 - (i) from a place outside Guyana to another place outside Guyana where the transport or part of the transport is across the territory of Guyana;
 - (ii) from a place outside Guyana to a place in Guyana; or
 - (iii) from a place in Guyana to a place outside Guyana;
- (b) the services of transporting passengers from a place in Guyana to another place in Guyana to the extent that transport is by aircraft and constitutes “international carriage” as defined in Article 3 of the Convention on International Civil Aviation;
- (c) the services, including any ancillary transport services, of transporting goods from a place in Guyana to another place in Guyana to the

- (d) the services of insuring or the arranging of the insurance or the arranging of the transport of passengers or goods to which paragraphs (a) to (c) apply.”.

5. Schedule II paragraph 2 is amended as follows –

- (a) by the substitution for sub-paragraph (b) of the following –
“(b) a supply of international transport services;”;
(b) by the substitution for sub-paragraph (c) of the following –

- “(c) a supply of –
(i) kerosene oil;
(ii) liquid propane gas;
(iii) gasoline; and
(iv) diesel.”

- (c) by the insertion immediately after sub-paragraph (e) of the following –

“(f) a supply of all goods and services by budget agencies named in the schedule to the Fiscal Management and Accountability Act 2003 and by state agencies that perform regulatory functions by statute; or

- (g) a supply of locally mined raw gold or diamonds certified by the Guyana Gold Board, the Geology and Mines Commission or other approved authorised dealers in gold and diamond.”

6. Schedule V is amended by the deletion of the words –

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|---|-------------------------------------|
| (a) “Travel Voucher Tax Act | Cap. 80:09” and |
| (b) “Provisions relating to Premium Tax | in the Income Tax Act, Cap. 81:01”. |

Made this 5th day of December, 2006.


Minister of Finance.