



GRA Strategic Plan 2019-2021



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Acronyms

AC	Assistant Commissioner
AML	Anti-Money Laundering
AML/CFT	Anti -Money Laundering and Countering Financing Terrorism
ASYCUDA	Automated System for Customs Data
CARICOM	Caribbean Community
CARIFORUM	Caribbean Forum
CARTAC	Caribbean Regional Technical Assistance Centre
CATT	Customs Assessment Trade Toolkit
CE&TO	Customs, Excise and Trade Operations
CIT	Corporate Income Tax
CG	Commissioner-General
CPC	Customs Procedure Codes
CRS	Common Reporting Standard
CSP	Corporate Strategic Plan
DC	Deputy Commissioner
DCG	Deputy Commissioner-General
DCIR	Deputy Commissioner Inland Revenue
EOI	Exchange of Information
EMDE	Emerging Market and Developing Economy

ET&PW	Excise Tax and Private Warehouse	LTD	Large Taxpayers Division
FATCA	Foreign Account Tax Compliance Act	OSS	Operational Support Services
FDI	Foreign Direct Investment	PAYE	Pay As You Earn
GBOD	Governing Board of Directors	PCA	Post Clearance Audit
GDP	Gross Domestic Product	PID	Permit for Immediate Delivery
GEM	Guyana Revenue Authority Enterprise Management	PMS	Performance Management System
GRA	Guyana Revenue Authority	PPPD	Policy, Program and Planning Division
GSDS	Green State Development Strategy	PRAD	Planning, Risk and Analysis Division
HQ	Headquarters	PTP	Prior to Processing
HRMD	Human Resource Management Department	SAFE	Secure and Facilitate Trade
ICJ	International Court of Justice	SIU	Special Investigation Unit
ICT	Information and Communications Technology	SMF	Strategic Management Framework
IIT	Individual Income Tax	SOP	Standard Operating Procedure
IMF	International Monetary Fund	SWOT	Strength, Weakness, Opportunity and Threat
IR	Internal Revenue	TA	Tax Authority
IRTO	Integrated Regional Tax Offices	TADAT	Tax Administration Diagnostic Assessment Tool
ISORA	International Survey on Revenue Administration	TFA	Trade Facilitation Agreement
IT	Information Technology	TIN	Taxpayer Identification Number
LCDS	Low Carbon Development Strategy	TRIPS	Total Revenue Integrated Processing System
LRO	License Revenue Office	VAT	Value Added Tax
LRPS	License Revenue Processing System	WCO	World Customs Organization
LS	Legal Services	WTO	World Trade Organization

Preface

The Guyana Revenue Authority's strategic plan emanated from the need to modernize the country's taxation systems and institutionalize reforms. Through Technical Assistance provided by CARTAC, the Agency assembled a Strategic Management Project Team with representatives from various disciplines and operational areas of the Revenue Authority. The Project Team was responsible for the drafting of the strategic plan and all the related facets such as the Change Management and Communication plans. A Steering Committee constituted of the Executive Management provided instrumental oversight of the Project Team and input into the planning process.

Consultations were held with Internal stakeholders and key External stakeholders. Their opinions and recommendations were considered and reflected in the desired outcomes and activities/ projects the Agency will undertake to address deficiencies and improve customer services.

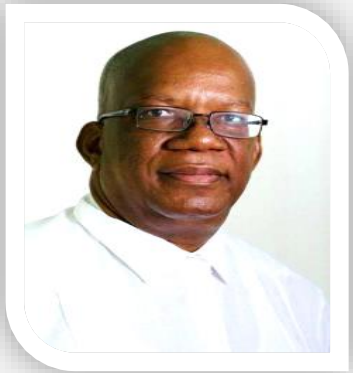
With the implementation of this plan, each Employee will clearly understand their role and how they are expected to contribute towards the bottom line. Also, this plan aims to successfully unify the various arms of the Authority by clearly delineating common goals that the Agency is collectively working towards and to provide a structured and cogent approach to proposed changes. For the predominant fiscal years 2019 to 2021, these goals address:

- a) Effectively administering the tax laws equitably and transparently
- b) Improving voluntary compliance
- c) Enhancing accountability framework, Human Resource Capacity and Infrastructure
- d) Modernizing the GRA through ICT solutions

Under each of these goals innovative measures were devised and good practices were deployed to ultimately create value and optimize revenue mobilization. The most eminent proposal is the changing of the Organizational structure to include a 'Headquarters' function. This new Organizational structure will reflect the distinct differences between operational delivery of GRA's business and the development of policies, programs and procedures which require continuous revision and amendments to guide the Authority in performing its core functions. Maintenance of the Strategic Management Framework (SMF) will be one of the primary roles of the 'Headquarters'; this includes the strategic plan, operational plans, work plans, as well as, monitoring and evaluation. The establishment of the Headquarters function will also actuate centers of excellence and foster the development of specialization.

With a renewed vision, the Guyana Revenue Authority will continue to partner with all stakeholders as it works assiduously towards the achievement of its aspirations.

Foreword by The Minister of Finance



The Guyana Revenue Authority (GRA) has made good progress since its establishment in 2000 and more so, over the last three years. The continuous attainment and surpassing of

the annual revenue targets bare testimony to this strong performance. The Agency plays an integral role in national development by collecting and mobilizing tax revenues to provide public services and social programs that are vital to the well-being of our citizens.

The mandate of the GRA and the ensuing demands on the Agency have significantly expanded with the ongoing economic challenges. There is a need to implement meaningful reforms to strengthen the institution, modernize tax systems and create a more robust revenue management framework aimed at increasing the tax base and revenue generation from domestic and international trade. These measures will foster greater fiscal stability and sustainability of Government revenue and expenditure. It would also serve to reduce the country's reliance on loans and grants from external sources.

The recent significant discoveries of petroleum resources in the offshore waters of Guyana put the country's economy on the threshold of rapid development and this will also inevitably have significant implications for the GRA with regards to its mandate and role. The Government is cognizant that petroleum production will ultimately lead to a change in the economic base and landscape of the country. The Authority must reposition itself by planning, retooling, devising and developing appropriate organizational systems, building pertinent capacity and establishing a robust Petroleum Taxation regime to avert the risk of revenue losses during the transitional period and to be able to execute its mandate efficiently and effectively in the 'evolved' economy. The Agency must commence the process of repositioning itself now or become outmoded. This will necessitate major investments in the Authority.

The GRA has taken a step in the right direction by formulating a strategic plan which would act as a catalyst for the repositioning of the Authority and ultimately the realization of its ambitious mandate and associated goals. It would also provide a clear and methodical system for the organization to prioritize its resources based on its strategic thrust. This course of action is consistent with the Government's commitment to comprehensively review the taxation policies and to create a long-term economic development program based on consultation and consensus.

As the Minister of Finance, with responsibility for general oversight and policy guidance of the GRA, I am aware of the many challenges encountered by

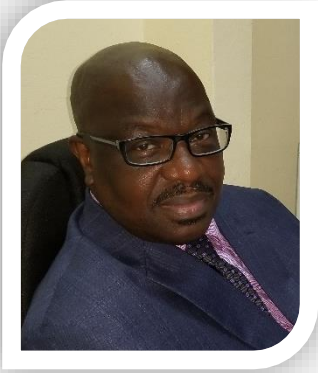
the Agency in assessing and collecting tax revenues, and administering and enforcing tax laws. However, this government will lend its full support by providing the requisite financial resources to allow GRA to efficiently and effectively execute the programs set out in the strategic plan.

The Ministry of Finance and by extension the Government of Guyana pledges its unwavering support and will continue to collaborate extensively with the GRA to realize the government's vision for the furtherance and betterment of our beloved Guyana.

Winston Jordan

Honorable Minister of Finance

Chairman’s Message



As we all know, organizations exist in a dynamic and constantly changing environment. If there is no assessment of the current and historical conditions, then the organization does not effectively know where it is headed. Moreover, the organization cannot prepare for the future, even though there will always be unknowns. As is commonly stated, ‘failing to prepare is preparing to fail.’

Such a review with respect to preparing for the future demands is essential, particularly for an organization such as the Guyana Revenue Authority (GRA). Given the new demands placed upon us with the onset of Oil & Gas, the global emergence of new financial tools, Anti-Money Laundering & Counter-Terrorism Financing (AML/CFT) Legislation, emerging tax regimes in a globally interconnected environment, reviews and preparations for the future become even more critical. We are behind the proverbial ‘eighth ball,’ and must do everything possible to accelerate the learning curve.

GRA also recognizes that its employees are critical to its success. This means that, as an organization,

we must invest in our employees. You must be provided with the skills needed to better perform the duties assigned, while being innovative, committed, honest, ethical, and trustworthy. Our investments in you must be targeted to ensure that they are in keeping with the Mission and strategic focus of GRA.

Against this background, and under the guidance of my predecessor in consultation with management, a process of developing a strategic plan commenced three years ago. The new administration sought to dramatically change the image of the GRA from simply being a revenue collector to one of being a customer-focused organization. This was not the first attempt at drafting and implementing a strategic plan by GRA. What made this effort different was the active involvement of several internal and external stakeholders in facilitating the process. We desired to see an organization that was embraced by its customers and seen as a place where honesty, commitment, trust, and integrity defined us.

What we have before us today is a very active document for review and consideration. This document is active because the process of strategy-making is fluid as conditions are continually changing and adjustments must be made to everything, including targets. It is also fluid because it emphasizes the need to embrace diverse perspectives, knowing that no individual or group has all the answers to what will make us successful.

As the Chairman of the Governing Board, I am honored to have been afforded the opportunity to help shape this document. I also look forward to

receiving additional feedback from you, our stakeholders, on the document and helping us to identify flaws and weaknesses, as well as its areas of strength. As I have stated elsewhere and now reiterate, the future success of GRA lies not in this document, but in our combined efforts to convert the ideas expressed here into reality. The Guyana Revenue Authority is ours to shape and mold into a dynamic contributor to national development.

There are five important areas of focus in this document, which I would like to highlight. These are

1. **Customer-friendliness:** In this area, we are committed to expanding opportunities for our customers to access our services. Through technology and increasing the number of locations offering services, GRA will enhance the experiences of customers using our services. Offering additional services online, expanding the number of offices, and training our staff to better understand our customers and dispel their anxieties;
2. **Process improvements:** No longer will we, as an organization, be able to survive by saying ‘this is the way we do things here.’ There are always new ways in which things can be done and these must be considered and embraced. Some new tools will lead to speedier decision-making, while others will lead to delays, but increased diligence. Adopting new processes is a necessary factor to be embraced;
3. **Human capital development:** You, our employees, are an essential part of the

organization and must be provided with the tools necessary to perform your duties efficiently and effectively. Recognizing this, we are committed to undertaking a massive Human Capital Development initiative, geared towards building your skills and competencies. Numerous tools will be employed and we expect you to take full advantage of them;

4. **Working environment:** Productivity is directly related to environmental factors and we fully recognize that our employees cannot be committed and efficient in an uncomfortable working environment. Within this strategic plan, a great deal of emphasis is placed on enhancing the working environment, both physical and psychological. We will do everything to ensure that our employees can work in a non-confrontational and friendly

environment. From the redesign of workspaces, to realignment of functions, and to worker-support services, we will do whatever is necessary and possible to make you comfortable and safe;

5. **Ethics and Integrity:** Everything the GRA does exposes its employees to challenges. This plan places particular emphasis on ensuring that our employees can maintain high moral standards, such that their actions cannot be successfully questioned. Where there is deviance, the plan seeks to eliminate it and ensure that some steps are designed to address it. However, we do recognize that deviance can only be curtailed if we are all part of the corrective process. Hence, we ask you to suggest additional ways in which the GRA can embrace high ethical standards and integrity.

Finally, on behalf of the Governing Board, let me express our profound gratitude to the stakeholders who not only contributed to this document but also drafted it. It reflects a great deal of thoughtfulness, foresight, creativity, and willingness to learn. The Board is committed to ensuring that the strategic plan becomes more than a document. We are committed to providing the organization with all the tools deemed necessary to realize the short and long-term goals, while recognizing that challenges will necessitate changes in direction. Rather than be critical, we will seek to provide guidance that will help to facilitate success.

Dr. Leyland Lucas

Chairman

Governing Board

Commissioner-General's Message



Since our establishment on January 27, 2000, the GRA has continuously evolved. In fact, over the past three years, the Authority enjoyed unprecedented success in spite of notable knowledge and resource gaps, by exceeding the approved

budgeted targets. This performance was largely attributed to the change in short term strategies as envisioned by the Governing Board and Executive Management.

Over these years, the GRA also embarked on significant reform programs under its new management, which comprised of both operational and infrastructural changes, some of these include:

- The upgrading and reorganizing of the ground floor operations
- The creation of the Large Taxpayer Division (LTD) to strengthen the focus of increasing compliance amongst large taxpayers
- The creation of the Special Investigation Unit (SIU) to address allegations of employee malpractices
- The implementation of ASYCUDA to support customs operations

- The general upgrading and planned construction to improve the infrastructure of its plant and buildings in Georgetown and the regional offices
- The introduction and roll-out of a comprehensive modern performance appraisal system across the GRA
- The assessment by TADAT to test the GRA's performance to determine reform priorities and;
- The implementation of the Oil and Gas Unit to monitor the country's emerging Petroleum Sector.

All of these programs were conducted without a Strategic Plan to guide stakeholders on targeted implementation strategies and potential outcomes. Effective risk management techniques were not deployed and there was limited coordination of the day-to-day operations. Programs were mainly coordinated and implemented without adequate staff sensitization and buy-in. Thus, there were constraints in having greater success with program implementation, monitoring and feedback.

Learning from experience, GRA must change its mode of operation to make it more structured and inclusive. Staffers at every level of the organization must be informed of their roles and responsibilities in this evolving workplace. Everyone must have a clear understanding of the vision, take ownership of same and realize how their contributions impact the achievement of goals and the bottom-line. Emphasis must also be placed on external stakeholder management to ensure that the services provided are

enhanced by having their involvement in some of our programs. As such, implementation of programs must be driven and informed by a strategic plan.

The implementation of Guyana Revenue Authority's Strategic Plan would be guided by a Strategic Planning Committee constituted of staff within the organization and supported by consultants from CARTAC. This three-year plan commences in 2019, the designated 'pilot year'. Given the timing of the start of the process to establish the strategic plan, we have missed the opportunity to align the planning process with the budget. The plan, once implemented, will be continuously managed, monitored and evaluated by a dedicated group of staff operating from the 'Headquarters' to ensure that the Agency is working effectively and efficiently towards the achievement of planned goals.

We will strive to ensure that the values enshrined in the strategic plan permeate the entire organization and become engrained in its culture. This would undoubtedly create a more customer centric environment. I urge all stakeholders to seize the ensuing opportunities and to afford the GRA their full co-operation in our modernization efforts to assure the continued delivery of quality service, the successful achievement of the Agency's goals and national prosperity.

Mr. Godfrey Statia

Commissioner-General

Quickfacts



1

The Revenue Authority was created on January 27, 2000 from the merging of the Inland Revenue and the Customs and Excise Departments. It is governed by the Revenue Authority Act, No. 13 of 1996.

2

The GRA collects all domestic and customs tax revenues including Income Tax, Custom Duties and VAT, as well as, issue license and collect fees for other agency functions. Under the management of customs it is also responsible for border protection.

3

The GRA is the custodian of fifteen(15) Tax Acts with Income, Property, Value Added, Excise and Import Duty taxes being the core tax types administered.

4

In addition to its Head Office location, the GRA currently operates eight (8) Branch offices outside the capital city and three (3) Regional Customs Offices. It employs approximately 1150 staff members.

5

Tax Revenue collections for 2016- 2017 surpassed budgeted targets by an average of 3%, contributing to approximately 87% to total Government Revenues with 37% attributable to Customs and 50% to Domestic taxes.

6

The GRA uses a unique nine digit Taxpayer Identification Number (TIN) and has to date registered 617,365 entities.

GRA at a Glance

Legal Mandate

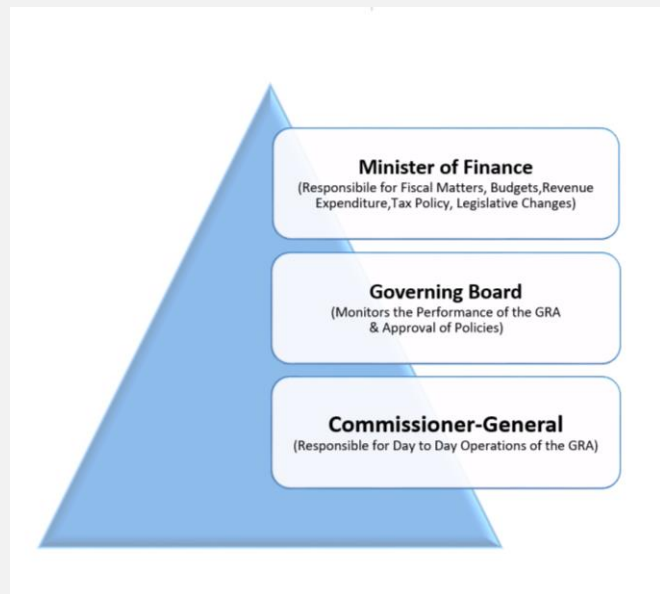


Chart 1 depicting the tiers of Governance of the GRA

The Guyana Revenue Authority (GRA) is governed by the Revenue Authority Act, Chapter 79:04 (Act # 13 of 1996), Laws of Guyana.

The Authority was created from the resultant merger of the Inland Revenue and Customs and Excise Departments on 27th January, 2000, which prior to its formation,

- d) To advise the Minister on all matters relating to revenue; and
- e) To perform such other functions.

The core mandate of the GRA is to support the goals and objectives of the Government of Guyana in revenue matters; affirmatively responding to the general policy directions of the Government.

Notably, in effectuating its mandate, the Authority administers over thirty (30) of Guyana’s revenue and related laws within a robust legislative framework, geared, *inter alia*, towards facilitating legitimate international trade through customs border management and enforcement.

The Authority also provides legal opinions and technical advice to other branches of Government inclusive of the Legislature, and actively participates in a variety of inter-agency platforms, such as national working groups and task forces.

Its Legal Services Division (LSD) spearheads the engagements and commitments involving the monitoring and exchange of Information with the Ministry of Agriculture; Ministry of Business; Guyana National Bureau of Statistics; Bank of Guyana and the Ministry of Legal Affairs among others, under strict conditions of sworn secrecy and confidentiality regarding the protection of Taxpayers’ information, and internationally; with regard to the Global Forum for Transparency and Exchange of Information for tax purposes, and FATCA.

In accordance with Section 10, subsection 1 (a) of the Act, the Authority advances and addresses Guyana’s obligations in relation to the World Trade Organization (WTO) and World Customs Organization (WCO) agreements, albeit through the Ministry of Foreign Affairs, analyzes, reviews and advises on the implementation of reforms and projects, such as the WTO’s Trade Facilitation Agreement currently being implemented in aid of securing advantages in line with global best practices, and like initiatives.

reported independently to the Ministry of Finance.

In accordance with section 9, Revenue Authority Act, the Authority is set up as a body corporate and pursuant to section 10 (1) is entrusted with the following primary functions:

- a) To assess, charge, levy and collect all revenue due to the Government;
- b) To ensure that Guyana’s best interests are adequately safeguarded in the negotiation of International Taxation agreements;
- c) To promote compliance with the written laws relating to revenue and create in the society, full awareness of the obligations and rights of revenue payers;

Oversight

The Governing Board of Directors (GBOD), primarily provides governance, monitoring, oversight and strategic direction to support the achievement of the Authority's objectives.

The Board functions as the main monitoring liaison between the Minister of Finance and the Authority. It receives from the Honorable Minister, general policy directives with respect to the carrying out its functions under the Revenue Authority Act as he considers necessary or expedient.

The Board's operations are instructive in areas including: the approval and review of policies; the monitoring of performance; and the disciplining and controlling of all staff.

The GBOD comprises of the following six (6) members:

1. a Chairman appointed by the Minister;
2. the Commissioner-General;
3. the Governor of the Bank of Guyana or, in his absence, such other representative from the Bank of Guyana as may be nominated by the Minister;
4. the Director of the Office of Budget, Ministry of Finance, or in his absence, such other may be nominated by the Minister; and
5. two (2) representative from the Ministry of Finance as other persons with knowledge and experience in taxation, finance, commerce, economics, law or administration appointed by the Minister.

The law stipulates that the appointment of the members and every change in the appointment must be published in the Gazette. In addition, a member, other than an *ex officio* member, shall hold office for one (1) year from the date of

appointment and may be re-appointed for such further period as may be determined by the Minister. Further, a member, other than an *ex officio* member, may resign on giving one (1) months' notice in writing to the Minister.

For the purpose of Administration, the Board regulates its own procedure subject to the provisions of the Act and is required to meet at least once every month. The attendance of three (3) members constitutes a quorum. Ad hoc meetings may also be convened on a needs basis and when required providing that the Chairman gives notice of not less than fourteen (14) days or on the request of at least three (3) members. The GBOD must maintain minutes of the proceedings of every meeting which includes meetings of committees established by the Board. The committees may invite any person to attend and participate in the deliberations of a meeting but such person(s) are not entitled to vote.

The Commissioner General reports directly to the GBOD, while retaining functional accountability to the Minister of Finance for issues related to Macro Tax Planning. The GRA works closely with the Revenue and Tax Policy Division within the Ministry of Finance to review tax policy, and to forecast national revenues on a yearly basis.

In this regard, the GRA also recommends tax policies through the Board to the Ministry, and provides technical advice in the revision of Revenue Laws and other tax-related matters to the Minister.

Management and Operating Framework

The Commissioner General (CG) serves at the helm of the organization as the Chief Executive Officer. He is responsible for the 'day-to-day' operations of the Authority; the management of funds, property and affairs of the Authority; and for the administration, organization and control of the staff. The CG is appointed under terms and conditions determined by the Minister of Finance and issues the Deputy Commissioner General (DCG) with his/her remit by virtue of section 8 of the Revenue Act which grants the CG the power to delegate to any officer of the Authority such duties as he deems fit.

The Authority is mandated to transparently, equitably and efficaciously administer the assessment and collection of revenues, account for those revenues and deposit same into the consolidated fund. It also ensures compliance with the Tax laws and concurrent regulations. GRA's core business functions are the Customs, Excise and Trade Operations, Internal Revenue Taxes and VAT.

To achieve its objective, the GRA's operations are dispersed across in excess of thirty- three (33) business locations including seven (7) ports, two (2) international airports, two (2) Distilleries, one (1) scanning site, eight (8) branch offices, two (2) terminals/transit sheds, one (1) Government warehouse and several private warehouses.

The existing structure delineates the following:

- Customs, Excise and Trade Operations is headed by a Deputy Commissioner who reports directly to the Commissioner-General;
- Internal Revenue Taxes has sub-functions each of which is managed by an Assistant Commissioner who reports to the Deputy Commissioner-General;
- VAT functions are carried out by separate divisions that are housed within Tax Audit Department, Tax Operations and Services Department and Law Enforcement and Investigations Department. Those divisions are each headed by an Assistant Commissioner.

The Customs, Excise and Trade Operations is responsible for executing Customs operations at the various outstations across Guyana, the timely releasing of goods and ensuring that all duties and taxes are paid; preventing the smuggling of goods across the borders of Guyana; monitoring the compliance of passengers, importers and exporters and extending customer services to these clients; ensuring that the correct clearance procedures are completed at the

Direct reports to the Commissioner-General's office include:

- **Information Technology Department** is responsible for providing timely, efficient and cost effective Information Technology Services throughout the organization via application support, administering operating systems and databases, maintaining network infrastructure, ensuring network/database security, maintaining computer hardware, developing new business systems and providing support to end users.

- **Operational Support Services Department** is responsible for providing a comfortable, safe, healthy, and clean working environment for staff by facilitating the renovation/ repair/ construction of office buildings and living accommodation, servicing/repairing capital equipment (e.g. air conditioners, furniture); managing the security services at GRA's offices and residences (Georgetown and Regional); ensuring that the fleet of vehicles are serviced/maintained as required; ensuring that all strategic needs, operational needs, procedural communication and advisory needs of stakeholders of the Authority are met and that all information disseminated to stakeholders is accurate, timely and reliable; providing sound financial support and reporting; and developing Standard Operational Procedures for all of GRA's business processes.

-**Human Resource Management Department** is responsible for recruiting,, maintaining and retaining the highest quality human resources capability with a view to ensuring that the services required of the Revenue Authority by the various clients are delivered on a timely basis; conducting Human Resource planning; managing disciplinary matters, administering salaries and benefits schemes (Group Life/Pension/Health Plans, leave, gratuity, etc.); maintaining Performance Management systems and training and developing staff.

- **Tax Compliance and Enforcement Department** is responsible for examining Tax Returns for Miscellaneous Taxes, Self Employed Individuals and Companies to ensure that they are in compliance with the Tax Laws.

- **Corporate Secretariat** is responsible for the integrity of the Revenue Authority's governance framework and its efficient administration; ensuring compliance with statutory and regulatory requirements; and implementing decisions made by the Governing Board.

-**Legal Services Department** is responsible for prosecuting and defending ongoing matters in the Magistrate and High Courts; instituting legal proceedings in the Courts; preparing, filing, serving and enforcing writs; providing legal advice to the Commissioner-General on all matters; preparing legal opinions; and responding to requests for legal advice.

-**Large Taxpayer Services Department** is responsible for maximising revenue collections by improving and sustaining the compliance of large taxpayers; protecting the integrity of the tax system; establishing compliance risk management capacity to assess and respond to priority risks to revenues and GRA's strategic outcomes; and leveraging the impact of interventions to mitigate risks.

border, transit sheds, post office, and wharves and warehouses on a voluntary basis and ensuring compliance with Guyana's customs, trade and border laws and regulations through quality service and responsible enforcement.

The Internal Revenue Taxes Operations is responsible for collecting all taxes due to the Government of Guyana through the effective and efficient administration of Income, VAT, Property and other taxes under the laws of Guyana.

The Deputy Commissioner-General (DCG) has direct oversight of the following Departments:

- **Planning, Risk and Analysis Department** which is responsible for the ongoing collection, testing and analysis of data to ascertain instances of tax fraud, insolvency, smuggling or any other activity which presents a risk to the operations and objectives of the Authority thereby enhancing revenue collection; planning, forecasting, coordinating, organizing, monitoring and evaluating financial and non-financial work program commitments of the various operational areas; analysing revenue collections and the results achieved by the various operational areas, in relation to their respective revenue projections and Annual Work Programs; providing analytical support to facilitate effective execution of respective mandates and achievement of Work Program Objectives; and 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.
- **Tax Audit Department** which is charged with providing high quality audit services to enable the Revenue Authority to achieve its mission of compliance with the Tax, Trade and Border Laws and Regulations through the selection of taxpayers for audits using a risk-based approach; conducting comprehensive audits of taxpayers to ensure that taxpayers are declaring their true income and paying correct taxes; and engaging taxpayers on audit findings.
- **Debt Management Department** which ensures that taxes due and outstanding debts are collected/recovered in a timely manner to maximize revenue collection.
- **Revenue Protection** which is responsible for reviewing all documents selected by GEM to verify the accuracy of the classification, valuation and Customs Procedure Codes (CPC) on declarations.
- **Law Enforcement and Investigation Department** has responsibility for providing the necessary investigative and enforcement programmes aimed at conducting enforcement and anti-smuggling exercises on land and water; investigating referred cases relating to VAT, IR Taxes and Customs; examining/verifying imported goods at various Transit Sheds and ports of entry, and conducting sale / disposal / destruction of seized goods.
- **Tax Exemption Processing and Verification Department** which administers the various categories of exemption and remission of duties and taxes in accordance with the Tax Acts and Regulations.
- **Integrated Regional Tax Offices** which is responsible for providing and administering the range of services offered by the GRA's headquarters within the specific regions, in accordance with the Tax, Customs and other Laws and Regulations administered by the Revenue Authority.

Positions	Grades	#
Commissioner-General		1
Deputy Commissioner-General		1
Head	15	5
Head	13	5
Deputy Head	13	1
Deputy Commissioner	13	11
Assistant Commissioner/Senior Manager	12	33
Corporate Secretary	12	1
Total		53

Guyana Revenue Authority's Organisation Structure

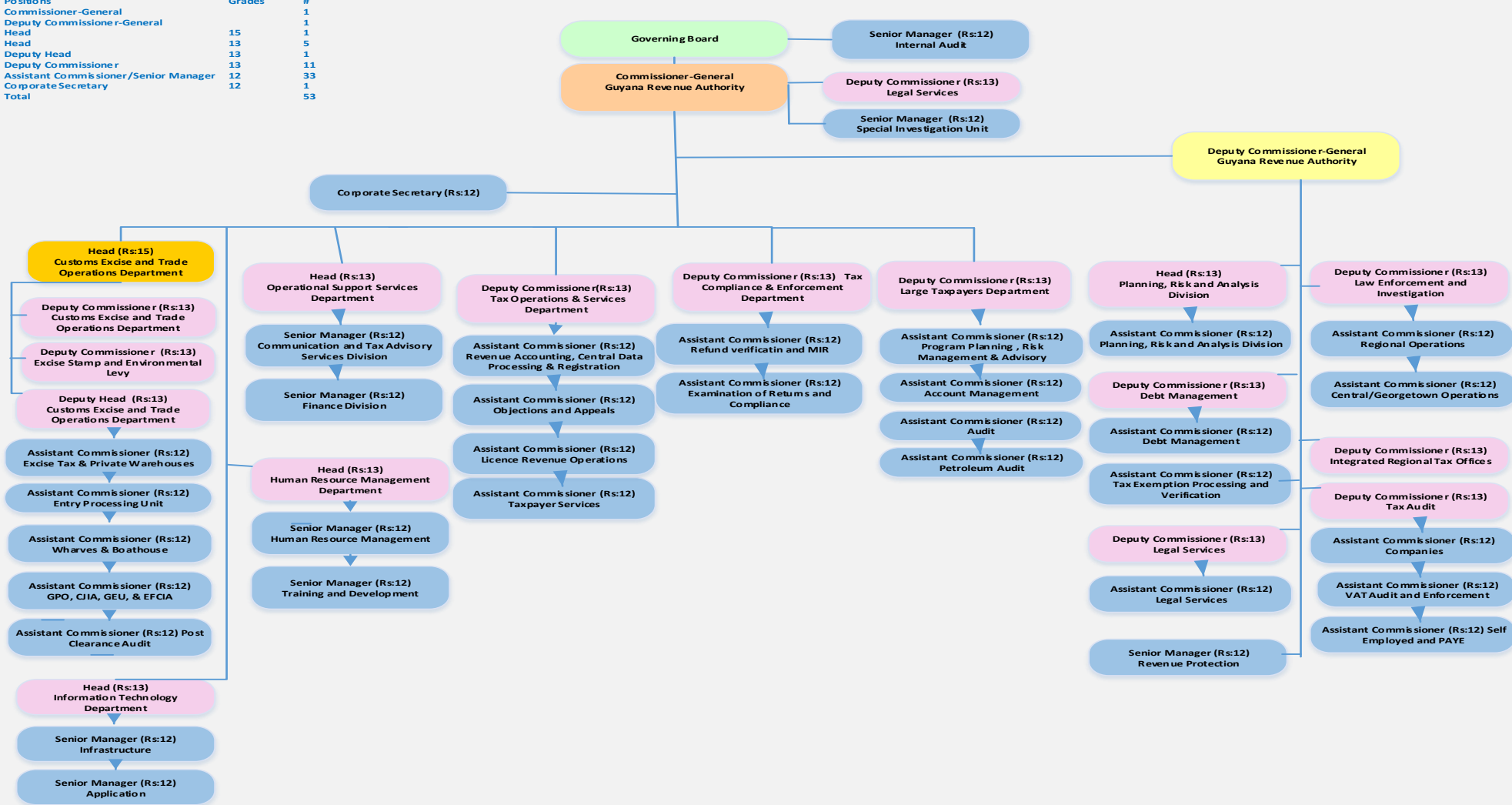


Chart 2 depicting the Current Organizational Structure of the GRA

Management Accountabilities

The yearly strategic direction of the GRA is decided prior to the beginning of the new year premised on the initiatives of the Governing Board and the Minister of Finance.

The CG cascades the directive to the DCG and Heads of Departments who are responsible for the dissemination of all strategic direction to their respective Divisions and Sections. They also collaborate with divisional/sectional leaders to translate these directives to the various Work Plans.

Bi-monthly Senior Executive Management meetings are held; at this forum, the Functional Heads discuss the operational progress of their departments/divisions and highlight challenges, difficulties and concerns that may be affecting or are likely to affect their operations. There is also a monthly Governing Board meeting to facilitate discussions and ratify institutional matters.

Over the past year, a Performance Management System (PMS), which uses a balance score card method, was developed to monitor the performance of individual staff, divisions, departments, and the organization against the objectives and targets that were set based on the Work Plans.

The modus operandi of Management is slated to change with the institution of the strategic plan where the 'Headquarters' function will assume the role of devising strategies and developing annual operational and work plans in collaboration with the respective Heads of Departments.



MANAGING THE TAXPAYER POPULATION

Taxpayer Management

The Guyana Revenue Authority devises strategies to manage its taxpaying populace based on the location, population density (geographical distribution of its taxpayers), taxpayer behaviour and economic activities. Although overarching strategies can be effectively executed within all regions, specially tailored strategies are needed to optimize resource usage and revenue collections. For example, strategies deployed at Linden, region 10, where there is a slowdown in economic activity may prove inapt for Bartica, region 7, where there is a boom in the extractive/ mining and forestry sectors.

The continuous scanning of the environment by the organization is critical to ensure there is adoption of good practices and that relevant sectoral and technological advancements are capitalized on to enhance its processes.

With a view to managing the taxpayers by segments, the GRA has now embarked on the classification of its taxpayers as ‘Large’, ‘Medium’, ‘Small’, and ‘Micro’ following a detailed analysis of Individual Income Tax and Corporation Income Tax returns submitted for years of income 2013 to 2017. The turnover declared on the return was used as the basis for classifying taxpayers as depicted in the table 1. The segment ‘Government’ was classified using information pertaining to the registration of Government Agencies. The ‘others’ segment represent all individuals and organisations that are registered for a TIN but have insufficient information in the system to allow for a classification. These individuals and organisations will eventually be placed into the ‘Large’, ‘Medium’, ‘Small’, and ‘Micro’ segments as the relevant information becomes available.

Turnover Value	Range	Segment	Count
1	1 - 50M	Micro	30,630
50,000,000	50M - 350M	Small	1,269
350,000,000	350M - 1B	Medium	235
1,000,000,000	1B+	Large	244

Table 1 depicting the Taxpayer Segments used for analysis

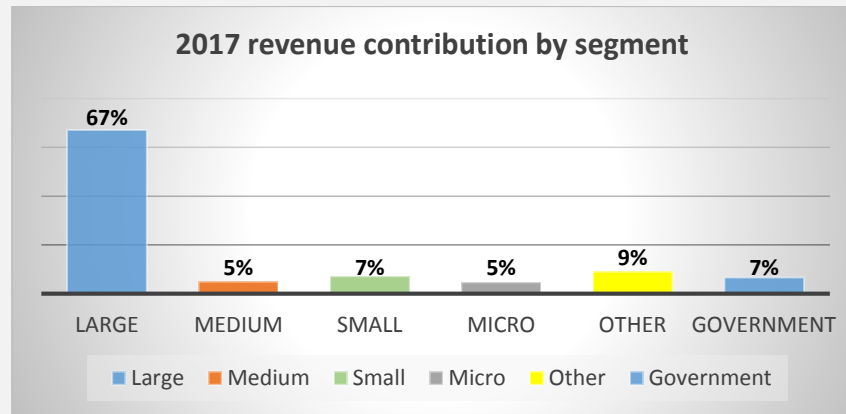
Other than having a turnover of one billion, the following criteria were also used to classify large taxpayers:

- All registered insurance companies
- All registered financial institutions
- All companies engaged in Oil and Gas production
- All registered telecommunication companies

In September 2017, the GRA established the Large Taxpayers Division which offers focused and personalized services to the top bracket of revenue contributors; via this strategy the organization is able to hone its efforts in managing the entities that contribute more than 60% of total revenue. By utilising a ‘niche’ strategy the Agency is also able to offer these taxpayers individualised and specialised services to aid in full compliance.

Revenue Contribution by Segments

Graph 1 illustrates the 2017 revenue collections by taxpayer segments. As seen below the large taxpayers account for approximately 67% of the taxes collected in 2017.



Graph 1 depicting revenue collection by Segment in 2017

To effectively manage its taxpayers, facilitate service delivery and protect its national borders, the GRA maintains a presence at various locations across the country.

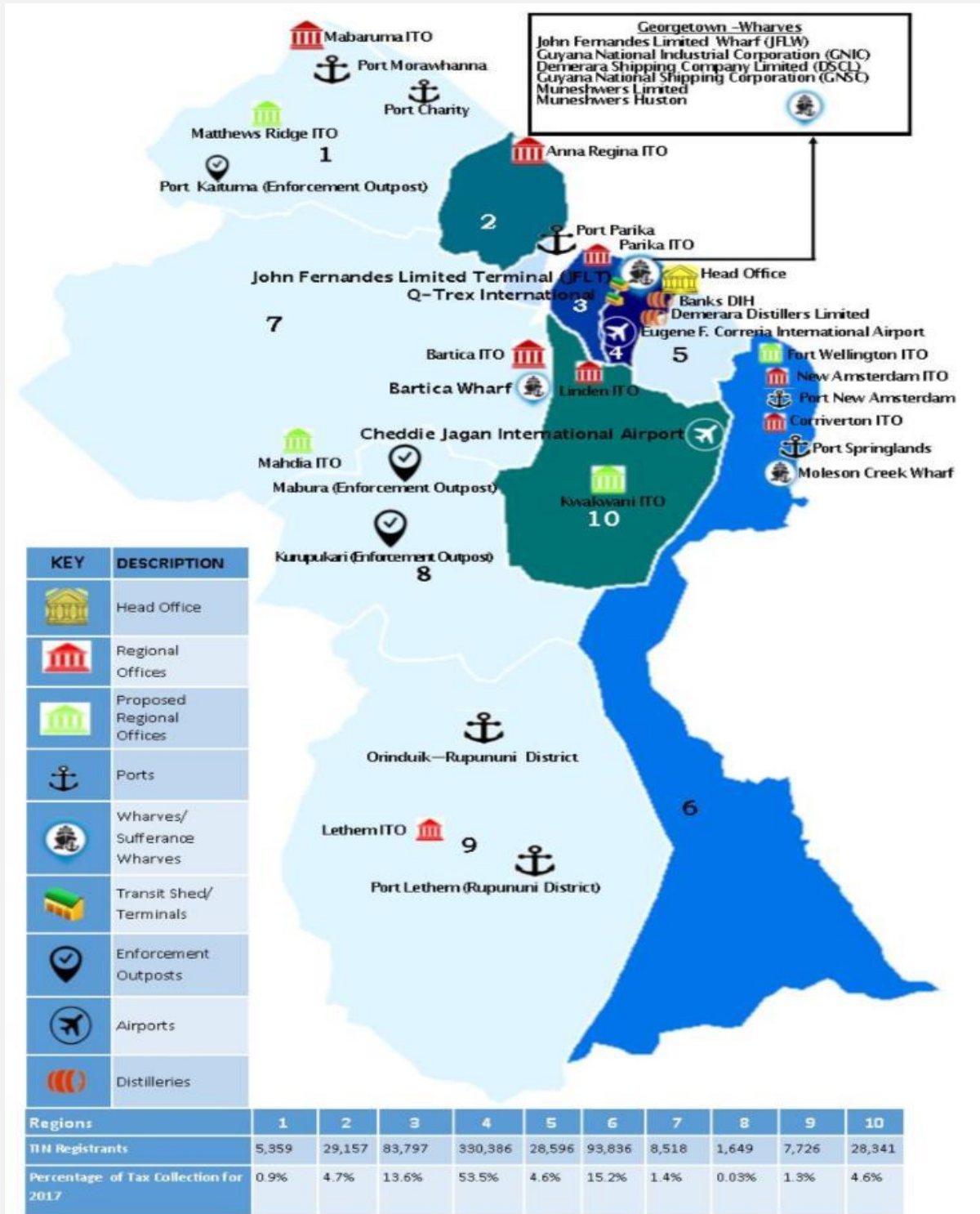


Figure 1 depicting Map of the Cooperative Republic of Guyana with the Revenue Authority’s locations

Consolidated Key

KEY	Description	#	Location
	Head Office	1	Georgetown
	Regional Offices	8	<ol style="list-style-type: none"> 1. Anna Regina 2. Parika 3. Lethem 4. New Amsterdam 5. Corriverton 6. Linden 7. Bartica 8. Mabaruma
	Proposed Regional Offices	4	<ol style="list-style-type: none"> 1. Mahdia 2. Fort Wellington 3. Kwakwani 4. Matthews Ridge
	Ports	7	<ol style="list-style-type: none"> 1. Springlands 2. New Amsterdam 3. Lethem (Rupununi District) 4. Police Station at Orinduik – Rupununi District 5. Morawhanna 6. Charity 7. Parika
	Wharves/Sufferance Wharves	8	<ol style="list-style-type: none"> 1. John Fernandes Limited Wharf (JFLW) 2. Guyana National Industrial Corporation (GNIC) 3. Demerara Shipping Company Limited (DSCL) 4. Guyana National Shipping Corporation (GNSC) 5. Muneshwers Limited 6. Muneshwers Houston 7. Moleson Creek 8. Bartica
	Transit Shed/Terminals	2	<ol style="list-style-type: none"> 1. John Fernandes Limited Terminal (JFLT) 2. Q-Trex International
	Enforcement Outpost	3	<ol style="list-style-type: none"> 1. Mabura (Enforcement Outpost) 2. Port Kaituma 3. Kurupukari (Enforcement Outpost)
	Airports	2	<ol style="list-style-type: none"> 1. Ogle International Airport 2. Timehri Int'l A/Port
	Distilleries	2	<ol style="list-style-type: none"> 1. Banks DIH 2. Demerara Distillers Limited

Currently, the Integrated Regional Tax Office (IRTO) is charged with offering tax services to the remote and outlying areas of Guyana (those areas that geographically fall outside the capital city, Georgetown). To ensure that the activities are properly coordinated and that resources are optimally utilized, Regional/ branch offices report centrally to IRTO which is located at the Head office. The Regional Offices and their respective services are outlined hereunder:

Branch Offices	Income Tax	VAT	Customs	LRO & Excise
Bartica	All Income Tax Services	All VAT Services	Customs services that are determined by that environment	All LRO and Excise services as determined by location
Parika	Minimal Income Tax Services	All VAT services as prescribed to the Regional Offices	No Customs services (despite Parika being a Port of Entry)	All LRO services and Excise services as determined by location
Anna Regina	All Income Tax Services	All VAT Services	All Customs services that are determined by that environment	All LRO and Excise services
Linden	All Income Tax Services	All VAT Services	All Customs services that are determined by that environment	All LRO and Excise services that are determined by that environment
New Amsterdam	All Income Tax Services	All VAT Services	Minimal Customs services	All LRO and Excise services
Corriverton	All Income Tax Services	All VAT Services	All Customs services	All LRO and Excise services that are determined by that environment
Lethem	Minimal Income Tax Services	Minimal VAT Services	All Customs services that are determined by that environment	Minimal LRO services

Table 2 Outlining Summary Of Services Provided By Branch Offices



Richard

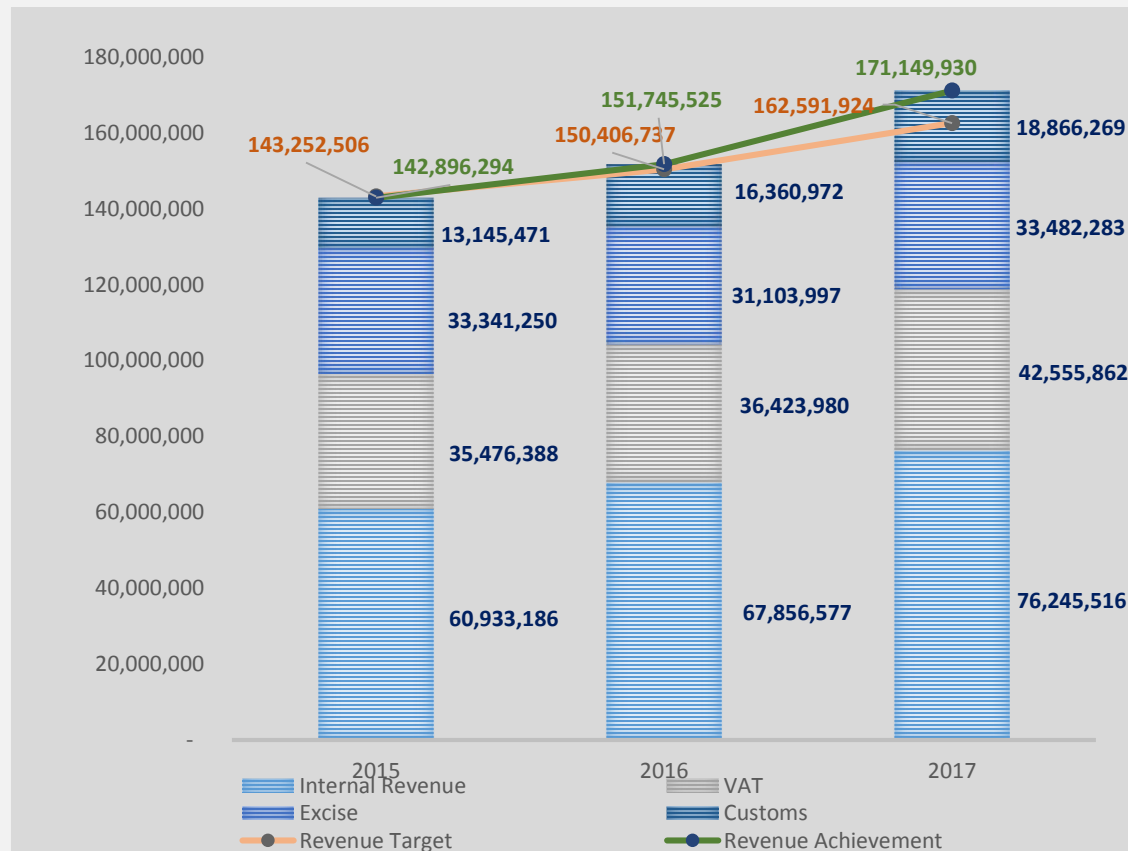
MASHRAMANI FESTIVAL

ACHIEVEMENTS

Revenue Achievements

The Guyana Revenue Authority has an outstanding record with regards to surpassing its targets. Since its formation in 2000, there were only four instances where the actual collections fell below the budgeted Revenue Collection; one such instance was within the last three years (2015). Annual Revenue targets are premised on the country’s growth rate, historical GDP, past revenue collection trends and future expectations. The Annual Targets are compiled and put forth by the GRA. However, the projections are often revised upward by the Organization’s Subject Ministry, the Ministry of Finance, before being sent to the National Assembly for ratification and adoption.

The graph below depicts revenue targets and achievements for the last three years as well as the relativity of collection under the four Tax Categories.



Graph 2 depicting Revenue Collection for the years 2015-2017

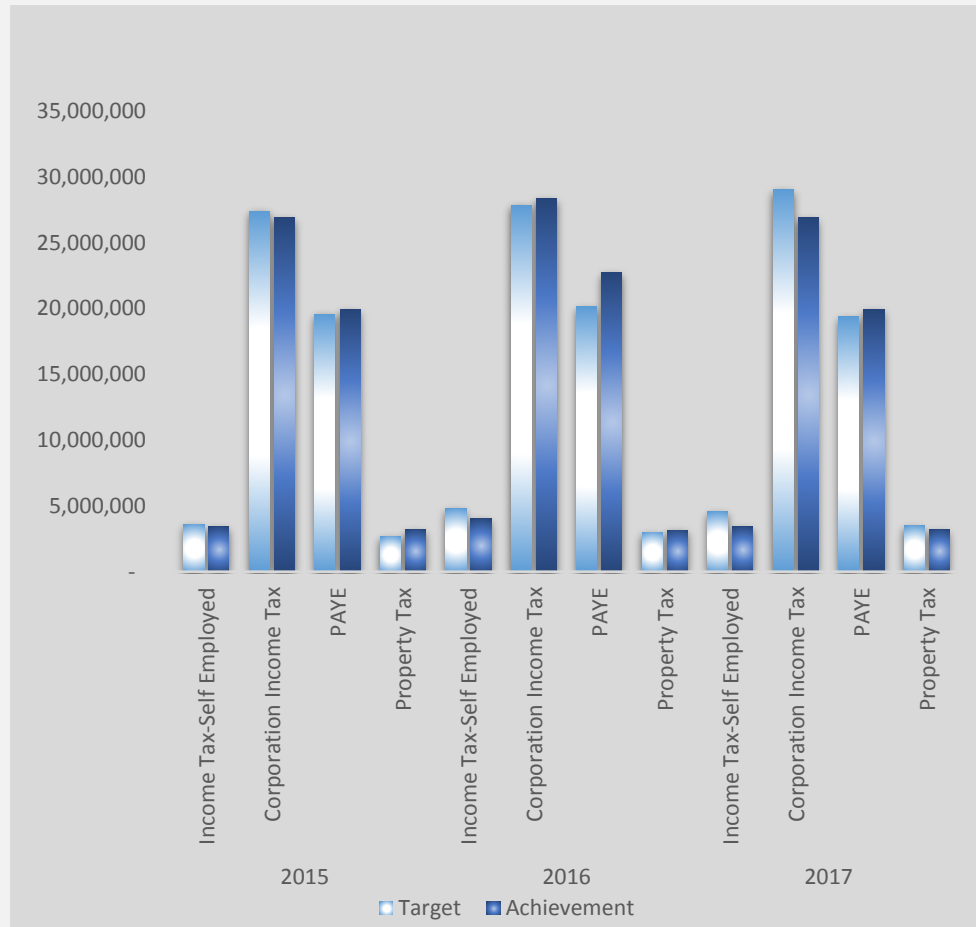
Tax Categories	Budgeted Collection	Actual Collection	Variance	% Variance
2015			(,000)	
Internal Revenue	60,404,787	60,933,186	528,399	1%
VAT	39,438,044	35,476,388	(3,961,656)	-10%
Excise	30,099,623	33,341,250	3,241,627	11%
Customs	13,310,052	13,145,471	(164,581)	-1%
Total	143,252,506	142,896,294	(356,212)	-0.25%
2016			(,000)	
Internal Revenue	64,414,691.3	67,856,576.8	3,441,885.5	5%
VAT	38,981,875.0	36,423,979.9	(2,557,895.0)	-7%
Excise	33,578,807.7	31,103,996.7	(2,474,811.0)	-7%
Customs	13,431,363.0	16,360,971.9	2,929,608.9	22%
Total	150,406,737.0	151,745,525.4	1,338,788.4	1%
2017			(,000)	
Internal Revenue	67,054,763	76,245,516	9,190,753	14%
VAT	45,330,407	42,555,862	(2,774,545)	-6%
Excise	34,408,998	33,482,283	(926,715)	-3%
Customs	15,797,756	18,866,269	3,068,513	19%
Total	162,591,924	171,149,930	8,558,006	5%
2018 (January to June)			(,000)	
Internal Revenue	43,577,994	48,285,502	4,707,508	11%
VAT	20,028,865	22,676,574	2,647,709	13%
Excise	19,236,441	19,825,901	589,460	3%
Customs	8,174,152	9,830,303	1,656,151	20%
Total	91,017,452	100,618,279	9,600,827	11%

Table 3 reflecting Revenue Targets and Achievements for the Years 2015-2017 and for January to June 2018

The table shows that for 2015, the GRA fell below its revenue target by 0.25% with the main contributor being the notable negative variance in VAT collection. Further, throughout the year, VAT consistently fell below established monthly Revenue Targets. Over the three (3) years, Internal Revenue consistently surpassed Targets while the performance of Excise Tax and Customs varied. Notable also is the performance of Customs Collections after 2015, moving from a negative variance of 1% to average positive variance of 20.5%.

A half year review of 2018 shows that overall revenue collections, as well as, collections in each category surpassed set Targets.

The graph that follows shows the performance of the Core IR taxes for 2015-2017. As seen, Corporation Tax and Personal Income Tax (PAYE) are the main contributors to the taxes considered core IR tax types.



Graph 3 illustrating the performance of the Core IR taxes for 2015-2017

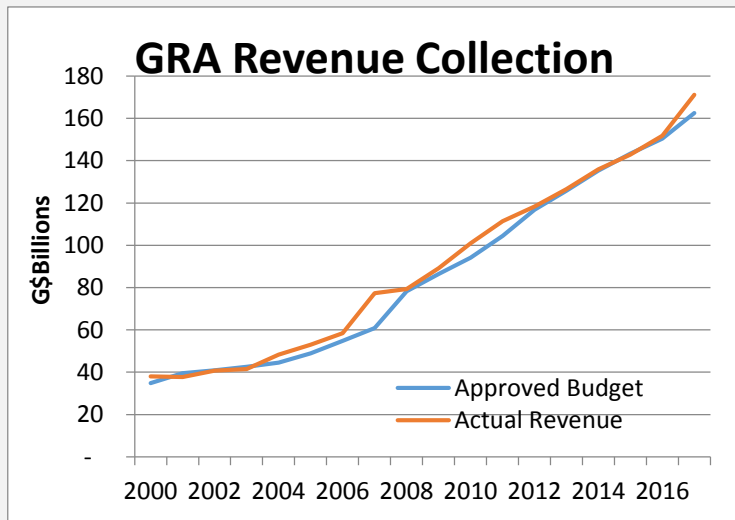
Government Revenue

Tax Revenue

During the fiscal year 2017, the GRA collected total taxes of G\$ 171.2 B, 57% of which was attributed to domestic taxes and fees while the remaining 43% was attributed to Customs Operations. The excess of G\$ 8.6 B or 5% over the approved Budgeted collections shows a favourable trend in GRA’s revenue collection that has been ongoing; broken only in the years 2001, 2002, 2003 and 2015, since the Authority’s establishment in 2000. For 2018, the approved budgeted collections stand at G\$ 181.4 B, reflective of an expectation of a 6% or G\$ 10.4B increase over 2017’s collections (half year review shows the GRA is well on its’ way to achieving its’ target).

Tax collections contribute about 87% of total government revenues; this makes GRA the country’s prime revenue collector. Hence, efficient, timely and responsive collections are crucial to the stability of the economy, especially since the public sector wage bill amounts to approximately 28% of the country’s total current expenditure.

While fostering voluntary compliance remains a critical goal of the GRA, enhanced enforcement activities continue to be emphasized. One such activity is the implementation of the Excise Stamps on imported alcoholic beverages and tobacco products, which aims to reduce and control pervasive smuggling activities by visibly validating that taxes were paid on the products upon importation. The digital stamping initiative commenced with the stamping of existing inventory of alcoholic beverages which occurred from November 2017 to February 2018. A review of the customs value of imported alcoholic beverages (except beer and stout) from March to September 2018 shows an increase of 43% from the related period in 2017; this resulted in an increase of 22% in Excise Tax collected by the GRA which, holding taxpayer behaviour constant, indicates that the measure is having success in reducing smuggling.



Graph 4 depicting GRA Revenue Collection Trend relative to Approved Budgeted Collection for 2000-2016

Tax and Non-Tax Revenue

The table below provides a breakdown of the tax and non-tax revenues collected on behalf of the Government for 2017. As seen in the table Total Tax Revenue exceeded the Budgeted Collection by 5%, with the main contributing tax category being Internal Revenue Taxes under which core taxes such as Individual and Corporate Income and Property Taxes are captured. Non-tax revenue fell marginally below the Budgeted Collection.

Particulars	Budgeted collection	Actual Collection	Variance	% Variance
Internal Revenue Taxes	67.1	76.2	9.1	14%
-Self-Employed Income Tax	4.6	4.9	0.3	7%
-Corporation Tax	29.0	32.0	3.0	10%
-Personal Income Tax	19.4	21.7	2.3	12%
-Net Property Tax	3.5	3.6	0.1	3%
Customs Taxes	15.8	18.9	3.1	20%
Excise Tax	34.4	33.5	-0.9	-3%
VAT	45.3	42.6	-2.7	-6%
Total Tax Revenue Collected	162.6	171.2	8.6	5%
Non-Tax Revenue	23.6	23.5	-0.1	-0.4%
Total Government Revenue	186.2	194.7		

Table 4 depicting Government Revenue Collection for the fiscal year 2017 (January-December 2017) (G\$ B) by Tax Category with representation of Core taxes

Particulars	% of Total Revenue		% of GDP	
	Budgeted collection	Actual Collection	Budgeted collection2	Actual Collection2
Internal Revenue Taxes	36%	39%	0.01%	0.01%
Customs Taxes	8%	10%	0.00%	0.00%
Excise Tax	18%	17%	0.01%	0.01%
VAT	24%	22%	0.01%	0.01%
Total Tax Revenue Collected	87%	88%	0.03%	0.03%
Non-Tax Revenue	13%	12%	0.00%	0.00%
Total Government Revenue	100%	100%	0.03%	0.03%
Nominal GDP 2017				633,579

Table 5 highlighting relative contribution of planned and actual tax and non-tax revenue to Total Government Revenue and Nominal GDP for 2017.

Linden



Lethem



Corriverton



Parika



Bartica



Anna Regina



New Amsterdam



Georgetown -Head Office

GRA'S OPERATING ENVIRONMENT



GRA's Operating Environment

Political Environment

Guyana is a constitutional parliamentary democracy which was governed by one political party for twenty-three (23) years until the May 2015 general elections which led to the instatement of a coalition Government. The change in regime engendered a change in political direction, the construct of Ministries and their ensuing responsibilities, as well as, expectations on the part of the citizenry.

The Administration developed a new Agenda based on the Green State Development Strategy (GSDS) which builds on the Low Carbon Development Strategy (LCDS). The GSDS spans a twenty (20) year period and outlines 'Government's principle foundations for inclusive green economic and social growth. The objective of the strategy is to reorient and diversify Guyana's economy, reducing reliance on traditional sectors and opening up new sustainable income and investment opportunities in higher value adding and higher growth sectors.'¹

Corruption remains a prevalent issue in Guyana. The Global Competitiveness Report (2017-2018) published by the World Economic Forum showed a marked improvement in reducing corruption, with Guyana's ranking moving from 108 to 91 out of 137 countries, for the years 2016 and 2017 respectively. Nevertheless, corruption still impedes the attraction of foreign direct investment.

Guyana receives political pressure from contiguous nations, Venezuela and Suriname in relation to border disputes. With the World Class discovery of Oil by Exxon Mobil, the territorial dispute with Venezuela has escalated in recent history. This culminated in Guyana filing a case with the International Court of Justice (ICJ) to confirm the legal validity and binding effect of the 1899 Arbitral Award regarding the boundary between Guyana and Venezuela.

However, Venezuela opted not to take part in the case on the grounds that it does not recognize the jurisdiction of this international judicial body.

In spite of the nation's challenges, the Government remains committed to building bilateral and multilateral relationships, especially given its small economy status. Guyana is one of the founding members of the Caribbean Community (CARICOM) which consists of fifteen (15) member countries and five (5) associate countries. One of the major initiatives of CARICOM is the Single market and economy under which member states can trade duty free, once they would have satisfied the criteria as laid out in the formation treaty.

Guyana has political and trading ties to the United states configured under the Caribbean Basin Initiative and the Caribbean Basin Trade Promotion Act. It also enjoys limited preferential access to markets within the United States of America and the European Union under CARIFORUM Economic Partnership agreement.

Guyana has bilateral trade agreements with China, Brazil and Venezuela. Under CARICOM it also has regional agreements with Colombia, Costa Rica, Cuba, Dominica Republic and once again, Venezuela.

Moving forward, the Government intends to continue partnering with other states, pushing its Green State Development strategy and promoting inclusive Governance. The successful modernization of GRA through the implementation of the strategic plan to mobilize revenues is intrinsically linked to the prospects of attaining all the major Government initiatives.

¹ The Green State Development Strategy

Socio-Economic Environment

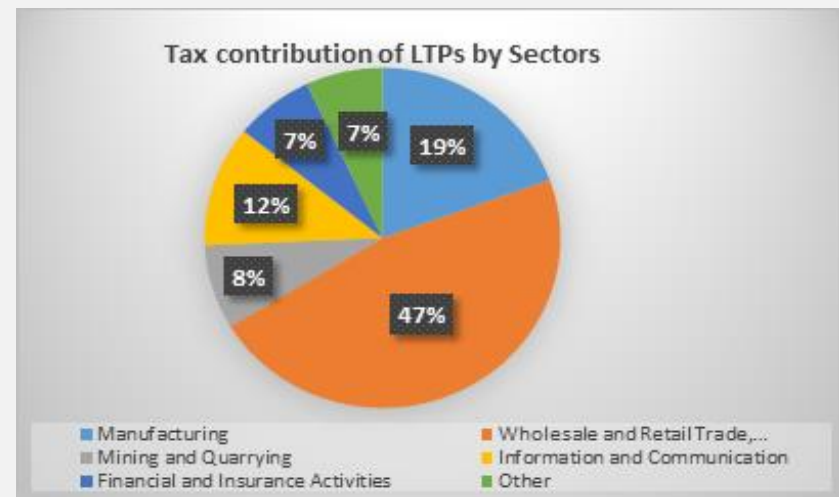
Guyana is a relatively small country; both in area and economic activity. It is ranked as the 84th largest country in the world with an area of approximately 216,000 square km, its landscape is diverse ranging from the Low Coastal Plains (which is below sea level) to the mountainous Highland Region which has some of the most pristine forests of the Amazon. The majority of the population (89²%) lives in the coastland region, which represents 7.5% of the country’s landmass and is driven by a high concentration of commercial activity. The remaining 11% of the population lives in the Hinterland region, which is characterized by under-developed transportation infrastructure, making accessibility limited and expensive. Information and communication technology is also under-developed and non-existent in some parts of the Hinterland.

Guyana’s geographical location identifies the country as both Caribbean and South American, however its economy is integrated with the Caribbean as one of the 15 member states of CARICOM and not Mercosur, the South American Common Market.

Guyana’s GDP in 2017 was US \$3.68³ B. It is heavily dependent upon the export of six commodities; sugar, gold, bauxite, shrimp, timber and rice, which represent nearly 60% of the country’s GDP. In recent years, both the rice and sugar industries have experienced economic downturn; for rice this was due to the loss of the main market and for sugar, the loss of preferential access to the EU Market. Additionally, the sugar industry was managed by an inefficient, uncompetitive and cash-strapped nationalized company. While the rice industry, which employs approximately 18,000 workers is making a turnaround stemming from their ability to penetrate new markets, the

government is moving to divest its sugar factories to the private sector, a move which potentially affects its over 25,000 employees; especially, if the private entities choose to automate operations.

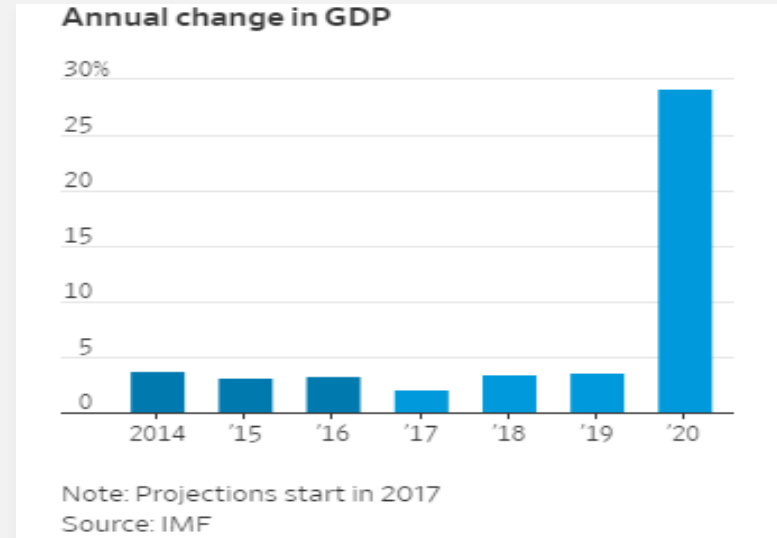
Data available on Large Taxpayers which account for an average of 68% of total tax revenues collected shows that for 2017, while the export of primary products drive GDP, it is the entities within the Wholesale and Retail, Manufacturing and Information and Communication Sectors which contribute most significantly towards total domestic and import taxes, accounting for G\$ 90.4B or 77.8% of the G\$116.3B total contribution from the large taxpayers.



Graph 5 depicting the breakdown of tax contribution by Segment

² UNICEF Guyana, The Situation Analysis of Women and Children in Guyana

Guyana’s economy however, is on the cusp of change with the production of petroleum set to begin in 2020. In 2015, ExxonMobil, a private drilling and exploration company announced its first discovery of commercially viable oil in the Liza Field of the Stabroek Block. Since then, expectations have been high regarding the future of the country, fueled by still larger finds after the initial discovery. In fact, Exxon has called Guyana one of its most important and potentially profitable prospects, among a handful of new developments the company has identified since its merger almost 20 years ago with Mobil Corp. Guyana is projected within a decade to pump nearly a barrel of oil per person a day, more per capita than Saudi Arabia.



Graph 6 depicting projection of annual % GDP change for Guyana

While the discovery of oil may change the future of the country, Guyana like so many other countries that have discovered oil, is susceptible to the Dutch Disease and resource curse. To counter this, prudent management of the influx of finances are to be dictated through a Sovereign Wealth Fund and through Guyana’s Green State Development Strategy which is intended to cautiously guide Guyana’s economic and socio-cultural development over the next 15 years.

Economic indicators

Economic Indicator	Implications for the GRA
<p>GDP and Growth</p> <p>GDP for 2017 was recorded at US\$ 3.68³ B, the highest recorded GDP from 1960 through to 2017. This gave the country a ranking of 162⁴ out of 200 countries from highest to lowest GDP. Growth rate was recorded at 2.1⁵% in 2017 which reflected a downward movement of 1.3⁶% from 2016. Per capita GDP was US \$ 4,725⁷ in 2017, also the highest from 1960 to present and has shown trends of constant but marginal increases, giving the country a ranking of 103⁸ out of 187 countries (from highest to lowest).</p>	<p>Taxes levied by the GRA have direct implications on the GDP of the country as higher rates of tax reduce disposal income which may shift demand and result in decreased production and a sluggish economy. Therefore, efficient collection and equitable distribution of tax burden (to avert overburdening a particular sector or group of taxpayers) is a balance that GRA strives to achieve.</p>
<p>Population</p> <p>Guyana’s population as at September 2, 2018 is estimated at 782,225⁹ and has been an average of approximately 773,000¹⁰ persons over the last 3 years, growing at an average of 0.6¹¹% per annum, which is as a result of one of the highest emigration rates in the world at 55¹²%.</p> <p>The age structure of the population is estimated at approximately 32% below the age of 15, 63% between the ages of 15 to 64 and 5% above 64 years of age.</p>	<p>The population of the country directly impacts the tax base on which the GRA can potentially levy taxes and whom core tax policy changes affect. Given, that the country has a low population growth rate and the potential taxpayer population stands at approximately 490,000 persons (individuals in the age 15-64 age range), tax strategies and measures implemented must balance efficient and fair collection with the burden placed on the relatively small population, being cognizant of the high rate of taxpayers classified as Employees.</p>
<p>Employment Rate</p> <p>The employment rate is 88 % (age 15 and above). The majority of Guyanese are classified as employees (67.3 % of the total population) with between 48.3% and 52.6 % of the employed labour force holding informal jobs.¹³</p>	

³ Sourced from: <https://data.worldbank.org/country/Guyana>

⁴ Sourced from: GDP Ranking, Data Catalogue, World Bank (2018)

⁵ Sourced from: psc.org.gy/resources/economic-reports/

⁶ Sourced from: psc.org.gy/resources/economic-reports/

⁷ Sourced from: <https://data.worldbank.org/country/Guyana>

⁸ Sourced from: World Economic Outlook(WEO) Database, April 2018

⁹ <http://www.worldometers.info/world-population/guyana-population/>

¹⁰ https://www.cia.gov/library/publications/the-world-factbook/geos/print_gy.html

¹¹ https://www.cia.gov/library/publications/the-world-factbook/geos/print_gy.html

¹² https://www.cia.gov/library/publications/the-world-factbook/geos/print_gy.html

¹³ Bureau of Statistics, Guyana Labour Force Survey, July 2018

<p>Population Density</p> <p>Eighty-nine percent (89%) of the population lives in the coastland region, which represents 7.5% of the country’s landmass. The remaining 11% of the population lives in the Hinterland region, which spans 92.5% of the country’s landmass; characterized by dense forestlands and mountain ranges.¹⁴</p>	<p>The dispersion of taxpayers across the geographical regions informs the Agency’s location strategies. In an effort to administer taxes fairly, reduce compliance costs through improved accessibility and increase the Agency’s reach, the decentralization of services is critical. In the future GRA will leverage ICT capabilities to increase its virtual presence which would aid in minimizing the usage of the brick and mortar business model</p>
<p>Literacy Rate</p> <p>Guyana’s Literacy Rate is estimated at 88.55%; where literacy is defined as anyone over the age of 15 who has attended school. Of the female population 89.8% are considered literate while 87.2% of the male population is literate.¹⁵</p>	<p>A major facet of compliance is the taxpayer being able to understand his/her obligations and the avenues available to satisfy these. Therefore, the literacy rate is intrinsically linked to voluntary compliance. It dictates the channels used to communicate and disseminate information. The literacy levels also impact the viability and usage of e-services and other e-applications which GRA may launch.</p>

Table 6 highlighting key Economic Indicators for Guyana

¹⁴ UNICEF Guyana, The Situation Analysis of Women and Children in Guyana

¹⁵ https://theodora.com/wfbcurrent/guyana/guyana_people.html

Technological Environment

While the GRA is considered to be one of the most technologically advanced government agencies in Guyana, there still remains significant room for improvement when compared with more progressive tax and revenue authorities around the world. Over the years, the budgetary allocations for ICT investments at the Authority can be largely characterized as tentative, mainly in response to imminent threats, and in some cases, driven by initiatives of influential international agencies.

In spite of the absence of a wider, coordinated organizational strategy, several critical ICT solutions were implemented with varying levels of effectiveness for the major operational arms. Fundamentally, the GRA operates a fairly robust Wide Area Network that connects our primary locations across the country. This network supports the delivery of various services, such as email, file sharing, telephony and business software solutions. To combat power outages that frequently disrupt business operations, the GRA has prioritized the deployment of redundant power supply systems to the locations with high volumes of traffic.

A combination of bespoke and off-the-shelf business software solutions are utilized throughout the GRA in support of the various operational functions. Some of the noteworthy solutions are described below:

- **Total Revenue Integrated Processing System (TRIPS)** - This software partially automates our domestic taxes and customs operational activities. This solution was implemented when GRA rolled out Value Added Tax and was aimed at unifying the major functions of the GRA under a single software. The implementation missed its target and is now at the heart of several operational and managerial woes;
- **Licence Revenue Processing System (LRPS)** – Is an internally developed software which automates procedures for vehicle registration, motor vehicle licence, drivers' licence, and trading and miscellaneous licences. This solution brought several benefits to the management and operations of these services inclusive of: reduced processing time, better control and transparency, and reduced congestion at GRA's offices;
- **ASYCUDA (Automated Systems for Customs Data) World** - is currently in the pilot phase and will replace TRIPS as the primary Customs software;
- **Customs automated risk selection** – This is a small utility developed internally that selects imports and exports for further compliance checks based on calculated risk. This system realized a 47% increase in revenues recovered in the first year and 113% increase over two years;
- **Document Management System** – This solution allows for digitization of GRA's paper based assets thereby improving the ease, timeliness and concurrency of access to taxpayer files. While unable to measure the essential impact, this system is rapidly becoming the preferred means to retrieve and use taxpayer files.
- **PeopleNet** – Is an HR and Payroll Management tool. While this product satisfies some of our basic needs, it leaves a lot to be desired relative to our current requirements.

- There are numerous other auxiliary systems that support the shortcomings in TRIPS: Notice of Assessment & Provisional Assessment; Debt Management; Operational Management reporting; Mortgage Interest Relief; Fillable PDF Forms and others.

External environment

With an internet penetration rate of approximately 30%, and costs of bandwidth being one of the highest in the Caribbean, the GRA must consider multiple channels for service delivery. Notwithstanding, the vast majority of medium-to-large sized businesses are internet ready and the mobile phone penetration is approximately 83%. While the majority of our population is concentrated along the coast, the remaining population is dispersed throughout the country in pockets, with limited ICT infrastructure deployment. This drives the cost upwards and constrains the nature of the services offered.

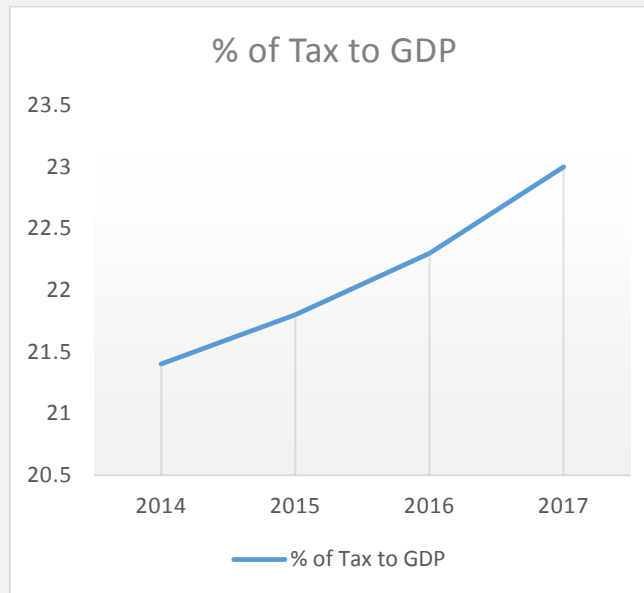
With the growing demand for ICT skills, the GRA is under continuous pressure to attract and retain experienced and qualified professionals.

Fiscal Space

Guyana is considered to be an Emerging Market and Developing Economy (EMDE) with well-defined fiscal policies for the medium and short-term. This is evident with a manageable debt ratio at 45.2 percent of GDP, which is one of the lowest in the Caribbean, a fact that was recognized by the Caribbean Development Bank (CDB) which has commended the Government for fiscal consolidation and prudent debt management.

Fiscal space is created when revenue collection targets are exceeded. This was achieved with the implementation of several viable fiscal policies, the effectiveness of which is underscored by the revenue to GDP ratio of approximately 26.2 percent in 2017 and Tax to GDP ratio of approximately 23 percent; this is significantly higher than the average tax revenue to GDP ratio which is estimated at 15 percent for EMDE countries.

Guyana can fully realize its economic potential and combat institutional weaknesses which threaten to undermine and constrain government’s ability to develop a more robust economy for the people of Guyana by continuing to invest in strategic actions that include: consolidating the macroeconomic fundamentals; fostering higher growth for more and better jobs; improving the quality of life of Guyanese; promoting skills development; modernizing infrastructure; improving the ‘doing business’ climate to facilitate business and more so, foreign direct investment; stimulating growth and employment in the productive sectors; supporting micro, small and medium enterprises; and continued development of the tax administration.



Graph 7 depicting the trend of % Tax Revenue to GDP

Enterprise Risk

Tax Administrations are taking proactive approaches and restructuring their organizations to address eminent risks. With established priorities, the GRA is instituting measures to avert the likely outcomes that are expected if risks to the operations, the institution and the compliance levels are not identified, measured and treated.

Tax risks are spawned by the uncertainties accompanying decisions, activities and operations. It affects the likelihood of tax outcomes differing from what was planned. Some of those risks that the GRA is expected to encounter include: **strategic risks, operational risks, institutional risks and compliance risks.**

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">STRATEGIC RISK</p>	<ul style="list-style-type: none"> • Currently, GRA (the primary revenue collection agency) operates without strategic and operational plans. This leads to the lack of a clearly communicated direction which results in inconsistencies in business procedures. This is usually manifested in the differences in the systems deployed at Head office and those at regional offices. Many Divisions within the Agency also operate in silos rendering efforts to consolidate and integrate operations futile. • The GRA lacks financial autonomy, since it is a subvention agency that relies on the Ministry of Finance to represent its annual budget in Parliament and release sums monthly to fund the day- to- day operations of the Agency. Every year the Agency is forced to revise its planned programs due to budget cuts imposed by the Ministry of Finance. With the implementation and execution of a well-defined strategic plan, the GRA will be able to prioritize its goals and needed resources to fulfil its mandate.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">OPERATIONAL RISK</p>	<ul style="list-style-type: none"> • Major risks facing the GRA are associated with weak ICT systems, such as; insufficient national internet coverage and bandwidth to fully support the implementation of tax automated systems nationally; insufficient funding to upgrade systems and certifications; and lack of ownership to access keys for IT programs to effect changes to meet operational needs. • Internal stakeholders (staff) will not be inclined to stay and are likely to take their intellect to other organizations if low levels of motivation and staff morale persist; however, with an enthusiastic work force, resistance to change should be alleviated thereby positively impacting the speed at which the strategic goals and objectives can be attained. • The absence of fully automated risk management systems for all tax types impedes risk-based compliance and productivity. This coupled with inefficient updating of Standard Operational Procedures hinders standardization and undermines professional output and responses to operational risk.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">INSTITUTIONAL RISK</p>	<ul style="list-style-type: none"> • The GRA lacks a Disaster Preparedness strategy to ensure continuity of its operations in the shortest possible time. Although there is offsite back up of data, there is no comprehensive plan that addresses people, assets, infrastructure and manual records. • The ineffectiveness of the judicial system in finalizing cases impedes the timely collection of revenue. The penal measures in the legislation and the enforcement machinery are also inadequate and weak. Taxpayers exploit these deficiencies through tax avoidance, tax evasion and tax planning schemes. • It is impossible to man the full length of Guyana’s porous borders, as such, better whistle blowing policies, inter-ministerial collaborations and other strategic alliances will have to be deployed to minimize the occurrences of smuggling.

- ‘Compliance Risk’ essentially relates to the extent to which a taxpayer may not meet their tax obligations. The GRA has a central role in ensuring that taxpayers understand their obligations under the revenue laws. The actions of all taxpayers in meeting their obligations, whether due to ignorance, carelessness, recklessness, or deliberate evasion, as well as, weaknesses in the GRA’s system, mean that instances of failure to comply with the law are inevitable. As a result, strategies and structures to ensure that non-compliance with tax laws are kept to a minimum must be implemented.
- Potential compliance risks are identified across all segments of taxpayers under the following categories of taxpayer obligations:
 - matriculation into the tax system (registration)
 - timely filing or lodgment of returns (non-filing and late filing)
 - timely payment of taxation obligations on time (non -payment and late payment)
 - reporting of complete and accurate information (under reporting and incomplete disclosure)
 - meeting outstanding collections agreements (arrears)

Registration:

- Risks exist when taxpayers fail to meet their tax registration obligations. Without a complete biographic profile (incomplete, inaccurate and missing details) for a taxpayer serious risks are inevitable.
- Without proper systems and methodologies to classify taxpayers based on their business activity/industrial classification, the likelihood of incorrect classifications will exist. This can ultimately lead to taxpayers being inaccurately registered for relevant tax types.
- Risks related to the registration of taxpayers can be partially circumvented through formulating suitable Standard Operational Procedures (SOPs) that are constantly updated and maintained.

Filing:

- When non-compliant behavior by taxpayers is identified as it relates to the filing of tax returns, treatment measures can be implemented that are likely to significantly improve and remove these undesirable behaviors. Segmentation of the taxpaying population will allow GRA to implement treatment measures that are likely to significantly reduce non-compliance for taxpayers who fail to file returns or do not file returns for all the tax types they are registered for, file returns late and file inaccurate and/or incomplete returns. This approach was implemented at the start of 2018 with the large taxpayers’ segment, it has led to marked improvement in the behavior of the Large taxpayers as it relates to filing of returns. However, it must now be rolled out to other categories of taxpayers to reinforce compliant behavior.

Payment:

- The revenue consequences of taxpayers who do not meet their payment obligations are felt on a national level. The long-term viability or sustainability of revenue collection will be threatened if risks associated with payment compliance are not identified, assessed and addressed. By identifying the strategic risks associated with payments, GRA can take the necessary steps to address all possible scenarios using data analytics to reduce these risks. Treatment measures and strategies should be developed and implemented.

Reporting:

- The risks associated with the quality and accuracy of information reported by taxpayers when submitting their declarations are high; the possible revenue losses resulting from such occurrences are unknown. Alternatively stated, the impact of under, incomplete and inaccurate reporting by taxpayers was never measured.
- The absence of a risk-based selection process for all audit cases and the non-auditing of taxpayers from several sectors has also resulted in immeasurable revenue losses and leakages.

- With the introduction of a risk based approach for the selection of all audit cases and analysis of audit results, GRA will be making the necessary adjustments to mitigate reporting gaps and reduce revenue losses.

Arrears:

- The existence of weak policies, procedures and systems to identify outstanding taxes, ascertain the size of the stock of debt and the taxpayers, segments or industries that contribute the most outstanding taxes to the stock of arrears is the highest level of risk that exists within the GRA. Mechanisms to improve the business processes in debt management (which include prioritization of risk associated with arrears collections and the establishment and implementation of risk rating matrices by taxpayer segments) are of utmost importance to the Commissioner-General. With the employment of techniques not previously attempted in arrears management, the GRA will be significantly diminishing risks which are presently high to severe.

Table 7 indicating Enterprise Risks of the GRA



THE STRATEGIC ROAD MAP

The Strategic Pillars

The strategic Plan was built on four (4) pillars. These are:

Legislation- To be effective the GRA must review all its archaic and unharmonious pieces of legislation. There is a need for a consolidated legislation with punitive measures that are sufficiently prohibitive to serve as deterrents for recalcitrant taxpayers. The legislation must also be contemporary relative to the Agency's operating environment

Technology- GRA intends to revolutionize its operations through the use of effective ICT solutions. ICT as a tool would allow the agency to respond faster to taxpayers' expectations, be more responsive to deal with challenges engendered by emerging/ new sectors and develop capabilities to assist in intelligence gathering, data analytics and risk management. To execute its mandate, GRA must reach all stakeholders in all geographical regions of Guyana, as such, it is heavily reliant on the in-house ICT capacity and capabilities, as well as, the country's network infrastructure.

Business processes- The GRA will be seeking to reengineer, simplify, harmonize, standardize and fully automate its business processes. This would aid in the reduction of the bureaucratic red tapes that currently exist. These initiatives should also reduce the cost of doing business (both administrative and compliance costs) and foster greater compliance.

People- The people component refers to both internal and external customers; staff and taxpayers respectively.

GRA's human and knowledge resources have been the cornerstone for the successes enjoyed to date. Moving forward, there would be a heightened emphasis on developing and motivating our Human Resources through capacity building, succession planning, performance appraisal and the usage of incentive schemes which are tied to revenue generation.

The GRA serves as a conduit between the Government of Guyana and the taxpaying public. The GRA intends to treat the public equitably and respectfully to ensure that taxpayers fulfill their social contract which is accurately declaring and paying their taxes. The Agency also strives to build a taxpaying culture by treating taxpayers as our developmental partners.

The four pillars represent the core facets of GRA’s business model and will play an indispensable role in the success of the organization, as well as, the realization of its goals.

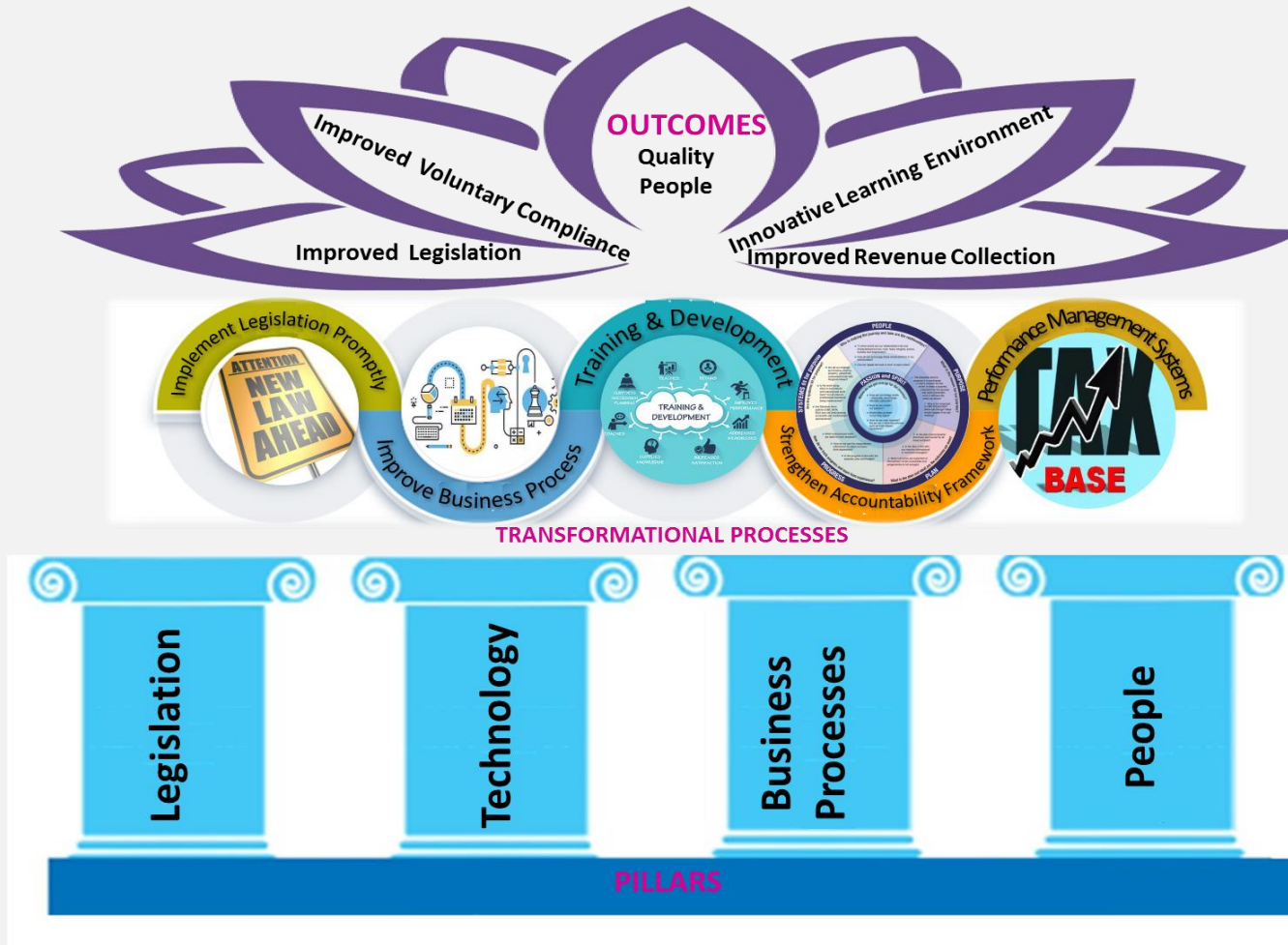


Figure 2 depicting the Strategic Pillars of the GRA

Foundation Statements

The strategy of the GRA over the next 3 years is reflected in the vision, mission and core values as indicated below.



Figure 3 depicting the Foundation Statements of the GRA

Core Values

The acrostic IMPACT reflects the fundamental tenets that must permeate the organization to improve its corporate image, customer service and human resource quality.



Figure 4 illustrating the revised Core Values of the GRA

GRA Service Value Statements The GRA is moving towards becoming the leading Revenue Authority of the region by cultivating a responsible, taxpayer- focused, responsive and innovative organizational culture.

GRA VALUE STATEMENT TREE



Figure 5 depicting the Value Statements of the GRA

1. **Governance and Strategic Directions:** The essential conditions (internal coherence, corporate discipline and alignment to outcomes) are in place for promoting effective strategic direction, providing support to the Ministry of Finance and Parliament and delivering the planned results.
2. **Learning, Innovation and Change Management:** The GRA manages through continuous innovation and transformation, promotes organizational learning, values corporate knowledge, and learns from its performance.
3. **People:** The GRA has the leadership, employees, work environment and apt capacity building initiatives to assure its success.
4. **Risk Management:** The Executive team clearly defines the corporate context and practices for managing enterprise risks proactively.
5. **Accountability:** Accountabilities for results are clearly assigned through the Strategic Management Framework (SMF) and are consistent with resources.
6. **Policy & Programs:** Research and analytic capacity is developed and sustained to assure high quality administration, program design and advice for nation building
7. **Results and Performance:** Relevant information on results (internal, service and program) are gathered and used to make departmental decisions, and public reporting is balanced, transparent, and easy to understand
8. **Stewardship:** GRA’s control regime (assets, money, people, service, etc.) is integrated and effective, and its underlying principles are clear to all staff.
9. **Stakeholders Focused Service:** Services are taxpayer- centered, policies and programs are developed from the “outside- in” and partnerships are encouraged and effectively managed.

GRA's Value Proposition to its Taxpayers

Stakeholder Focused Service: Services are taxpayer- centered, policies and programs are developed from the “outside in” and partnerships are encouraged and effectively managed.

The agency is guided by this founding principle and intends to meet and exceed the expectations of stakeholders at every opportunity. By doing so, it can foster greater voluntary compliance from taxpayers through the impartation of knowledge via its communication channels and by providing them with quality taxpayers services.

The GRA will ensure that the quality of service to taxpayers encompasses but is not limited to:

1. Fairness at all times in the administration of taxes; to ensure that the tax burden is shared equally through the administration of tax systems that are transparent and objective
2. Best customer services at all times; as the GRA continuously strives to satisfy its valued customers
3. Extension of services to taxpayers that are cost efficient and convenient to access; the GRA seeks to lower compliance costs through the deployment of user friendly ICT solutions
4. Ease of access to information; so that all taxpayers can be adequately educated about their social obligations in relation to taxation, to encourage voluntary compliance
5. Timely delivery of services; within the timelines specified in the standard operational procedures

On the basis of its propositions, the GRA wishes to remind its taxpayers that, “*We are your partners in development.*”

Goals

The goals represent the four main pillars on which the strategic plan will be developed, these are legislation, people, processes and technology.

The GRA has identified these four (4) Key Strategic Goals for the 3-year period covered by this plan

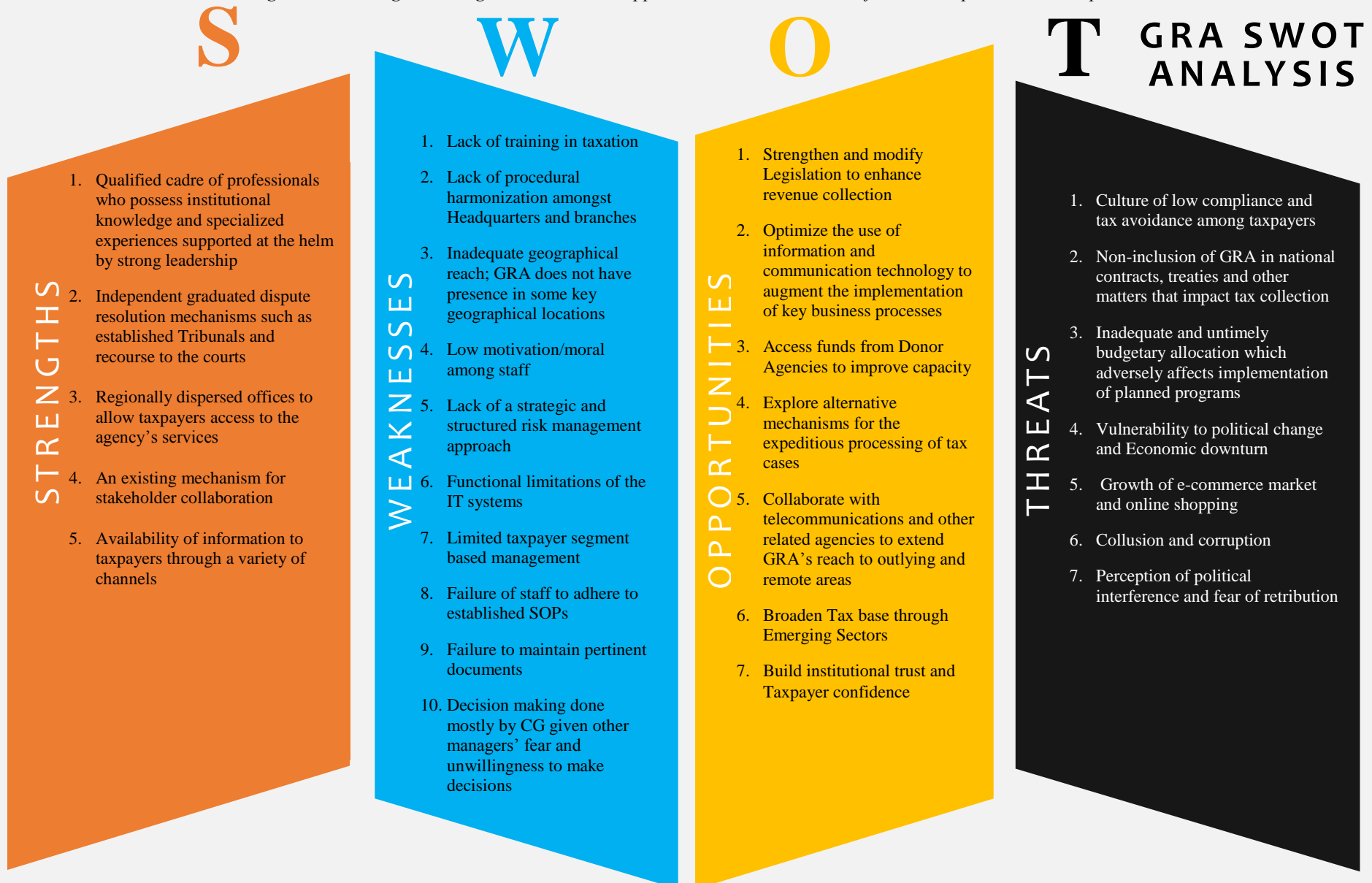


Figure 6 indicating the four Strategic Goals identified for the years 2019-2021

SWOT

An environmental assessment was conducted to identify enablers (strengths and opportunities) that the organization can leverage, as well as, challengers (weaknesses and threats) that must be addressed or mitigated. The environmental scanning process included engaging key stakeholders through consultative sessions, focus groups and questionnaires. Data analyses were also used to ascertain the current state of the organization through generating baselines. Below is a summary of the most prominent enablers and challengers:

Figure 7 indicating the Strengths, Weaknesses, Opportunities and Treats identified with respect to GRA's Operations



Using Data analysis to validate the Agency's position

Data for many aspects of GRA's Internal Revenue and Customs operations was never tracked, measured or monitored. Therefore, there is no viable or acceptable means of establishing GRA's position for all its critical business functions. Additionally, there are many manual processes and records which make it difficult to conduct effective analyses.

With the onset of the Strategic Plan, the importance of data analysis was emphasized. The available data and resulting analyses informed the strategic planning process and was utilized to create indicators to measure the respective operations of the Agency. Baselines established assisted in crafting a way forward to achieve desired outcomes. In the future, these baselines would also aid in measuring progress and performance.

Prior to this strategic Plan, the International Monetary Fund's TADAT assessment was used to ascertain the health of the Guyana Revenue Authority as it relates to Domestic Taxes. A synopsis of their findings is presented hereunder along with the most recent baseline information.

Domestic Taxes

TADAT

In 2017 the Minister of Finance and executive management of the Guyana Revenue Authority (GRA) in their quest to assess the performance of the Authority, requested an assessment of the tax administration's Internal Revenue functions to guide management on activities conducted and the soundness of same.

During the second quarter of 2017 IMF-Fiscal Affairs Department (FAD) experts conducted a TADAT Assessment of the Guyana Revenue Authority using the TADAT baseline of tax administration good practices to assess the GRA's performance.

The assessment team apart from reviewing and analyzing available data met with various staff within the organization to establish the Agency's level of performance and conducted a number of walk-through exercises in some areas prior to preparing the final report on the performance of the Revenue Authority. The TADAT Assessment was conducted by referencing nine outcomes as illustrated in the chart below, commencing from Performance Outcome Area (POA) 1 – Integrity of the registered taxpayer base and going clockwise to POA 9 - Accountability and Transparency. A set of 28 high-level indicators critical to tax administration performance are linked to the 9 POAs. Scores were given to the indicators and reported on, using a total of 47 measurement dimensions to arrive at the indicator score.

The findings of the report indicated that the operations of the GRA have been weakened by the absence of a Strategic Management Plan and a structured Risk management approach which led to uncoordinated daily operations and reform initiatives. It was also highlighted in the report that data integrity and availability are major issues within the tax administration which hampered effective compliance management and credible reporting. The assessment team observed that weak filing and payment compliance were pervasive. Further, it was stated that there was no e-filing facility, which impacted negatively on the cost of compliance and which ultimately adds a burden to taxpayers to meet their filing obligations. Mention was made of audits being compromised since, there was an absence of a structured Risk management approach.

From the 28 high level indicators of the TADAT Assessment the GRA received a score of 2 As, 1 B, 2 Cs, 1 C+ and 22 Ds. The score given to the tax administration of Guyana indicates that the Authority is operating below the good practices of the Tax Administrations from the more developed countries. Please see details hereunder:



Chart 3 depicting the nine Performance Outcome Areas assessed by TADAT

Indicator	Performance outcome Areas	Score	Indicator	Performance Outcome Area	Score
POA 1: Integrity of the registered taxpayer base			POA 6: Accurate Reporting in Declarations		
P 1-1	Accurate and reliable taxpayer information.	D	P 6-16	Scope of verification actions taken to detect and deter inaccurate reporting.	D
P 1-2	Knowledge of the potential taxpayer base	C	P 6-17	Extent of proactive initiatives to encourage accurate reporting.	D
POA 2: Effective Risk Management			P 6-18	Monitoring the extent of inaccurate reporting.	D
P 2-3	Identification, assessment, ranking and quantification of compliance risks.	D	POA 7: Effective tax dispute resolution		
P 2-4	Mitigation of risks through a compliance improvement plan.	D	P 7-19	Existence of an independent workable and graduated dispute resolution process.	A
P 2-5	Monitoring and evaluation of compliance risk mitigation activities.	D	P 7-20	Time taken to resolve disputes.	D
P 2-6	Identification, assessment and mitigation of institutional risks	D	P 7-21	Degree to which dispute outcomes are acted upon.	D
POA 3: Supporting Voluntary Compliance			POA 8: Efficient Revenue Management		
P 3-7	Scope, currency and accessibility of information	D	P 8-22	Contribution to government tax revenue forecasting.	D
P 3-8	Scope of initiatives to reduce taxpayer compliance costs.	D	P 8-23	Adequacy of the tax revenue accounting system.	D
P 3-9	Obtaining taxpayer feedback on products and services.	D	P 8-24	Adequacy of tax refund processing	D
POA 4: Timely Filing of Tax Declarations			POA 9: Accountability and Transparency		
P 4-10	On-time filing rate	D	P 9-25	Internal assurance mechanisms.	B
P 4-11	Use of electronic filing facilities.	D	P 9-26	External oversight of the tax administration	C+
POA 5: Timely Payment of Taxes			P 9-27	Public perception of integrity	D
P 5-12	Use of electronic payment methods.	C	P 9-28	Publication of activities, results and plans	D
P 5-13	Use of efficient collection systems	A			
P 5-14	Timeliness of payments	D			
P 5-15	Stock and flow of tax arrears	D			

Table 8 summarizing GRA’s performance in the 2017 TADAT Assessment

Consequent to the first assessment conducted in March/April of 2017 a follow-up assessment was held in September, 2017 where it was observed that minimal improvements were made by the Revenue Authority to increase its low TADAT Assessment scores. Management acknowledged that more efforts are needed to improve the Tax Administration's performance. Since Guyana is preparing for Petroleum production in 2020, it is imperative that the Revenue Authority transforms itself in the medium term into a more modern, effective and efficient administration. The follow-up TADAT assessors observed that GRA had strong performance in several areas for example, promoting voluntary compliance by utilizing a wide variety of activities, making taxpayer information available and offering assistance through varying sources. It was noted that the GRA should make minor but meaningful changes to improve the four primary areas which are registration, filing, payment, and risk management. An effective risk management system must be implemented and further complemented by amendments to the Tax Administration laws and business processes to positively impact service delivery. The report highlighted that there is need to increase training of all frontline staff to enhance efficiency in the organization. Although the Information Technology Department is performing well with its limited human resources, there is need to have remediation of the Total Revenue Integrated Processing System (TRIPS) and to have a defined cut off period for the administration's utilization of auxiliary systems which could be an enterprise risk. The Information Technology Department should create a link between the two main platforms being used by Taxes and Customs i.e. TRIPS and ASYCUDA to facilitate data verification, reconciliation and the correction of errors. The staff complement and capacity of the Information Technology Department should be boosted to facilitate continued and improved maintenance of the platforms being utilized to ensure they are always functional and accessible. However, it was noted that all ICT solutions being implemented by the Information Technology Department and the small incremental changes being made throughout the organization lacked the coordinated support of a Strategic Plan. Additionally, the organization has to be realigned to incorporate the necessary changes for the plan to be effectively implemented. It was recognized that a number of reform initiatives depend heavily on the availability of funding and the acquisition of a Tax software to replace the current TRIPS software.

In June 2018 two officers, one from the GRA and one from the Ministry of Finance, conducted a local review of the Tax Administration using the TADAT Field guide and the 2017 April assessment report to establish the performance of the GRA. The local team concluded that a number of improvements were made since the first TADAT Assessment, but there is still a need for some major financial injections to facilitate the replacement of the Tax software and the implementation of other important reforms. Once again, the need for a Strategic Management Plan was established, to guide the operations of the Revenue Authority.

Baseline Analysis

To conduct the baseline analysis, Taxpayers were classified and placed into a segment as 'large', 'medium', 'small', 'micro', 'other' or 'government' mainly based on reported turnover and the nature of their operations, for the period 2013 to 2017. The segment 'other' represents all individuals and agencies that are not registered for Corporation Income Tax and Individual Income Tax but are registered for a TIN. Also, most entities could only be classified as 'others' because the system could not link the business/ partnership TIN to the individual owner or partner's TIN, this was due to limitations of the tax administration software. Additionally, registration was not being properly conducted, there were failures to adhere to known standard operational procedures; this resulted in another notable limitation.

Data required to establish baselines within the various areas of Internal Revenue, especially Debt Management and Audit, was not being recorded and maintained. Currently, there is no mechanism instituted to ascertain the total stock of debt since there is a fragmented approach to accounting for arrears. Debt is not aged once it exceeds 90 days; all debt is deemed collectible by the GRA regardless of the age, as such, a collectability register is not maintained. Such operations can lead to the suboptimal allocation and usage of resources. It also contravenes the contemporary concept of utilizing risk-based approaches. With the advent of the Large Taxpayers Division, these processes are being piloted to properly manage and account for debt. The impact of this initiative will be measured and assessed at the end of this year, 2018.

As it relates to the audit functions, the adjustments and tax change resulting from their interventions are not tracked, therefore, their effectiveness cannot be measured.

The available data indicated key baseline positions for compliance. The following should be noted:

- a. Of the total taxpayers registered for a Taxpayer Identification Number (TIN), approximately 61% are registered for at least one tax type. (Refer to Table 9 for taxpayers registered for at least one tax type by segment)
- b. In the large Taxpayers Segment, under Corporation Tax, approximately 94% filed their returns for the years 2013 to 2017, however, only an average of 73% of these taxpayers filed on time. This indicates that approximately 6% of all Large Tax Payers were totally non-compliant during the period under consideration and should have been subjected to audits and punitive actions as stipulated by the law.
- c. For 2013 through to 2017 most on time filing percentages for CIT fell drastically below the TADAT desired standard/threshold of 90% for all segments excluding large taxpayers and 99% for large taxpayers.
- d. CIT on time payment also fell below the TADAT's International good standard of 90% for all segments during the tax years 2013 to 2017.
- e. VAT on time filing performance for the years under review was also lagging given the required TADAT good practice standard of 90% for all segments excluding large taxpayers and 99% for large taxpayers.
- f. Using the TADAT score card once again, VAT on time payment compliance was below par given the TADAT standard of 90 % and above in all segments.

Please refer to Tables 10, 11 and 12 for GRA's performance.

Please refer to Annex I for the Domestic Taxes Baseline document

Segment	Count/number of taxpayers
Large	244
Medium	235
Small	1,269
Micro	30,630
Others	343,737
Government	276
Total taxpayers registered for at least one tax type	376,391

Table 9 presenting number of taxpayers by segments that are registered for at least one tax type

Approximately two hundred and forty thousand, nine hundred and seventy-four (240,974) entities are registered for a Taxpayer Identification Number (TIN) but not registered for a tax type.

Segments	Corporation Tax (CIT)					Individual Income Tax (IIT)					Pay As You Earn (PAYE) Form (2)				
	No. of TPs Registered	Early/On-time		Overall		No. of TPs Registered	Early/On-time		Overall		No. of TPs Registered	Early/On-time		Overall	
		Count	(%)	Count	(%)		Count	(%)	Count	(%)		Count	(%)	Count	(%)
Large															
2013	157	103	66%	147	94%	69	40	58%	67	97%	195	96	49%	145	74%
2014	158	115	73%	151	96%		46	67%	68	99%	201	91	45%	144	72%
2015	160	115	72%	150	94%		56	81%	68	99%	204	71	35%	149	73%
2016	161	118	73%	152	94%		54	78%	68	99%	208	128	62%	161	77%
2017		130	81%	152	94%		54	78%	66	96%		96	46%	157	75%
Medium															
2013	70	21	30%	59	84%	156	88	56%	155	99%	165	52	32%	99	60%
2014	77	28	36%	66	86%		96	62%	154	99%	178	51	29%	106	60%
2015	78	28	36%	68	87%		96	62%	154	99%	183	44	24%	111	61%
2016		34	44%	70	90%	157	111	71%	151	96%	192	71	37%	119	62%
2017		44	56%	63	81%		110	70%	148	94%	196	73	37%	116	59%
Small															
2013	258	94	36%	238	92%	970	496	51%	935	96%	689	191	28%	399	58%
2014	268	104	39%	248	93%	975	534	55%	936	96%	723	193	27%	400	55%
2015	280	116	41%	245	88%	981	544	55%	922	94%	757	144	19%	410	54%
2016	286	115	40%	245	86%	984	619	63%	900	91%	801	247	31%	428	53%
2017		148	52%	231	81%		621	63%	854	87%	817	258	32%	427	52%
Micro															
2013	443	126	28%	401	91%	28,888	6,705	23%	27,331	95%	1,891	259	14%	754	40%
2014	475	138	29%	411	87%	29,392	7,238	25%	26,199	89%	2,056	270	13%	747	36%
2015	504	155	31%	412	82%	29,781	7,635	26%	24,203	81%	2,227	209	9%	757	34%
2016	527	156	30%	408	77%	30,082	10,674	35%	22,103	73%	2,475	346	14%	814	33%
2017		249	47%	392	74%	30,104	11,033	37%	17,918	60%	2,632	366	14%	767	29%
Others															
2013	3,696	35	1%	314	8%	247,634	54,840	22%	72,378	29%	2,220	171	8%	348	16%
2014	3,893	40	1%	337	9%	267,925	59,990	22%	75,085	28%	2,312	163	7%	319	14%
2015	4,101	69	2%	346	8%	285,418	65,136	23%	77,045	27%	2,414	124	5%	315	13%
2016	4,431	57	1%	347	8%	300,767	74,166	25%	82,420	27%	2,559	200	8%	349	14%
2017	4,783	153	3%	375	8%	313,131	77,930	25%	85,269	27%	2,731	228	8%	376	14%

Table 10 indicating Annual Filing Compliance Levels for Core Tax Types (CIT, IIT & PAYE)

Segments	Pay As You Earn (PAYE) FORM (5)					Value Added Tax (VAT)				
	Expected Returns	Early/On-time		Overall		Expected Returns	Early/On-time		Overall	
		Count	(%)	Count	(%)		Count	(%)	Count	(%)
Large										
2013	2,340	1,721	74%	2,047	87%	2,184	1,512	69%	2,004	92%
2014	2,412	1,792	74%	2,100	87%	2,196	1,551	71%	2,014	92%
2015	2,448	1,724	70%	2,139	87%	2,220	1,561	70%	2,010	91%
2016	2,496	1,783	71%	2,176	87%	2,256	1,589	70%	2,042	91%
2017		1,889	76%	2,156	86%	2,280	1,585	70%	2,027	89%
Medium										
2013	1,980	982	50%	1,545	78%	1,920	1,084	56%	1,730	90%
2014	2,136	1,018	48%	1,664	78%	1,968	1,042	53%	1,767	90%
2015	2,196	1,083	49%	1,751	80%	2,028	1,059	52%	1,777	88%
2016	2,304	1,196	52%	1,867	81%	2,064	1,103	53%	1,783	86%
2017	2,352	1,273	54%	1,841	78%	2,088	1,096	52%	1,744	84%
Small										
2013	8,268	3,526	43%	6,380	77%	7,956	4,579	58%	7,259	91%
2014	8,676	3,695	43%	6,728	78%	8,424	4,704	56%	7,488	89%
2015	9,084	3,598	40%	6,802	75%	8,892	4,649	52%	7,719	87%
2016	9,612	3,739	39%	7,138	74%	9,348	4,773	51%	7,984	85%
2017	9,804	4,012	41%	7,010	72%	9,612	4,920	51%	7,831	81%
Micro										
2013	22,692	3,911	17%	12,587	55%	14,268	6,066	43%	11,107	78%
2014	24,672	4,183	17%	13,272	54%	15,684	6,112	39%	11,609	74%
2015	26,724	4,030	15%	13,373	50%	16,656	5,998	36%	11,476	69%
2016	29,700	4,265	14%	14,278	48%	18,276	6,169	34%	12,065	66%
2017	31,584	4,772	15%	13,617	43%	19,500	6,372	33%	11,377	58%
Others										
2013	26,640	3,872	15%	6,266	24%	20,340	4,355	21%	9,393	46%
2014	27,744	3,650	13%	5,881	21%	21,528	4,214	20%	9,126	42%
2015	28,968	3,451	12%	5,926	20%	22,536	4,162	18%	8,829	39%
2016	30,708	3,500	11%	5,975	19%	23,820	4,225	18%	8,712	37%
2017	32,772	4,054	12%	6,432	20%	25,500	4,509	18%	8,171	32%

Table 11 indicating Monthly filing compliance levels for core tax types (PAYE and VAT)

Core Tax Types by Segments	Early/On-time				
	2013	2014	2015	2016	2017
Corporation Tax (CIT)					
Large	83%	88%	85%	82%	84%
Medium	47%	41%	45%	44%	43%
Small	57%	66%	49%	52%	51%
Micro	60%	50%	49%	42%	60%
Others	53%	0%	86%	92%	61%
Individual Income Tax (IIT)					
Large	47%	54%	62%	44%	39%
Medium	45%	54%	48%	45%	45%
Small	50%	52%	49%	51%	57%
Micro	35%	38%	39%	40%	49%
Others	43%	29%	30%	46%	45%
Pay As You Earn (PAYE)					
Large	94%	92%	92%	82%	87%
Medium	73%	62%	68%	74%	71%
Small	86%	82%	79%	75%	79%
Micro	78%	74%	61%	69%	73%
Others	91%	87%	88%	94%	94%
Value Added Tax (VAT)					
Large	93%	90%	93%	92%	91%
Medium	82%	63%	74%	77%	79%
Small	86%	79%	79%	83%	78%
Micro	82%	82%	72%	69%	80%
Others	70%	77%	77%	77%	79%

Table 12 indicating percentage (%) on-time payment compliance level by segments for Core Tax types (CIT, IIT, PAYE & VAT)

Segments	2013	2014	2015	2016	2017
Large	62.4	66.3	66.5	66.6	67.1
Medium	4.9	4.8	4.5	5.0	5.0
Small	8.6	8.1	7.8	7.7	7.2
Micro	5.1	4.6	4.2	4.4	4.7
Other	12	9	10	9	9
Government	6.9	6.9	7.1	7.0	6.7

Table 13 indicating percentage (%) contribution for revenue collected by segments

GRA currently has limited segment-based taxpayer management. Only the Large taxpayers are managed separately. The baseline figures computed as shown in Tables 9 and 13 reveal that the medium segment which comprises of taxpayers that fall within the second highest turnover bracket contribute disproportionately less than the large taxpayers to revenue collections and even less than the small taxpayers. Resources need to be directed to further probe this issue.

Customs

In the ever-evolving realm of global trade, it is pertinent that the Guyana Revenue Authority (GRA) adopts a living and dynamic approach to ensure that the Customs Arm of the organization is appropriately equipped to handle current and impending challenges anticipated in the upcoming years with particular focus on the Oil and Gas Sector. Customs is tasked mainly with revenue collection, national security, trade facilitation and the management of cross border movement of people. It is also responsible for a myriad of other internal operations.

The Department baseline approach included the application of indicators from the two leading authorities on Customs and Trade matters: The World Trade Organization (WTO) and the World Customs Organization (WCO). However, over the years, the GRA has tailored its Customs Procedures to better serve the Guyanese populace. To measure the effectiveness of these procedures more idiosyncratic baseline indicators had to be developed to gauge the Agency's performance against internally established standards. Collectively, these baselines garnered the fecundity of the initiatives and programs implemented within Customs.

It should be noted that the GRA is still in the process of administering the WCO and the WTO tools to gauge its performance against International good practices. However, the baseline indicators developed internally were utilized and provided a sufficing overview of the health and efficacy of the Customs operations.

The foremost issue in this department is the lack of a comprehensive automated system. The current system, TRIPS, did not automate all customs core procedures, as such, there are many manual systems that run parallel to the main tax software. The baseline analyses conducted discovered that several standard operating procedures for automated and manual systems were not adhered to. Although some systems were automated, critical procedures were not followed or some of the automated functions were not utilized at all. For example, several transactions were never 'closed off' in TRIPS which led to the generation of incomplete and inaccurate reports. Most systems deployed throughout Customs lacked the robustness and controls needed to prevent revenue leakages.

Additionally, there was a lack of reconciliatory mechanisms to consolidate information and statistics provided by different sources from within Guyana Revenue Authority; especially as it relates to number of aircrafts and vessels reporting and files closed for the said aircrafts and vessels. There were also disparities between the number of entries vetted and the number of entries assessed, although these figures should have been similar. Further, there was a major incongruity between the number of goods eligible to be released and what was released; although these goods are no longer within the possession of the GRA. There is an urgent need to fortify the related systems since such laxities and deficiencies can directly impact revenue generation and create viable loopholes for corrupt practices. These issues also underscore the need for greater accountability within the Customs Department.

It was found that for the years 2013 to 2017, an average of 42% of declarations lodged had to be amended. This is indicative of the high levels of inaccuracy in completing the Customs forms. This warrants the intensification of taxpayer educational programs and also justifies the institution of penalties and fines to alleviate this undesirable state. These initiatives are already underway with the implementation of ASYCUDA.

The current systems for Permits for Immediate Delivery (PIDs) and Prior to Processing (PTPs) must also be fortified. Although the law stipulates a mandatory ten-day period for the 'perfection' of PID declarations, the lowest annual average reported for the perfection of this facility was twenty-eight (28) days whilst the highest was fifty-three (53) days. This shows a blatant disregard for established procedures. PIDs are issued in accordance with Regulations 50 (4) to (10) made under the Customs Act Chapter 82:01 Section 275. To benefit from this facility a bond must be lodged, therefore, GRA implicitly has the option of escheating bonds in cases where Taxpayers default or fail to perfect the PID within the specified period. Also, Taxpayers may be sanctioned through denials of further PIDs. Although the legislative provisions are adequate, enforcement is lacking. These options need to be exercised to reinforce the timely collection of state funds. The Commissioner-General was vested with powers to grant PTPs in accordance with the stipulations of Section 270 part 15 miscellaneous Customs Act Chapter 82.01 under conditions

not dealt with in law; at his discretion. Penalties should be circumscribed for noncompliance with stipulated timelines upon issuing PTPs. These penalties could range from administrative to civil/quasi criminal sanctions. For both PIDs and PTPs, penalties, fines and sanctions should be imposed to curb practices that significantly delay revenue collections.

There were cases in which the record keeping/information maintained by the sections was inadequate to conduct analyses and measure performance. In other instances, registers/ documents had to be updated upon request for information. There is an urgent need to revamp these systems to guard against revenue losses. Information must be recorded in a methodical and meaningful manner and all records should be up to date.

In spite of the foregoing challenges, the GRA realized a marked improvement overall in the number of days taken to process declarations; especially for the main import regime, the C4; which accounts for approximately 97% of the activities conducted within the Import regime. Nevertheless, the processing timelines are still not aligned with International good practices and must be improved to boost trade facilitation.

Altogether, strategies need to be deployed to address the deficiencies within the Customs systems. It should be noted that Customs procedures are currently being reengineered and automated through the implementation of ASYCUDA. It was highlighted that ASYCUDA should address most of the shortcomings of the Customs systems and procedures. However, there is still a need to ensure that the controls in ASYCUDA are sufficient to guard against 'overriding of procedures'. ASYCUDA should not be viewed as a panacea but a tool; there must be adequate change management, inclusive of training, to optimize the potential benefits of this tool especially given the substantial capital outlay involved in deploying this automated system.

According to the International Monetary fund, Next Steps in modernizing the Revenue Administration report (September 2017) '*Customs has made progress and there are important developments that have been initiated but much more work is required to create a modern Customs. Implementation of ASYCUDA World has commenced; a trusted trader program is in the pilot phase; work is also being done to introduce excise stamps and there are plans to implement The Harmonized Commodity Description and Coding System (HS 2017). However, a considerable amount of work needs to be done to ensure that Customs provides the level of service, predictability and reliability that will create the client-friendly and business-friendly environment that the country requires. Steps must be taken to reorganize and realign the structure of the GRA to place all core specialized functional areas of Customs under the full purview of the Head of Customs. Classification, valuation, rules of origin, operational intelligence and risk management, Post Clearance Audit (PCA) and enforcement are all core functions of a modern Customs and should be under their direct control and supervision. Customs presence and operation in the Integrated Regional Offices (IRO's) should be bolstered and centrally directed.*'

Further to this report the Trusted Trader Program has been developed, as at December 21, 2018, the Agency has ninety - eight (98) trusted traders and ninety-seven (97) low risk traders. Recent reports revealed that the declaration processing time of these individuals was reduced to an average of one day. The Post Clearance Audit (PCA) Unit now falls within the Portfolio of Customs which allows for integration and consolidation of these customs processes. As it relates to the Excise Digital Stamping Program, the Agency has implemented the stamping of alcoholic beverages and has also initiated the stamping of tobacco products. The monitoring and enforcement measures have also begun and will be intensified during the course of 2019. Other modernization and reformatory measures are still to be undertaken. ***Please refer to Annex II for the Customs Baseline document.***

Please find overleaf, a synopsis of the status of various customs operations:

Number of declarations by regimes during the period 2013 to 2017								
Regime Code	Regime Name	2013	2014	2015	2016	2017	Avg	%
C4	Import For Home Use	51,072	49,152	47,344	49,471	46,332	48,674	97%
C5	Temporary Import	188	140	216	216	226	197	0.4%
C6	Re-Import	34	40	54	64	33	45	0.1%
C7	Intra-warehouse Transfers	1	18	15	31	19	17	0.03%
PID	Process for Immediate Delivery	636	758	584	667	620	653	1%
S7	Warehouse	657	659	677	605	456	611	1%
S8	Transit/Transshipment	161	172	151	230	271	197	0.4%
Grand Total		52,749	50,939	49,041	51,284	47,957	50,394	100%

Table 14 indicating the number of declarations 'processed and paid on' by Import related regimes during the period 2013 to 2017

Average Days from Lodged to Await Payment														
Regime Name	Tax Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Mthly Avg # Days
Import For Home Use	2013	5	6	5	6	5	4	5	5	5	5	6	5	5
	2014	5	6	6	7	6	6	6	5	6	7	5	4	6
	2015	5	5	4	5	5	4	5	5	4	5	5	5	5
	2016	4	6	7	5	6	6	5	4	4	4	4	4	5
	2017	4	4	5	6	5	6	6	6	7	7	6	6	6
Re-Import	2013	3	5		4	8	7	4	2	6	2	5	7	5
	2014	41	7	2	2	4	5	6	41	6	5	6	3	11
	2015	2	7		7	6	9	12	3	10	5	4	5	6
	2016	8	8	14	9	8	2	4	6	6	2	1	9	6
	2017		4	4	2	1	2	2	1	6	9	11	10	5
Temporary Import	2013	9	7	5	8	10	3	7	5	5	3	6	5	6
	2014	6	5	4	12	5	5	14	3	10	5	5	2	6
	2015	8	3	4	3	6	3	4	2	7	4	5	7	5
	2016	13	6	6	5	8	3	3	2	2	2	2	3	5
	2017	2	3	2	4	3	16	8	6	1	5	4	4	5
Process for Immediate Delivery	2013	3	3	3	4	4	5	3	4	3	3	4	4	4
	2014	6	5	5	7	8	9	12	8	5	8	7	16	8
	2015	2	2	3	3	3	3	2	2	2	2	2	3	2
	2016	2	2	3	3	4	3	2	1	2	1	1	1	2
	2017	1	1	2	2	1	2	2	2	2	3	3	2	2
Warehouse	2013	6	14	6	6	5	3	4	4	3	4	4	7	6
	2014	6	7	6	9	4	8	13	4	6	8	6	5	7
	2015	3	9	6	5	9	6	6	6	9	10	9	9	7
	2016	8	8	13	9	17	14	10	9	9	9	9	8	10
	2017	5	6	16	10	6	6	11	6	14	9	10	18	10
Intra-warehouse Transfers	2013		21											21
	2014						6	14				7		9
	2015		22		5	5						13		11
	2016	3	29		22					6		5		13
	2017	2		342		5	11			2			8	62
Transit/Transshipment	2013	6	8	4	4	3	3	5	3	2	2	2	4	4
	2014	4	8	4	9	3	4	6	4	5	11	3	8	6
	2015	2	2	3	4	5	3	7	19	8	10	20	7	8
	2016	4	7	5	6	4	8	4	2	3	8	4	3	5
	2017	3	3	3	4	2	2	2	2	4	8	4	4	3

Table 15 indicating the average number of days from lodgment to awaiting payment by import regimes for the period 2013 to 2017

Average Number of Days from Payment to Release for Regimes															
Regime Name	Tax Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Mthly Avg # Days	
Import For Home Use	2013	10	8	10	7	10	7	8	14	16	7	25	12	11	
	2014	8	11	17	12	7	5	7	7	5	4	5	5	8	
	2015	6	10	10	7	6	8	13	8	7	14	12	8	9	
	2016	12	9	7	9	9	9	9	9	8	8	7	6	6	8
	2017	7	9	8	5	5	5	5	7	5	5	4	5	6	6
Re-Import	2013	4	5		8	15	3	6	6	4	3	1	7	6	
	2014			9	3	4	5	3	4	4	6	4	2	4	
	2015	15	3		4	8	7	2		127	7		8	20	
	2016	1	7	5	5	53	2	1	2	1	7	3	46	11	
	2017		2	3		0	1	2	0	5	4	4	8	3	
Temporary Import	2013	11	4	28	8	11	7	8	7	9	9	5	2	9	
	2014	5	11	12	23	6	15	5	9	7	8	6	11	10	
	2015	3	6	13	5	9	5	7	8	14	9	4	12	8	
	2016	3	4	3	7	5	7	7	4	7	4	2	8	5	
	2017	7	7	5	6	6	6	5	5	5	12	8	10	9	7
Process for Immediate Delivery (PID)	2013	6	3	6	3	2	1	2	3	5	2	2	11	4	
	2014	4	3	15	4	3	3	2	5	3	3	4	7	5	
	2015	1	13	12	4	2	2	3	9	2	2	5	18	6	
	2016	4	3	31	3	6	10	38	7	6	3	6	44	13	
	2017	5	4	2	2	2	6	5	4	4	4	6	2	9	4
Transit/Transshipment	2013	26	96	47	4	2	87	22	131	157	22	89	13	58	
	2014	6	17	58	38	291	19	9	64	15	51	43	105	60	
	2015	57	195	19	1	22	181	80	83	2	5	18	76	62	
	2016	7	36	151	39	49	89	71	7	70	45	53	1	52	
	2017	79	68	13	1	11	10	13	16	44		6	9	25	
Warehouse	2014	144		21								66		77	
	2015										36			36	
	2016								13					13	
	2017			13										13	

Table 16 indicating the average number of days from payment to release by regimes during the period 2013 to 2017

Tax Administration Functions	Performance Indicators	2015 Results	2016 Results	2017 Results
Trade Facilitation	Number of Entries Vetted	60,724	59,945	55,060
	Number of Entries Assessed	55,806	55,948	58,002
	Variance	-4,918	-3,997	2,942
	Percent (%)	-8	-7	5

Table 17 indicating the Number of Entries Vetted and Assessed during the period 2015 to 2017

Changes/Amendments made to declarations lodged during the period 2013 to 2017							
Year	Total declarations lodged	Total amendments processed		Total declarations directed to amend from 'Enforcement Check'		Total cancelled declarations	
	Count	Count	%	Count	%	Count	%
2013	66,945	26,765	40	1,755	3	582	0.9
2014	65,810	29,421	45	2,390	4	622	0.9
2015	63,558	25,818	41	2,706	4	463	0.7
2016	65,367	27,925	43	2,854	4	600	0.9
2017	63,677	27,111	43	3,371	5	530	0.8

Table 18 indicating the number of changes/amendments made to declarations lodged during the period 2013 to 2017

Status	Years				
	2013	2014	2015	2016	2017
Release Due	58,367	58,022	53,413	57,887	54,859
Released	46,759	53,290	45,825	48,336	47,704
Variance	-11,608	-4,732	-7,588	-9,551	-7,155
Percent (%)	-20	-8	-14	-16	-13

Table 19 indicating declarations with release due status versus declarations released during the period 2013 to 2017

Summary of PIDs for the period 2015-2017	2015		2016		2017	
	Nominal	%	Nominal	%	Nominal	%
Number of PIDs perfected within 10 days	177	30%	200	30%	187	30%
Number of PIDs which were perfected but not within the stipulated 10 days	412	70%	465	70%	425	68%
Number of PIDs outstanding	0	0%	1	0.2%	11	2%
Total number of PIDs issued annually	589	100%	666	100%	623	100%

Table 20 indicating PIDs Issued, Perfected and Outstanding during the period 2015 to 2017

Summary of PTPs for the period 2015 to 2017	2015		2016		2017	
	Nominal	%	Nominal	%	Nominal	%
Total PTP's perfected	1436	72%	1978	87%	2959	73%
Total PTP's outstanding	570	28%	300	13%	1120	27%
Total PTP's issued annually	2006	100%	2278	100%	4079	100%

Table 21 indicating processing of PTPs for Imports and Exports during the period 2015 to 2017



GRA's STRATEGY

GRA’s strategy

Goal #1 – “Administer the revenue laws in an effective, fair and transparent manner”

-The GRA intends to undertake a review of its existing legislation, some of which are archaic and ambiguous. These legislative gaps must be addressed to realize coverage of emerging businesses and Sectors/Industries (such as the Petroleum Industry). The GRA will ensure that vital information with regard to the applicability of the revenue legislation is filtered to all taxpayers (employers and employees), tax consultants, accountants and all other stakeholders. Additionally, relevant legislation must be enacted to safeguard against revenue leakages for both customs and domestic taxes; the GRA must pursue contemporaneous redress.

-With Globalization, the Agency must pursue meaningful partnerships with other Tax Administrations to improve global Tax compliance through protocols established under Foreign Account Tax Compliance Act (FATCA), Exchange of Information (EOI), Common Reporting Standard (CRS) and other International bodies such as Organization for Economic Co-operation and Development (OECD), World Customs Organization (WCO) and World Trade Organization (WTO).

GOAL #1	Administer the revenue laws in an effective, fair and transparent manner
OBJECTIVE(S)	OUTCOME(S)
1.1 Strengthen legislative and administrative capacity to create effective regulatory frameworks	1.1.1 Legislative and Administrative framework for oil and gas fully developed
	1.1.2 Legislative and Administrative framework to issue rulings and interpretations established
	1.1.3 Legislative and Administrative enhancements to strengthen compliance in domestic taxes and customs developed
1.2 Increase local and international cooperation and partnerships	1.2.1 WCO and WTO and other relevant trade agreements implemented
	1.2.2 Co-operation agreements with local, regional and international organizations established
	1.2.3 International co-operation and data exchange protocols with targeted local and international partners established

Table 22 indicating the Objectives and Outcomes of GRA’s Strategic Goal 1

Goal #2 – “Improve voluntary compliance by empowering taxpayers to meet their legal obligations”

-The GRA will be embarking on fostering a societal culture of compliance through the formulation of more comprehensive programs inclusive of Taxpayer education and strengthening of its debt management and litigation capacity. The Agency will also be adopting risk based approaches in managing compliance and the associated programs.

-In an effort to increase voluntary compliance, the agency will simplify its filing, registration, payment and reporting processes. Additionally, it plans to roll out the full gamut of services provided at headquarters to remote areas of Guyana through the various Regional Offices; this will significantly reduce compliance costs for taxpayers.

-Information Technology would play a pivotal role in increased accessibility and providing additional e-services.

-GRA is one of the major agencies that impacts the ‘ease of doing business’ in Guyana. According to the World Bank’s Doing Business Report, in 2017 Guyana ranked 126 out of 190 countries. However, in 2018 Guyana dropped eight places to a ranking of 134 out of 190 countries. There is a need to improve the Customs procedures, registration, tax payment options and other aspects of the operations to attract Foreign Direct Investment. The need to address these deficiencies in the tax system have come to the fore with the burgeoning oil and gas industry as the country’s prospects must be improved to maximize Government’s take through competitive bidding regimes.

GOAL #2	Improve voluntary compliance by empowering taxpayers to meet their legal obligations
OBJECTIVE(S)	OUTCOME(S)
2.1 Provide high quality, responsive and accessible customer service	2.1.1 Voluntary compliance increased
	2.1.2 Compliance with registering, filing, payment and reporting requirements improved
	2.1.3 Regional offices offering full service options to taxpayers
	2.1.4 Customer satisfaction increased
2.2 Improve trade facilitation and strengthen border protection	2.2.1 Trade facilitation improved
	2.2.2 Border protection improved
2.3 Shift to risk-based enterprise and compliance programs	2.3.1 Compliance programs are risk-based
	2.3.2 Enterprise risks are identified and prioritized
	2.3.3 Disaster Preparedness plan developed

Table 23 indicating the Objectives and Outcomes of GRA’s Strategic Goal 2

Goal #3 – “Build an effective institution through a comprehensive accountability framework, an innovative learning environment, and appropriate infrastructure”

-Through the strategic management framework, the GRA will optimize the usage of its resources and modernize its business model to improve the delivery of services. It will also devise strategies to attract, develop and retain the appropriate skillsets and talent; in conformity with the requirement of diversifying the workforce.

-Executive Management began addressing corruption through its ‘zero tolerance for corruption’ initiative which led to disciplinary action being taken against several officers. However, there is a need to institutionalize systems to further rid the agency of the scourge of corruption.

GOAL #3	Build an effective institution through a comprehensive accountability framework, an innovative learning environment, and appropriate infrastructure
OBJECTIVE(S)	OUTCOME(S)
3.1 Modernize the organizational model and develop manpower	3.1.1 Organizational model revised and approved
	3.1.2 Manpower planning strategy developed and implemented
	3.1.3 Staffing strategy aligned with national diversity objectives
	3.1.4 Staff capability and capacity improved
3.2 Adopt a comprehensive strategic management framework	3.2.1 HQ function developed and operational
	3.2.2 Strategic, operational and work plans developed and implemented
	3.2.3 Comprehensive performance management system developed and fully implemented
3.3 Optimize resource management	3.3.1 HR policies developed and operational
	3.3.2 Financial Management framework developed and operational
	3.3.3 Procurement and facilities management policies developed and implemented
3.4 Strengthen anti-corruption measures	3.4.1 Anti-corruption strategy developed and implemented
	3.4.2 Staff misconduct handled in an appropriate and timely manner
	3.4.3 Integrity awareness outreach programs implemented

Table 24 indicating the Objectives and Outcomes of GRA’s Strategic Goal 3

Goal #4 – “Modernize the GRA through improved business processes and efficient ICT solutions”

-Rapid global technological advancement has changed the nature, scale and speed with which business is conducted while simultaneously raising the expectations of taxpayers and staff. With the advent of oil, Guyana will attract a wide variety of companies of all sizes involved in a diverse range of investments, thereby driving up both the volume and complexity of economic transactions. Further these companies, and the professionals they attract, are likely to come from more developed countries with pre-defined expectations on the types, range and quality of service. The resulting business climate will also stimulate the development of local businesses and citizens who will in turn demand more of the GRA.

-In this modern business context, ICT solutions are no longer a luxury but an essential tool to address evolving business needs. It is therefore imperative that the GRA adapts. It must reengineer its structure, processes and ICT solutions to adequately address the evolving business needs.

GOAL #4	Modernize the GRA through improved business processes and efficient ICT solutions and infrastructure
OBJECTIVE(S)	OUTCOME(S)
4.1 Streamline and modernize business processes and procedures	4.1.1 Comprehensive review of existing business processes conducted
	4.1.2 Standardized processes and procedures developed and operational
	4.1.3 Business processes re-engineered in view of ICT solutions and other contextual opportunities
4.2 Modernize the GRA business delivery through an integrated suite of ICT solutions	4.2.1 Suitable solutions for a comprehensive automation of the core procedures prioritized and implemented
	4.2.2 ICT infrastructure and security enhanced
	4.2.3 Network expanded for reliable and continuous delivery of services
	4.2.4 Staff trained for optimal utilization of procedures and tools

Table 25 indicating the Objectives and Outcomes of GRA’s Strategic Goal 4

Please refer to Annex III for the Strategic Plan Matrix

KEY STRATEGIC OUTCOMES



Key Strategic Outcomes

Creating value through an improved Business Model

The GRA will undertake a program to streamline reforms by restructuring the organizational framework. This will include revising and modernizing the organizational structure to significantly improve its overall effectiveness by segregating operational delivery of the GRA's business, from the development of policies and programs, as well as, process improvements related to manual and automated systems which require continuous review, update and standardization. The roles required for the development and maintenance of policies, programs and planning will be executed through a Policy, Program and Planning Department (PPPD) commonly referred to as the "Headquarters" function. Dedicating resources to continually focus on the efficiency and effectiveness in operational performance of core functions generates centers of excellence, specialization and a mindset of continuous improvement.

A strong integrated HQ function will be critical to support the modernization of tax systems and the creation of a more robust revenue management framework by;

- Contributing to the development of the strategic direction of the tax and customs administrations;
- Preparing an annual national operational plan that reflects corporate priorities and specifies required service and enforcement activities;
- Ensuring that available resources (human and financial) are aligned with corporate priorities and appropriately allocated across activities and locations;
- Developing specific performance measures related to the quantity, quality, and timeliness of the planned activities;
- Regularly monitoring the performance against the national work plan and budget by means of a structured performance measurement system;
- Developing, maintaining and continuously improving national policies, and standardized business processes and procedures; and, providing advice and guidance to field operations units as required.

Guyana Revenue Authority's functional Organizational structure would also be rationalized which will result in the full alignment of the structure to better deliver value. Currently, some Divisions are not properly structured. The 'functional' groupings are ineffective and there is no synergistic relationship or opportunities to exploit resource optimization or potential economies of scale. In a few extreme cases these arrangements even pose conflicts of interests. The Organizational structure is one of its most distinct enablers. As such, priority will be given to this venture so that same can be completed within 2019. The ensuing changes will be managed and navigated carefully to alleviate issues relating to resistance, formation of factions and employee anxiety.

The proposed Organizational Framework

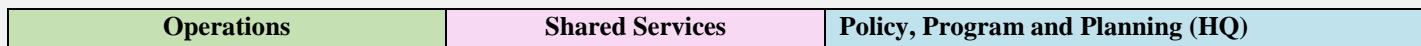
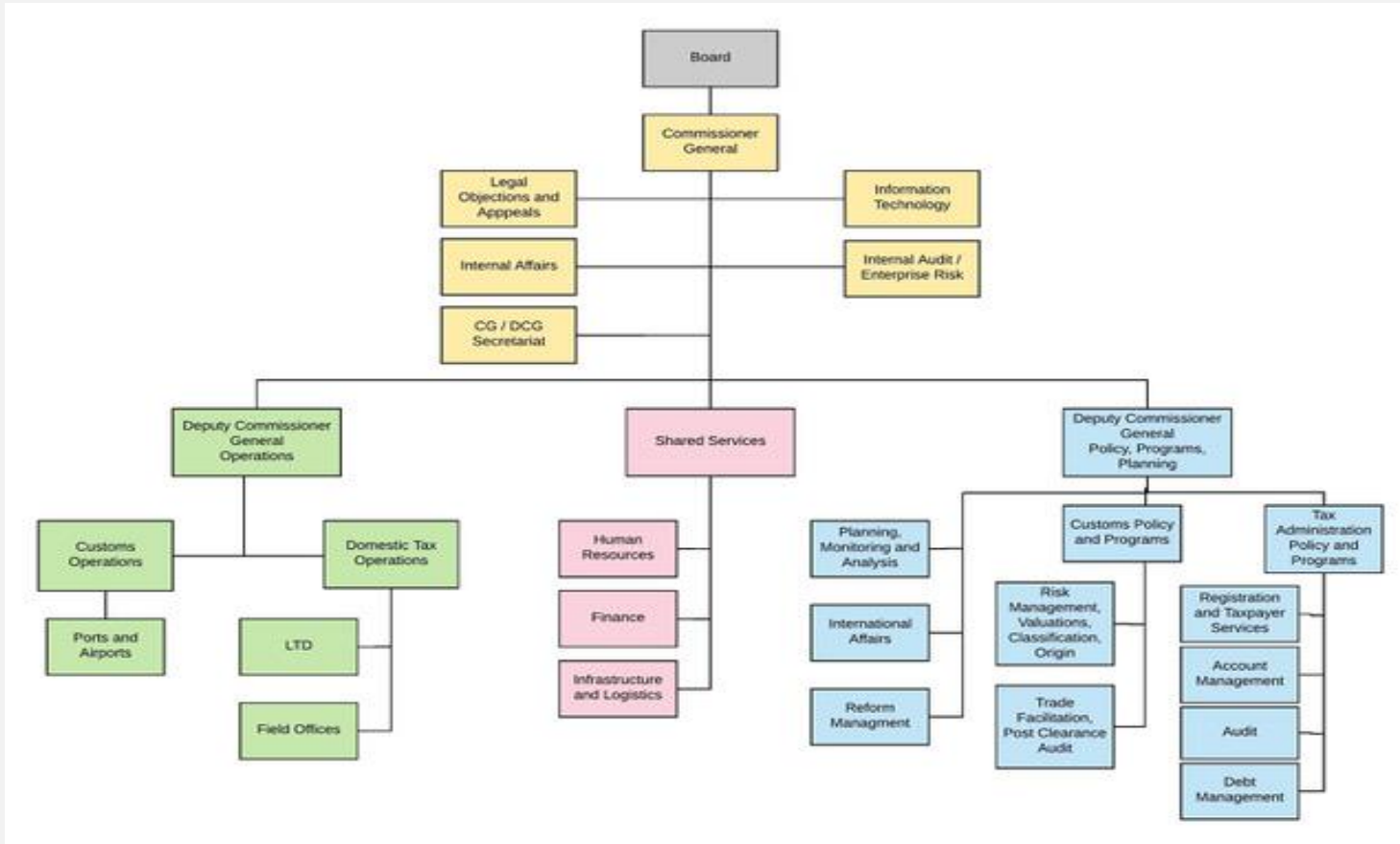


Chart 4 illustrating the proposed revised structure for the GRA

Establishment of a Petroleum Legislative and Operating Framework –Petroleum Tax Regime

Guyana's Petroleum Sector is in its embryonic stage. However, by 2023 this sector is expected to account for 41% of the country's Gross Domestic Product. The putative notion is that there will be an unprecedented expansion of the natural resources and services sectors in Guyana, as well as, other intrinsically related sectors, whilst traditional sectors including the agricultural sector will contract. The Guyana Revenue Authority currently possesses capacity and is equipped to conduct revenue generating activities within traditional sectors.

As a corollary to the foregoing, the Agency has to create a robust legal framework, institute vigorous systems and build pertinent capacity to avert the risk of revenue losses during the transitionary period (which may be a few years) and to effectively execute its remit in an economy that would drastically differ from what it is today. The Agency plans to capitalize on all available foreign aids and Technical assistance to build, in a timely manner, a cadre of professionals who possess the requisite skillsets. It also plans to contract consultants to guide the inaugural 'Cost Oil' Audits. During this period the experts will be expected to conduct on- the-job training to facilitate the transfer of knowledge to locals and to ensure that the in-house capabilities are adequately developed. The establishment of sound SOPs and operating manuals will also be critical during this period. The audit of 'cost oil' is the primary mechanism through which the accuracy of 'Government take' is validated, as such, major emphasis will be placed on building a formidable framework to ensure that the people of Guyana and future generations benefit from the extraction of the country's nonrenewable resources.

The IMF in its 2017 report 'A Reform Agenda for Petroleum Taxation and Revenue Management' stated:

'An effective, fair and transparent petroleum revenue administration is a vital link in the value chain required to transform petroleum revenue into lasting national wealth. Petroleum tax policies, however well designed, will not provide the government with the intended revenues if implemented ineffectively. Even if transparent and well-designed, legislation or contractual arrangement will lose its attractiveness to investors if administered unfairly, inconsistently and unpredictably. Investors will lose confidence in the petroleum tax regime if it is not applied effectively and even-handedly to all tax-payers.'

This excerpt highlights the need to also impartially administer Petroleum laws. Investors' confidence in Guyana and the country's image will play a critical role in the quantity and quality of investors the country will be able to attract. At this juncture, these considerations are important as the Government moves to more competitive bidding regimes to increase Government's share of the produced petroleum.

Fortifying intergovernmental relationships would also be critical, since according to the IMF *'it would be advantageous to establish close working relationships between the GRA and the Sector Regulators (Ministry of Natural Resources, Guyana Geology and Mining Commission, Audit Office of Guyana and the prospective Petroleum Commission) to ensure that limited petroleum sector expertise in Government is applied most efficiently'*.

Expansion of the Regional Operations

There is a need to align the systems deployed at the Regional Offices with those instituted at the Headquarters. These measures will increase efficiencies, revenue collections and allow taxpayers in the regions to enjoy the same level of service extended to taxpayers transacting business at the Head office in Georgetown.

Currently, the Integrated Regional Tax Offices (IRTO) offer the services as detailed at Table 2. By extending the full gamut of services to the regional locations the operations will become more integrated, streamlined and efficient. This strategic thrust will also encourage voluntary compliance. Towards this end, Bartica's operations are currently being relocated and expanded whilst Customs Operations will be fully established at Parika. Additionally, provision of connectivity for Lethem's office will commence before the end of 2018 which will cause Lethem to become a fully functioning Regional Office.

The regions have gross untapped potential especially as it relates to the extractive industries and medium and small enterprises; due to the treacherous terrain, the lack of appropriate machinery and the dangers associated with certain interior locations, the GRA had previously encountered difficulties in bringing all eligible entities into the tax net. However, more aggressive measures will be deployed by increasing the customs, enforcement and audit presence in these areas. Improving the Audit complement in the Branch Offices is key to optimizing revenue collections and improving compliance due to the perception of increased controls.

The capacity in the region is far below that of Head Office. Training is required and there is need for Audit Managers for each Regional Office. Also, adequate staffing would build capacity and help to close the existing knowledge gap between the Regional Offices and Head Office.

In spite of being 'Regional Offices' the services provided by the IRTO is concentrated in the coastal areas, this impairs the ability of Guyana Revenue Authority to provide adequate and efficient services to persons who dwell in the hinterland regions. To alleviate this issue, IRTO will be opening new offices in 2019 at Fort Wellington, Region 5 and Mahdia, Region 8. By the year 2021, additional offices will be established in Kamarang in Region 7, Kwakwani in Region 10 and Matthews Ridge in Region 1.

Use of ICT Solutions to modernize tax systems

The enormity of the challenge to reform the GRA through ICT is acknowledged; there is a need to effectively prioritize and coordinate the execution within and between departments to realize the maximum value of strategic choices. ICT is quite expansive and complex and therefore must also be managed and coordinated effectively to maximize return on investment. Below GRA's ICT strategic activities and their components are briefly summarized.

1. Extending Services to Remote Locations

The vast majority of Guyana's population is concentrated in Region four around the capital city. The remaining population forms a thin strip along the sea coast and are otherwise scattered throughout the country. These conditions contribute to the cost of bandwidth in Guyana being one of the highest in the Caribbean. This constrains the accessibility to GRA's online Services. As such, the GRA is pursuing the establishment of several offices at strategically located transit points and trade hubs to strengthen its presence and provide conveniently accessible services to these taxpayers. However, the GRA will be supporting its operations through solutions and extending its electronic services as far as permitted by the National network.

2. Redesigning Core Infrastructure

GRA's existing enterprise campus network and datacenter lack some necessary elements for the delivery of the desired level of high availability. As the Agency contemplates the roll out of a plethora of software solutions for internal and external consumption, the datacenter must assume a 24/7 uptime and throughput that can support a large volume of simultaneous usage. Through a series of prudent blend of internal talent, consultancies and appropriate hardware acquisitions, the GRA will redesign and deploy a more capable and robust infrastructure.

3. Instituting Collaboration Solutions

As the GRA expands its geographical presence, it will be necessary to make further use of modern voice and video communication platforms to drive stronger communication and collaboration among staff members. This will also assist in the reduction of the significant amounts expended annually in travelling and subsistence costs to co-ordinate the activities of the Agency.

4. Boosting Security

Effective security must permeate all of our electronic and non-electronic services to protect our assets and engender confidence among our stakeholders, both locally and internationally. The GRA will be working with the Government of Guyana to ensure there is a legislative framework with penalties to discourage breaches.

5. Streamlining and modernising business processes and procedures

Streamlining and modernising business processes is necessary to ensure that each process remains relevant and efficiently delivers on its objectives at a consistently high quality. Impactful use of modern software solutions is predicated on studies and re-engineering of processes to take advantage of new capabilities and behavioural expectations of the end users.

The Agency has already taken a step in this direction with the implementation of ASYCUDA for Customs operations. As part of this process, various business procedures have been adjusted in line with international good practices. ASYCUDA will result in increased trade facilitation, enhanced Customs control capabilities and operational efficiencies. Taxpayers will enjoy faster processing times as a result of a reduction of error-prone manual activities.

Building on the advancements from ASYCUDA, the Single Window project will be initiated. This will seek to provide the trader with a single portal through which interaction will be realized with all participating agencies to effect an import or export transaction. The portal will also facilitate interagency transactions to expedite trade facilitation and further improve risk management and process control.

Tax operations will also benefit from a new tax administration solution. This software will be deployed simultaneously as the GRA reshapes its organizational structure and fundamentally re-engineer internal processes and customer services. Taxpayers and staff can expect enhanced efficiencies and timely responses to applications and queries with simplified and easier processes. They can also expect reduced lines with online service activities pertaining to drivers, vehicles, and trade and miscellaneous licences. These initiatives are expected to reduce the barriers to compliance and should lead to improved revenue collection.

GRA's support services, for example Human Resources, Finance, Training, Internal Affairs, Audit, Legal, Communications and Public Relations Division will be modernised to provide optimal support to the core business functions. To this end, Finance and Human Resources Division who currently benefit from in-house developed solutions will be retooled with new integrated and wider scoped solutions to improve their efficiencies.

6. Building capacity to facilitate optimal utilisation of procedures and tools

These improvements will include adequate, extensive and repeat training for better implementation success. Staff will be engaged throughout the implementation process of all ICT solutions. Their guidance is valued as their institutional knowledge is critical for an effective solution design.

7. Implementing feedback mechanism

Procedures will be implemented to promote continuous assessment and feedback that would guide the progressive refinement of systems and processes. To achieve and maintain a high standard of service delivery, it will be necessary to consistently review and adjust business processes, technology and staff training.

Improved Trade Facilitation

The WTO's Trade Facilitation Agreement (TFA) was negotiated in 2013 and ratified on February 15, 2017. It is recognized as the most significant global effort to streamline procedures governing international trade. The TFA's primary goal is to improve the efficiency and effectiveness of agencies that oversee trade, especially in developing countries, by reducing bureaucratic red tapes at the border, simplifying customs procedures and improving enforcement capabilities through the application of technological solutions and institutional reforms. The measures prescribed under this agreement provide a significant opportunity to improve transparency and predictability of international trade, create a less discriminatory business environment and improve the speed and efficiency of border procedures, thereby reducing trade costs and enhancing participation in the global value chains that characterize international trade today.

Guyana signed the TFA in April 2013 and ratified it on November 15, 2015, in recognition of the agreements' trade facilitation reforms that would complement our continuous efforts to modernize our local tax systems. Contextually, the move complements CARICOM's regional thrust which the Secretariat recommends must be seen by Member states as part of the broader regional integration agenda and strategic goal of building economic resilience; which can catalyze the regional development approach, enhance competitiveness and attract FDI.

Guyana's process towards full implementation of the TFA is already underway, and is supported by the National Trade Facilitation Task Force, as stipulated by the agreement. It is anticipated that through commitments by developed countries and donor institutions, Guyana should be able to fulfil its TFA obligations. In this respect, Guyana is positioned to increase its capacity in a number of key areas that will enhance trade facilitation and allow for greater efficiency in its Customs operations.

Further to the foregoing, the targeted measures for implementation include but are not limited to the following:

1. Advancement of the Trusted Traders initiative by adopting an approach of continuous review of applications to recommend eligible traders for approval; through utilizing advance manifests, intelligence and data driven approaches to identify other low risk importers who should be allowed to benefit from reduced processing/clearance times in relation to courier goods and cargo based on periodically determined risk management criteria.
2. Advancement of modernized procedures and increased digitization through the ongoing implementation of ASYCUDA to facilitate paperless transactions, improved services to our stakeholders, predictability of service and the implementation of Single Windows. This initiative is also expected to impact various aspects of the local trade supply chain including revenue collection, clearance of goods and other customs processes. Additionally, processing time of declarations will be significantly reduced resulting from less delays and hindrances in the movement of imported and exported goods.
3. Reduction in the skill gap of officers through capacity building, improvement of the knowledge base of public stakeholders through interactive compliance initiatives, and strengthening of the competence of new and existing Customs Brokers regarding laws, requirements for compliance and new measures towards a reduction in the incidences of errors.
4. Implementation of advanced rulings, Harmonized System 2017 (Revised Kyoto Convention) and other WCO initiatives, as well as, updating our trade facilitation systems in keeping with SAFE Framework of Standards, as far as applicable to our circumstances, to improve predictability of service by way of standardization of procedures across all offices of the GRA.
5. Increase in the use of non-intrusive methods for examination of cargo and baggage (such as scanners), in conjunction with the application of acceptable guidelines to validate the findings of the non-intrusive examinations (such as scales of examination and sampling).
6. Intensification of Enforcement activities to aid border protection and also the establishment of a border post at Eteringbang.
7. Deployment of an Oil and Gas Monitoring Unit.
8. Determining and mobilizing all procedural requirements to create a Free Trade Zone.
9. The construction of a new state warehouse with adequate facilities.

Identification and Treatment of Compliance Risks

The Revenue Authority recognizes the significance of having a structured approach to manage its Compliance Risks since, it can adversely affect the collection of revenue and the administration of taxation. In this instance, it is important that management has access to and utilizes facilities to identify, assess, prioritize and mitigate risks that can result in taxpayers not meeting their four main obligations – registration, filing, payment and accurate reporting in declarations for both domestic taxes and customs.

In keeping with the contemporary notion of risk management, during the strategic planning process a number of baseline indicators were gathered for the formulated taxpayer segments for the tax years 2013 to 2017, to determine the various risks amongst the Large Taxpayers and the other taxpayer segments. The information gathered from the indicators will guide the management of the organization to achieve the authority's strategic goals and objectives through identifying, prioritizing and treating the notable compliance risks.

It is envisioned that the Baseline Analysis reports will also be used in the development of yearly Operational Plans and will assist with the tailoring of future Compliance Risk strategies to make them responsive to environmental changes. Effective compliance risk programs will allow the Authority to improve voluntary compliance and create an environment where taxpayers feel empowered given the proposed education initiatives; this would ultimately boost revenue collection.

Over the next three (3) years the Revenue Authority will implement a comprehensive Enterprise Risk Management Program. This program would embrace the use of intelligence gathering on taxpayer segments (large, medium, small and micro), surveys, environmental scans and a structured way to assess and mitigate organizational wide risks. The Agency will also realize greater value through centrally managing risks; in comparison to the fragmented and piecemeal approach it currently utilizes. To conduct Risk Management activities, the Authority can leverage its existing pool of human and knowledge capital, nevertheless, capacity must be built to strengthen this function and to realize the desired outcomes.

One of the primary responsibilities of the proposed Policy, Program and Planning Division (PPPD) would be to implement and review programs, this includes the Enterprise Risk Management Program.

Institutionalization of Anti- Corruption Measures

Corruption has devastating effects on the integrity of any organization. In the GRA its effects are particularly harmful as corrupt activity compromises the collection of revenue, tax compliance and reduces the public's confidence in tax administration. The government of Guyana relies upon the GRA as its primary source of revenue to support government operations and the funding of its social and infrastructural agendas.

The GRA is committed to continuously strengthening its anti-corruption program and has outlined specific measures as part of this strategic plan. These measures include adopting an anti-corruption strategy designed to place emphasis on addressing specific risks in the organization. Secondly, continued emphasis will be placed on conducting investigations of any employee misconduct and ensuring appropriate disciplinary actions are taken. Those actions include seeking criminal prosecution for serious criminal misconduct, such as bribery. Finally, implementation of a new GRA Code of Conduct will be followed by a comprehensive outreach program to engage employees and civil society in preventing corrupt activities. Partnerships with the public are important in gaining support in deterring and reporting corrupt activity.

Anti -Money Laundering and Countering Financing Terrorism (AML/CFT) legislation requires the Revenue Authority to exercise a supervisory function with respect to reporting entities such as Money lenders, Car dealers, Car parts dealers and Real Estate Agents. During the three (3) year strategic period the entity intends to strengthen its supervisory function and role within the AML framework.

Monitoring & Evaluation



Monitoring and Evaluation

Currently, Monitoring and Evaluation (M&E) at Guyana Revenue Authority is conducted by the Planning, Risk and Analysis Division (PRAD) which uses a binary system. On a monthly basis a detailed Revenue Analysis Report is done which highlights budgeted versus actual collection trends for current year and the corresponding periods for the previous year. These analyses are conducted by Tax type and reporting is done accumulatively (without regard for the Units/ Divisions or economic sectors contributing to collections). PRAD also produces quarterly performance evaluation reports for all functional areas which compare actual production against work program commitments. Collectively, these reports drive and inform policy formulation and annual budget measures, they also provide a basis for measuring production.

The evaluation conducted by PRAD is minimal and not comprehensive. There is also a need to corroborate and collate national statistics and use such to guide strategies, this is sometimes referred to as the National Accounts method in tax planning.

Subsequent to the implementation of the GRA's Corporate Strategic plan, the Policy, Programs and Planning Division (PPPD) will be established. The PPPD will review, analyze and report on the organization's performance against plans and targets, both nationally and by divisions/units, to identify areas of excellence and those that must be improved in future annual plans. Performance will be tracked by outcomes and indicators as agreed and defined.

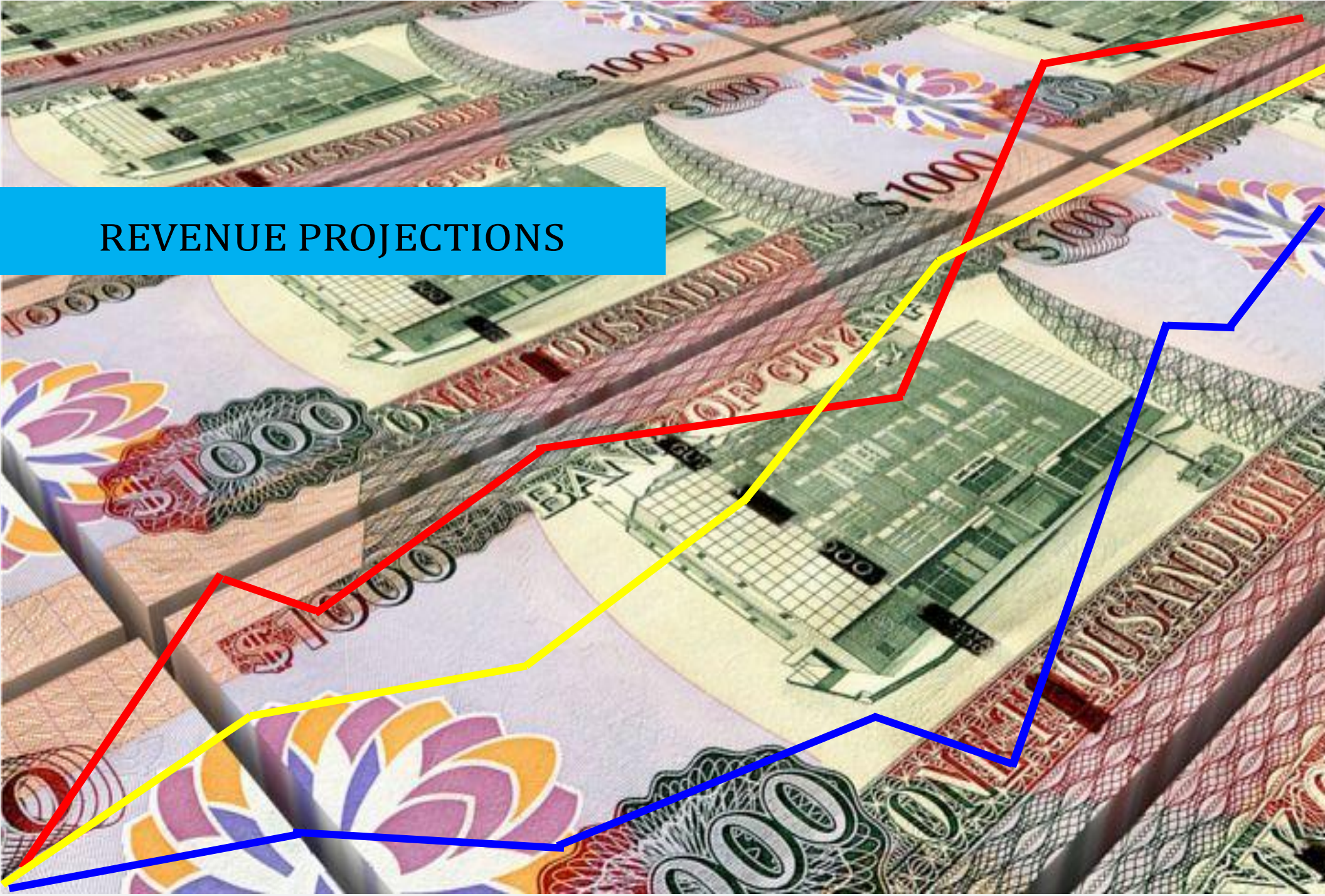
This will be done electronically where possible and manually otherwise until suitable technology solutions are in place. International Survey on Revenue Administration (ISORA) and Tax Administration Diagnostic Assessment Tool (TADAT) will provide valuable insights into useful indicators to be tracked.

This new approach will also facilitate better consolidation of operations and allow for the critical linkage between Cost and Revenue Centers to ascertain efficiency levels (productivity). In the absence of this linkage the organization is merely spending on a 'day-to-day' basis to facilitate tactical and operational activities without regard for the long-term which emphasizes a lack of 'strategic spending' and a disconnect between capital expenditure and the strategic objectives.

The PPPD will deploy contemporary scientific analytical approaches to investigate and proffer recommendations towards the improvement of strategic policies that will realize synergies and optimize revenue administration and collection.

The Planning, Monitoring and Analysis Unit of the PPPD will be responsible for Risk Analysis Programs. This Unit will develop and implement risk identification, analysis and evaluation processes. In collaboration with all functional units in policy and programs sections, it will develop risk response interventions covering areas of high risk. Additionally, risk profiling will be expanded to assess risk by industry and economic sectors.

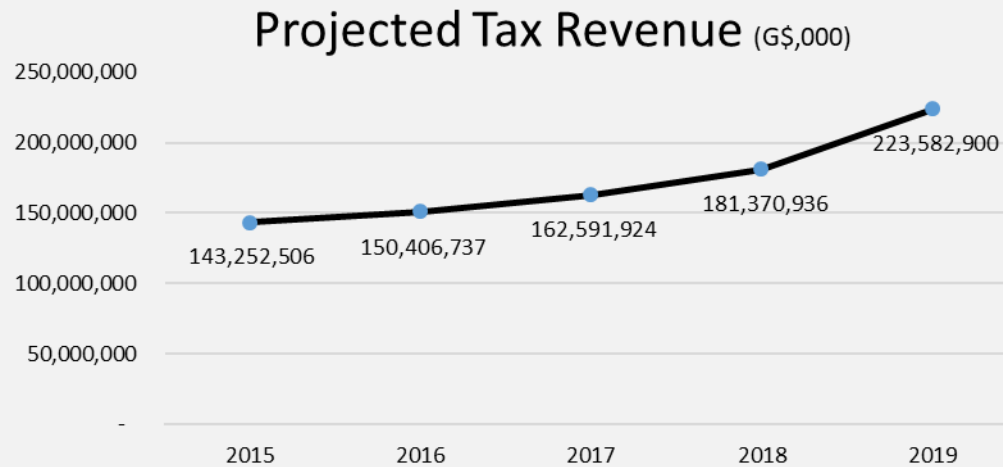
REVENUE PROJECTIONS



Tax Revenue Projections

Tax Revenue Projections

Revenue Projections, as presented in the annual National Budget, represent GRA’s revenue collection target for a tax year (January to December). Projections are done for each tax category i.e. Internal Revenue, VAT, Excise and Customs and for each tax type under the respective categories for the year. Monthly, fortnightly and weekly breakdowns are also prepared for internal use and act as a monitoring tool to gauge the impacts of budget measures, policies and action plans instituted in the entire Organization or individual Departments/Divisions. GRA’s collection responsibility has increased over the years as shown by the line graph below and calls on the Authority to continually optimize its operations, service quality, implement measures to widen the tax base and maintain fairness and objectiveness in its delivery to encourage voluntary compliance.



Graph 8 depicting Tax Revenue Projections for the years 2015 to 2019

(\$,000)

	2018	2019	Projected Revenue Change	Projected % Revenue Change
Internal Revenue:	80,437,182	99,024,354	18,587,172	23%
Income Tax-Self Employed	5,313,957	7,131,542	1,817,585	34%
Corporation Income Tax	35,176,819	37,381,551	2,204,732	6%
PAYE	22,923,837	29,210,325	6,286,488	27%
Property Tax	3,709,744	4,502,029	792,285	21%
Other non-core IR taxes	13,312,825	20,798,908		
VAT	43,165,189	54,464,569	11,299,380	26%
Excise	38,444,284	45,228,942	6,784,658	18%
Customs	19,324,281	24,865,036	5,540,755	29%
Total	181,370,936	223,582,900	42,211,964	23%

Table 26 highlighting tax revenue projections for the ongoing year 2018, and for 2019.

Revenue Projections for 2019 represent an overall increase of 23% or G\$ 42.2B, with notable increases being reflected from the 2018 approved Budgeted Collections, in each Tax Category; the largest absolute value being a G\$ 18.6 B increase in Internal Revenue and the smallest being a G\$ 5.54 B increase in Customs Taxes.

Looking further into the future, with oil production set to begin in 2020, the GRA, as the sole tax collection agency, is cognizant that it may play a role in the collection of the Government's share of profit oil and other tax revenues from petroleum production.

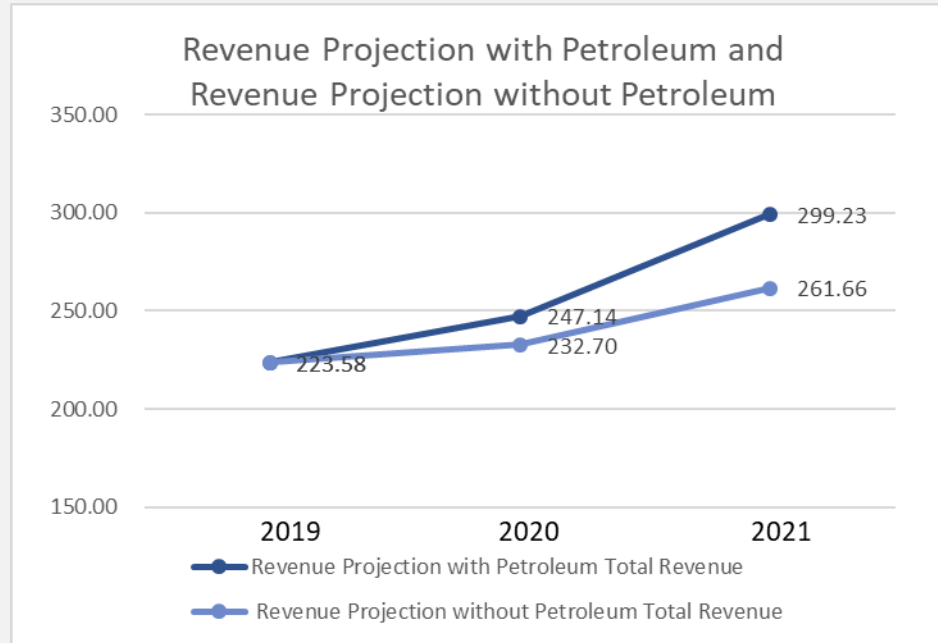
A conservative preliminary projection of the collection of total tax revenue for 2020 and 2021 was done on the assumption that GRA will be collecting these revenues.

Years	GDP-Market Price		Revenue Projection with Petroleum		
	Values	Growth Rate	Total Revenue	Growth Rate	% of GDP
2015	660.23	3.91	143.25	5.4	21.70
2016	723.58	9.60	151.75	5.9	20.97
2017	734.15	1.46	171.15	12.8	23.31
2018	789.76	7.57	199.49	16.6	25.26
2019	830.21	5.12	223.58	12.1	26.93
2020	1,045.66	25.95	247.14	10.5	23.63
2021	1,245.64	19.13	299.23	21.1	24.02

Table 27 highlighting projected total revenue collection by GRA in 2020 and 2021 in the instance that it will be collecting oil revenues

Note:

- 1. Projections for 2020 and 2021 were done using the forecasted GDP at Market Price for the years 2020-2021, received from Ministry of Finance. GRA’s historic contribution to GDP was computed and a five year rolling average of the percentage contribution to GDP was applied to achieve an estimate for the revenue collection by the Agency.*
- 2. The projection is based solely on two factors; forecasted GDP and GRA’s historic contribution to GDP, not on an econometric model such as the FARI model.*
- 2. This projection does not take into account the revenue impacts of GRA’s 2019-2021 Strategic Plan.*



Graph 9 depicting the difference in projected tax revenue with the production of oil and without the production of oil in Guyana



CHANGE MANAGEMENT



Change Management

Change management means defining and adopting corporate strategies, structures, procedures and technologies to support individuals to successfully adopt to changes in external conditions and the business environment. It basically focuses effort on business transformation.

To effectively manage the implementation of the Strategic Management System and the Program Management Department, the Revenue Authority has developed a Change Management Strategy. Its strategy is founded on Kurt Lewin's change model highlighted below:

1. *Unfreeze stage,*
Firstly, efforts were directed at understanding the Revenue Authority's current state through analyzing the internal and external environment, as well as, conducting surveys and data analyses. The changes required were then identified and the change management strategy was subsequently devised to pursue these changes.
2. *The Change stage*
Secondly, all stakeholders were involved and apprised through consultations and frequent communications in order to get their buy-in and support for the changes. Additionally, a Stakeholder Matrix identifying the stakeholders and their roles in the change process was formulated.

A Communication Plan showing the various communication tools and channels and the key messages that were and will be used was developed. The expected outcomes of the messages are to build awareness, increase understanding of the change impacts, secure stakeholders' commitment to change, and to verify operational readiness of affected employees.

3. *The Refreeze stage*
This third stage will be pursued on a go forward basis. The required changes will be embedded into the culture of GRA and managed continuously by providing training and support, identifying the behaviours that are critical to the success of the change and creating a reward system to encourage good behaviour and discourage unacceptable behaviour.

Monitoring and evaluation of activities will be undertaken to get stakeholder feedback which will be used by the SPP Team/Change Agents to determine alternative mechanisms to enable adoption to the changes.

CONCLUSION



Conclusion

This strategic plan puts forth robust measures to advance various facets of the Guyana Revenue Authority. However, these cannot be achieved without the inclusion, buy-in and support of the various stakeholders. To this end, plans were developed to carefully manage the Agency's relationships with the various categories of stakeholders and to skillfully navigate them through the necessary changes whilst keeping them adequately informed at each phase.

The ensuing operational plans encompass the prioritized areas that will be addressed in the forthcoming tax years. It is envisaged that from the pilot year (2019) the positive effects of the strategic plan will be reflected in:

- Increased voluntary compliance
- Improved performance of the Agency's employees
- Improved performance at all GRA locations
- The optimization of revenue collections

All oversight bodies and the Management of the Authority stand firmly behind the principles and the strategies promulgated through this plan. With constant monitoring and the support of all citizens, the GRA will realize the achievement of its goals for the greater good of our beloved Guyana.

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