



Guyana Tax Guide 2013

FOREWORD

A country's tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for over 90 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all tax experts within PKF member firms who gave up their time to contribute the vital information on their country's taxes that forms the heart of this publication.

I hope that the combination of the WWTG and assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

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PREFACE

The PKF Worldwide Tax Guide 2013 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world's most significant trading countries. In compiling this publication, member firms of the PKF network have based their summaries on information current on 1 January 2013, while also noting imminent changes where necessary.

On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country's personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not to be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com

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ABOUT PKF INTERNATIONAL LIMITED

PKF International Limited (PKFI) administers the PKF network of legally independent member firms. There are around 300 member firms and correspondents in 440 locations in around 125 countries providing accounting and business advisory services. PKFI member firms employ around 2,270 partners and more than 22,000 staff. PKFI is the 11th largest global accountancy network and its member firms have \$2.68 billion aggregate fee income (year end June 2012). The network is a member of the Forum of Firms, an organisation dedicated to consistent and high quality standards of financial reporting and auditing practices worldwide.

Services provided by member firms include:

- Assurance & Advisory
- Insolvency – Corporate & Personal
- Financial Planning/Wealth management
- Taxation
- Corporate Finance
- Forensic Accounting
- Management Consultancy
- Hotel Consultancy
- IT Consultancy

PKF member firms are organised into five geographical regions covering Africa; Latin America; Asia Pacific; Europe, the Middle East & India (EMEI); and North America & the Caribbean. Each region elects representatives to the board of PKF International Limited which administers the network. While the member firms remain separate and independent, international tax, corporate finance, professional standards, audit, hotel consultancy and business development committees work together to improve quality standards, develop initiatives and share knowledge and best practice cross the network.

Please visit www.pkf.com for more information.

STRUCTURE OF COUNTRY DESCRIPTIONS

A. TAXES PAYABLE

FEDERAL TAXES AND LEVIES
COMPANY TAX
CAPITAL GAINS TAX
BRANCH PROFITS TAX
SALES TAX/VALUE ADDED TAX
FRINGE BENEFITS TAX
LOCAL TAXES
OTHER TAXES

B. DETERMINATION OF TAXABLE INCOME

CAPITAL ALLOWANCES
DEPRECIATION
STOCK/INVENTORY
CAPITAL GAINS AND LOSSES
DIVIDENDS
INTEREST DEDUCTIONS
LOSSES
FOREIGN SOURCED INCOME
INCENTIVES

C. FOREIGN TAX RELIEF

D. CORPORATE GROUPS

E. RELATED PARTY TRANSACTIONS

F. WITHHOLDING TAX

G. EXCHANGE CONTROL

H. PERSONAL TAX

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

INTERNATIONAL TIME ZONES

AT 12 NOON, GREENWICH MEAN TIME, THE STANDARD TIME ELSEWHERE IS:

A

Algeria	1 pm
Angola	1 pm
Argentina	9 am
Australia -	
Melbourne	10 pm
Sydney	10 pm
Adelaide	9.30 pm
Perth	8 pm
Austria	1 pm

B

Bahamas	7 am
Bahrain	3 pm
Belgium	1 pm
Belize	6 am
Bermuda	8 am
Brazil	7 am
British Virgin Islands	8 am

C

Canada -	
Toronto	7 am
Winnipeg	6 am
Calgary	5 am
Vancouver	4 am
Cayman Islands	7 am
Chile	8 am
China - Beijing	10 pm
Colombia	7 am
Cyprus	2 pm
Czech Republic	1 pm

D

Denmark	1 pm
Dominican Republic	7 am

E

Ecuador	7 am
Egypt	2 pm
El Salvador	6 am
Estonia	2 pm

F

Fiji	12 midnight
Finland	2 pm
France	1 pm

G

Gambia (The)	12 noon
Germany	1 pm
Ghana	12 noon
Greece	2 pm
Grenada	8 am
Guatemala	6 am

Guernsey	12 noon
Guyana	7 am

H

Hong Kong	8 pm
Hungary	1 pm

I

India	5.30 pm
Indonesia	7 pm
Ireland	12 noon
Isle of Man	12 noon
Israel	2 pm
Italy	1 pm

J

Jamaica	7 am
Japan	9 pm
Jordan	2 pm

K

Kenya	3 pm
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L

Latvia	2 pm
Lebanon	2 pm
Luxembourg	1 pm

M

Malaysia	8 pm
Malta	1 pm
Mexico	6 am
Morocco	12 noon

N

Namibia	2 pm
Netherlands (The)	1 pm
New Zealand	12 midnight
Nigeria	1 pm
Norway	1 pm

O

Oman	4 pm
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P

Panama	7 am
Papua New Guinea	10 pm
Peru	7 am
Philippines	8 pm
Poland	1 pm
Portugal	1 pm

Q

Qatar	8 am
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R

Romania	2 pm
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Russia -
 Moscow 3 pm
 St Petersburg. 3 pm

S

Singapore 7 pm
 Slovak Republic 1 pm
 Slovenia 1 pm
 South Africa. 2 pm
 Spain 1 pm
 Sweden. 1 pm
 Switzerland 1 pm

T

Taiwan 8 pm
 Thailand 8 pm
 Tunisia 12 noon
 Turkey. 2 pm
 Turks and Caicos Islands 7 am

U

Uganda 3 pm
 Ukraine 2 pm
 United Arab Emirates 4 pm
 United Kingdom (GMT) 12 noon
 United States of America -
 New York City. 7 am
 Washington, D.C. 7 am
 Chicago. 6 am
 Houston. 6 am
 Denver 5 am
 Los Angeles. 4 am
 San Francisco 4 am
 Uruguay 9 am

V

Venezuela 8 am

Z

Zimbabwe 2 pm

GUYANA

Currency: Guyanese Dollar
(GYD)

Dial Code To: 592

Dial Code Out: 001

Member Firm:
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Georgetown

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A. TAXES PAYABLE**CORPORATION TAX**

The tax rates are:

- Non-commercial companies: 30% of chargeable profit. Losses may be carried forward indefinitely and set off is limited to 50% of the chargeable profits in future years.
- Commercial Companies: 40% of chargeable profits or 2% of turnover whichever is higher. Any payment in excess of 40% of profit is carried forward as a credit to be used to reduce the tax whenever it is higher than 2% of turnover.

A Commercial Company means a company in which at least 75% of the gross income is derived from trading in goods not manufactured by it. The definition also includes commission agencies, any telecommunication company, banks and insurance companies other than long term insurance business.

PROPERTY TAX (WEALTH TAX)

This is payable on the net assets of the company as at 1 January each year. Assets which attract Wear and Tear Allowances will be included in their income tax values.

The rates on net property are as follows:

- The first GYD1,500,000 is exempt
- The next GYD 5,000,000 is taxed at 0.5%
- The remainder is at 0.75%.

A set off would be granted to investors who hold shares in local companies at the appropriate rate.

CAPITAL GAINS

The rate is 20% on the gain on disposal unless the asset was held for more than 25 years when it becomes exempt. Capital losses are carried forward indefinitely and could be set off against future capital gains until fully recouped. Gain on disposal of investments in local public companies is exempt.

BRANCH PROFITS

The after tax profits of a branch of a non-resident company is deemed distributable whether distributed or not and will be subject to withholding tax at 20% or at treaty rates unless the company has reinvested to the satisfaction of the Commissioner General such profits or any part thereof in Guyana.

VALUE ADDED TAX

The rate is 16%. Some items are zero rated and very few are exempt. Registration is required if the turnover exceeds GYD 10M per annum.

FRINGE BENEFITS

There are no specific rules for granting of tax free allowances except for overseas travel assistance which is described in the Income Tax Act. In practice, some management staff may obtain car and entertainment allowances but the amount would be limited to 10% of their remuneration in each case.

CAPITAL GAINS

The rate is 20% on the gain unless the asset is held for more than 25 years when the gain will be exempt. Capital losses are carried forward indefinitely until they are fully recouped. There is no limit on the losses to be claimed in each year.

B. DETERMINATION OF TAXABLE INCOME**CAPITAL ALLOWANCES**

The rates for Wear and Tear Allowances for different categories of assets are as follows:

- Aircraft 33 1/3%
- Boats 10%
- Furniture and fittings 10%
- Motor vehicles 20%

- Office equipment/electrical 20%
- Other 15%
- Plant and machinery 20%
- Computers 50%
- Buildings (Housing Machinery) 5% on cost.

The claim is computed on reducing balance basis unless stated otherwise. An accelerated write off is granted to pioneer industries and certain other undertakings.

The rates for the initial allowances are:

- Plant, equipment and motor vehicles 40%
- Industrial Buildings 10%.

There is a special regime for gold and diamond mining companies which enjoy a 20% write off on all assets for each year. There is no limit to the carried forward losses to be set off for each year.

DIVIDENDS

Dividends paid to residents are tax free. Dividends paid to non-residents are subject to withholding tax at 20% or at treaty rates. For large and medium scale gold and diamond companies the rate is 6.25% under the special regime.

H. PERSONAL TAXATION

INCOME TAXES

There is a standard deduction of GYD 600,000 per annum after which the balance of chargeable income is taxed at 33 1/3%. There are no other allowances.

PROPERTY TAXES

Individuals are taxed on their net property as follows: (Wealth Tax)

- The first GYD 7.5M is exempt
- The next GYD 5.0M is at 0.5%
- The remainder is taxed at 0.75%.

The income tax value of the assets is used when computing net property.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

Guyana has double taxation treaties with the United Kingdom, Canada and Caricom Countries. The withholding taxes applicable for each territory are as follows:

- On dividends and interest 15%
- On other payments 10%.

