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PRELIMINARY DRAFT
 NATIONAL TRADE OPERATIONS AND PROCEDURE GUIDE
 (GUYANA)



UNITED NATIONS
 ECONOMIC COMMISSION FOR LATIN AMERICA Office for the Caribbean

The preliminary version of the "National Trade Operations and Procedure Guide" is being distributed for comments and observations from the relevant authorities. A revised version of this Guide will be prepared once the observations regarding the contents of this preliminary version have been received.

DEADLINE: Comments should be received by this Office
by 10 September 1983

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1. IMPORT REGIME

1.1. Customs duty policy

Guyana, independent since 1966, is a member of CARICOM and as such adheres to the common market provisions.^{1/} Guyana is also a signatory to the Lomé Convention II.^{2/} Its tariff system is based on the Customs Co-operation Council Nomenclature/CCCN system of classification. Since 1976, Guyana operates on the new single-tier Common External Tariff (CET) of CARICOM, which applies to all non-CARICOM countries. There is also a separate tariff schedule for duties applicable to some imports for other participating members of the Caribbean Common Market. Duties are paid in Guyana dollars, and are payable to the Customs and Excise Department at the time the goods clear customs.

1.1.1. Import Tariff

Customs duties under the laws of Guyana are as a percentage of a levied c.i.f. value i.e. the price at which the importer would give for the goods on a purchase quantity or volume of the goods and preferential treatment is given to goods from the CARICOM area and some ACP goods. Ad Valorem duties are levied as a percentage of the c.i.f. value and generally vary from duty free concessions on raw materials of the item delivered to the custom house of entry, to include the price for the right to use patents, designs and/or trademarks when such rights exist on the imported commodity. Specific duties goods are dutiable by weight or volume if such is marked on the container, or if the goods are normally reputed to be of a certain weight or volume. Duties are also levied on the basis of gross weight if the package is improperly labelled i.e. the contents plus container and packaging. Preferential duties Guyana extends preferential import duty rates to other CARICOM countries since the 1968 agreement. However, although trade between these countries are generally duty-free, there are certain 'reversed' commodities. Under the Lomé Convention II, Guyana receives preferential entry into the European Community, yet there is not a "reverse preference" to goods from these area, but extend to these countries equal 'most-favoured-nation' treatment. Guyana ceased its Commonwealth preference in 1976. Other Duties and taxes Guyana levies a surcharge on several items to protect local manufactures (matches, footwear, wooden chairs and ladies' hats). In accordance with Order No. 17 of 1970 (issued under the Consumption Tax Act, 1969) all locally produced

^{1/} See Annex I

^{2/} See Annex II

products and imports, are subject to a consumption tax at various rates of duty depending on the article in question. However, goods under price-control and selected imports of state-run corporations are exempted from this tax. The consumption tax is paid on the imports c.i.f. value and the duty - the latter applicable to imports from nations not members of CARICOM.

Added to these taxes, a purchase tax is levied on automobiles and other motor vehicles, based on type and weight of vehicle with some exceptions. Importation of certain types are prohibited.

1.2 Trade Requirements

The import regulations of Guyana include prohibition of entry of goods, state trading, individual or specific licensing and general licensing. Since 1974, the Government has prohibited the importation of all goods except those under license, issued by the Ministry of Trade, but excludes parcel post up to 221 lbs prior to the importation of goods into Guyana is an offence. A detailed description including the CCCN number, must accompany all application for import licenses. All imports from the Republic of China (Taiwan) and South Africa are prohibited. Owing to the shortage of foreign exchange, each application is considered individually i.e. on a case to case basis, with GUYSTAC (Guyana State Trading Corporation) having the responsibility for the importing of most of the items on the essential list. However, there are various state corporations responsible for the importation of special categories of imports, such as Guyana National Trading Corporation (GNTE).

As mentioned earlier, the acute shortage of foreign exchange has necessitated the need for, on the one hand, a rigid system of import controls through prohibitions and restrictions quotas and on the other hand a system of exchange controls. Exchange control authority is vested in the Ministry of Finance, which has authorized the Bank of Guyana to administer the regulations. The approved amount for current payments is then delegated to the commercial banks. Payments for authorized imports subject to the availability of foreign exchange. Applications for foreign exchange must be accompanied by a deposit in domestic currency equal to the amount applied for. This deposit is forwarded to the Central Bank with the approved request, pending availability of convertible currency. In the meantime, these deposits or commercial arrears earn a 7% per annum interest, but not protected against movements in the interest rate. The rate of exchange is only valid on the day the Central Bank makes the foreign funds available.

1.2.1 Import permit or licensing

Effective 1974, Government prohibited the importation of all goods without a license. This license is obtainable from the Ministry of Trade but requires the endorsement of the Bank of Guyana for the conversion of currency. These licenses are usually valid for the remainder of the calendar year during which they are issued. Goods must arrive at destination within the validity period of the license. There is not an automatic system of granting licenses, since one is only obtained based on case-by-case basis, dependant on the import priorities and foreign exchange item.

These conditions attached thereto depend on availability of current policy, some goods are subject to quota while other are licensed freely. At the same time public corporations have the monopoly over the importation of specified commodities from all approved sources. Imports of some commodities are prohibited from all sources. Importation of pharmaceuticals and drugs and most other toiletries and hospital apparatus can only be imported by the Guyana Pharmaceutical Corporation Limited. Firearms, ammunitions and narcotics are prohibited or rigidly controlled for security and health reasons.

Import licenses for commodities originating in Albania, Bulgaria, People's Republic of China, Czechoslovakia, German Democratic Republic, Hungary, North Korea, Poland, Romania and the USSR are generally granted freely but such imports must be effected through public sector corporations. Certain foodstuffs under the AMP of the CARICOM Treaty (see Annex I) are imported solely by the Guyana Marketing Corporation.

1.2.2 Invoices

i. Commercial Invoice

The CARICOM invoice is required (see Annex I, Section 4). Alternatively the U.N. Layout key (formerly ECE layout key) may be used. Exporters planning to use a format other than that shown on the specimen invoices should ensure that all information required by CARICOM is included. Two copies the invoices are necessary showing all charges necessary to establish the c.i.f. value. Invoices for all goods should describe all merchandise thoroughly and accurately together with the tariff classification number (CCCN), including those exempt from import duty. It is a requisition to declare the origin of the goods. A declaration should be signed to attest to the accuracy of the information on the invoice. Under Guyanese law, no facsimile signatures are permitted. The importer must endorse the invoice with a declaration reading "It is hereby certified that this invoice shows the actual price of the goods described, that no other invoice has been or will be issued and that all particulars are true and correct".

ii. Consular invoice

Not required.

iii. Pro-forma invoice

May be required by the importer to substantiate license applications or as the first step in negotiating an import contract.

iv. Packing list

This is not a mandatory document. However, it facilitates the clearance of goods. Informations on this document should be the same as the data on other documents.

1.2.3 Bill of Lading

There are no regulations specifying the form or number of bills of lading required for any particular shipment. If supplied, it should show the name of the shipper, name and address of consignee, port of destination, description of goods, listing of freight and other charges, the number of bills of lading in the full set, and the date and the signature of the carrier's official acknowledging receipt on board of the goods for shipment. This information should correspond with that shown on the invoices and packages. "To order" bills are accepted.

The airway bill replaces the bill of lading on aircargo shipments with the number of copies issued based on requirements of the importer and of the airline used, subjected to IATA/or ICAO rules covering shipment of dangerous and restricted goods.

Mail and parcel post shipments to Guyana require postal documentation in place of bill of lading. A green customs label i.e. form 2976 - "Authority for customs to open International Mail", must be completed and placed by the sender on the address side of each letter or letter package containing dutiable merchandise, each package of dutiable prints, and each small packet. A customs declaration C2 Form 2976-A "A Customs Declaration", is completed and enclosed inside the package. Dutiable merchandise is permitted in the letter port of Guyana, subject to restrictions on weight and size.^{3/} Insured packages must be sealed, having one Customs Declaration Form - 2966-A and one Despatch note, Form 2972.

1.2.4 Certificates

-of origin

Shipments of CARICOM origins should be covered by a certificate of origin (see Annex I, Section 1) to be given special Common Market Treatment.

^{3/} Weight: four (4) lbs in letters and packages and printed matters in general, eleven (11) lbs in books, and two (2) lbs in small packets. Maximum weight is twenty-two (22) lbs. Greatest length is three (3) ft six (6) inches, greatest length and girth combined is six (6) feet.

In the case of imports from other countries, no certificate of origin is usually required. However, may be requested by importer/bank/letter of credit clause. When required three copies are necessary (forms available from commercial printers) indicating the same data as on other documents. This certificate must be signed by a responsible member of the firm and certified by a Chamber of Commerce (usually one additional notarized file copy).

-of insurance

Normal commercial practices prevail. Importers and/or insurance company's instructions should be followed.

-special certificate

Special certificates, sanitary, policy to sanitary, are required for live-stock, carcasses, poultry, bees, plants, fresh fruit and vegetable, foodstuff. Drugs must obtain approval from the Food and Drug Board prior to importation.

The Food and Drugs Act of 1971 governs the sales of food, drugs, cosmetics and therapeutic devices. It is intended also to prohibit false and misleading advertisement and descriptions of foods, drugs, cosmetics and therapeutic devices and provide for the conditions of the sale of drugs, cosmetics and food.

Fresh and frozen meat products exported from the U.S. must be accompanied by a certificate that they meet the U.S. Department of Agriculture quality standards.

1.2.5 Technical Specifications

For most industries, compliance with the U.S. or British technical standards is acceptable.

Electric current is AC 50/60 cycles, 110/120 volts various. Electrical equipment imported into Guyana must be capable of operating at both 50 and 60 cycles per second.

For weight and measures, Guyana is presently switching over from the imperial system to the metric system, therefore, there is a mixed measure of weight and measure.

1.2.6 Advertising Material

Printed books and pamphlets, advertising materials and samples of no commercial or marketable value maybe imported free of customs duty. Commercial publicity material is dutiable. Trade patterns and samples of a value less than \$50.00 need no import license. Samples are allowed entry under bond if it enters as commercial traveller's baggage, but must be re-exported in three months.

1.2.7 Labelling

Goods should be marked "made in"(name of country) to avoid prohibited entry. As for garments a cloth label should be attached to each garment.

The Food and Drug Act of 1971, prohibits false and misleading advertisement and descriptions of food, drugs, cosmetics, and therapeutic devices. As such, the Food and Drug Regulations 1977 has set labelling requirements and standards for such commodities.

Supplies of spare parts for second-hand agricultural machinery such as combines, tractors, trucks and motor car equipment must indicate the name of manufacture, year of manufacture, model number, size and type of tyres, type of auxillary equipment such as winches or hydraulic linkages, when applicable, and type and make of hydraulic hoisting equipment, when applicable.

There are no special regulations which require shipping packages to be marked or numbered. The import of goods which do not bear an indication of the country where they were made or produced is prohibited.

Exporters to Guyana should ascertain whether or not this country is currently adhering to the U.N. Recommendations for the labelling and packaging of harzardous and/or restricted goods.

1.2.8 Brands or Trademarks

There are no special regulations concerning the use of brands or trademarks.

1.2.9 Packing

Except in the case of harzardous and/or restricted materials, where it should be ascertained whether Guyana is currently adhering to the U.N. recommendations on packing and marking, there are no specific regulations.

Goods of value should be packed in extra strong strapped cases.

1.3 Fines and Penalties

Importers of goods in to Guyana without first obtaining an import license is liable to a fine of US \$500. - \$1,000. and imprisonment for three to twelve months second and subsequent violations are punishable by the maximum penalties cited above. Import restrictions under the CARIFTA provisions may be imposed by any member adversely affected by imports being dumped or subridged.

Goods must be entered within fourteen (14) days (business) of arrival or they will be forwarded to a governments warehouse, after three (3) months will be sold at public auctions.

If shipping documents do not accompany the goods, the customs authorities may allow the goods to be cleared upon deposit (usually 50% of the estimated duty) which is refundable, then documentation must be produced within three (3) months.

However, where all necessary requirements are met then merchandise may be warehoused by the importer for a period of up to two years, after which it must be cleared, exported or rewarehoused.

1.4 Specimens, Samples

Samples of no commercial value are admitted duty free, whereas trade patterns and samples of a value less than G\$50.00 need no import license. The importation of commercial publicity material is dutiable. Samples of commercial value may be brought in by commercial travellers' baggage and will be admitted temporarily under deposit or bond to cover the amount of the import duty. This must be re-exported within three (3) months.

1.5 Shipment Restrictions

Trade with South Africa and the Republic of China (Taiwan) is prohibited. No goods can bear the invitation of a British assay mark, unless the necessary permission has been specifically granted. Shirts, nightwear and underwear must have a cloth label on each garment stating the country of manufacture otherwise such items may not be permitted entry. The import of goods which do not bear an indication of the country of manufacture is prohibited.

1.6 Distribution Channels

Most of the imports of essential items are handled through the Guyana State Corporation (GUYSTAC). The goods are then distributed through the relevant State Corporation responsible for specified items. In addition the Guyana National Trading Corporation (GNTC) has been charged with the responsibility "to organise and effect imports of commodities particularly for the purpose of securing a sufficiency of those commodities essential to the well being of the community, their equitable distribution and their availability at fair prices".

Distribution of some imported goods is done by private traders who generally have their own distribution channels. Most of these goods are made available in state controlled stores and some small "retail shops". There are no free ports or free trade zones in Guyana.

1.7 Agents or Representatives

All importers and distributors of items must place all their orders for these goods with the GNTC who, as agents will process them and forward them to the overseas supplier. Any commission normally due to the agent or importer will be paid by the suppliers to the GNTC itself.

2. EXPORT REGIME

2.1 Export Procedures

Any Company or legal person in the country which makes export sales payable in foreign currency, is subject to the currency exchange controls which require the compulsory surrender of foreign currency to the Central Bank - Bank of Guyana. As a matter of export and industrial policy the government has deemed that an automatic allocation of a portion of export earnings will be placed on special foreign exchange accounts for the purchase of required inputs and needed spares.

Since all trade in Guyana is under state jurisdiction, some measure of control is monitored through the various State Corporations, with export licenses obtainable from the Ministry of Trade.

For exports to members of the CARICOM member countries, see annex I, section 2. Exports to the EEC are subject to the second Lomé Convention, see annex II, section 3.

Guyana has other bilateral export arrangements with some other countries, such as COMECON nations.

2.2 Exports Subject to Special Requirements

Trade in gold is effected through the Guyana Gold Board and that in timber regulated by the Timber Export Board. Most other exports are handled either through GUYSTAC or directly by the Guyana National Trading Corporation.

There is some direct control on the export of rice, sugar, bauxite in order to meet specific quotas on the international market.

For exports of selected agricultural commodities, oils and fats and cane sugar, to other members of CARICOM, see annex I, see also restrictions under the second Lomé Convention (annex II, section 4) for trade with the EEC.

Exports of hazardous, dangerous or restricted goods may be subject to the International Dangerous Goods Code.

2.3 Export Incentives

As a member of the CARICOM and ACP countries, incentives provided under these under the industrial and investment promotion scheme agreements are applicable in this country, / see annex I and II.

As part of the harmonization of the Caribbean Common Market, the main benefits which can be given to an exporter are exemption from income tax and relief from customs duties, over a stated number of years. The Common Market agreement sets out the maximum benefits which can be given under the scheme by any signatory

government in respect of an approved product.

In order to boost export and provide, manufacturers geared towards this end, the Guyana Government has instituted a few schemes to achieve the deprived objective. Among the schemes are:

1. Setting up an Export Development Fund
2. Establishing an Export Promotion Council
3. Expanding the Industrial Development Council
4. Implementing an Industrial Recovery Programme.

2.3.1 Direct Incentives

In general, the maximum number of years for which benefits may be granted varies with the percentage of local value added (section 2 (f) of annex I shows the method for measuring local value added contribution). For the award of benefits, enterprises are classified into three groups:

- Group I.- Enterprises whose local value added in respect of the approved products amounts to 50 percent or more of the value of the sales, ex factory of the product;
- Group II.- Enterprises whose local value added in respect of the approved products amounts to 25 per cent or more but less than 50 percent of the receipts from sales ex factory; and
- Group III.- Enterprises whose local value added in respect of the approved product amounts to at least 10 percent or more but less than 25 percent of the receipts from sales ex factory.

The following table shows the maximum number of years for which any MDC government in CARICOM may grant relief from income tax and customs duties.

TBALE 1

MAXIMUM PERIOD OF TAX CONCESSION ELIGIBILITY

<u>Enterprises Group</u>	<u>Maximum number of years</u>
I	9
II	7
III	5

The scheme permits highly capital intensive projects irrespective of their local value added to be granted tax holidays and customs relief up to the maximum permissible. The qualifications for such treatment are that the project must involve a capital investment of no less than EC\$ 50 million.

Enterprises whose entire production of the approved product is sold to countries outside the CARICOM, referred to as enclave industries, have been made eligible for tax holidays and customs relief, without a reference to the quantity of their local value added. This is due mainly to their estimated large employment contribution.

The Common Market agreement does not prohibit the granting of duty free treatment of imports of raw materials to enclave enterprises after their tax holiday period has expired. It has been the general policy of all member countries of CARICOM to allow such enterprises this concession without limitations. In addition there is a remission of the consumption taxes paid on imported inputs for production purposely for exports. There is a further relief to the export oriented manufacture, in that the ceiling on income and corporate tax is placed at 50% of annual earnings or profits of all enterprises engaged in these activities.

(a) Dividends tax Exemption

Approved enterprises are granted exemption of income tax on the profits of the approved products. Equally important is the provision that the dividends paid from such products to shareholders of such enterprises may also be exempted from tax as long as the shareholders are residents of a CARICOM country.

A collective agreement exists between the MDCs and the LDCs to allow dividends earned in one MDC country to be transferred to an LDC to be exempted from taxation in the recipient's country of residence. Where, however, the shareholder is not resident in a CARICOM country, dividends will not be totally exempted from tax, but only from such tax in excess of what the recipient would normally pay in his country of residence.

Interest is not exempted from tax in the hands of the recipient.

(b) Compensatory taxes

(i) Carry forward of losses

If an approved enterprise makes a net loss on the production of the approved product, taking the total holiday period into account, the enterprise can carry forward such losses up to five years after the expiry of the tax holiday, setting them off against profits made later on the approved products.

The net loss on the approved product over the tax holiday period is calculated by summing up all losses made and subtracting all profits made in the period.

(c) Export allowances

Partial relief is granted to enterprises from the income tax chargeable

on the profits earned from exports. This provision becomes operative after an enterprise's tax holiday period has expired.

The greater the share of an enterprise's profit which is derived from exports (as against its intra-CARICOM and domestic sales) of the product for which export allowance is given, the greater the relief afforded.

The following table gives the extent of maximum relief in terms of credit tax chargeable on the share of profits made from export sales outside the Common Market's area.

TABLE 2

MAXIMUM EXPORT ALLOWANCES GRANTED	
Share of profits from exports to third countries in total profits of approved product ^{1/}	Maximum income tax relief of tax chargeable on the approved product (%)
10 to less than 21	25
21 to less than 41	35
41 to less than 61	45
61 percent or more	50

A country is not permitted to grant this relief to an enterprise in respect of a traditional export product of that country. This export allowance should normally be given only for products to be exported outside of the Common Market. This provision was designed to encourage enterprises to increase the share of exports sales in their total sales and is intended in particular to promote the export of manufactures.

The export allowance will be granted to authorized enterprises, provided that:

- the enterprise has been enjoying such benefits only for the first five years after the expiry of the tax holiday or customs rebate period.
- the enterprise has not been granted any tax holiday or customs duty rebate only for the first five years of the life of the harmonisation agreement (effective since 1 February 1974).

2.3.1.2 Direct Credit Incentives

No specific credit incentives on export financing facilities exist.

^{1/} As a general rule, the share of export on total sales is taken as the share of profits made.

2.3.1.3 Certificates

Customs tariff preferential treatment of exports to CARICOM members requires certification of origin (see annex 1, section 1(a) where specimen is provided.

The Lomé Convention also requires certification of origin for exports from ACP states into the EEC (see annex 2, section 5). Same is required by the United States under the Generalized System of Preferences (GSP).
No tax refund certificate or tax compensation certificates are given.

2.3.2 Indirect Incentives

In addition to the depreciation allowance to which enterprises are normally entitled, there are other allowances given to approved enterprises on the expiry of the tax holiday.

(a) Initial allowance

An initial allowance not exceeding 20 percent of any plant, equipment and machinery capital expenditure, incurred after the tax holiday has expired, can be deducted.

(b) Special bonus for using local labour

In order to encourage the greater use of local labour and to contribute to the relief of the serious unemployment, a tax holiday can be extended by increasing the measure of value added through a weight or bonus that measures the use of local labour (see annex 1, section 2(f) for measure of this bonus).

2.3.3 FREE ZONES

Although no free ports or free trade zones exist, existing legislation for enclave industries provides such tax holidays comparable to conditions existing in a free zone.

3: MULTILATERAL AGREEMENTS AND INTEGRATION SCHEMES

3.1 Bilateral

Guyana has signed bilateral agreements with several Latin American countries, Canada and the United States and some centrally planned countries.

3.2 Multilateral

Guyana is a member of the Commonwealth of Nations, a signatory to the Second Lomé Convention (see Annex II) and a contracting party to the GATT. Guyana is a founding member of CARICOM (see Annex I). This country is also a member of the Latin American Economic System (SELA).

Guyana has applied for formal association with the council for Mutual Economic Assistance/COMECON.

3.3 Integration Schemes

In addition to being a member of CARICOM, Guyana is also a signatory to the Treaty of Amazonian Corporation ("Amazon Pact") since 1978^{4/}. This Treaty was designed to develop and protect the Amazon Basin through a wide range of co-operative ventures. Guyana is an adherent to the formation of SELA^{5/}.

4. AGENCIES AND INSTITUTIONS INVOLVED IN FOREIGN TRADE

Public corporations and companies owned by the Government are the major importers and exporters in Guyana. There are two Trading Groups of public trading entities falling under the umbrella of the Guyana State Trading Corporation (GUYSTAC). In addition the Guyana National Trading Corporation, a part of GUYSTAC, as agents is charged with the responsibility of organising and effect imports of specific commodities, and their equitable distribution at fair prices.

Institutions also involved in foreign trade:

- Bank of Guyana
- Ministry of Trade and Consumer Protection
- Ministry of Finance
- Bauxite Industrial Development Corporation
- Guyana Sugar Corporation
- Guyana Marketing Board

5. CHAMBERS AND ASSOCIATIONS OF COMMERCE

1. The Georgetown Chamber of Commerce
156 Waterloo Street, Georgetown
2. Guyana Industrial Development Corporation
P.O. Box 708, Georgetown
3. Berbice Chamber of Commerce and Development Association
Strand, New Amsterdam, Berbice

^{4/} Amazon Pact - c/o Minister of External Relations, Brasilia, Brazil. Established in July 1978 with specific areas of establishing closer co-operation among the eight Latin American countries within the Amazonian areas in order to promote their development. Members are: Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, Venezuela.

^{5/} The Latin American Economic System (SELA) was created in 1975 as an effort to form a common front involving key economic trade and investment problems of Latin American member countries.

4. Consultative Association of Guyanese Industries Ltd
201 Camp Street, Georgetown
5. Guyana Manufacturers' Association
Bank of Guyana Building, Avenue of the Republic, Georgetown.
6. Guyana Commission Agents Association
39 Main Street, Georgetown.
7. Upper Corentyne Chamber of Commerce,
Corentyne.

5.1 Membership to regional and international associations - Guyana is a member of the Caribbean Association of Industry and Commerce.