



VAT POLICY CORNER

POLICY 22 - Books and Records to be maintained for VAT purposes.

It is mandatory under the VAT Act that certain books and records be maintained. These records are necessary for the determination of taxable purchases and supplies made, input VAT refundable and output VAT payable to the Guyana Revenue Authority (GRA). This policy therefore forms the guiding principle as it relates to books and records which are to be kept for VAT purposes.

Regulation 60 (1) of the VAT Act lists the following books and records which must be maintained by all VAT registered persons.

- (a) original tax invoices, tax credit notes, and tax debit notes received by the person;
- (b) a copy of all tax invoices, tax credit notes, and tax debit notes issued by the person;
- (c) customs documentation relating to imports and exports by the person;
- (d) accounting records relating to taxable activities carried on in Guyana; and
- (e) any other records as may be prescribed by regulations.

Further, Regulation 9 states that the accounting records relating to taxable activities carried on in Guyana under section 60(1) (d) of the Act include the following -

- (a) sales invoices issued under section 28(2) of the Act and a record listing and summarising sales transactions of less than \$10000.00;
- (b) a record of supplies taken by the taxable person for personal use, or given free of charge for nominal considerations to other persons;
- (c) records listing and summarising cash receipts and cash payments in respect of daily transactions;
- (d) stock records in respect to opening and closing stock;
- (e) purchases and sales ledgers;
- (f) income and expense accounts;
- (g) till rolls and tapes;
- (h) bank statements;
- (i) copies of customs import and export documents;
- (j) computer records;
- (k) any other records related to the business including correspondence and audit reports.

It should be noted by virtue of section 60 (2) of the VAT Act, the above listed books and records are required to be maintained for seven years after the end of the tax period to which they relate.

Further, Section 62 states that all records are to be kept in English. Additionally, all amounts of money must be expressed in Guyana dollars. The amounts must be converted at the exchange rate applying between the currency and the Guyana dollar at the time the amount is taken into account.

Pursuant to Section 73, a person who knowingly or recklessly fails to maintain proper records is liable on conviction to a fine not exceeding twenty five thousand dollars (\$25,000). Proper records also meaning there should be no double records.

According to section 83 (1) of the VAT Act , a person who fails to maintain proper records pursuant to section 60 is liable for a penalty of one hundred dollars (\$100.) for each day or portion thereof that the failure continues.

Persons who have queries are encouraged to contact us on telephone number 227-7929, extensions 201 and 241; or write to the Head, Communication and Tax Advisory Services Division, VAT Building, 210 'E' Albert and Charlotte Streets, Bourda for clarifications.