



VAT Policy Corner

VAT Policy 38 – Cheese

Based on the zero-rating of a number of items which became effective as of March 1, 2008, the Guyana Revenue Authority has undertaken to enlighten the general public on its policy regarding the specific items placed on the zero-rated list.

Schedule I, paragraph 2A (s) (xi) provides for the zero-rating of “a supply of cheddar cheese **not including** grated, powdered, or single-sliced cheese.”

By virtue of the above provision, the law has zero-rated Cheddar cheese and businesses are no longer permitted to charge VAT at the standard rate of 16% on Cheddar cheese. However, it should be noted that cheddar cheese in **grated, powdered or single-sliced** form will continue to attract **VAT at 16%**.

It should be noted that the law specifically zero-rates **cheddar cheese alone**; therefore, other varieties of cheeses such as, Parmesan, craft, mozzarella, Elle Vire, Tip Top, Swiss, Cottage, Cream, Ricotta, smoked cheeses such as Emmentaler, Goat's milk cheeses, Ewe's milk cheeses such as Kashkaval and Kasseri, Spiced or flavoured cheeses such as Boursin, Double and Triple crèmes cheeses such as Boursault, and Excelsior, Blue Castello and Bavarian Blue, Bland and buttery cheeses such as Samsøe group, Edam, Gouda, Bel Paese and Fontina. Whey cheeses, Strong-smelling cheeses such as Limburger, Brick and Liederkranz will attract VAT at 16% regardless of whatever form these may be available and sold in.

Please be advised that since the zero-rating of Cheddar cheese became effective from March 1, 2008, VAT registered businesses will be allowed input tax credit for VAT paid on cheese which was purchased prior to its zero-rating. Additionally, businesses will be required to account for and pay any output tax (VAT charged to customers) to the GRA prior to Cheddar cheese being zero-rated.

If you require additional information or assistance on VAT, feel free to contact the Value-Added Tax Department situated at 210 'E' Albert and Charlotte Streets or by telephone numbers 227-7567, 227-7672 or 227-3696.