



GUYANA EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (GYEITI)

GYEITI Report
for 2017 Fiscal Year

APRIL 2019



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**The GYEITI EITI Multi-stakeholder
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**LIST OF
ABBREVIATIONS**

AML/CFT	Anti-Money Laundering and Countering the Financing of Terrorism
ASM	Artisanal, Small and Medium Scale Mining
BCGI	Bauxite Company of Guyana Inc
BMGGI	Bosai Minerals Group Guyana Inc
BoS	Bureau of Statistics
CIDA	Canadian International Development Agency
CSR	Corporate Social Responsibility
DoF	Department of Fisheries
EEZ	Exclusive Economic Zone
EITI	Guyana Extractive Industries Transparency Initiative
EPA	Environmental Protection Agency
FAO	Food and Agriculture Organization
FBX	First Bauxite Corporation
FY	Fiscal Year
GATOSP	Guyana Association of Trawler Owners and Seafood Processors
GDP	Gross Domestic Product
GFC	Guyana Forestry Commission
GGB	Guyana Gold Board
GGDMA	Guyana Gold and Diamond Miners Association
GGMC	Guyana Geology and Mines Commission
GIMIN	Guyana Industrial Mineral
GLSC	Guyana Land and Surveys Commission
GRA	Guyana Revenue Authority
GWA	Guyana Water Authority
GYEITI	Guyana Extractive Industries Transparency Initiative
MARAD	Maritime Administration Department
MNR	Ministry of Natural Resources (MNR)
MoA	Ministry of Agriculture
MoF	Ministry of Finance
NIS	National Insurance Scheme
MSG	Multi Stakeholder Group
MT	Materiality Threshold
GYD	Guyanese Dollar
PA	Petroleum Agreement

**LIST OF
ABBREVIATIONS**

PEPs	Politically Exposed Persons
PPL	Petroleum Production Licence
SFEP	State Forest Exploratory Permit
SMS	Small and Medium Scale
SOE	State Owned Enterprise
ToR	Term of Reference
TPIN	Tax Payer Identification Number
TSA	Timber Sales Agreement
USD	United States dollar
VPA	Voluntary Partnership Agreement

INTRODUCTION

Background¹

The Extractive Industries Transparency Initiative (EITI) was first announced at the World Summit for Sustainable Development in Johannesburg in 2002 (the 'Earth Summit 2002'), and officially launched in London in 2003. It was founded on the recognition that, while oil, gas and minerals can help to raise living standards across the world, in countries where these resources are not managed appropriately, this may often lead to corruption and conflicts and, for many people, a lower quality of life.

The Extractive Industries Transparency Initiative is a global coalition of government agencies, extractive entities and civil society organisations working together to improve openness and accountable management of revenues from natural resources. EITI therefore promotes better governance in countries rich in oil, gas and mineral resources, and seeks to reduce the risk of diversion or misappropriation of funds generated by the development of a country's extractive industries. A new EITI Standard was published on 23 February 2016 (the "EITI Standard") as detailed in the following link: <https://eiti.org/document/eiti-standard-requirements-2016>. Its principles are based on the affirmation that public understanding of government revenues and expenditure over time, could help public debate and inform choice of appropriate and realistic option for sustainable economic growth and reduction of poverty in resource-rich countries.

The EITI Standard sets out the requirements which countries need to meet in order to be recognised, first as an EITI Candidate and ultimately as an EITI Compliant country. There are currently 51 implementing countries of which 26 countries which made meaningful to satisfactory progress. 25 countries are yet to be assessed against the 2016 standard.

EITI in Guyana-Timeline²

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On 4 May 2010 Honourable Samuel Hinds, the Prime Minister of Guyana, expressed Guyana's commitment to implement EITI during a meeting with EITI Regional Director Dr. Francisco Paris. On 15 May 2012, the Government of the Cooperative Republic of Guyana signed a Memorandum of Understanding (MOU) with the Extractive Industries Transparency Initiative (EITI).

The newly appointed Minister of Natural Resources, Honourable Raphael Trotman publicly announced on 22 December 2015 the government's intention to continue Guyana's commitment to EITI implementation as he declared the commencement of a process to appoint the members of a Multi Stakeholder Group (MSG).

In February 2017, the GYEITI MSG was officially launched which comprises twelve (12) members with four (4) representatives each from civil society organisations, extractive entities and government agencies. Each MSG member has a designated alternate. The Government of Guyana set up the GYEITI National Secretariat within the Ministry of Natural Resources and appointed a National Coordinator and a Deputy Coordinator. The Secretariat operates under the supervision of the MSG and is tasked with carrying out the day to day administrative and operational functions of GYEITI.

In August 2017 Guyana submitted its application to the EITI International Secretariat and on 25 October 2017, Guyana's EITI was officially accepted as an EITI implementing country.

¹ Source: <https://eiti.org/eiti>

² <https://gyeiti.org/>

Table 1: Summary of the timeline of GYEITI³

Date	Event
May 2010	Government's announcement to implement EITI
May 2012	Guyana Government's Commitment to EITI
April 2015	Scoping study for implementing EITI commissioned by Guyana Government
December 2015	Government decision to continue EITI implementation
February 2017	Guyana MSG formed and National Secretariat established
October 2017	Guyana becomes Candidate country.
April 2019	Publication for the first EITI Report (Period covered: 1 st January to 31 st December 2017)
April 2020	Commencement of validation.
December 2020	Deadline for the second EITI Report (Period covered: 1 st January to 31 st December 2018)

Objective

EITI requires publishing comprehensive EITI reports, including full disclosure of government revenues from the extractive sector, as well as the disclosure of all material payments made to the government by companies operating in the oil, gas and mining sectors⁴.

The objective of this EITI report is to help the understanding of the level of contributions of the extractive sector to the economic and social development of Guyana in order to improve transparency and good governance at all levels of the extractive industry value chain.

The objectives set in the EITI implementation are detailed in the EITI standard.⁵

Scope of Work

BDO LLP was appointed as Independent Administrator in order to prepare the first GYEITI Report for the year ended 31 December 2017.

This engagement was carried out in accordance with the International Auditing Standards applicable to related services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information). The procedures performed were those set out in the terms of reference as defined in the Contract for Consultants' Services. The terms of reference agreed by the MSG are detailed in **Annex 16** of this report.

The reconciliation procedures carried out were not designed to constitute an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result, no assurances on the transactions beyond the explicit statements set out in this report are being expressed. Had additional procedures been performed other matters might have been reported here.

³ For more information, please refer to EITI's website on www.eiti.org.

⁴ Requirement 4 of the EITI standard (2016)

⁵ <https://eiti.org/document/eiti-standard-requirements-2016>

The report consists of seven (7) chapters presented as follows:

- 1) Executive Summary;
- 2) Approach and Methodology;
- 3) Contextual Information on the Extractive Industry;
- 4) Defining the reconciliation scope;
- 5) Reconciliation results;
- 6) Analysis of reported data; and
- 7) Recommendations.

Reported data disaggregated by private entities, Government Agencies and revenue streams, are presented in Sections 5 and 6 of this report.

This report incorporates information received up to **24 March 2019**. Any information received after this date is not, therefore, included in this report.

1. EXECUTIVE SUMMARY

This report covers payments made by extractive entities and revenues received by Government Agencies and other material payments and benefits to Government Agencies as stated by Requirement 4.1 of the EITI Standard.

It also includes contextual information about the extractive industries in accordance with EITI Requirements n°2 and 3. This information includes a summary description of the legal framework and fiscal regime, an overview of the extractive industries, the extractive industries' contribution to the economy, production data, the State's shareholding in extractive entities, revenue allocations, licence registers and licence allocations.

1.1. Revenue Generated from the Extractive Industries

The receipts reported by the government between 1 January and 31 December 2017 (FY 2017), after reconciliation are presented below:

Structure of direct revenues of the extractive industries

Total revenues received from the extractive sector amounted to GYD 20,800 million in FY 2017. Guyana Gold Board (GGB) accounted for 33% of the total revenue streams generated by the sector, followed by the Guyana Revenue Authority (GRA) and the Ministry of Finance (MoF) accounting for 32% and 18% respectively of total extractive industry revenues. The breakdown of revenues is set out in the table below:

Table 2: Total extractive revenues

Government Agency	Extractive revenue	
	FY 2017 (GYD million)	% of total payment
Guyana Gold Board (GGB)	6,800	33%
Guyana Revenue Authority (GRA)	6,560	32%
Ministry of Finance (MoF)	3,841	18%
Guyana Geology and Mines Commission (GGMC)	2,615	13%
National Insurance Scheme (NIS)	726	3%
Environmental Protection Agency (EPA)	24	0.1%
Social Contribution (SC)	234	1.1%
Total extractive revenues	20,800	100%

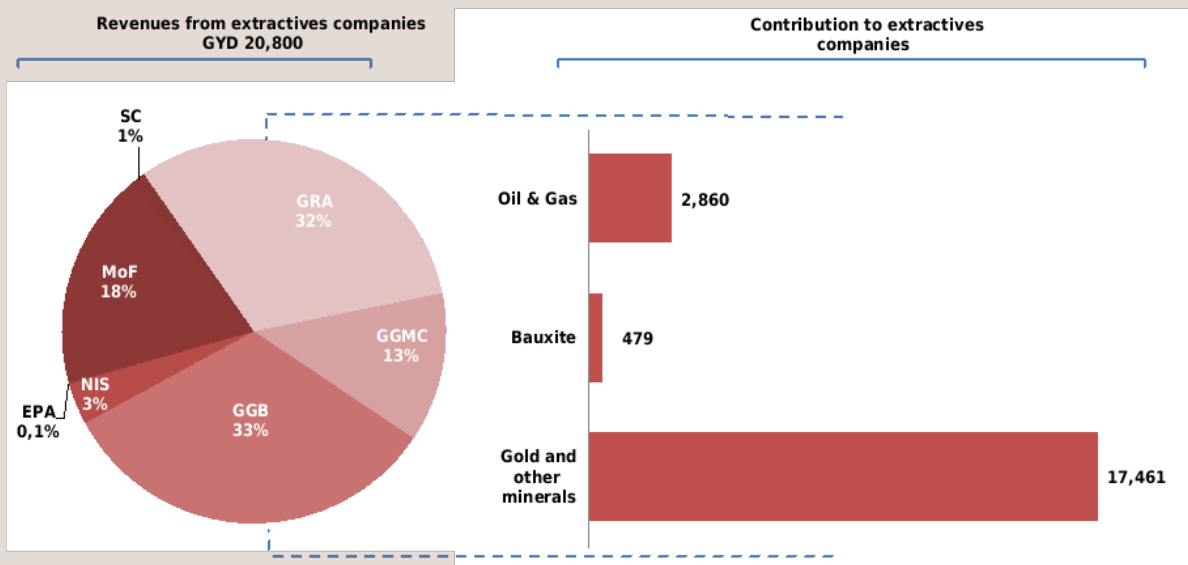
Source: GYEITI Reporting templates

Table 3: Revenues detailed by sector

Product	Extractive revenue	
	FY2017 (GYD million)	% of total payment
Gold and Other minerals	17,461	84%
Oil & Gas	2,860	14%
Bauxite	479	2%
Total extractives revenues	20,800	100%

Source: GYEITI Reporting templates

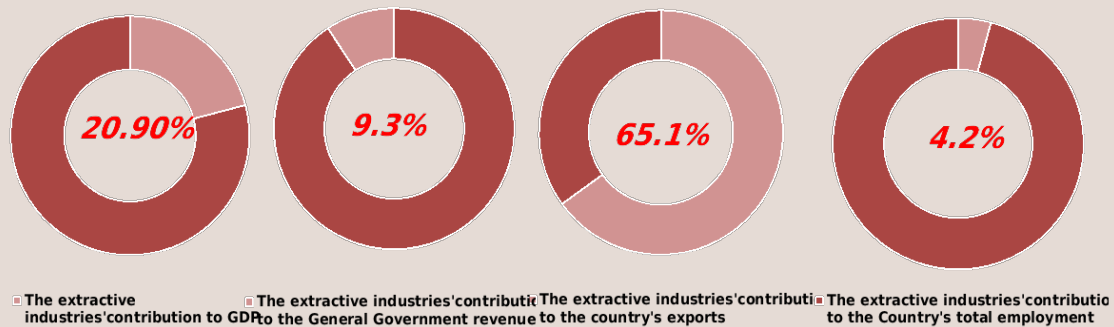
Figure 1: Structure of extractive industries revenues



Contribution to Guyana's economy

Based on the economic data presented in Sections 3.1.16, 3.2.12, 3.3.10 and 3.4.10 of the report, the contribution of the extractive industries can be summarised as follows:

Figure 2: Contribution of the extractive sectors to the economy



According to the Bureau of Statistics (BoS), the Gross Domestic Product (GDP) from the mining sector for FY 2017 amounts to GYD 132,421 million and accounts for 20.90% of total GDP.

The mining and petroleum sectors' contribution to the State's revenue amounted to GYD 20,800 million accounting for 9.3% of the total domestic revenues in the FY 2017.

The value of exports from the mining sector amounted to GYD 193,252 million accounting for 65.1% of the total exports of the country in the FY 2017.

According to the Bureau of Statistics (BoS), there are 11,026 persons employed in the mining sector, while, in the oil and gas sector there are only 51 employees as confirmed by companies included in the reconciliation scope. Employment in the mining and petroleum sector adds up to 11,077 representing 4.2% of total employment during the FY 2017.

1.2. Production

The table below gives details of the production quantities and values during FY 2017 by mineral type:

Table 4: Production data during FY 2017 by mineral type

Mineral	Unit	2016		2017		Difference		%	
		Quantity	Value GYD million	Quantity	Value GYD million	Quantity	Value	Quantity	Value
Gold	Ounces	712,706	186,610	653,753	167,562	(58,953)	(19,048)	(8.3%)	(10.2%)
Diamond	Carat	139,890	4,754	52,161	1,784	(87,729)	(2,970)	(62.7%)	(62.5%)
Bauxite	Metric Tons	1,479,090	26,407	1,459,223	19,974	(19,868)	(6,433)	(1.3%)	(24.4%)
Stone	Metric Tons	412,177	3,297	448,161	4,201	35,983	903	8.7%	27.4%
Sand	Metric Tons	1,687,658	13,164	1,674,490	13,499	(13,168)	335	(0.8%)	2.5%
Total			234,232		207,019		(27,213)		(11.6%)

Source: Bureau of Statistics of Guyana

Extractive entities and Government Agencies retained in the reconciliation scope were requested to submit production data. Production data submitted by these reporting entities is set out by company in Section 6.3 of this report.

1.3. Scope of the data collection and reconciliation

Reconciliation scope

Based on the revenue structures collected by Guyana Gold Board (GGB) and the Guyana Geology and Mines Commission (GGMC), MSG agreed to include extractive entities which made payments over the materiality threshold of GYD 75,000,000 to GGB and GGMC. Other criteria have also been considered to select additional extractive entities in order to cover larger spectrum of the private sector.

For the mining sector, the MSG identified twenty-four (24) extractive entities to be included in the reconciliation process for the first GYEITI Report. These extractive entities meet the selection criteria in the 2017 fiscal year as detailed in Section 4.2.1 of this report and they were therefore included in the reconciliation scope.

With regards to the oil and gas sector, MSG agreed to include in the reconciliation process nine (9) oil and gas exploration companies which made payments during 2017 as detailed in Section 4.2.2 of this report.

Reconciled revenues represent 67% of total adjusted extractive revenues as detailed below:

Table 5: Reconciled revenues

Payments from :	Revenues (GYD million)	%
Reconciled revenue from the mining sector (*)	11,239	54%

Payments from :	Revenues	%
Reconciled revenue from the Oil & Gas sector (*)	2,638	13%
Total reconciled revenues	13,877	67%
Unilateral disclosure by Government Agencies (**)	6,689	32%
Unilateral disclosure by companies (***)	234	1%
Total unilateral disclosure	6,923	33%
Total revenues (****)	20,800	100%

(*) Reconciled revenues are detailed by private entity in Section 5.1.1 of this report

(**) Unilateral disclosure from Government Agencies are detailed by company in Section 6.2.1 of this report

(***) Unilateral disclosure from companies are detailed by company in Section 6.2.2 of this report

(****) Detailed in Section 6.1

MSG agreed to request six (6) Government Agencies, namely: GRA, GGMC, GGB, NIS, MoF and EPA to submit reporting templates. These Government Agencies received payments from the extractive entities as detailed in Section 4.1 and 4.3 of this report.

GGB has also been requested to report the amounts that it transferred to GRA and GGMC respectively as detailed in Section 3.6.3 of this report.

Unilateral disclosure for Mining Sector

As agreed by MSG, payments made by extractive entities below the materiality threshold (MT) were included in the EITI Scope through unilateral disclosure in accordance with EITI Requirement 4.1.d. The list of extractive entities which made payments below the materiality threshold are detailed in Section 6.2 of this report.

Based on the above, we have included payments of GYD 6,689 million and GYD 12 million as unilateral disclosure from Government Agencies and mining companies respectively in the report. These unilateral disclosures represent 0.1% of total revenues of the mining sector, which therefore means that 62.6% of total revenue of the mining sector was included in the reconciliation scope:

Table 6: Unilateral disclosure for the mining sector

Payments from	Revenue (GYD million)	%
Mining sector total revenues	17,940	100.0%
Reconciled revenues	11,239	62.6%
Unilateral disclosure by Government Agencies	6,689	37.3%
Unilateral disclosure by mining entities within the reconciliation scope	12	0.1%
Total unilateral disclosure of mining sector revenues	6701	37.4%

Source: GYEITI Reporting Templates

Details on the unilateral disclosure are presented in Section 6.2 of this report.

Unilateral disclosure for Oil and Gas Sector

We have included payments of GYD 2,638 million and GYD 222 million as unilateral disclosure from Government Agencies and petroleum companies respectively in the report. These unilateral disclosures represent 7.8% of total revenues of the mining sector, which therefore means that 92.2% of total revenue of the mining sector was included in the reconciliation scope:

Table 7: Unilateral disclosure for the oil and gas sector

Payments from	Revenue	
	(GYD million)	%
Oil and gas sector total revenues	2,860	100.0%
Reconciled revenues	2,638	92.2%
Unilateral disclosure by Government Agencies	0	0.0%
Unilateral disclosure by oil and gas entities within the reconciliation scope	222	7.8%
Total unilateral disclosure of oil and gas sector revenues	222	7.8%

source: EITI Reporting Templates

Details on the unilateral disclosure are presented in Section 6.2 of this report.

1.4. Completeness and Accuracy of Data

Data submission

Government Agencies

GGMC, GGB, MoF, NIS and EPA submitted their reporting templates to confirm total receipts of GYD 11,177 million accounting for 81% of reconciled revenues.

Due to legal confidentiality constraints, GRA was not able to submit reporting templates for twenty-three (23) extractive entities as detailed in Section 5.3 (b) of this report. GRA's total receipts from these twenty three (23) entities could not be estimated because seventeen (17) extractive entities of these entities also did not submit reporting templates as detailed below.

Extractive entities

Sixteen (16) extractive entities included in the reconciliation scope submitted reporting templates. Receipts reported by Government Agencies and relating to these extractive entities amounted to GYD 9,300 million accounting for 67% of the reconciled revenues.

Seventeen (17) extractive entities included in the reconciliation scope did not submit their reporting templates. Receipts reported by Government Agencies and relating to these extractive entities amounted to GYD 4,577 million accounting for 33% of the reconciled revenues as detailed in Section 5.3.a of this report.

Given the lack of reporting templates from both extractive entities and GRA, the total extractive revenues collected from these seventeen (17) entities could not be determined. The Reconciliation sheets by extractive entity are set out in **Annex 10** of this report.

On this basis, we were unable to conclude that this report covers all significant contributions made in the 2017 fiscal year by extractive entity to the revenues of Guyana.

Data Reliability

Government Agencies

GGMC, GGB, NIS and EPA submitted reporting templates signed by an authorised officer. MoF submitted signed reporting templates for Troy Resources Guyana Inc. and Guyana Gold Fields (AGM) only.

MoF did not submit signed reporting templates for thirty-one (31) extractive entities for which the Government Agency did not receive any revenues. GRA submitted ten (10) reporting templates not signed by an authorised officer. GRA's receipts from these ten (10) extractive entities amount to GYD 2,703 representing 20% of reconciled revenues:

Table 8: Non signed reporting templates for Government Agencies

	Sector	Amount (GYD million)	% per reconciled companies
Esso Exploration and Production Guyana Limited	Oil & Gas	1,893.6	13.65%
Troy Resources Guyana Inc.	Mining	794.8	5.73%
Pure Diamond Inc.	Mining	6.5	0.05%
CGX Resources Inc.	Oil & Gas	6.3	0.05%
Excel Minerals Inc.	Mining	1.5	0.01%
REPSOL EXPLORACION GUYANA, S.A.	Oil & Gas	0.1	0.00%
Total of not signed reporting templates		2,702.8	19.48%
Total reconciled revenues		13,877.0	100.00%

Source: EITI Reporting templates

All Government Agencies did not submit confirmation from the Auditor General or from their independent auditors that their reporting templates had been prepared as per their respective audited accounts.

GGB submitted its audited financial statements. GGMC, GRA⁶, EPA and NIS did not submit their respective audited financial statements. The revenues received by GGMC, GRA, EPA and NIS amount to GYD 4,640 million representing 33.4% of total reconciled revenues.

Extractive entities

Fourteen (14) extractive entities submitted their reporting templates signed by an authorised officer at management level. Two (2) extractive entities submitted their reporting templates not signed by an authorised officer at management level. The revenues reported by Government Agencies in respect of companies which submitted reporting templates not signed by management amounted to GYD 3,631 million representing 26% of the total reconciled revenues. These are set out as follows:

Table 9: Non signed reporting templates for extractive entities

Company	Amount (GYD million)	% of reconciled revenues	
El Dorado Trading	2,044	15%	
Troy Resources Guyana Inc.	1,586	11%	
Total of not signed reporting templates		3,630	26.16%
Total reconciled revenues		13,877	100.00%

Source: EITI Reporting templates

Status of reporting templates submitted by extractive entities are presented in Annex 5 of this report.

Six (6) extractive entities submitted reporting templates without their audited financial statements nor a confirmation of the external auditor that these have prepared based on audited financial statements. The revenues reported by Government Agencies in respect of extractive entities which submitted reporting templates not certified by an external auditor amounted to GYD 4,326 million representing 31% of the total reconciled revenues. These are as follows:

⁶ Report of the Auditor General FY 2017 states: "financial statements for the years 2016 and 2017 were not submitted for audit." (page 55)

Table 10: List of extractive entities

Company	Amount (GYD million)	% of reconciled revenues
Mohamed's Enterprise	2,047	15%
El Dorado Trading	2,044	15%
BOSAI Minerals Group (Guyana) Inc.	193	1%
GBTI Property Holdings Inc.	41	0%
Mid-Atlantic Oil & Gas Inc.	1	0%
Ratio Guyana Limited	0	0%
Total revenues	4,326	31%
Total reconciled revenues	13,877	100.00%

Source: EITI Reporting templates

Given the significance of the matters stated above, we were unable to conclude that the financial data submitted by reporting entities and included in this report were subject to audits which have been performed in accordance with international standards.

1.5. Reconciliation of Cash Flows

The purpose of reconciling payment flows was to identify any potential discrepancies in the declarations and to clarify them. The discrepancies initially identified were analysed and adjusted whenever the relevant supporting documents were made available by the reporting parties.

In accordance with the data collected from extractive entities and Government Agencies, revenues generated from the extractive industries amounted to GYD 20,800 million. The revenues included in the reconciliation scope amount to GYD 13,877 million and represent 67% of the total extractive revenues during the 2017 fiscal year. The revenues included in the reconciliation scope are detailed by Government Agency in the table below:

Table 11: Reconciled revenues detailed by Government Agency

	Declared Government revenue (GYD million)	% of total payment
Guyana Gold Board (GGB)	5,396	26%
Ministry of Finance (MoF)	3,841	18%
Guyana Revenue Authority (GRA)	2,703	13%
Guyana Geology and Mines Commission (GGMC)	1,198	6%
National Insurance Scheme (NIS)	715	3%
Environmental Protection Agency (EPA)	24	0%
Reconciled Government revenues	13,877	67%
Unilateral disclosure of revenues by extractive entities (*)	234	1%
Unilateral disclosure of revenues by Government (*)	6,689	32%

Total	20,800	100%
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(*) Unilateral disclosure of revenue streams are detailed in Section 6.2 of this report

Cash flow reconciliation

After adjustments and reconciliation work, a net difference of GYD 3,805 million remained unreconciled and which represents (27%) of Government revenues of GYD 13,877 million included in the reconciliation scope, as detailed below:

Table 12: Cash flow reconciliation

In GYD million

Sector	Extractive entity (GYD million) (a)	Govt (GYD million) (b)	Unreconciled Difference (c) = (a) - (b)	% (d) = (c)/(b)
Ministry of Finance (MoF)	612	3,841	(3,229)	(84%)
Guyana Revenue Authority (GRA)	3,407	2,703	705	26%
Guyana Gold Board (GGB)	4,928	5,396	(468)	(9%)
Guyana Geology and Mines Commission (GGMC)	748	1,198	(450)	(38%)
National Insurance Scheme (NIS)	348	715	(367)	(51%)
Environmental Protection Agency (EPA)	28	24	4	15%
Reconciled Government revenues	10,072	13,877	(3,805)	(27%)

Source: EITI Reporting Templates

Details of the reconciliation exercise and adjustments made by company and by tax are set out in the Section 5 of this report, while individual tax templates by company showing the reconciled amounts are presented in **Annex 10** of this report.

1.6. Recommendations

Relevant recommendations and additional measures to be implemented in order to improve the EITI process in Guyana are summarised as follows:

Table 13: List of recommendations

N°	Recommendations
1	Mainstreaming the creation of an open data for EITI
2	Reporting at project level
3	Accuracy of export data
4	Public disclosure of a register of licences
5	Public disclosure of mineral agreements
6	Allocation of licences and permits
7	Accuracy of production data
8	Legislative reforms in the oil and gas sector
9	Organisational structure of GGMC
10	Data quality and assurance
11	Enhancing the industry participation
12	Accuracy and comprehensiveness of data included in the reporting templates
13	Use of unique identification number for all government Agencies
14	Waiving legal confidentiality restrictions

These recommendations are detailed in Section 7 of this report.

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2. APPROACH AND METHODOLOGY

The reconciliation process relating to the EITI reporting consisted of the following steps:

- conducting a scoping study to determine the scope of the reconciliation exercise and to design the reporting templates;
- the collection of payment data from Government Agencies and extractive entities, which provides the basis for the reconciliation;
- a comparison of amounts reported by Government Agencies and extractive entities to determine if there are discrepancies between the two sources of data; and
- contact with Government Agencies and extractive entities to resolve the discrepancies identified.

2.1. Scoping Study

In accordance with our terms of reference, a scoping study carried out and was reported to the GYEITI MSG on matters which should be considered in determining the scope for the FY 2017 GYEITI report, including:

- materiality threshold for receipts and payments;
- taxes and revenues to be covered;
- companies and Government Agencies to be included in the report;
- reporting templates to be used; and
- assurances to be provided by reporting entities to ensure the credibility of the data made available to us.

The results of the scoping study described in Section 4 of this report were approved by the GYEITI MSG.

2.2. Data Collection

2

Instructions have been developed, including reporting templates and reporting guidelines, requesting extractive entities and Government Agencies to report all required data.

A Stakeholder Workshop was carried out in Georgetown on 12 February 2019 to present the:

- reconciliation process;
- reconciliation scope;
- reporting templates and instructions;
- lessons learnt from the other reconciliation processes; and
- reconciliation issues.

The reporting package, including the Reporting Templates and the Instructions for its completion, was sent electronically to the stakeholders.

Extractive entities and Government Agencies were required to report directly to the Independent Administrator (IA), to whom they were also requested to direct any queries about the reporting templates.

2.3. Reconciliation and Investigation of Discrepancies

The process of reconciling the data and investigating discrepancies was carried out between 18 and 24 March 2019. In carrying out the reconciliation, the following procedures were performed:

- figures reported by extractive entities were compared item-by-item to figures reported by Government Agencies. Consequently, all discrepancies identified have been listed item by item in relation to each Government Agency and extractive entity;

- where data reported by extractive entities agreed with the data reported by Government Agencies, the government figures were considered to be correct and no further action was undertaken; and
- Government Agencies and extractive entities were asked to provide supporting documents and/or confirmation for any adjustments to the information provided on the original data collection templates.

In cases where it was not possible to resolve discrepancies, reporting entities have been directly contacted for additional supporting documentation evidencing the payments declared. In certain cases, these differences remained unresolved. The results of the reconciliation exercise are presented in Section 5 of this report.

2.4. Reliability and Credibility of Data Reported

In order to comply with EITI Requirement 4.9 and to ensure the credibility of data submitted, the following approach has been followed in the preparation of the FY 2017 GYEITI Report:

- for each company the “Payment/Receipt Report” should be signed by an authorised senior official (at board level);
- for every Government Agency the “Payment/Receipt Report” must be signed by an authorised senior officer;
- each Reporting Template to be certified by an external auditor as follows:
 - Extractive entities: have been asked to obtain confirmations from a registered external auditor that the figures reported in the Reporting Templates agree with their financial statements of the period covered by the reconciliation; and
 - Government Agencies: have been requested to obtain confirmation from the Auditor General that the figures reported in the Reporting Templates are in accordance with instructions agreed by the GYEITI MSG, are complete and agree with the audited accounts for the FY 2017;
- extractive entities were encouraged to submit their audited 2017 financial statements; and
- any changes to the information provided on the original data collection templates, supporting documents and/or confirmation from reporting entities were requested in order to make them available to the IA.

2.5. Accounting records

In accordance with Requirement 4.7 of the EITI Standard, data has been reported by company, by payment flow and by Government Agency. Reporting entities were asked to provide the relevant details along with the reporting templates for each payment flow, as well as contextual information.

The reconciliation has been carried out on a cash basis. Accordingly, payments made prior to 1 January 2017 have been excluded. The same applies to payments made after 31 December 2017.

1. EXTRACTIVE ENTITIES

Extractive entities normally prepare their accounting records on the accrual basis, i.e. the tax expense is recognised at the time it is due rather than the time when it is paid. Only amounts actually paid during the Fiscal Year from 1 January to 31 December 2017 would have to be declared in the Reporting Templates.

2. GOVERNMENT AGENCIES

In respect of Government Agencies, care has been taken to ensure that amounts shown on the “Payment/Receipt Report” include all receipts during the FY 2017, irrespective of whether the receipt was allocated in the Agency’s records against amounts due in previous or subsequent fiscal years.

3. CONTEXTUAL INFORMATION ON THE EXTRACTIVE INDUSTRIES

The Cooperative Republic of Guyana has a surface of 214,970 km²⁷ with an estimated population of 781,873⁸ in 2015 and projected to be 788,874 in 2020⁹. It is located on the Northern coast of South America and is bordered by the Atlantic Ocean to the north, Brazil on the South and south-west, Suriname to the East, and Venezuela to the West¹⁰. The map of the country is presented in Section 3.2.2 of this report.

In the last decade, the economy of Guyana experienced steady growth¹¹, largely due to production and export of natural resources. The MSG agreed that EITI in Guyana should cover the exploitation of renewable and non-renewable natural resources as detailed in the Annual Progress Report of June 2018¹². The sectors covered in this report are therefore:

- oil and gas exploration; and
- quarrying and mining.

This report also includes the contextual information of the following sectors:

- forestry; and
- fisheries.

The contribution of each of these sectors to the economy of Guyana have been detailed in Sections 3.1.16, 3.2.12, 3.3.10 and 3.4.10 of this report.

3.1. Legal framework and context of the mining sector

1. GENERAL CONTEXT OF MINING SECTOR

The indigenous peoples who first inhabited Guyana were not historically engaged in mining as an economic activity, but they were aware of the minerals well before the 1870's when the exploration of mining was officialised. Currently, indigenous Peoples comprise 9% of Guyana's population with 14% of land ownership.

The mining sector in Guyana played a crucial role in increasing income levels and driving economic growth¹³. The sector contributed to over a fifth of the country's GDP and accounted for up to 65% of the total country exports in 2017.

Gold, diamond and bauxite mining has placed the country in a valuable position for mining¹⁴ during the last decades. However, the country is still considered to have one of the most progressive, yet under explored, gold regions in the world¹⁵.

⁷ <https://data.worldbank.org/indicator/ag.srf.totl.k2>

⁸ https://statisticsguyana.gov.gy/pubs/Guyana_Population_Projections_2005-2025.pdf

⁹ https://statisticsguyana.gov.gy/pubs/Guyana_Population_Projections_2005-2025.pdf

¹⁰ <http://www.worldometers.info/world-population/guyana-population/>

¹¹ <https://eiti.org/guyana>

¹² <https://gyeiti.org/wp-content/uploads/GYEITI-Inaugural-Annual-Progress-Report-2017-approved-by-MSG-29.06.18.pdf>

¹³ <https://www.export.gov/article?id=Guyana-Mining-and-Minerals>

¹⁴ A Mining Information Toolkit for Guyana, 2012

¹⁵ http://www.goldsourceminers.com/properties/eaglemountain/about_guyana/

Furthermore, the country's mineral heritage includes occurrences of¹⁶ :

- industrial minerals such as kaolin, soapstone, kyanite, mica, ilmenite, feldspar, silica sand, columbite-tantalite, and manganese;
- base metals such as copper, lead, zinc, molybdenite, tungsten, and nickel;
- ferrous metals of which iron as magnetite and laterite is the main type; and
- uranium and semi-precious stones such as amethyst, green quartz, black pearl, agate and jasper.

There are six established mining districts¹⁷ in Guyana and these are presented as follows:

- Berbice;
- Potaro;
- Mazaruni;
- Cuyuni;
- North West, and;
- Rupunnuni.

The mining sector is primarily driven by contribution from gold, diamonds and bauxite.

Gold:

Gold was almost exclusively produced from the alluvial and eluvial deposits. It was historically produced by “porknockers” using artisanal methods before introducing couple jet dredges that had the capacity of mining the bottom of rivers.

More developed equipment has been used and which is able to mine through deeper channels and to explore river-bottoms more efficiently using remote controlled, diver-less gravel pumps and missiles.¹⁸ A source in the form of a large open pit at Omai Mines significantly increased the country's capacity of gold production with 250,000 ounces produced per year¹⁹ in 1996²⁰. The mine was exploited by Omai Gold Mines Limited²¹ founded in 1993²² and the company closed in 2006.

In 2011, Guyana Goldfields Inc., a Canadian based mid-tier gold producer, was awarded a twenty-year large scale mining licence in the Cuyuni region. The company operates in Guyana through its wholly-owned Guyanese company Aurora Gold Mine (AGM). AGM started commercial production in January 2016 and it expects exploration drilling to increase in 2019 and estimates the average annual gold production to be 218,000 ounces over the next five years.²³

In December 2013, Troy Resources Guyana Inc., a wholly-owned Guyanese subsidiary of Troy Resources Limited, was incorporated and acquired a twenty year large scale mining licence in West Kaburi in February 2015. The company declared that Smarts 3 pit was remediated in 2017 with

¹⁶ <http://goinvest.gov.gy/products/>

¹⁷ A Mining Information Toolkit for Guyana, Her Majesty the Queen in Right of Canada, 2012

¹⁸ <http://www.devnet.org.gy/sdnp/nds/chapter16.html>

¹⁹ <http://goinvest.gov.gy/products/>

²⁰ <http://d1lge852tjjqow.cloudfront.net/CIK-0000903571/b42c9d1e-b397-42d9-b4c0-5b380d4a6106.pdf>

²¹ <http://www.devnet.org.gy/sdnp/nds/chapter16.html>

²² <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapid=183705456>

²³ <https://www.guygold.com/Operations/Aurora-Gold-Mine/default.aspx>

uninterrupted production since the second quarter of the year²⁴. The company's production was over 57,000 ounces during 2017 as per its reporting template.

Other large rock gold deposits are not yet operational²⁵. These are located mainly in:

- the Marudi Mountain situated in the South Rupununi Savannahs;
- Eldorado in the Kaburi Area;
- Peters Mine in the Potaro;
- Eagle Mountain in the Mahdia area and Tassawini; and
- Mariwa in the Cuyuni.

All gold mined in the country must be sold to the Guyana Gold Board (GGB) and/or to private dealers licenced by GGB. However, it is common for miners to sell or exchange their gold for supplies provided by shopkeepers²⁶.

Bauxite

Guyana has been producing bauxite²⁷ for over a hundred years by two major North American integrated multinationals only, namely: Alcan and Reynolds. Nowadays, Guyana produces approximately 1.4²⁸ million tons of Bauxite through three companies specialised in bauxite production. These are:

- the Bauxite²⁹ Company of Guyana Inc. (BCGI) which currently operates in Kurubuka 22, Upper Berbice. It also operated Kwakwani area through a couple of permits. The company's primary product is dry metallurgical grade bauxite (MAZ) which is used to make aluminium;
- Bosai Minerals Group Guyana Inc. (BMGGI) which currently operates two mines in East Montgomery and the tailings pond (reclaim) area. The company's primary product is Calcined (refractory) grade bauxite (RASC/AGB) which is used to make bricks for the lining of kilns, and furnaces; and
- Guyana Industrial Minerals Inc. (GINMIN) which is a subsidiary of First Bauxite Corporation (FBX). The company installed its industrial-sized trommel at the Bonasika 7 site in 2017.

Diamonds

Diamonds³⁰ have been discovered in the Puruni River area in 1887 and subsequently in the Putareng river in 1890. Forty years later, diamond production reached a peak with over 200,000³¹ carats per year mainly from the Mazaruni River Basin until 1970. The sector has been falling ever since, until it reached 52,000 carats³² in 2017.

²⁴ <http://www.troyres.com.au/operations/guyana/operation.html>

²⁵ <http://goinvest.gov.gy/products/>

²⁶ <http://www.ceintelligence.com/files/documents/Toward-the-Greening-of-the-Gold-Mining-Sector-of-Guyana-Transition-Issues-and-Challenges.PDF>

²⁷ <http://goinvest.gov.gy/products/>

²⁸ Bureau of Statistics of Guyana

²⁹ Guyana Geology and Mines Commission (GGMC)

³⁰ <http://goinvest.gov.gy/products/>

³¹ <http://www.devnet.org.gy/sdnp/nds/chapter16.html>

³² Bureau of Statistics of Guyana

Diamonds are mostly found in fluvial areas also on Roraima Plateau³³. Diamontiferous areas are mainly located in³⁴:

- the North and the South of the Pataro river;
- the valley of Puruni and Mazaruni; and
- the West of the country towards Potari.

However, most of these potential resources are unexploited due to the inaccessibility of the diamond's fields, the lack of power and labour as well as the relatively small size of the stone.

2. CONTEXT OF THE ARTISANAL, SMALL AND MEDIUM SCALE MINING SECTOR IN GUYANA

ASM is an important sub-sector in Guyana that made major contribution to the country's economy. In 2016, 70% of Guyana's gold production was mined by artisanal and small-scale miners³⁵.

In 2013, It was estimated that ninety percent³⁶ of people working directly in the mining sector in the country were employed by small and medium-scale operations involved in gold and diamond extraction.

There are several environmental, social and health challenges related to ASM activity that need to be addressed in order to reduce negative environmental impact and to improve workers' safety standards.³⁷

Smaller artisanal mining operations which are widely dispersed might be more difficult to monitor by the mining authorities. Given that artisanal miners may have little or no access to formal credit, they often offset their debts with gold mined. Their creditors may or may not declare the gold and enter it into the formal economy³⁸. The government estimated that in 2016 approximately 15,000 ounces of gold were being smuggled every week³⁹, valued between US\$912 million to US\$1 billion over the year.

3. PRODUCTION

2

Based on the data made provided by the Bureau of Statistics, the production of key minerals can be presented as follows:

Table 14: Production data

Mineral	Unit	2016		2017		Difference		%	
		Quantity	Value GYD million	Quantity	Value GYD million	Quantity	Value	Quantity	Value
Gold	Ounces	712,706	186,610	653,753	167,562	(58,953)	(19,048)	(8.3%)	(10.2%)
Diamond	Carat	139,890	4,754	52,161	1,784	(87,729)	(2,970)	(62.7%)	(62.5%)

³³ <http://www.devnet.org.gy/sdnp/nds/chapter16.html>

³⁴ <http://www.info-diamond.com/rough/country-index-11.html>

³⁵ <https://m4dlink.org/es/node/3905>

³⁶ Toward the Greening of the Gold Mining Sector of Guyana July 2017

³⁷ Toward the Greening of the Gold Mining Sector of Guyana July 2017

³⁸ Toward the Greening of the Gold Mining Sector of Guyana July 2017

³⁹ <https://www.stabroeknews.com/2018/business/07/27/illegal-gold-mining-in-hemisphere-more-profitable-than-drugs-report/>

Mineral	Unit	2016		2017		Difference		%	
Bauxite	Metric Tons	1,479,090	26,407	1,459,223	19,974	(19,868)	(6,433)	(1.3%)	(24.4%)
Stone	Metric Tons	412,177	3,297	448,161	4,201	35,983	903	8.7%	27.4%
Sand	Metric Tons	1,687,658	13,164	1,674,490	13,499	(13,168)	335	(0.8%)	2.5%
Total		234,232		207,019		(27,213)		(11.6%)	

Source: Bureau of Statistics of Guyana

Gold production decreased by 58,953 ounces in 2017, i.e. 8.3%. This decrease was mainly due to lower production (13.1%) of Small and Medium Scale miners who previously contributed almost two thirds of the country's total gold production. The combined production of the two largest companies, namely, AGM Inc. and Troy Resources Guyana Inc. increased from 230,094 ounces in 2016 to 234,136 ounces in 2017.

4. MAIN EXPLORATION AND PROSPECTING ACTIVITIES

The following is a list of the prospective projects in Guyana during FY 2017:

Table 15: Main prospective projects in the mining sector

#	Name	Grant Date	Acres	Location	Mineral Sought
1	Alfro Alphonso	29/06/2011	12733	Kartuni River	Gold and Precious Stones
2	Alfro Alphonso	29/06/2011	12800	Kartuni	Gold and Precious Stones
3	Alfro Alphonso	08/03/2013	11880	Cuyuni	Gold and Diamonds
4	Aranka Gold Inc.	12/02/2015	6389	Kauramembu	Gold and Other Valuable Minerals
5	Aranka Gold Inc.	12/02/2015	11653	Kauramembu	Gold and Other Valuable Minerals
6	Aranka Gold Inc.	12/02/2015	12460	Kauramembu	Gold and Other Valuable Minerals
7	Aranka Gold Inc.	12/02/2015	12260	Kauramembu	Gold and Other Valuable Minerals
8	Aranka Gold Inc.	12/02/2015	10660	Kauramembu	Gold and Other Valuable Minerals
9	Aranka Gold Inc.	12/02/2015	9661	Kauramembu	Gold and Other Valuable Minerals
10	Aranka Gold Inc.	12/02/2015	8263	Kauramembu	Gold and Other Valuable Minerals
11	Aranka Gold Inc.	12/02/2015	8436	Kauramembu	Gold and Other Valuable Minerals
12	Aranka Gold Inc.	18/11/2014	12270	Northwest	Gold and Valuable Minerals
13	Aranka Gold Inc.	18/11/2014	11446	Northwest	Gold and Valuable Minerals
14	Aranka Gold Inc.	18/11/2014	11280	Northwest	Gold and Valuable Minerals
15	Albert Benn	14/10/2005	5845	North West District	Gold and Precious Stones
16	Albert Benn	14/10/2005	9904	North West District	Gold and Precious Stones
17	B K Quarries Inc.	18/07/2014	9364	Iteballi	Hard Rock
18	Bauxite Company of Guyana	29/06/2017	480	Kwakwani, Upper Berbice	Bauxite
19	Cuyuni River Ventures Inc	05/12/2013	12650	Puruni	Gold and Platinum Group Metals
20	Dream Hole Mining Company Inc.	13/10/2011	6616	Mazaruni	Gold and Diamonds

#	Name	Grant Date	Acres	Location	Mineral Sought
21	ETK Inc.	14/10/2013	9570	Upper Puruni	Gold, Silver, Base Metals and other precious metals
22	ETK Inc.	14/10/2013	7254	Upper Puruni	Gold, Silver, Base Metals and other precious metals
23	Guy Gold Inc.	30/03/2011	10443	Cuyuni	Gold and Valuable Minerals
24	Guycomb Agriminerals Incorporation	(*)	(*)	Hog and Robello Creeks	
25	Guycomb Agriminerals Incorporation	(*)	(*)	Hog and Robello Creeks	
26	Clarence Milton & Hyacinth Bobb Grannum	15-nov-13	11310	NWD	Gold and Diamonds
27	GuyGold Inc.	20-avr-15	8458	Akaiwong	Gold and Other Valuable Minerals
28	GuyGold Inc.	20-avr-15	9918	Akaiwong	Gold and Other Valuable Minerals
29	GuyGold Inc.	20-avr-15	11940	Akaiwong	Gold and Valuable Minerals
30	GuyGold Inc.	20-avr-15	11500	Akaiwong	Gold and Valuable Mineral
31	GuyGold Inc.	20-avr-15	12344	Cuyuni	Gold and Valuable Minerals
32	GuyGold Inc.	20-avr-15	6404	Cuyuni	Gold and Valuable Minerals
33	GuyGold Inc.	20-avr-15	4547	Cuyuni	Gold and Valuable Minerals
34	Guiana Shields Resources Inc.	04-mars-15	14762	Northwest	Gold, Diamonds and Precious Metals
35	Innovative Mining	31-oct-13	7665	Kartuni	Gold, Diamonds and Base Metals
36	Major Miners Inc.	14-oct-13	11030	Puruni River	Gold
37	Azruddin Mohamed	(*)	(*)	Berbice	
38	Precious Metal Inc.	14-nov-14	9928	Upper Cuyuni	Gold, Diamonds and Base Metals
39	Precious Metal Inc.	14-nov-14	12374	Upper Cuyuni	Gold, Diamonds and Base Metals
40	Queensway	01-mars-11	9590	NWD	Gold
41	Guyana Manganese Inc.	06-sept-10	12680	NWD	Manganese
42	Guyana Manganese Inc.	06-sept-10	12780	NWD	Manganese

#	Name	Grant Date	Acres	Location	Mineral Sought
43	Guyana Manganese Inc.	06-sept-10	12220	NWD	Manganese
44	Guyana Manganese Inc.	06-sept-10	8049	NWD	Manganese
45	Stratagold Guyana Inc.	29-juin-17	734	North West	Gold and Valuable Minerals
46	Stratagold Guyana Inc.	29-juin-17	1557	North West	Gold and Valuable Minerals
47	Stratagold Guyana Inc.	29-juin-17	2435	North West	Gold and Valuable Minerals
48	Stronghold Guyana Inc	09-août-13	11,822	Kaieteur - Eagle Mountain	Gold, Valuable Minerals and Molybdenum
49	Stratagold Guyana Inc.	12-févr-15	1253	Northwest	Gold and Valuable Minerals
50	Stratagold Guyana Inc.	12-févr-15	4069	Northwest	Gold and Valuable Minerals

Source: Guyana Geology and Mines Commission

(*) The granting date and acreage not communicated by GGMC

5. INSTITUTIONAL FRAMEWORK

Ministry of Natural Resources (MNR) was created in 2011. Its mission is to develop, implement and oversee policies for the responsible exploration, development and use of natural resources whilst ensuring the protection and conservation of the environment.

Ministry of Finance (MoF) is mandated to formulate economic and fiscal policies. It is responsible for managing financial and material resources of the Government of Guyana. It is also responsible for managing the State's participations in companies operating in the country.

Guyana Revenue Authority (GRA) is a Government Agency established under the Revenue Authority Act Chapter 79:04 of the Laws of Guyana. It is the result of the merger of the Inland Revenue Department and the Department of Customs and Excise in 2000. GRA is responsible for:

- collecting and accounting for tax revenues; and
- promoting compliance with Guyana's Tax legislations, Trade and Border Laws/regulations, through education, quality service and enforcement programmes.

The Guyana Geology and Mines Commission (GGMC) was created from the Department of Geological Surveys and Mines by an Act in 1979. It's the statutory institution that treats all requests for minerals and oil and gas properties in Guyana. However, permission must be received, from this commission before any mining activity can begin. GGMC's roles include:

- acting in the diversification of Guyana's economy through its activities in the mining sector;
- creating opportunities for rapid economic development through the mineral sector which is in expansion;
- acting as a national toolkit for all information related to geology and mining resources;
- providing to Guyanese citizens and foreigners the basic information on prospection and advisory services, on the available economic mining prospects;
- regulating on behalf of the government all activities in the mining sector;
- promote interest in mining and mineral exploration, the development of the mineral potential of Guyana and the production, supply and sale of minerals and mineral products;

- enforcement of the conditions of Mining Licences, Mining Permits, Mining Concessions, Prospecting Licences (for Large Scale Operations), Prospecting Permits (for Medium and Small-Scale operations) and Quarry Licences, under the Mining Act; and
- collection of rentals, fees, charges, levies etc, payable under the Mining Act (1989).

Guyana Gold Board (GGB) was created in 1982⁴⁰ to manage the business of trading gold in Guyana. Its main roles include⁴¹:

- carrying on the business of grading in gold;
- securing adequate supply of gold and to ensure its equitable distribution in Guyana at fair prices;
- purchasing all gold in Guyana and trade outside Guyana;
- other related commercial or industrial activities; and
- Selling gold through Techmet Inc with which GGB entered in an agency agreement on 8 July 2002 for the sale of its gold overseas. Under this arrangement the agent informs the Board of offer price. The Board then considers the price offer and advises the agent (Techmet Inc.) whether to sell.

National Insurance Scheme (NIS) was created in 1969 under the Ministry of Finance. It is responsible for settlement and to maintain a system of social security in Guyana. Its mission includes:

- creating and maintaining a system of social security;
- providing for retirement income for Guyanese citizens;
- ensuring that all revenues collected which must be used for future payments to beneficiaries have been invested in such a manner that brings benefits back to the Guyanese economy.

Environmental Protection Agency (EPA) created under the Environmental Protection Act in 1996. It is mandated to conserve, manage, protect and improve environment by taking actions to prevent and control pollution, assess the impact of economic development on the environment; and ensure the efficient and the sustainable use of Guyana's natural resources.

The Amerindian Village Councils: are established under the authority of the Amerindian Act (2006). A village council has legal recognition as a body corporate⁴² to hold legal title issued under the State Lands Act (1903). The Amerindian community has collective beneficial ownership of these lands.

6. LEGAL FRAMEWORK

In order to strengthen mining exploration and production, Guyana adopted several laws which allows foreign investors to start prospecting and production activities⁴³.

The Mining Act (1989)⁴⁴ is the principal Act regulating the mining sector in Guyana. It provides the legal basis under which mining exploration, development and production are to be conducted. It defines the rules for granting exploration licences or permits. This Act provides that all subsurface mineral rights in Guyana are owned by the State and authorises GGMC to manage these resources.

⁴⁰ <https://nre.gov.gy/guyana-gold-board/>

⁴¹ Guyana Gold Board Act Article 4.

⁴² Amerindian Act 2006, Section 10(2)

⁴³ A mining Information Toolkit for Guyana, Her Majesty the Queen in Right of Canada, 2012

⁴⁴ http://parliament.gov.gy/documents/acts/8532-act_20_of_1989_mining.pdf

The Guyana Geology and Mines Commission Act (1979), as amended in 1987⁴⁵ created GGMC and it sets out its functions and roles. GGMC provides effective stewardship of all mineral resources by ensuring that opportunities for mineral resources development (exploration and extraction) increase, by promoting and supporting investment in the mining sector.

The Guyana Gold Board Act (1981)⁴⁶ created the Guyana Gold Board (GGB). GGB grants authorisations to process, sell or export gold extracted from Guyana. The GGB Act was amended in 1987 and in 1994 to strengthen the requirements to sell gold to the GGB, thereby extending the definition of officer, increase penalties and to address other matters⁴⁷.

The Guyana Gold Board (Dealers) Regulation 4 (1997) under the GGB Act sets out the requirements to be applied for a licence dealer to process, sell or export gold.

The Amerindian Act (2006)⁴⁸ which sets the obligations of GGMC when it intends to issue a permit, concession, licence or other permission over or in Amerindian land.

7. FISCAL REGIME

- **Common tax regime**

The main tax payments applicable to the mining sector regulatory requirements are as follows⁴⁹:

Table 16: List of taxes paid by mining operators

Section	Main provisions / Detail	Law	Rate	Reference
Capital Gains Tax	Referred to as the tax paid by individuals who have disposed of assets and made a capital gain, if it exceeded the cost of acquisition of the asset.	Capital Gains Act 81 :20	20% upon the net chargeable capital gain	Section 13
Property Tax	Individuals and companies with properties in Guyana are liable to tax on the value of such properties	Property Tax Act 81 :21	It differs from individuals to companies For companies: -on the first 1,500,000 GYD of net property: Nil - .5% on the next 5,000,000 GYD: 0 - 0.75%on the residual balance For individuals: - on the first 7,500,000 GYD of net property: Nil - 0.5% on the next 5,000,000: - 0.75% on the remainder:	First Schedule
Corporation Tax	A tax levied against the profits of any body corporate or incorporate, excluding a partnership.	Corporation Tax Act 81 :03	40% of the chargeable profits of a company 30% of the chargeable profits of any other company Minimum tax: 2% of the turnover whichever is higher	Section 10
Individual Income Tax	A tax levied on the chargeable income of individuals, accruing in Guyana or elsewhere.	Income Tax Act 81 :01	20% up to \$350,000 and 33.333% thereafter.	Article 38

⁴⁵ [http://parliament.gov.gy/documents/acts/8163-act_no._3_of_1987_guyana_geology_and_mines_commission_\(amendment\)_act_1987.pdf](http://parliament.gov.gy/documents/acts/8163-act_no._3_of_1987_guyana_geology_and_mines_commission_(amendment)_act_1987.pdf)

⁴⁶ http://parliament.gov.gy/documents/acts/8273-act_no._12_of_1981_guyana_gold_board_act_1981.pdf

⁴⁷ <https://finance.gov.gy/wp-content/uploads/2017/05/Guyana-Gold-Board.pdf>

⁴⁸ http://parliament.gov.gy/documents/acts/4680-act_no_6_of_2006.pdf

⁴⁹ <https://www.guyanlaw.net/taxation/>

Section	Main provisions / Detail	Law	Rate	Reference
Pay As You Earn	Employees are taxed on a pay as you earn basis. It is the obligation of the employer to remit the taxes payable.	Income Tax Act 81 :01	When the gross income exceeds the threshold of the pay period as provided in the above table, the remainder of the chargeable income is taxed at the rate of 30%	GRA guide to the P.A.Y.E. system (revised)
Premium Tax	is a tax levied on premiums paid to a company in respect of insurance other than long-term insurance, outside Guyana.	Income Tax Act 81 :01	10% if the insurance company has not established in Guyana 6% where insurance premium payment is made to a foreign company which has established in Guyana.	Section 55
Value Added Tax	VAT is imposed on the supply of goods or services in Guyana and on imports.	Value Added Tax Act	Common VAT rate is 14%. Some items are zero rated and very few are exempt.	Schedule
Withholding Tax	There shall be levied and paid withholding tax on the gross proceeds realised from every sale of gold. GGB is therefore collecting this withholding tax and transfers it to GRA. WHT is chargeable on gross payments to non-residents and must be remitted to the tax authority within 30 days of making the payment.	Income Tax Act(1929) Corporation Tax Act 81 :03	A withholding tax of 2% of the gross proceeds realised from every sale of gold. For dividends, interests and royalties: 20% For the technical services fees: 10%	Section 31 (1) of the Income Tax Act(1929) Section 10B of Corporation Tax Act 81 :03
Tributors Tax	Those who work for Gold and Diamond Miners in the Interior are deemed Tributors and are liable to pay Income Tax	Income Tax Act 81 :01	Income Tax at the rate of 30%. however, tax is deducted at the rate of 10% by their employers quarterly on the gross payment.	Section 32 of the Income Tax Act
Social security Tax and National Insurance	The employer must withhold and pay social security contributions	National Insurance and Social Security Act (1969) (Cap. 36:01).	Rate of 14% of the actual Wage / Salary paid: This rate comprises 8.4% as employer contribution and 5.6% by the employee.	National Insurance Scheme
Stamp Duty	Stamp duty is levied on documents	Stamp Duties Management Act (1929)	Rates ranging from GYD 1 and GYD 300	Several articles in the Stamp Duties Management Act (1929)

Section	Main provisions / Detail	Law	Rate	Reference
Excise Tax	<p>It is paid on:</p> <ul style="list-style-type: none"> - taxable goods imported and not warehoused, - taxable goods imported and warehoused and removed from the warehouse, - taxable goods manufactured and sold in Guyana 	The Excise Tax Act No. 11 of 2005	<p>For imported goods, it is calculated on the chargeable value of goods, as determined under the Customs Act, inclusive of freight insurance, Customs duties, fees and other charges that are payable upon entry to Guyana.</p> <p>For goods manufactured in Guyana the chargeable value will be its selling price, less VAT.</p>	Section 3 of the Excise tax Act
Customs duty	It is paid on all goods imported into Guyana.	Customs Act	The rates of duty depending on the classification of the item.	Part 11.7 of the Customs Act
Penalties	Penalties are payable when an eligible tax payer does not observe the tax regulations or procedures applicable to them.	Income Tax Act 81 :01	<p>2% of the unpaid amount for each month or part thereof that the tax remains unpaid during the first three months after the due date.</p> <p>3% per month or part thereof during the next three months;</p> <p>4% per month or part thereof during the next six months;</p> <p>5% per month or part thereof thereafter.</p> <p>However, if the taxpayer has entered into an instalment arrangement with the GRA, the penalty amount shall be 1% per month.</p>	Article 99 of the income tax Act

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- **Non-tax payments**

Licence/permit holders are also required to make payments specific to mining activities as stipulated in the Mining Act (1989), by agreements signed between miners and the government, and by the terms provided by the licence granted. These payments are summarised below:

Table 17: List of payment streams specific to mining sector

Payment	Main provisions / Detail	Law	Rate	Reference
Royalty	<p>The holder of a mining licence shall, in accordance with his licence, pay to GGMC royalties in respect of non-gold minerals obtained from the mining area to which the licence relates.</p> <p>Royalties on gold are payable to GGB.</p> <p>Royalties on gold produced by AGM and Troy Resources Guyana Inc. are payable to the Ministry of Finance.</p> <p>Royalty rates for gold are applied ad valorem (of the levying of tax) on gross sales revenues.</p>	Mining Act (1989)	<p>The applicable rates are:</p> <ul style="list-style-type: none"> - 5% for gold miners and dealers; - 5% if gold price is below USD 1,000/oz and 8% if the price increases beyond USD 1,000/oz for large scale; - 1.5% for minerals other than gold. 	Section 68 of the Mining Act (1989)

Payment	Main provisions / Detail	Law	Rate	Reference
Annual licence rental charge	The Contractor pays an Annual licence rental charge in respect of the Contract Area for the entire Exploration Period. These payments will continue to be applied to the remaining areas (after any relinquishments) during the life of the licence.	Mining Act (1989)	The rent ranges: <ul style="list-style-type: none"> - from USD 0.5 to USD 3 per year per acre for a prospecting licence; - from USD 3 to USD 5 per year per acre for a mining licence; - from USD 0.25 to USD 0.45 per year per acre for a prospecting permit; - from GYD 500 to GYD 15,000 per year per acre for a prospecting licence; and - from USD 1 per year per acre for a mining permit. 	Terms of the licence (i.e.)
Licence Fees	This payment is made for the issuance, renewal and the transfer of licences.	Mining Act (1989)	The rates vary by type of licence and by transaction on the licence	Section 20 (e) of the Mining Act (1989)

- **Fiscal incentive Framework⁵⁰**

General Incentives:

In order to encourage domestic and foreign investors to invest in Guyana, the Government has put in place the following incentives:

- exemption from Customs Duties on most plant, machinery and equipment, as well as for raw materials and packaging materials used in the production of goods;
- for companies which export 50% or more of their products they are exempt from customs duty and zero rate of value-added-tax;
- unlimited carry over of losses from previous years;
- accelerated depreciation on plant and machinery for approved activities;
- full and unrestricted repatriation of capital, profits and dividends;
- benefits of double taxation treaties;
- exemption from Customs Duty, Excise duty and zero rate of Value-Added-Tax on items approved under an Investment Agreement between the Government and the business;
- zero rate of Value-Added-Tax on exports; and
- tax holidays for a period of up to ten (10) years, for projects that meet the requirements specified in the In-Aid Industry Act.

Mining specific incentive:

A number of fiscal incentives are offered to mining companies investing in the large-scale sector, which differs to some extent between companies, subject to their individual mineral agreements with the government such as:

- exemption from Customs Duties on a wide range of mining equipment for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other minerals substances; rock drilling or earth boring tools, furnaces and ovens for roasting, melting or heat treatment of ores, pyrites or of metals; and
- exemption from duties and taxes for items covered under a mineral Agreement.

8. TYPES OF MINING LICENCES AND PERMITS

The Mining Act (1989) allows for three (3) scales of operation:

- **Small scale:** a land claim which covers an area of 1,500 feet by 800 feet or a river claim covers one (1) mile of a navigable river. To qualify for this scale the applicant must be a Guyanese citizen;

⁵⁰ <http://goinvest.gov.gy/investment/incentives/>

- **Medium scale:** which covers an area between 150 and 1,200 acres. Licences for this scale can be only granted to Guyanese citizens but foreigners can engage through joint ventures with local partners;
- **Large scale:** Prospecting Licence covers an area between 500 and 12,800 acres. Licences for this scale can be granted to both Guyanese citizens and foreigners.

The mining licences and permits can be granted only under GGMC. An application should be submitted with the prescribed fee to this Government Agency.

Table 18: Types of mining licences and permits

License	Description	Scale	End of term	Renewal	Reference
Prospecting licence	Granted when the area covered is between 500 and 12,800 acres. the holder is given exclusive right to explore for any mineral in respect of which the licence is granted, and the right to carry on such operations and execute such works as are necessary for that purpose, in the prospecting area to which the licence relates.	Large Scale Mining	<ul style="list-style-type: none"> * for any preparatory period specified in the licence; * for the period stipulated in the licence, not exceeding three (3) years after the date of granting of the licence or, if there is a preparatory period, after the expiry of that period. * for any period not exceeding one (1) year on each occasion in the case of renewal licence. * for any period added when the licensee is prevented from exercising any of his rights under his licence to the extent that the failure results from an act of war, hostility, insurrection or an exceptional, inevitable and irresistible natural phenomenon. 	Not exceeding one (1) year on each occasion. But not more than twice.	Article 32 (1), 34 (1) and 35(1) of the Mining Act (1989)
Mining Licence	<p>Granted when the area covered between 500 and 12,800 acres. The holder is given exclusive right:</p> <ul style="list-style-type: none"> * to carry on prospecting and mining operations in the mining area in respect to the minerals specified in the mining licence; * in the case of gold, to dispose of any mineral recovered or to stack or dump any minerals or any waste products resulting from the mining operation, in a manner approved by GGMC. * to carry on such operations and execute such works as are necessary for or in connection with any matter referred to above 	Large Scale Mining	<p>continue in force:</p> <ul style="list-style-type: none"> * for twenty (20) years after the date of the grant of the licence. * for any period when the licence is renewed. 	Not exceed seven (7) years.	Article 48 (1), 50(3) and 51(1) of the Mining Act (1989)

License	Description	Scale	End of term	Renewal	Reference
Prospecting permit	Granted to small scale miners when the area covered is between 800 and 1,500 feet or a river claim which covers one mile of a navigable river. Granted to the Medium Mining when the cover area is between 150 and 1200 acres.	Small and Medium Mining	shall expire twelve (12) months from the date of issue of the permit	may be renewed on each occasion for a further period of twelve (12) months on application made in the prescribed form and on payment of prescribed fees.	Article 54 (5) and 59 of the Mining Act (1989)
Mining Permit	Granted when the area covered is between 150 and 1,200 acres. the holder is given the right to enter the area covered by the mining permit and has the exclusive right to mine therein, and subject in the case of gold to remove therefrom and dispose of, the minerals in respect of which the mining permit is granted.	Medium Scale Mining	shall be valid for a period of five (5) years from the date the permit has been granted.	may be renewed for further periods, not exceeding five (5) years on each occasion or over the life of the deposit of the mineral in respect of which it is granted.	Article 64 (1) and 53(1) of the Mining Act (1989)
Claim Licence	Granted when the area covered between 800 and 1,500 feet or a river claim which covers one mile of a navigable river. The licence holder is given the right to enter the area covered by the claim licence and has exclusive rights to mine therein in the case of gold to remove therefrom and dispose of, the minerals in respect of which the claim licence is granted.	Small Scale Mining	shall be valid from the date on which the claim licence is granted until 31s December of the year in which it is granted.	may be renewed on each occasion for a further period of twelve months commencing on the 1st January in each year.	Article 64 (1) and 53(1) of the Mining Act (1989)
Quarry Licence	The holder of this licence may enter upon the land specified in his licence and quarry and remove therefrom, and dispose of, any mineral to which his licence relates.	-	Shall be valid for such period, not exceeding fifteen (15) years, as may be specified in the licence, including the date of issue of the licence and for any further period, or for any period not exceeding five (5) years on each occasion, for which the quarry licence is renewed.	not exceeding five (5) years on each occasion,	Article 94 (1) and 93(1) of the Mining Act (1989)

Trading licence: all applicants shall pay a fee for GYD 15,000 for the renewal of trading licence.

9. AWARDING PROCEDURES FOR MINING LICENCES AND OTHER PERMITS

Additionally, a miner is not allowed to prospect for minerals or carry out on any mining operations without holding a licence or permit delivered by GGMC, which should follow the process described below⁵¹:

- **Licence/permit allocation process**

- a. **Large-scale licences**

Prospecting licence:

According to the mining Act GGMC may, with the approval of the Minister on natural resources grant or refuse to grant this licence.

GGMC must not grant a licence unless it is satisfied that the applicant has⁵²:

- provided proof of financial and technical capabilities to carry on effective prospecting operations;
- provided a programme for prospecting operations; and
- submitted a satisfactory proposal for the employment and training of Guyanese citizens, or, if the commission is not so satisfied, in the opinion of the commission there are special circumstances which justify the granting of the prospecting licence and the minister approves of the granting thereof to the applicant.

The applicant shall:

- complete the request application form 5D;
- pay an application fees for USD 100;
- provide a work programme and a budget for first year activities;
- submit of a map on Terra Survey 1:50,000 sheet; and
- provide a cartographic description of the area;

Once awarded, payment of rental charges³ is due during the first year. The rental charges are US\$0.50 acre for the first year; US\$0.60 for the second year and US\$1.00 for the third year. Additionally, the applicant shall pay a performance bond equivalent to 10% of the approved budget for the year. Since 1998, there has been a 50% discount on rental charges⁵³.

Mining licences:

The owner of a Prospecting Licence may, within a period of one year or more, be authorised by GGMC to request for a Mining Licence to be granted. If the request does not get a Prospecting Licence, he can apply for a Mining Licence in respect of any parcel provided that GGMC is satisfied with the information provided by the applicant or else that a mineral is located in that parcel⁵⁴.

In order to obtain this licence, the applicant needs to present a claim to GGMC. This claim must be accompanied by reports, analysis and data resulting from the investigations.

A mining licence in respect of any mineral shall not be granted to an applicant unless GGMC is satisfied that:

- the proposals of the applicant would ensure the most efficient and optimal use of the mineral resources concerned;

⁵¹ The Mining Act (7).1

⁵² Mining Act (1989).

⁵³ <http://ggmc.gov.gy/main/?q=divisions/land-management#ampl>

⁵⁴ Mining Act 1989

- the applicant has adequate financial resources and technical and industrial competence and experience to carry on effective mining operations;
- the applicant is able and willing to comply with the conditions on which the licence is proposed to be granted;
- the applicant's proposals for the employment and training of citizens of Guyana are satisfactory;
- the applicant's proposals with respect to the procurement of goods and services obtainable within Guyana are satisfactory; and
- the exercise of any option given to the State.

In addition, the applicant shall address the environmental requirements that allow a mining licence application, considering an environmental Permit from the Environmental Protection Agency (EPA), which can only be obtained if an Environment and social Impact Assessment Plan has been undertaken. Once the Environmental Permit is submitted, the endorsement from the Minister responsible for mines should be sought.

b. For the Small and Medium Scale:

For the prospecting permit the applicant shall⁵⁵:

- complete the application request form 5A;
- provide a map and cartographic description of the area;
- pay the deposit equivalent to half of the first year's rental (calculated at USD 0.13/acre);
- pay the applicant fee (GYD 2,000) per application;
- provide the evidence proof of address; and
- provide the registration or incorporation documents, if the applicant is a company.

However, the applicant still has the choice² to apply for lands according to the grid numbers and GGCM gives the cartographic description of the map for a fee.

When the owner of the prospecting permit discovers a mineral he should, within sixty (60) days, apply for a mining permit.

When the owner of the prospecting permit discovers a mineral(s), an application for the respective mining permit should be submitted within sixty days (60) days, or a longer period if agreed to by the Commissioner.

For the Mining permit (Medium Scale) the applicant shall⁵⁶:

- hold a valid PPMS;
- complete the request application form 5F;
- provide a map and cartographic description of the area;
- pay the deposit equivalent to the first year's rental (calculated at USD 1.00 per acre);
- pay the application fee (GYD 2,000) per application;
- provide proof of address; and
- provide the registration or incorporation documents, if applicant is a company;

⁵⁵ <http://ggmc.gov.gy/main/?q=faqs>

⁵⁶ <http://ggmc.gov.gy/main/?q=faqs>

The applicant will also be required to provide an environmental bond of GYD 100,000 and sign an Environmental Management Agreement prior to issuance of the mining permit⁵⁷.

c. Awarding procedures of licences for gold dealership

The Guyanese regulations provides an authorisation to process, sell or export gold. This authorisation is made under regulation n°4 of 1997 of the Mining Act which stipulates the procedures for the granting of this right. This authorisation is granted by GGB following a procedure which can be summarised below.

The procedure differs depending on whether application is made in the capacity of individual, partnership, company or other body corporate.

- (i) **If applicant is an individual**, the documents/information required are the full name and address of the applicant, National ID Card, date of birth, occupation, copy of business registration card and copy of TIN Certificate.
- (i) **If the applicant is a partnership**, the documents/information required are the applicant’s address, copy of business registration card, names and addresses of the partners, dates of birth of each partner and a certified copy of the partnership agreement.
- (ii) **If applicant is a company or body corporate**, the following documents/information are required:
 - registered address or principal office;
 - nature of business;
 - names, addresses and positions of its Directors;
 - date of birth of all directors;
 - registration certificate and articles of incorporation, in the case of a company;
 - a certified copy of the resolution of the company or body corporate authorising the application;
 - proof of financial capability/relationship with bank;
 - tax compliance certificate (T.I.N certificate);
 - NIS compliance certificate;
 - business plan;
 - if exporting, indicate to whom gold will be being exported;
 - confirmation upon receipt of metal by receiving party;
 - amount of gold purchased within the past twelve (12) months;
 - amount of gold exported within the past twelve (12) months; and
 - declaration indicating willingness to lodge a performance bond.

The application must be accompanied by the following transaction fees as communicated by Guyana Gold Board:

Table 19: List of licence fees (GGB)

Fees	Amount in GYD
Processing	1,300-1,400 (per oz)

⁵⁷ http://www.goldsourcemineral.com/_resources/guyana/Mining_Information_Kit_for_Guyana_2012.pdf

Smelt	70.00 (per oz)
Assay Test	2,000-5,000
Dealership Licence Processing	50,000
Dealership Licence	2,000,000

Source: Guyana Gold Board

Once issued, the gold dealership licence is valid for one calendar year, expiring on 31 December.

- **Mining in Amerindian land**

Section 48 of the Amerindian Act (2006)⁵⁸ provides the following:

- (1) A miner who wishes to carry out mining activities on Village lands or in any river, creek, stream or other source of water within the boundaries of Village lands shall:-
 - (a) obtain any necessary permissions and comply with the requirements of the applicable written laws;
 - (b) make available to the Village any information which the Village Council or Village reasonably requests;
 - (c) give the Village Council a written summary of the proposed mining activities including information on: the identity of each person who is involved; a non-technical summary of the mining activities; the site where the mining activities will be carried out; the length of time the mining activities are expected to take; the likely impact of the activities on the Village and the Village lands; any other matters which the Village Council on behalf of the Village requests and which are reasonably relevant;
 - (d) attend any consultations which the Village Council or Village requests;
 - (e) negotiate with the Village Council on behalf of the Village in good faith all relevant issues;
 - (f) subject to Section 51 of the Amerindian Act (2006) reach agreement with the Village Council on the amount of tribute to be paid; and
 - (g) obtain the consent of at least two-thirds of those present and entitled to vote at a Village general meeting.
- (2) The Guyana Geology and Mines Commission may facilitate the consultations to be held under subsection (1) but may not take part in any negotiations.
- (3) A person who contravenes subsection (1) is guilty of an offence and is liable to the penalties prescribed in paragraph (d) of the First Schedule.

- **Procedures for awarding mineral agreements**

Section 19 of the Mining Act (1989) states: “The Commission may, with the approval of the Minister, enter into a mineral agreement (not inconsistent with this Act) with any person with respect to all or any of the following matters, namely:

- (a) the grant to that person or to any other person (including any body corporate to be formed), identified in the agreement, of a licence;

⁵⁸ The Amerindian Act of 2006

- (b) the conditions to be included in the licence as granted or renewed;
- (c) the procedure to be followed by the Commission while exercising any discretion conferred upon it by or under this Act and the manner in which the discretion shall be exercised;
- (d) any matter incidental to or connected with the foregoing.”

There are no requirements to follow tendering procedures for granting mineral agreements.

- **Transferability of licences and permits:**

The Mining Act (1989) allows the transfer of the mining permits to an eligible person or company upon application and payment of the prescribed fees. On the other hand, prospecting licences cannot be transferred⁵⁹. While quarrying licences are transferable in accordance with the Mining Act, the licence may only be transferred with the approval of GGMC⁶⁰.

10. MINING LICENCES AND PERMITS, AWARDED AND TRANSFERRED DURING FY 2017

EITI requirement 2.2 states that implementing countries are required to disclose the following information related to the award or transfer of licences pertaining to the companies covered in the EITI Report during the accounting period covered by the EITI Report:

- i. a description of the process for transferring or awarding the licence;
- ii. the technical and financial criteria used;
- iii. information about the recipient(s) of the licence that has been transferred or awarded, including consortium members where applicable; and
- iv. any non-trivial deviations from the applicable legal and regulatory framework governing licence transfers and awards.

GGMC provided the list of licences active during the FY 2017 including those that have been awarded during the FY 2017.

During the FY 2017, there were 1,605 titles awarded and 26 of them transferred as detailed below:

Table 20: Mining licences and permits awarded and transferred during FY 2017

Licences and permits awarded during FY 2017	Number
Prospecting Permits Medium Scale (PPMS)	285
Mining Permits (MP) Medium Scale	172
Prospecting Licences (PL)	4
Quarry Licences (QL)	2
Claim Licences (CL)	1,142
Sub-Total	1,605
Mining Permits Transferred during FY 2017	26
Total	1,631

Source: Guyana Geology and Mines Commission

The list of licences granted and transferred during FY 2017 is detailed in Annex 6 of this report.

⁵⁹ Article 58 of the Mining Act. (1989)

⁶⁰ Article 93(3) of the Mining Act (1989)

Section 7.6 of this report presents non-trivial deviation from the applicable legal and regulatory framework governing licence transfers and awards.

11. REGISTER OF MINING LICENCES AND PERMITS

The EITI Standard requires implementing countries to maintain publicly available register or cadastre system(s) of extractive sector licences and permits (EITI Requirement 2.3) with the following information regarding each of the rights pertaining to companies covered in the EITI report:

- name of the licence holder(s);
- coordinates of the licence area;
- date of application, date of award and duration of the licence; and
- in the case of production rights, the commodity being produced.

The Guyana Mining Legislation does not prohibit the disclosure of licence information required by the EITI Standard.

Access to information Act (2011) Guyana made provision under the Access to Information Act for requests to be made to the Commissioner of Information to have access to an official document; a document held by a public authority in connection with its functions as such and created after the commencement of the Act, held by a public authority if it is in its possession, custody or power. The Commissioner must acknowledge receipt of the request within 30 days and respond to same within 60 days from the date of receipt. Part V of the Access to Information Act identifies documents which are exempt from being made available to members of the public by the Commissioner of Information. These documents include, but are not limited to, cabinet documents, privileged legal documents, law enforcement documents, personal privacy documents and documents relating to trade secrets.

GGMC does not have a cadastre that includes all the information required by the EITI Standard.

GGMC provided the list of active licences for the FY 2017 as presented in **Annex 9** of the report. Section 7.4 of this report presents further details on the list of active mining licences and permits.

12. POLICY ON DISCLOSURE OF MINERAL AGREEMENTS

In accordance with Requirement 2.4 of the EITI Standard, implementing countries are encouraged to publicly disclose any contracts and licences that provide the terms attached to the exploitation of minerals.

The Mining Act (1989) does not include any express restrictions on the public disclosure of mineral agreements and licences by the government. Currently there are no mineral agreements publicly disclosed.

13. STATE PARTICIPATION IN THE MINING SECTOR

Requirement 2.6 of the EITI standard requires the government and state-owned enterprises to disclose their level shareholding in oil, gas and mining companies operating within the country, and any changes in the level of ownership during the accounting period covered by the GYEITI Report.

During the reconciliation process, only Bosai Minerals Group Guyana Inc. reported State participation and none of the Government Agencies reported any other State participation.

However, further research on several company websites allowed us to identify the existence of State shareholdings in the large scale bauxite operator Bauxite Company of Guyana Inc (BCGI) as follows:

Table 21: State participation in the mining sector

Extractive entity

% shareholding

Bosai Minerals Group Guyana Inc.

30% (*)

Bauxite Company of Guyana Inc (BCGI).

10%

(*) Source: Bosai Minerals Group Guyana Inc.

14. LOCAL CONTENT IN MINING SECTOR

The Mining Act (1989) specifies obligations with regards to employment and training of Guyanese nationals as well as procurement of goods and services that can be produced locally as follows:

Table 22: List of articles for local content in the mining sector

CATEGORY	ARTICLES
Employment and training	Article 46(1-d) states that an application for a mining licence shall give or be accompanied by a statement giving particulars of the applicant's proposals with respect to the employment and training of citizens of Guyana.
Good and Services	Article 46(1-e) states that an application a mining licence shall be accompanied by a report on the goods and services required for the mining operations which can be obtained within Guyana and the applicant's proposals with respect to the procurement of those goods and services Article 6.2 of the Agreement signed between the Government and AGM, states that the Company shall give preference to Guyanese construction enterprises and to the use of buildings which can be constructed by using materials and skills available in Guyana, to the employment of Guyanese subcontractors for road construction and transportation and to the purchase of household products and furniture in Guyana.

According to Section 51 (a) of the Amerindian Act (2006)⁶¹, the Amerindian community must receive a minimum of 7% of the value of any minerals obtained from Village lands from small or medium scale mining.

On 14 May 2018, the government published⁶² a second draft of a Local Content and Value Addition Policy Framework⁶³. The policy will provide a full definition of the local content and delineates the framework by which local content will be understood developed, measured and secured.⁶⁴

⁶¹ http://parliament.gov.gy/documents/acts/4680-act_no_6_of_2006.pdf

⁶² <https://nre.gov.gy/2018/05/14/notice-second-local-content-draft-policy-framework/>

⁶³ <https://nre.gov.gy/wp-content/uploads/2018/05/Second-Draft-Local-Content-Policy-Framework.pdf>

⁶⁴ <https://dpi.gov.gy/guyanas-local-content-policy-fit-for-its-purpose/>

15. INFRASTRUCTURE PROVISIONS AND BARTER ARRANGEMENTS

EITI Requirement 4.3 states that it should be considered whether there are any agreements, or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works), in full or partial exchange for oil, gas or mining exploration or production concessions or physical delivery of such commodities

During the reconciliation phase, none of the reporting entities declared any agreements or sets of agreements involving the provision of goods and services (including loans, grants and infrastructure works, in full or partial exchange for mining exploration or production concessions or physical delivery of such commodities.

16. MINING SECTOR CONTRIBUTION TO THE ECONOMY

- **Gross Domestic Product (GDP):**

In accordance with figures made available by the Bureau of Statistics (BoS), the mining and quarrying sector accounted for GYD 132,421 million in 2017 which represent 20.90% of the national GDP on current basis price. The contribution of the mining and quarrying sector to GDP decreased compared to previous year contribution (23.47%) and is presented below:

Table 23: Contribution of the mining sector to GDP

GYD Million	2014	2015	2016	2017
Mining & Quarrying Sector	84,032	89,132	148,901	132,421
GDP at Current Basis Price	554,148	576,234	634,357	633,579
% mining revenues	15.16%	15.47%	23.47%	20.90%

Source: Bureau of Statistics of Guyana

- **Employment:**

The Bureau of Statistics of Guyana confirmed that Guyana Labour Force Survey (GLFS) commenced in July 2017. The data and reports available for 4th quarters 2017 show that the mining sector contributed 4.2% of total employment as detailed below:

Table 24: Contribution of the mining sector to total employment

Employment	Fourth quarter 2017
Mining & Quarrying Sector	11,026
Total employment in Guyana	262,428
% Employment	4.2%

Source: Bureau of Statistics of Guyana

- **Exports:**

Export data of the main commodities in the mining sector are summarised as follows:

Table 25: Contribution of the mining sector to total exports

Mineral	Unit	2016		2017		Difference			
		Quantity	Value in GYD Million	Quantity	Value in GYD Million	Quantity	Value (in million GYD)	% quantity	% Value
Gold	Oz	677,787	171,109	664,848	168,395	(12,939)	(2,714)	-2%	(2%)
Diamond	Metric Cts	127,069	3,777	79,913	2,885	(47,156)	(892)	-37%	(24%)
Bauxite	T	1,493,678	18,976	1,443,475	21,703	(50,203)	2,727	-3%	14%
Sand	T	121,479	173	155,257	269	33,778	96	28%	55%
Total export out of the mining sector			194,036	193,252		(784)			(0.4%)
Total exports of Guyana			296,205	297,047					
Contribution to total exports			65.5%	65.1%					

Source: Bureau of statistics of Guyana.

(*) Average exchange rates are GYD 206.50⁶⁵ and GYD 206.50⁶⁶ to US\$1.00 in the years 2016 and 2017 respectively

Gold export receipts in 2017 amounted to GYD 168,395 million, i.e. 2% lower than the 2016 amount of GYD 171,019 million. This decrease was due to lower export volume which fell by 2% or 12,939 ounces. However, the average export price per ounce of gold was increased by 0.3%.

Gold exported volume was 664,848 Ounce in FY 2017 while the production of the year was 653,753 Ounce only as detailed in Section 3.1.3 of this report. This can be explained by the excess in production in FY 2016 that has been exported during the following year FY 2017. Gold production reached 712,706 Ounce in FY 2016 as detailed in² Section 3.1.3 of this report, while only 677,787 Ounce has been exported during the same year.

Bauxite export earnings in 2017 amounted to GYD 21,703 million, 14% more than the 2016 amount of GYD 18,976 million due to favourable export prices.

- **Domestic revenues:**

The contribution of revenue from mining sector to the government revenues during the fiscal year 2017 is as follow:

Table 26: Contribution of the mining sector to domestic revenues

GYD Million	FY 2017
Total mining & Quarrying revenues (**)	17,940
Domestic Revenue (*)	223,472
% Mining revenues	8.03%

(*) Report of the auditor general 2017

(**) Section 6.1.1 of this report

3.2. Legal framework and context of the Oil & Gas sector

1. GENERAL CONTEXT OF THE OIL AND GAS SECTOR

⁶⁵ <http://www.statisticsguyana.gov.gy/pubs/Trade2016.pdf>

⁶⁶ <http://www.statisticsguyana.gov.gy/pubs/Trade2017.pdf>

Guyana is currently in the latter developmental stages of oil production and is expected to commence oil production in 2020⁶⁷.

The beginning of petroleum exploration in Guyana dates back to the 18th century when several oil and gas seeps and hydrocarbon indications were recorded. Offshore oil capabilities were also recorded by Dutch explorers who reported gobs of pitch floating in the Atlantic. The first substantial effort to locate petroleum started in 1916⁶⁸ when exploration deposits were drilled in the Waini area of the country's North West District. However, one of these deposits recorded gas and pitch. In 1926, a deposit was drilled on the West coast of Berbice at the Bath Sugar Estate and the gas recovered there was used for domestic purposes⁶⁹.

In 1938, multiple reports of oil seepages in Guyana (then British Guyana) piqued the interest of the Trinidad Leaseholds Co. Ltd., and the first oil prospecting licence was applied for and subsequently granted. In 1939, seismic exploration over the eastern part of the Atlantic Coast spurred the company to drill a deep test well, known as Rosehall No.1 or (BG-1), at a site near New Amsterdam.

In 1958, "California Oil Company" conducted seismic survey, the period in which the quest for petroleum offshore in Guyana had started. Other companies followed, and several licences were awarded⁷⁰.

In 1966 "Shell" drilled six (6) wells on the Atlantic coast at Drill Mahaicony, on the Berbice River, Corentyne River and in the Skeldon area.

In 2008, four (4) companies launched exploration work in Guyana, namely: Exxon Mobil, Repsol, Century Guyana Ltd and CGX⁷¹.

Guyana is divided into two petroleum basins⁷²:. The first is called the Guyana Basin which comprises both onshore and offshore blocks. The second one is the Takutu Basin, which can be presented as follows⁷³:

- **Onshore Basin⁷⁴:** Since 1916, 13 wells have been drilled in this part of the Basin. The Eastern part of the basin has the thicker sediments reaching at a depth of nearly 2,500m. The gas found on the coast is almost all biogenic, with a very small area generating thermogenic gas. NABI Oil and Gas, Inc. and ON ENERGY Inc. have concessions within this part of the Basin;
- **Offshore Basin⁷⁵:** REPSOL, ANADARKO, ESSO/HESS/NEXEN, Mid-Atlantic Oil and Gas, Inc., RATIO Energy/Guyana Ltd and CGX Resources Inc. have petroleum concessions in this part of the basin; and
- **Takutu Basin⁷⁶:** situated in the south west of Guyana where a well was drilled in 1982 by "Home Oil Company". A small amount of light crude oil has been accumulated in the South Western part of Guyana. Tests conducted on samples from Karanambo-1 found that the oil is of good quality (420API), that is, it contains less than 0.5% hydrogen sulphide. However, its geological characteristics are mainly naturally fractured reservoirs, making it more

⁶⁷ <http://goinvest.gov.gy/sectors/energy/>

⁶⁸ <https://oilnow.gy/featured/guyana-history-with-oil-dates-back-centuries/>

⁶⁹ <https://oilnow.gy/featured/guyana-history-with-oil-dates-back-centuries/>

⁷⁰ <https://oilnow.gy/featured/guyana-history-with-oil-dates-back-centuries/>

⁷¹ https://en.wikipedia.org/wiki/Petroleum_exploration_in_Guyana

⁷² <http://ggmc.gov.gy/main/?q=divisions/petroleum>

⁷³ Source: Guyana Geology and Mines Commission

⁷⁴ <https://www.ggmc.gov.gy/services/all/petroleum>

⁷⁵ <https://www.ggmc.gov.gy/services/all/petroleum>

⁷⁶ <https://www.ggmc.gov.gy/services/all/petroleum>

difficult to find commercial petroleum than regular reservoirs. The other wells drilled in the Takutu are Lethem-1 (1980), Turantsink-1 (1992) and Apoteri K2 well (2011).;

According to the estimates of the United States Geological Survey in 2000, 13.6 billion barrels of oil and 32 trillion cubic feet of natural gas could lie in the Guyana-Suriname Basin, which is the last unexplored areas in the world with significant petroleum potential⁷⁷;

2. MAIN OIL AND GAS PROJECTS

The list of all active licences for blocks is summarised as follows:

Table 27: List of oil and gas prospecting projects

Name of Petroleum Company(ies)	Equity Interests	Block Name	Licence Number	Dates Pet. Licence signed	Dates Pet. Licence Expire
OFFSHORE					
Anadarko Guyana Company (*)	Anadarko (100%) -Operator	Roraima	1143/2012	June 25, 2012	June 24, 2022
CGX Resources Inc.	CGX Resources Inc. (100%) - Operator	Demerara	1539/2012	February 12, 2013	February 11, 2023
CGX Resources Inc.	CGX Resources Inc. (100%) - Operator	Corentyne	215/2013	November 27, 2012	November 26, 2022
Repsol Exploración S.A./TULLOW Guyana B.V.	REPSOL (37.5%) -Operator; Tullow (37.5%); TOTAL (25%)	Kanuku	929/2013	May 14, 2013	May 13, 2023
EEPGL/Mid-Atlantic Oil and Gas, Inc. /JHI Associates (BVI) Inc.	EEPGL (35%); Mid-Atlantic (25%); JHI (17.5%); TOTAL (22.5%)	Canje	474/2015	March 4, 2015	March 3, 2025
EEPGL/RATIO Energy Ltd/RATIO Guyana Ltd	EEPGL (50%) -Operator; Cataleya (25%); Ratio Guyana (25%)	Kaieteur	847/2015	April 28, 2015	April 27, 2025
TULLOW GUYANABV/ ECO Atlantic (Guyana), Inc. / TOTAL	Tullow (60%) -Operator; Eco (15%), TOTAL (25%)	Orinduik	2180/2016	January 14, 2016	January 13, 2026
ESSO Exploration and Production Guyana Ltd. (EEPGL)/CNOOC NEXEN/HESS	EEPGL (45%) -Operator; Hess (30%); CNOOC (25%)	Stabroek	232/2013	October 7, 2016	October 6, 2026
ONSHORE					
ON Energy Inc.	ON Energy Inc. (38%), CGX Resources Inc. (62%)	Berbice	214/2013	February 14, 2013	February 13, 2023
NABI Oil and Gas Inc. (**)	NABI Oil and Gas, Inc. (100%)	Block X	776/2012	June 4, 2012	June 3, 2022

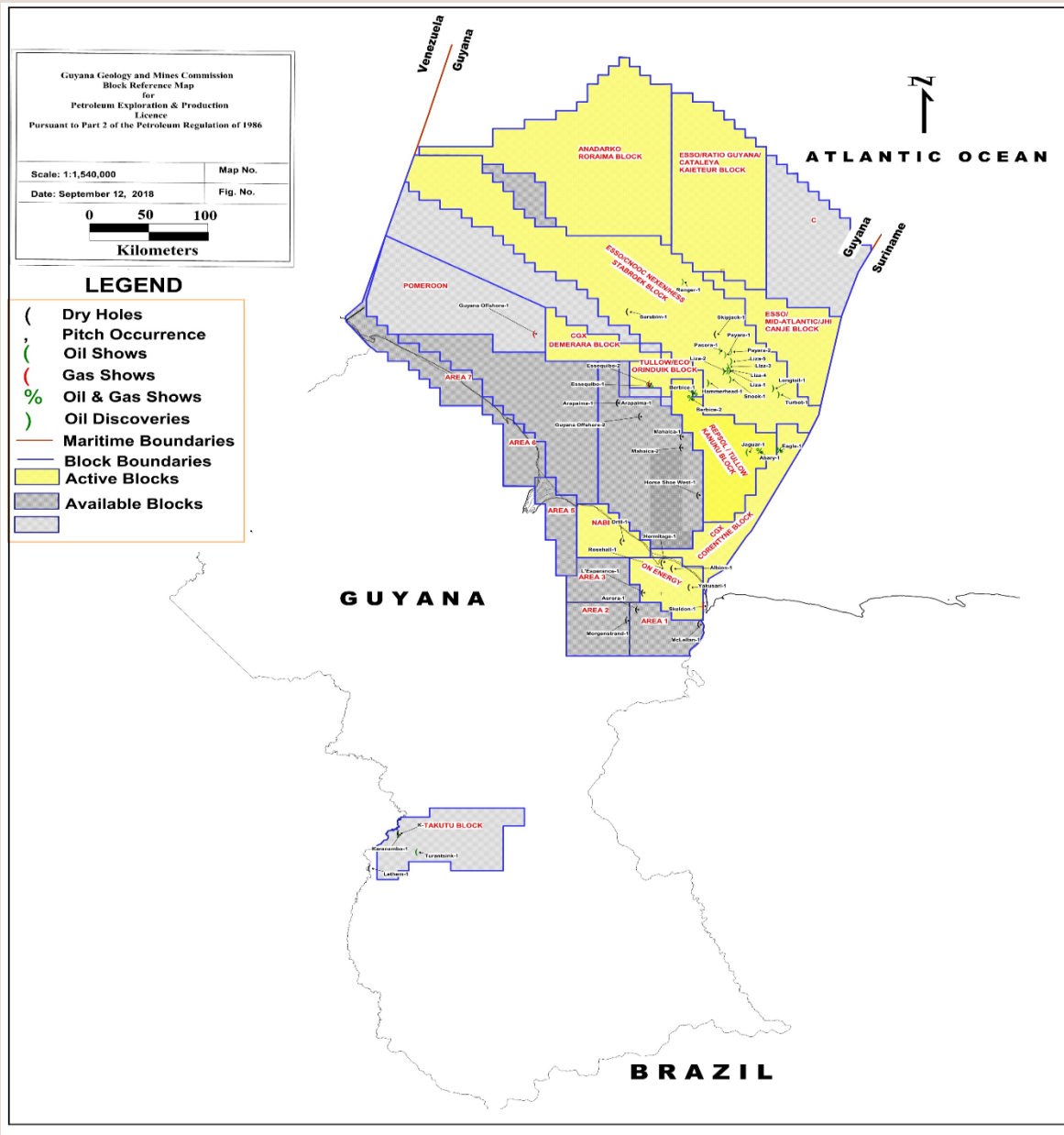
Source: Guyana Geology and Mines Commission

(*) Non-Active (pending final decision at International Court of Justice decision -Guyana/Venezuelan Maritime Boundary matters)

⁷⁷ <https://www.export.gov/article?id=Guyana-Oil-and-Gas>

(**) Non-Active (Final Decision to be made by Department of Energy)

Figure 3: Block Reference Map



Source: GGMC Petroleum Division (the map size has been modified)

The main exploration activities in the Oil and Gas sector in Guyana are being carried out by the following operators:

- Repsol holds offshore block, has recently concluded seismic surveys and will commence drilling in 2019;
- Tullow has concluded seismic studies recently; and
- Exxon Mobil holds the largest block Stabroek block which is located in the offshore Basin of Guyana. In May 2015 “Exxon Mobil” announced the discovery of significant oil in this bloc in the Liza-1 well, followed by Paraya, Liza deep, Snoek, Turbot, Ranger and Pacora by early 2018⁷⁸. “Exxon Mobil” and “Hess” reported that new discoveries contain estimated resources exceeding 4 billion barrels of oil equivalent, potentially producing 750,000

⁷⁸ <https://corporate.exxonmobil.com/en/company/worldwide-operations/locations/guyana#About>

barrels per day by 2025⁷⁹. These deposits occur in the Guyana Basin which covers the entire coastal region and extend 150 km out into the Atlantic Ocean. Based on all discoveries listed in the table below, the gross recoverable resources for the Stabroek block are now estimated to more than 5 billion recoverable oil-equivalent barrels. The exploration wells drilled in the Stabroek Block⁸⁰ are summarised as follows:

Table 28: List of exploration wells drilled in the Stabroek Block

Deposit	Date
Liza 1	May 2015
Liza 2	July 2016
Liza 3	October 2016
Liza 4	March 2017
Skipjack-1	September 2016
Payara-1	January 2017
Payara-2	July 2017
Snoek-1	March 2017
Turbot-1	October 2017
Ranger-1	January 2018
Pacora-1	February 2018
Sorubim-1	April 2018
Longtail-1	June 2018
Hammerhead-1	August 2018

Source: Exxon Mobil⁸¹

3. LEGAL FRAMEWORK

The Guyanese upstream oil and gas sector is regulated by the following main laws and regulations:

- **Petroleum (Production) Act (1939)**. In accordance with Section 2 of this Act the property of existing petroleum in lands and territories of Guyana are vested to the State, and the State shall have the exclusive right of searching for and getting such resource. Except this section which vests ownership of petroleum in the State, this Act together with its Regulations No 5 of 1967 were abolished and replaced by the Petroleum (Exploration and Production) Act and its regulations No. 5;
- **Petroleum (Exploration and Production) Act (1986)**⁸² applies to the exploration, exploitation, conservation and management of petroleum existing in its natural condition in land in Guyana, including the territorial sea, continental shelf and exclusive economic zone of Guyana.
- **Petroleum (Exploration and Production) Regulations (1986)** apply to the applications and renewals of petroleum rights and sets out the applicable fees and annual charges.

⁷⁹ https://www.rigzone.com/news/hammerhead1_strikes_offshore_guyana-30-aug-2018-156793-article/

⁸⁰ <https://corporate.exxonmobil.com/en/company/worldwide-operations/locations/guyana/about-us/project-overview>

⁸¹ <https://corporate.exxonmobil.com/en/Locations/Guyana/Guyana-project-overview#drillingActivityInTheStabroekBlock>

⁸² [http://parliament.gov.gy/documents/acts/8170-act_no._3_of_1986_petrolium_\(exploration_and_production\)_act_1986.pdf](http://parliament.gov.gy/documents/acts/8170-act_no._3_of_1986_petrolium_(exploration_and_production)_act_1986.pdf)

- **Petroleum Act (1930) Cap 92:01** applies to the regulation of imports, storage and sale of petroleum.

4. FISCAL REGIME

Common tax regime

The fiscal regime of petroleum companies is set out in the Income Tax Act (Cap. 82:01) revised in 2017, the Corporation Tax Act (Cap 81:01) revised in 2017, the Property Tax Act, the Income Tax and (In Aid of Industry) Act as there are no specific laws for the fiscal regime on oil and gas sector. Currently Guyana does not produce oil, but production is expected to start in 2020. The main common taxes applicable to the petroleum sector are listed in Section 3.1.7 of the report.

Section 21 of the Fiscal Enactments Act (2003)⁸³ provides that the Minister may grant exemptions from Corporation Tax if the activity demonstrably creates new employment in Petroleum exploration, extraction, or in the refining sector.

Table 29: List of payment streams specific to oil and gas sector

Taxes	Description	Law	Rate	Reference
	Amounts to be paid by a petroleum production licence holder in respect of petroleum obtained by him in the production area to which the licence relates. (As mentioned above, to date, Guyana has no commercial petroleum discovery).	P e t r o l e u m (Exploration and Production) Cap. 65:10		Part V Financial Section 45 Article 15 Taxation and Royalty of the agreements Article 11

⁸³ http://parliament.gov.gy/documents/acts/4624-act_no_15_of_2003.pdf

Taxes	Description	Law	Rate	Reference
	This may be either fixed or variable. On the variable royalty, tranches, for example, varying scales for (1) oil price vs. base royalty and (2) production rates per day vs. production multiplier can be used. Tables 1 and 2 below are indicative and all the rates are subject to change based on negotiations with the Guyana Geology and Mines Commission and the Ministry of Natural Resources:			
	Table 1:			
				Oil Price Base Royalties
				Less than \$ 40 /BBL 0.8%
				\$ 40 to 50/BBL 1.2%
Royalties				\$50 to 60/BBL 1.7%
				\$60 to 70/BBL 2.0%
				\$70 to 80/BBL 2.7%
				\$80 to 90/BBL 4.0%
				\$90 to 100/BBL 5.0%
				\$100 to 110/BBL 6.0%
				Greater than \$110/BBL 7.0%
	Table 2:			
			Production rate	Production multiplier
			Less than 20,000 BBLs/Day	1.00
			20,000 to 40,000 BBLs/Day	1.20
			40,000 to 60,000 BBLs/Day	1.30
			60,000 to 80,000 BBLs/Day	1.40
			Greater than 80,000 BBLs/Day	1.50

Taxes	Description	Law	Rate	Reference
Annual licence rental charge	The Contractor pays an Annual licence rental charge in respect of the Contract Area for the entire Exploration Period. These payments will continue to be applied to the remaining areas (after any relinquishments) during the life of the licence.	Production Sharing Agreement	<p>-Nabi Oil and Gas shall pay \$10,000 in each year in respect of the contract area;</p> <p>-Mid Atlantic oil and Gas Inc shall pay from the initial, 1st and 2nd periods \$90,000;</p> <p>-Kanuku PPL shall pay from the initial, 1st and 2nd periods \$100,000;</p> <p>- Hess Guyana Exploration shall pay \$1,000,000 in respect of the contract area;</p> <p>Ratio Energy Limited shall pay \$200,000 from the initial, 1st and 2nd periods;</p> <p>-Tullow Guyana shall pay from the initial, 1st and 2nd periods \$40,000/ year</p>	<p>Article 10 of the agreements between the Government and:</p> <p>-Nabi Oil and Gas Inc (signed in June 2014)</p> <p>-Mid Atlantic Oil and Gas (signed in March 2015);</p> <p>- Kanuku PPL (signed May 2014);</p> <p>-Hess Guyana Exploration (signed June 2016);</p> <p>-Ratio Energy Limited (signed in April 2015);</p> <p>-Tullow Guyana (signed in January 2016)</p>
Signature Bonus	The Signature Bonus is a new addition to the Production Sharing Agreement. This is a one-time fee for securing the contract. The Bonus may or may not be tied to prospective contract areas.	Petroleum Agreement	Amount to be negotiated before signature of the contract	Petroleum Agreement

Taxes	Description	Law	Rate	Reference
Training fees	This is an annual financial obligation which is negotiated. It encourages and/or mandates, by contribution to a training fund, the use of local resources and the employment and training of Guyanese citizens on the job as a supplement to the discharge of academic training obligations.	Petroleum Agreement	<p>-Nabi Oil and Gas shall pay \$5,000 for the purpose in article 19.3 including training;</p> <p>-Mid Atlantic oil and Gas Inc shall pay from the initial, 1st and 2nd periods \$55,000;</p> <p>-Kanuku PPL shall pay from the initial, 1st and 2nd periods \$30,000;</p> <p>-Hess Guyana Exploration shall pay \$300,000;</p> <p>Ratio Energy Limited shall pay \$60,000 from the initial, 1st and 2nd periods;</p> <p>-Tullow Guyana shall pay from the initial, 1st and 2nd periods \$25,000</p>	<p>Article 19 of Agreements between the Government and:</p> <p>-Nabi Oil and Gas Inc (signed in June 2014)</p> <p>-Mid Atlantic Oil and Gas (signed in March 2015);</p> <p>- Kanuku PPL (signed May 2014);</p> <p>-Hess Guyana Exploration (signed June 2016);</p> <p>-Ratio Energy Limited (signed in April 2015);</p> <p>-Tullow Guyana (signed in January 2016).</p>
	Fees to be paid when applying for grant, renewals or transfers of petroleum licences. The corporate rate fees are set out in the table below.	Petroleum (Exploration and Production) Cap. 65:10		Part IV Chapter 1 Licences
	To apply for A petroleum prospecting licence or petroleum production licence the applicant shall pay these fees:			
			Matters Fees in USD	
Licences Fees			<p>Application for grant of petroleum prospecting licence 2,000</p> <p>Application for grant of petroleum production licence 5,500</p> <p>Application for renewal of petroleum prospecting licence 3,000</p> <p>Application for renewal of petroleum production licence 10,000</p> <p>Application for transfer of petroleum prospecting licence 2,000</p> <p>Application for transfer of petroleum production licence 3,000</p>	
Corporate Social Responsibility	It is a financial contribution to a specific fund or different beneficiaries through either a single funding contribution upon signature of contract or an early financial contribution for the entire contractual period dedicated to implement a policy in the context of a "green economy"	Petroleum Agreement	The amount varies in accordance with the agreement and the Contractor's plan approved by the Government	Petroleum Agreement

Taxes	Description	Law	Rate	Reference
Profit oil	The contractor shall share the profit oil with the Government of Guyana	Petroleum Agreement	Fifty percent (50%) or more on a “per field basis”. The contractor can benefit a maximum of 75% of recoverable costs.	Guidelines to Acquiring Petroleum Prospecting and Production Licences.

Fiscal incentives Framework

The Government of Guyana implemented general fiscal incentives to encourage local citizens and foreigners to invest in Guyana. These general incentives have been set out in Section 3.1.7 of this report.

Additionally, the government also implemented specific tax incentives for the oil and gas sector that are detailed in Article 15.1 of the Petroleum Agreement signed between the Government of the Republic of Guyana and the contractors. These include exemption from Value Added Tax, excise and other duties, some fees, charges or other impost in respect of income derived from petroleum operations.

Also, in accordance with the provision of article 15.9 of most of the petroleum agreements and pursuant to Section 51 of the Property tax Act, contractors re exempted from the Property tax.

Other incentives have been implemented by the Government of Guyana as mentioned below:

- permit contractors and subcontractors can import certain items free of duty and other taxes inclusive of machinery, equipment, vehicles, materials, supplies, consumables (other than foodstuff and alcohol) and movable properties utilised solely for petroleum operations; and
- fuel consumed by the oil and gas companies is taxed based on a reduced Excise Tax of up to 10% in keeping with solid minerals sector. ²

5. INSTITUTIONAL FRAMEWORK

The main Government Agencies involved in the Oil and Gas sector are listed below:

- Ministry of Natural Resources (MNR)⁸⁴: which is the body representing the Government of Guyana in the petroleum agreements into force during FY 2017. The overall role of MNR is detailed in Section 3.1.5 of this report;
- Guyana Geology and Mines Commission (GGMC)⁸⁵ which keeps records of the licences through Petroleum Division. The overall role of GGMC is detailed in Section 3.1.5 of this report.
- Guyana Revenue Authority (GRA) which is the Government Agency responsible for collecting taxes from oil and gas companies. The overall role of GRA is detailed in Section 3.1.5 of this report;
- National Insurance Scheme (NIS)⁸⁶ responsible for collecting Social Security Contribution form oil and gas companies. The overall role of GRA is detailed in Section 3.1.5 of this report;
- Environmental Protection Agency (EPA)⁸⁷ is mandated to conserve, manage, protect and improve environment. The overall role of GRA is detailed in Section 3.1.5 of this report;

⁸⁴ <https://nre.gov.gy/>

⁸⁵ <https://www.ggmc.gov.gy/page/who-we-are>

⁸⁶ https://www.nis.org.gy/home_page

⁸⁷ <http://www.epaguyana.org/epa/>

- Department of Energy: is formed within the Ministry of the Presidency⁸⁸. The Department of Energy is mandated to implement sound policy and provide institutional and legal oversight for the sustainable development of the petroleum sector.

6. PROCEDURES FOR THE AWARD OF OIL AND GAS BLOCKS

(i) Licences allocation process

Petroleum Prospecting Licence

Pursuant to the provisions of the **Petroleum (Production and Exploration) Act (1986)** and **Petroleum (Exploration and Production Regulations)** any person may apply for a petroleum prospecting licence in respect of any block or blocks.

The Minister has discretionary power under the Act to grant or refuse the licence in respect of any block or blocks. The information required for the application is detailed in Article 13 of the Regulations made under Petroleum (Exploitation and Production) Act (1986). The following are the main procedures to be followed when an application for petroleum prospecting licence is made:

- applications are made to the Minister of Natural Resources in a form set out in the Regulations;
- the application form must be supported by a proposal on the economic terms governing the applicant's exploration, production activities, employment and training of citizens of Guyana; and
- the applications should specify the prospecting area to be covered by the prospecting licence applied for, the minimum work programme and expenditure obligations in respect of the licence area shall be negotiable, and the applicant will be required to submit a technical proposal in respect thereof.

The first company that applies for a specific block and of which application is acceptable by the Minister is invited to negotiate a petroleum agreement. No other application can be accepted until negotiations of a Petroleum Agreement is complete. The Minister of Natural Resources then issues the licence and signs the petroleum agreement or may designate another government officer to do so on his behalf.

For the Petroleum Production Licence

In the event of a discovery, the holder may apply for a twenty-year PPL, renewable for a further ten years.

In order to obtain a petroleum production licence, the applicant must:

- be a holder of a valid Petroleum Prospecting Licence unless otherwise permitted by the Minister of Natural Resources;
- submit an application for a Petroleum Production Licence to the Minister of Natural Resources within two years of the declaration of a discovery or within such other time frame as stipulated by the Minister; and
- include detailed proposals for the construction, setting up and operation of all facilities and services for and incidental to the recovery, processing, storage and transportation of petroleum from a production area (and such other matters as are required by applicable regulations). The list of information required in the application is detailed in Article 15 of the Regulations made under Petroleum (Exploitation and Production) Act (1986).

Awarding contracts

In accordance with section 20(2) of the Petroleum (Exploitation and Production) Act (1986) and Article 17 of the Regulations made under Petroleum (Exploitation and Production) Act 1986, the Minister may, by notice in the Gazette invite applications for the grant of a licence and agreement

⁸⁸ <https://motp.gov.gy/>

in respect of the block or blocks specified in the notice, fix the period within which an application may be made, and specify the conditions subject to which any application may be made. Where the Minister has published a notice, any person wishing to participate in the bidding shall make his application to the Minister within the period and conditions specified in the notice.

After examining the applications received, the Minister may therefore select such applications for negotiations which he considers to be in the best interests of Guyana. According to GGMC, there have not been any bidding process since an attempt was made in 1986.

PA must be signed between the Government of Guyana and petroleum companies that submitted acceptable applications for the Petroleum Prospecting Licences. However, before signing the PA foreign companies must be registered in Guyana.

The terms of the petroleum agreement model are published⁸⁹.

GGMC confirmed that there were no petroleum agreements (PA) nor licences awarded during the fiscal year 2017.

(ii) Transferability of licences

The regulations made under Petroleum (Exploitation and Production) Act (1986)⁹⁰ allows the transfer of licences. The transfer of licences is allowed with the written consent of the Minister of Natural Resources. However, the Minister shall give his approval to the transfer of a licence where the transferee:

- “is a person controlling, controlled by or under common control with the transferor; and
- is not a person disqualified under any provisions of the Act from holding a petroleum prospecting licence.

GGMC confirmed that there were no blocks nor agreements awarded during 2017.

7. TYPES OF LICENCES

The Petroleum (Exploration and Production) Act (1986) differentiates between Prospecting Licences and Production Licences in terms of eligibility for licensees.

Table 30: Types of licences in oil and gas sector

Types of licences	Description	End of term	Renewal	Reference
		Shall continue in force:		
Petroleum Prospecting Licence	This licence confers to the holder the exclusive right to prospect for petroleum, and the right to carry out exploration operations as necessary for that purpose, in a prospecting area defined by the licence.	<ul style="list-style-type: none"> - for the period stipulated in the licence which should not exceed four (4) years after the granting date or after the expiration of that period if there is a preparation period; The preparation period specified in the licence should not exceed 6 months; - for any period not exceeding three (3) years after the licence is renewed; and - for any period added when the licensee is prevented from exercising any of his rights under his licence to the extent that the failure results from an act of war, hostility, insurrection or an exceptional, inevitable and irresistible natural phenomenon. 	The licence can be renewed twice with 3 years period on each occasion.	Article 23; 25(1) and 26(1) of chapter 2 of the Petroleum (Exploration and Production) Act (1986)

⁸⁹ <http://ggmc.gov.gy/main/?q=content/typical-articles-guyana%E2%80%99s-petroleum-agreement>

⁹⁰ Article 20(1) of part V.

Types of licences	Description	End of term	Renewal	Reference
Petroleum Production Licence	This licence confers to its holder the exclusive right: - to carry out prospecting and production operations in the production area; and - to sell or otherwise dispose of petroleum recovered.	Shall continue in force: - for a period of twenty 20 years from the granting date; and - for any period added when the licensee is prevented from exercising any of his rights under his licence to the extent that the failure results from an act of war, hostility, insurrection or an exceptional, inevitable and irresistible natural phenomenon.	The licence can be renewed for a n additional period that should not exceed 10 years.	Article 38; 40(1) and 41(1) of chapter 2 of the Petroleum (Exploration and Production) Act (1986)

8. REGISTER OF LICENCES

The EITI Standard requires implementing countries to maintain a publicly available register or cadastre system which must be kept up to date with comprehensive information regarding each of the licences pertaining to companies covered in the EITI Report:

- i. Name(s) of licence holder(s);
- ii. Coordinates of the licenced area;
- iii. Date of application, date of award and duration of the licence; and
- iv. In the case of production licences, the commodity being produced.

According to the Regulations made under Petroleum (Exploitation and Production) Act (1986)⁹¹, the Chief Inspector shall keep a register to record the name and address of the person to whom a licence is granted; and any interests in or affecting a licence.

Also, the Petroleum Commission Bill of Guyana (2017)⁹² provides the creation of a national petroleum databank including a central database of operators and other persons involved in petroleum activities, manage petroleum data and provide periodic updates and publication of the status of petroleum activities.

There is presently no publicly available register of concessions in Guyana detailing the information required by the EITI Standard, although information about the current petroleum operators, coordinates of the petroleum blocks and terms (i.e. duration) of the projects is publicly available from various sources such from the published petroleum agreements⁹³.

The Petroleum Act does not require the government to make such register of licences publicly available.

9. POLICY ON DISCLOSURE OF CONTRACTS

In accordance with Requirement 2.4 of the EITI Standard, implementing countries are encouraged to publicly disclose any contracts and licences that provide the terms attached to the exploitation of oil, gas and minerals.

Article 4 part II of the Guyana Petroleum (Exploration and Production) Act (1986) provides that no information furnished, or information in a report submitted by a Licensee shall be disclosed to any person who is not a Minister, a public officer or an employee of GGMC except with the consent of

⁹¹ Article 18(1)-part V

⁹² Section (4.2)k of Petroleum Commission bill of Guyana (2017)

⁹³ <http://dpi.gov.gy/contracts/>

the licence. Additionally, Article 9 of the petroleum agreement (PA) model⁹⁴ states that: "All Petroleum Data, information and reports obtained or prepared by the Contractor shall, so long as they relate to any part of the Contract Area, be treated as confidential and each of the parties undertakes not to publish, reproduce or otherwise deal with such petroleum data or to disclose the same or the contents thereof to any other person without the consent in writing of the other Parties". Therefore, the confidentiality terms are restricted to technical information and studies conducted by the contractors within the licensed area.

The Government of Guyana made petroleum agreements publicly available on several websites such as "Department of Public Information" at the following link: <http://dpi.gov.gy/contracts/>, the GYEITI official website <https://gyeiti.org/exxon-contract/> and on the Natural Resources Ministry of Guyana at the following link: www.nre.gov.gy

The following agreements are now available on the websites mentioned above:

Table 31: List of publicly available agreements

Document	PSAs date	Contract type
Repsol Exploration Guyana S.A and Tullow Guyana B.V.	12 May 2016	Amendment Petroleum Agreement
Repsol Exploration Guyana S. A	14 May 2014	Petroleum Agreement
Esso Exploration and Production Guyana Limited, and CNOOC NEXEN Petroleum Guyana Limited, and Hess Guyana Exploration Limited	27 June 2016	Petroleum Agreement
Ratio Energy Limited, and Ratio Guyana Limited	28 April 2015	Petroleum Agreement
Mid-Atlantic Oil & Gas INC	² 4 March 2015	Petroleum Agreement
Tullow Guyana B.V. and Eco (Atlantic) Guyana INC.	14 January 2016	Petroleum Agreement

10. STATE PARTICIPATION IN THE OIL AND GAS SECTOR

Apart from the production profit share and mandatory payments that the government may receive in accordance with the sharing agreements signed with oil and gas companies, there are no State participations in the capital shareholding of the operators in Guyana.

11. LOCAL CONTENT

The Petroleum (Exploration and Production) Act (1986) includes specific obligations with regards to employment and training of Guyanese nationals as well as procurement of goods and services that can be procured locally as follow:

Table 32: List of articles for local content in the oil and gas sector

Category	Articles
Employment and training	Article 36(1 - iv) states that an application for the grant of a Petroleum Production Licence shall give a statement giving particulars of the applicant's proposals with respect to the employment and training of citizens of Guyana.
Good and services	Article 36(1 - v) states that an application for the grant of a Petroleum Production Licence shall be given proposals with respect to the procurement of goods and services obtainable within Guyana.

⁹⁴ <http://ggmc.gov.gy/main/?q=content/typical-articles-guyana%E2%80%99s-petroleum-agreement>

Additionally, Article 18 of the Petroleum Agreement model provides that the contractor shall give preference to purchasing of Guyanese goods and materials and also requires the employment of Guyanese sub-contractors where feasible and where local services are comparable with international labour services.

Furthermore, Article 19 of the Petroleum Agreement model provides that contractors should use of local resources and the employment and training of Guyanese on the job as a supplement to the discharge of academic training obligations, which is by contribution to a training fund.

On 14 May 2018, the government published⁹⁵ a second draft of a Local Content and Value Addition Policy Framework⁹⁶. The policy will provide a full definition of the local content and delineates the framework by which local content will be understood developed, measured and secured.⁹⁷

12. OIL AND GAS SECTOR CONTRIBUTION TO THE ECONOMY

- **Domestic revenues:**

The contribution of revenue from Oil & Gas sector to the government revenues during the fiscal year 2017 is as follow:

⁹⁵ <https://nre.gov.gy/2018/05/14/notice-second-local-content-draft-policy-framework/>

⁹⁶ <https://nre.gov.gy/wp-content/uploads/2018/05/Second-Draft-Local-Content-Policy-Framework.pdf>

⁹⁷ <https://dpi.gov.gy/guyanas-local-content-policy-fit-for-its-purpose/>

Table 33: Contribution of the oil and gas sector to the domestic revenues

GYD Million	FY 2017
Total Oil & Gas revenues (**)	2,860
Domestic Revenue (*)	223,472
% Mining revenues	1.28%

(*) Report of the auditor general 201798

(**) Section 6.1.1 of this report

- **GDP and exports:**

The oil and gas sector is still at the exploration stage, and accordingly there is no production or exports. Currently there is no contribution of the oil and gas sector to the GDP⁹⁹.

- **Contribution to employment:**

Oil and Gas companies declared 51 employees as detailed in **Annex 1** of this report. The contribution of oil and gas sector represents therefore 0.02% of total employment in the country.

3.3. Legal framework and context of the forestry sector

1. FORESTRY SECTOR OVERVIEW

The surface area of Guyana is 214,970 km²¹⁰⁰ of which forests represent nearly 183.9 Km²¹⁰¹ of its landmass. However, about 80% of the total land surface covered by vegetation is classified as State Forests under the jurisdiction of the Guyana Forestry Commission (GFC)¹⁰². The rest of the forest surface land are primarily privately owned, by the indigenous peoples (approximately 15.5%) and the rest which represent around 5.4% of total forested land stand for protected areas and are divided in the following five (5) areas:

- Kaieteur National Park,
- Iwokrama forest 180,000 hectares,
- Kanuku Mountains Protected Area,
- Konashen Community Conservation Area, and
- Shell Beach Protected Area, which includes mangrove forests.

The official map of forest land, as of 2017 fiscal year covered by this report, can be found at the following link:

<https://www.forestry.gov.gy/forest-allocation-map-september-2017/>.

The forest allocation map updated for the year 2018 is also available¹⁰³.

⁹⁸ <http://www.audit.org.gy/pubs/AnnualReport2017v1.pdf>

⁹⁹ <http://goinvest.gov.gy/sectors/energy/>

¹⁰⁰ <https://data.worldbank.org/indicator/ag.srf.totl.k2>

¹⁰¹ <https://www.forestry.gov.gy/wp-content/uploads/2016/04/National-Log-Export-Policy-2016-to-2018-Rev-for-Board.pdf>

¹⁰² <https://www.forestry.gov.gy/>

¹⁰³ <https://www.forestry.gov.gy/wp-content/uploads/2018/11/Forest-Allocation-Map-2018.jpg>

The current annual deforestation rate is estimated to be 0,065%¹⁰⁴. Most of this deforestation is attributed to mining for gold and bauxite which represent 87% of Guyanese deforestation¹⁰⁵.

Forest resources in Guyana have over a thousand different tree varieties of which over 12 species are being logged on a commercial scale through concessions¹⁰⁶. These include mainly:

- Greenheart (*Colubrina Arborescens* or *Chlorocardium Rodiei* ¹⁰⁷);
- Purpleheart (*Peltogyne* spp. Vogel¹⁰⁸);
- Mora (*Mora excelsa* Benth. and *M. gonggrijpii*¹⁰⁹);
- Baromalli (*Catostemma*¹¹⁰); and
- Crabwood (*Catostemma*¹¹¹).

Forest products are mainly exported to North America, South America, Pacific Asia, Latin American and the Caribbean, Europe and Africa¹¹². Forestry sector accounted for 2.7% of total country's exports in 2017 as detailed in Section 3.3.10 of this report.

2. PRODUCTION

Based on the data made available by the Bureau of Statistics (BoS), the production volumes and values of each type of forest commodity during the years 2016 and 2017 can be presented as follows:

Table 34: Production data for the forestry sector (BoS)

Commodity	Unit	2016		2017		Difference		Difference %	
		Volume	Value (GYD million)	Volume	Value (GYD million)	Volume	Value	Volume	Value
Logs	m ³	272,310	11,011	280,706	10,968	8,396	-43	3.10%	-0.40%
Lumber	m ³	42,082	6,235	47,752	8,096	5,669	1,861	13.50%	29.90%
Roundwood	m ³	14,894	1,456	20,933	2,024	6,039	568	40.50%	39.00%
Splitwood	m ³	71	400	60	526	-11	125	-15.50%	31.30%
Total			19,103		21,614		2,511		13.10%

Source: Bureau of Statistics (BoS)

Output of Roundwood and Lumber increased by 40.5% and 13.5% respectively, due to high production levels, favourable demand and redistribution of State forest authorisations. Log production was more or less stable during both years. Split wood production decreased in volume

¹⁰⁴ <https://www.forestry.gov.gy/2018/10/05/guyana-records-lowest-deforestation-rate-of-0-048-per-cent-gfc/>

¹⁰⁵ <http://www.euflegt.efi.int/guyana>

¹⁰⁶ <http://goinvest.gov.gy/sectors/forestry/>

¹⁰⁷ <https://www.mdpi.com/1999-4907/9/6/365/pdf>

¹⁰⁸ <https://www.mdpi.com/1999-4907/9/6/365/pdf>

¹⁰⁹ <https://www.mdpi.com/1999-4907/9/6/365/pdf>

¹¹⁰ <https://www.mdpi.com/1999-4907/9/6/365/pdf>

¹¹¹ <https://www.mdpi.com/1999-4907/9/6/365/pdf>

¹¹² Forest Sector Information Report Annual Review 2017

while its value increased by 31% during 2017 as its production is relatively limited compared to the remaining forest products.

GFC published production volumes of forest products which include fuelwood, veneer, plywood, wattles and manicole palm as follows:

Table 35: Production data for the forestry sector (GFC)

Commodity	Unit	2016	2017	Difference	Difference %
		Volume	Volume	Volume	Volume
Fuelwood	m ³	24,138	27,150	3,013	12.48%
Veneer	m ³	12,033		-12,033	-100.00%
Plywood	m ³	15,131	7,334	-7,797	-51.53%
Wattles	Pieces	304,438	391,522	87,084	28.60%
Manicole Palm	Pieces	3,603,210	4,017,142	413,932	11.49%

Source: Forest Sector Information Report Annual Review 2017

3. LEGAL FRAMEWORK

The Guyanese forestry sector is governed by the following main legislations:

Table 36: List of main laws governing the forestry sector

Law	Description
The Forests Act (2009)	<p>This Act repealed these acts:</p> <ul style="list-style-type: none"> - the Forests Act (1998); - the Forests (Exploratory Permits amendment) Act (1997); - the Balata Act (1997); - Guyana timber export Act (1998); and - Timber marketing Act (1998). <p>It promotes the use of sustainable forestry, through participation with local communities. It also covers the declaration of protected areas within the framework of the Environmental Protection Act (1996) and the set-up of a code of practice. Furthermore, it aims to improve coordination with the mining sector and as a result a public consultation before a licence for mining or petroleum prospecting can be granted.</p> <p>The Act also allows for the Guyana Forestry Commission (GFC) to enter into forestry concession agreements and community forest management agreements.</p>
The State Land Regulations (1973)	<p>The regulations provide details on grants, licences and permissions for use of land. These include surveying, grants for small scale cultivation, leases, grazing permissions and various licences including for occupation and cutting.</p>
Guyana Forestry Commission Act (2007)	<p>This Act repeals the Guyana Forestry Commission Act (1979). It provides for the creation and functions of the Guyana Forestry Commission.</p> <p>The Acts promotes the role of the Commission in developing forestry policies, providing inspection, certification and accreditation services for quality control of forest produce.</p>
The Forest Regulation (1973)	<p>These Regulations make provisions for the cutting and removal of forest produce of State forests, the conveyance of timber, the protection of trees and granting licences to sawmillers or timber dealers.</p>
Iwokrama International center for rain forest conservation and development Act (1996)	<p>This act implements provisions of the agreement between the Government of Guyana and the Commonwealth Secretariat for the set-up of the Iwokrama International Centre for Rain Forest Conservation and Development of 1996.</p>

Law	Description
Forests (Amendment) Regulations (1982)	These regulations make further provisions for timber sale agreements granting exclusive rights for cutting and taking or obtaining forest produce over any area of state forests.

Amendments:

The Guyana Forestry Commission defined the National Forest Policy¹¹³ in 2011 and it is currently being amended ¹¹⁴. The main objective of the current National Forest Policy is the conservation, protection, management and use of the forest resources of Guyana, while ensuring that the productive capacity of the forests is maintained or enhanced.

4. FISCAL REGIME

Specific payments

The main revenues collected by the Guyana Forestry Commission in the sector are summarised as follows:

- Royalty: is provided by Article 2 of the Forest Regulation (1973)¹¹⁵ and is levied on production and the rates differ depending on the forest species produced as detailed below:

Table 37: List of forestry species

Classification	Species
Special Category	Greenheart; Brown Silverballi; Purpleheart; Red Cedar; Letterwood; Bulletwood
Class 1	Crabwood; Yellow Silverballi; Itikiboroballi; Locust; Tatabu; Determa; Wamara; Kabukalli; Shibadan; Tauroniro; Manniballi; Washiba; Hakia; Dalli; Suya; Ulu; Simarupa; Aromata; Mora; Morabukea; Hububalli.
Class 11	Baromalli; Dukali; Kereti Silverballi; Kurahara Silverballi; Dolhypar; Wabaima; Karohoro; Baradan; Ubudi; Kirikaua; Maporokon; Monkey Pot; Manni; Pakuri; Yaruru (Yarula); Muniridan; Wallaba.
Class 111	Burada; Duka; Dukuria; Fukadi (Cofe mortar); Inyak; Limonaballi; Suradan; White Cedar; Futui; Halchiballi; Haiariballi; Huruasa; Iteballi; Couriballi; Kakaralli; Kauta; Kautaballi; Korokororo (Crook); Kuyama; Maho; Warakaioero

Details of rate ranges of royalties, applicable for 2017 fiscal year covered by this report, are presented in First Schedule of the Forest Regulation (1973). Forest regulation (2018) is also available¹¹⁶.

- Acreage fees: are levied in proportion to the area of the concession. The rates can be summarised as follows:

Table 38: List of acreage fees

Category	Acreage fees in USD
State Forest permission < 1,000 acres	0.08/acre
State forest permission 1,000 to 20,000 acres	0.10/acre

¹¹³ http://thereddesk.org/sites/default/files/guyanas_national_forest_policy_statement_2011.pdf

¹¹⁴ <https://www.forestry.gov.gy/wp-content/uploads/2018/06/Guyana-National-Forest-Policy-Statement-2018.pdf>

¹¹⁵ <http://extwprlegs1.fao.org/docs/pdf/guy4354.pdf>

¹¹⁶ <https://www.forestry.gov.gy/wp-content/uploads/2018/07/Forests-Regulations-2018.pdf>

Wood cutting Lease	0.12/acre
Timber Sales Agreement <300,000 acres	0.15/acre
Exploratory Permit (application fee USD 20,000)	0.15 acre

- Other administrative fees relating to applications, inspections, and other services provided by GFC, can be summarised as follows:

	Fee type	Amount in USD
Application fees	State Forest Authorisations/CFMA	25
	Timber sales Agreement	250
	Permission to construct and Use Timber and Cart Paths - Timber Path	50
	Permission to occupy any State Forest for the purpose of depositing or storing, etc - Timber Depot	50
	Charcoal or firewood dealers' licence	20
	Timber dealers licence: lumberyards and exporters	50
	Permission to erect a sawmill or to change the location of an existing sawmill	50
	Sawmill licence	50
	Sawpit licence	50
	State Forest Exploratory Permission licence	20,000
Issuance Fees	For issue of a State Forest Authorisation	50
	For issue of a Timber Sales Agreement (TSA)	1,000
Licences fees	Permission to construct and use timber and cart paths in any State Forest	50
	Permission to occupy a State Forest for the purpose of depositing or storing timber	50
	For licence to carry on the business of purchasing charcoal or fuelwood for resale	50
	Permit to erect a new sawmill or to erect any extension or addition to existing sawmill	50
	For licence to carry on the business of purchasing timber for resale	250
	A licence to operate a sawmill in respect of: Band Saw/Gang Saw/ Circular Saw/Portable Sawmill	300
	A licence to operate a Sawpit/Chainsaw pit	100

Common tax regime

The fiscal regime of operators in the forestry sector is set out in the Income Tax Act (Cap. 82:01) revised in 2017, the Corporation Tax Act (Cap 81:01) revised in 2017, Property Tax Act, Income Tax and (In Aid of Industry) Act as these are common laws. The main taxes applicable to the forestry sector are listed in Section 3.1.7 of this report, which also covers the general fiscal incentives to encourage locals and foreigners to invest in Guyana.

In addition, the government has also implemented tax incentives specific to the forestry sector such as:

- exemption from customs duties on a wide range of forestry and sawmilling equipment like skidders, band saws, gang saws, chain saws, saws blades, etc; as well as on wood working equipment like lathes, sanders, routes, and saws; and

- exemptions from duties and taxes for items covered under an Investment Agreement.

5. INSTITUTIONAL FRAMEWORK

Guyana Forestry Commission (GFC)¹¹⁷ is responsible for the administration and management of all State forest land in Guyana and for advising the Minister on issues relating to forest policy, forestry laws and regulations. The work of the commission is guided by a National Forest Plan¹¹⁸ that has been developed to address the forestry policy¹¹⁹. Also, the Commission develops and monitors standards for forestry sector operations, develops and implements forest protection and conservation strategies, oversees forest research and provides support and guidance to forest education and training.

Guyana Lands and Surveys Commission (GLSC) is the main agency responsible for land surveying and administration in Guyana. It is responsible for the purchase and lease of all public lands in Guyana. The main roles of the commission are:

- executes geodetic, topographic, hydrographic and cadastral surveys;
- prepares and publishes maps and charts of Guyana;
- maintains the national survey control system;
- checks, improves, records and, where required, certifies all land surveys carried out in relation of any land in Guyana; and
- collects and accounts for all purchase funds and rents, payable in relation to the sale or lease of public lands, and such rates, taxes, fees, fines and charges.

Additionally, the other main Government Agencies involved in the forestry sector are listed below. Their overall roles are detailed in Section 3.1.5 of this report:

- Guyana Revenue authority (GRA);
- National Insurance Scheme (NIS); and
- Environmental Protection Agency (EPA).

6. AWARDING PROCEDURES OF FORESTRY PERMISSIONS AND CONCESSIONS

(i) Allocation procedures of forestry permissions and concessions

Forestry permissions and concessions are granted by the Guyana Forestry Commission (GFC) through specific application procedures to be completed by any individual or company that operates in the land of Guyana. This can be summarised as follows:

Table 39: List of steps for the awarding procedures

¹¹⁷ <http://extwprlegs1.fao.org/docs/pdf/guy141375.pdf>

¹¹⁸ https://thereddesk.org/sites/default/files/guyanas_national_forest_plan_2011.pdf

¹¹⁹ <https://www.forestry.gov.gy/wp-content/uploads/2018/06/Guyana-National-Forest-Policy-Statement-2018.pdf>

	Stage	Procedures
State Forest Authorisation - State Forest Exploratory Permit (SFEP)	Preliminary	Areas available for application are publicly advertised as State Forest Authorisation - State Forest Exploratory Permits (SFEP)
	Application	Applicants must provide: <ul style="list-style-type: none"> - completed SFEP application form; - application fees; - audited financial statements for past five (5) years where applicable; - proof of technical and financial competence; and - business plan.
	Evaluation	GFC submits a report to the Technical Committee of the GFC Board of Directors to be reviewed for evaluation.
	Licensing	When the application is approved by the GFC Board of directors, the applicant is issued the State Forest Exploratory Permit (SFEP) by the Guyana Forestry Commission)
	Duration	SFEP is awarded to the successful applicant for a period of three (3) years during which the applicant shall complete the following criteria: <ul style="list-style-type: none"> - pay the annual acreage fees; - conduct a management level/reconnaissance/strategic level inventory; - prepare forest management plan; - prepare annual operation plan in necessary; and - conduct an environmental social impact assessment.
State Forest Authorisation / State Forest permission (SFP):	Preliminary	The Guyana Forestry Commission (GFC) identifies suitable area for allocations of the State Forest Permissions and invites applications for these advertised areas.
	Application	To apply for a State Forest Permission the applicant shall: <ul style="list-style-type: none"> - complete the application form; - pay the required application fees; - provide the Taxpayer's Identification Number (TIN) Certificate; - give the National ID card; and - give the business registration (if applicable)
	Evaluation	GFC's Forest Resource Allocation Committee (FRAC) is convened to screen applications received; The Commissioner of Forests forwards the FRAC screening report to the Technical Committee of GFC Board of Directors which evaluates the applications and screening report then tables recommendations to the GFC Board of Directors;
	Licensing	The GFC Board of Directors makes final decision on the allocation of areas to successful applicants which is informed via official letter from the Guyana Forestry Commission (GDC). When the SFP is granted the applicant are also required to: <ul style="list-style-type: none"> - provide recent police clearance; - pay an issuance fee for 100 USD; - conduct a Boundary Demarcation.
	Duration	The SFP agreement is awarded to the successful applicant which may be renewal based on compliance with GFC guidelines and other factors.

(ii) Awarding forest agreement:

Management agreements and leases relating to State forests are also granted by the Guyana Forestry Commission (GFC) and are summarised as follows:

Table 40: List of steps for the awarding procedures of agreements

	Stage	Procedures
Timber Sales Agreement / wood cutting lease	Preliminary	To apply for this permit the applicant must have valid State Forestry Exploratory Permits (SFEPs) or have applied for a previously issued concession (TSA/WLS) which has reverted to the State.
	Application	the applicant shall submit the following documents: - Forest Management Plan (FMP); Annual Operation Plan (AOP); - An environmental and social impact assessment approved by the Environmental Protection Agency (EPA); and - conduct a strategic level forest inventory in accordance with a GFC approved methodology.
	Evaluation	All documents submitted by the applicant should be reviewed by the GCF. When these documents are approved by the GFC it makes a request receivable for the issuance of the TSA/WCL by the GFC Board of Directors (BoD).
	Licensing	When approved by GFC (BoD) the Guyana Forestry Commission issues the TSA/WCL to the applicant based on area size as set by GFC. When issued the applicant must: - pay the annual acreage fee; - implement a five-year Forest management plan; - implement an Annual Operation Plan; and - be compliant with GFC guidelines.

Additionally, GFC may award Community Forest Management Agreement. The application should be made by any community through a completed form with the payment of the prescribed fee. The applicant should inter alia include the addresses, names; the area in respect of which the application is made, and the type of activities he intends to carry out.

7. TYPES OF PERMISSIONS AND CONCESSIONS

All forestry titles are delivered by GFC which is the regulatory body responsible for granting licences or permits for forest activities.

The forestry legislation specifies the following types of State Forest Authorisations (SFAs):

- State Forest Permissions (SFPs);
- Community Forest Management Agreements (CFMAs);
- Wood Cutting Lease (WCLs);
- Timber Sales Agreements (TSAs); and
- State Forest Exploratory Permits (SFEPs).

Other titles may be granted according the Forest Act (2009) such as:

- use permit;
- forest concession agreement;
- afforestation agreement;
- forest produce dealer's licence;
- removal permit;
- primary conversion plant permit; and
- annual operating licence.

The operations period and titles conferred to operators by the main forest titles are summarised as follows:

Table 41: List of types of titles

Type	Conferred Rights	Period
State Forest Permission (SFPs)	It grants to the holder an area no more than 8,047 hectares	Granted for two (2) years which may be subject to renewal based on compliance with GFC guidelines and other factors;
State Forest Exploratory Permits (SFEPs)	The holder of this permit has the right to carry out exploratory operations within the area described in the schedule to this permit, and to occupy that area to the extent necessary to carry out these operations,	Granted for a maximum of three (3) years for an area greater than 8,000 Ha
Timber Sales Agreement (TSA)	Concessions covering of more than 24,000 hectares. The agreement provides detailed terms for the concessionaires.	It is allocated for a period of more than 20 years, Renewable for 5 to 25 years
Wood cutting Lease (WCL)	It grants surface rights to areas between 20,000 (8,000 hectares) and 60,000 acres (24,000 hectares).	Renewable for 5 to 25 years
Community Forest Management Agreement (CFMAs)	Any community group can apply for this agreement. Under this agreement the community group is authorised to occupy a specified area of state forest and manage that area in accordance with this agreement.	A community forest management agreement expires at the earlier of: * the expiry date specified in the agreement; or * the second (2) anniversary of it being granted.
Forest concession agreement (large and small concession) (FCAs)	The holder has the exclusive rights to: - enter and occupy a specified area of State forest; - cut and take a specified kind and quantity of forest produce in the area; - carry out other specified forest operations or carry out forest conservation operations in the concession area; and - carry out specified operations in any other area of State forest. For large concession: this may be granted or renewed over an area of state forest larger than 8,097 hectares. Whilst not more than 8,097 hectares for small concession.	The expiry date is specified in the relevant forest concession agreement, or the fortieth anniversary of the execution of that agreement.
Use Permit	It gives to the holder the right to enter, occupy, and use a specified area of State Forest for one or more of the following purposes: * conducting scientific research; * education or training; * recreation or eco-tourism, including hiking and camp log; * taking photographs or making films or videos or sound recordings; and * any other purpose publicly notified by the Commission.	The Use permit shall expire on: * the expiry date specified in the permit, or * the end of the calendar year in which the permit is granted.
Afforestation agreement	Any person holding this agreement may: - plant specified trees and specified plants in a specified area of the State Forest; and - manage the planted area in accordance with a forest management plan approved by the GFC.	-

Also, according the section 46 of the Forestry Act (2009), GMC may grant a forest Produce Dealer's Licence.

8. REGISTER OF LICENCES

The legislation of the forestry sector does not mention any requirement to maintain a cadastre system for the forestry licences and agreements with the timely and comprehensive information regarding the licence holder, coordinates of the licence area, the date of application, date of

award and duration of the licence, and the commodity being produced. Nevertheless, GFC holds a licence register for the forestry sector which is not publicly available online. This register includes the following information:

- the licence holder;
- the reference of the licence;
- the location of the licence area;
- the list of commodities being produced;
- the granted date; and
- the expiry date.

The coordinates of areas covered by the following titles are specified by GFC through a public map¹²⁰ as of September 2017:

- timber sale agreements;
- wood cutting leases;
- State forest exploratory permits; and
- State forest permissions;

The draft version of the Guyana's Voluntary Partnership Agreement (VPA)¹²¹ dated 20 March 2017 under EU FLEGT includes concerning public access to information and state that GFC will publish information on licence allocation, which may include location maps of forest concessions with allocated areas identified and areas available for logging concessions as well as application deadlines.

The European Union and Guyana have concluded negotiations on a Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (FLEGT). On 23 November 2018, Minister Raphael Trotman initialled the text of the Voluntary Partnership Agreement in Brussels marking the formal end of the negotiations. Before the agreement can enter into force, the EU and Guyana must complete their internal procedures for signing and ratifying it. The agreement will help improve forest governance, address illegal logging and promote trade in verified legal timber products. When fully implemented in the years ahead, the Voluntary Partnership Agreement is expected to give EU-based timber buyers assurance that timber products from Guyana are legal. Through the Voluntary Partnership Agreement, Guyana is expected to prevent trade of timber that may have been illegally-harvested, transported or processed. Guyana expects the Voluntary Partnership Agreement to enable it to modernise its forestry sector, create jobs, promote sustainable development and protect the rights of indigenous peoples. In order to implement the agreement, Guyana is expected to develop systems and procedures to verify that all timber and timber products for export and domestic markets comply with relevant laws and regulations. Among other results, it is expected that loggers do not fell more trees than they are allowed to harvest, that factories uphold health and safety regulations, as well as that companies pay taxes due. It is also expected that independent audits to be established, a complaints mechanism, and systems and procedures for making information on the forest sector to be publicly available.

Guyana is also in its REDD+ Readiness phase with funding from the World Bank's Forest Carbon Partnership Facility (FCPF) channelled through the IDB office in Guyana. Given Guyana's substantial forest cover and its high value in eco-systems, it is expected that Guyana benefits from REDD+ in terms of payments for forest carbon sequestration/carbon offsets. The REDD+ mechanism brought into force in Paris in December 2015 under the UN Framework Convention for Climate Change (UNFCCC) has been signed and ratified by Guyana. A REDD+ programme implementation is expected to entail stringent measures of accountability and transparency and benefit-sharing mechanisms.

9. POLICY ON DISCLOSURE OF FORESTRY AGREEMENTS

¹²⁰ <https://www.forestry.gov.gy/forest-allocation-map-september-2017/>

¹²¹ <https://www.forestry.gov.gy/wp-content/uploads/2017/03/ANNEX-10-March-31.pdf>.

Section 51 of the Forestry Act 2009 allows for an individual to request any information held by the Guyana Forest Commission in writing. GFC has 45 days to make the information available, except for commercially sensitive data. It should be noted that the Commission can levy a “reasonable charge” for the provision of information requested.

Otherwise, the Forest Act 2009 does not prevent the publication of licences or agreements in the sector. The forestry legislation does not provide a specific template or agreement model.

Practically, agreements signed between the Government and operators in the forestry sector are not published electronically.

10. FORESTRY SECTOR CONTRIBUTION TO THE ECONOMY

- **Gross Domestic Product:**

In accordance with figures made available by the Bureau of Statistics Guyana (BoS), the forestry sector generated GYD 633,679 million during the fiscal year 2017, represented 2.55% of the GDP at constant prices. The contribution of the forestry sector to GDP increased slightly compared to previous year’s contribution of 2.34% as shown in the table below:

Table 42: Contribution of the forestry sector to GDP

	In GYD Million	2014	2015	2016	2017
Forestry Sector		22,937	20,840	14,818	16,184
GDP at Current Basis Price		554,148	576,234	634,357	633,579
% Forestry revenues		4.14%	3.62%	2.34%	2.55%

Source: Bureau of Statistics Guyana (BoS)

- **Employment:**

2

During the fiscal year 2017, the number of employees in the Forestry sector was 19,597 as set out below:

Table 43: Contribution of the forestry sector to total employment

Activity	2016	2017	%
Logs	11,865	10,595	-10.7%
Sawmilling	4,680	4,640	-0.9%
Timber Dealership (Lumberyards)	1,330	1,400	5.3%
Plywood and Veneer	275	250	-9.1%
Manicole Palm	462	462	0.0%
Other (*)	2,275	2,250	-1.1%
Total	20,887	19,597	-6.2%

Source: Guyana Forestry Commission - Forest sector information report - Annual Review 2017

(*) Other: includes activities in Furniture, Building Components, Craft, Utensils/Ornaments, Firewood, Charcoal and Conservation.

Over the 2017 period, total employment in the sector declined while the contribution to GDP increased. This indicates that operators in the sector are using more informal forms of resources.

- **Exports:**

- (i) Based on the information received from the Guyana Forestry Commission (GFC), the exports of the forestry sector during FY 2017 amounted to GYD 8,076 million and contributed to 2.7% of total exports of the country as detailed below:

Table 44: Contribution of the forestry sector to total exports

Product	2016		2017		Variance %		Region
	Volume (m3)	Value (million GYD) (*)	Volume (m3)	Value (million GYD) (*)	Vol %	Val %	
Logs	86,833	3,342	88,624	3,022.54	2.1%	-9.6%	Asia/pacific; North America
Dressed Sanwood	10,464	2,218	7,204	1,766.96	-31.2%	-20.3%	Asia/pacific, Europe, Latin America/Caribbean, North America
Undressed Sanwood	10,264	1,672	10,342	1,639.80	0.8%	-1.9%	Asia/pacific, Europe, Latin America/Caribbean, North America
Roundwood	5,671	644	4,767	500.58	-15.9%	-22.3%	Asia/pacific, Europe, Latin America/Caribbean, North America
Splitwood	2,030	397	4,028	744.29	98.4%	87.4%	Africa, Asia/pacific, Europe, Latin America/Caribbean, North America
Plywood	2,566	270	2,613	282.20	1.9%	4.4%	Latin America/Caribbean, North America, South America
Total Timber & Plywood		8,543		7,956.38	0.00	-6.9%	
Furniture (pcs)	265	6	61	3.95	-77.0%	-29.2%	
Building Componentry (pcs)	22,591	37	15,916	44.37	-29.5%	19.2%	
Mouldings (m)	8,749	7	12,092	7.39	38.2%	6.2%	
Pre-Fabricated Houses (pcs)	0	0	2	2.30	0.0%	0.0%	
Other (than Plywood) Value Added		50		58.01		16.6%	
Fuelwood (m3)	8,101	59	5,902	55.39	-27.2%	-5.7%	
Other (pcs)	2,893	1	6,260	2.56	116.4%	195.6%	
Non-Timber Forest Products (pcs)	4,825	2	4,130	4.05	-14.4%	166.6%	
Other Products		61		62		1.4%	
Total export out of the forestry sector		8,654		8,076		-6.7%	
Total exports of Guyana		296,205		297,047			

Product	2016	2017	Variance %	Region
Contribution of the forestry sector to total exports of the country	2.9%	2.7%		

Source: Guyana Forestry Commission - Forest sector information report - Annual Review 2017

(*) Customs Average exchange rates are GYD 206.50¹²² and GYD 206.50¹²³ to US\$1.00 in the years 2016 and 2017 respectively

- (ii) The above shows that total exports of forest produce declined by 6.7% while the production value increased as by over 13%. In accordance with data received from the Bureau of Statistics (BoS) below, exports of main commodities of the forestry sector amounted to GYD 9,279 million in 2017 and contributed to 3.12% of total exports of the country of GYD 297,047¹²⁴:

Table 45: Exports of timber and plywood

Product	2016		2017		Variance		%		Contribution in total export	
	Volume (Tons)	Value (million GYD)	Volume (Tons)	Value (million GYD)	Qty	Value	Vol %	Val %	2017	2016
Timber and Plywood	1,531,957	8,312	589,594	8,564	-942,362	252	-61.50%	3.00%	2.90%	2.80%
Wooden Products	1,618	417	3,232	714	1,614	297	99.80%	71.20%	0.20%	0.10%
Total Timber & Plywood		8,729		9,279		549		6%	3.10%	2.90%

Source: Bureau of Statistics Guyana (BoS)

The above shows that total exports of forest produce increased by 6% which explains the increase of the forestry sector's contribution to GDP as shown above. Details of exports by product are presented in Annex 15 of this report.

- **Domestic revenues:**

The contribution of revenue from forestry sector to the government revenues during the fiscal year 2017 is as follow:

Table 46: Contribution of the forestry sector to domestic revenues

GYD Million	FY 2017
Total Forestry revenues (**)	452
Domestic Revenue (*)	223,472
% Forestry revenues	0.20%

(*) Report of the auditor general 2017

(**) As per declared by GRA and GFC

¹²² <http://www.statisticsguyana.gov.gy/pubs/Trade2016.pdf>

¹²³ <http://www.statisticsguyana.gov.gy/pubs/Trade2017.pdf>

¹²⁴ <http://www.statisticsguyana.gov.gy/pubs/Trade2017.pdf>

3.4. Legal framework and context of the Fisheries sector

1. FISHERIES SECTOR OVERVIEW¹²⁵

Guyana lies on the North coast of the South American subcontinent with 432 Km coastline long and 48,665 Km² continental shelf. The corresponding Exclusive Economic Zone (EEZ) area is 138,240 Km². Guyana also counts several rivers. The largest ones are mainly Demerara, Essequibo and Berbice rivers.

The use of ground-fish resources in the fishery sector is very limited as most of the fishing activities are conducted using shrimp trawling. The sector has three main components which are: the marine fishery, the inland fishery and the aquaculture.¹²⁶

Marine fishery

Marine fishery in Guyana includes three main subdivision which as follows:

- (i) the industrial trawl fisheries are based in the Demerara river¹²⁷. This sub-division includes mainly seabob trawlers, prawn trawlers and finfish trawlers¹²⁸.
- (ii) *deep slope fisheries* or semi-industrial red snapper fishery consists on fishing by vessels that use traps or longlines to fish at depths of between 120 m and the edge of the continental shelf;
- (iii) small-scale or artisanal fishery supplies in both rural and urban areas with food and employment income. This sub-division of the marine fisheries sector includes over 5,000 artisanal fishers and comprises a thousand vessels ranging from 6 to 18 meters in size, and which are propelled by sails, outboard or inboard engines. Most boat owners are members of cooperatives societies which acquire and sell fishing requisites to their members. The Fishermen's Co-operative Societies were formed 50 years ago and contributed to the development of the fisheries sector. They also played an important role in the mobilisation of artisanal fishermen, in education, capacity building and in the maintenance and management of fish landing sites.¹²⁹

Inland fisheries

The sub-sector includes subsistence fishery for local consumption as well as the ornamental fish fishery for export. Most inland fishing is carried out by Amerindians out of rivers, lakes, creeks, canals, flood plains in savannah areas.;

Aquaculture¹³⁰

Aquaculture started in the fifties in Guyana and it includes both brackish-water culture and freshwater culture.

- (i) Brackish water takes place mainly in the swamps along the Atlantic coast in Corentyne, Berbice. It operates as extensive polyculture systems. In the impoldered areas. Fish and shrimp species grown include queriman, snook, croaker, bashaw, tilapia, tarpon and indigenous shrimps.

¹²⁵ <http://www.commonwealthofnations.org/sectors-guyana/business/fisheries/>

¹²⁶ Food and Agriculture Organization of the United Nations, Fishery Profile per Country, November 2005

¹²⁷ <http://www.commonwealthofnations.org/sectors-guyana/business/fisheries/>

¹²⁸ <http://www.fao.org/fi/oldsite/FCP/en/GUY/profile.htm>

¹²⁹ Food and Agriculture Organization of the United Nations, Fishery Profile per Country, November 2005

¹³⁰ Food and Agriculture Organization of the United Nations, Fishery Profile per Country, November 2005

- (ii) Fresh water pond culture includes growing species such as Tilapia (*Oreochromis mossambicus*), *Tnilotica* and *Hoplosternum littorale* (atipa catfish).

2. PRODUCTION

Based on the data made available by the Bureau of Statistics (BoS), the production volumes and values of each type of fisheries product during the year 2017 can be summarised as follows:

Table 47: Production data for the fisheries' sector

Product	Unit	2017	
		Quantity	Value GYD million
Prawns	Tons	596	1,376
Shrimp (Ind)	Tons	21,615	8,916
Shrimp (Art)	Tons	1,188	217
Fish (Art)	Tons	16,597	14,814
Fish (Ind)	Tons	2,180	2,857
Aquaculture	Tons	925	515
Total		43,101	28,695

Source: Bureau of Statistics of Guyana

3. LEGAL FRAMEWORK

The following are the main legislations governing the sector:

- **Fisheries Act (2002):** this act was created in order to provide for the promotion, management and development of fisheries sector and all ancillary matters. It covers the registration of fishing vessels, provides for the inspection of vessels, the issuance of a licence number, display on fishing boats, etc, as well as changes in ownership, amendments to the register. In addition to registration of vessels, the Act covers the licensing of individual fishermen and for a fish export licences;
- **Maritime Zones Act (2010)**¹³¹ repealed the Marine Boundaries Act (1977)¹³² that first set up a fisheries zone beyond and adjacent to territorial waters (i.e. beyond 12 n.mi) and extending out to 200 n.mi. from land. In 1991, the zone became recognised as an Exclusive Economic Zone (EEZ);
- **Guyana Shipping Act (1998)**¹³³ that provides for licensing of ships and for safety requirements.
- **Fisheries (Exemption from Registration) Order (1957):** which exempts from the provisions of section 3(1) of the Fisheries Act, all fishing boats not exceeding thirty-five feet in overall length measured from stern to stern, and all fishing boats in the interior, except fishing boats exceeding thirty-five feet in overall length used for transporting fish to the city of Georgetown.
- **Fisheries Regulations (Reg. 13/1957, 1/1959, 31/1969, 20/1970, 5/1993):** which provides for the registration of fishing boats, fishing licences, erection of fish pens as well as the licence fees;
- **Fisheries (Pin Seine) Regulations (1962):** specifies the features and conditions for handling of pine seine and fish;

¹³¹ http://www.marad.gov.gy/wp-content/uploads/2018/07/Chapter_6301_Maritime-Zones-Act.pdf

¹³² <http://extwprlegs1.fao.org/docs/pdf/guy1208.pdf>

¹³³ <http://www.guyaneselawyer.com/lawsoguyana/Laws/cap4901.pdf>

- **Fisheries (Aquatic Wild Life Control) Regulations (1966):** provides conditions to capture, collect, remove or slaughter any form of prescribed aquatic wild life found in any waters in the country;
- **Fisheries Products Regulations (2003);** provide conditions for exporting and marketing of fisheries products; and
- **Fisheries (Turtle Excluder Devices) (2006) Regulations (2006):** provides the requirements for the protection of sea turtles.

4. FISCAL REGIME

Specific payments

Section 26 of the Fisheries Act (2002) provides that royalties should be paid in respect of every local fishing vessel licence, commercial fishers licence or permits.

Furthermore, the third Schedule of the Fisheries Regulations (Reg. 13/1957, 1/1959, 31/1969, 20/1970, 5/1993) stipulates the following fees and charges:

Table 48: List of payment streams specific for the fisheries' sector

Payment	Rate
Registered fishing boats	\$500.00
Licence for a person to fish	\$100.00
Licence authorizing the registered owner of a trawler exceeding 50 feet in length to engage in fishing with the said trawler	\$7,500.00
Licence authorising the registered owner of a fishing boat other than a trawler exceeding 50 feet in length to engage in fishing	\$100.00 per foot for the length of the vessel
Fish Pen Permits ²	\$100.00
Licence to export fish	
(a) General Licence	(a) \$20,000.00
(b) Particular shipment charges	(b) \$1,000.00
Fish processing plant permits	\$20,000.00
Fish Dock	
a) Pin Seine Fishing boats	a) \$ 8.00 per month
b) Deep Sea Fishing boats	b) \$16.00 per month
c) All other boats	c) \$10.00 per day
Landing Fees	
a) Cadell	a) \$0.10 per tray
b) Chinese Seine	b) \$0.10 per tray
c) Pin Seine	c) \$3.00 per trip
d) Deep Sea	d) \$5.00 per trip
Ramp	
a) Fishing boats not exceeding 30 ft. in length	a) \$0.25 per day
b) Fishing boats exceeding 30 ft. in length but not exceeding 45 ft. in length	b) \$0.50 per day
Grid Deep sea fishing boats exceeding 45 ft. in Length	
(a) for the first four days or part thereof	a) \$3.00 per day
(b) after the expiration of four days	b) \$4.00 per day
All other boats	
(a) for the first four days or part thereof	a) \$5.00 per day
(b) after the expiration of four days	b) \$10.00 per day

Common tax regime

The taxation regime of operators in the fisheries sector is set out in the income Tax Act (Cap. 82:01) revised in 2017, the Corporation Tax Act (Cap 81:01) revised in 2017, the Property Tax Act (1962), the Income Tax, (In Aid of Industry) Act and Customs Act (1952). The main taxes applicable to the fisheries sector are listed in Section 3.1.7 of this report as well as the general fiscal incentives to encourage domestic and foreign to invest in Guyana.

Additionally, the government has implemented tax incentives specific to the fisheries sector such as:

- fishing licence holders are eligible for exemption from customs duties for items such as spare parts, packaging material, fishing nets, floats, fishing vessels and a wide range of fishing equipment;
- small fishing companies that provide evidence of their operations and supporting documentation from the Fishing Cooperatives are eligible for exemptions from customs duties and for zero rate of Value-Added-tax on fishing nets, floats, ropes, twines, cordage, hooks and sheet lead;
- exemption from Customs Duties and Value-Added Tax on outboard engines of up to 75 Hp; and
- exemptions from duties and taxes for items covered under an Investment Agreement.

5. INSTITUTIONAL FRAMEWORK¹³⁴

The Fisheries Department (DoF), which is part of the **Ministry of Agriculture** is responsible for the management, regulation and promotion of the exploitation and development of Guyana's fisheries resources for the benefit of the participations in the sector and the national economy. The department's authority was originally defined in the Fisheries Act 1957 and redefined by the Fisheries Act 2002.

The Maritime Administration Department (MARAD) was created under the Shipping Act (1998). Its main responsibilities include;

- registering and licensing of ships;
- implementing and enforcing maritime codes, conventions and practices;
- prevention of accidents;
- surveying of ships on port to ensure safety practices are upheld;
- assist in search and rescue operations;
- prevention of pollution on ships; and
- ensure ports comply to security regulations.

Veterinary Public Health Unit, which is also part of the Ministry of Health is the "Competent Authority" was set up to enforce Regulation No 7 of 2003, (the Fisheries Products Regulations) under the Fisheries Act 2002. These regulations deal with all aspects of quality control, inspection and certification of plant and animal products.

Stakeholder Organisations include the Guyana Association of Trawler Owners and Seafood Processors (GATOSP) and thirteen fishermen cooperative societies. The sector does not have a unified organisation.

Guyana Water Authority (GWA) was created under the Guyana Water Authority Act (1972). It is responsible for controlling and regulating the collection, production, treatment, storage, transmission and use of water.

¹³⁴ http://www.fao.org/fishery/docs/DOCUMENT/fcp/en/FI_CP_GY.pdf

6. TYPES OF LICENCES

A number of fisheries' licences can be granted under the Fisheries Act (2002) in Guyana. The list of rights can be summarised as follows:

Table 49: List of types of licences in the fisheries' sector

Licence	Legislation	Description	Validity period	Reference
Local fishing vessel licences	Fisheries Act (2002)	It grants the rights to use local fishing vessels for fishing or related activities in the fisheries waters	A period not exceeding twelve months	Section 13 Section 19
Commercial fishers' licences	Fisheries Act (2002)	It grants the right to fish in the fisheries waters.		Section 14
Foreign fishing vessel licences	Fisheries Act (2002)	It grants foreign vessels the right to use local fishing vessel for fishing or related activities in the fisheries waters		Section 18
Import and export of fish Licence	Fisheries Act (2002)	It grants the right to import into Guyana or export or bring to any place for export fish.		Section 47
Fish processing establishments	Fisheries Act (2002)	It grants the right to operate a fish processing establishment		Section 46

According to article 19 of the Fisheries Act, the Chief Agricultural Officer, with the approval of the Minister may, by notice published in the Gazette, limit the number of all or of any of the licences which may be issued, either generally on in respect of any particular waters or area of Guyana.

7. AWARDING PROCEDURES OF FISHERIES' LICENCES

The Chief Agricultural Officer is responsible for granting most of the fisheries licences. Article 11 of the Guyanese Fisheries Act stipulates that every owner of a registered fishing boat who engages in fishing with the said boat, or permits the same to be so used, shall make an application to the Chief Agricultural Officer for a licence permitting the boat to be so engaged and the licence shall be carried on the boat whenever and by whomever it is being used for fishing.

Table 50: Licence awarding procedures in the fisheries' sector

Types of licences	Description	Reference
Local fishing vessel licences	<ol style="list-style-type: none"> 1. An application for a local fishing vessel licence or for the renewal of a local fishing vessel licence shall be made in the prescribed form to the Chief Fisheries Officer; 2. The vessel should be registered in accordance with Section 9 of the Fisheries Act (2002); 3. Paying the licence fees. 	Section 13 of the Act
Commercial fisher's licences	<ol style="list-style-type: none"> 1. An application for a licence shall be made in the prescribed form to the Chief Fisheries Officer; 2. Paying the licence fees. 	Section 14 of the Act
Foreign fishing vessel licences	<ol style="list-style-type: none"> 1. An application for a local fishing vessel licence or for the renewal of a local fishing vessel licence shall be made in the prescribed form to the Minister; 2. there is in force an access agreement to which the Government of Guyana is a party with the Government of the flag state of the vessel or with an association of which the owner or charterer is a member; 3. Paying the licence fees. 	Section 18 of the Act

Types of licences	Description	Reference
Import and export of fish Licence	1. An application for Import and Export of fish licence shall be made in the prescribed form to the Chief Fisheries Officer; 2. Pay the licence fees.	Section 47 of the Act
Fish processing establishments	An application for a local fishing vessel licence or for the renewal of a local fishing vessel licence shall be made to the Chief Fisheries Officer;	Section 46 of the Act

8. REGISTER OF LICENCES

The EITI Standard requires countries to maintain publicly available registers of extractive sector licences and concessions (EITI Requirement 2.3). The Guyanese Fishing Act provides in its article 14, that the Chief Agricultural Officer shall keep a register of all licences issued.

The Fisheries Department confirmed that such a register is maintained and that it is not publicly available. However the register of licences has not been made available to us.

9. POLICY ON DISCLOSURE OF FISHERIES AGREEMENTS

The Fisheries Act (2002) and its corresponding regulations refer to the following agreements only:

- Compliance Agreement to which Guyana is a signatory to Promote Compliance with International Conservation and Management Measures by Fishing Vessels in the High Seas, adopted by the Conference of the Food and Agriculture Organisation of the United Nations on 24 November 1993; and
- Fish Stocks Agreement to which Guyana is a party for the Implementation of the United Nations Convention on the Law of the Sea of 10 December 1982 relating to the Conservation and Management of Straddling Fish Stocks and Highly Migratory Fish Stocks, adopted in New York on 4 August 1995.

Furthermore, Section 36 of the Fisheries Act (2002) provides that the Minister may vary any condition attached to a high seas fishing permit where necessary to ensure compliance by Guyana with its obligations under the Compliance Agreement or the Fish Stocks Agreement. This means that the conditions of the permit may change without necessarily signing any particular agreement with the operators in the fisheries sector.

In practice, the Fisheries Department did not provide any signed contracts in the fisheries sector.

10. CONTRIBUTION OF THE FISHERIES SECTOR TO THE ECONOMY

- **Gross Domestic Product:**

In accordance with data made available by the Bureau of Statistics (BoS) of Guyana, the fisheries sector contributed GYD 11,643 million to the country's GDP in the year 2017 (1.84% of GDP) at current basis price. The contribution of fisheries sector to GDP increased compared to previous years' contribution (0.06) points.

Table 51: Contribution of the fisheries' sector to GDP

	GYD Million	2014	2015	2016	2017
Fisheries Sector		9,183	9,653	11,270	11,643
GDP at Current Basis Price		554,148	576,234	634,357	633,579
% Fisheries revenues		1.66%	1.68%	1.78%	1.84%

Source: Bureau of Statistics Guyana

- **Exports**

Exports of the main products in the fisheries sector can be summarised as follows for the years 2016 and 2017:

Table 52: Contribution of the fisheries' sector to total exports

Fisheries		2016		2017		Difference		Difference %		Contribution in total export	
Product	Unit	Quantity	Value (million GYD)	Quantity	Value (million GYD)	Quantity	Value	Quantity	Value	2017	2016
Fish	T	12,989	10,275	17,051	11,785	4,062	1,509	31%	15%	4.00%	3.50%
Shrimp	T	10,785	10,229	10,661	11,150	-125	921	-1%	0%	3.80%	3.40%
Total			20,504		22,934		2,430		12%	7.70%	6.90%

Source: Bureau of Statistics of Guyana

Details of fisheries exports are presented in **Annex 15** of this report.

3.5. Transport of minerals

EITI requirement 4.4 states that “Where revenues from the transportation of oil, gas and minerals are material, the government and state-owned enterprises SOE(s) are expected to disclose the revenues received by government agencies”. The EITI Standard requires disclosure of details of arrangements in situations where government agencies and state-owned enterprises are involved in the transportation of oil, gas and minerals. These details include the transported product(s), route(s) and the relevant companies and Government Agencies, including SOE(s), involved in transportation.

2

Guyana has land roads for the neighbouring countries¹³⁵ as it shares borders with Brazil in the south, Suriname in the east, and Venezuela in the west¹³⁶. There are maritime and airplane systems for disjointed countries for international trading and transportation. The transport system is estimated to comprises: 7,970 km of roads out of which 7,380 km are unpaved¹³⁷.

The first minerals railway transportation was opened in 1920 in Linden for the purpose of bauxite transportation extracted by Demerara Bauxite Company Limited (DEMBA)¹³⁸. In 1939, a line railway was opened on the west bank of the Essequibo river to Akyma, this rail crossing Essequibo river via a railway bridge which is the first bridge to span the Essequibo. In 1946, a railway line is opened from Mackenzie to Ituni to connect the mining sites at Ituni, Akyma, Maria Elizabeth, Three Friends, Montgomery, Yararibo, Arrowcane and Dorabece with Mackenzie.

Transportation of bauxite

Currently, trucks and ships are used to transport minerals to the Guyanese shipping port and then using Ocean ships for export. Almost of 99% of Bauxite extracted from Guyana is exported through ocean-going ships¹³⁹.

¹³⁵ There is no railway links with adjacent countries

¹³⁶ <http://www.worldometers.info/world-population/guyana-population/>

¹³⁷ <https://www.guyanlaw.net/about-guyana/>

¹³⁸ In 1971 this company was nationalized and renamed Guyana Bauxite Co.

¹³⁹ A Mining Information Toolkit for Guyana.

BCGI completed the construction of the mine by 2014, as well as building of access roads, barge loading facilities at the Berbice River. The company affirms that logistics costs have been optimised thanks to a reduction of transportation distance from the mine to a sea reloading point¹⁴⁰.

Transportation of bauxite may also transit the Demerara River from Bosai’s operations in Linden to Port New Amsterdam¹⁴¹.

Transportation of gold

For the gold transportation, the Guyana Gold Board (GGB) has an oral agreement with Citizens Bank (Guyana) Inc for the storage and for the transportation of gold to the bank of Guyana. Also, GGB has an agreement with “Mitsu Co Precious Metals Inc.” for the sale of gold¹⁴². Transport of gold in Guyana is mainly made by aircrafts. Also, it is provided by numerous small business via roads and river transport¹⁴³.

Transport of oil and gas

Currently, Guyana does not produce oil and gas. however, it is expected to start production in 2020. Therefore, there is no revenues from transportation of oil and gas.

3.6. Collection and Distribution of the Extractive Revenues

1. BUDGET PROCESS¹⁴⁴

Guyana has a legal framework governing its budget system which is derived from the 1980 Constitution of The Co-operative Republic of Guyana Act. The Constitution clearly defines the structure, division of powers and responsibilities among the State organs.

In accordance with the Fiscal Management and Accountability Act (FMAA 2003)¹⁴⁵, the Ministry of Finance ensures the implementation and monitoring of the Government’s policy on the economy, public finances, strategic planning and foresight. In this fact, the budget process is led by the Ministry of Finance.

Budget Preparation and Approval:

The annual budget process is initiated by the Ministry of Finance by issuing a budget circular which contains: the timetable, the economic situation, the fiscal policy objectives and priorities of the Government (Art 13 FMAA 2003).

A budget submission from each budget agencies should be prepared and approved by the Minister responsible before consolidation at the Ministry of Finance (Art 14 FMAA 2003).

At the regular session of the National Assembly, the Minister of Finance presents for approval the budget proposal including the Appropriation Bill.

The responsibility of the Ministry of Finance and the National Assembly for the budget process can be summarised as follow:

Table 53: Main responsibilities of the Ministry of Finance and the National Assembly

DESCRIPTION
<ul style="list-style-type: none"> - Transmit the Budget Circular to budget agencies - Consulting with each budget agency about government priorities

¹⁴⁰ <https://rusal.ru/en/press-center/press-releases/9547/>

¹⁴¹ <https://www.stabroeknews.com/2017/news/guyana/01/13/bosai-gets-rusal-help-huge-bauxite-shipment-china/>

¹⁴² Guyana Gold Board “Special investigation into financial operations and functioning”, March 2016.

¹⁴³ Toward the greening of the gold Mining sector of Guyana: Transition Issues and Challenges, July 2017

¹⁴⁴ Source: Government of Malawi Budget Framework paper FY15/16 (www.mfdp.gov.lr).

¹⁴⁵ <https://finance.gov.gy/?p=454>

DESCRIPTION	
National Assembly	<ul style="list-style-type: none"> - Budget debates in the National Assembly <ul style="list-style-type: none"> o The Ministry of Finance is Responding to questions during the Committee of Supply review - Budget discussion in the Committee of Supply. - Approval of the national estimates

Budget implementation:

The implementation of the budget is carried out by the various Ministries and Agencies of the Government. Budget are released to the relevant Ministries and consolidated fund are opened for the public's funds (received and released).

Annual Financial Report:

The Fiscal Management and Accountability Act (2003) sets out the obligation to prepare annual financial statements for the government. The Minister of Finance is accountable to the National Assembly for on the execution of the budget within 60 days of the end of the first mid-year, and prospects for the remainder of the year.

The financial statements have been defined as: statement of assets and liabilities, statement of revenue and expenditures.

2. REVENUES COLLECTION

The national budget is the Government's plan on how to collect and spend money to deliver services to the citizens of Guyana. The budget begins on 1 January and ends on 31 December. This is referred to as a fiscal year.

Revenues comes from different sources, such as taxes and borrowing from other countries. According to section 216 of the constitution of Guyana, *"All revenues or other moneys raised or received by Guyana (not being revenues or other moneys that are payable, by or under an Act or Parliament, into some other fund established for any specific purpose or that may, by or under such Act, be retained by the authority that received them for the purpose of defraying the expenses of that authority) shall be paid into and from one Consolidated Fund"*.

The extractive revenue collections framework can be represented as per the diagrams below:

- **Mining Sector**

Payments are collected by various Government Agencies. GGMC receives most of the revenue generated from mining companies.

Royalties and withholding taxes paid by gold miners and dealers to Guyana Gold Board (GGB) which transfers these revenues to GGMC and GRA respectively. Royalties paid by AGM and Troy Resources Guyana Inc. are collected directly by the Ministry of Finance.

The other payments from the mining sector are made to GRA, EPA and NIS. The Ministry of Finance also forms part of the revenues collection framework through the investments it holds in some Guyanese mining companies.

Given the specifics of the gold sector, the mining revenue collections diagram can be presented as follows:

Figure 4: Revenue collection diagram for the gold mining sector

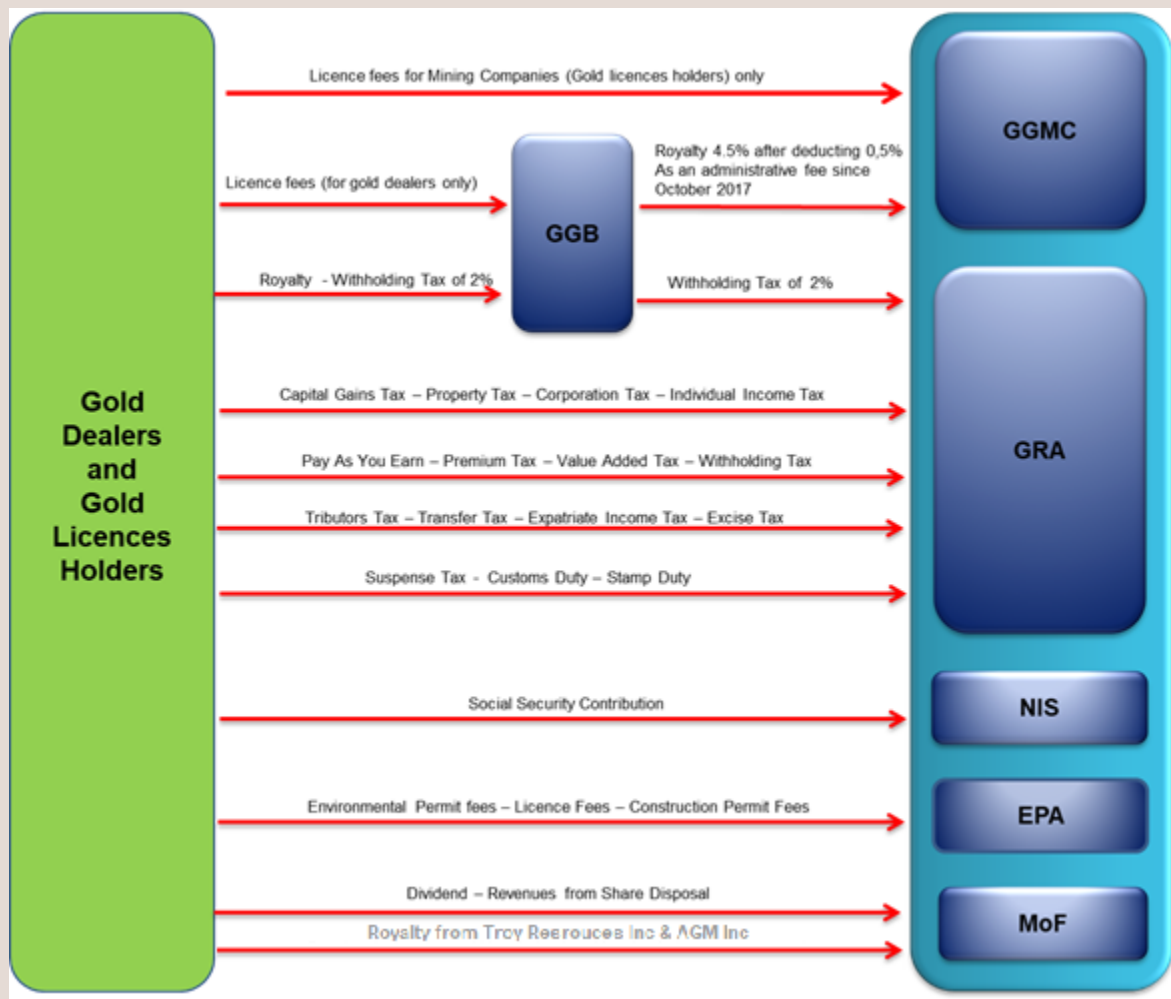
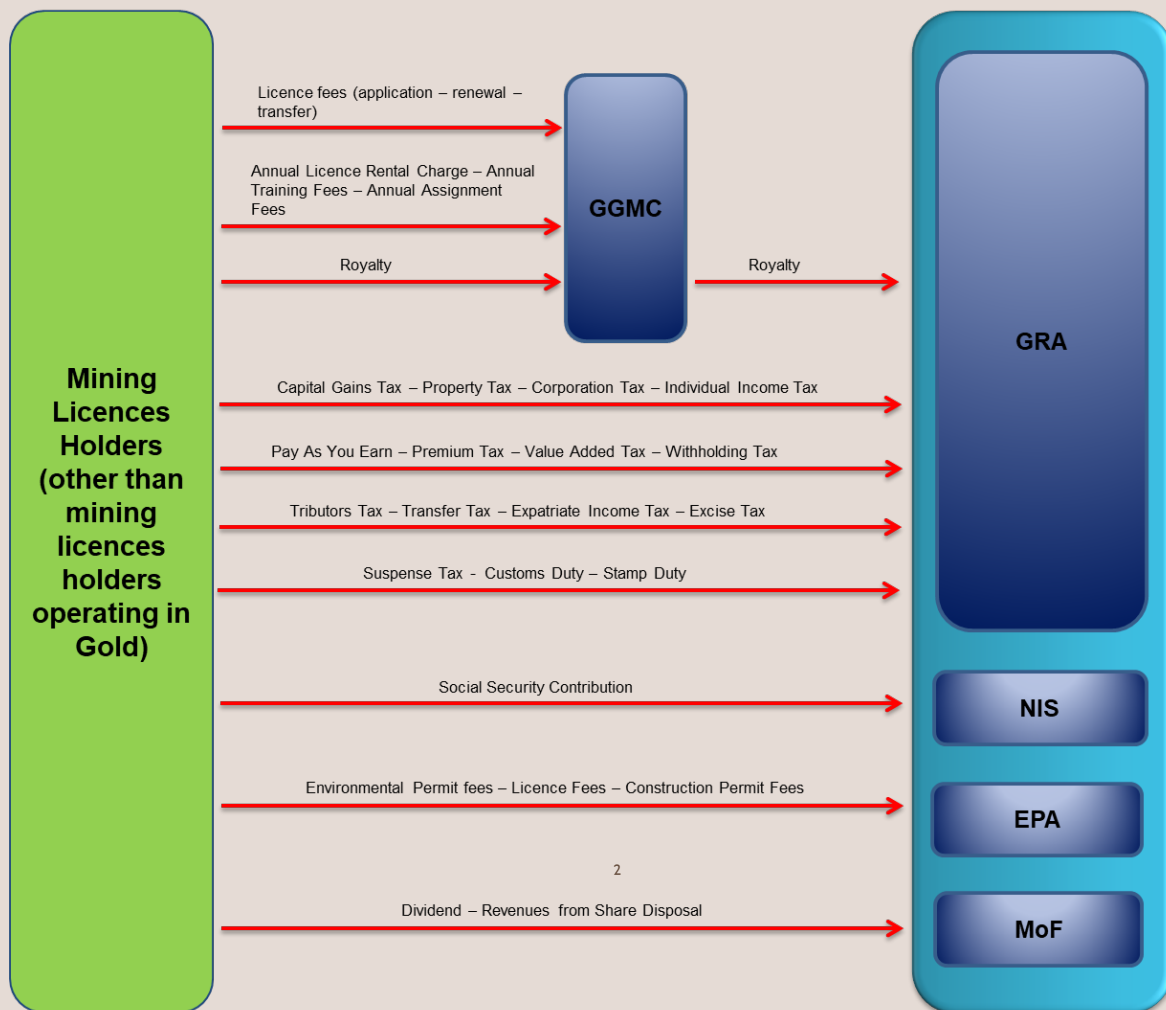


Figure 5: Revenue collection diagram for the mining sector other than gold mining

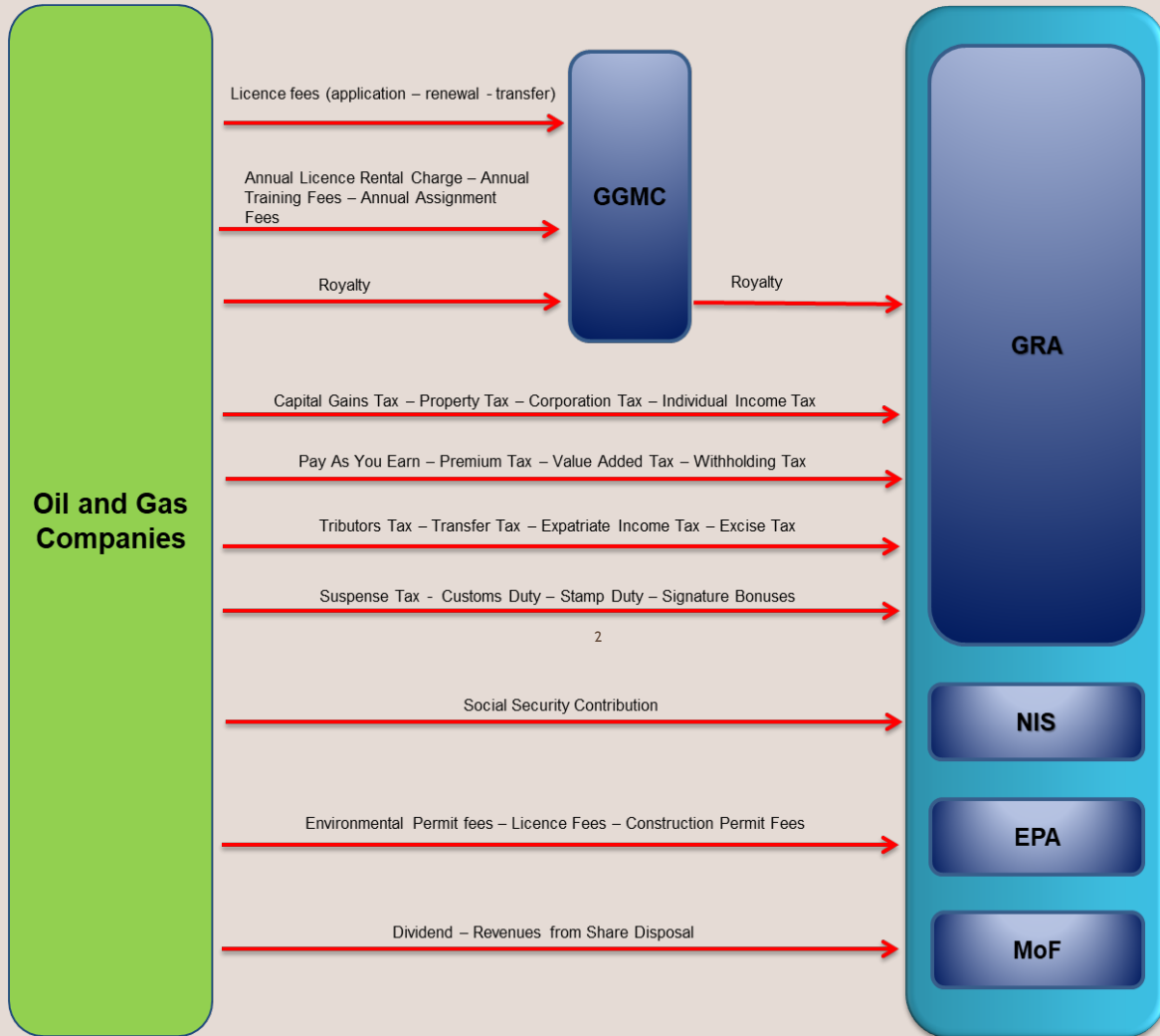


- **Oil and Gas Sector**

Payments are collected by various Government Agencies. GGMC receives most of the income from petroleum companies through the Petroleum Division. The other payments from the petroleum sector are made to EPA, GRA and NIS.

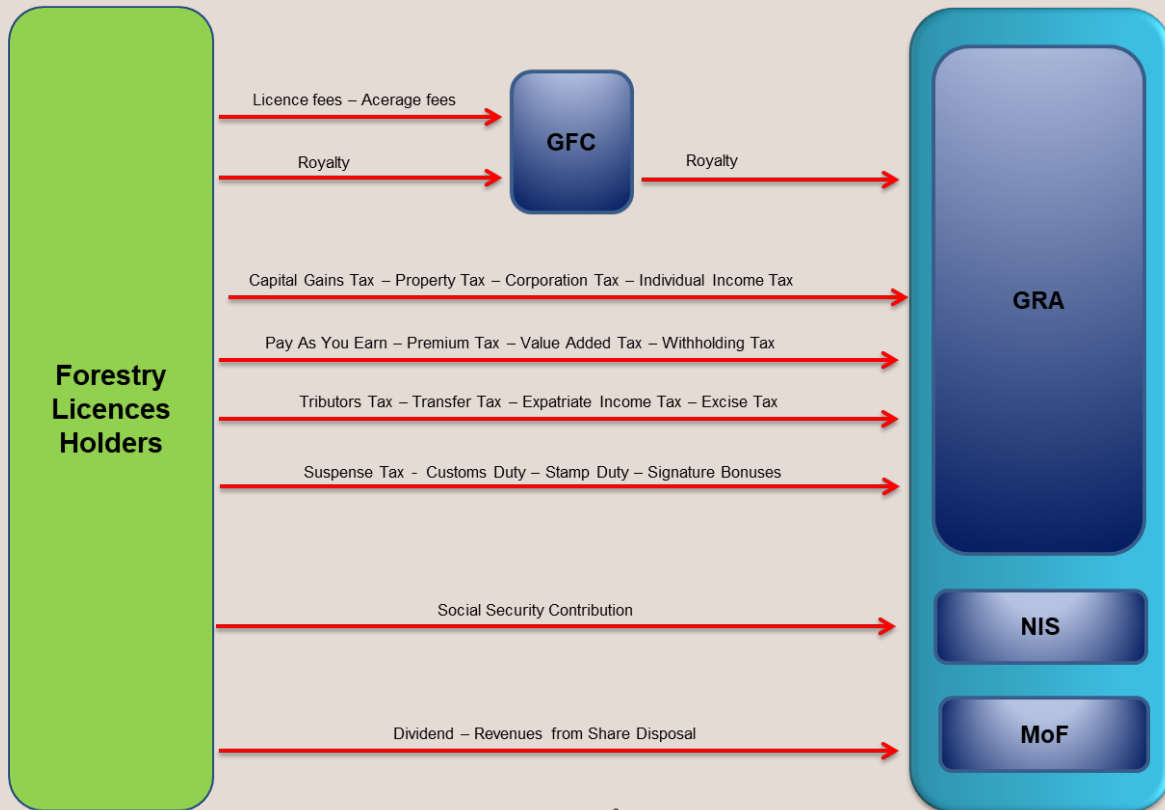
The Petroleum revenue collections framework can be represented diagrammatically as follows:

Figure 6: Revenue collection diagram for the oil and gas sector



- Forestry Sector:

Figure 7: Revenue collection diagram for forestry sector



2

- Fisheries sectors

Figure 8: Revenue collection diagram for fisheries sector



3. REVENUE ALLOCATION

Once revenues are collected, they should be recorded in government accounts. Most of the revenue goes to the central government. Sometimes it goes straight to or is transferred to the subnational government or to special funds or projects.

Extractive sector revenue received by the government is allocated in a number of different ways and involves several different institutions.

Deposit Fund:

A Deposit Fund has been set up by the Ministry of Finance in accordance with Section 42(2) of the Fiscal Management And Accountability Act (2003)¹⁴⁶, The Minister of Finance shall notify the National Assembly of the Deposit Fund with regards to:

- the purpose of expenditure from the Deposit Fund; and
- the intended investment strategy for funds deposited.

In accordance with the Auditor General annual report 2017, the Ministry of Finance produced a schedule of miscellaneous deposits from various Government Agencies without producing any documentation in support of the schedule. Guyana Gold Board committed to payments on a monthly basis commencing August 2018.

Table 54: Details of the Deposit Fund as at 31 December 2017

Description	Amount (GYD '000)
Types of Deposit	
Dependents Pension Fund	1,230,560
Sugar Industry Welfare Committee	50,691
Sugar Industry Labour Welfare Fund	970,684
Sugar Industry Rehabilitation Fund	72,432
Sugar Industry Price Stabilisation Fund	14,033
Miscellaneous	3,804,721
Total	6,143,121
Types of Advance	
Personal	19,266
Gratuity	1,281,183
Auto Advance	113,531
Guyana Gold Board	8,650,148
Imprest & Cash on Hand	1,523,418
Deposit Fund Advance Warrants	208,410
Crown Agents	409,040
Statutory and Other Bodies	1,554,456
Total	13,759,452

¹⁴⁶ <http://goinvest.gov.gy/wp-content/uploads/Cap.-73.02-Fiscal-Management-Actfull-permission.pdf>

Source: Auditor General annual report 2017¹⁴⁷

¹⁴⁷ <http://www.audit.org.gy/pubs/AnnualReport2017v1.pdf>

Transfers from GGB to Government Agencies:

Royalties and withholding taxes on gold sold are paid by gold miners and dealers to Guyana Gold Board (GGB) which then transfers these revenues to GGMC and GRA respectively. As part of the Cabinet decision that Guyana Gold Board becomes self-financing, Guyana Gold Board was entitled to apply administrative fee of 0.5% of all royalties collected on behalf of Guyana Geology and Mines Commission as of 1 October 2017.

GGMC confirmed that it received transfers with regards royalties amounting to GYD 4,935,430,678 during the FY 2017. This amount has been reconciled with total transfers made as declared by GGB.

GGB declared withholding taxes transferred to GRA for an amount of GYD 479,887,818.

3.7. Beneficial ownership

The 2016 EITI Standard recommends that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that bid for, operate or invest in extractive assets, including the identity(ies) of their beneficial owner(s), the level of ownership and details of how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating extractive industry licensing. Where this information is already publicly available, the EITI Report should include guidance on how to access this information.

From 1 January 2020, all EITI reports must include implementing countries' requests, and companies must disclose information on beneficial ownership.

Accordingly, the GYEITI MSG published a Beneficial Ownership Disclosure Roadmap¹⁴⁸ of the Cooperative Republic of Guyana as required by Requirement 2.5.b of the EITI Standard.

1. BENEFICIAL OWNERSHIP₂ IN GUYANA'S LEGAL AND REGULATORY FRAMEWORK

The definition of "beneficial ownership" should not necessarily be linked to share ownership. Owning more than a certain percentage of shares certainly gives a meaningful indication of beneficial ownership. However, in identifying the real beneficial owner, the focus should also be on contractual and informal arrangements.

The Anti-Money Laundering and Countering the Financing of Terrorism (Amendment) (No.2) Act (2015)¹⁴⁹ which amends section 2 (1) of the original Act (2009) provides a clear definition of beneficial ownership in Guyana as being: "*ownership by a natural person or persons who ultimately exercise individually or jointly voting rights representing at least twenty-five percent of the total shares, or otherwise have ownership rights of a legal entity; or ownership by a natural person or persons who ultimately owns or controls a customer or the person on whose behalf a transaction is being conducted and includes those persons who exercise ultimate effective control over a legal person or arrangement.*"

Additionally, the AML/CFT Act (2009)¹⁵⁰ defines a politically exposed persons as follows: "*any individual who is or has been entrusted with prominent public functions on behalf of a state, including a Head of State or of government, senior politician, senior government, judicial or military officials, senior executives of state-owned corporations, important political party officials, including family members or close associates of the politically exposed person whether the person is resident in Guyana or not*".

¹⁴⁸ <https://gyeiti.org/beneficial-ownership-disclosure-roadmap-of-the-cooperative-republic-of-guyana/>

¹⁴⁹ <http://parliament.gov.gy/publications/acts-of-parliament/anti-money-laundering-and-countering-the-financing-of-terrorism-amendmentac/>

¹⁵⁰ https://www.oas.org/juridico/MLA/en/guy/en_guy_Anti_Mon_Laun_Act_2009.pdf

2. EITI REQUIREMENTS

The 2016 EITI Requirement recommends that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that bid for, operate or invest in extractive assets, including the identity(ies) of their beneficial owner(s), the level of ownership and details of how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings requirements by companies to corporate regulators, stock exchanges or agencies regulating extractive industry licensing. Where this information is already publicly available, the EITI Report should include guidance on how to access this information.

Currently, full details of the beneficial owners of companies operating in the extractive industries are not publicly available in Guyana.

On 18 July 2018, the Guyana Multi-Stakeholder Group published a roadmap for disclosing beneficial ownership information. The multi-stakeholder group determined milestones and deadlines in the roadmap. The Beneficial Ownership Roadmap is available on the GYEITI website at the following link: <https://gyeiti.org/wp-content/uploads/Beneficial-Ownership-Roadmap-.pdf>

As from 1 January 2020, the EITI report must include implementing countries' requests, and companies disclose of beneficial ownership information.

Table 55: Definition of beneficial ownership as per the EITI Standard

Beneficial Ownership as defined by the EITI Standard

i) A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.

ii) The multi-stakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with international norms and relevant national laws in existence and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons.

iii) Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.

iv) In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.

3. PROPOSED DEFINITION OF BENEFICIAL OWNERSHIP

In accordance with the EITI Standard, Requirement 2.i5.f.i, “a beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity”. Further to Requirement 2.5.f.ii, the multi-stakeholder group should agree an appropriate definition of the term beneficial owner

We propose therefore for this first GYEITI report the following definition of beneficial ownership:

Table 56: Proposed definition of beneficial ownership

Proposal for a definition of beneficial ownership

A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity. In addition, a beneficial owner shall include legal owners and share owners of such corporate entity (ies). The definition also includes:

- a) all the private trusts and names of those beneficiaries of those private trusts and their details. For the purpose of the reporting process:
 - a percentage of 25% of direct shares held by a natural person, shall be evidence of ownership or control through shareholding; and
 - a percentage of 25% of indirect shares held by a natural person, shall be evidence of ownership or control through shareholding.
- b) publicly listed companies, including wholly-owned subsidiaries, which would be required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.
- c) In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.

We also propose the following definition of Politically Exposed Persons (PEPs):

Table 57: Proposed definition for PEPs

Politically Exposed Persons (PEPs)

PEPs are defined as individuals who belong to one of the following categories:

- a) an individual who holds, or has held, public office, and includes— (i) a Head of State or Government; (ii) a Minister; (iii) a Deputy Minister; (iv) a politician; (v) a political party official; (vi) a judicial official or other senior official of a quasi-judicial body; (vii) a military official; (viii) a member of an administrative, management or supervisory body of a State owned enterprise;
- b) an individual who is, or has been, entrusted with a public function by a State, public body or a local or international organisation;
- c) an immediate family member of a person referred to in paragraph (a); or
- d) a close associate of a person referred to in paragraph (a).

4. BENEFICIAL OWNERSHIP DECLARATION

Based on the above proposed definition, the companies selected for reporting information on their beneficial ownership submitted a beneficial ownership declaration. Accordingly, the following information were made available:

- **Name of beneficial owner:** full name(s) of the company's beneficial owner(s) and information on their identity (ies) including:
 - **Name of any politically exposed person** where any owner is also a 'politically involved person', this should be mentioned.
 - **Identifying details:** additional details are required in order to narrow down a beneficial owner to one individual.
- **Contact:** a means of contacting the beneficial owner such as a business address.
- **Means of control:** a description of how the beneficial owner and any politically engaged persons exercise control over the company. If there is a chain of companies between the beneficial owner and the natural resource asset, for example, this would mean the name of every company within the chain. In some cases, there may be an additional link, such as a private agreement between the beneficial owner and the owner of the last company in the chain, in which case this additional link should also be declared. Third parties should then be in a position to verify some, if not all, information declared in the shareholder registers.
- **Signed statement of accuracy:** a senior official from the company should sign a statement to confirm that the information provided is accurate.

Details of beneficial ownership declared by extractive entities included in the reconciliation scope is presented in **Annex 15** of this report.

5. LEGAL OWNERSHIP DECLARATION

Extractive entities included in the reconciliation scope were requested to report on legal ownership in the reporting templates. Details of legal ownership by company are set out in Annex 4 of the report.

3.8. Auditing and accounting

1. EXTRACTIVE ENTITIES

Audit of Private companies

In accordance with the Companies Act (1991) Cap 89:01¹⁵¹, companies must file audited accounts. The company shareholders must appoint an auditor to hold office during the first annual meeting until the close of the next annual meeting¹⁵². Article 177 of the Companies Act (1991) states that the Court may appoint and fix the remuneration of an auditor upon the application of a shareholder or the Registrar.

The auditors of a company shall make a report to the shareholders on the accounts examined by them and on every balance sheet, every profit and loss account and all group accounts laid before the company in general meeting during their tenure of office. The auditor's report shall be read before the company in a general meeting and shall be open to inspection by any shareholders.

The auditor should be a member of the Institute of Chartered Accountants of Guyana (ICAG) and should hold a practising certificate from IGAD. The Institute of Chartered Accountants of Guyana (ICAG) is the body responsible for regulating the accounting profession in Guyana under the Institute of Chartered Accountants of Guyana Act (ICAG) (1991). It is a public interest body whose objects include the promotion and increase of the proficiency of its members and students, regulation of the conduct of its members and students and promotion of the accountancy profession.

ICAG is a member of the Institute of Chartered Accountants of the Caribbean (ICAC) and the International Federation of Accountants (IFAC). It has adopted standards and codes for application by its members including:

- the IFAC Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA) which is the ethics guidance to be followed by members;
- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) to be applied by members;
- International Standards on Auditing (ISAs) issued by the International Accounting and Auditing Standards Board (IAASB) to be followed by members. As a part of compliance with ISAs, ICAG Members are subject to Practice Monitoring; and
- monitoring is carried out on behalf of ICAG by the Association of Chartered Certified Accountants (ACCA) and reports submitted to an independent Regulatory Committee for review and action.

Audits of State-Owned Enterprises

Several legislative instruments govern the external audit of State-Owned Enterprises. The most significant instruments are the Companies Act (1991) Cap 89:01, the Fiscal Management and Accountability Act (2003) and the Audit Act (2004).

Section 344 of Companies Act (1991) defines a State-Owned Enterprise as a company of which 51% or more of its capital shares are held by the government and government companies. The Fiscal

¹⁵¹ http://www.oas.org/juridico/english/mesicic3_guy_companies.pdf

¹⁵² Article 172, Companies Act (1991) Cap 89:01

Management and Accountability Act (2003) requires the Auditor General to audit all entities in which the State has controlling interest¹⁵³.

A government company shall submit, within six (6) months after the close of the year, to the Minister, an annual report of its transactions, audited accounts and the audit report.

2. GOVERNMENT AGENCIES

The Constitution of the Co-operative Republic of Guyana Act (1980) states that the public accounts of Guyana and all officers and authorities of the Government of Guyana (including the commissions established by this Constitution) and the accounts of the Clerk of the National Assembly and of all courts in Guyana must be audited by the Auditor General.¹⁵⁴

The structure and functions of the Office of the Auditor General are governed by the Audit Act (2004)¹⁵⁵ The Auditor General has complete discretion in examining and reporting on the receipts, disbursements, and control of public funds and on the economy, efficiency and effectiveness in the use of such funds.¹⁵⁶

The Auditor General should conduct an audit in compliance with the Auditing Standards of the International Organisation of Supreme Audit Institutions (INTOSAI) and in compliance with the various funding agencies.

The main objectives of the Auditor General are to promote good governance including openness, transparency and to improve public accountability through:

- the execution of high-quality audits of the public accounts, entities and projects assigned by the Audit Act;
- timely reporting of the results to the legislature and ultimately the public; and
- ensuring that the independence, integrity and objectivity of the Audit Office is recognised.

The Auditor General shall report the results of his audit of the consolidated financial statements and the accounts of budget agencies within nine months of the end of each fiscal year. All the Auditor General reports are publicly available, the annual report 2017 is available on the website of the Auditor General Office of Guyana¹⁵⁷

¹⁵³ <http://www.audit.org.gy/pubs/BACKGROUND%20OF%20THE%20AUDIT%20OFFICE.pdf> *

¹⁵⁴ Article 223 of Constitution of the Co-operative Republic of Guyana Act (1980)

¹⁵⁵ <https://finance.gov.gy/?p=451>

¹⁵⁶ Part II, point 4 of the Audit Act (2004):

¹⁵⁷ <http://www.audit.org.gy/reports.html#>

4. DEFINING THE RECONCILIATION SCOPE

The work included a general understanding of the extractive industry in Guyana. Government Agencies have been consulted in order to collect relevant information on the size of the extractive sectors in Guyana, its contribution to the economy and to government revenues, as a part of the process to define the scope for the reconciliation for the fiscal year ending 31 December 2017.

4.1. Revenue flows

1. DIRECT PAYMENTS

During the scoping phase, Government Agencies that received payment flows from the extractive sectors have been consulted. The MSG agreed to include in the reconciliation scope the following payment flows without applying any materiality threshold:

Table 58: List of direct payments

N°	Flows description	Receiving Government Agency
Guyana Revenues Authority (GRA)		
1.1	Capital Gains Tax	GRA
1.2	Company Property Tax	GRA
1.3	Corporation Tax	GRA
1.4	Individual Income Tax	GRA
1.5	Pay As You Earn	GRA
1.6	Premium Tax	GRA
1.7	Value Added Tax	GRA
1.8	Withholding Tax	GRA
1.9	Tributors Tax	GRA
1.10	Penalties	GRA
1.11	Stamp Duty	GRA
1.12	Transfer Tax	GRA
1.13	Signature Bonuses	GRA
1.14	Excise Tax	GRA
1.15	Individual Property Tax	GRA
1.16	Customs Duties	GRA
Guyana Geology and Mines Commission (GGMC)		
2.1	Application fees (Licence)	GGMC
2.2	Royalties	GGMC
2.3	Annual licence rental charge	GGMC
2.4	Annual Training Fees	GGMC
2.5	Annual assignment Fees	GGMC

N°	Flows description	Receiving Government Agency
Guyana Gold Board (GGB)		
3.1	Withholding tax	GGB
3.2	Royalties	GGB
National Insurance Scheme (NIS)		
4.1	Social security Contribution	NIS
Environmental Protection Agency (EPA)		
5.1	Environmental permit fees	EPA
5.2	Construction Permit	EPA
5.3	Licence Fees	EPA
Ministry of Finance (MoF)		
6.1	Dividends	MoF
6.2	Revenues from share disposal	MoF
6.3	Royalties (*)	MoF
Social contribution		
7.1	Voluntary Social Contribution	
7.2	Mandatory Social Contribution	

(*) During the reconciliation scope, the Ministry of Finance reported royalty payments collected from two mining companies namely AGM Inc. and Troy Resources Guyana Inc. This payment flow has therefore been identified and added to the scope.

2. SOCIAL PAYMENTS

These consist of all contributions made by extractive entities to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages the multi-stakeholder groups to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them.

These contributions can be voluntary or non-voluntary (mandatory) and can be made in cash or in kind, depending on individual contracts. This category includes, inter alia infrastructures in health, education, road and market gardening projects related to the promotion of agriculture as well as grants provided to the population.

Accordingly, the MSG decided to include social payments made during the FY 2017 in the EITI scope through unilateral disclosure by extractive entities.

3. STATE'S SHARE OF PRODUCTION AND OTHER IN-KIND REVENUES

There was no payment in-kind in the mining sector during the FY 2017. Furthermore, all Oil and Gas companies are in the exploration phase. As a result, there were no in-kind revenues in the oil and gas sector during the FY 2017.

4. SUBNATIONAL PAYMENTS

There were no sub-national Government Agencies that received direct or indirect revenues from the extractive entities during the FY 2017.

5. SUBNATIONAL TRANSFERS

There are no sub-national transfers under Guyana's legislation.

6. OTHER SIGNIFICANT PAYMENTS

The reporting template included an additional heading in order to report any other significant payments made/collected during 2017 and not included in the previous revenue streams.

4.2. Extractive entities

1. MINING COMPANIES

During the scoping phase, the MSG decided to include twenty-four (24) mining entities in the reconciliation scope. These entities comprised the following:

- thirteen (13) mining entities making payments to GGB and GGMC exceeding a materiality threshold of GYD 75 million in the FY 2017 and accounting for 22.1% of revenues collected by both Government Agencies as presented below.

Table 59: List of mining entities making payments above the materiality threshold

Mining entities	Number of miners	Revenue collected by GGB and GGMC	Weight (%)	Cumulative weight (%)
		Year 2017 (GYD million)		
Innovative Mining	1	286.35	3.30%	3.30%
R Mining Inc	1	255.46	3.00%	6.30%
Alfro Alphonso (*)	1	223.48	2.60%	8.90%
Azeem Baksh	1	173.90	2.00%	10.90%
Gold Target Export	1	148.09	1.70%	12.60%
Milburn Mahadeo	1	108.87	1.30%	13.90%
Adamantium Holdings	1	107.99	1.30%	15.10%
GREY WOLF RESOURCES	1	100.04	1.20%	16.30%
TESOURO RESOURCES	1	97.14	1.10%	17.40%
J & D Mining	1	86.49	1.00%	18.40%
New East International	1	81.90	1.00%	19.40%
HIGGINS WINSLOW THEOPILUS	1	79.68	0.90%	20.30%
Wal Jays Mining	1	77.89	0.90%	21.20%
Harpy Investment	1	76	0.90%	22.10%
Sub-total for mining entities paying above the materiality threshold of GYD 75 million	14	1,903	22%	
Mining entities making payments below the materiality threshold of GYD 75 million	9,093	6,715	78%	100.00%
Total of revenues for mining entities making payments to GGB and GGMC	9,107	8,618	100%	

Source: Statements of revenues submitted by GGB and GGMC at the scoping phase

() GGMC confirmed during the reconciliation phase that Alfro Alphonso makes payments to GGB on behalf of the company Adamantium Holdings which is already in the reconciliation scope. As a result, the reconciliation has been updated by retaining Adamantium Holdings only.*

Additionally, given the lack of data on GRA statement of revenues, several companies have been selected without applying any materiality threshold. These include:

- AGM Inc. which is wholly owned subsidiary of the Canadian company Guyana Goldfield Inc. has a total gold resource of 6.25 million ounces and it started commercial production on 1 January 2016¹⁵⁸;
- Troy resources Guyana Inc. as it holds a large-scale licence to extract gold in Karouni;
- Two (2) active bauxite companies as they hold large scale licences, namely: “BOSAI Minerals Guyana Inc” and “Bauxite Company of Guyana Inc (BCGI).; and
- the seven (7) gold dealers. that contributed to over two thirds of revenues collected by GGB during 2017.

Therefore, **twenty-four (24) entities** have been included in the reconciliation scope for the FY 2017 as detailed in the table below:

Table 60: List of mining entities retained in the reconciliation scope

N°	Payer's Name	Status
1	Mohamed's Enterprise	Dealers
2	El Dorado Trading	Dealers
3	Pure Diamond Inc.	Dealers
4	SSS Mineral Trading Enterprise	Dealers
5	Excel Minerals Inc	Dealers
6	Dinar Trading	Dealers
7	Guyana Bank for Trade & Industry	Dealers
8	Innovative Mining	Mining entity
9	R Mining Inc	Mining entity
10	Azeem Baksh	Mining entity
11	Gold Target Export	Mining entity
12	Milburn Mahadeo	Mining entity
13	Adamantium Holdings	Mining entity
14	GREY WOLF RESOURCES	Mining entity
15	TESOURO RESOURCES	Mining entity
16	J & D Mining	Mining entity
17	New East International	Mining entity
18	HIGGINS WINSLOW THEOPILUS	Mining entity
19	Wal Jays Mining	Mining entity
20	Harpy Investment	Mining entity
21	AGM Inc.	Mining entity
22	Troy resources INC	Mining entity
23	BOSAI Minerals Guyana Inc	Mining entity
24	Bauxite Company of Guyana Inc	Mining entity

¹⁵⁸ <https://www.guygold.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&LanguageId=1&PressReleaseId=ac233d5d-434a-4368-b6fe-f24c7ec261c5>

For extractive entities operating in the mining sector, which made payments below the materiality threshold, the MSG decided disclosure unilaterally by Government Agencies of the combined revenue streams from the companies listed in Section 6.2 of this report in accordance with EITI Requirement 4.1.d.

2. OIL AND GAS COMPANIES

Given the lack of data on GRA statement of revenues, the MSG decided to include all petroleum companies holding active licences in the FY 2017 in the reconciliation scope as follows:

Table 61: List of oil and gas entities retained in the reconciliation scope

N°	Company
1	Nabi Oil & Gas Inc
2	ON Energy
3	Repsol / Tullow
4	CGX
5	Tullow / ECO
6	Mid-Atlantic / Esso / JHI.
7	Esso/CNOOC NEXEN/HESS
8	Anadarko
9	Ratio Guyana / Esso / Cataleya

3. FORESTRY COMPANIES

Given that disclosure for this sector is not mandatory by the EITI standard, MSG decided to not include the forestry sector in the reconciliation scope of the first GYEITI report.

4. FISHERIES COMPANIES

Given that disclosure for this sector is not mandatory by the EITI standard, the MSG decided to not include the fisheries sector in the reconciliation scope of the first GYEITI report.

4.3. Government Agencies

Based on the scope proposed above, the Government Agencies that were required to submit reporting templates are as follows:

Table 62: List of Government Agencies retained in the reconciliation scope

N°	Government Agency
1	Guyana Revenue Authority (GRA)
2	Guyana Geology and Mines Commission (GGMC)
3	Guyana Gold Board (GGB)
4	Environmental Protection Agency (EPA)
5	National Insurance Scheme (NIS)
6	Ministry of Finance (MoF)

MSG agreed to request to submit reporting templates for the amounts that it transferred to GRA and GGMC during FY 2017 as detailed in Section 3.6.3 of this report.

5. RECONCILIATION RESULTS

Detailed results of the reconciliation exercise, as well as differences noted between amounts paid by extractive entities and received by Government Agencies are set out below. The tables below highlights the amounts initially reported and the adjustments made following the reconciliation work, as well as the final amounts and unreconciled differences.

5.1. Payment Reconciliation between extractive entities and Government Agencies

1. Reconciliation by Extractive Entity

The table below summarises the differences between the payments reported by extractive entities and receipts reported by Government Agencies. It includes consolidated figures based on the reporting templates prepared by each extractive entity and Government Agency, adjustments made by us following our reconciliation work and the residual, unreconciled differences. Details of the adjustments are presented in Section 5.2 of this report and in order to keep the report size reasonable, detailed reporting templates for each company are included in Annex 10 of this report.

Table 63: Reconciliation by extractive entity

Amounts in GYD

No	Company	Templates originally submitted			Adjustments			Final amounts		
		Extractive entity (a)	Government (b)	Difference (c) = (a - b)	Extractive entity (d)	Government (e)	Difference (f) = (d-e)	Extractive entity (g) = (a+d)	Government (h) = (b+e)	Difference (i) = (g-h)
1	Guyana Gold Fields (AGM)	-	6,655,021,752	(6,655,021,752)	-	(3,229,167,246)	3,229,167,246	-	3,425,854,506	(3,425,854,506)
2	Essso Exploration and Production Guyana Limited	2,064,238,455	2,253,074,307	(188,835,852)	1,614,177	87,450,588	(85,836,411)	2,065,852,632	2,340,524,895	(274,672,263)
3	El Dorado Trading	2,058,306,703	2,042,371,531	15,935,172	-	2,000,000	(2,000,000)	2,058,306,703	2,044,371,531	13,935,172
4	Mohamed's Enterprise	1,927,687,060	2,038,226,969	(110,539,909)	115,056,421	2,000,000	113,056,421	2,042,743,481	2,040,226,969	2,516,512
5	Troy Resources Guyana Inc.	1,563,078,700	1,584,198,306	(21,119,606)	(5,180,695)	1,398,354	(6,579,049)	1,557,898,005	1,585,596,660	(27,698,655)
6	Pure Diamond Inc.	315,492,095	316,755,830	(1,263,735)	1,798,763	2,000,000	(201,237)	317,290,858	318,755,830	(1,464,972)
7	Adamantium Holdings	-	412,829,437	(412,829,437)	-	(105,648,903)	105,648,903	-	307,180,534	(307,180,534)
8	Bauxite Company of Guyana (Rusal)	-	266,178,015	(266,178,015)	-	-	-	-	266,178,015	(266,178,015)
9	SSS Mineral Trading Ent.	-	241,932,484	(241,932,484)	-	-	-	-	241,932,484	(241,932,484)

No	Company	Templates originally submitted			Adjustments			Final amounts		
		Extractive entity (a)	Government (b)	Difference (c) = (a - b)	Extractive entity (d)	Government (e)	Difference (f) = (d-e)	Extractive entity (g) = (a+d)	Government (h) = (b+e)	Difference (i) = (g-h)
10	Excel Minerals Inc.	280,831,704	223,242,894	57,588,810	(11,298,557)	2,060,000	(13,358,557)	269,533,147	225,302,894	44,230,253
11	C G X Resources Inc.	262,284,173	241,444,399	20,839,774	(41,700,000)	(20,850,000)	(20,850,000)	220,584,173	220,594,399	(10,226)
12	Dinara Trading	215,957,448	216,187,531	(230,083)	2,342,445	2,000,000	342,445	218,299,893	218,187,531	112,362
13	B O S A I Minerals Group (Guyana) Inc.	1,158,568,746	184,966,775	973,601,971	-	3,231,750	(3,231,750)	1,158,568,746	188,198,525	970,370,221
14	Grey Wolf Resources	-	99,737,393	(99,737,393)	-	-	-	-	99,737,393	(99,737,393)
15	Tesouro Resources	-	98,343,468	(98,343,468)	-	-	-	-	98,343,468	(98,343,468)
16	Higgins Winslow Theophilus	-	79,089,795	(79,089,795)	-	-	-	-	79,089,795	(79,089,795)
17	G B T I Property Holdings Inc.	66,335,801	39,633,293	26,702,508	(1,574,878)	1,122,756	(2,697,634)	64,760,923	40,756,049	24,004,874
18	R E P S O L EXPLORACION GUYANA, S.A.	48,641,601	27,769,590	20,872,011	186,660	344,000	(157,340)	48,828,261	28,113,590	20,714,671
19	Innovative Mining	-	341,433,265	(341,433,265)	-	(315,051,833)	315,051,833	-	26,381,432	(26,381,432)
20	ON Energy Inc.	20,850,000	-	20,850,000	-	20,850,000	(20,850,000)	20,850,000	20,850,000	-
21	A z e e m Baksh	-	177,712,063	(177,712,063)	-	(157,168,389)	157,168,389	-	20,543,674	(20,543,674)
22	Anadarko Guyana Co.	15,151,514	14,586,660	564,854	-	-	-	15,151,514	14,586,660	564,854
23	Tullow Guyana B.V.	13,704,554	13,537,906	166,648	-	166,648	(166,648)	13,704,554	13,704,554	-
24	New East International	-	1,204,670,173	(1,204,670,173)	-	(1,193,448,954)	1,193,448,954	-	11,221,219	(11,221,219)
25	Milburn Mahadeo	-	111,406,760	(111,406,760)	-	(110,665,160)	110,665,160	-	741,600	(741,600)
26	Nabi Oil & Gas Inc.	-	58,800	(58,800)	-	-	-	-	58,800	(58,800)
27	R Mining Inc.	-	356,597,969	(356,597,969)	-	(356,597,969)	356,597,969	-	-	-

No	Company	Templates originally submitted			Adjustments			Final amounts		
		Extractive entity (a)	Government (b)	Difference (c) = (a - b)	Extractive entity (d)	Government (e)	Difference (f) = (d-e)	Extractive entity (g) = (a+d)	Government (h) = (b+e)	Difference (i) = (g-h)
28	Gold Target Export	-	148,086,032	(148,086,032)	-	(148,086,032)	148,086,032	-	-	-
29	J & D Mining	-	86,489,712	(86,489,712)	-	(86,489,712)	86,489,712	-	-	-
30	Wal Jays Mining	-	77,887,972	(77,887,972)	-	(77,887,972)	77,887,972	-	-	-
31	H a r p y Investment	-	76,166,121	(76,166,121)	-	(76,166,121)	76,166,121	-	-	-
32	Mid-Atlantic Oil & Gas Inc.	-	-	-	-	-	-	-	-	-
33	R a t i o Guyana Limited	-	-	-	-	-	-	-	-	-
Total		10,011,128,554	19,629,637,202	(9,618,508,648)	61,244,336	(5,752,604,195)	5,813,848,531	10,072,372,890	13,877,033,007	(3,804,660,117)

Source: EITI Reporting Templates

2. Reconciliation by revenue stream

The table below shows the total Basic Payments reported by extractive entities and Government Agencies, after adjustments:

Table 64: Reconciliation by revenue stream

Amounts in GYD

N ^o	Description of Payment	Templates originally submitted			Adjustments			Final amounts		
		Extractive entity (a)	Government (b)	Difference (c) = (a) - (b)	Extractive entity (d)	Government (e)	Difference (f) = (d) - (e)	Extractive entity (g)	Government (h)	Difference (i) = (g) - (h)
	A- Bilateral company disclosures	10,010,948,554	19,629,637,202	(9,618,688,648)	61,244,336	(5,749,634,279)	5,810,878,615	10,072,192,890	13,880,002,923	(3,807,810,033)
	Guyana Revenue Authority (GRA)	3,403,099,455	2,702,769,995	700,329,460	4,134,444	-	4,134,444	3,407,233,899	2,702,769,995	704,463,904
1.	Withholding Tax	1,279,802,783	1,196,180,808	83,621,975	-	-	-	1,279,802,783	1,196,180,808	83,621,975
1.	Pay As You Earn	1,204,612,390	1,042,339,151	162,273,239	-	-	-	1,204,612,390	1,042,339,151	162,273,239
1.	Corporation Tax	692,879,109	4,134,444	688,744,665	4,134,444	-	4,134,444	697,013,553	4,134,444	692,879,109
1.	Company Property Tax	113,628,805	823,435	112,805,370	-	-	-	113,628,805	823,435	112,805,370
1.	Penalties	57,060,795	-	57,060,795	-	-	-	57,060,795	-	57,060,795
1.	Value Added Tax	28,056,600	45,693,891	(17,637,291)	-	-	-	28,056,600	45,693,891	(17,637,291)
1.	Customs duty	15,380,735	59,830,647	(44,449,912)	-	-	-	15,380,735	59,830,647	(44,449,912)
1.	Individual Income Tax	4,110,195	-	4,110,195	-	-	-	4,110,195	-	4,110,195
1.	Other material payment flows > GYD 1,000,000 (GRA)	3,731,587	5,057,734	(1,326,147)	-	-	-	3,731,587	5,057,734	(1,326,147)
1.	Stamp Duty (collected by customs)	2,712,415	775,422	1,936,993	-	-	-	2,712,415	775,422	1,936,993
1.	Premium Tax	977,673	-	977,673	-	-	-	977,673	-	977,673

N ^o	Description of Payment	Templates originally submitted			Adjustments			Final amounts		
		Extractive entity (a)	Government (b)	Difference (c) = (a) - (b)	Extractive entity (d)	Government (e)	Difference (f) = (d) - (e)	Extractive entity (g)	Government (h)	Difference (i) = (g) - (h)
1. 12	Individual Property Tax	316,606	-	316,606	-	-	-	316,606	-	316,606
1. 13	Tributors Tax	9,762	-	9,762	-	-	-	9,762	-	9,762
1. 17	Excise Tax	-	347,934,463	(347,934,463)	-	-	-	-	347,934,463	(347,934,463)
	Guyana Geology and Mines Commission (GGMC)	789,714,013	1,115,017,813	(325,303,800)	(41,513,340)	82,944,000	(124,457,340)	748,200,673	1,197,961,813	(449,761,140)
2. 1	Annual licence rental charge	437,903,057	453,901,410	(15,998,353)	(20,700,000)	256,366,703	(277,066,703)	417,203,057	710,268,113	(293,065,056)
2. 2	Annual Training Fees	305,023,857	529,303,726	(224,279,869)	(20,813,340)	(215,542,703)	194,729,363	284,210,517	313,761,023	(29,550,506)
2. 3	Royalties	2,907,419	127,624,877	(124,717,458)	-	-	-	2,907,419	127,624,877	(124,717,458)
2. 4	Annual assignment Fees	41,442,000	-	41,442,000	-	41,442,000	(41,442,000)	41,442,000	41,442,000	-
2. 5	Other material payment flows > GYD 1,000,000 (GGMC)	100,000	2,501,800	(2,401,800)	-	-	-	100,000	2,501,800	(2,401,800)
2. 6	Application fees (Licence)	2,337,680	1,686,000	651,680	-	678,000	(678,000)	2,337,680	2,364,000	(26,320)
	Guyana Gold Board (GGB)	5,443,156,021	11,236,338,388	(5,793,182,367)	(514,745,560)	(5,837,422,644)	5,322,677,084	4,928,410,461	5,398,915,744	(470,505,283)
3. 1	Royalties -	4,602,795,575	9,327,538,620	(4,724,743,045)	(543,949,059)	(5,433,488,069)	4,889,539,010	4,058,846,516	3,894,050,551	164,795,965
3. 2	Withholding Tax-	824,814,461	1,908,799,768	(1,083,985,307)	29,203,499	(425,272,761)	454,476,260	854,017,960	1,483,527,007	(629,509,047)

N ^o	Description of Payment	Templates originally submitted			Adjustments			Final amounts		
		Extractive entity (a)	Government (b)	Difference (c) = (a) - (b)	Extractive entity (d)	Government (e)	Difference (f) = (d) - (e)	Extractive entity (g)	Government (h)	Difference (i) = (g) - (h)
3.3	Other material payment flows > GYD 1,000,000 (GGB)	15,545,985	-	15,545,985	-	18,368,270	(18,368,270)	15,545,985	18,368,270	(2,822,285)
	National Insurance Scheme (NIS)	346,800,592	718,416,984	(371,616,392)	1,614,177	(3,464,621)	5,078,798	348,414,769	714,952,363	(366,537,594)
4.1	Social Security Contribution	346,800,592	718,416,984	(371,616,392)	1,614,177	(3,464,621)	5,078,798	348,414,769	714,952,363	(366,537,594)
	Environmental Protection Agency (EPA)	28,178,473	16,172,059	12,006,414	-	8,308,986	(8,308,986)	28,178,473	24,481,045	3,697,428
5.1	Environmental Permit fees	24,379,386	16,070,400	8,308,986	-	8,308,986	(8,308,986)	24,379,386	24,379,386	-
5.2	Licence Fees	37,328	101,659	(64,331)	-	-	-	37,328	101,659	(64,331)
5.4	Other material payment flows > GYD 1,000,000- (EPA)	3,761,759	-	3,761,759	-	-	-	3,761,759	-	3,761,759
	Ministry of Finance (MoF)	-	3,840,921,963	(3,840,921,963)	611,754,615	-	611,754,615	611,754,615	3,840,921,963	(3,229,167,348)
6.1	Royalties (MoF)	-	3,840,921,963	(3,840,921,963)	611,754,615	-	611,754,615	611,754,615	3,840,921,963	(3,229,167,348)
	Total payments	10,011,128,554	19,629,637,202	(9,618,508,648)	61,244,336	(5,752,604,195)	5,813,848,531	10,072,372,890	13,877,033,007	(3,804,660,117)

Source: EITI Reporting Templates

5.2. Adjustments

1. Adjustments to Extractive entities' templates

The adjustments were carried out on the basis of confirmations received from extractive entities and Government Agencies and were supported by adequate evidence wherever deemed appropriate. The adjustments made are as follows:

Table 65: Adjustments to Extractive entities' templates

Adjustments to extractive entity payments	Total amount (in GYD)
Payments made not reported (a)	125,878,934
Payments reported but falling outside the period covered (b)	(59,649,563)
Payment amounts incorrectly reported (c)	(4,985,035)
Total added/deducted to amounts originally reported	61,244,336

(a) Payments made not reported

These are payment flows reported by Government Agencies but not reported by Extractive entities. Adjustments were made on the basis of flag receipts or confirmations made available by the companies. A summary of the adjustments made to company payments is set out in the table below:

Table 66: Adjustments for payments made not reported

Company	Amount (in GYD)	Payment flow
Mohamed's Enterprise	115,056,421	Withholding Tax and Royalties paid to GGB
Dinar Trading	5,073,892	Withholding Tax and Royalties paid to GGB
Pure Diamond	4,134,444	Corporation Tax
Eso Exploration and Production Guyana Limited	1,614,177	Social Security Contribution
Total adjustments	125,878,934	

(b) Payments reported but falling outside the period covered

These payments were reported, but fall outside the reconciliation period, i.e. before 1 January 2017 or after 31 December 2017. Details of the adjustments made to company payments are set out in the table below:

Table 67: Adjustments for payments reported but falling outside the period covered

Company	Amount (in GYD)	Payment flow
CGX Resources Inc.	(41,700,000)	Annual licence rental charge Annual training fees
Excel Minerals Inc.	(11,298,557)	Withholding tax Royalties
Dinar Trading	(2,731,447)	Withholding tax Royalties
Pure Diamond	(2,344,681)	Withholding tax Royalties

Guyana Bank for Trade and Industry	(1,574,878)	Withholding tax Royalties
Total adjustments	(59,649,563)	

(c) Payment amounts incorrectly reported

These mainly relate to exchange rate discrepancies. Details of the adjustments made to company payments are set out in the table below:

Table 68: Adjustments for payments amounts incorrectly reported

Company	Amount (in GYD)	Payment Flow
Troy Resources	(5,180,695)	Royalties
REPSOL EXPLORACION GUYANA, S.A.	186,660	Annual licence rental charge Annual training fees
Pure Diamond	9,000	Withholding tax
Total adjustments	(4,985,035)	

2. Adjustments to Government Agency templates

The adjustments were carried out on the basis of confirmations received from extractive entities or from Government Agencies and supported by flag receipts wherever deemed appropriate. The adjustments are detailed as follows:

Table 69: Adjustments to Government Agencies' templates

Adjustments to Government Agencies' receipts	Total amount (in GYD)
Revenues reported but not received (a)	(3,232,137,162)
Revenues received on other identification number (b)	(2,647,473,668)
Revenues received but not reported (c)	130,471,256
Revenues relating to activities other than extractive (d)	(3,464,621)
Total added/deducted to amounts originally reported	(5,752,604,195)

(a) Revenues reported but not received

These are royalties reported by GGB while these were actually collected by the Ministry of Finance. AGM and Troy resources are required to pay royalties directly to the Ministry of Finance. Details of the adjustments made by company are set out in the table below:

Table 70: Adjustments for revenues reported but not received

Company	Amount (in GYD)
Guyana Gold Field (AGM)	(3,229,167,246)
Troy Resources Guyana Inc.	2,969,916
Total adjustments	(3,232,137,162)

(b) Revenues received on other identification number

These are amounts reported incorrectly by Government Agencies. The adjustments are detailed as follows:

Table 71: Adjustments for revenues received on other identification number

Revenue stream	Government Agency	Amount (in GYD)
Royalties	GGB	(2,201,350,907)
Withholding Tax	GGB	(425,272,761)
Total GGB (1)		2,626,623,668
Annual Training Fees	GGMC	(15,637,500)
Annual licence rental charge	GGMC	(5,212,500)
Total GGMC (2)		20,850,000
Total general		(2,647,473,668)

(1) GGB collects royalties on gold produced as well as withholding taxes of 2% of the gross proceeds from gold sales as detailed in Section 3.1.7 of this report. The same amounts of royalties and withholding taxes twice by GGB. A first time on the reporting templates that GGB submitted for miners, who do not pay these revenues directly to GGB and a second time on the reporting templates of the dealers, who pay these revenues to GGB on the gold they have purchased from miners. These payments were therefore adjusted. A summary of the adjustments made to revenues by company is set out in the table below:

Table 72: List of adjustments made by company

Company	Amount (in GYD)
Innovative Mining	(315,051,833)
R Mining Inc.	(356,597,969)
Azeem Baksh	(154,623,012)
Gold Target Export	(148,086,032)
Milburn Mahadeo	(110,623,160)
J & D Mining	(86,489,712)
New East International	(1,193,448,954)
Wal Jays Mining	(77,887,972)
Harpy Investment	(76,166,121)
Adamantium Holdings	(107,648,903)
Total	(2,626,623,668)

(2) This adjustment relates to Annual licence rental charge and annual training fees paid by CGX Resources Inc. to GGMC in favour of ON Energy Inc.

(c) Revenues received but not reported

These are revenue flows reported by extractive entities, but which were not reported by Government Agencies.

After examining details of revenues submitted by Government Agencies, it is noted that the revenue amounts originally recorded in the reporting templates were under-reported. Adjustments to reported payments were therefore made based on confirmations received from the companies and/or a review of the supporting documents (receipts).

Details of the adjustments by payment stream can be presented as follows:

Table 73: Adjustments for revenues received but not reported

Revenue stream	Government agency	Amount (in GYD)
Annual licence rental charge	GGMC	46,654,500
Annual assignment Fees	GGMC	41,442,000
Other material payment flows > GYD 1,000,000 (GGB)	GGB	18,368,270
Annual Training Fees	GGMC	15,637,500
Environmental Permit fees	EPA	8,308,986
Application fees (Licence)	GGMC	60,000
Total		130,471,256

Details of the adjustments by extractive entity can be presented as follows:

Table 74: Adjustments by extractive entity

Company	Amount (in GYD)
Esso Exploration and Production Guyana Limited	87,450,588
ON Energy Inc.	20,850,000
Troy Resources Guyana Inc.	4,368,270
BOSAI Minerals Group (Guyana) Inc.	3,231,750
Excel Minerals Inc.	2,060,000
Mohamed's Enterprise	2,000,000
El Dorado Trading	2,000,000
Pure Diamond Inc.	2,000,000
Dinar Trading	2,000,000
GBTI Property Holdings Inc.	2,000,000
Adamantium Holdings	2,000,000
REPSOL EXPLORACION GUYANA, S.A.	344,000
Tullow Guyana B.V.	166,648
Total	130,471,256

(d) Revenues relating to activities other than extractive

These are revenues reported but related to activities other than extractive as per the reporting templates. Details of the adjustments made to Government Agencies are set out in the table below:

Table 75: Adjustments for revenues relating to activities other than extractive

Revenue stream	Government Agency	Revenues relating to activities other than extractive
Social Security Contribution	NIS	(3,464,621)
Total		(3,464,621)

Details of the adjustments made by extractive entity are set out in the table below:

Table 76: Adjustments by extractive entity

Company	Business nature (*)	Amount (in GYD)
Azeem Baksh	Shopkeeper - Grocery store - General store	(2,545,377)
GBTI Property Holdings Inc.	Acquisition and management of property	(877,244)
Milburn Mahadeo	Spares, Lubricants Etc	(42,000)
Total		(3,464,621)

5.3. Unreconciled discrepancies

Following our adjustments, the total unreconciled discrepancies amounted to GYD (3,804,660,117) representing 27% of total revenues of GYD 13,877,033,007 included in the reconciliation scope. This is the sum of positive differences of GYD 1,217,308,400 and negative differences amounting to GYD (5,021,968,517). These unreconciled differences can be analysed as follows:

Table 77: Summary of unreconciled discrepancies

Reasons for differences	Differences (in GYD)
Reporting templates not submitted by extractive entities (a)	(4,577,262,920)
Reporting templates not submitted by Government Agencies (b)	997,072,388
Revenues not reported by extractive entities (c)	(415,400,653)
Revenues not reported by Government Agencies (d)	152,036,250
Missing extractive entity details per receipt number (e)	68,019,762
Detail of payment could not be used	(17,072,405)
Missing Government Agency detail per receipt number (f)	(11,068,950)
Not material difference	(1,163,589)
Total	(3,804,660,117)

(a) Reporting templates not submitted by extractive entities

This unreconciled difference is a result of seventeen (17) extractive entities that did not submit their reporting templates. The payment flows reported by Government Agencies in respect of these companies amounted to GYD (4,577,262,920) representing 33% of the reconciled revenues of GYD 13,877,033,007. The extractive entities that failed to submit reporting templates were:

Table 78: Unreconciled differences for reporting templates not submitted by extractive entities

No.	Extractive entities that did not submit reporting templates	Amount (GYD million)
1	Guyana Gold Fields (AGM) (*)	3,425,854,506
2	Adamantium Holdings	307,180,534
3	Bauxite Company of Guyana (Rusal)	266,178,015
4	SSS Mineral Trading Ent.	241,932,484
5	Grey Wolf Resources	99,737,393
6	Tesouro Resources	98,343,468
7	Higgins Winslow Theophilus	79,089,795
8	Innovative Mining	26,381,432

No.	Extractive entities that did not submit reporting templates	Amount (GYD million)
9	Azeem Baksh	20,543,674
10	New East International	11,221,219
11	Milburn Mahadeo	741,600
12	Nabi Oil & Gas Inc.	58,800
13	R Mining Inc.	-
14	Gold Target Export	-
15	J & D Mining	-
16	Wal Jays Mining	-
17	Harpy Investment	-
Total extractive entities that did not submit their reporting templates		4,577,262,920

(*) AGM was able to submit reporting templates after the deadline and these have not been therefore included in this report. Total payments declared by AGM amount to GYD 4,658,355,586 as detailed below.

Unreconciled differences detailed by revenue stream can be presented follows:

Table 79: Unreconciled differences detailed by revenue stream

Revenue Stream	Government agency	Total (in GYD)
Royalties (MoF)	MoF	(3,229,167,246)
Social Security Contribution	NIS	(370,678,887)
Royalties	GGB	(421,937,426)
Annual licence rental charge	GGMC	(328,250,747)
Royalties	GGMC	(127,624,877)
Withholding Tax	GGB	(95,019,606)
Other material payment flows > GYD 1,000,000 (GGMC)	GGMC	(2,501,800)
Other material payment flows > GYD 1,000,000 (GGB)	GGB	(2,000,000)
Licence Fees	EPA	(64,331)
Application fees (Licence)	GGMC	(18,000)
Total		(4,577,262,920)

Furthermore, AGM was able to submit reporting templates after the deadline. These have not been therefore included in the reconciliation process. Total payments declared by AGM amount to GYD 4,658,355,586 as detailed below:

Table 80: AGM declared payments by Government Agency

AGM declaration of payments	Amount (GYD million)
GRA	860,227,172
GGMC	14,737,475
GGB	3,227,614,117
NIS	552,659,322
EPA	3,117,500
Total AGM payments as per its reporting templates without reconciliation	4,658,355,586

(b) Reporting templates not submitted by Government Agencies

This unreconciled difference is a result of GRA that was not able to submit its reporting templates for twenty-three (23) extractive entities because of the lack of signed waivers as detailed in Section 7.14 of this report. Six (6) of these extractive entities submitted reporting their templates. The payment flows to GRA reported by the extractive entities amounted to GYD (997,072,388) representing 7% of the reconciled revenues reported by Government Agencies as follows:

Table 81: Reporting templates not submitted by Government Agencies presented by payment flow

Revenue Stream	Government agency	Amount (in GYD)
Corporation Tax	GRA	689,689,456
Pay As You Earn	GRA	179,355,861
Company Property Tax	GRA	113,417,494
Withholding Tax	GRA	8,025,546
Individual Income Tax	GRA	4,110,195
Premium Tax	GRA	977,673
Customs duty	GRA	604,262
Value Added Tax	GRA	527,848
Individual Property Tax	GRA	316,606
Penalties	GRA	37,685
Tributors Tax	GRA	9,762
Total		997,252,388

A breakdown of unreconciled differences by extractive entity is presented in the table below:

Table 82: Reporting templates not submitted by Government Agencies presented by extractive entity

N°	Extractive entity	Amount (in GYD)
1	BOSAI Minerals Group (Guyana) Inc.	966,249,255.0
2	GBTI Property Holdings Inc.	26,214,257.0
3	Mohamed's Enterprise	4,496,514.0
4	Dinar Trading	112,362.0
5	Anadarko Guyana Co.	-
6	El Dorado Trading	-
7	Adamantium Holdings	(*)
8	Azeem Baksh	(*)
9	Bauxite Company of Guyana (Rusal)	(*)
10	Gold Target Export	(*)
11	Grey Wolf Resources	(*)
12	Guyana Gold Fields (AGM)	(*)
13	Harpy Investment	(*)
14	Higgins Winslow Theophilus	(*)
15	Innovative Mining	(*)
16	J & D Mining	(*)
17	Milburn Mahadeo;	(*)

N°	Extractive entity	Amount (in GYD)
18	Nabi Oil & Gas Inc.	(*)
19	New East International	(*)
20	R Mining Inc.	(*)
21	SSS Mineral Trading Ent.	(*)
22	Tesouro Resources	(*)
23	Wal Jays Mining	(*)
Total		997,072,388

(*) Reporting template not submitted by extractive entity

(c) Revenues not reported by extractive entities

These differences relate mainly to revenues reported by GRA and GGB. In most cases, it was not possible to confirm from the companies the existence of certain payments declared, given the lack of the receipt number relating to these payments. The breakdown of unreconciled differences by company is presented in the table below:

Table 83: Unreconciled differences for revenues not reported by extractive entities

Extractive entity	Amount (in GYD)
Eso Exploration and Production Guyana Limited	(269,044,289)
Troy Resources Guyana Inc.	(140,631,260)
GBTI Property Holdings Inc.	(2,000,000)
Mohamed's Enterprise	(1,980,000)
Pure Diamond Inc.	(1,464,972)
Excel Minerals Inc.	(234,682)
REPSOL EXPLORACION GUYANA, S.A.	(25,150)
El Dorado Trading	(20,300)
Total	(415,400,653)

The table below presents a breakdown of unreconciled differences by revenue stream:

Table 84: Breakdown of unreconciled differences by revenue stream

No.	Revenue Stream	Government agency	Amount (in GYD)
1.1 4	Excise Tax	GRA	(347,934,463)
1.1 6	Customs duty	GRA	(44,861,839)
1.7	Value Added Tax	GRA	(17,234,825)
3.3	Other material payment flows > GYD 1,000,000 (GGB)	GGB	(3,980,000)
1.2	Company Property Tax	GRA	(609,164)
4.1	Social Security Contribution	NIS	(564,242)
1.1 7	Other material payment flows > GYD 1,000,000 (GRA)	GRA	(216,120)

Total	(415,400,653)
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(d) Revenues not reported by Government Agencies

These differences relate mainly to Penalties and Withholding taxes on payments reported by companies but not confirmed by GRA. The table below presents a breakdown of the unreconciled differences by revenue stream:

Table 85: Unreconciled differences for revenues not reported by Government Agencies

Revenue Stream	Government agency	Amount (in GYD)
Penalties	GRA	57,023,110
Withholding Tax	GRA	54,882,044
Annual licence rental charge	GGMC	16,139,281
Royalties-	GGB	9,726,874
Withholding Tax-	GGB	4,228,598
Other material payment flows > GYD 1,000,000- (EPA)	EPA	3,761,759
Other material payment flows > GYD 1,000,000 (GGB)	GGB	3,107,715
Corporation Tax	GRA	3,009,653
Other material payment flows > GYD 1,000,000 (GGMC)	GGMC	100,000
Social Security Contribution	NIS	55,216
Application fees (Licence)	GGMC	2,000
Total		152,036,250

(e) Missing extractive entity details per receipt number

These differences relate mainly to Royalties and Withholding Taxes reported by extractive entities. The table below presents a breakdown of unreconciled differences by revenue stream:

Table 86: Unreconciled differences for missing extractive entity details per receipt number

Revenue Stream	Government Agency	Amount (in GYD)
Royalties	GGB	28,071,165
Withholding Tax	GRA	20,714,385
Withholding Tax	GGB	10,426,698
Social Security Contribution	NIS	3,940,966
Royalties	GGMC	2,907,419
Stamp Duty (collected by customs)	GRA	1,959,129
Total		68,019,762

The table below presents a breakdown of unreconciled differences by extractive entity:

Table 87: Unreconciled differences by extractive entity

Extractive entity	Amount (in GYD)
Excel Minerals Inc.	41,405,282
REPSOL EXPLORACION GUYANA, S.A.	20,714,385

BOSAI Minerals Group (Guyana) Inc.	3,940,966
Esso Exploration and Production Guyana Limited	1,959,129
Total	68,019,762

(f) Missing Government Agency details per receipt number

These differences relate mainly to revenues declared by GGMC, collected from Esso Exploration and Production Guyana Limited. Details of the differences by revenues stream are set out in the table below:

Table 88: Unreconciled differences for missing Government Agency details per receipt number

No	Revenue Stream	Government Agency	Missing Government Agency detail per receipt number
2.4	Annual Training Fees	GGMC	(29,717,850)
2.3	Annual licence rental charge	GGMC	18,648,900
	Total		(11,068,950)

GGMC were unable to provide the detail of payments by receipt number or flag receipts supporting these payments.

- **Unreconciled differences by company:**

Summary of the unreconciled differences by company are set out in the table below:

Table 89: Summary of the unreconciled differences by company

Amounts in GYD

Company	Unreconciled difference	Reasons for differences							
		Reporting template not submitted by the extractive entity	Reporting template not submitted by the Government Agency	Missing extractive entity detail per receipt number	Missing Government Agency detail per receipt number	Revenues not reported by the extractive entity	Revenues not reported by the Government Agency	Detail of payment could not be used	Not material difference
Guyana Gold Fields (AGM)	(3,425,854,506)	(3,425,854,506)	-	-	-	-	-	-	-
BOSAI Minerals Group (Guyana) Inc.	970,370,221	-	966,429,255	3,940,966	-	-	-	-	-
Adamantium Holdings	(307,180,534)	(307,180,534)	-	-	-	-	-	-	-
Esso Exploration and Production Guyana Limited	(274,672,263)	-	-	1,959,129	(11,068,950)	(269,044,289)	3,761,759	-	(279,912)
Bauxite Company of Guyana (Rusal)	(266,178,015)	(266,178,015)	-	-	-	-	-	-	-
SSS Mineral Trading Ent.	(241,932,484)	(241,932,484)	-	-	-	-	-	-	-
Grey Wolf Resources	(99,737,393)	(99,737,393)	-	-	-	-	-	-	-
Tesouro Resources	(98,343,468)	(98,343,468)	-	-	-	-	-	-	-
Higgins Winslow Theophilus	(79,089,795)	(79,089,795)	-	-	-	-	-	-	-
Excel Minerals Inc.	44,230,253	-	-	41,405,282	-	(234,682)	3,009,653	-	50,000
Troy Resources Guyana Inc.	(27,698,655)	-	-	-	-	(140,631,260)	131,254,150	(17,072,405)	(1,249,140)
Innovative Mining	(26,381,432)	(26,381,432)	-	-	-	-	-	-	-
GBTI Property Holdings Inc.	24,004,874	-	26,214,257	-	-	(2,000,000)	-	-	(209,383)
REPSOL EXPLORACION GUYANA, S.A.	20,714,671	-	-	20,714,385	-	(25,150)	55,216	-	(29,780)
Azeem Baksh	(20,543,674)	(20,543,674)	-	-	-	-	-	-	-
El Dorado Trading	13,935,172	-	-	-	-	(20,300)	13,955,472	-	-

Company	Unreconciled difference	Reasons for differences							
		Reporting template not submitted by the extractive entity	Reporting template not submitted by the Government Agency	Missing extractive entity detail per receipt number	Missing Government Agency detail per receipt number	Revenues not reported by the extractive entity	Revenues not reported by the Government Agency	Detail of payment could not be used	Not material difference
New East International	(11,221,219)	(11,221,219)	-	-	-	-	-	-	-
Mohamed's Enterprise	2,516,512	-	4,496,514	-	-	(1,980,000)	-	-	(2)
Pure Diamond Inc.	(1,464,972)	-	-	-	-	(1,464,972)	-	-	-
Milburn Mahadeo	(741,600)	(741,600)	-	-	-	-	-	-	-
Anadarko Guyana Co.	564,854	-	-	-	-	-	-	-	564,854
Dinar Trading	112,362	-	112,362	-	-	-	-	-	-
Nabi Oil & Gas Inc.	(58,800)	(58,800)	-	-	-	-	-	-	-
CGX Resources Inc.	(10,226)	-	-	-	-	-	-	-	(10,226)
Total	(3,804,660,117)	(4,577,262,920)	997,252,388	68,019,762	(11,068,950)	(415,400,653)	152,036,250	(17,072,405)	(1,163,589)

- **Unreconciled amounts by type of payment:**

Summary of unreconciled amounts by type of payment are set out in the table below:

Table 90: Summary of unreconciled amounts by type of payment

Amounts in GYD

No.	Revenue Stream	Unreconciled difference	Reasons for differences							
			Reporting template not submitted by the extractive entity	Reporting template not submitted by the Government Agency	Missing extractive entity detail per receipt number	Missing Government Agency detail per receipt number	Revenues not reported by the extractive entity	Revenues not reported by the Government Agency	Detail of payment could not be used	Not material difference
	Guyana Revenue Authority (GRA)	704,643,904	-	997,252,388	22,673,514	-	(410,856,411)	114,914,807	(17,072,405)	(2,267,989)
1.3	Corporation Tax	692,879,109	-	689,869,456	-	-	-	3,009,653	-	-
1.14	Excise Tax	(347,934,463)	-	-	-	-	(347,934,463)	-	-	-
1.5	Pay As You Earn	162,273,239	-	179,355,861	-	-	-	-	(17,072,405)	(10,217)
1.2	Company Property Tax	112,805,370	-	113,417,494	-	-	(609,164)	-	-	(2,960)
1.8	Withholding Tax	83,621,975	-	8,025,546	20,714,385	-	-	54,882,044	-	-
1.10	Penalties	57,060,795	-	37,685	-	-	-	57,023,110	-	-
1.16	Customs duty	(44,449,912)	-	604,262	-	-	(44,861,839)	-	-	(192,335)
1.7	Value Added Tax	(17,637,291)	-	527,848	-	-	(17,234,825)	-	-	(930,314)
1.4	Individual Income Tax	4,110,195	-	4,110,195	-	-	-	-	-	-
1.11	Stamp Duty (collected by customs)	1,936,993	-	-	1,959,129	-	-	-	-	(22,136)
1.17	Other material payment flows > GYD 1,000,000 (GRA)	(1,326,147)	-	-	-	-	(216,120)	-	-	(1,110,027)
1.6	Premium Tax	977,673	-	977,673	-	-	-	-	-	-
1.15	Individual Property Tax	316,606	-	316,606	-	-	-	-	-	-
1.9	Tributors Tax	9,762	-	9,762	-	-	-	-	-	-
	Guyana Geology and Mines Commission (GGMC)	(449,761,140)	(458,395,424)	-	2,907,419	(11,068,950)	-	16,241,281	-	554,534

No.	Revenue Stream	Unreconciled difference	Reasons for differences						Detail of payment could not be used	Not material difference
			Reporting template not submitted by the extractive entity	Reporting template not submitted by the Government Agency	Missing extractive entity detail per receipt number	Missing Government Agency detail per receipt number	Revenues not reported by the extractive entity	Revenues not reported by the Government Agency		
2.3	Annual licence rental charge	(293,065,056)	(328,250,747)	-	-	18,648,900	-	16,139,281	-	397,510
2.2	Royalties	(124,717,458)	(127,624,877)	-	2,907,419	-	-	-	-	-
2.4	Annual Training Fees	(29,550,506)	-	-	-	(29,717,850)	-	-	-	167,344
2.6	Other material payment flows > GYD 1,000,000 (GGMC)	(2,401,800)	(2,501,800)	-	-	-	-	100,000	-	-
2.1	Application fees (Licence)	(26,320)	(18,000)	-	-	-	-	2,000	-	(10,320)
	Guyana Gold Board (GGB)	(467,535,367)	(518,957,032)	-	38,497,863	-	(3,980,000)	17,063,187	-	(159,385)
3.1	Withholding Tax-	(629,509,047)	(95,019,606)	-	10,426,698	-	-	4,228,598	-	(549,144,737)
3.2	Royalties-	164,795,965	(421,937,426)	-	28,071,165	-	-	9,726,874	-	548,935,352
3.3	Other material payment flows > GYD 1,000,000 (GGB)	(2,822,285)	(2,000,000)	-	-	-	(3,980,000)	3,107,715	-	50,000
	National Insurance Scheme (NIS)	(366,537,594)	(370,678,887)	-	3,940,966	-	(564,242)	55,216	-	709,353
4.1	Social Security Contribution	(366,537,594)	(370,678,887)	-	3,940,966	-	(564,242)	55,216	-	709,353
	Environmental Protection Agency (EPA)	3,697,428	(64,331)	-	-	-	-	3,761,759	-	-
5.3	Licence Fees	(64,331)	(64,331)	-	-	-	-	-	-	-
5.4	Other material payment flows > GYD 1,000,000- (EPA)	3,761,759	-	-	-	-	-	3,761,759	-	-
	Ministry of Finance (MoF)	(3,229,167,348)	(3,229,167,246)	-	-	-	-	-	-	(102)
6.3	Royalties (MoF)	(3,229,167,348)	(3,229,167,246)	-	-	-	-	-	-	(102)
	Total	(3,804,660,117)	(4,577,262,920)	997,252,388	68,019,762	(11,068,950)	(415,400,653)	152,036,250	(17,072,405)	(1,163,589)

6. ANALYSIS OF REPORTED DATA

6.1. Analysis of total extractive revenues

Total extractive revenues are made up of the reconciled revenues after adjustments, unilateral disclosure of payments by extractive entities and unilateral disclosure of revenues by Government Agencies as detailed below:

Table 91: Summary of reconciled revenues and unilateral disclosure

In GYD

Government agency	Reconciled figures (a)	Unilateral disclosure by Government agency (b)	Unilateral disclosure by company (c)	Reported revenue (c) = (a)+(b)+(c)	%	Total revenue by sector	
						Mining sector	Oil & Gas sector
Guyana Gold Board (GGB)	5,395,945,828	1,403,633,767		6,799,579,595	33%	6,799,579,595	-
Ministry of Finance (MoF)	3,840,921,963	-		3,840,921,963	18%	3,840,921,963	-
Guyana Revenue Authority (GRA)	2,702,769,995	3,857,472,323		6,560,242,318	32%	4,660,306,375	1,899,935,943
Guyana Geology and Mines Commission (GGMC)	1,197,961,813	1,417,358,951		2,615,320,764	13%	1,922,659,538	692,661,226
National Insurance Scheme (NIS)	714,952,363	10,663,614		725,615,977	3%	700,927,884	24,688,093
Environmental Protection Agency (EPA)	24,481,045	-		24,481,045	0%	3,333,409	21,147,636
Social Contribution (SC)	-	-	233,860,139	233,860,139	1%	12,214,310	221,645,829
Total	13,877,033,007	6,689,128,655	233,860,139	20,800,021,801	100%	17,939,943,074	2,860,078,727

Source: EITI Reporting Templates

1. Analysis of total revenues by sector's contribution

The analysis of Government revenues by sector contribution indicates that the mining sector contributed 86% of the total extractive revenues during the FY 2017. The table below presents the contribution of each sector:

Table 92: Analysis of total revenues by sector

Figure 9: Contribution by sector

Sector	Reported revenue (GYD)	% of total payment
Mining Sector	17,939,943,074	86%
Oil & Gas Sector	2,860,078,727	14%
Total	20,800,021,801	100%

Source: EITI Reporting Templates

2. Analysis of total revenues by extractive entity's contribution

The analysis of Government revenues by company indicates that 5 companies contributed approximately 55% of the total extractive revenues during the FY 2017. AGM and Esso Exploration and Production Guyana Limited account for almost 16% and 11% of the country's extractive revenues respectively.

Table 93: Analysis of total revenues by extractive entity

Company	Sector	Reported revenue (GYD)	% of total payment
Guyana Gold Fields (AGM)	Mining	3,425,854,506	16%
Esso Exploration and Production Guyana Limited	Oil & Gas	2,340,524,895	11%
El Dorado Trading	Mining	2,044,371,531	10%
Mohamed's Enterprise	Mining	2,040,226,969	10%
Troy Resources Guyana Inc.	Mining	1,585,596,660	8%
Other companies	Others	9,363,447,240	45%
Total		20,800,021,801	100%

Source: EITI Reporting Templates

Figure 10: Top five companies' contribution

4. Analysis by revenue stream

The analysis of payment flows by contribution shows that the top three payment streams represent 64% of the total extractive sector revenue during the FY 2017. Royalties accounts for 38% followed by Withholding tax and Pay As You Earn accounts for 13% each respectively of the total extractive revenues.

Table 94: Top three payment flows

Payment stream	Reported revenue (GYD)	% of total payment
Royalties	7,862,597,391	38%
Withholding Taxes	2,774,875,885	13%
Pay As You Earn	2,635,557,624	13%
Other Flows	7,526,990,901	36%
Total	20,800,021,801	100%

Source: EITI Reporting Templates

Figure 11: Top three payment flows

5. Analysis of revenues by Government agency

During the financial year 2017, GGB collected the largest amount of revenues, followed by the Ministry of Finance as shown in the table below:

Table 95: Government Agencies' contribution Figure 12: Government Agencies' contribution

Government Agency	Reported revenue (GYD)		% of total payment
GGB	6,799,579,595		33%
GRA	6,560,242,318		32%
MoF	3,840,921,963		18%
GGMC	2,615,320,764		13%
NIS	725,615,977		3%
EPA	24,481,045		0.1%
SC	233,860,139		1.1%
Total	20,800,021,801		100%

Source: EITI Reporting Templates

6.2. Unilateral disclosure of revenue streams

In accordance with EITI Requirement 4.1.d, Government Agencies are required to provide aggregate information about the amount of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below the agreed materiality threshold.

GRA, GGMC, GGB and NIS have unilaterally disclosed revenue streams collected from companies that have not been included within the reconciliation scope. However, EPA and Ministry of Finance (MoF) did not unilaterally disclose revenue streams collected from companies that have not been included within the reconciliation scope.

Extractive companies have unilaterally disclosed social contributions paid to third parties in accordance with EITI Requirement 6.1.a.

These unilateral disclosures are summarised as follows:

In GYD

Government agency	Declared Government Revenue (a)	Reconciled figures (b)	Unilateral disclosure (c) = (a) - (b)	Total revenue by sector	
				Mining sector	Oil & Gas sector
Guyana Revenue Authority (GRA)	6,560,242,318	2,702,769,995	3,857,472,323	3,857,472,323	-
Guyana Geology and Mines Commission (GGMC)	2,615,320,764	1,197,961,813	1,417,358,951	1,417,358,951	-
Guyana Gold Board (GGB)	6,799,579,595	5,395,945,828	1,403,633,767	1,403,633,767	-
National Insurance Scheme (NIS)	725,615,977	714,952,363	10,663,614	10,663,614	-
Environmental Protection Agency (EPA)	24,481,045	24,481,045	-	-	-
Ministry of Finance (MoF)	3,840,921,963	3,840,921,963	-	-	-
Social Contribution (SC)	-	-	-	-	-
Total	20,566,161,662	13,877,033,007	6,689,128,655	6,689,128,655	-

Source: EITI Reporting Templates

1. Unilateral disclosure by Government Agencies

Mining Sector

Unilateral disclosures by GRA, GG, GGMC and NIS covering the mining sector is summarised as follows:

Table 96: Summary of unilateral disclosures by Government Agencies

Government Agency	GRA	GGB	GGMC	NIS	Total amount (in GYD)
Unilateral disclosure by Government Agencies for receipts from companies within the reconciliation scope	-	-	-	-	-
Unilateral disclosure by Government Agencies for receipts from companies not retained in the reconciliation scope	3,857,472,323	1,403,633,767	1,417,358,951	10,663,614	6,689,128,655
Total reconciled figures	3,857,472,323	1,403,633,767	1,417,358,951	10,663,614	6,689,128,655

Source: EITI Reporting Templates

Detail of unilateral disclosure by Government Agencies is set out in Annex 11 of this report.

Oil and gas sector

Unilateral disclosures by Government Agencies are nil given that all oil & gas companies have been retained in the reconciliation scope.

2. Social payments unilaterally disclosed by companies

Social payments consist of all contributions made by extractive companies to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages multi stakeholder groups to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them.

Table 97: Summary of social contributions reported by companies

Company	Figures as reported by companies	Adjustments (*)	Total social contributions (in GYD)	in GYD		
				Payment in Kind	Total social contributions (in GYD)	%
Esso Exploration and Production Guyana Limited	194,573,482	-	194,573,482	-	194,573,482	83.2%
Mohamed's Enterprise	7,008,000	-	7,008,000	-	7,008,000	3.0%
CGX Resources Inc.	5,066,390	-	5,066,390	-	5,066,390	2.2%
BOSAI Minerals Group (Guyana) Inc.	4,599,510	-	4,599,510	-	4,599,510	2.0%
REPSOL EXPLORACION GUYANA, S.A.	3,360,600	-	3,360,600	17,744,485	21,105,085	9.0%
Mid-Atlantic Oil & Gas Inc.	1,683,492	(782,620)	900,872	-	900,872	0.4%
Troy Resources Guyana Inc.	596,800	-	596,800	-	596,800	0.3%
Pure Diamond Inc.	10,000	-	10,000	-	10,000	0.0004%

Total reconciled figures	216,898,274	(782,620)	216,115,654
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17,744,485	233,860,139	100.0%
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Source: EITI Reporting Templates

(*) Payment relates to a social contribution in Suriname territory as per the company's reporting templates

Extractive companies declared cash social contributions totalling GYD 216,115,654 . Additionally, Repsol Exploration Guyana, S.A. declared social contributions in kind of GYD 17,744,485. This contribution relates mainly to the annual scholarship for Guyanese citizens amounting to GYD 14,687,013.

The detail of social contribution is presented in Annex 12 of this report.

6.3. Analysis of production data

Extractive entities were requested to disclose total production volumes and the value of production by commodity in accordance with EITI Requirement 3.2. These production data as declared by GGB and GGMC have been considered where company data were not available. Details of production are set out in the table below:

Table 98: Summary of production data declared by reporting entities

N°	Companies	FY 2017					%	Source
		Mineral Type	Unit	Quantity	Value of the production in GYD			
1	Guyana Gold Fields (AGM)	Gold	Ounces	168,112	44,269,553,630	31.3%	(*)	
2	El Dorado Trading	Gold	Ounces	118,519	28,479,580,828	20.1%	(*)	
3	Troy Resources Guyana Inc.	Gold	Ounces	57,207	15,033,414,605	10.6%	(*) (****)	
4	R Mining Inc.	Gold	Ounces	22,286	5,094,256,719	3.6%	(**)	
5	Innovative Mining	Gold	Ounces	17,293	4,092,153,212	2.9%	(**)	
6	Excel Minerals Inc.	Gold	Ounces	15,915	3,266,083,095	2.3%	(*)	
7	Dinar Trading	Gold	Ounces	12,479	3,005,212,369	2.1%	(*)	
8	Azeem Baksh	Gold	Ounces	9,213	2,208,900,199	1.6%	(**)	
9	Gold Target Export	Gold	Ounces	8,862	2,115,514,742	1.5%	(**)	
10	Milburn Mahadeo	Gold	Ounces	6,624	1,580,330,860	1.1%	(**)	
11	Adamantium Holdings	Gold	Ounces	6,425	1,537,841,494	1.1%	(**)	
12	Grey Wolf Resources	Gold	Ounces	5,738	1,420,805,586	1.0%	(**)	
13	Tesouro Resources	Gold	Ounces	5,526	1,379,508,017	1.0%	(**)	
14	J & D Mining	Gold	Ounces	5,198	1,235,567,314	0.9%	(**)	
15	New East International	Gold	Ounces	4,916	1,171,570,937	0.8%	(**)	
16	Higgins Winslow Theophilus	Gold	Ounces	5,476	1,128,254,227	0.8%	(**)	
17	Wal Jays Mining	Gold	Ounces	4,637	1,112,685,325	0.8%	(**)	
18	Harpy Investment	Gold	Ounces	4,495	1,088,087,440	0.8%	(**)	
19	GBTI Property Holdings Inc.	Gold	Ounces	1,878	566,376,591	0.4%	(*)	
	Subtotal	Gold	Ounces	480,799	119,785,697,190	84.7%		

N ^o	Companies	FY 2017					%	Source
		Mineral Type	Unit	Quantity	Value of the production in GYD			
20	BOSAI Minerals Group (Guyana) Inc.	Bauxite	Metric Tons	436,978	13,107,009,951	9.3%	(***)	
21	Bauxite Company of Guyana (Rusal)	Bauxite	Metric Tons	1,044,564	8,398,089,340	5.9%	(***)	
	Subtotal	Bauxite	Tons	1,481,542	21,505,099,291	15.2%		
22	Excel Minerals Inc.	Diamond	Ounces	5,020	122,002,967	0.1%	(*)	
	Subtotal	Diamond	Ounces	5,020	122,002,967	0.1%		
Total					141,412,799,448	100.0%		

Source: EITI Reporting Templates

(*) From the companies

(**) From GGB

(***) From GGMC

(****) Exchange rate 208,5 USD/GYD

6.4. Analysis of exports data

Exports data reported by company or by GGB and GRA (where the data was not provided by the companies) are set out in the table below:

Table 99: Summary of exports declared by reporting entities

Company	FY 2017				Source	
	Solid Minerals Types	Quantity (Ounces)	FOB Value	%		
Mohamed's Enterprise	Gold	121,538	30,764,264,587	58.7%	(**)	
Troy Resources Guyana Inc.	Gold	66,024	15,033,414,605	28.7%	(*) (***)	
Guyana Gold Fields (AGM)	Gold	168,112	NC	-	(**)	
Dinar Trading	Gold	12,865	3,345,316,881	6.4%	(*)	
Excel Minerals Inc.	Gold	10,567	2,723,736,515	5.2%	(*)	
El Dorado Trading	Gold	266,006	NC	-	(**)	
GBTI Property Holdings Inc.	Gold	1,714	455,594,480	0.9%	(*)	
	Subtotal	Gold	646,826	52,322,327,068	99.8%	
Excel Minerals Inc.	Diamond	5,020	122,002,967	0.2%	(*)	
	Subtotal	Diamond	5,020	122,002,967	0.2%	
Total extractive sector			52,444,330,035	100.0%		

Source: EITI Reporting

(*) From the companies

(**) From GGB

(**) From GRA

(***) Exchange rate: 208.5 USD/GYD

Details of exports data declared by reporting entities are presented in Annex 7 of this report.

6.5. Infrastructure provisions and barter arrangements

None of the companies included in the reconciliation scope reported expenses under infrastructure provisions or barter arrangements in their reporting template.

6.6. Loan and loan guarantees

None of the Government Agencies reported loans or loan guarantees granted to extractive companies.

7. RECOMMENDATIONS

In order to improve the EITI reporting process in Guyana, the following recommendations are set out:

1. Mainstreaming the creation of an open data for EITI

In accordance with EITI Requirement 4.9.c, the multi-stakeholder group may seek Board approval to mainstream EITI implementation in accordance with the 'Agreed upon procedure for mainstreamed disclosures. Data required to be published by the standard cover a vast range of information such as revenues collected by Government Agencies, transfers of funds, data on production, exports and register of active licences, when it is established that there is:

- (i) routine disclosure of the data required by the EITI Standard in requisite detail, and
- (ii) that the financial data is subject to credible, independent audit, applying international standards,

Although Government Agencies have provided several EITI data, financial data were not systematically subject to independent audits as required by Requirement 4.9.c of the EITI Standard.

Additionally, contextual information on the extractive industry, data on revenues collected and budget allocation are not yet subject to electronic publication in the form of interactive open data.

In order to improve transparency and promote investment in the Guyana mining sector, we understand that an online Mining Cadastre Portal is currently being developed by GGMC.

In order to improve transparency in Guyana and comply with the requirement of EITI Standard, Government Agencies should set-up an open EITI database in the government systems by:

- *implementing and upgrading a cadastral system with adequate details such as data about the shareholders and the beneficial owners of the companies;*
- *enhancing the current management information systems of the Government Agencies involved in the GYEITI process (i.e. GRA, GGB, GGMC, NIS, EPA, MoF) in order to allow, among other benefits, systematic publication of EITI data required to be published in the EITI report;*
- *capacity building and raising awareness of government officials on transparency and open data disclosure; and*
- *implementing /updating manual of procedures for relevant Government Agencies to put processes in place to ensure timeliness, quality of data and cost effectiveness of the systems.*

2. Reporting at project level

EITI Requirement 4.7 requires reporting of EITI data at project level in certain circumstances, provided that it is consistent with the United States Securities and Exchange Commission rules and the forthcoming European Union requirements.

In Guyana, several licence holders operate in different regions and they may own several licences accordingly. Government Agencies were not able to report EITI data per licence, per region or at project level. This was the case for GGMC and GGB that did not report royalty payments and production details by project. Similarly, for GRA where the system is such that it presents information by TIN and does not necessarily capture exports data or payments by project or by licence.

We recommend that Government Agencies ensure that disaggregated payment flows, exports and production by projects can be made available in order to allow the reporting of relevant data at project level by:

- improving the information systems of Government Agencies such as GGMC, GGB, NIS and GRA in order to include the relevant modules for reporting exports data, revenue collections, and production data at project level. and
- updating the tax declaration processes and forms to be submitted by extractive entities for GGMC, GGB and GRA in order to mainstream information about disaggregation and reporting at project level wherever applicable.

3. Accuracy of export data

EITI Requirement 3.3 refers to the disclosure of export data for the fiscal year covered by the EITI Report, including total export volumes and the value of exports by commodity, and when relevant, by state/region of origin.

We note that Government Agencies' records on exports were different from one another as well as from the companies' records. We understand that GGMC and GGB do not systematically crosscheck exports data GRA's records to identify the potential discrepancies. Instances of discrepancies between government and companies' records are as detailed below:

Exports declared by GRA

GGB's records on Gold exports for a licence holder is different from GRA' records as detailed below.

Table 100: Reconciliation of exports declared by GRA and GGB

No.	Companies	Solid Minerals Types	Declared by GGB		Declared by GRA		Difference	
			Quantity (Oz's)	FOB Value (GYD)	Quantity (Oz's)	FOB Value (GYD)	Quantity (Oz's)	%
6	Troy Resources Guyana Inc.	Gold	66,024	Not reported	21,077	4,707,701,425	44,947	68%
	Total		66,024	-	21,077	4,707,701,425	44,947	68%

Source: Reporting templates of Government Agencies

Similarly, GGMC's records on exports show a discrepancy with exports reported by GRA's records as detailed below:

Table 101: Reconciliation of exports declared by GRA and GGMC

Companies	Solid Minerals Types	Declared by GGMC		Declared by GRA		Difference Quantity (m/carat)	Difference value (GYD)
		Quantity (m/carat)	FOB Value (GYD)	Quantity (m/carat)	FOB Value (GYD)		
Excel Minerals Inc.	Diamond	6,712	179,676,620	5,020	122,002,967	1,693	57,673,653
Total		6,712	179,676,620	5,020	122,002,967	1,693	57,673,653

Source: Reporting templates of Government Agencies

Exports declared by GGB

Likewise, GGB reported export volumes and values by exporter that were different from the company declarations as detailed below:

Table 102: Reconciliation of exports declared by GGB and reporting companies

N ^o . Companies	Solid Minerals Types	Declared by companies		Declared by GGB		Difference Quantity (Oz's)
		Quantity (Oz's)	FOB Value	Quantity (Oz's)	FOB Value	
1 Mohamed's Enterprise	Gold	121,538	30,764,264,587	121,552	Not reported	(14)
2 El Dorado Trading	Gold	266,006	Not reported	114,017	Not reported	151,989
3 Excel Minerals Inc.	Gold	10,567	2,723,736,515	11,089	Not reported	(522)
4 GBTI Property Holdings Inc.	Gold	1,714	455,594,480	1,834	Not reported	(120)
Total		399,825	33,943,595,582	248,492	-	151,333

Sources: Reporting templates

Exports declared by GGMC

GGMC reported exports data on diamonds that were different from those reported by the company are detailed below:

Table 103: Reconciliation of exports declared by GGMC and reporting companies

Companies	Solid Minerals Types	Declared by GGMC		Declared by companies		Difference Quantity (m/carat)	Difference value (GYD)
		Quantity (m/carat)	FOB Value (GYD)	Quantity (m/carat)	FOB Value (GYD)		
Excel Minerals Inc.	Diamond	6,712	179,676,620	5,020	122,002,967	1,693	57,673,652
Total		6,712	179,676,620	5,020	122,002,967	1,693	57,673,652

Sources: Reporting templates

We recommend that both GGMC and GGB implement automated controls to ensure the comprehensiveness of the export data reported by mining companies and to develop analysis tools to ensure consistency of exports data with the production data. This may include:

- putting in place a computerised system allowing the update and oversee of this data;
- collecting data from mining companies on a common and accessible IT platform for the relevant Government Agencies; and
- performing monthly control of exports data collected from various Government Agencies to prevent discrepancies in disclosed data.

4. Public disclosure of a register of licences

EITI Requirement 2.3 (a) states that the term licence refers to any licence, lease, title, permit, contract or concession by which the government confers on a company or individual rights to explore or exploit oil, gas and/or mineral resources.

The EITI Standard requires implementing countries to maintain a publicly available register or cadastre system with the following up to date and comprehensive data regarding each of the rights pertaining to companies included in the EITI Report:

- i. Name(s) of licence holder(s);
- ii. Coordinates of the licensed area;
- iii. Date of application, date of award and duration of the licence; and
- iv. In the case of production licences, the commodity being produced.

A centralised cadastre system does not currently exist as required by the EITI Standard. We note that separate lists of licences and permits active during 2017 have been maintained by GGMC. The list of claims is computerised, but the records of mining licences and permits were kept manually using different spreadsheets.

Furthermore, the register of licences and permits does not provide detailed information as listed above in accordance with the EITI Standard.

We also note the following weaknesses with regards to the list of active licences and permits submitted by GGMC:

- TINs of the extractive entities were not stated and as a result it was difficult to identify the companies, especially that they did not bear any other identification number. The only means of identifying the licences awarded to a same licence holder was by the entity's name, which was misspelt from one licence/permit/claim to another. This could lead to inaccurate compilation of data by licence/permit holder and it does not allow GGMC to conduct proper analysis on the rental fees due by each extractive entity;
- the lists of rights do not necessarily include the names of extractive entities for which GGB reported production. These missing extractive entity names include Grey Wolf Resources, Tesouro Resources, J & D Mining, Wal Jays Mining, Harpy Investment, Higgins Winslow Theophilus, and Adamantium Holdings; and
- data on the licensed area detailing the coordinates and surface in the licences, dates of application, dates of award, duration of the licence, are not systematically stated for each right's details. We understand that the information is yet to be compiled electronically from the hard copies.

The comprehensiveness of the licences registry system is extremely important to ensure the completeness of the EITI scope. Additionally, the lack of centralised and up to date mining cadastre which summarises all the concessions/licensed coordinates in a single national data system, is critical to allow GGMC to both fulfil its licensing authority duties and to ensure an effective oversight of the extractive industries.

We recommend that an inventory of all active licences should be undertaken in order to capture all relevant details from each licence as required by the EITI Standard. Once the register of licences is comprehensive, GGMC should ensure that the cadastre is kept up to date and that all data on licences is systematically recorded therein.

The register of licences and permits should include TIN of current licence holders or any other identification number rather than using companies' or individuals' names. TINs allow the tracking payment collections efficiently, which would facilitate the corroboration of data on the payment lists as well as communication between two Government Agencies.

The development of the online cadastral portal should be expedited in order to make publicly available the mining cadastre as required by the EITI Standard.

5. Public disclosure of mineral agreements

In accordance with Requirement 2.4 (a) of the 2016 EITI Standard, Implementing countries are encouraged to publicly disclose contracts and licences that provide the terms attached to the exploitation of oil, gas and minerals.

The Mining Act (1989) does not include any express restrictions on the public disclosure of mineral agreements and licences by the government. However, mineral agreements are not currently available electronically.

We note that the mineral agreement signed with “Aurora Minerals” on 18 November 2011, does not provide for any restrictions on the public disclosure of the mineral agreement.

Furthermore, we understand that a common model agreement that provides the standard terms attached to the management of mines, does not exist.

We recommend that the GYEITI Secretariat maintain an archive of copies of all active mineral agreements is available.

Additionally, we recommend that the GYEITI MSG sets out a work plan for the publication of all mineral agreements in the mining sector. This work plan may include the following:

- *defining how the electronic publication of mineral agreements can be undertaken;*
- *the steps required for all mineral agreements to be published electronically and how to make these accessible to the public;*
- *a realistic timeline as to when such data could be available; and*
- *performing a review of the institutional or practical barriers that may prevent such electronic publication.*

6. Allocation of licences and permits

EITI Requirement 2.2.a warrants the disclosure of information related to the award or transfer of licences pertaining to the companies covered in the EITI Report, including: a description of the process for transferring or awarding the licence; the technical and financial criteria used; information about the recipient(s) of the licence that has been transferred or awarded, including consortium members where applicable; and any non-trivial deviations from the applicable legal and regulatory framework governing licence transfers and awards.

We note that several mining permits, covering plots in the same location as per GGMC list of permits, had been awarded on the same date to the same applicant following the award process of medium scale mining permits instead of following the award process for large-scale mining licences. The total combined acreage of several mining permits awarded during FY 2017 to a same applicant exceeded 1,200 acres which is the maximum surface for a medium scale mining permit. If these plots had been combined, they would have exceeded 1,200 acre threshold and would have been categorised as being “large scale tenures”, which would involve paying higher rental fees and the licence award procedure requiring further approvals from other Government Agencies.

Additionally, the list of active mining permits shows that several plots were held by the same extractive entity and within the same location. The combined surfaces of these mining permits exceed 1,200 acre threshold in several instances. Such mining permit holders may need to be categorised as large-scale extractive operators as defined by the current legislation whenever it is established that the relating plots run consecutively one after the other. The annual rental fees due by large scale operators is USD 3 per acre as opposed to USD 1 per acre for medium scale mining operators. The total shortfall to the government as a result of such errors may reach considerable amounts per annum.

Furthermore, the Mining Act (1989) allows the Commission to conclude agreements with applicants through direct negotiation without any requirement to follow any tendering procedures.

We recommend that GGMC considers the amendment of the awarding procedures in order to include the clear definition and distinction between large scale licences and medium scale permits. In order to comply with the legal awarding process of mining permits and large-scale mining licences set by the Mining Act (1989), we recommend that GGMC considers taking into account the combined acreage of the permits when awarding them to the same applicant and when the plots are continuous.

We also recommend a review and an update of the list of current active mining permits in order to comply with the definition of the large scale mining licence given that several of them cover neighbouring plots for the same extractive entity and exceed 1,200 acre when combined.

In order to address under-exploitation of mining licences covering large plots by investors that might not have the required technical and financial capacities, we recommend applying tendering process for awarding mineral agreements.

7. Accuracy of production data

EITI Requirement 3.2 requires the disclosure of production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity. In order to maintain accurate and comprehensive records of production, GGMC and GGB are the Government Agencies that are responsible for maintaining reliable production data in order to assess the companies' liabilities in terms of royalties on production and the subsequent monitoring of their payments.

We note that the minerals' production data at both GGMC's and GGB's levels do not match production volumes declared by the extractive entity retained in the reconciliation scope as set out in the following table:

Table 104: Reconciliation of production data

Company	Unit	Companies		GGMC	GGB	Difference in Quantity
		Solid Minerals Types	Quantity	Quantity	Quantity	
Troy Resources Guyana Inc.	Oz's	Gold	57,207	66,024	66,024	(8,817)

Source: Reporting templates

We understand that Extractive Entities may not systematically declare their respective production consistently every month. We also note that GGMC and GGB do not have their own procedures and systems in place to collect and control production data reported by mining companies.

In addition to declarations submitted, we recommend that GGMC and GGB:

- set-out procedures to ensure the comprehensiveness of the production data reported by extractive entities and implement a computerised system to monitor and update the data on a monthly basis. This would improve both GGMC's and GGB' ability to reconcile royalties and other non-tax payments with production data and investigate any discrepancies; and
- provide the GYEITI MSG with a comparison of the production volumes declared by extractive entities with the measurements made by GGMC and GGB throughout the year.

8. Legislative reforms in the oil and gas sector

The Guyanese upstream oil and gas sector is governed by the Petroleum Exploration and Production Act (1986) and the Petroleum and Exploration Regulations (1986). The Government of Guyana is currently undertaking several reforms in the preparation for the emerging oil and gas sector such as the Petroleum Exploration and Production Bill which will repeal and replace the current Act and Petroleum Environmental Production Pollution Control Regulations as well as the Petroleum Health and Safety Regulations which are currently being reviewed.

The oil and gas sector in Guyana are currently in the production phase, which is expected to start in the beginning of the year 2020. However, to date, the reform of the Petroleum Exploration and Production Act is still in progress. This situation does not allow a favourable investment environment for petroleum companies to carry out intensive exploration and production activities.

In order to promote a favourable legal environment for investment and in a bid to boost the confidence of private operators in the country, we recommend that the GYEITI MSG follows up with the Department of Energy at the Ministry of the Presidency in a bid to accelerate the reform of the petroleum legislation and how to address any technical barriers delaying the process.

9. Organisational structure of GGMC

GGMC is currently divided into five technical divisions namely:

- Geological Services Division;
- Mines Division;
- Environment Division;
- Petroleum Division; and
- Land Management Division.

As part of reforms currently being undertaken by the Government of Guyana, a new body named Petroleum Commission of Guyana is being created and which will have the responsibility for monitoring and ensuring compliance with the policies, laws and agreements for petroleum operations. It will also, be responsible for ensuring compliance with health, safety and environmental standards. Although petroleum production in Guyana is meant to begin in early 2020, the Petroleum Division of the Guyana Geology and Mines Commission (GGMC) is still responsible for the monitoring exploration activities in the oil and gas sector.

As such, we recommend that the current structure of GGMC be reviewed in order to accommodate the Petroleum Commission.

We recommend therefore that a thorough review of the current organizational structure of GGMC should be undertaken with a view to identifying governance structures best suited to allowing and encouraging greater accountability and transparency in all extractive industries including the petroleum sector.

We understand that an organizational review is currently underway and that a recommendation to award the contract was made during the period of this report.

10. Data quality and assurance

EITI Requirement 4.9 requires an assessment of whether the payments and revenues are subject to credible, independent audit, following international auditing standards.

The reporting period for entities retained in the reconciliation scope started with a training workshop held on 12 February 2019 and the reconciliation phase ended on 24 March 2019. All information submitted within this reporting period has been considered in the GYEITI report. As part of the procedures set to ensure the reliability of the data reported to the Independent Administrator during the reconciliation process as detailed in Sections 5 and 6 of the report, reporting entities were asked to provide signed copies of their reporting templates, a confirmation from an external auditor for extractive entities and by the Auditor General for Government Agencies, that the reporting templates were prepared based on the audited financial statements, along with a copy of the audited financial statements. We note that:

- two (2) extractive entities, namely Troy Resources Guyana Inc. and El Dorado Trading, did not submit reporting templates signed by senior management;
- only Pure Diamond Inc. submitted reporting templates certified by an external auditor and all of the other thirty-two (32) extractive entities did not submit reporting templates certified by an external auditor as detailed in **Annex 5** of this report;
- All of the reporting templates submitted by GRA were not signed by an authorised officer and the Ministry of Finance submitted two reporting templates signed by an authorised officer but not for the remaining thirty-one (31) entities retained in the reconciliation scope;

- none of the Government Agencies submitted reporting templates certified by the Auditor General; and
- GGMC, GRA, EPA and NIS did not submit their respective audited financial statements.

This is an important part of the EITI reporting process that has not been complied with, which can be viewed as lack of reliability of the data submitted. We recommend that the instructions for next year's reporting emphasize the importance of complying with this process.

11. Enhancing the industry participation

We understand that the current statutes do not make EITI reporting mandatory. The reporting period for entities retained in the reconciliation scope started with a training workshop held on 12 February 2019 and the reconciliation phase ended on 24 March 2019. All information submitted within this reporting period has been considered in the GYEITI report. It is noted that seventeen (17) extractive entities did not submit their reporting templates within this period as detailed in Section 5.3.a of this report.

Given the lack of reporting templates from both government and extractive entities as detailed in Section 7.14 of this report, it was not possible to ensure comprehensiveness of the revenues collected by GRA from the extractive entities retained in the reconciliation scope. As a result, it was not possible to ensure the comprehensiveness of the total revenues of the extractive sector.

We recommend that GYEITI works to raise awareness of the importance of participation amongst reporting entities, and ensure an adequate timeline for submitting reporting templates within the set deadlines. Notwithstanding, the significant efforts already made in this respect, GYEITI may focus on enhancing the communication lines of the EITI Process in Guyana by introducing the EITI process to extractive entities and Government Agencies through a strong awareness campaign such as conferences and meetings.

GYEITI must also set out an adequate time frame for the reporting process including selection of reporting entities, updating and submitting the reporting templates and instructions for completion and completion of all reconciliation work..

In the longer term, we recommend for the future that a review of the mining regulations is introduced with regards to EITI reporting such as:

- *reporting' obligations for extractive entities while specifying the level of disaggregation of the data to be submitted; and*
- *sanctions which could be imposed against extractive entities in the event of non-compliance or false declarations.*

We recommend that, in the short term, application and renewal forms for mining licenses and permits explicitly include a declaration of consent to disclosure of information required for compliance with EITI reporting and that such information be made available in a disaggregated, project by project, format..

12. Accuracy and comprehensiveness of data included in the reporting templates

Reporting templates from extractive entities and Government Agencies were not adequately prepared. We set out below several weaknesses noted during the EITI reconciliation process:

- companies and Government Agencies must report detailed payment flows by receipt number, as this information is vital for reconciliation work. However, in several cases:
 - ✓ extractive entities reported aggregated figures without providing the required level of breakdown by receipt number and by payment stream;
 - ✓ details of payment flows reported by GGB did not include the relevant receipt numbers for significant revenues associated with each of the payments as detailed in the instructions for completing the reporting templates; and
 - ✓ several extractive entities did not report receipt numbers as requested in the instructions, but referred to internal payment references instead;
- several reporting templates submitted by extractive entities did not include information on:
 - ✓ comprehensive details on their beneficial ownership as set out in Annex 2 of this report;

- ✓ export details such as mentioned in **Annex 7** of this report; and
- ✓ production details such as shown in **Annex 8**.

These shortcomings led to material unreconciled differences in the report.

We recommend for future reconciliation exercises that extractive entities and Government Agencies devote ample time towards the preparation of their respective reporting templates in accordance with the instructions set out by the Independent Administrator and following the supporting schedules.

We also recommend that all reporting entities being made aware of the importance of the EITI data they are providing, and that due care and attention is paid during the preparation of these reporting templates.

13. Use of unique identification number for all government Agencies

During the reconciliation process, we noted that the statements of receipts collected by GGMC and GGB do not include the Taxpayer Identification Number (TIN) nor any other internal reference numbers to identify all the payments of the same taxpayer. In addition, the names of some taxpayers are spelt differently from one payment record to another. This can lead to compilation of revenues collected by one Government Agency from one taxpayer to be inaccurate.

Additionally, NIS, which collects revenues not specific to the extractive sector uses an identification number for each payer. So, it has to rely on the names of the extractive entities in order to identify the corresponding revenues that NIS collected from these active licence holders. This can lead to compilation of revenues collected by different Government Agencies from one payer to be inaccurate.

As a result of such weaknesses, the materiality analysis would be biased and it does not allow to accurately identify the extractive entities making significant contributions to the Government revenues and to select the major one in the reconciliation scope.

The Statements of revenues of Government Agencies should include a unique identification number such as TIN rather than using names or different reference numbers for identifying payers. This would lead to an efficient tracking of receipts and ensure harmonization of databases of different tax authorities.

We recommend that Government Agencies collecting revenues from the extractive industries, in particular GGMC and GGB should revise their reporting system in order to include TIN when recording receipts.

14. Waiving legal confidentiality restrictions

In accordance with Section 23 (1) of the Revenue Authority Act (1996), Chapter 79:04 and Section 4 of the Income Tax Act (1929), Chapter 81:01, GRA is not allowed to disclose information on individual taxpayers.

Given the confidentiality terms mentioned above, GRA confirmed that it received revenues from 545 taxpayers operating in the extractive sector without disclosing their identities. We understand that GRA's recording system is not integrated with that of GGMC. As a result, there is a risk that the statement of GRA's revenues included payments that are not from the extractive sector and which should have been excluded from the scope of the EITI report.

Additionally, given the lack of TIN and the identity of the taxpayers in GRA's statement of revenues, we were unable to match the list of taxpayers with that of licence/permit holders in order to ensure comprehensiveness of the extractive revenues collected by GRA. As a result, the total revenues declared by GRA as being collected from the extractive companies may exclude several taxpayers operating in the extractive sector and which make material payments to the Government.

In order to overcome the legal confidentiality constraints during the EITI reconciliation, extractive entities were asked to sign waivers to allow GRA to submit reporting templates. GRA was therefore able to submit reporting templates for 6 (six) extractive entities and not for the remaining twenty seven (27) extractive entities retained in the reconciliation scope. The revenues declared by GRA in the 6 (six) reporting templates submitted amount to GYD 2,702,769,995 which represent only 41% of the revenues estimated to be collected by GRA from the extractive sector. The list of the missing reporting templates from GRA is detailed as follows:

1. Innovative Mining;
2. R Mining Inc.;
3. Azeem Baksh;
4. Gold Target Export;
5. Milburn Mahadeo;
6. Grey Wolf Resources;
7. Tesouro Resources;
8. J & D Mining;
9. New East International;
10. Higgins Winslow Theophilus;
11. Wal Jays Mining;
12. Harpy Investment;
13. Guyana Gold Fields (AGM);
14. Bauxite Company of Guyana (Rusal);
15. BOSAI Minerals Group (Guyana) Inc.;
16. Mohamed's Enterprise;
17. El Dorado Trading;
18. SSS Mineral Trading Ent.;
19. Dinar Trading;
20. GBTI Property Holdings Inc.;
21. Adamantium Holdings;
22. Nabi Oil & Gas Inc.;
23. ON Energy Inc.;
24. Tullow Guyana B.V.;
25. Mid-Atlantic Oil & Gas Inc.;
26. Anadarko Guyana Co.; and
27. Ratio Guyana Limited.

We recommend that the Government of Guyana amends Section 23 (1) of the Revenue Authority Act (1996) and Section 4 of the Income Tax Act (1929) to allow the information required for EITI reporting to be disclosed to the Independent Administrator, for the purpose of reporting in the EITI report.

In the shorter term, GYEITI must also set out an adequate time frame for the reporting process including selection of reporting entities and submitting the signed waivers by the extractive entities in order for GRA to have reasonable period of time to consider them..