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BDO LLP working to complete Guyana's 3rd EITI Report



Figure 1 Officers of the National Insurance Scheme along with representatives of BDO LLP and the GYEITI Secretariat following a meeting to discuss the submission of information for the compilation of Guyana's 3rd EITI Report

Having successfully produced and published two Country Reports since becoming an Extractive Industries Transparency Initiative (EITI) implementing country in 2017, Guyana is now in the process of compiling its 3rd Report, due by the end of May 2022.

The Independent Administrator BDO LLP was in Guyana during the second week of January 2022 conducting meetings and engagements with government entities and companies in the extractive sector. They also held meetings with the Independent Administrator Committee of the Multi-Stakeholder Group and also participated in the 47th Statutory Meeting of the MSG on January 12, 2022.



Figure 2 Members of BDO LLP's team (at right) participate in a virtual meeting with the Guyana Revenue Authority. At left is GYEITI National Coordinator Dr Rudy Jadoopat.

This is part of the is mandate of compiling and completing Guyana's EITI Report which is expected to be published by the end of May 2022. During their one-week sojourn in Guyana, the BDO LLP team comprising Mr Rached Maalej, Mr Ben Toorbally and Mr Karim Limam met with senior officials of the Guyana Geology and Mines Commission (GGMC), the Guyana Gold Board (GGB), the Guyana Revenue Authority (GRA), the National Insurance Scheme (NIS), the Ministry of Finance, the Environmental

Protection Agency (EPA), the Department of Fisheries, Ministry of Agriculture; the Guyana Forestry Commission (GFC) and the Pesticides and Toxic Chemicals Control Board.

At each of the meetings, the Government entity had a chance to seek clarification from BDO LLP and the GYEITI Secretariat staff regarding what was required of them and whether there were challenges to facilitating the information requested in a timely manner, having reiterated the timelines for the receipt of the information.



Figure 3 The meeting with NIS and BDO LLP in progress.

The parties also discussed the implementation of recommendations from the previous two reports, having gathered the input from all of the engagements with the various government entities and in consultation with the MSG, the IA is now expected to prepare a finalised Inception Report which is to be submitted before the end of January 2022. The final Inception Report is a significant milestone in the process towards the completion of the EITI Report. Following this stage, the government entities are expected to complete the reporting templates for the IA in order to prepare the draft EITI Report for Fiscal Year 2019.

Read our EITI Reports for Fiscal Years 2017 and 2018 here:

<https://www.gyeiti.org/reports-blog/guyana-second-eiti-report>

EITI REQUIREMENT 4 - Revenue collection (Extracted from the EITI Standard 2019)

Overview: An understanding of company payments and government revenues can inform public debate about the governance of the extractive industries. The EITI requires comprehensive disclosure of company payments and government revenues from the extractive industries. The EITI Requirements related to revenue collection include: (4.1) comprehensive disclosure of taxes and revenues; (4.2) sale of the state's share of production or other revenues collected in kind; (4.3) infrastructure provisions and barter arrangements; (4.4) transportation revenues; (4.5) SOE transactions; (4.6) subnational payments; (4.7) level of disaggregation; (4.8) data timeliness; and (4.9) data quality of the disclosures.

4.1 Comprehensive disclosure of taxes and revenues

a) The EITI requires disclosure of all material payments by oil, gas and mining companies to governments ("payments") and all material revenues received by governments from oil, gas and mining companies ("revenues") to a wide audience in a publicly accessible, comprehensive and comprehensible manner. The expectation is that implementing countries will disclose the requisite information through routine government and corporate reporting (websites, annual reports, etc.), with EITI Reports used to collate this information and address any concerns about gaps and data quality.

b) The multi-stakeholder group is required to agree which payments and revenues are material and therefore must be disclosed, including appropriate materiality definitions and thresholds. Payments and revenues are considered material if their omission or misstatement could significantly affect the comprehensiveness of the disclosures. A description of each revenue stream, related materiality definitions and thresholds should be disclosed. In establishing materiality definitions and thresholds, the multi-stakeholder group should consider the size of the revenue streams relative to total revenues. The multi-stakeholder group should document the options considered and the rationale for establishing the definitions and thresholds.

c) The following revenue streams should be included:

- i. The host government's production entitlement (such as profit oil)
- ii. National state-owned company production entitlement
- iii. Profits taxes
- iv. Royalties
- v. Dividends
- vi. Bonuses, such as signature, discovery and production bonuses
- vii. License fees, rental fees, entry fees and other considerations for licences and/or concessions
- viii. Any other significant payments and material benefit to government

Any revenue streams or benefits should only be excluded where they are not applicable or where the multi-stakeholder group agrees that their omission will not materially affect the comprehensiveness of the government and company disclosures.

d) Implementing countries must ensure that all government entities receiving material revenues from oil, gas and mining companies are required to comprehensively disclose these revenues in accordance with the agreed scope. Government entities should only be exempted from disclosure if it can be

demonstrated that their revenues are not material. Unless there are significant practical barriers, the government is additionally required to provide aggregate information about the amount of total revenues received from each of the benefit streams agreed in the scope of EITI implementation, including revenues that fall below agreed materiality thresholds. Where this data is not available, the Independent Administrator should draw on any relevant data and estimates from other sources in order to provide a comprehensive account of the total government revenues.

All oil, gas and mining companies making material payments to the government are required to comprehensively disclose these payments in accordance with the agreed scope. A company should only be exempted from disclosure if it can be demonstrated that its payments are not material.

e) Companies are expected to publicly disclose their audited financial statements, or the main items (i.e. balance sheet, profit/loss statement, cash flows) where financial statements are not available.

4.2 Sale of the state's share of production or other revenues collected in kind

a) Where the sale of the state's share of production of oil, gas and/or mineral resources or other revenues collected in kind is material, the government, including state-owned enterprises, are required to disclose the volumes received and sold by the state (or third parties appointed by the state to sell on their behalf), the revenues received from the sale, and the revenues transferred to the state from the proceeds of oil, gas and minerals sold. Where applicable, this should include payments (in cash or in kind) related to swap agreements and resource-backed loans.

See you next edition!

Please note - printed copies of the Plain Language Summary of the FY 2018 Guyana EITI Report are now available. Please feel free to visit our 55 Main Street, Georgetown office and we will gladly give you a copy.

Please visit our website and Facebook page for information and updates on the work of the GYEITI. View or download our 1st and 2nd EITI Reports and their annexes in easily accessible formats. Also, feel free to give us feedback by email or Facebook message.