



Tax Jurisdiction in Guyanese external waters

This article explores the application of various tax laws in Guyana's maritime zones, with particular emphasis on the application of Value Added Tax (VAT), Customs Duties, Corporation Tax, and Income Tax in Guyana's external waters.

Customs Act

Customs duty is payable upon the importation of goods into Guyana. Pursuant to the Customs Tax Act, Guyana includes the following:

- (a) the islands adjacent to Guyana and forming part thereof;
- (b) the dependencies of Guyana;
- (c) all inland waters of Guyana, islands and dependencies; and
- (d) all territorial waters adjacent to Guyana, islands or dependencies;

Consequently, not all goods entering Guyana's maritime zones are subject to customs duties. While Guyana's maritime jurisdiction extends over the continental shelf, only a portion of it constitutes territorial waters. Customs duties become payable once goods are brought into these territorial waters.

VAT

According to the VAT Act, an import of goods is deemed to occur when the goods are entered for purposes of the Customs Act (art. 19). This provision aligns the VAT treatment of imported goods with the customs procedures, ensuring that VAT is applied to goods entering Guyana's territorial waters.

CIT and Income tax

The Corporation Tax Act and the Income Tax Act do not explicitly define the term "Guyana", leading to legal ambiguity. However, there may be grounds for applying these taxes to activities on the continental shelf. The Maritime Zones Act helps clarify this by extending Guyana's jurisdiction, including customs, fiscal, health, security, and immigration laws, to the continental shelf.

The Maritime Zones Act provides that, in order for Guyana to exercise its sovereign rights and jurisdiction over the continental shelf, there is extended to the continental shelf, to the extent recognized by international law, the laws of Guyana. In particular, the laws of Guyana shall apply to artificial islands, installations and structures on the continental shelf as if they were in the territorial sea.

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Hans Ruiter

Tax Partner
D +297 522 1630
M +297 594 1647
E hans.ruiter@aw.gt.com

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