



VAT Policy Corner

Policy 9 VAT and Packaging Material

Subsection (h) of Schedule I paragraph 2A of the VAT Act zero- rates

“a supply of sacks and bags of a kind used for the packaging of goods.”

However, according to Paragraph 3 of schedule I the provision does not apply in respect of any supply of goods that have been or will be re-imported into Guyana by the supplier.

Therefore, Subject to paragraph 3, the supply of sacks and bags eligible for zero- rating under *Schedule I paragraph 2A (h)* are:

- Printed or unprinted bags for the packaging of fertilizer, rice, sugar, paddy, poultry feed and flour.

- Printed or unprinted bags used by manufacturers or producers who export over fifty percent (50%) of their production as certified by the Value – Added Tax (VAT) and Excise Tax (ET) Department.

- Printed or unprinted bags imported or acquired locally for other manufacturers and producers who were eligible under the previous consumption tax regime and who provide sufficient proof that exemptions from payment of consumption tax were granted to them prior to January 1, 2007.

- All other sacks and bags including plastic shopping bags and paper bags are subject to VAT on importation at the standard rate of 16%.

In the event that any eligibility requirement has been satisfied, an application must be made to the Remission Unit to access zero- rating for sacks and bags used for packaging goods.

Persons who still have queries with respect to VAT are encouraged to write to the Commissioner, VAT and Excise Tax Department, 210'E' Albert and Charlotte Streets, Bourda for clarification.