

# GUYANA

## BUDGET BULLETIN

bdo.gy



AUDIT | TAX | PAYROLL | SUSTAINABILITY

**BDO**

# Introduction


"The Guyanese economy remains one of the fastest growing economies in the world. With that strong growth, comes more opportunities than ever before for the Guyanese People."


- Hon. Minister of Finance, Dr. Ashni Singh




Guyana's National Budget for 2025 was presented on 17 January under the theme: "A Secure, Prosperous, and Sustainable Guyana." Marking a bold leap forward, the 2025 budget exceeds last year's allocation by more than 20% and brings significant updates to income tax rates and allowances - reinforcing the country's trajectory of transformative development.

## Budget Highlights

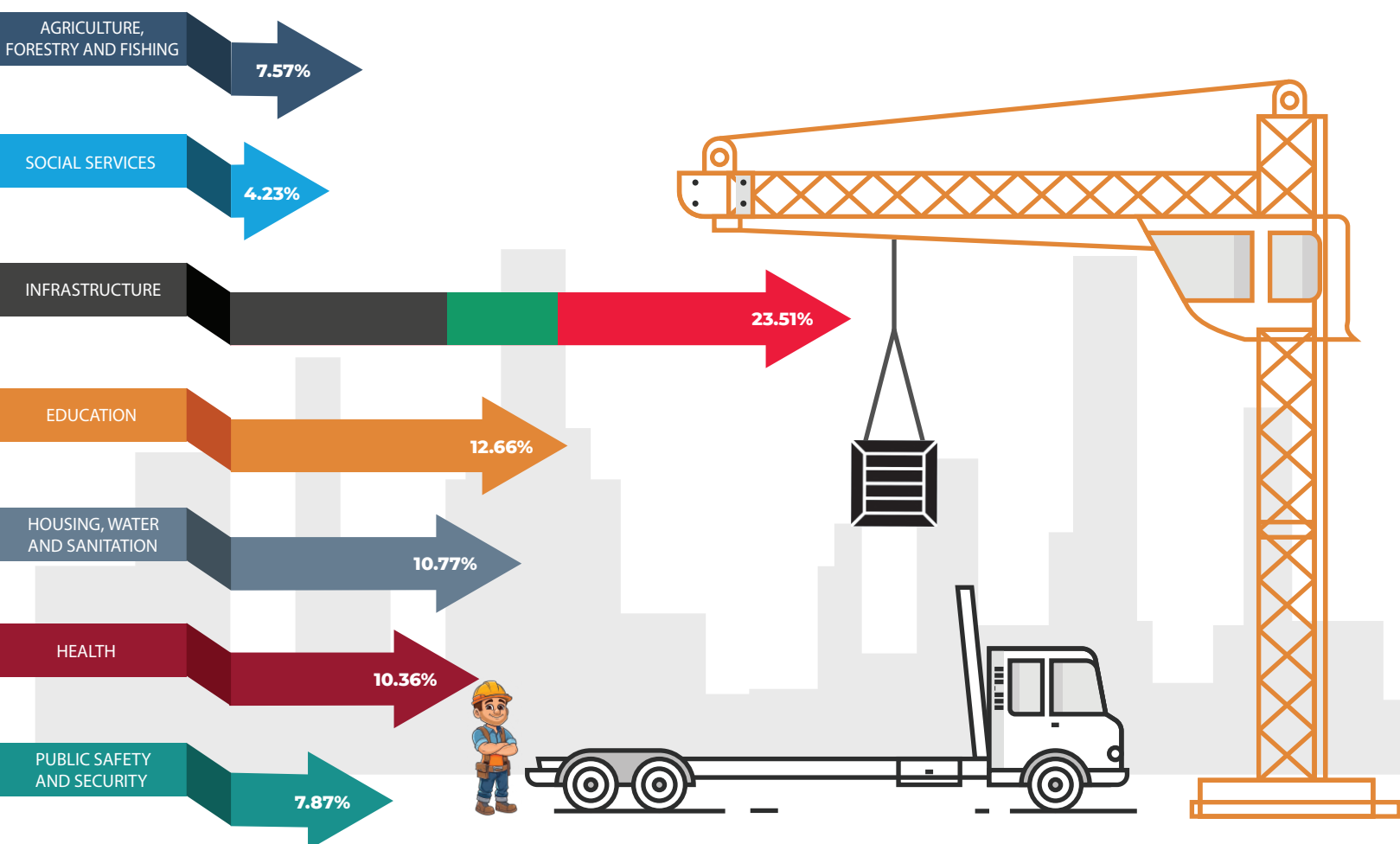
**1**   
**INCOME TAX**  
PAYE rate reduction, personal allowance increase, and extra tax benefits for overtime, second job income and each child

**2**   
**EDUCATION**  
The University of Guyana will be tuition free from January 2025, which will benefit over 11,000 current students and all new students.

**3**   
**INFRASTRUCTURE**  
Completion of new Demerara River Bridge and Gas-to-Energy project; partnership with Suriname for new Corentyne River Bridge

**4**   
**OIL ECONOMY**  
Addition of fourth FPSO to yield an average of 674,000 barrels of oil per day in the second half of 2025.

# Sector Spend



## Key Projects

Gas-to-Energy	\$51.1 billion
Roads and bridges	\$209.3 billion

## Key Facts

	2022	2023	2024	2025
GDP growth (%)	62.3	33.8	43.6	10.6
↳ Non oil economy (%)	11.5	11.7	13.1	13.8
Inflation (%)	7.2	2.0	2.9	2.8
↳ Food (%)	14.1	3.8	5.6	
Exports growth (%)	148.5	16.9	50.7	1.0
Balance of payments (US\$m)	121.5	(36.0)	113.8	561.3
Commercial banks weighted average lending rate (%)	8.54	8.36	8.07	
91 day treasury bill rate (%)	1.54	1.10	1.10	
US\$ mid market exchange rate	207.76	212.36	*216.07	
Oil production (million barrels)	101.4	142.9	225.4	246.0

\* November 2024



# Economic Transformation

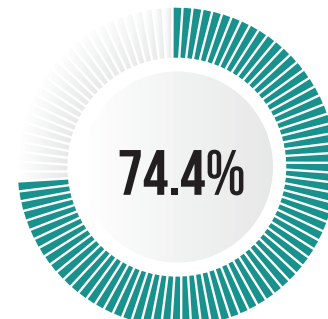
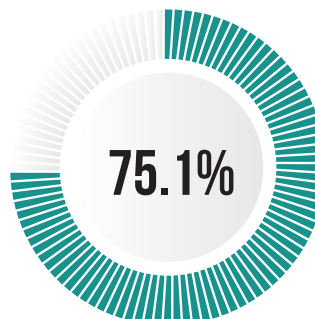
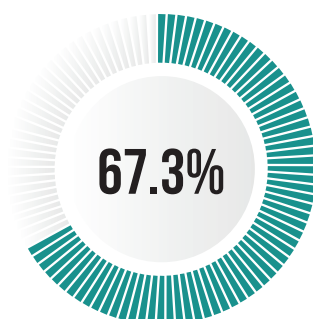
## Oil Economy

2023

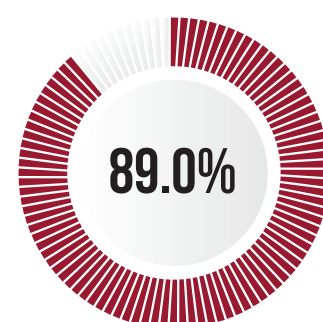
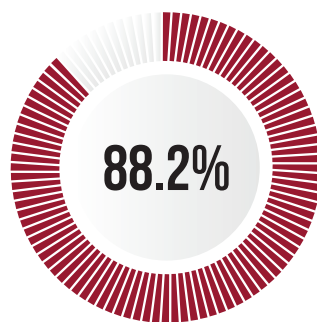
2024

2025

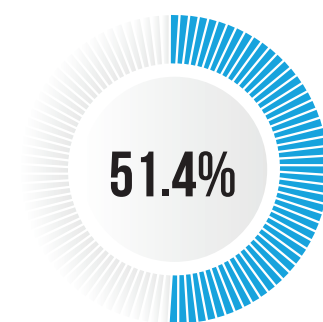
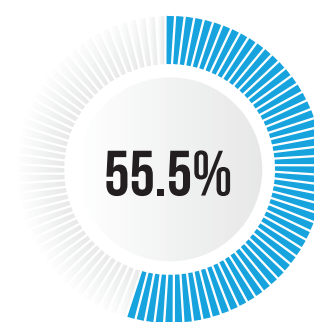
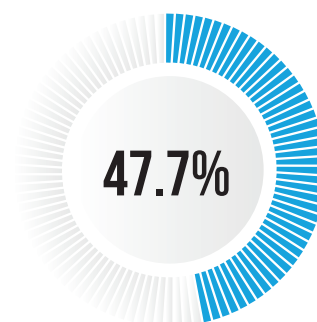
### SHARE OF GDP



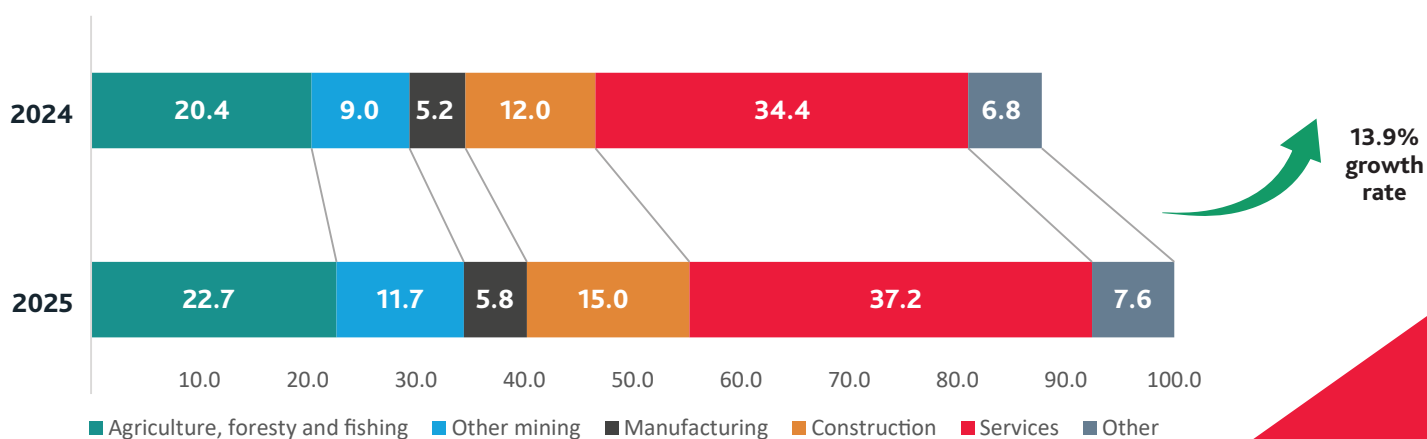
### SHARE OF MERCHANDISE EXPORTS



### SHARE OF REVENUE



## Non-oil Economy



## Personal Income Tax

### ALLOWANCES AND DEDUCTIONS

- ▶ Increase in income tax threshold (personal allowance) from \$100,000 to \$130,000 per month
- ▶ Increase in first band of income subject to tax from \$200,000 to \$260,000 per month
- ▶ Reduction of rate applicable to first band of income from 28% to 25% and rate applicable to remainder of income from 40% to 35%
- ▶ First \$50,000 of monthly overtime will be non-taxable
- ▶ First \$50,000 of monthly earnings from second job will be non-taxable
- ▶ Child deduction: \$10,000 per month per child claimable by any one parent

### Remains unchanged

- ▶ Personal allowance of  $\frac{1}{3}$  of chargeable income, where this is higher than the fixed \$130,000.
- ▶ Life and Medical Insurance deductions: 10% of income or \$50,000 per month, whichever is lower

## NIS

### Remains unchanged

- ▶ NIS rates of 5.6% [employee]; 8.4% [employer]; 12.5% [self-employed]
- ▶ NIS ceiling of \$280,000 per month

## Value-Added Tax

### REMOVAL

- ▶ Import VAT on machinery used in the agriculture sector, automated poultry pens and veterinary supplies
- ▶ VAT on back-up generators

### Remains unchanged

- ▶ VAT rate of 14%
- ▶ VAT registration threshold of \$15,000,000 per annum

## Other Tax

### CAPITAL ALLOWANCES

- ▶ Increase in wear & tear rates applicable to capital assets of poultry farmers such as machinery or equipment (rate not disclosed)

### Remains unchanged

- ▶ Corporation tax rates of 25% (non-commercial companies/activities), 40% (commercial companies/activities), 45% (telephone companies)
- ▶ Capital gains tax rate of 20% on net chargeable gains
- ▶ Property tax rates and bands of 0% on the first \$40,000,000; 0.50% on the next \$20,000,000; and 0.75% on the remainder
- ▶ Withholding tax rates of 20% on income arising in Guyana for gross payments and for gross distributions to non-residents under the Income Tax Act, subject to double taxation treaties, and 10% for payments to non-resident contractors under the Corporation Tax Act



# Personal Allowance Changes

## What is your net salary now with the new tax changes?

	Salary 1	Salary 2	Salary 3	Salary 4	Salary 5
Assuming you receive a gross salary of:	150,000	200,000	400,000	600,000	800,000
Your new net salary is:	141,600	188,800	359,073	528,240	685,141

While it is not possible to show all scenarios, we endeavored to provide computations that would be at various salary levels. It is important to note that the computations were done assuming that gross income includes overtime and income from a second job which now become tax free. We also assume that you take the maximum benefit of health and life insurance deductions announced in prior years and a deduction for one child.

The table below shows a detailed breakdown of the income tax savings.

Tax savings, assuming that insurance benefit alone is utilised:

Old Net Salary	134,152	169,536	323,925	474,592	621,259
New Net Salary	141,600	179,100	331,573	493,308	646,641
Monthly Savings	7,448	9,564	7,648	18,716	25,383

Potential additional savings utilising each individual new measure

Overtime (\$50,000)	-	9,700	12,500	17,500	17,500
Second job (\$50,000)	-	9,700	12,500	17,500	17,500
One child (\$10,000)	-	2,500	2,500	3,500	3,500

Potential additional savings utilising all three new measures	-	9,700	27,500	34,932	38,500
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Maximum savings	7,448	19,264	35,148	53,648	63,883
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# Proposals

## Infrastructure

- ▶ \$209.3B allocated to further upgrade and develop roads and bridges, including completion of Demerara River Bridge
- ▶ \$5B to start construction of new 1,100 meters Corentyne River Bridge to connect Guyana and Suriname
- ▶ \$9.9B to improve river transport system
- ▶ \$7B towards the new world class 150,000 square foot terminal for CJIA

## Health

- ▶ Commissioning of Paediatric and Maternity Hospital at Ogle and six regional hospitals
- ▶ Construction of Medicines Regulatory Laboratory and Office Complex, National neurological rehabilitation centre and Centre of Excellence for cancer treatment

## Agriculture

- ▶ \$13.3B for support and rehabilitation of the Sugar industry
- ▶ \$1.7B to expand production and productivity of livestock sector
- ▶ \$1.3B to support fisheries and aquaculture development

## Housing and Water

- ▶ \$112.6B to continue the development of new and existing housing areas
- ▶ \$23.1B to further water sector development

## Electricity Generation

- ▶ \$88B to improve reliability and reduce the cost of electricity
- ▶ Operationalisation of the Kato and Kumu hydropower plants
- ▶ Completion of the solar farms in Berbice, Essequibo and Leguan
- ▶ 450-kilowatt peak wind farm at Leguan
- ▶ Distribution of additional 7,230 solar panels to hinterland communities

## Education

- ▶ Because We Care cash grant increase from \$40,000 to \$50,000 and continuation of uniform grant of \$5,000
- ▶ Writing off of student loans to continue
- ▶ Removal of tuition fees at UG for current and future students



## Public Assistance

- ▶ Increase in old age pension from \$36,000 to \$41,000
- ▶ \$10,000 universal health care vouchers
- ▶ \$100,000 cash grant to every newborn in Guyana to a Guyanese mother
- ▶ Increase in public assistance from \$19,000 to \$22,000

# Summary of Tax Rates

Tax Type	Individuals/Self-employed	Companies
Income	<ul style="list-style-type: none"> <li>• Personal allowance higher of \$1,560,000 or 1/3 of chargeable income.</li> <li>• First \$3,120,000 at 25%</li> <li>• Remainder at 35%</li> </ul>	<ul style="list-style-type: none"> <li>• 25% (non-commercial activities, small businesses)</li> <li>• 40% (commercial activities)</li> <li>• 45% (telephone companies)</li> </ul>
Alternative minimum tax	Self-employed: <ul style="list-style-type: none"> <li>• 2% of turnover (not in force)</li> </ul>	Commercial company: <ul style="list-style-type: none"> <li>• 2% of turnover if greater than corporation tax liability</li> </ul>
Value-Added	Registration threshold: \$15,000,000 Rates: <ul style="list-style-type: none"> <li>• Standard rate: 14%</li> <li>• Reduced rate: 0%</li> </ul>	
Withholding	Non-resident companies and individuals not carrying on business in Guyana: <ul style="list-style-type: none"> <li>• Gross payments (interest, rent, royalties, technical fees, etc.): 20%</li> <li>• Insurance premiums: 10%</li> </ul> Gross dividends and branch profits (deemed distributions): 20%  Non-resident companies carrying on business in Guyana: <ul style="list-style-type: none"> <li>• Contract undertaking: 10% (creditable against Corporation Tax)</li> <li>• Insurance premiums: 6%</li> </ul>	
Capital gains	Property held for more than one year but less than twenty-five years: 20%  Property held for less than one year <ul style="list-style-type: none"> <li>• Subject to income/corporation tax</li> </ul> Exemptions <ul style="list-style-type: none"> <li>• Property held for more than twenty-five years</li> <li>• Private residence where reinvested in property of equal or higher value within a limited time period</li> <li>• Shares held in public companies</li> </ul>	
National insurance (social security)	Insurable earnings ceiling: \$280,000 Employer: 8.4% Employee: 5.6%	
Double taxation treaties	In force: Canada, Caribbean Community, United Kingdom Not yet in force: Kuwait, Mauritius, United Arab Emirates	



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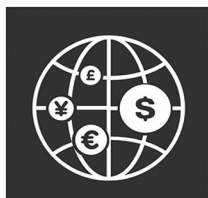
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## Revenue

US\$ 15 bn

↑ +7%

€14 bn

↑ +5.3%



## Presence

1,800 offices

166 countries &amp; territories



## People

119,611

↑ +3.42%



## By service line

40.8% Audit &amp; Assurance

22.6% Tax

21.7% Advisory

14.9% Business Services &amp; Outsourcing



## By region

56% Americas

33% EMEA

11% Asia Pacific

Data 1 October 2023 to 30 September 2024