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## Guyana tightening local content measures

■ GEORGETOWN

THE Guyana government yesterday said it was intensifying efforts to strengthen the local content framework in the country's oil and gas sector, with new commitments aimed at increasing efficiency, tightening legal definitions and expanding opportunities for local businesses.

During the recent Local Content Summit, Natural Resources Minister Vickram Bharrat announced a major step forward in the certification process, committing to a three-week timeline for the issuance of Local Content Certificates for applicants with complete and verifiable documentation. 'If your ducks are lined up, then I don't think it should take more than three weeks to receive your certificate,' he said.

In a statement, the Ministry of Natural Resources yesterday said that this pledge comes amid persistent calls from local businesses for shorter approval times to participate in the country's rapidly growing petroleum supply chain. It said that since the passage of the Local Content Act in December 2021, hundreds of Guyanese companies have received certification, positioning themselves to deliver services ranging from logistics to catering and transportation to offshore operators and their contractors.

'To date, 1,250 Guyanese companies have registered with the Secretariat, tapping into a supply chain that has witnessed over US\$1.5 billion spent on Guyanese businesses,' the ministry said. But it noted that the certification process has not been without challenges. Bharrat said attempts by some to exploit loopholes have led to delays and forced the Local Content Secretariat to tighten scrutiny. He said: 'Unfortunately, the process slowed down a little bit, because we had some issues where we had to deal with individuals trying to front for companies or forge documents. Too many people are looking for a loophole or a crack in the system. Even though the application process was seamless, the team at the Secretariat did a lot of work to ensure that this process was so.'

Legal Officer at the Ministry of Natural Resources Michael Munroe said to further close these loopholes, legal reforms are also on the table and that a major area under review is the definition of who

or what qualifies as a 'Guyanese company' under the act-a key criterion for certification.

'With the current definition, the company needs to be beneficially owned by a Guyanese, with supporting operational and structural management of the company,' Munroe said.

'Some Guyanese are leveraging their nationality as a means to allow foreigners, who should be the minority shareholders, to more or less beneficially own the company.'

Among the considerations for strengthening the definition are a residency requirement and the obligation for applicants to be registered taxpayers in Guyana; Munroe said these reforms could not be rushed, given the context of the changes.

'We want to ensure that there is a legal force with what we are trying to achieve,' he said, adding: 'These are things we have to take a measured approach to, to ensure consistency in the application of the act.'

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