

Judgement

In addition to the amounts repaid by the company to the sum of \$853,309.42, the Company was also ordered to pay \$5,000.00 for each offence to the value of \$20,000.00 to be paid within six (6) weeks or in default three (3) weeks simple imprisonment.

Court Judgement – re R2K Engineering

The defendant R2K ENGINEERING COMPANY LIMITED is a company that was incorporated under the provisions of the Companies Act 1995. The company submitted four VAT returns to the BIR.

Information was received from an anonymous source alleging that the company was evading taxes by under-reporting the VAT on Sales/Income on the Vat Returns and obtained financial information from the then National Housing Authority (NHA).

The Criminal Tax Investigations Unit (CTIU) conducted an analysis of the VAT amounts that were paid by NHA to R2K Engineering Company Limited and compared the OUTPUT TAX as reported. This comparison revealed that Out-put Tax was under-reported in the VAT returns of R2K Engineering Company Limited.

After further investigation, the Criminal Tax Investigations Unit (CTIU) proceeded to charge the Director and the Company, R2K Engineering Limited for the four (4) offences under Section 56 (b) of the VAT Act, No 37 of 1989.

Firm fined \$20,000 for VAT fraud

INDARJIT SEURAJ

An engineering company which attempted to defraud the Board of Inland Revenue (BIR) of more \$.6 million in taxes has been fined a total of \$20,000.

R2K Engineering Co Ltd was given six weeks to pay the fine imposed by Magistrate Marcia Murray in the Port-of-Spain First Court, on Tuesday.

One of the company's directors pleaded guilty to the charges, on behalf of R2K, when she appeared before Murray on Tuesday.

R2K was charged with four counts of "under-reporting" Value Added Tax (VAT) returns to the BIR, totalling \$680,716.18.

The offences were alleged to have occurred on four different occasions between the period October 26, 2004, and June 27, 2005.

Another of the R2K's directors Shultz Isahac was also charged, but the charges were dropped after the company repaid the back taxes under-stated.

The parties had entered into a plea agreement on those charges.

Attorney Evans Welch prosecuted for the BIR, while Ravi

Rajcoomar appeared for the defence.

Isahac, of Secharan Street, Cane Farm, Tacarigua, and R2K were charged with the offences on July 5, 2007.

Criminal tax investigator Denis Basso and the BIR charged the accused as part of their ongoing quest to crack down on tax evasion.

Interviewed yesterday, Welch said the fines imposed by the court served as a reminder of the State's intention to get rid of tax evasion.

"The institution of the prosecution and the judgment of the court demonstrates the seriousness of the drive to collect taxes from delinquent businesses and individuals," the prosecutor said.

R2K was charged contrary to Section 56 (b) of the VAT Act, No 37 of 1989, as amended.

It faced a maximum fine of \$15,000 and one year imprisonment on each charge.

The Criminal Tax Investigation Unit was established on January 1, 2003, after a Cabinet meeting.

Its duties include investigation and prosecution of tax violations under the Income Tax Act and VAT Act.