

THE LIMA DIGEST

JANUARY 23, 2023 / VOL. 1

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UPCOMING DEADLINES

INCOME TAX SELF ASSESSMENT RETURN – GHANA REVENUE AUTHORITY	31 MARCH 2023
ANNUAL INCOME TAX RETURNS – GHANA REVENUE AUTHORITY	30 APRIL 2023
ANNUAL RETURNS – OFFICE OF THE REGISTRAR OF COMPANIES	30 APRIL 2023
EMPLOYERS' ANNUAL PAYE RETURN – GHANA REVENUE AUTHORITY	30 APRIL 2023

On 24th November, 2022, the President through the minister responsible for Finance proposed some amendments to the tax laws of Ghana, principally to raise more revenue for the state to help cater for various sectors of the economy.

Also aimed at raising Ghana's tax to GDP ratio.

VAT (Amendment) Act, 2022 (Act 1087)

- The new VAT (Amendment) Act, 2022 has increased the standard VAT applicable on the supply of goods and services by 2.5%, leading to a new standard VAT rate of 15%. The effective VAT rate (including GETFund/NHIL/Covid-19 levy) is consequentially increased to 21.9% compared to a previous rate of 19.25% prior to passage of Act 1087.
- Act 1087 provides penalties for non-compliance with the Certified Invoicing System (CIS) introduced by a recent VAT amendment Act. All taxable persons shall, upon supply of taxable goods and services, issue a tax invoice through a Certified Invoicing System integrated into the invoicing system of the GRA.

In pursuance of the CIS requirement, Act 1087 provides that a person who fails to issue a tax or sales receipt, fails to issue the prescribed tax invoice or receipt, tampers/manipulates/interferes with the CIS and fails to integrate the CIS with the invoicing system of the GRA shall be liable to a penalty of an amount not more than the higher of GHS 50,000 or three times of the tax amount involved. This is an addition to other penalties that may apply.

- Imported textbooks and other printed matter (other than specifically exempted) are excluded from items exempted under the first schedule of the VAT Act.
- Previously, betting and lottery enterprises were required to charge and collect VAT on gaming and lottery services supplied. Act 1087 exempts such activities. Betting and gaming activities have been effectively rendered non-Vatable for the purposes of applying the VAT Act (Act 870). Specifically, the Act provides that the acceptance of a wager or stake in any form of betting or gaming, including lotteries and from gaming machines shall be exempted from VAT under the Act.

Electronic Transfer Levy (Amendment) Act, 2022 (Act 1089)

- Electronic transfer Levy (E-Levy) has been reduced to 1% from a previous rate of 1.5%, chargeable on the value of electronic transfers. It is worthy of note that the daily minimum and interbank transfer daily threshold of GHS 100 and GHS 20,000 respectively, under which the electronic levy shall not be charged, would continue to apply notwithstanding the passage of the new amendment Act.

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- The amendment requires all charging entities (i.e., levy-collecting entities listed under the first schedule to the E-levy Act) to file a return with the Commissioner-General of the Ghana Revenue Authority in the manner and at the time and place determined by the Commissioner-General. Additionally, charging entities are obligated to remit levy collected under the Act to the Commissioner-General within 24 hours after charging the amount.

Revenue Administration (Amendment) Act, 2022 (Act 1086)

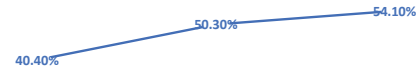
- The Revenue Administration Act (Act 915) seeks to empower the Commissioner General to establish a monitoring mechanism in order to track and verify revenue collected by taxpayers and obtain physical access to the infrastructure or system or physical network mode of taxpayers. The amendment also imposes penalties on non-compliant taxpayers hindering the Commissioner-General or an authorised tax officer to obtain access to the taxpayer's system or infrastructure.
- The second schedule of the Revenue Administration Act, 2016 has been updated to include tax returns to be filed with the GRA by taxpayers in respect of realisation of assets or liabilities.

Abolishment of Discount on Benchmark Values

- The Government of Ghana have announced a complete reversal of the Benchmark Value Discount Policy granting a 10% and 30% discount on the benchmark values of imported vehicles and other imports into Ghana respectively. The reversal will mean that importers will be liable to import duties and taxes assessed on the total benchmark values attributed to imported goods and vehicles; 0% discount on all imports effective 1 January 2023. As a result, the reversal is likely to cause a general increase the importation costs of goods and products for players in Ghanaian business market.

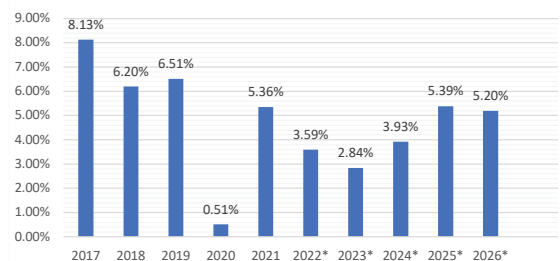
KEY ECONOMIC PERFORMANCE INDICATORS

INFLATION RATE (OCT-DEC 2022)



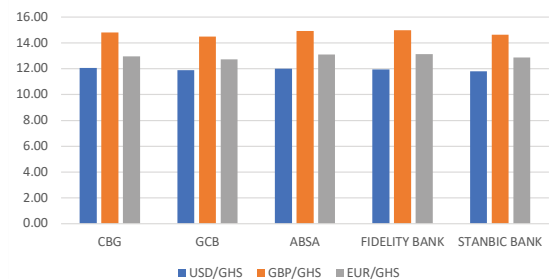
Oct-22 Nov-22 Dec-22

GROWTH RATE OF REAL GDP FROM 2017 TO 2026



TREASURY AND THE MARKETS

AVERAGE EXCHANGE RATE AS AT 23/01/2023



MONETARY POLICY RATE (AUG 2022 TO NOV 2022)



Aug-22 Sep-22 Oct-22 Nov-22

QUOTES

A TAX LOOPHOLE IS SOMETHING THAT BENEFITS THE OTHER GUY. IF IT BENEFITS YOU, IT IS TAX REFORM.

Russell B. Long

TAX ADVISORY AND COMPLIANCE DEPARTMENT

Daniel Addo Okoe, Partner
Email: daniel@limaghana.com

Salim A. Nsiah, Managing Associate
Email: salim@limaghana.com

Ernest K. Amosah, Managing Associate
Email: ernest@limaghana.com

Bernard Adabadzi, Senior Associate
Email: bernard@limaghana.com

Eugene Amankwah, Associate
Email: eugene@limaghana.com

Richmond Danso, Associate
Email: richmond@limaghana.com

EDITORS

Stephen Otu-Amoah, Managing Associate
Email: stephen@limaghana.com

Sandra Nfodjo, Administration & Human Resource Officer
Email: sandra@limaghana.com

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- Filing of monthly tax returns (VAT, WHT, PAYE);
- Filing of Individuals/ Expatriates/ Directors tax returns;
- Filing of annual corporate income tax returns;
- Filing of transfer pricing returns;
- Obtaining tax clearance certificates.

Suite 4, One Airport Square,
Airport City, Accra Ghana
+233 (0) 55 971 9424,
+233 (0) 30 709 9983
www.limaghana.com
info@limaghana.com