



REPUBLIC OF GHANA

MINISTRY OF FINANCE

EXEMPTIONS ACT, 2022 (ACT 1083) ADMINISTRATIVE GUIDELINES



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Ministry of Finance: Professional, Ethical, Efficient, Responsive – Transforming Ghana Beyond Aid



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1. PREAMBLE

The Administrative Guidelines derive its authority from Section 5 (3) of the Exemptions Act, 2022 which states that “the Minister shall issue Administrative Guidelines on:

- a) Procedure for application of an exemption.
- b) The modalities for assessing and granting exemptions.

2. INTRODUCTION

2.1 The main objects of the Exemptions Act, 2022 (Act 1083) (herein called the “Act”) are to

- (a) provide for an exemption’s regime and the scope of exemptions;
- (b) set criteria for exemptions,
- (c) provide for the administration of exemptions, and
- (d) provide for monitoring, evaluation, reporting and enforcement of exemptions.

2.2. Section 3 (1) defines an exemption as

- (a) a waiver or variation of a tax, levy, rate, duty, fee, or charge provided for under an enactment, or
- (b) a variation of the timing of the payment of a tax, levy, rate, duty, fee, or charge which results in a reduction in the effective liability of the taxpayer.

3. GENERAL RESPONSIBILITY

Section 4 of Act 1083 prohibit misrepresentations leading to the conclusion of exemption agreements. The provisions are as follows:

- a) A person shall not be granted an exemption unless that person is entitled to the exemption under the Act.
- b) A person shall not grant an exemption to another person unless the person is authorised to grant the exemption under the Act.
- c) A person shall not waive or vary a domestic indirect tax or enter into an agreement to waive or vary a domestic indirect tax unless expressly provided for under the Act or the relevant tax law.
- d) An exemption granted to a person cannot be transferred to another person.

No person shall waive or vary a tax, levy, rate, duty, fee, or a charge imposed by a Local Government Authority unless the waiver or variation is authorised under a bye-law of the Local Government Authority.



4. WHO QUALIFIES FOR EXEMPTION?

The Act identifies the following persons/entities as probable beneficiaries who may qualify for exemptions having satisfied the exemption conditions and criteria.

No	Beneficiary	Section in the Act
1	Covered entity means i.The Executive, ii.the Legislature iii.the Judiciary, iv.Constitutional bodies, v.Ministries, Departments, Agencies and Local Government Authorities, vi.The Public Service, vii.Autonomous agencies, or viii.Statutory Bodies	Section 7
2	The President or Vice-President	Section 8 (2)
3	Diplomats and diplomatic missions	Section 9
4	Persons with disability	Section 10
5	Religious Organisations	Section 11
6	Donor and charity Organisations i.Development Partner, ii.A Charity Organisation, iii.A Philanthropist Or iv.Not-for-Profit Organisation (NGO)	Section 12
7	Free zone enterprises	Section 13
8	General tax incentives i. Persons/entities that qualify based on an industry-specific or programme- specific tax concession for an industry or investment ii. One District One Factory (1D1F)	Section 14
8	Special tax incentives for strategic investments i. Entities	Section 15 and 16
9	Baggage and effects i. Individual passengers	Section 17
10	Foodstuffs	Section 18



	i. Persons/entity	
11	Manufacturer or assembler of plants and machinery i. Companies	Section 19
12	Executed treaties, agreements, or conventions i. International agencies and institutions including bilateral and multilateral	Section 20
13	Technical cooperation programmes or projects	Section 21
14	Programmes or projects funded with grants	Section 22
15	Concessional facility projects	Section 23
15	Transactions by State security agencies i. the Ghana Armed Forces ii. the Internal Intelligence Agency iii. the External Intelligence Agency iv. the Police Service v. the Prisons Service vi. the Ghana National Fire Service vii. the Immigration Service viii. the Customs Division of the Ghana Revenue Authority	Section 25

5. PROCEDURE FOR GRANTING EXEMPTIONS

The following are the criteria or actions required to be taken by qualified applicants

5.1. COVERED ENTITY:

Step 1. An application for an exemption from any covered entity shall be duly signed by the head of the covered entity and addressed to the Minister for Finance. It is the responsibility of any covered entity to ensure that all applications contain required information and the supporting documents before submission to the Minister for Finance.

Step 2: The Minister of Finance upon receipt of the Application for an exemption shall carry out due diligence including but not limited to the following:

- (a) assess the request for the exemption; and
- (b) ensure that the exemption is consistent with the economic management priorities of Government and the general policy of the Government on exemptions.



Step 3. Where the Minister is satisfied that the application has met the requirements may make recommendations clearly stating the basis for the recommendations to Cabinet for consideration and approval. However, the Minister may decline to submit the exemption application with a recommendation to Cabinet, where the application fails to meet the requirements and the Minister shall inform the affected covered entity or person within 14 days of receipt of the application.

Step 4: The Minister shall seek Parliamentary approval after Cabinet has granted approval for exemption.

Step 5: the Minister of Finance shall communicate the resolution of Parliament to the Ghana Revenue Authority for the set-up of the applicant on the CMS.

Step 6: Where Parliament fails to grant approval for the exemption, the Minister shall duly notify the affected covered entity or person within 14 days of receipt of the notice of refusal from Cabinet.

5.1.1. PROCEDURE TO FOLLOW AFTER APPROVAL (ON THE CMS):

Step 1: the applicant's declarant shall apply online to GRA attaching the under listed documents:

- a. Letter from the applicant, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared for each application to the approving Authority.*
- b. Copy a Parliamentary Resolution*
- c. Copy of MoF letter*
- d. Copy of Invoices*
- e. Copy of the Packing list*
- f. Copy of Bill of lading /Airway Bill*
- g. Other relevant documents*

Step 2: GRA will review and validate the application to ascertain if the application satisfies the requirements.

Step 3: GRA shall then approve or reject the application with reasons.

5.1.1.2. STEPS TO PROCURE CABINET OR EXECUTIVE DECISION

An application made by the Minister of Finance to **Cabinet** shall be in line with structured Cabinet Memo format and shall contain the following information:



5.1.1.2.1. Executive Summary

- a. Cabinet Decision(s) Requested
- b. Background Information
 - i. Background information on the project or request, the scope, project objectives, project amount,
 - ii. the beneficiary of the tax exemption,
 - iii. the objective of the tax exemption,
 - iv. the policy rationale for the tax exemption.,
 - v. a detailed assessment of the value of the anticipated exemptions contained in the contract,
 - vi. the list of items and taxes to which the exemptions are applicable (tax assessment),
 - vii. a limit on the total value of the exemptions to be granted under that contract,
 - viii. a time limit on the exemption to ensure that the exemption does not exceed the duration of the contract.
 - ix. the impact of the exemption on programmed revenue,
 - x. details of the beneficial owners of the entities involved in the contract; and
 - xi. a value for money assessment report
- c. Justification for Government Action
- d. Options and Impacts Considered
- e. Inter-Ministry Consultation Record
- f. Implementation Plan
- g. Legislation/Regulatory Plan
- h. Financial Impact
- i. Communications

Analysis Document

- a. Context
- b. Options and Impacts
- c. Recommended Course of Action
- d. Implementation Plan

Impacts Analysis

- a. Introduction
- b. Economic Impacts
- c. Financial Impacts
- d. Rural and Community Impacts
- e. Social Inclusion Impacts
- f. Gender Equality and Social Inclusion
- g. Environmental Impacts
- h. Regional Impacts
- i. International Protocols, Loan/Trade Agreement Impacts
- j. Legal and Constitutional Impacts
- k. Institutional Impacts
- l. Regulatory Impacts
- m. Political Impacts
- n. Recommended Course of Action



- o. implementation Plan
- p. The Communications Plan
- q. Guidelines for the Communication Plan

6.1.1.2.3. DOCUMENTS TO SUBMIT AS ATTACHMENT TO THE CABINET MEMO

The following documents shall form part of all requests made by the Minister for Finance in both hard and soft copies to Cabinet.

- i. Copy of a written communication (letter) of approval from the Minister for Finance granting permission to negotiate a waiver in an agreement.
- ii. Copy of the Finance or Grant Agreement
- iii. Copy of the contract Agreement
- iv. Tax Assessment of the Master list (*the* list of items and taxes to which the exemptions are applicable)
- v. Other relevant documents

5.1.1.2.4. STEPS REQUIRED TO PROCURE PARLIAMENTARY APPROVAL

An application made by the Minister for Finance to Parliament shall be in line with structured Parliamentary Memo format. The Parliamentary memo shall contain the following:

Executive Summary

a. Parliament Decision(s) Requested

b. Background Information

- i. Background information on the project or request, the scope, project objectives, project amount,
- ii. the beneficiary of the tax exemption,
- iii. the objective of the tax exemption,
- iv. the policy rationale for the tax exemption.,
- xii. a detailed assessment of the value of the anticipated exemptions contained in the contract,
- xiii. the list of items and taxes to which the exemptions are applicable (tax assessment),
- xiv. a limit on the total value of the exemptions to be granted under that contract,
- xv. a time limit on the exemption to ensure that the exemption does not exceed the duration of the contract.
- xvi. the impact of the exemption on programmed revenue,
- xvii. details of the beneficial owners of the entities involved in the contract; and
- xviii. a value for money assessment report

c. Justification for Government Action

d. Options and Impacts Considered

e. Inter-Ministry Consultation Record

f. Implementation Plan



- g. Legislation/Regulatory Plan
- h. Financial Impact
- i. Communications

Analysis Document

- e. Context
- f. Options and Impacts
- g. Recommended Course of Action
- h. Implementation Plan

5.1.1.2.5. DOCUMENTS TO BE SUBMITTED TO PARLIAMENT

The following documents shall form part of all requests made by the Minister for Finance in both hard and soft copies to Parliament.

- i. Copy of a written approval letter from the Minister for Finance granting permission to negotiate a waiver in an agreement.
- ii. Copy of the Finance or Grant agreement
- iii. Copy of the contract agreement
- iv. Tax Assessment of the Master list (the list of items and taxes to which the exemptions are applicable)
- v. Copy of the Cabinet decision on the request
- vi. Other relevant document (s)

5.2. THE PRESIDENT OR VICE PRESIDENT

Section 8 (2) provides that goods procured for the use of the President or Vice-President are exempt from customs duties and customs taxes and are to be treated based on the procedure for covered entities and are subject to both the Cabinet and Parliamentary approval processes.

5.2.1. PROCEDURE TO FOLLOW AFTER APPROVAL (ON THE CMS):

Step 1: the applicant's declarant shall apply online to GRA attaching the under listed documents:

- (a) Letter from the Chief of Staff quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared for each application to the approving Authority.*
- (b) Copy a Parliamentary Resolution*
- (c) Copy of MoF letter*
- (d) Copy of Invoices*
- (e) Copy of the Packing list*



- (f) Copy of Bill of lading /Airway Bill
- (g) Other relevant documents

Step 2: GRA will review and validate the application to ascertain if the application satisfies the requirements.

Step 3: GRA shall then approve or reject the application with reasons.

5.3. DIPLOMATS AND DIPLOMATIC MISSIONS

Section 9 of the Act provides for Diplomats, employee of the United Nations, the African Union, the Economic Community of West African States, the Commonwealth, a diplomatic mission, or a consulate. The exemptions under this section shall be handled by the Ministry of Foreign Affairs and Regional Integration (MFARI).

5.3.1. PROCEDURE TO FOLLOW AFTER APPROVAL (ON THE CMS):

Step 1: the applicant's declarant shall apply online to MFARI attaching the under listed documents:

- a) Letter duly signed by the Head of the country office of the United Nations, African Union, Economic Community of West African States, Commonwealth, a diplomatic mission, or a consulate, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected for each application to be cleared
- b) Copy of a Note Verbale
- c) Copy of Invoices
- d) Copy of Packing list
- e) Copy of Bill of lading /Airway Bill
- f) Other relevant documents

Step 2: MFARI will review and validate the application per the requirements.

Step 3: MFARI shall then recommend or reject the application with reason (s).

Step 4: the recommended application then moves to GRA for approval or rejection with reason (s).



5.4. PERSONS WITH DISABILITY

A person with disability means an individual with a physical, mental, or sensory impairment including a visual, hearing or speech functional disability which gives rise to physical, cultural, or social barriers that substantially limits one or more of the major life activities of that individual. All applications from persons with disability shall be handled in accordance with section 10 of this Act.

5.4.1 PROCEDURE TO FOLLOW AFTER APPROVAL(ON THE CMS):

Step 1: the applicant shall make a formal request with the under listed documents to the relevant sector Ministry:

a)	Sector Ministry recommendation letter duly signed by a Minister, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared.
b)	Copy of the Letter from the applicant to the relevant Ministry
c)	Copy of DVLA certification or report/letter (where it is a vehicle)
d)	Copy of Invoices
e)	Copy of Packing list
f)	Copy of Bill of lading /Airway Bill
g)	Other relevant documents

Step 2: the sector Ministry may upon review of the application make recommendation to the Minister responsible for Finance, quoting the relevant provision(s) in law to support the application.

Step 3: MoF will review and validate the application per the requirements.

Step 4: MoF shall then recommend or reject the application with reason (s).

Step 5: the recommended application then moves to GRA for approval or rejection with reason (s).

5.5. RELIGIOUS ORGANISATIONS

Items imported for religious purposes used exclusively for worship shall be exempt in accordance with section 11 of the Act.

5.5.1. PROCEDURE TO FOLLOW AFTER APPROVAL (ON THE CMS):

Step 1: the applicant's declarant shall make a formal request with the under listed documents to the relevant sector Ministry:

a.	Sector Ministry recommendation letter duly signed by Minister, or Deputy Minister, or Chief Director), quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared
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b.	Copy of the Applicant letter to the relevant ministry
c.	Copy of Invoices
d.	Copy of Packing list
e.	Copy of Bill of lading /Airway Bill
f.	Other relevant documents

Step 2: the sector Ministry may upon review of the application make recommendation to the Minister responsible for Finance, quoting the relevant provision(s) in law to support the application.

Step 3: MoF will review and validate the application per the requirements

Step 4: MoF shall then recommend or reject the application with reason (s).

Step 5: the recommended application then moves to GRA for approval or rejection with reason (s).

5.6. DONOR AND CHARITY ORGANISATIONS

An item for educational and health purposes imported by a Development Partner, a Charity organisation, a philanthropist, or any other Not-for-Profit Organisation as a gift for charitable purposes, shall be handled in accordance with section 12 of the Act.

5.6.1. PROCEDURE TO FOLLOW AFTER APPROVAL (CMS):

Step 1: the applicant's declarant shall make a formal request with the under listed documents to the relevant sector Ministry:

- a. *Sector Ministry recommendation letter duly signed by a Minister.*
- b. *A letter made by the official head of the identifiable group that benefits from the gift; spelling out in detail the specific items and the quantity of each item expected in the donation.*
- c. *Background information of the donor or charity organisation where the donor or charity organisation is new*
- d. *A report of the activities of the donor or charity organisation in the beneficiary social, educational or health institution in the past twenty-four months, where the donor or charity organisation is already in existence*
- e. *Copy of Invoices*
- f. *Copy of Packing list*
- g. *Copy of Bill of lading /Airway Bill*
- h. *Other relevant documents*

Step 2: the sector Ministry may upon review of the application make recommendation to the Minister for Finance, quoting the relevant provision(s) in law to support the application.

Step 3: MoF will review and validate the application per the requirements

Step 4: MoF shall then recommend or reject the application with reason (s).

Step 5: the recommended application then moves to GRA for approval or rejection with reason (s).



5.7. BAGGAGE AND EFFECTS

- i. A baggage of a passenger, accompanying the passenger travelling into the country, but not including goods for sale, barter, exchange or as gift is exempt from customs duties and customs taxes.
- ii. A personal effect, not being merchandise, of a Ghanaian who dies in a place outside the jurisdiction of Ghana is exempt from customs duties and customs taxes. This shall be handled in accordance with section 17 of the Act.
- iii. The word “baggage”, for the purpose of the Act and this Guidelines shall comprise the following goods in such quantities and of such kind as are, in the opinion of the Commissioner-General, appropriate to the passenger:
 - a. Wearing apparel and personal effects;
 - b. Binoculars, sports requisites, toys, and articles for household use (such as perambulators, pictures, glassware, linen, cutlery, crockery, and plates) which are shown to have been in personal or household use of the passenger for a reasonable period.
 - c. Photographic film and plates and sound recording media but not including such materials if imported for the purpose of commercial photography or sound recording;
 - d. Instruments and tools for the personal use of the passenger in his profession or trade, but not including arms, ammunition, motor-vehicles, fabrics in the piece, provisions, stationery, potable and perfumed spirits, tobacco, wine, saddlery, or any goods imported for the purposes of trade:

A passenger over the age of eighteen years shall be granted duty-free allowance on the following :

- 1 litre of spirits or strong liquor over 22% by volume, or 2 litres of fortified wine, sparkling wine, or other liquor such as port or sherry
- 250cc of eau de toilette
- 60cc of perfume
- 2 litres of still table wine and
- 200 cigarettes; or 100 cigarillos; or 50 cigars, or 250g of tobacco

(2) Personal effects, not being merchandise, of Ghanaians dying in places outside the limits of the Administration.

5.7.1. PROCEDURE TO FOLLOW AFTER APPROVAL:

Step 1: This exemption shall be enjoyed provided that if a passenger on arrival in Ghana reports in writing in the prescribed form to the proper officer that part of his baggage, stating the nature thereof, has been sent in advance or left behind, duty shall not be charged thereon if it is imported into Ghana within two months of the passenger's arrival (or within such further period as the Commissioner-General may allow) and is such that it will have been free of duty had it been brought with the passenger :

Step 2: GRA Customs shall give final approval or rejection with reason (s).



5.8. EQUIPMENT, REPLACEMENT PARTS AND OTHERS FOR PRODUCTION TRIAL

Section 19 of the Act states that equipment, replacement parts and kits for production trials imported by a manufacturer or assembler of plants and machinery, including an automobile (a) registered by the Ministry responsible for trade and industry; (b) recommended by the Minister responsible for trade and industry; and (c) approved by the Minister for Finance are exempt from customs duties and customs taxes.

5.8.1. PROCEDURE TO FOLLOW AFTER APPROVAL (CSM)

Step 1: the applicant's declarant shall make a formal request with the under listed documents to the relevant sector Ministry:

- a. *Sector Ministry recommendation letter duly signed by a Minister.*
- b. *A letter made by the official head of the identifiable manufacturer or assembler that seeking the exemption; spelling out in detail the specific items and the quantity of each item expected for the production trial.*
- c. *Background information the manufacturer or assembler indicating the nature of the activity and the timelines*
- d. *Copy of Invoices*
- e. *Copy of Packing list*
- f. *Copy of Bill of lading /Airway Bill*
- g. *Other relevant documents including required permits*

Step 2: the sector Ministry may upon review of the application make recommendation to the Minister responsible for Finance, quoting the relevant provision(s) in law to support the application.

Step 3: MoF will review and validate the application per the requirements.

Step 4: MoF shall then recommend or reject the application with reason (s).

Step 5: the recommended application then moves to GRA for approval or rejection with reason (s).

5.9. FOOD STUFF

Section 18 of the Act provides for the import of raw foodstuff fresh, chilled, or frozen fish dried, smoked, or salted fish caught by Ghanaian owned vessels, trawlers or canoes of West Africa origin are exempt from the payment of customs duties and customs taxes.

Step 1, the applicant shall submit an application to GRA for approval or rejection with reason (s) with the underlisted documents.

5.9.1. PROCEDURE TO FOLLOW AFTER APPROVAL (CSM):

- a) *Letter duly signed by the **applicants** quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared*



- b) Copy of Invoices*
- c) Copy of Packing list*
- d) Copy of Bill of lading /Airway Bill*
- e) Other relevant documents*

5.10. EXECUTED TREATIES, AGREEMENTS OR CONVENTIONS

An exemption from the payment of customs duties and customs taxes may be granted under a treaty, agreement or convention executed by or under the authority of the President after ratification by Parliament and in accordance with section 20.

5.10.1. PROCEDURE TO FOLLOW FOR APPROVAL:

Step 1. An application for an exemption for treaty, agreement or convention executed shall be addressed to the Minister for Finance and duly signed by a Minister of MFARI. It is the responsibility of the MFARI to ensure that all applications contain required information and the supporting documents before submission to the Minister for Finance.

Step 2: The Minister of Finance upon receipt of the Application for an exemption shall carry out due diligence including but not limited to the following:

- a. assess the request for the exemption; and
- b. ensure that the exemption is consistent with the economic management priorities of Government and the general policy of the Government on exemptions.

Step 3: Where the application has met the requirements, the Minister may make recommendations clearly stating the basis for Cabinet's consideration and approval. However, where the application does not meet the requirements, the Minister shall inform the MFARI within 14 days of receipt of the application.

Step 4: The Minister shall seek Parliamentary approval after Cabinet has granted approval for exemption. However, where Cabinet fails to grant approval for the exemption, the Minister shall duly notify MFARI within 14 days of receipt of the notice of refusal from Cabinet.

Step 5: The Minister of Finance shall communicate the resolution of Parliament to the Ghana Revenue Authority for the set-up of the applicant on the CMS.

5.10.2. PROCEDURE TO FOLLOW AFTER APPROVAL (CSM):

Step 1: the applicant's declarant shall apply online to GRA attaching the under listed documents:

- a. Letter from the applicant, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared*



- b. Copy of the Parliamentary Resolution*
- c. Copy of MoF letter*
- d. Copy of Invoices*
- e. Copy of the Packing list*
- f. Copy of Bill of lading /Airway Bill*
- g. Other relevant documents*

Step 2: GRA will review and validate the application to ascertain if it satisfies the requirements.

Step 3: GRA shall then approve or reject the application with reasons.

5.11. TECHNICAL COOPERATION PROGRAMMES OR PROJECTS

Section 21 of the Act provides for exemption of goods imported for use by an International Agency for purposes of a technical cooperation programme or project. It also makes provision for Household goods imported for the use of personnel engaged by an International Agency under a technical assistance programme or project.

5.11.1. PROCEDURE TO FOLLOW FOR APPROVAL:

Step 1: An application for an exemption for technical cooperation shall be addressed to the Minister for Finance and duly signed by a Minister of MFARI. It is the responsibility of the MFARI to ensure that all applications contain required information and the supporting documents before submission to the Minister for Finance.

Step 2: The Minister of Finance upon receipt of the Application for an exemption shall carry out due diligence including but not limited to the following:

- a. assess the request for the exemption; and
- b. ensure that the exemption is consistent with the economic management priorities of Government and the general policy of the Government on exemptions.

Step 3. Where the application has met the requirements, the Minister may make recommendations clearly stating the basis for Cabinet's consideration and approval. However, where the application does not meet the requirements, the Minister shall inform the MFARI within 14 days of receipt of the application.

Step 4: The Minister shall seek Parliamentary approval after Cabinet has granted approval for exemption. However, where Parliament fails to grant approval for the exemption, the Minister shall duly notify MFARI within 14 days of receipt of the notice of refusal from Parliament.

Step 5: the Minister of Finance shall communicate the resolution of Parliament to the Ghana Revenue Authority for the set-up of the applicant on the CMS.



5.11.2. PROCEDURE TO FOLLOW AFTER APPROVAL (CSM):

Step 1: the applicant's declarant shall apply online to GRA attaching the under listed documents:

- a. Letter from the applicant, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared*
- b. Copy a Parliamentary Resolution*
- c. Copy of MoF letter*
- d. Copy of Invoices*
- e. Copy of the Packing list*
- f. Copy of Bill of lading /Airway Bill*
- g. Other relevant documents*

Step 2: GRA will review and validate the application to ascertain if the application satisfies the requirements.

Step 3: GRA shall then approve or reject the application with reasons.

5.13. GENERAL TAX INCENTIVES

Section 14 provides that the Minister may, on the recommendation of the relevant sector Minister and with the approval of Cabinet, by legislative instrument, make Regulations to grant an industry-specific or programme-specific tax concession for an industry or investment programme.

5.13.1. PROCEDURE TO FOLLOW FOR APPROVAL:

Step 1: An application for an exemption to grant an industry-specific or programme-specific tax concession for an industry or investment programme shall be duly signed and addressed to the Minister for Finance by the head of the institution or Ministry, Department or Agency.

Step 2: The Minister of Finance upon receipt of the Application to grant an industry-specific or programme-specific tax concession for an industry or investment programme shall carry out due diligence as follows:

- identify the problem or challenge being addressed through the proposed tax expenditure (exemption).
- ensure that the exemption is consistent with the economic management priorities of Government and the general policy of the Government on exemptions.

Step 3: Where the application has met the requirements, the Minister may make recommendations clearly stating the basis for Cabinet's consideration and approval. However, where the application



does not meet the requirements, the Minister shall inform the Institution, Ministry, Department or Agencies within 14 days of receipt of the application.

Step 4: The Minister shall seek Parliamentary approval after Cabinet has granted approval for exemption.

Step 5: the Minister of Finance shall communicate the approval to the Ghana Revenue Authority for the set-up of the exemption on the CMS.

Step : Where Parliament fails to grant approval for the exemption, the Minister shall duly notify the Institution, Ministry, Department or Agencies within 14 days of receipt of the notice of refusal from Parliament.

5.13.2. PROCEDURE TO FOLLOW AFTER APPROVAL (CSM):

Step 1: the applicant's declarant shall apply online to GRA attaching the under listed documents:

- a. Letter from the applicant, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared for each application.*
- b. Letter from the sector Ministry or Regulatory body*
- c. Copy of Invoice*
- d. Copy of the Packing list*
- e. Copy of Bill of lading/ Airway Bill*
- f. Other relevant documents*

Step 2: GRA will review and validate the application to ascertain if it satisfies the requirements.

Step 3: GRA shall then approve or reject the application with reason(s).

5.14. SPECIAL TAX INCENTIVES FOR STRATEGIC INVESTMENTS

The State may, in addition to granting a general tax incentive to a sector in accordance with an enactment, grant a specially negotiated tax exemption for strategic investment where the State takes a commensurate equity stake in the investment project. An entity that cedes an equity stake to the State in return for a tax incentive shall have an unqualified right to buy back the equity stake of the State at the prevailing market price.



5.14.1. PROCEDURE TO FOLLOW FOR APPROVAL

Step 1: The qualifying threshold by value of investment for strategic/major investment shall be a minimum of US\$50.00 million or Ghana Cedi equivalent;

Step 2: The investment must be in the priority areas as determined by Cabinet and also from time to time by the development policy of the Government of Ghana.

Step 3: The entity should be duly registered with the Registrar of Companies and the GIPC to be eligible for the benefits as stated under section 15 of Act 1083.

Step 4: The application shall be addressed to the Chief Executive Officer of GIPC, requesting for approval for Strategic/major Investment Status, stating the incentive package being sought for.

Step 5: The following documents (Twelve (12) hard copies plus a softcopy shall accompany the request:

A. Business plan or feasibility report on the project (should include

1. Financial projections for a maximum of 10 years.
2. Detailed explanation of the quantitative benefits of the project to the country in terms of :
 - i. Categories of employees with numbers (both Expatriate and Ghanaians) for the project for the construction phase(s)
 - ii. Categories of employees with numbers (both Expatriate and Ghanaians) for the operational phases of the project.
 - iii. Projected tax revenue for ten years (PAYE, CIT, VAT etc.)
 - iv. Social Corporate responsibility, etc.
 - v. Cost of relief or exemption being requested or sought.
 - vi. Bill of Quantities with price (detailed list of machinery, equipment & plants as well as all other materials with quantities and price) to be utilised specifically for the implementation of the project.
 - vii. The tax assessment of the master list.
 - viii. Source of funding for the project, clearly indicating the origins of loans that have been contracted or will be contracted during the project. The financiers must provide evidence of financial closure for the project.
 - ix. The intended debt to equity ratio of the enterprise when it is fully operational.
 - x. The plan for the use of local contractors at each phase of the project, if any.
 - xi. Indicate Tax Identification Number and Tax Office of the company.
 - xii. Secession plan for the company
 - xiii. Sources of raw materials, where applicable

Step 6: The Ghana Investment Promotion Centre shall, upon receipt of an application make a determination if the request is in a priority area of economic investment after reviewing all the relevant documentations and communicate the receipt of the application to the applicant.

Step 7: The Centre shall upon receipt of the application, review the proposal and communicate the decision of the center to the Minister.



Step 8: The submission shall contain the technical committee's report and/or the Board's approval and other relevant documents including the business plan, tax assessment of the master list, various permits, and other relevant documents.

Step 10: The Minister shall, upon receipt of the request from the Centre, enter into negotiations with the prospective investor to arrive at the:

- a. Cost details of the investment;
- b. Exact scope and details of the exemptions to be granted; and
- c. Commensurate equity stake that the State takes in the investment in return for the revenue forgone in granting the exemptions.
- d. Modalities of buyback by the investor or an agreed form of repayment to the state.

Step 11: The Minister shall, on a successful conclusion of the negotiations, take immediate steps to procure the necessary approvals in accordance with the procedure for obtaining Cabinet and Parliamentary approval.

Step 12: The Minister of Finance shall communicate the resolution of Parliament to the Ghana Revenue Authority for the set-up of the applicant on the CMS.

5.14.2. PROCEDURE TO FOLLOW AFTER APPROVAL OF INCENTIVE (CSM):

Step 1: the applicant's declarant shall apply online to MOF, attaching the under listed documents:

- a. *Letter from the applicant, quoting the applicable law(s) to support the application, detailing out the specific items and the quantity of each item expected to be cleared*
- b. *Copy a Parliamentary Resolution*
- c. *Copy of MoF letter*
- d. *Copy of Invoices*
- e. *Copy of the Packing list*
- f. *Copy of Bill of lading /Airway Bill (if applicable)*
- g. *Other relevant documents*

Step 2: MoF will review and validate the application per the requirements.

Step 3: MoF shall then recommend or reject the application with reason (s).

Step 4: the recommended application then moves to GRA for approval or rejection with reason(s).



5.15. TRANSACTIONS BY STATE SECURITY AGENCIES

A State security agency shall, for the purpose of the Act and the Guidelines, be considered a "covered entity" and the provisions on exemptions in the procurement of goods, works or services apply.

The following items are however, exempt from customs duties and customs taxes and other fees, rates, levies, and charges:

- a. articles, arms, ammunitions, uniforms, accoutrements, and equipment including vehicles and musical instruments certified by the relevant sector Minister and approved by the Minister to be imported by a state security agency for the use of a state security agency or in cooperation with other States for
 - (i) defending the territorial integrity of the State; or
 - (ii) participating in international peace-keeping;
- b. parts, components, or sub-assemblies of an item specified in paragraph (a) to be imported for incorporation in or fitting into that item;
- c. parts, components, or sub-assemblies of an item specified in paragraph (a) for the repair, refurbishment, servicing, or maintenance of that item;
- d. goods imported for training in or testing of an item specified in paragraph (a);
- e. articles, arms, ammunitions, uniforms, accoutrements, and equipment including vehicles donated for the use of a state security agency (i) by a foreign Government, (ii) by an international organisation, or (iii) under a Technical Cooperation Agreement; and
- f. goods, excluding vehicles, that are imported by an officer of a state security agency returning to the country to resume residence after participating in international peacekeeping or an exchange programme.

5.15.1. PROCEDURE TO FOLLOW AFTER APPROVAL (CSM):

Step 1: the applicant's declarant shall apply online to GRA attaching the under listed documents:

- a. Letter duly signed by the Head of the security agency, quoting the applicable laws to support the application, detailing out the specific items and the quantity of each item expected to be cleared*
- b. Copy of Invoices*
- c. Copy of Bill of lading /Airway Bill*
- d. Copy of Packing list*
- e. Copy of the purchase agreement*
- f. Other relevant documents*



6. MONITORING AND REPORTING OF EXEMPTIONS

Section 28 places obligation on persons who enjoy or benefits from exemptions, the Commissioner-General and the Minister of Finance as a matter of law as follows

- 1) A beneficiary of an exemption is required to submit to the Commissioner-General a statement of exemptions utilised in a year of assessment (a) at the end of each quarter; and (b) when the person files a tax return for the year.
- 2) The Commissioner-General shall submit to the Minister an annual report on (a) the categories of exemptions granted; and (b) the total amount of exemptions utilised by taxpayers.
- 3) The Minister shall, as part of the presentation of the annual budget statement to Parliament, submit an annual report to Parliament on (a) exemptions granted; (b) the revenue forgone; (c) explanations on how the exemptions granted are consistent with the economic management priorities of the Government; and (d) any other matter that affects the exemptions regime.

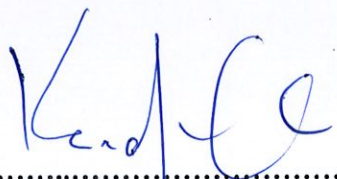
7. REVIEW OF TAX EXPENDITURES

Section 29 provides for a schedule to review tax expenditures at least once every five years. This goes to confirm that tax expenditures are not to be utilised perpetually.

8. OFFENCES AND PENALTIES

Section 32 provides that a person acting on behalf of the Government who

- (a) makes an unauthorised commitment for the grant of an exemption,
- (b) provides false information to influence a decision for the grant of an exemption,
- (c) in relation to the management or administration of an exemption, wilfully makes or signs a false documentation, false return, or false entry into records,
- (d) fails to report knowledge or information in respect of an exemption-related fraud committed by a person against the State to the appropriate authority or law enforcement authority, or
- (e) by wilful act or omission, fails to take action on an exemption-related fraud reported to that person commits an offence and is liable on summary conviction to a fine of not less than one hundred penalty units and not more than two thousand five hundred penalty units or to a term of imprisonment of not less than six months and not more than five years or to both.



KEN OFORI-ATTA
MINISTER

DATE: 02/08/2023

