

# **EXEMPTIONS BILL, 2019**

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*Exemptions Bill, 2019*

A  
**BILL**

ENTITLED

**EXEMPTIONS ACT, 2019**

**AN ACT** to regulate the application of tax exemptions and other exemptions and to provide for related matters.

**PASSED** by Parliament and assented to by the President:

*Preliminary Provisions*

**Object of this Act**

1. The object of this Act is to
  - (a) rationalise the current exemptions regime by varying, where necessary, and consolidating existing statutory provisions on exemptions; and
  - (b) provide for the administration of exemptions.

**Application**

2. (1) This Act applies to all exemptions.
  - (2) This Act shall be read together with any other enactment relevant to taxation, levies, fees and charges and public financial management.
  - (3) Where there is a conflict or inconsistency between the provisions of this Act and any other enactment related to exemptions, the provisions of this Act shall prevail.

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**Definition of exemption**

3. (1) An exemption under this Act is a deviation from
- (a) a tax, levy, fee or charge provided for under an enactment,
  - or
  - (b) the timing of the payment of a tax, levy, fee or charge
- which results in a reduction in the effective liability of the payer.
- (2) Despite subsection (1), the power of the Commissioner-General to extend the date on which a tax is payable shall continue to apply.

*General Provisions*

**Prohibition of exemptions in other legislation**

4. (1) An enactment shall not provide for the grant of an exemption or a variation to a provision of this Act.
- (2) Where a provision in an enactment effectively contravenes subsection (1), that provision in that enactment is void.
- (3) Subsection (1) does not apply to an amendment to this Act or to Regulations made under this Act.

**General responsibility**

5. (1) A person who acts for the State shall not act in a way that enables another person to enjoy an exemption unless that exemption has been lawfully granted under this Act.
- (2) A person who seeks to benefit from an exemption shall satisfy the requirements for accessing that exemption before benefitting from the exemption.

**Responsibility of the Minister**

6. (1) The power to
- (a) submit a request for an exemption to Cabinet or Parliament,
  - or
  - (b) seek Executive approval for an exemption
- is vested in the Minister.
- (2) The Minister shall, on receipt of a request for an exemption,
- (a) vet the request for the exemption and ensure that the exemption is consistent with the economic management priorities of Government and the general policy of the Government on exemptions; and
  - (b) negotiate the exemption on behalf of the State.

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(3) The Minister shall, subject to Cabinet approval, seek the approval of Parliament by resolution for a request for exemption in accordance with article 174 of the Constitution.

(4) The Minister shall monitor the use of an exemption as an economic management tool.

(5) The Minister shall advise Cabinet on matters relating to exemptions.

(6) The Minister shall ensure that Ministries, Departments and Agencies and other relevant stakeholders are sensitised on any new law or requirement instituted to

- (a) improve the effectiveness of the exemptions regime; or
- (b) ensure compliance with this Act.

**Negotiation and approval of exemption**

7. (1) A person shall not negotiate or enter into an agreement to grant an exemption except with the prior written approval of the Minister.

(2) An understanding or agreement reached between parties to grant an exemption is of no effect and is not enforceable against the State unless subsection (1) has been complied with.

(3) Where an exemption is contained in a contract to be placed before Parliament for approval, the contract shall be accompanied with

- (a) a detailed assessment of the value of the anticipated exemptions contained in the contract;
- (b) the list of items and taxes to which the exemptions are applicable;
- (c) a limit on the total value of the exemptions to be granted under that contract; and
- (d) the implications of the exemption on programmed revenue.

(4) A contract that contains an exemption shall not be considered by Parliament unless subsections (1) and (3) have been complied with.

(5) An exemption negotiated by the Minister and placed before Parliament for approval may be varied by Parliament and the Minister shall notify the person concerned and give effect to the variation.

*Ministries, Departments and Agencies*

**Procedure for granting exemptions to Ministries, Departments and Agencies**

8. (1) An application for an exemption by a Ministry, Department or Agency shall be made to the Minister.

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(2) The Minister

(a) shall assess the application; and

(b) may make a recommendation to Cabinet for an exemption.

(3) The recommendation referred to in subsection (2) shall state clearly the basis for the recommendation.

(4) Where the Minister makes a recommendation to Cabinet on an application for an exemption by a Ministry, Department or Agency and Cabinet approves the recommendation, Cabinet shall direct the Minister to submit the application to Parliament for the necessary approval.

(5) Where Cabinet does not approve of the recommendation, the Minister shall inform the Ministry, Department or Agency of the decision of Cabinet within fourteen days on receipt of the decision.

(6) Where the Minister does not make a recommendation to Cabinet for an exemption, the Minister shall inform the Ministry, Department or Agency of the decision within thirty days after the submission of the application.

*Privileged Persons*

**The President**

9. (1) Goods imported by the President for the personal use of the President are exempt from customs duties, taxes and port charges.

(2) Where an enactment provides for an exemption for the President, the exemption shall be for the personal use of the President.

(3) For the purposes of this Act, the Office of the President is a department of Government and shall not, for the purposes of the administration of exemptions, be treated as the President.

(4) A person who makes an application for an exemption in the name of the President which is not for the personal use of the President commits an offence and is liable on summary conviction to a fine of not less than one thousand 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.

**Diplomats and diplomatic missions**

10. (1) An exemption to a diplomat shall be on a reciprocal basis.
- (2) Goods and vehicles imported by or for the official use of a body of the United Nations, the African Union, the Economic Community of West African States, the Commonwealth, a foreign embassy, a development partner agency, a diplomatic mission or a consulate are exempt from the payment of customs duties and customs taxes.
- (3) On the first arrival in Ghana of an employee of the United Nations, the African Union, the Economic Community of West African States, the Commonwealth, a foreign embassy, a development partner agency, a diplomatic mission or a consulate, the household or personal effects of that employee, if that employee is not engaged in any other business or profession in Ghana, are exempt from the payment of customs duties and customs taxes.
- (4) Goods and vehicles imported by or for the use of a permanent member of the United Nations, the African Union, the Economic Community of West African States, the Commonwealth, a foreign embassy, a development partner agency, a diplomatic mission or a consulate are exempt from the payment of customs duties and customs taxes.
- (5) For the purposes of this section, the Minister responsible for Foreign Affairs shall submit to the Minister responsible for Finance on an annual basis, a list of the diplomats and diplomatic missions that qualify for exemption.
- (6) A diplomat or a diplomatic mission shall apply for an exemption based on the list submitted under subsection (5).

**Persons with disability**

11. (1) The following disability-related items are exempt from the payment of customs duties and customs taxes:
- (a) books, publications and documents specialised for the use of persons with disability on the recommendation of the Minister responsible for Social Welfare;
  - (b) other items specially designed for the education, scientific or cultural advancement of persons with disability, imported by institutions or organisations recommended by the Minister responsible for Social Welfare and approved by the Minister;

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- (c) vehicles specially designed, adapted and modified for use by persons with disability certified by the Driver and Vehicle Licensing Authority and approved by the Minister; and
- (d) specially designed items imported by persons with disability for their educational, scientific or cultural advancement.

(2) A vehicle imported under paragraph (c) of subsection (1) shall not be re-exported.

(3) A person who contravenes subsection (2) commits an offence and is liable on summary conviction to a fine of not more than two hundred and fifty penalty units or to a term of imprisonment of not more than twelve months or to both.

**Religious organisations**

12. (1) The following worship-related imports are exempt from the payment of customs duties and customs taxes:

- (a) altar bread;
- (b) communion wafer;
- (c) altar wine;
- (d) Catholic rosary;
- (e) altar frontal;
- (f) altar linen and vestments excluding choir robes and pulpit gowns;
- (g) *Zamzam*;
- (h) *Tasbi*;
- (i) *hijab*; and
- (j) other similar religious items used exclusively for worship recommended by the Minister responsible for Religious Affairs and approved by the Minister.

- (2) For the purposes of subsection (1),
- “*hijab*” means a traditional covering for the hair and neck that is worn by Muslim women;
  - “*Tasbi*” means an Islamic rosary; and
  - “*Zamzam*” means holy water imported from Mecca.

**Donor and charity organisations**

13. (1) 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 is, subject to



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subsection (2), exempt from customs duties and customs taxes where the application is supported by a recommendation by the relevant sector Minister and approved by the Minister.

(2) An application for the exemption referred to in subsection (1) shall not be processed unless the application

- (a) is made by the official head of the identifiable group that benefits from the gift; and
- (b) spells out in detail the specific items and the quantity of each item expected in the donation.

**Other privileged persons**

14. (1) An application for an exemption by any other privileged person shall be made to the Minister.

(2) The Minister

- (a) shall assess the application; and
- (b) may make a recommendation to Cabinet for an exemption.

(3) The recommendation referred to in subsection (2) shall state clearly the basis for the recommendation.

(4) Where the exemption is contained in a contract to be placed before Parliament for approval, subsection (3) of section 7 applies.

(5) Where the Minister makes a recommendation to Cabinet on an application for an exemption by a privileged person and Cabinet approves the recommendation, Cabinet shall direct the Minister to submit the application to Parliament for the necessary approval.

(6) Where Cabinet does not approve of the recommendation, the Minister shall inform the applicant of the decision of Cabinet within fourteen days on receipt of the decision.

(7) Where the Minister does not make a recommendation to Cabinet for an exemption, the Minister shall inform the applicant of the decision within thirty days after the submission of the application.

*Private Businesses*

**Free Zone enterprises**

15. (1) A free zone developer, a subcontractor or an enterprise that imports items into a free zone or single factory zone is exempt from direct and indirect customs duties and customs taxes.

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(2) A company that is licensed as a free zone enterprise in accordance with the Free Zone Act, 1995 (Act 504) but that does not export

- (a) a minimum of seventy per cent of the output of the company, or
- (b) the relevant percentage as specified in the licence of the Free Zone Enterprise.

shall not benefit from an exemption on account of being a licensed free zone enterprise.

(3) A free zone enterprise referred to in subsection (2) is liable to pay all outstanding taxes.

(4) The Ghana Revenue Authority shall recover the outstanding tax liabilities of a free zone enterprise referred to in subsection (2).

**General tax incentives**

16. (1) The Minister, on the recommendation of the relevant sector Minister and with the approval of Cabinet, may by legislative instrument, make Regulations to grant an industry-specific or programme-specific tax concession for an investor in that industry or investment programme.

(2) Where the tax concession is on customs duties and customs taxes, the list of the items to which the concession applies and the exact concessional rate for each item shall be provided in the Regulations made under this Act.

(3) Where the State desires to take up a reciprocal carried interest in a business that accesses general tax incentives, the particulars of the carried interest shall be specified in the Regulations made under this Act.

**Special tax incentives for strategic investments**

17. (1) The State may, in addition to granting a general tax incentive to a business in accordance with an enactment, grant a private investor a specially-negotiated tax exemption for investment where the State takes a commensurate equity stake in the investment project.

(2) An investor 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.

**Procedure for granting special tax incentives**

18. (1) Cabinet shall, for the purpose of granting special tax incentives and promoting major investments, determine the priority areas of economic investments.

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(2) The Ghana Investment Promotion Centre shall, within thirty days after the determination of the priority areas referred to in subsection (1), publish the priority areas

(a) in the *Gazette*; and

(b) on the website of the Ghana Investment Promotion Centre.

(3) A private investor that seeks to improve the profitability or viability of the investment of the private investor may apply to the Ghana Investment Promotion Centre stating clearly the cost details of the investment and the exemptions required.

(4) The Ghana Investment Promotion Centre shall, in consultation with the relevant Ministry, Department or Agency, make a determination

(a) whether the investment is within the priority areas of economic investment; and

(b) communicate the decision of the Ghana Investment Promotion Centre to the applicant within thirty days after the receipt of the application.

(5) Where the Centre determines that the investment project for which the tax exemptions are being requested is in the priority area of economic investment, the Chief Executive Officer of the Centre shall, within five days of making the decision, forward the application to the Minister.

(6) The Minister shall, on 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 is required to take in the investment in return for the taxes forgone in granting the exemptions.

(7) The Minister shall, on a successful conclusion of the negotiations in subsection (6), take immediate steps to procure the necessary approvals from Cabinet and Parliament for the investment incentives agreement to be signed between the Ministry and the prospective investor .

*Development Partner Projects*

**Technical cooperation programmes**

19. (1) A development partner, the African Union, the Economic Community of West African States and other international institutions,

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for the purposes of a technical cooperation programme or project, shall be granted the exemption required by the agreement governing the particular programme or project.

(2) The Minister shall secure approval from Cabinet and Parliament for the exemption referred to in subsection (1) before the exemption takes effect.

(3) Where Ghana subscribes to or is a member of an international multilateral institution and the financial commitment of the subscription or membership has been approved by the Minister and Parliament in accordance with the Public Financial Management Act, 2016 (Act 921), an exemption required by the membership or subscription shall be considered to be in compliance with this Act.

(4) Where Ghana subscribes to or is a member of an international multilateral institution that comes with no financial commitment, the exemption required by the membership or subscription shall be reviewed by the Minister subject to the approval of Parliament in accordance with article 174 of the Constitution.

**Programmes and projects funded by grants**

**20.** (1) A programme or a project fully funded by a grant may be granted an exemption required in the agreement governing the particular programme or project.

(2) The Minister shall secure approval from Cabinet and Parliament for the exemption referred to in subsection (1) before the exemption takes effect.

(3) Subject to any applicable Avoidance of Double Taxation Agreement, a private contractor or an employee of a private contractor that execute a contract are subject to domestic taxes.

**Concessional facility projects**

**21.** (1) Subject to subsection (2), the import of an item for a project funded by a concessional facility may be exempted from the payment of customs duties and customs taxes where the concessional facility agreement requires the exemption.

(2) The Minister shall secure approval from Cabinet and Parliament for the exemption referred to in subsection (1) before the exemption takes effect.

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(3) The exemption from customs duties and customs taxes secured under subsection (2) shall not cover items that are produced in Ghana and are available in reasonable quality.

(4) Subject to any applicable Avoidance of Double Taxation Agreement, a private contractor or an employee of a private contractor that execute a contract are subject to domestic taxes.

**Commercial Government projects**

22. (1) Goods, services or projects imported or procured by Government or a State entity from a private supplier or contractor are subject to customs duties and customs taxes and domestic taxes.

(2) A private supplier or contractor who supplies goods, services or projects to a State entity shall not be relieved of the obligation of that private supplier or contractor to charge value added tax on a taxable supply.

(3) A person who acts on behalf of Government or a State entity who signs a contract that

- (a) exempts a private supplier or contractor from the payment of customs duties and customs taxes or the payment of domestic taxes, or
- (b) relieves a private supplier or contractor from the obligation of that private supplier or contractor to charge value added tax on a taxable supply

commits an offence and is liable on summary conviction to a fine equivalent to the value of the unpaid customs duties and customs taxes, uncharged value added tax and other unpaid domestic taxes or to a term of imprisonment of not less than six months or to both.

(4) Without limiting the sanction applied in accordance with subsection (3), a supplier or contractor that is unlawfully exempted from the payment of customs duties and customs taxes, or domestic taxes or that is unlawfully relieved of the obligation to charge value added tax on a taxable supply, shall pay to the State in full the unpaid customs duties, value added tax and other domestic taxes.

(5) A private supplier or contractor that pays to Government or a State entity unpaid customs duties and customs taxes, unpaid value added tax and unpaid domestic taxes shall not have a right to recover the amount paid or any part of the amount paid from Government, the State entity or the individual that procured the supply.

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(6) Despite this section, a person who acts on behalf of Government or a State entity may request the Minister to enter into a negotiation on exemptions with a private supplier or contractor.

(7) Where the negotiation in subsection (6) results in a recommendation by the Minister to grant an exemption, the Minister shall procure the required approval from Cabinet and Parliament for the exemption before the exemption takes effect.

*Security Transactions, User Charges and Fees and Transnational Levies*

**Security transactions**

23. (1) A security service shall, for the purpose of this Act, be considered a “State entity” and the provisions on exemptions in the procurement of goods, services or projects apply.

(2) Despite subsection (1), where

- (a) a security service directly procures arms, ammunitions and other security-sensitive imports from a foreign source, or
- (b) a security personnel on peace-keeping operations procures personal effects excluding vehicles, the Minister shall exempt the imports from customs duties and customs taxes and port charges.

**Port user charges and fees**

24. (1) A port user charge or fee charged by a service provider for the provision of a service shall be paid for by a person that uses the service.

(2) A person shall not use a service for which a port user charge or fee is chargeable and be exempted from the payment of the associated port user charge or fee.

**Transnational levies**

25. A person shall not be exempted from a levy imposed as an obligation to a regional organisation in the nature of the African Union Levy or the Economic Community of West African States Levy unless the exemption is sanctioned by the relevant regional organisation.

*Miscellaneous Provisions*

**Executive approval**

26. Where approval by Cabinet is required in this Act in an emergency situation, Executive approval may suffice in a situation where approval by Cabinet cannot be obtained.

**Transfer of ownership of exempt item by holder of an exemption**

27. (1) Where a holder of an exemption transfers ownership of an item exempted under this Act, the beneficiary of the exempt item shall pay the exemptions granted to the holder of the exemption.

(2) Despite subsection (1), where the beneficiary is a Ministry, Department of Agency and receives the exempt item as a donation, the Ministry, Department of Agency is exempt from the payment of the exemptions granted to the holder of the exemption.

**Offences and penalties**

28. (1) A person acting on behalf of the Government who
- (a) makes an unauthorised commitment resulting in an exemption,
  - (b) provides false information to influence a decision relating to an exemption,
  - (c) in relation to the management or administration of an exemption, willfully makes or signs a false documentation, false return or false entry into records, or
  - (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

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.

(2) A payer of tax, levy, fee or charge who provides false information to influence a decision relating to an exemption, 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.

(3) Except as otherwise provided in this Act, a person who fails to comply with a provision of this Act commits an offence and where a specific penalty is not provided, is liable on summary conviction to a fine of not less than one hundred penalty units and not more than one thousand, five hundred penalty units or to a term of imprisonment of not less than six months and not more than three years or to both.

**Regulations**

29. The Minister may, by legislative instrument, make Regulations for the effective implementation of this Act.

**Interpretation**

30. In this Act, unless the context otherwise requires,
- “charitable purpose” means the non-commercial transfer of items donated for the use of an identifiable group in need;
  - “Commissioner-General” means the person appointed under the section 13 of the Ghana Revenue Authority Act, 2009 (Act 791);
  - “concessional facility” means a loan on terms as indicated by the Ministry responsible for Finance;
  - “customs duties and customs taxes” include import duty, excise duty, import value added tax, import National Health Insurance Levy, import Ghana Education Trust Fund, Special Import Levy and other charges collectible on imported or exported goods;
  - “development partners” include International Monetary Fund, World Bank, other bilateral partners or institutions, other multilateral institutions, and aid co-ordinating groups;
  - “fee or charge” includes rates or any moneys charged or levied under any enactment;
  - “grant” means transfers made in cash, goods or services for which no repayment is required;
  - “Harmonised Commodity Description and Coding System” means the nomenclature comprising the headings, sub-headings and their related numerical codes, the section, chapter and sub- heading notes and the general rules for the interpretation of the Harmonised System contained in the text of the International Convention on the Harmonised Commodity Description and Coding System approved by the Customs Co-operation Council on 14th June, 1983 and the relevant Schedules attached to it;
  - “identifiable group” includes a community, a religious body, a health facility, a training centre, an educational institution, a registered association or a relevant government entity;



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- “import” means to bring or cause goods to be brought into the country;
- “levy” includes any imposition payable under an enactment;
- “manufacture” means to make, produce or cause to be made or produced, goods;
- “Minister” means the Minister responsible for Finance;
- “persons 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;
- “port user charges” are charges paid at the port by users of the port;
- “privileged persons” means the President, diplomats, diplomatic missions, persons with disability, or any other person or entity recognised under this Act;
- “security service” means a service connected with national security as the National Security Council may determine;
- “State entity” includes a Ministry, Department or Agency, a local government authority, a state enterprise or public corporation; and
- “vehicle” means a conveyance for the transport by land of goods or persons.

**Consequential amendment**

31. The Ghana Investment Promotion Centre Act, 2013 (Act 865) is amended by the substitution for section 26 of section 17 of this Act.

**Repeals, savings and transitional provisions**

32. (1) A provision in any legislation other than the
- (a) Value Added Tax Act, 2013 (Act 870), and
  - (b) Income Tax Act, 2015 (Act 896)
- that provides for the grant of an exemption is repealed.
- (2) Despite subsection (1),
- (a) an exemption-related agreement signed between the Government and a person on the basis of a provision repealed by this Act, or

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(b) an exemption-related resolution of Parliament passed on the basis of a provision repealed by this Act shall continue to be valid for the term of the agreement or resolution.

(3) The provisions in the Harmonised Commodity Description and Coding System as set out in the Schedule to this Act are repealed.

(4) Despite subsection (1), existing provisions in the current Harmonised Commodity Description and Coding System and its Schedules not specifically repealed by this Act, shall continue to apply until the entire Harmonised Commodity Description and Coding System is revised in accordance with this Act.

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**SCHEDULE**  
*(section 32 (3))*

<b>Tariff No.</b>	<b>Description</b>
3AF1	President of the Republic of Ghana
3AF2	Diplomatic Missions
3AF3	Technical Assistance Schemes
3AF4	British Council
3AF5	Persons with Disability
3AF6	Churches and Religious Bodies
3AF7	Trade Fairs and Exhibitions
3AF8	Volta Aluminum Company Limited
3AF9	Volta River Authority/GRIDCO
3BF.51	Advertising Matter
3BF.52	Aircraft Parts and Accessories
3BF.54	Educational, Cultural or Scientific Materials
3BF.61	Jute Bags and Seals
3BF.62	Gifts
3C1.1	President of the Republic of Ghana
3C1.2	Diplomatic Missions
3C1.3	Permanent Members of the Diplomatic Service
3C1.4	International Agency

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Date of *Gazette* notification:

## **EXEMPTIONS BILL, 2019**

### **MEMORANDUM**

The object of the Bill is to rationalise the current exemptions regime on taxes, levies, fees and charges by varying, where necessary, and consolidating existing statutory provisions on tax and other exemptions and to provide for the administration of exemptions.

In the last eight years, tax exemptions namely import duty, import value added tax, import National Health Insurance Levy and domestic value added tax in the economy have grown from three hundred and ninety-one point nine zero million Ghana Cedis which is zero point six per cent of the gross domestic product for 2010 to four thousand six hundred and sixty-two point three six million Ghana Cedis which is one point six per cent of the gross domestic product for 2018. The figures do not include exemptions from the payment of corporate and individual income taxes, concessions on tax rates, petroleum tax reliefs, customs tax exemptions enjoyed by diplomatic missions and waiver of processing charges at the ports.

These exemptions are growing at the expense of tax revenue. For every one Ghana Cedi of tax collected, the corresponding amount given away as exemptions has increased from six pesewas to twelve point five pesewas between 2010 and 2018.

Further, exemptions may distort fair competition among businesses in the same industry where private projects are granted exemptions to improve their profitability or viability, which are not available to other players of the same industry.

The current challenges of the exemptions regime are sustained by the existence of pre-determined tax exemptions in various legislation for future projects whose financials cannot be known today. The situation is not helped by an entrenched policy mindset on the part of both Government entities and private suppliers that, by default, businesses that supply goods, services and projects to the public sector should be exempted from payments of customs and some domestic taxes.

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Unfortunately, even where tax exemptions are necessary, they invariably create opportunities for abuse and irregularities. Together with the abuses, exemptions deny the country of much needed revenue, the consequence being low revenue reporting, which gives an unfavourable impression to our citizens, investors, and the international community that Ghana's economy is weak, with very low revenue to gross domestic product ratio.

These are the challenges that this Bill seeks to address.

The projected exemptions for the year 2019 are expected to be lowered by about five hundred million Ghana Cedis when the Bill is passed by Parliament.

*Clause 1* states the object of the Bill.

*Clause 2* states the application of the Bill and resolves the conflict between this Bill and other exemptions-related legislation by providing that this Bill will prevail in the case of any conflict or inconsistency with other exemptions-related legislation.

*Clause 3* defines an exemption for the purposes of this Bill.

*Clause 4* prohibits the granting of an exemption or a variation to any of the provisions of this Bill outside this Bill.

*Clauses 5 and 6* provide for general responsibilities and the responsibility of the Minister responsible for Finance.

*Clause 7* defines the powers relating to the negotiation of exemptions with private persons and prohibits persons other than the Minister responsible for Finance from negotiating exemptions.

*Clause 8* provides the procedure for granting exemptions to Ministries, Departments and Agencies.

*Clauses 9 to 14* provide for exemptions to the President of the Republic and other privileged persons.

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*Clause 15* provides for exemptions to free zone enterprises and seeks to address the existence of licensed free zone enterprises that are not export-oriented.

*Clause 16* provides for general tax incentives available to all businesses in particular industries or programmes.

*Clauses 17 and 18* set the requirements for the negotiation of special tax incentives by strategic investors.

*Clauses 19, 20 and 21* provide for exemptions for programmes and projects funded by donors and development partners as well as concessional facility projects.

*Clause 22* seeks to restrict exemptions granted to private suppliers of goods and services to Government and Government entities.

*Clause 23* provides for exemptions in transactions by security services.

*Clause 24* provides for exemptions from the payment of port user charges and user fees.

*Clause 25* restricts exemptions from the payment of transnational levies such as the African Union levy and the Economic Community of West African States levy.

*Clause 26* permits Executive approval in an emergency situation where approval by Cabinet cannot be obtained.

*Clause 27* deals with the transfer of ownership of an exempt item by the holder of an exemption.

*Clause 28* provides for offences and penalties while *clauses 29 and 30* provide for Regulations and interpretation respectively.

*Clause 31* provides for a consequential amendment to the Ghana Investment Promotion Centre Act, 2013 (Act 865).

## **EXEMPTIONS BILL, 2019**

Repeals, savings and transitional provisions are dealt with in *clause 32*.

KEN OFORI-ATTA  
*Minister responsible for Finance*

Date: