



VALUE ADDED TAX BILL, 2025

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BILL
ENTITLED

VALUE ADDED TAX ACT, 2025

AN ACT to revise and consolidate the law relating to the imposition of the Value Added Tax and to provide for related matters.

PASSED by Parliament and assented to by the President:

Value Added Tax

Imposition of Value Added Tax

1. (1) There is imposed by this Act, a Value Added Tax to be charged on the

(a) supply of goods or services made in the country, other than exempt goods or services; and

(b) import of goods or services, other than exempt import.

(2) Unless otherwise provided in this Act, the Tax shall be charged on the supply of goods or services where the supply is

(a) a taxable supply; and

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(b) made by a taxable person in the course of the taxable activity of that person.

(3) The Tax is chargeable and payable on the importation of goods.

(4) For the purposes of subsection (3), the laws and regulations applicable to the collection of customs duties and other taxes on the importation of goods, including the requirement to submit an import declaration, apply with the modifications specified in this Act and Regulations made under this Act.

(5) The Tax is chargeable on a supply of goods made by

- (a) a diplomatic mission,
- (b) an international agency,
- (c) an organisation,
- (d) a Government agency, or
- (e) any other person

who has obtained a relief from or a refund of the Tax on the importation or domestic acquisition of the goods.

Persons liable to pay the Tax

2. Except as otherwise provided in this Act, the Tax shall be paid, in the case of

- (a) a taxable supply, by the taxable person who makes the supply;
- (b) an import of goods, by the importer;
- (c) an import of services, by the recipient of the service; or
- (d) a non-resident person required to register under section 15, by the non-resident person.

Rate of the Tax

3. Except as otherwise provided in this Act, the rate of the Tax is fifteen per cent and is calculated on the value of the

- (a) taxable supply of the goods or services; or
- (b) import.

Taxable Person and Taxable Activity

Taxable person

4. (1) A taxable person is a person who is
- (a) registered for the purposes of this Act; or

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(b) required to register under sections 6 to 17.

(2) Subject to sections 6 to 9 and 11 to 16, the effective date of registration of a person as a taxable person is the date specified in the certificate of registration issued by the Commissioner-General under section 10.

Taxable activity

5. (1) For the purposes of this Act, a taxable activity means an activity which

- (a) is carried on by a person in the country or partly in the country, whether or not for a pecuniary profit; and
- (b) involves or is intended to involve, in whole or in part, the supply of goods or services to another person for consideration.

(2) Without limiting subsection (1), a taxable activity includes

- (a) an activity of a local authority or unincorporated association or body that involves, in whole or in part, the supply of goods or services to another person for consideration;
- (b) the processing of data or supply of information or similar service;
- (c) the supply of staff;
- (d) the giving of gifts;
- (e) the loaning of goods;
- (f) the leasing or letting of goods on hire;
- (g) the appropriation of goods or services for personal use or consumption by the taxable person or by any other person;
- (h) the sale, transfer, assignment or licensing of a patent, copyright, trademark, computer software or any other proprietary information;
- (i) the exploration of natural resources;
- (j) the export of a traditional product, other than cocoa beans, coffee and shea butter; and
- (k) the export of a non-traditional product.

(3) A supply is considered to be a supply for consideration where the supplier is directly or indirectly entitled to receive payment wholly or

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partly in money or in kind from the person to whom the supply is made or from any other person and includes a supply

- (a) made between related persons for no consideration;
- (b) of goods for use only as a trade sample; or
- (c) referred to in section 23 to 25.

(4) A supply is part of a taxable activity of a person if the supply is

- (a) made by a person as part of, or
- (b) incidental to

an economic activity the person conducts.

(5) Where an owner of goods enters into a contract with another person to process or treat the goods of the owner, the delivery of the goods to the owner or the agent of the owner is considered a supply of goods by the person who processes or treats the goods.

Registration

Persons required to register

6. (1) Except as otherwise provided in this Act, a person who engages in a taxable activity and is not registered for the Tax shall, in the case of

- (a) a taxable supply of services, register within thirty days after engaging in the taxable activity, unless otherwise directed by the Commissioner-General; and
- (b) a taxable supply of goods, register where,
 - (i) at the end of any period of twelve months or less, the person has made, during that period, taxable supplies exceeding seven hundred and fifty thousand Ghana Cedis; or
 - (ii) at the end of any month, there are reasonable grounds to expect that the person will make taxable supplies exceeding seven hundred and fifty thousand Ghana Cedis during the following period of twelve months or less.

(2) Despite paragraph (b) of subsection (1), a person shall register if

- (a) at the end of any period of three months, the person has made, during that period, taxable supplies exceeding one

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- hundred and eighty-seven thousand five hundred Ghana Cedis; and
- (b) there are reasonable grounds to expect that the total value of taxable supplies made by that person during the period of three months and the nine months following the period of three months will exceed seven hundred and fifty thousand Ghana Cedis.
- (3) For the purposes of determining the thresholds under paragraph (b) of subsection (1) and subsection (2), the Commissioner-General may have regard to the value of taxable supplies made by another person, if
- (a) that other person is a related person; or
- (b) the taxable person and that other person are acting in concert in making the taxable supplies.
- (4) A person who is required to register under this Act shall apply to register for the Tax in the form and manner prescribed by the Commissioner-General.
- (5) A person who is required to register under subsection (1) shall file the application for registration within thirty days after the end of
- (a) the period under subparagraph (i) of paragraph (b) of subsection (1); or
- (b) the month under subparagraph (ii) of paragraph (b) of subsection (1).
- (6) A person who is required to register under paragraph (a) of subsection (2) shall file the application for registration within thirty days after the period of three months.

Exceptions regarding thresholds and period for registration

7. (1) Despite the period of registration specified in paragraph (a) of subsection (1) of section 6, a promoter of public entertainment shall, not less than forty-eight hours before the commencement of the public entertainment, apply for registration.
- (2) Despite the threshold rules in paragraph (b) of subsection (1) of section 6, an auctioneer that carries on a taxable activity shall, within thirty days after the date on which the person becomes an auctioneer, apply for registration.

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Period for becoming a taxable person

8. A person who is

- (a) not registered for the Tax, and
- (b) required to register under this Act,

is a taxable person from the beginning of the tax period that immediately follows the tax period in which the requirement to register arose.

Notice of registration

9. (1) The Commissioner-General shall, within thirty days after the receipt of an application for registration, give notice to the applicant of the decision to register or not register the applicant.

(2) Where the Commissioner-General fails to give notice within thirty days after the receipt of an application for registration, the Commissioner-General is considered to have registered the applicant.

(3) Despite subsection (2), where the Commissioner-General is satisfied that the person is not eligible for registration, the Commissioner-General shall give notice to the applicant of the decision not to register the applicant.

(4) Where, within the period of thirty days specified under subsection (1), the Commissioner-General requests for additional information from the applicant in order to determine if the applicant is eligible to apply for registration,

- (a) the period of thirty days shall cease to run; and
- (b) the Commissioner-General shall, within fourteen days after the receipt of the required information in the form prescribed by the Commissioner-General, give notice of the decision to register or not register the applicant.

Certificate of registration

10. (1) The Commissioner-General shall issue a certificate of registration to each person registered for the Tax.

(2) A person registered for the Tax shall display the certificate of registration at

- (a) the principal place of business of the person; and
- (b) every other location where the person engages in a taxable activity.

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Notice of registration or cancellation in respect of turnover

11. (1) The Commissioner-General may give notice in writing to a person who has, within the period specified in the notice, made taxable supplies

(a) in excess of a turnover threshold, or

(b) below a turnover threshold,

specified in subparagraph (i) or (ii) of paragraph (b) of subsection (1) of section 6 and is registrable or not registrable as a taxable person.

(2) The Commissioner-General shall, in accordance with the determination under subsection (1), register or cancel the registration of the person.

Designation of taxable persons in respect of groups and distinct divisions

12. (1) A group of taxable persons may, with the approval of the Commissioner-General, be treated as one designated taxable person for the purposes of the Tax.

(2) Each member of the group referred to in subsection (1) is jointly and severally liable for any liability or contravention under this Act and Regulations made under this Act.

(3) A taxable person whose taxable activity is structured into distinct divisions may apply to the Commissioner-General to register one or more of the divisions for the Tax.

Voluntary registration

13. (1) A person who is not required to register may voluntarily apply to be registered by the Commissioner-General.

(2) The Commissioner-General shall not register a person who applies to register as a taxable person under subsection (1), if the Commissioner-General

(a) is satisfied that the person has no fixed place of abode or business; or

(b) has reasonable grounds to believe that the person may not

(i) keep proper accounting records related to any business activity carried on by that person;

(ii) submit regular and reliable tax returns as required by or under this Act; or

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(iii) be a fit and proper person to be registered.

Compulsory registration

14. Where

- (a) a person required to register under this Act fails to apply for registration, or
- (b) the Commissioner-General considers it necessary to register a person for the Tax

the Commissioner-General shall register that person.

Non-resident persons who provide telecommunication services or electronic commerce

15. (1) A non-resident person who provides telecommunication services or electronic commerce to a person for use or enjoyment in the country, other than through a Tax registered agent, shall register if that non-resident person makes a taxable supply.

(2) A person who contravenes subsection (1) is, in addition to any other penalty imposed under this Act or Regulations made under this Act, liable to a restriction of access to the country until the person registers in accordance with subsection (1).

(3) Despite any provision of this Act or any other tax law, the Commissioner-General may, for the purposes of this section, appoint a person to collect the Tax and a levy on a supply made by a taxable person.

(4) For the purposes of this section,

- (a) “electronic commerce” includes a business transaction, including a digital service, that takes place through the electronic transmission of data over a communication network such as the internet;
- (b) “Tax registered agent” means a representative of a non-resident person who provides telecommunication services or electronic commerce in the country who is registered for the Tax; and
- (c) “telecommunication services” include services that relate to
 - (i) the transmission, emission or reception of signals, writings, images and sounds of information of any nature by wire, radio, optical or other

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- electromagnetic systems, including the provision of access, transmission, emission or reception; and
- (ii) the broadcast of political, social, cultural, artistic, sporting, scientific or entertainment events.

Sanctions for failure to register

16. A person who fails to apply for registration is liable to a penalty of not less than three times the amount of the Tax on taxable supplies payable from the time the person is required to apply for registration until the person applies for registration with the Commissioner-General.

Up-front payment by unregistered importer

- 17.** (1) A person who
- (a) imports taxable goods, and
 - (b) is not registered for the Tax

is, in addition to the penalty provided in section 16, liable to make an upfront payment of twenty per cent of the customs value of the taxable goods.

(2) A person may be credited with the upfront payment made under subsection (1) after the person registers and files a return for the relevant period.

Register of taxable persons

18. The Commissioner-General shall keep a register of taxable persons that contains the particulars of the taxable persons as specified by the Commissioner-General.

Notice of change in business

19. (1) A taxable person shall give notice in writing to the Commissioner-General

- (a) if the taxable person
 - (i) ceases to operate,
 - (ii) sells, or
 - (iii) relocates the business engaged in the taxable activity;
- (b) if there is a change in the ownership of the business engaged in the taxable activity; or

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- (c) of a change in the
 - (i) name or address of the taxable person;
 - (ii) circumstances which disqualify the taxable person for registration; or
 - (iii) taxable activity or the nature of taxable supply being made.

(2) The notice under subsection (1) shall be given within fourteen days after the cessation, sale, relocation, change of ownership or other change as the case may be.

(3) Where a person ceases to carry on a taxable activity in relation to which the registration was made, the notice under subsection (1) shall

- (a) be made within fourteen days after the date of the cessation; and
- (b) state whether or not the person intends to carry on the taxable activity within twelve months from the date of cessation.

(4) A taxable person who commences the sale of a business as a going concern shall give notice in writing of the commencement of sale to the Commissioner-General not less than fourteen days before the

- (a) sale closes,
- (b) purchaser acquires a legal interest in the assets to be acquired, or
- (c) assets of the going concern are transferred,

whichever date is earliest.

Cancellation of registration

20. (1) The Commissioner-General shall cancel the registration of a taxable person where the Commissioner-General is satisfied that the taxable person

- (a) no longer exists;
- (b) is not carrying on a taxable activity;
- (c) is not required or entitled to apply for registration;
- (d) has not kept proper accounting records related to a business activity carried on by that person; or

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- (e) has not submitted regular and reliable tax returns required under this Act.
- (2) A cancellation takes effect from
 - (a) the end of the tax period in which the registration is cancelled; or
 - (b) any other date determined by the Commissioner-General.
- (3) Subject to subsection (4), a taxable person whose registration is cancelled is considered to have made a taxable supply of the goods on hand, including capital goods, at the time the registration is cancelled.
- (4) For the purposes of subsection (3), there is no taxable supply with respect to specific goods on hand if the taxable person was denied an input tax deduction on the acquisition of the goods.
- (5) The obligations and liabilities of a person in respect of anything done or omitted to be done by that person as a taxable person under this Act or Regulations made under this Act, including the requirement to submit returns under section 59, is not affected by the cancellation of the registration of that person.
- (6) The Commissioner-General shall give notice in writing of the decision to cancel or refuse to cancel a registration under this section to a person within thirty days after
 - (a) making the decision; or
 - (b) the receipt of the application.
- (7) Where the Commissioner-General cancels the registration of a person,
 - (a) the person shall return the certificate of registration and any unused tax invoice to the Commissioner-General; and
 - (b) the Commissioner-General shall remove the particulars of that person from the register.
- (8) A person registered for the Tax pursuant to subsection (1) of section 13 may apply for cancellation of the registration only after the expiration of two years after the date the registration took effect.
- (9) Subject to subsection (8), a taxable person who
 - (a) ceases to carry on the business in relation to which the registration was made, and

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(b) is not engaged in any other taxable activity, shall apply in writing to the Commissioner-General for cancellation of the registration within thirty days after the cessation of the business.

Supply of Goods and Services

Supply of goods

21. (1) Except as otherwise provided in this Act and Regulations made under this Act, “supply of goods” means

- (a) an arrangement under which an owner of goods parts with possession of the goods by way of sale, barter, lease, transfer, exchange, gift or any similar disposition; or
- (b) a supply of any form of power, heat, refrigeration or ventilation.

(2) For the purposes of subsection (1), a supply of goods does not include the supply of money.

(3) The disposal of

- (a) a taxable activity, or
- (b) part of a taxable activity that is capable of being operated separately as a going concern,

is a supply of goods made in the course or furtherance of the taxable activity.

(4) For the purposes of subsection (3), a taxable activity or part of a taxable activity that is capable of being operated separately as a going concern is disposed of where the

- (a) goods or services necessary for the continued operation of that taxable activity or that part of the taxable activity are supplied to the transferee; and
- (b) transferor carries on or is carrying on that taxable activity or that part of a taxable activity up to the time of the transfer of the taxable activity to the transferee.

(5) A supply of goods in exchange for goods or services is a supply of goods.

(6) Subject to subsection (2) of section 26 and section 27, the application by a taxable person of goods acquired for use in a taxable activity to a different use, including the provision of goods to an employee

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for personal use, is a supply of the goods by the taxable person in the course or furtherance of that taxable activity.

Supply of services

22. (1) Except as otherwise provided in this Act and Regulations made under this Act, “supply of services” means a supply which is

- (a) not a supply of goods or money; and
- (b) in the nature of
 - (i) the performance of services for another person;
 - (ii) the grant, assignment or surrender of any right;
 - (iii) making available a facility or advantage; or
 - (iv) tolerating a situation or refraining from doing an activity.

(2) A supply of services in exchange for services or goods is a supply of services.

(3) Subject to subsection (1) of section 26 and section 27, the application by a taxable person of services acquired for use in a taxable activity to a different use, including the provision of services to an employee for personal use, is a supply of the services by the taxable person in the course or furtherance of that taxable activity.

Special Supplies

Repossession of goods as supply of goods

23. (1) Where goods are repossessed under a credit agreement, the repossession is a supply of the goods by the debtor under the credit agreement to the person who exercises the right of repossession.

(2) Where the debtor is a registered person, the supply is made in the course or furtherance of the taxable activity of the debtor, unless the goods did not form part of the assets held or used by the debtor in connection with that taxable activity.

Lay-away agreement as supply of services

24. Where a lay-away agreement is terminated or cancelled and the seller

- (a) retains an amount paid by the purchaser, or

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(b) recovers an amount the purchaser owes under the agreement,
the cancellation or termination is a supply of services by the seller in respect of the agreement.

Separate supply

25. Where a supply of goods or services consists of
(a) a supply that is charged with the Tax at a positive rate, and
(b) a supply of goods charged with the Tax at a rate of zero per cent, or an exempt supply,
each part of the supply of goods or services shall be treated as a separate supply of goods or services if each part is reasonably capable of being supplied separately.

Activities that do not constitute supply of goods or services

26. (1) A supply of services by an employee to an employer by reason of the employment of that employee is not a supply of services for the purposes of the Tax.

(2) The transfer of goods to a person acting in a representative capacity to the transferor is not a supply of goods.

Effect of denial of input tax

27. Except as otherwise provided in this Act, where
(a) a taxable person supplies goods or services, and
(b) a deduction for input tax paid on the acquisition of the goods or services is denied,
the supply of the goods or services by the taxable person is a supply of goods or services other than in the course or furtherance of a taxable activity.

Payment of deposit and receipt of claim as supply of goods or services

28. (1) The payment of a sum of money as a deposit, other than on a returnable container, is treated as a supply when the deposit is forfeited.

(2) For the purposes of sections 21 to 27, a deposit is an amount of money or property that is

(a) received from a prospective purchaser to secure performance of the agreement that is the subject of the deposit;

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- (b) to be applied to the purchase price or returned if the depositor performs; and
- (c) ordinarily forfeited if the purchaser defaults.

(3) Where a taxable person

- (a) receives a payment of a claim, or
- (b) is otherwise indemnified under a non-life insurance contract for a loss incurred in connection with the conduct of a taxable activity,

the receipt of the payment or indemnity is a supply of services by the taxable person in the course or furtherance of a taxable activity.

(4) Subsection (3) applies only if the supply of the non-life insurance contract is taxable under section 1, other than a supply charged with the Tax at a rate of zero per cent under section 36.

Disposition of taxable activity

29. (1) Subject to subsection (2), where

- (a) the disposition of a taxable activity, including a disposition of a part of a taxable activity capable of being operated separately, by a taxable person is a supply of goods under subsection (3) of section 21,
- (b) the supply was charged with the Tax at the rate of zero per cent in accordance with the Second Schedule, and
- (c) the goods and services comprising the taxable activity were acquired by the recipient wholly or partly for a purpose other than for consumption, use, or supply in the course of making taxable supplies,

the acquisition of the taxable activity is a supply by the recipient in the course or furtherance of a taxable activity carried on by the recipient, to the extent that the goods and services comprising the taxable activity were acquired for a purpose other than consumption, use or supply in the course of making taxable supplies.

(2) Subsection (1) does not apply where the part of the taxable activity referred to in paragraph (c) of subsection (1) is less than ten per cent of the total taxable activity acquired.

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Phone cards, prepaid airtime and other prepayments as supply of services

30. (1) For the purposes of the Tax,
- (a) the issuance of a phone card, the provision of prepaid airtime or prepayment on a mobile or fixed electronic device, or
 - (b) any other similar scheme of advance payment for the supply of goods or services

is a supply of services.

(2) Subject to subsection (1), where a right to receive goods or services for a monetary value stated on a

- (a) token,
- (b) voucher,
- (c) gift certificate, or
- (d) stamp other than a postage stamp authorised under the Postal and Courier Services Regulatory Commission Act, 2003 (Act 649)

is granted for a consideration or money, the issue of the token, voucher, gift certificate or stamp is not a supply except to the extent, if any, that the consideration exceeds the monetary value.

Mixed supplies

31. (1) A supply of
- (a) services incidental to a supply of goods is part of the supply of goods;
 - (b) goods incidental to a supply of services is part of the supply of services; and
 - (c) services incidental to an import of goods is part of the import of the goods.

(2) Despite paragraphs (a) and (c) of subsection (1), a supply of real property does not include the

- (a) supply of services, or
- (b) import of services

incidental to the supply of real property.

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Supply by agent or auctioneer

32. (1) A supply of goods or services made by an agent on behalf of the principal is a supply by the principal.

(2) Subsection (1) does not apply to the supply of the services of an agent to the principal.

(3) A supply of goods by auction is, for the purposes of this Act, considered a supply of goods for consideration by the auctioneer in the course or in furtherance of a taxable activity carried on by the auctioneer.

Taxable Supplies

Taxable supply

33. (1) Except as otherwise provided in this Act or Regulations made under this Act, a taxable supply is a supply of goods or services for consideration made by a taxable person in the course of, or as part of a taxable activity carried on by the taxable person.

(2) Subsection (1) does not apply to a supply of goods or services exempted from the Tax under section 35.

Payment of Tax on importation of goods or services

34. (1) Except as otherwise provided in this Act or Regulations made under this Act,

(a) on the import of goods,

(i) the Commissioner-General shall make arrangements to collect, at the time of import, the Tax due under this Act; and

(ii) the provisions of the Customs Act, 2015 (Act 891) relating to the import, transit, coastwise carriage, clearance of goods and payment and recovery of duty apply, so far as is relevant, to the Tax charged under this Act or Regulations made under this Act, with the exceptions, modifications and adaptations that the Minister may, by Regulations, prescribe; and

(b) on the import of services, the Tax is payable as provided under section 61.

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(2) The Commissioner-General shall make arrangements for the collection of the Tax on an import of goods through the postal services.

Exempt supply

35. (1) The supply of goods or services specified in the First Schedule is an exempt supply and not subject to the Tax.

(2) A supply of goods or services is not an exempt supply if the supply is subject to the Tax at the rate of zero per cent in accordance with section 36.

Zero-rated supply

36. (1) A taxable supply is taxable at a rate of zero per cent if the supply is specified in the Second Schedule.

(2) Where a taxable person has applied the rate of zero per cent to a supply under this section, the taxable person shall obtain and retain documentary proof that

- (a) is acceptable to the Commissioner-General; and
- (b) substantiates the right of the person to apply the rate of zero per cent to the supply.

Exempt import

37. An import of goods is an exempt import if the goods are

- (a) exempt under the First Schedule; or
- (b) classified as an exempt import in conformity with Part C of the Third Schedule of the Harmonised Commodity Description and Coding System also known as the Harmonised System.

Relief from Tax

38. (1) The individuals, organisations and matters specified in the Third Schedule are entitled to relief from the Tax on

- (a) taxable imports of goods; or
- (b) taxable supplies of goods acquired in the country.

(2) The Minister may, by legislative instrument, make Regulations to specify the method by which the persons entitled to relief from the Tax shall obtain the relief, subject to restrictions that the Minister considers necessary.

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(3) Where the relief provided for under this section is by refund, a claim for a refund of the Tax shall be

- (a) made in the form and at the time the Minister may prescribe; and
- (b) accompanied with proof of payment of the Tax.

(4) For the purposes of subsection (1), the relief does not apply to the

- (a) raw materials,
- (b) parts, or
- (c) services

that are or may become components of the goods in respect of which the relief is granted.

(5) Subsection (4) does not apply in the case of relief granted under paragraph 7 of the Third Schedule.

Time and Place of Supply

Time of supply

39. (1) Except as otherwise provided in this Act or Regulations made under this Act, a supply of goods or services occurs

- (a) where the goods or services are applied to own use, on the date the goods or services are first applied to own use;
- (b) where the goods or services are supplied by way of gift, on the date on which
 - (i) ownership in the goods passes; or
 - (ii) the performance of the service is completed;
- (c) in any other case, on the earliest of the dates on which
 - (i) the goods are removed from the premises of the taxable person, or from any other premises where the goods are under the control of the taxable person;
 - (ii) the goods are made available to the person to whom the goods are supplied;
 - (iii) the performance of the service is completed;
 - (iv) receipt of payment occurs; or
 - (v) a tax invoice or sales receipt is issued.

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(2) Where under subparagraphs (iv) and (v) of paragraph (c) of subsection (1),

(a) payment is received, or

(b) a tax invoice or sales receipt is issued

for part of the supply, this section applies only to the part of the supply represented by the payment or the tax invoice or sales receipt.

(3) Where metered supplies are made on a continuous basis, the time of supply is at each meter reading.

(4) The supply of goods under a hire purchase agreement or a finance lease occurs on the date on which the goods are made available under the agreement or lease.

(5) Where goods are supplied under a rental agreement or goods or services are supplied under an agreement or law which provides for periodic payments,

(a) the goods or services shall be considered as successively supplied for successive parts of the period of the agreement or as determined by that law; and

(b) each successive supply occurs on the date on which

(i) payment is due or received, or

(ii) the invoice is issued, whichever date is earlier.

(6) For the purposes of this section, where two or more payments are made or are to be made for a supply of goods or services, other than a supply to which subsection (4) or (5) applies, each payment shall be considered as made for a separate supply, to the extent of the amount of the payment, on the earlier of the dates that the payment is due or received.

(7) In this section, “rental agreement” means an agreement for the letting of goods other than a hire purchase agreement or a finance lease.

(8) Where the supply of goods or services is incidental to another supply, the time of supply of the incidental supply shall be considered the same as the time of supply for the main goods or services.

(9) A supply of goods in accordance with a lay-away agreement occurs when the goods are delivered to the purchaser.

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(10) A supply of goods that have been repossessed under section 23 occurs

- (a) when the goods are repossessed; or
- (b) where the debtor may, under a law, be reinstated with the rights and obligations of the debtor under the credit agreement, the day after the last day of any period during which the debtor may, under that law, be so reinstated.

(11) A supply of goods made through a cash-operated or token-operated machine occurs when the supplier or the agent of the supplier withdraws the consideration from the cash-operated or token-operated machine.

(12) The forfeiture of a deposit, other than on a returnable container, occurs when the deposit is forfeited.

(13) Where the issuance of a token, voucher, gift certificate, or stamp constitutes a supply under subsection (2) of section 30, the supply occurs when the token, voucher, gift certificate or stamp is issued.

(14) The Minister may, by legislative instrument, make Regulations to prescribe rules to determine the time of a supply of particular goods or services.

Time of import

40. (1) An import of goods occurs when the goods are entered for the purposes of section 48 of the Customs Act, 2015 (Act 891).

(2) An import of services occurs at the time determined by the application of section 39 to the import on the basis that the import is a supply of services.

Place of supply of goods

41. (1) Except as otherwise provided in this Act, the place of a supply of goods is

- (a) the place where the goods are delivered or made available by the supplier; or
- (b) if the delivery or the making available of the goods involves the transportation of the goods, the place where the goods are when the transportation commences.

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(2) A supply of thermal or electrical energy, heating, gas, refrigeration, air conditioning or water takes place where the supply is received.

Place of supply of services

42. (1) Subject to this section and Regulations made under this Act, a supply of services takes place at the location of the place of business of the supplier from which the services are supplied.

(2) The supply of the following services takes place where the recipient uses the service:

- (a) a transfer or assignment of a copyright, patent, licence, trademark, or similar right;
- (b) the service of a consultant, engineer, lawyer, architect, accountant or any other professional;
- (c) the processing of data or supplying information, or any similar service;
- (d) an advertising service;
- (e) the obligation to refrain from pursuing or exercising taxable activity, employment, or a right described in this subsection;
- (f) the supply of personnel;
- (g) the service of an agent in procuring for the agent's principal, a service described in this subsection; or
- (h) the leasing of tangible personal property other than transport property.

(3) Unless the service is described in subsection (2),

- (a) the supply of cultural, artistic, sporting, educational, or similar activities takes place where the service is physically carried out;
- (b) the supply of services connected with tangible personal property takes place where the service is physically carried out;
- (c) the supply of services connected with real property takes place where the property is located; and
- (d) a supply of services incidental to transport takes place where the transportation occurs.

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(4) A service supplied from a place of business in the country which would be treated as supplied outside the country under subsections (2) and (3) is considered as exported from the country.

(5) The place of supply of a right to a service is the same as the place for the supply of the service made by the supplier of the right to the recipient of the right, whether or not the right is exercised.

(6) For the purposes of subsection (5), a right to a service includes any right, option or priority with respect to the supply of a service and an interest derived from a right to a service.

(7) In the case of a telecommunications service described in paragraph (c) of subsection (4) of section 15, the place of supply is

(a) the place where the facility or instrument for the emission, transmission or reception of the service in respect of which the invoice for the supply is issued or is to be issued, is ordinarily situated; or

(b) the place where the effective use and enjoyment occurs.

(8) In the case of electronic commerce under paragraph (a) of subsection (4) of section 15 other than a digital service, the place of supply is the place where the effective use or enjoyment occurs.

(9) In the case of a digital service, the place of supply is the place where the service is supplied, used or enjoyed in the country, if any two of the following circumstances exist:

(a) the recipient of the service is a resident person;

(b) the payment for the supply of the digital service, including by mobile money, credit card, debit card or bank account, originates from

(i) a payment platform in the country; or

(ii) a registered or authorised financial institution as provided for under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);

(c) the recipient of the supply of a digital service has either a business, residential or postal address, internet proxy address or phone number in the country; and

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(d) the service is received on a terminal located in the country, including a computer, tablet, mobile phone or similar device.

(10) The place of supply of a recharge card or other similar mode of recharging is the place where the product is supplied.

(11) The Commissioner-General shall develop guidelines on the activities that amount to the use of a service by a recipient under subsection (2).

Tax Invoice and Sales Receipt

Issue of tax invoice or sales receipt

43. (1) Except as otherwise provided in this Act, a taxable person shall, on making a taxable supply of goods or services, issue to the recipient, a tax invoice in the form and with the particulars prescribed by the Commissioner-General.

(2) A taxable person shall

- (a) issue a tax invoice through a Certified Invoicing System; and
- (b) ensure that the Certified Invoicing System of the taxable person is integrated into the invoicing system of the Commissioner-General.

(3) The Commissioner-General may access the Certified Invoicing System of a taxable person to ensure compliance with this Act.

(4) A taxable person shall, on issuing a tax invoice, retain a copy of the tax invoice in a sequential identifying number order.

(5) The Commissioner-General may authorise a taxable person who makes a taxable supply to issue a sales receipt instead of a tax invoice in accordance with the prescribed conditions and procedures.

(6) A taxable person shall not provide a tax invoice or sales receipt in circumstances other than the circumstances specified under this section.

(7) Subject to subsection (6), a taxable person shall issue only one tax invoice or sales receipt for each taxable supply.

(8) Where a recipient who is a taxable person has not received a tax invoice as required under subsection (1), the recipient may, within

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forty-eight hours after the date of the supply, obtain a copy of the invoice from the Certified Invoicing System of the taxable person.

(9) A person satisfies the requirement under subsections (1) and (5), if that person issues a fiscal receipt in accordance with the Taxation (Use of Fiscal Electronic Device) Act, 2018 (Act 966).

(10) Where the Certified Invoicing System of a taxable person goes offline or is inaccessible by the Commissioner-General, the taxable person shall, within twenty-four hours,

- (a) inform the Commissioner-General; and
- (b) ensure that the Certified Invoicing System of the taxable person is restored online and accessible by the Commissioner-General.

(11) Where a recipient who is a taxable person has lost a tax invoice for a taxable supply, the recipient may obtain a copy of the tax invoice from the invoicing system of the Commissioner-General.

(12) The invoice number of each tax invoice or sales receipt issued to a recipient may be used by that recipient to enter a reward scheme organised by the Ghana Revenue Authority.

(13) Except as otherwise directed by the Commissioner-General, a taxable person shall, on the coming into force of this Act, comply with the provisions of this section.

Taxable Value

Value of taxable supply

44. (1) The value of a taxable supply is,
- (a) where the supply is for monetary consideration, the amount of the consideration and all duties and taxes, excluding
 - (i) the Tax;
 - (ii) the Ghana Education Trust Fund Levy;
 - (iii) the National Health Insurance Levy; and
 - (iv) the levy imposed under paragraph (b) of section 23 of the Tourism Act, 2011 (Act 817); and
 - (b) where the supply is not for monetary consideration or is only partly for monetary consideration, the open market

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value of a similar supply, excluding

- (i) the Tax;
- (ii) the Ghana Education Trust Fund Levy;
- (iii) the National Health Insurance Levy; and
- (iv) the levy imposed under paragraph (b) of section 23 of the Tourism Act, 2011 (Act 817).

(2) For the purposes of this Act, the open market value of a supply of goods or services is the value determined under paragraph (a) of subsection (1), if the supplier, the purchaser or any other person concerned in the transaction

- (a) are completely independent of each other; and
- (b) do not in any way influence the transaction.

(3) Where the open market value of a taxable supply cannot be determined under this section, the open market value of the supply is the value determined by the Commissioner-General having regard to all the circumstances of the supply or a similar supply.

(4) The taxable value of a taxable supply

- (a) of goods under a hire purchase agreement or a finance lease,
- (b) of goods by way of an application to a different use,
- (c) for reduced consideration, or
- (d) described in subsection (3) of section 21,

is the open market value of the goods or services at the time the supply is made, excluding, in the case of a hire purchase agreement or finance lease, any separately stated interest or finance charges.

(5) Where a taxable supply is made without a separate amount for the consideration identified as a payment of the Tax, the taxable value of that supply is the amount of the consideration paid excluding the Tax and the levy imposed under paragraph (b) of section 23 of the Tourism Act, 2011 (Act 817).

(6) For the purposes of subsection (3), “similar supply,” in relation to a taxable supply, means a supply that is identical to or substantially resembles the taxable supply, having regard to the characteristics, quality, quantity supplied, functional components, reputation of, and materials

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comprising the goods or services which are the subject of the taxable supply.

(7) Where a supply is made by a taxable person for no consideration or for a consideration that is less than the open market value of that supply and

- (a) the supplier and the recipient are related persons, or
- (b) the recipient is a charitable organisation approved by the Commissioner-General,

the value of the supply is the open market value of the supply.

(8) Where a taxable person makes a supply of goods or services referred to in section 23, the value of the supply is the lesser of

- (a) the consideration paid or payable by the taxable person for the goods or services; and
- (b) the open market value of the supply.

(9) The Minister may, by legislative instrument, make Regulations to prescribe rules to determine the value of a supply under subsection (8) where the taxable person applies less than the entire goods or services to a different use.

(10) The value of a supply of goods under a credit agreement is the cash value of the supply.

(11) Where, under subsection (1) of section 23, a debtor makes a supply of goods as a result of the repossession of the goods from the debtor by the creditor under a credit agreement, the value of the supply is an amount equal to the balance of the cash value of the supply of the goods to the debtor that has not been recovered at the time of the supply.

(12) For the purposes of subsection (11), the balance of the cash value of the supply is the amount that remains after deducting from the cash value so much of the sum of the payments made by the debtor under the credit agreement as, on the basis of an apportionment in accordance with the rights and obligations of the parties to the agreement, may properly be regarded as having been made in respect of the cash value of the supply.

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(13) The value of a supply of services under section 24 is an amount equal to the amount referred to in section 24 that is retained or recoverable.

(14) Where

- (a) the whole or a part of a taxable activity engaged in by a taxable person consists of supplying to a number of persons goods to be sold, whether by the persons or others, to consumers at retail, and
- (b) the persons to whom the goods are supplied are not taxable persons,

the Commissioner-General may, by notice in writing to the taxable person, direct that the value of the supply made after the receipt of the notice or after a later date that may be specified in the notice shall be considered the open market value of the supply on a sale to consumers at retail.

(15) Where the grant of a right to receive goods or services for a monetary value stated on a token, voucher, gift certificate, or stamp is a supply referred to in subsection (2) of section 30, the value of the supply shall be an amount equal to the amount by which the consideration exceeds the monetary value of the token, voucher, gift certificate, or stamp.

(16) Where the holder of a token, voucher, gift certificate, or stamp issued by a taxable person who is the issuer for no consideration surrenders the token, voucher, gift certificate or stamp to a supplier of goods or services other than the issuer in return for a price discount on a taxable supply, the supplier shall include in the value of the supply of the goods or services the monetary value stated on the token, voucher, gift certificate or stamp, less the tax fraction of the monetary value.

(17) For the purposes of subsection (16), the monetary value includes the Tax.

Taxable value for determining Tax on imported goods and services

45. (1) The value for determining the Tax chargeable on taxable imports of goods is

- (a) the import value calculated in accordance with sections 67 to 68 of the Customs Act, 2015 (Act 891);
- (b) the import duties and taxes other than the Tax; and

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- (c) the cost of insurance and freight which is not included in the customs value under this subsection.
- (2) Subject to subsection (3), the value of an import of services is the amount of the consideration for the import.
- (3) The value of the import of services is the open market value of the import of the services where
 - (a) an import of services is made for no consideration or for a consideration that is less than the open market value of that import; and
 - (b) the supplier and the recipient are related persons.
- (4) Where a portion of the price of an import of services represents Tax imposed by this Act that is not accounted for separately, the value of the import is the price reduced by an amount equal to the tax fraction multiplied by that price.

Adjustments

- 46.** (1) This section applies where, in relation to a taxable supply by a taxable person,
- (a) the supply is cancelled;
 - (b) the nature of the supply is fundamentally varied or altered;
 - (c) the previously agreed consideration for the supply is altered by agreement with the recipient of the supply, whether due to an offer of a discount or for any other reason; or
 - (d) the goods or services or a part of the goods or services are returned to the supplier.
- (2) Where in addition to a condition in subsection (1), the taxable person making the supply has
- (a) given a tax invoice in relation to the supply and the amount shown on the invoice as the Tax charged on the supply is incorrect because of the occurrence of an event specified in subsection (1), or
 - (b) filed a return for the period in which the supply was made and has accounted for an incorrect amount of output tax on that supply because of the occurrence of an event specified in subsection (1),

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the taxable person making the supply shall make an adjustment in accordance with subsections (3) and (5).

(3) Where the output tax chargeable in respect of the supply exceeds the output tax accounted for by the taxable person making the supply, the amount of the excess shall be considered as the Tax charged by the taxable person in relation to a taxable supply made in the tax period in which the event referred to in subsection (1) occurred.

(4) For the purposes of subsection (3), the taxable person making the supply shall issue to the recipient of the supply a tax debit note

- (a) that contains the particulars specified in the Fourth Schedule; and
- (b) in the form specified by the Commissioner-General.

(5) Subject to subsection (6), where the output tax accounted for exceeds the output tax chargeable in relation to that supply, the taxable person making the supply may deduct input tax for the amount of the excess in the tax period in which the event referred to in subsection (1) occurred.

(6) For the purposes of subsection (5), the taxable person making the supply shall issue to the recipient of the supply, a tax credit note

- (a) that contains the particulars specified in the Fourth Schedule; and
- (b) in the form specified by the Commissioner-General.

(7) A deductible input tax is not allowed under subsection (5), where the supply has been made to a person who is not a taxable person, unless the amount of the excess tax has been repaid by the taxable person to the recipient, whether in cash or as a credit against an amount owed to the taxable person by the recipient.

(8) A person who

- (a) fails to provide a tax credit note or tax debit note as required under this Act, or
- (b) provides a tax credit note or tax debit note otherwise than as required by this section

is, in addition to the penalty imposed under subsection (1) of section 66, liable to a penalty of three times the amount of the Tax involved or two hundred and fifty currency points, whichever is greater.

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Adjustment on account of bad debts

47. (1) Where

- (a) a taxable person issues a tax invoice for the supply of taxable goods or services, and
- (b) the whole or part of the consideration for the supply is not received by the taxable person,

the taxable person may deduct input tax under section 49 for the Tax paid in respect of the taxable supply that is subsequently treated as a bad debt.

(2) Subject to subsection (5), the amount of the deduction allowed under subsection (1) is the amount of the Tax paid in respect of the taxable supply which corresponds to the amount of the debt treated as a bad debt.

(3) The deduction under subsection (1)

- (a) becomes due on the date the bad debt is written off in the accounts of the taxable person; and
- (b) is available only if the taxable person satisfies the Commissioner-General that reasonable efforts have been made to recover the amounts due and payable.

(4) For the purposes of subsection (3), a debt shall be considered irrecoverable where a taxable person satisfies the Commissioner-General that

- (a) the taxable person has undertaken an action to recover the debt;
- (b) the action for the recovery has exhaustively proven futile; and
- (c) the taxable person has made all the necessary entries in the book of accounts.

(5) Where an amount in respect of which a deduction has been allowed in accordance with subsection (2) is at any time wholly or partly recovered by the taxable person,

- (a) the taxable person is considered to have charged the Tax in respect of a taxable supply made during the tax period in which the bad debt is wholly or partly recovered; and

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- (b) the amount of the Tax shall be calculated according to the following formula:
A x B/C where,
- (i) A is the amount allowed as a deduction under subsection (2);
 - (ii) B is the amount of the bad debt recovered; and
 - (iii) C is the amount of the bad debt previously written off.
- (6) A deduction shall be allowed under subsection (1) only if
- (a) the taxable supply was made to a person other than a taxable person; or
 - (b) the taxable supply was made to a taxable person and the person claiming the deduction under subsection (1) issued a tax credit note to the taxable purchaser listing the amount claimed under subsection (2).

Calculation of Tax Payable and Refunds

Tax payable for tax period

48. (1) The Tax payable by a taxable person for a tax period is the total amount of output tax chargeable by the person in respect of the taxable supplies made, or considered to have been made during the tax period, excluding the total deductible input tax allowed for the tax period under section 49.

(2) Where the total amount of deductible input tax allowed to a taxable person for a tax period exceeds the total amount of output tax chargeable by that person for the tax period, the amount of the excess input tax shall be dealt with in accordance with section 53.

(3) The Tax payable on an import of services, other than as specified under section 31, is provided under section 61.

(4) Where it is difficult under the rules in this Act for taxable persons in certain industries to calculate the tax liability of the taxable persons, the Minister may, by legislative instrument, make Regulations to prescribe the method by which the taxable persons shall account for the taxable activity and calculate the tax payable.

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Deductible input tax

49. (1) Subject to section 52, at the end of the tax period provided for in this Act or prescribed by Regulations, a taxable person may deduct the following from the output tax due for the period

- (a) tax on goods and services purchased in the country and goods imported by that person and used wholly, exclusively and necessarily in the course of the taxable activity of that person, subject to the condition that
 - (i) the supply is a taxable supply;
 - (ii) in respect of purchases made in the country, the taxable person is in possession of a tax invoice issued under this Act; and
 - (iii) in respect of the import or removal of goods from a bonded warehouse, the taxable person is in possession of relevant customs entries indicating that Tax was paid;
- (b) input tax deduction allowed under sections 46 and 47 for the tax period;
- (c) an amount equal to the tax fraction of any amount paid during the tax period by the taxable person to indemnify another person under a non-life insurance contract where
 - (i) the supply of the non-life insurance contract is a taxable supply;
 - (ii) the payment is not in respect of the supply of goods or services to the taxable person or the importation of goods or services by the taxable person;
 - (iii) the supply of the non-life insurance contract is not a supply charged with Tax at a rate of zero per cent under section 36; and
 - (iv) the payment does not result from a supply of goods or services to that other person where the goods are situated outside the country or the services are physically performed elsewhere than in the country at the time of the supply; and

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- (d) an amount equal to the tax fraction of any amount paid during the tax period by the taxable person to a supplier in respect of the redemption of a token, voucher, gift certificate, or stamp referred to in subsection 16 of section 44.
- (2) The tax deducted from the output tax under subsection (1) is known as deductible input tax or an input tax deduction.
- (3) Unless otherwise provided in this Act, an input tax deduction shall not be allowed on purchases or imports in respect of exempt supplies by the taxable person.
- (4) An input tax deduction shall not be made
 - (a) more than once; or
 - (b) after the expiration of a period of six months after the date the deduction accrued.
- (5) Despite subsection (1), a taxable person who is issued a Fiscal Electronic Device for use
 - (a) shall, for the purposes of claiming deductible input tax in accordance with this section, give the Taxpayer Identification Number of that taxable person to a vendor who is a registered taxable person whenever the taxable person is making purchases of taxable supplies from that vendor; and
 - (b) may deduct from the output tax, deductible input tax in respect of which the Taxpayer Identification Number of the taxable person has been given to the vendor, before the end of the tax period to which the input tax relates.

Qualification for deductible input tax

50. (1) A taxable person does not qualify for deductible input tax in respect of a taxable supply or the import of a motor vehicle or vehicle spare parts unless

- (a) the taxable person is in the business of dealing in or hiring motor vehicles or selling vehicle spare parts; and
- (b) the vehicle or spare part is for use in that business.

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(2) A taxable person does not qualify for deductible input tax in respect of a taxable supply relating to entertainment, including restaurant, meals and hotel expenses unless

- (a) the taxable person is engaged in a taxable activity of providing entertainment; and
- (b) the entertainment is for use in that taxable activity.

(3) A taxable person does not qualify for deductible input tax on fees or subscriptions paid in respect of membership of a club, association, or society of a sporting, social or recreational nature.

(4) Where a taxable supply to, or an import of goods by, a taxable person is partly for use in a taxable activity and partly for personal or other use, the amount of input tax allowed as a deductible input tax shall be restricted to that part of the supply that relates to the use in connection with a taxable activity.

(5) A non-resident person registered under section 15 is not qualified for deductible input tax for the supply of a digital service.

Other conditions for deductible input tax

51. (1) The Commissioner-General may determine the procedure for the deduction of input tax by a resident person who uses or enjoys a digital service from a non-resident person.

(2) Where goods for which an input tax deduction has been allowed under this Act ceases to be applied to taxable transactions before the end of the life of the goods, the goods shall be treated as sold at the time of the cessation for the open market value.

(3) In the case of a taxable person who regularly resells used goods purchased from consumers, the Commissioner-General may determine the procedure for allowing that person to deduct input tax.

(4) Where a taxable person does not have a tax invoice that provides evidence of the input tax paid, the Commissioner-General may allow a deductible input tax in the tax period in which the deduction arises where the Commissioner-General, in addition to any condition specified in the Regulations, is satisfied that the

- (a) taxable person took all reasonable steps to acquire a tax invoice;

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- (b) failure to acquire a tax invoice was not the fault of the taxable person; and
- (c) amount of deductible input tax claimed by the taxable person is correct.

(5) A newly registered taxable person may, in the form prescribed by the Commissioner-General, claim a deduction for allowable input tax in the first tax period that the registration is effective for the following:

- (a) goods acquired, by supply or import, within four months before the effective day of registration and, on hand on the effective date of registration; and
- (b) capital goods acquired, by supply or import, within six months before the effective date of registration and, on hand on the effective date of registration.

Deductible input tax for mixed taxable and exempt supply

52. (1) A taxable person who makes taxable supplies and exempt supplies may deduct the input tax on

- (a) the taxable purchases, and
- (b) the taxable imports

which can be directly attributed only to the taxable supplies made.

(2) Where a taxable person

- (a) has made taxable supplies and exempt supplies, and
- (b) is unable to directly attribute input tax to the taxable supplies and exempt supplies in accordance with subsection (1),

the taxable person may deduct as input tax on the taxable purchases and taxable imports, an amount that bears the same ratio as the taxable supplies bear to the total supplies, in accordance with the apportionment formula specified in the Fifth Schedule.

(3) For the purposes of subsections (1) and (2), if the ratio of taxable supplies to total supplies for the tax period is

- (a) less than five per cent, the taxable person is not entitled to deduct any input tax for the tax period; or
- (b) more than ninety-five per cent, the taxable person may deduct the entire input tax allowable on the taxable purchases and taxable imports.

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(4) Where the Commissioner-General considers that the methods described in this section will result in an unreasonable calculation of the input tax which may be deducted, the Commissioner-General may approve or direct alternative methods of apportioning input tax.

(5) Despite any other provision of this section, in the case of a bank or any other financial institution that makes exempt supplies and taxable supplies for a tax period, the amount of the input tax allowed as a deduction for that period is limited to the amount of input tax payable in respect of supplies or imports received which are directly attributable to the making of taxable supplies.

Refund or credit for excess tax paid

53. (1) Where the amount of input tax which is deductible exceeds the amount of output tax due in respect of a tax period,

- (a) the Commissioner-General shall credit the excess amount to the taxable person;
- (b) in the case of the portion of the excess attributable to exports, the Commissioner-General may refund the excess credit to the taxable person where
 - (i) the exports of that person exceed twenty-five per cent of the total supplies within the tax period; and
 - (ii) the total export proceeds have been repatriated by the bank of the importer to the bank of the authorised dealer of the taxable person in the country;
- (c) in the case of the excess credit directly attributable to locally manufactured textiles or locally manufactured sanitary towels subject to a rate of zero per cent as provided in the Second Schedule, the Commissioner-General may refund the excess credit attributable to that period on the receipt of an application for refund of the excess credit; or
- (d) in the case of a person who qualifies for a relief under section 38, the Commissioner-General may, on receipt of an application for a refund, refund the excess credit attributable to that person.

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(2) A taxable person may apply for a refund under paragraph (b) of subsection (1) where the credit for the excess amount remains outstanding for a continuous period of three months or more, except that where the Commissioner-General orders an audit of the claim for refund, for the purposes of section 54, the application shall be treated as received on the date that the audit is concluded.

(3) Subject to section 46, where the amount of Tax paid by a person, other than in the circumstances specified in subsections (1) and (2), is in excess of the amount subject to Tax under this Act, the amount of the excess shall be treated in the manner provided for under subsection (5) to (9).

(4) Where a person has overpaid Tax in the circumstances specified under subsection (3), the person may apply in writing to the Commissioner-General for a refund of the excess amount of Tax, accompanied by documentary proof of payment of the excess amount.

(5) Subject to this section, where the Commissioner-General is satisfied that a person who has made an application under subsection (4) has overpaid the Tax, the Commissioner-General shall

- (a) first apply the amount of the excess against the liability of that person for any tax, levy, interest or penalty administered by the Commissioner-General; and
- (b) repay any amount remaining to the person within thirty days after being satisfied that the person has overpaid the Tax.

(6) Subject to subsection (8), a claim for a refund under subsection (4) shall be made within six months after the date on which the excess arose.

(7) The Commissioner-General shall serve on a person claiming a refund, a notice in writing of the decision in respect of the claim.

(8) Subject to subsections (3) and (4) of section 20, where

- (a) the registration of a taxable person is cancelled, and
- (b) the person has excess credits that were not recovered as provided in this section,

the excess credits may be treated in a manner specified under subsection (3) to (7).

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(9) For the purposes of this section, a taxable person who applies for a refund shall submit to the Commissioner-General

- (a) a completed Refund Claim Form; and
- (b) the relevant tax invoices or, in the case of imported goods, the relevant customs document for Tax paid.

(10) Where the Commissioner-General rejects the claim for a refund, the Commissioner-General may recover in accordance with this Act any tax wrongly refunded.

(11) The Commissioner-General may

- (a) in addition to a Refund Claim Form, direct the claimant to submit any other document; and
- (b) specify the manner in which a document under paragraph (a) may be submitted.

(12) Except as otherwise provided in this section, a credit under subsection (1) shall be carried forward to the next tax period.

(13) A person who makes a claim for refund which that person is not entitled to under this section is liable to a penalty of twice the original amount of the refund and interest.

Time for payment of refund

54. (1) Where a taxable person is entitled to a refund of the Tax under this Act, the Commissioner-General shall pay the refund within thirty days after receipt of the application, where

- (a) the previous tax returns have been submitted by the due dates with no outstanding Tax for any period; and
- (b) the amount of the Tax, penalties and interest from previous tax periods have been paid by the due dates.

(2) Where

- (a) the conditions specified in paragraph (a) of subsection (1) have not been met, the Commissioner-General shall reject the claim for refund, and
- (b) the amount specified in paragraph (b) of subsection (1) has not been paid, the Commissioner-General shall
 - (i) offset any entitlement for a refund against the amounts due; and

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- (ii) give notice in writing of the decision to the applicant within thirty days after receipt of the application.

(3) Where the Commissioner-General fails to pay a refund of Tax relating to an excess under section 53 within the period specified in subsection (1), the Commissioner-General shall pay the taxable person entitled to the refund

- (a) an additional amount as interest at the prevailing Bank of Ghana discount rate, and
- (b) one quarter of the prevailing Bank of Ghana discount rate each day,

commencing on the day after the period within which the Commissioner-General is required to pay the refund and ending on the date that the payment of the refund is made.

Withholding of Value Added Tax

Appointment of Value Added Tax Withholding Agent

55. The Commissioner-General may, in writing, appoint a Value Added Tax Withholding Agent for the Ghana Revenue Authority.

Duties of a Value Added Tax Withholding Agent

56. (1) A Value Added Tax Withholding Agent shall

- (a) withhold from the payment to a person registered for the Tax, seven per cent of the taxable output value of supplies; and
- (b) at the time of making payment for the supplies, issue a Withholding Value Added Tax Credit Certificate in the form prescribed by the Commissioner-General to the supplier.

(2) A Value Added Tax Withholding Agent who withholds Tax under subsection (1) and pays the Tax to the Commissioner-General is considered to have paid the amount withheld to the withholder for the purposes of any claim by the withholder for the payment of the amount withheld.

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Scope of Value Added Tax Withholding Agent

57. (1) The scope of a Value Added Tax Withholding Agent includes

- (a) entities registered for the Tax whose supplies are subject to the Tax at a rate of zero per cent; and
- (b) Government entities selected by the Commissioner-General and other entities registered for the Tax.

(2) A Value Added Tax Withholding Agent who fails to withhold and remit the Tax to the Commissioner-General by the fifteenth day of the month following the month in which the amount was due under paragraph (a) of section 56 shall pay

- (a) the Tax that should have been withheld; and
- (b) a penalty of thirty per cent of the amount.

(3) A Value Added Tax Withholding Agent who

- (a) fails to withhold the Tax, and
- (b) pays the Tax that should have been withheld to the Commissioner-General

is entitled to recover an equal amount from the person who receives or is entitled to receive a payment from which the Tax is required to be withheld under paragraph (a) of section 56.

Exemption from withholding Tax

58. Where the Commissioner-General is satisfied that a person has a satisfactory tax record, the Commissioner-General may, on receipt of an application, exempt that person in writing from the withholding Tax.

Tax Returns, Records and Assessment

Submission of tax return

59. (1) Unless otherwise directed in writing by the Commissioner-General, a taxable person shall account for the Tax for each tax period on a tax return.

(2) The tax return shall

- (a) be in a form and filed in the manner prescribed by the Commissioner-General; and
- (b) state the amount of Tax payable by the person for the period and any other matter that may be prescribed.

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(3) Subject to subsection (2) and section 26 of the Electronic Transactions Act, 2008 (Act 772), a taxable person who is required under the Taxation (Use of Fiscal Electronic Device) Act, 2018 (Act 966) to use a Fiscal Electronic Device may file a tax return electronically through the use of the Fiscal Electronic Device.

(4) The Commissioner-General may, in addition to a tax return required under subsection (1), require a person to submit, whether on behalf of that person or as agent or trustee of another person, a further tax return or any other tax return in the prescribed form.

(5) The tax return shall be submitted to the Commissioner-General not later than the last working day of the month immediately following the month to which the tax return relates, whether or not the Tax is payable for the tax period.

(6) The Commissioner-General shall inform a taxable person who has been directed to make a tax return, other than for each tax period, of the date by which the return and payment shall be made.

(7) The Minister may, by legislative instrument, make Regulations to provide for further matters relating to a tax return.

Date of payment of Tax

60. (1) The payment of the Tax due for a tax period shall be made to the Commissioner-General not later than the date the tax return referred to in subsection (5) of section 59 is required to be submitted.

(2) Despite subsection (1) and subsection (5) of section 59, a Value Added Tax Withholding Agent shall, not later than the fifteenth day of the month immediately following the month to which the tax returns relate,

- (a) submit to the Commissioner-General in the prescribed form, returns relating to the Tax withheld under paragraph (a) of section 56 for each period; and
- (b) pay the amount withheld for each period to the Commissioner-General.

(3) Despite subsection (1) and subsection (5) of section 59, a taxable person registered under section 15 shall

- (a) submit a tax return to the Commissioner-General, not later

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than the last day of the month immediately following the month to which the tax return relates, whether or not the Tax is payable for the period; and

- (b) pay the Tax due to the Commissioner-General by the same day that the tax return is due.

(4) Despite section 44 of the Interpretation Act, 2009 (Act 792), for the purposes of subsection (3), day includes Saturday, Sunday and a public holiday.

Payment of tax on import of services

61. (1) Where the Tax is payable on an import of services, other than as provided under paragraph (c) of subsection (1) of section 31, the person liable for the Tax under paragraph (c) of section 2 shall

- (a) provide the Commissioner-General with a service import declaration; and
- (b) pay the Tax due in respect of the import within twenty-one days after the tax period in which the services were imported.

(2) A service import declaration shall

- (a) be in the form prescribed by the Commissioner-General;
- (b) state the information necessary to calculate the Tax payable in respect of the import; and
- (c) be submitted at the time and in the manner prescribed by the Commissioner-General.

(3) Except as otherwise provided in this Act, a form prescribed by the Commissioner-General is enforceable when published in the *Gazette* and two daily newspapers of national circulation.

Assessment of Tax

62. (1) Where the Commissioner-General has reason to believe that

- (a) a person will become liable for the payment of an amount of the Tax but that person is unlikely to pay the amount;
- (b) a person, other than a taxable person, supplies goods or services and represents that Tax is charged on the supply;
- (c) a taxable person supplies goods or services, and
 - (i) the supply is not a taxable supply or is a taxable supply charged with Tax at the rate of zero per cent, and

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(ii) in either case, the taxable person represents that a rate of Tax above zero per cent is charged on the supply,

(d) a taxable person fails to submit a tax return specified in this Act or Regulations made under this Act,

(e) a tax return is incorrect or any lawful Tax has not been paid, or

(f) section 14 applies to a person,

the Commissioner-General may, based on any information available, assess the amount of Tax payable by the person or the amount of Tax claimed by the person as payable in respect of a supply.

- (2) A person assessed under
- (a) paragraph (b) or (c) of subsection (1), is the person making the supply;
- (b) under paragraph (a) of subsection (1), is the person required to account for the Tax under this Act;
- (c) under paragraph (d) or (e) of subsection (1), is the person required to submit the tax return or required to pay the Tax; or
- (d) under paragraph (f) is the person to whom section 14 applies.
- (3) An assessment may be made at any time.

(4) The Commissioner-General may, based on the information available, estimate the Tax payable by a person for the purposes of making an assessment.

(5) An amount assessed under paragraph (b), (c) or (e) of subsection (1) is for the purposes of this Act, a Tax charged under this Act.

Correction of tax return

63. (1) A person who is not satisfied with a submitted tax return may apply to the Commissioner-General in writing for authority to make an addition or amendment to the tax return.

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- (2) An application under subsection (1) shall
 - (a) state in detail the grounds on which the application is made; and
 - (b) be submitted not more than three months after the submission of the original return.
- (3) The Commissioner-General may, after considering an application under subsection (1),
 - (a) approve or refuse to approve the application; and
 - (b) assess the amount that, in the opinion of the Commissioner-General, is the amount of Tax payable under this Act.
- (4) Where an assessment has been made under this section,
 - (a) the Commissioner-General shall serve a notice of the assessment on the person assessed in accordance with section 40 of the Revenue Administration Act, 2016 (Act 915); and
 - (b) the notice under paragraph (a) shall state the
 - (i) Tax payable;
 - (ii) date the Tax is due and payable;
 - (iii) place for payment of the Tax; and
 - (iv) manner of objecting to the assessment.

Recovery of Tax Due, Interest and other Liabilities

Recovery of tax due

64. An amount shown on an invoice or sales receipt as Tax on a supply of goods or services is recoverable as Tax due from the person who issues the invoice or sales receipt,

- (a) whether the invoice or sales receipt is issued by a taxable person or another person; and
- (b) whether or not
 - (i) the invoice is a tax invoice issued under this Act or Regulations made under this Act;
 - (ii) an amount of Tax is chargeable on the supply; or
 - (iii) the person issuing the invoice is a taxable person.

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Recovery from recipient of a supply

65. (1) Where, in respect of a taxable supply by a taxable person, the taxable person has, in consequence of a fraudulent action or misrepresentation by the recipient of the supply, incorrectly treated the supply as

- (a) an exempt supply,
- (b) a supply subject to the Tax at a rate of zero percent, or
- (c) a relief supply,

the Commissioner-General may raise an assessment on the recipient for the amount of unpaid Tax in respect of the supply and any interest or penalty that has become payable.

(2) The Commissioner-General shall serve on the recipient a notice of an assessment under subsection (1) in accordance with section 40 of the Revenue Administration Act, 2016 (Act 915).

(3) An assessment made under subsection (1) is an assessment for all purposes of this Act.

(4) Subsection (1) does not preclude the Commissioner-General from recovering the Tax, interest and penalty due from the taxable person who makes the supply.

(5) For the purposes of subsections (1) and (4),

- (a) an amount recovered from the recipient that is due from the taxable person shall be credited by the Commissioner-General against the liability of the taxable person; and
- (b) an amount recovered from the taxable person that is due from the recipient shall be credited by the Commissioner-General against the liability of the recipient.

(6) Where an amount of Tax, interest or penalty referred to in subsection (1) is paid by the taxable person, the taxable person may recover the amount paid from the recipient.

(7) An amount assessed under this section is treated for all purposes of this Act as an assessment.

Failure to issue tax invoice

66. (1) A person who fails to issue a tax invoice or sales receipt for taxable goods supplied or taxable services rendered as required under

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section 43 commits an offence and is liable on summary conviction to a fine of not more than one hundred penalty units or to a term of imprisonment of not more than six months or to both.

- (2) A person who
- (a) issues a false tax invoice or sales receipt,
 - (b) fails to issue a tax invoice or sales receipt contrary to subsection (1) or (5) of section 43,
 - (c) fails to issue a tax invoice through a Certified Invoicing System contrary to paragraph (a) subsection (2) of section 43,
 - (d) tampers, manipulates or interferes with the proper functioning of a Certified Invoicing System,
 - (e) fails to integrate the Certified Invoicing System of the taxable person into the invoicing system of the Commissioner-General contrary to paragraph (b) of subsection (2) of section 43, or
 - (f) fails to re-connect the Certified Invoicing System of the taxable person to the invoicing system of the Commissioner-General contrary to subsection (10) of section 43

is, in addition to the penalty provided under subsection (1), liable to pay a penalty of an amount of not more than fifty thousand currency points or three times the amount of Tax involved, whichever is higher.

Evasion of Tax

67. (1) A person who knowingly
- (a) engages in the evasion of Tax, or
 - (b) takes steps with a view to evade the Tax payable by that person or any other person,

commits an offence and is liable on summary conviction to a fine of not less than twice the amount of the Tax being evaded and not more than thrice the amount of the Tax being evaded or to a term of imprisonment of not less than two years and not more than five years or to both.

- (2) A person who
- (a) acquires possession of, is in custody of or deals with any goods, or
 - (b) accepts the supply of any goods or services,

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having reason to believe that the Tax on the supply of the goods or services has not been, or will not be paid, or that the Tax has been, or will be, falsely reclaimed commits an offence and is liable on summary conviction to a fine of not more than three times the Tax evaded or to a term of imprisonment of not more than five years or to both.

Miscellaneous Provisions

Tax-inclusive pricing

- 68.** (1) Subject to subsection (2), a taxable person shall
- (a) include the Tax in the price of a taxable supply advertised or quoted by the taxable person; and
 - (b) indicate in the advertisement or quotation that the price includes the Tax.

(2) A taxable person may advertise or quote the price of a taxable supply without the Tax, but

- (a) the advertisement or quotation shall indicate the amount of the Tax charged on the supply, or the price inclusive of the Tax; and
- (b) the amount of the Tax or the price inclusive of the Tax shall be displayed in a place as prominent as the place the price exclusive of the Tax is displayed.

(3) Subject to subsection (4), the price ticket on goods supplied by a taxable person need not indicate that the price includes the Tax if the inclusion of the Tax is indicated in a notice displayed prominently at the premises where the taxable person carries on a taxable activity, including the places in the premises where payments are effected.

(4) The Commissioner-General may in the case of a taxable person or a class of taxable persons approve any other method of displaying prices of goods or services by the persons.

Declaration of representative

69. Where the Commissioner-General considers it necessary, the Commissioner-General may declare a person to be a representative of a taxable person for the purposes of section 70.

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Person acting in a representative capacity

- 70.** (1) A representative of a taxable person is
- (a) responsible for performing the duties imposed on the taxable person, including the payment of the Tax; and
 - (b) personally liable for the payment of the Tax payable in the representative capacity of that person if, while the amount remains unpaid, the representative
 - (i) alienates, charges, or disposes of any money received or accrued in respect of which the Tax is payable; or
 - (ii) disposes of or parts with any fund or money that belongs to the taxable person which is in the possession of the representative or which comes to the representative after the Tax becomes payable, if the Tax could legally have been paid from or out of the fund or money.

(2) This section does not relieve a taxable person from performing a duty imposed by this Act on the taxable person which the representative of that taxable person has failed to perform.

(3) In this section, “representative”, in relation to a taxable person, means

- (a) the designated officer, in the case of a company other than a company in liquidation;
- (b) the liquidator, in the case of a company in liquidation;
- (c) a member of the committee of management, in the case of an unincorporated association or body;
- (d) a person who is responsible for accounting for the receipt and payment of money or funds on behalf of the company, in any other case;
- (e) a person who is responsible for
 - (i) accounting for the receipt and payment of money under the provisions of any law; or
 - (ii) the receipt and payment of public funds or of funds approved by Parliament, in the case of the Government or local authority;

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- (f) a partner, in the case of a partnership;
- (g) a trustee, in the case of a trust;
- (h) a person declared to be a representative of a taxable person by the Commissioner-General in accordance with section 69; or
- (i) a person who controls the affairs in the country of a non-resident person, including a manager in the country of a taxable activity of a non-resident person as defined in section 72.

Regulations

71. (1) The Minister may, by legislative instrument, make Regulations to

- (a) prescribe rules to determine whether a transaction constitutes
 - (i) a supply of goods, or
 - (ii) a supply of servicesunder sections 21 to 32;
- (b) specify the method by which the persons entitled to relief from the Tax under subsection (1) of section 38 shall obtain the relief;
- (c) prescribe rules to determine the time of a supply of particular goods or services under subsection (14) of section 39;
- (d) specify conditions and procedures to issue a sales receipt instead of a tax invoice under subsection (5) of section 43;
- (e) define the location of the place of business of the supplier from which the services are supplied under section 42;
- (f) specify rules to determine the value of a supply where the taxable person applies less than the entire goods or services to different use under subsection (9) of section 44;
- (g) prescribe methods by which taxable persons in certain industries shall account for taxable activity and calculate the tax payable under subsection (4) of section 48;
- (h) specify conditions to allow a deductible input tax in the tax period in which the deduction arises where a taxable person does not have a tax invoice that provides evidence of the input tax paid under subsection (4) of section 51;

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- (i) provide further for matters relating to a tax return under subsection (7) of section 59; and
- (j) provide for any other matter necessary for the effective and efficient implementation of this Act.

(2) A person who contravenes a provision of Regulations made under this Act commits an offence and is liable on summary conviction to a fine or imprisonment to be determined by the Minister in the Regulations.

Interpretation

72. In this Act, unless the context otherwise requires,

“application to a different use” in relation to goods and services, includes applying the goods or services to personal use or to use by a relative or any other non-business use;

“auctioneer” means a person who is

- (a) qualified under the Auction Sales Act, 1989 (P.N.D.C.L. 230) or any other applicable law as an auctioneer; and
- (b) an agent for and behalf of another person engaged in a taxable activity that pertains to the supply of goods by auction;

“business”

- (a) includes
 - (i) a trade, profession, vocation or isolated arrangement with a business character; and
 - (ii) a past, present or prospective business; but
- (b) excludes an employment;

“cash value”, in relation to a supply of goods under a credit agreement, means

- (a) where the seller or lessor is a bank or other financial institution, an amount equal to the sum of
 - (i) the consideration paid by the bank or other financial institution for the goods or the open market value of the supply of the goods to the

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bank or other financial institution, whichever is the greater; and

- (ii) any consideration for the erection, construction, assembly, or installation of the goods borne by the bank or other financial institution; or

(b) where the seller or lessor is a dealer, an amount equal to the sum of

- (i) the consideration at which the goods are normally sold by the dealer for cash; and
- (ii) any consideration for the erection, construction, assembly, or installation of the goods borne by the dealer;

“Certified Invoicing System” means an electronic invoicing system certified by the Commissioner-General in accordance with this Act;

“charitable organisation” means an entity approved by the Commissioner-General that

- (a) is established to operate as
 - (i) a charitable institution of a public nature;
 - (ii) a religious institution of a public nature; or
 - (iii) a body of persons formed for the purpose of promoting social activities; and
- (b) has a written constitution that prohibits the entity from
 - (i) engaging in a political party activity, supporting a political party or using the platform of the entity to engage in party politics;
 - (ii) any function other than the functions specified in paragraph (a); and
 - (iii) conferring a private benefit, other than in pursuit of a function of the entity specified in paragraph (a);

“civil engineering public works” means the construction, maintenance, reconstruction, demolition, repair or

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renovation of a building, structure, surface or system, including site preparation, excavation, erection, assembly, installation of plant, fixing of equipment, laying out of materials, decoration and finishing, and any incidental service provided in connection with the construction, maintenance, reconstruction, demolition, repair or renovation of a building, structure, surface or system such as schools, roads, dams, bridges, railroads and hospitals, for public use and paid for with public funds;

“commercial rental establishment” means

- (a) accommodation in a hotel, motel, inn, boarding house, guesthouse, hostel or similar establishment in which lodging is regularly or normally provided to five or more persons on a daily, weekly, monthly, or other periodic charge;
- (b) accommodation in a house, flat, apartment, or room, other than an accommodation in respect of which the provisions of paragraph (a) or (c) of this definition apply
 - (i) which is regularly or systematically leased or held for lease as residential accommodation for continuous periods of not more than forty-five days in the case of each occupant of the house, flat, apartment or room; or
 - (ii) which is leased with utilities and furnishings provided by the lessor;
- (c) accommodation in a house, flat, apartment, room, caravan, houseboat, tent or caravan or camping site which constitutes an asset, including a leased asset of a business undertaking or a separately identifiable part of a business undertaking carried on by a person who
 - (i) leases or holds for leasing as residential accommodation, a house, flat, apartment, room, caravan, houseboat, tent or caravan or

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- camping site in the course of the business undertaking; and
- (ii) regularly or normally leases or holds for lease as residential accommodation, the house, flat, apartment, room, caravan, houseboat, tent or caravan or camping site for continuous periods of not more than forty-five days in the case of each occupant;
- (d) any other accommodation designated by the Minister by Regulations to be a commercial rental establishment other than the accommodation specified under paragraphs (e), (f) and (g);
 - (e) accommodation in a boarding establishment or hostel operated by an employer solely or mainly for the benefit of the employees of that employer or a related person or dependant of that employer, if the establishment or hostel is not operated for the purpose of making profits from the establishment or hostel for the employer or a person related to the employer;
 - (f) accommodation in a boarding establishment or hostel operated by
 - (i) a local authority, or
 - (ii) an educational establishment approved by the Minister responsible for Education otherwise than for the purpose of making profits from the establishment or hostel; or
 - (g) accommodation in a registered hospital, maternity home, nursing home, or clinic;
- “Commissioner-General” means the Commissioner-General appointed under section 13 of the Ghana Revenue Authority Act, 2009 (Act 791);
- “company” means a body incorporated under the laws of Ghana or elsewhere, including
- (a) a friendly society, building society or similar society;

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- (b) a pension fund, provident fund, retirement fund, superannuation fund or similar fund; and
 - (c) a government, a political subdivision of a government or a public international organisation; but does not include a partnership or a trust;
- “consideration,” in relation to a supply of goods or services and an import of services,
- (a) includes

 - (i) the total amount in money or in kind paid or payable for the supply by any person, directly or indirectly; and
 - (ii) duties, levies, fees and charges paid or payable on, or by reason of the supply or import of services, other than the Tax; and
 - (b) excludes

 - (i) a deposit other than a deposit on a returnable container; and
 - (ii) any discount or rebate allowed and accounted for at the time of the supply or import of services;
- “conveyance” means a ship, aircraft or a vehicle;
- “credit agreement” means a hire purchase agreement or a finance lease;
- “currency point” means one Ghana Cedi;
- “customs value” has the meaning assigned to it in sections 67 and 68 of the Customs Act, 2015 (Act 891);
- “day” means a calendar day, except as otherwise provided;
- “deductible input tax” has the meaning assigned to it in section 49;
- “digital service” includes
- (a) social networking;
 - (b) cloud services;
 - (c) video or audio streaming;
 - (d) digital marketplace operations;
 - (e) online advertisement services;

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- (f) distance maintenance of programmes or equipment;
- (g) a supply of software or software updates;
- (h) virtual asset management services; and
- (i) digital asset management services;

“dwelling” means a building, premises, structure, place or any part of the building, premises, structure or place which is

- (a) not a commercial rental establishment; and
- (b) used predominantly as a place of residence or abode of a natural person or is intended for use as a place of residence or abode of a natural person, together with any appurtenances belonging to the place and enjoyed with the place;

“education services” means the services supplied to pupils or students as part of the education programme provided by any one of the following establishments that is duly registered or licensed by the Minister responsible for Education:

- (a) a day care provider, including an adult day care provider;
- (b) a pre-primary, primary, or secondary school;
- (c) a technical college, community college or university;
- (d) an educational institution established for the promotion of adult education, vocational training or technical education; or
- (e) an institution established for the education or training of physically or mentally challenged persons;

“employment” means a contract of service, whether express or implied and where express, whether in writing or oral, including

- (a) the position of an individual in the employment of another person; or
- (b) the holding of or acting in any office or position entitling the holder to a fixed ascertainable remuneration other than an office or a position as

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- a director of a company or a manager of a body of persons or as a partner in a partnership;
- “entity” means a company, partnership or trust, but does not include an individual;
- “estate developer” means a commercial establishment or an individual engaged in the business of construction or renovation and supply of immovable property;
- “exempt import” has the meaning assigned to it in section 37;
- “exempt supply” means a supply of goods or services to which section 35 applies;
- “export country”, as used in the Second Schedule, includes a country other than Ghana and any place which is not situated in the country;
- “exports from this country,” in relation to any movable goods, means goods supplied by a registered person under a sale or a credit agreement, subject to the definition for “export country”
- (a) consigned or delivered by the registered person to the recipient at an address in an export country as evidenced by documentary proof acceptable to the Commissioner-General; or
 - (b) delivered by the registered person to the owner or charterer of a foreign-going aircraft or foreign-going vessel when the aircraft or vessel is going to a destination in an export country and the goods are for use or consumption in the aircraft or vessel;
- “finance lease” in relation to goods, means a lease of goods, where
- (a) the lease term exceeds seventy-five per cent of the expected life of the goods;
 - (b) the lessee has an option to purchase the goods for a fixed or determinable price at the expiration of the lease; or
 - (c) the estimated residual value of the goods to the lessor at the expiration of the lease term, and the period

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of any option to renew, is less than twenty per cent of the open market value of the goods at the commencement of the lease;

“financial institution” means

- (a) a bank regulated under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930);
- (b) a non-banking financial institution regulated under the Non-Banking Financial Institutions Act, 2008 (Act 774); or
- (c) any other category of persons prescribed by Regulations;

“financial services” means

- (a) the provision of insurance;
- (b) the issue, transfer, receipt of, or dealing with money whether in domestic or foreign currency or any note or order of payment of money;
- (c) the provision of credit; or
- (d) the operation of a bank account or an account with a similar institution;

“foreign-going aircraft” means an aircraft engaged in the transportation for consideration of passengers or goods wholly or mainly on flights between

- (a) an airport in the country and an airport in an export country; or
- (b) airports in export countries;

“foreign-going vessel” means a vessel engaged in the transportation for consideration of passengers or goods wholly or mainly on voyages between

- (a) a seaport in the country and a seaport in an export country; or
- (b) seaports in export countries;

“free zone” means an area or building declared as a free zone under the Free Zone Act, 1995 (Act 504), including a single factory zone, a free port, a free airport, a free river or lake port;

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- “free zone developer” means a person who acquires a free zone and is licensed to use or uses the free zone for operations permitted under the Free Zone Act, 1995 (Act 504);
- “free zone enterprise” means an industry, project, undertaking or business for commercial purposes licensed to carry out operations in a free zone under the Free Zone Act, 1995 (Act 504);
- “Ghana Revenue Authority” means the Authority established under section 1 of the Ghana Revenue Authority Act, 2009 (Act 791);
- “goods” includes movable and immovable tangible property, thermal and electrical energy, heating, gas, refrigeration, air conditioning and water, but does not include money;
- “haulage” means the act, process or business of transporting goods for others or oneself by road, rail, water or air;
- “hire purchase agreement” means a hire purchase agreement within the meaning of the Hire Purchase Act, 1974 (N.R.C.D. 292);
- “import” means
- (a) in the case of goods, to bring or cause to be brought into the country from a foreign country or place; or
 - (b) in the case of services, a supply of services to a resident person by
 - (i) a non-resident person, or
 - (ii) a resident person from a business carried on by the resident person outside the country, to the extent that the services are utilised or consumed in the country other than to make taxable supplies;
- “import of services” means a supply of services to a resident person by
- (a) a non-resident person,
 - (b) a resident person from a business carried on by the resident person outside the country,
 - (c) a free zone developer, or

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- (d) a free zone enterprise
to the extent that the services are utilised or consumed
in the country other than to make taxable supplies;
- “import declaration” means a statutory form filed or to be filed
with respect to imported goods at the time of entry;
- “importer,” in relation to
- (a) an import of goods, includes the person who owns
the goods or any other person who is for the time
being in possession of or beneficially interested in
the goods; and
 - (b) goods imported by means of a pipeline, includes
the owner of the pipeline;
- “input tax” means tax payable by a taxable person on
- (a) an acquisition of a taxable supply of goods and
services; or
 - (b) a taxable import;
- “incapacitated person” means an individual under the age of
eighteen years or an individual who, by reason of mental
ill-health, is incapable of managing the affairs of that
individual;
- “kerosene” includes Aviation Turbine Kerosene;
- “kits” means the knocked down components for the manufacture
of automobiles;
- “lay away agreement” means a sale transaction where goods
are reserved by payment of a deposit and subsequently made
available on full payment for the goods;
- “medical services” means a supply of a medical, dental, nursing,
midwifery or paramedical service where the service is
performed by or under the supervision and control of a
person who is registered as qualified by the Minister
responsible for Health to perform that service, other than a
spa, gymnasium or other similar service;
- “medical supplies” means equipment and accessories for the
supply of medical services as approved by the Minister

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responsible for Finance in consultation with the Minister responsible for Health;

“Minister” means the Minister responsible for Finance;

“money” means

(a) a coin or paper currency recognised in the country as legal tender; or

(b) a bill of exchange, promissory note, bank draft, postal order, money order, or similar instrument other than an item of numismatic interest;

“non-life insurance” means the provision of non-life insurance other than motor vehicle insurance;

“non-resident” means a person who is not a resident of the country;

“non-traditional product” means product other than traditional product;

“officer” means

(a) the Commissioner-General appointed under section 13 of the Ghana Revenue Authority Act, 2009 (Act 791); or

(b) a Commissioner or other member of staff appointed under subsection (1) of section 16 of Act 791 to whom the functions of the Ghana Revenue Authority may be delegated;

“open market value” has the meaning assigned to it in section 44;

“output tax” means the Tax chargeable under subsection (1) of section 1 and any other section of this Act in respect of a taxable supply;

“penalty unit,” has the meaning assigned in section 27 of the Interpretation Act, 2009 (Act 792);

“person” means an individual or entity;

“pharmaceuticals” mean the essential drugs listed under Chapter 30 of the Harmonised Systems Commodities Classification Code, 2022;

“positive rate” means a rate that is greater than zero;

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“promoter of public entertainment” means a person who arranges the staging of public entertainment, but does not include entertainment organised by

- (a) an educational institution approved by the Commissioner-General;
- (b) the board of management or a parent teacher association of an educational institution approved by the Commissioner-General;
- (c) a religious organisation approved by the Commissioner-General; or
- (d) a charitable organisation approved by the Commissioner-General;

“public entertainment” means a musical entertainment, theatrical performance, comedy show, dance performance, circus show, or show connected with a festival, or any similar event to which the public is invited;

“public funds” means

- (a) the Consolidated Fund;
- (b) the Contingency Fund; or
- (c) any other public fund as may be established by or under the authority of an Act of Parliament;

“recipient” means the person to whom a supply or import is made;

“registered” means registered under section 6;

“related person” means

- (a) a natural person and a relative of that natural person;
- (b) a trust and a person who is or may be a beneficiary in respect of that trust or whose relative is or may be a beneficiary;
- (c) a partnership or company other than a stock company and a member of that partnership or company who, on account of shares personally held together with shares or other membership interests held by persons who are related to that member under another provision of this definition, owns

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- twenty-five percent or more of the rights to income or capital of the partnership or company; or
- (d) a shareholder in a stock company and the stock company if the shareholder on account of shares personally held together with shares held by persons who are related to the shareholder under a provision of this definition and the shareholder
- (i) controls twenty five percent or more of the voting power in the stock company; or
- (ii) owns twenty five percent or more of the rights to dividends or of the rights to capital; or
- (e) two companies, if a person, either alone or together with a person who is related to that person under another provision of this definition
- (i) controls twenty-five per cent or more of the voting power in both companies; or
- (ii) owns twenty-five per cent or more of the rights to dividends or of the rights to capital in both companies; and, for the purposes of paragraphs (c) and (d) a person is treated as owning, on a pro rata basis, shares or other membership interests which are owned or controlled by the person indirectly through one or more interposed persons;
- “relative”, in relation to an individual, means the child, spouse, parent, grandparent, grandchild, sibling, aunt, uncle, nephew, niece, first cousin or ancestor of the individual, including by way of marriage or adoption;
- “representative” has the meaning assigned to it in section 70;
- “resident person” has the meaning assigned to it under section 101 of the Income Tax Act, 2015 (Act 896);
- “return” means a return of tax due or a claim for tax refund under this Act;
- “returnable container” means a container
- (a) that belongs to a class of containers specified in Regulations made under this Act;

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- (b) for which a deposit is charged by the supplier, and
- (c) for which the deposit is required by law or agreement to be refunded or allowed as credit to the person returning the container;

“services” means anything other than goods or money;

“supplier”, in relation to a supply, means the person making the supply;

“Tax” means the Value Added Tax imposed under section 1, including any amount to the extent that the amount is treated as Value Added Tax for the purposes of this Act;

“taxable activity” has the meaning assigned to it in section 5;

“taxable person” has the meaning assigned to it in section 4;

“taxable supply” has the meaning assigned to it in section 33;

“taxable transaction” means a taxable supply or an import of goods or services that is subject to the Tax under this Act;

“tax fraction” in relation to a taxable supply, means the fraction calculated in accordance with the following formula:

$$R/(100 + R),$$

where “R” is the percentage rate of the Tax, expressed as a whole number, applicable to the taxable supply;

“tax invoice” means an invoice issued on a supply of taxable goods and services in accordance with this Act and Regulations made under this Act, and may be in the nature of

- (a) an electronic invoice issued through a Certified Invoicing System for a supply of goods or services by a taxable person; or

- (b) any other invoice approved by the Commissioner-General;

“tax period” means one calendar month;

“token” means a digital or physical voucher, code, representation or instrument that

- (a) can be redeemed or exchanged by a holder for goods, services or cash; or

- (b) represents a right or entitlement to receive goods or services, whether in full or partial satisfaction of the

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value of the voucher, code, representation or instrument;

“traditional product” includes

- (a) cocoa beans;
- (b) lumber and logs;
- (c) unprocessed gold or other minerals;
- (d) electricity; and
- (e) petroleum, crude oil or natural gas;

“trust” means an arrangement under which a trustee holds assets; and

“trustee” means an individual or body corporate that holds assets in a fiduciary capacity for the benefit of identifiable persons or for some object permitted by law and

- (a) whether or not
 - (i) the assets are held alone or jointly with other individuals or bodies corporate; or
 - (ii) the individual or body corporate is appointed or constituted as trustee by personal act, by will, by order or declaration of a court or by other operation of law; and

- (b) includes
 - (i) an executor, administrator, tutor or curator;
 - (ii) a liquidator, receiver, trustee in bankruptcy or judicial manager;
 - (iii) a person who has the administration or control of assets subject to a usufruct, fideicommissum or other limited interest;
 - (iv) a person who manages the assets of an incapacitated individual; and
 - (v) a person who manages assets under a private foundation or other similar arrangement.

Repeal and savings

73. (1) The following enactments are repealed:

- (a) the Value Added Tax Act, 2013 (Act 870);

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- (b) the Value Added Tax (Amendment) Act, 2015 (Act 890);
- (c) the Value Added Tax (Amendment) (No.2) Act, 2015 (Act 904);
- (d) the Value Added Tax (Amendment) Act, 2017 (Act 948);
- (e) the Value Added Tax (Amendment) (No.2) Act, 2017 (Act 954);
- (f) the Value Added Tax (Amendment) Act, 2018 (Act 970);
- (g) the Value Added Tax (Amendment) (No.2) Act, 2018 (Act 980);
- (h) the Value Added Tax (Amendment) Act, 2019 (Act 1005);
- (i) the Value Added Tax (Amendment) Act, 2021 (Act 1072);
- (j) the Value Added Tax (Amendment) Act, 2022 (Act 1082);
- (k) the Value Added Tax (Amendment) (No. 2) Act, 2022 (Act 1087);
- (l) the Value Added Tax (Amendment) Act, 2023 (Act 1107);
and
- (m) the Value Added Tax (Amendment) Act, 2025 (Act 1133).

(2) Despite the repeal of the enactments specified under subsection (1), the Regulations, byelaws, notices, orders, directions, appointments or any other act lawfully made or done under the repealed enactments which are not inconsistent with this Act and in force immediately before the commencement of this Act shall be considered to have been made or done under this Act and shall continue to have effect until reviewed, cancelled or terminated.

(3) This Act shall not affect the enactments repealed under subsection (1) in the operation of offences committed, penalties imposed or proceedings commenced before the coming into force of this Act.

Transitional provisions

74. (1) Subject to the Exemptions Act, 2022 (Act 1038), an exemption or zero-rating provided outside this Act or Regulations made under this Act shall not come into effect for the purposes of this Act until a corresponding amendment is made to this Act.



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(2) The enactments repealed under section 73 shall continue to apply for the years of assessment commencing prior to the date on which this Act comes into force.

Commencement

75. This Act shall come into force on the 1st day of January, 2026.

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FIRST SCHEDULE

(sections 35 and 37)

EXEMPT SUPPLIES

1. Except as otherwise provided, the supplies specified in this Schedule are exempt supplies for the purposes of sections 35 and 37.
2. (1) A supply of the following agricultural and aquatic food products in a raw state produced in the country:
 - (a) maize;
 - (b) sorghum;
 - (c) millet;
 - (d) tubers;
 - (e) guinea corn;
 - (f) rice;
 - (g) fish, other than ornamental fish;
 - (h) crustaceans;
 - (i) mollusks;
 - (j) vegetables and fruits;
 - (k) nuts;
 - (l) coffee;

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- (m) cocoa beans;
- (n) shea butter; and
- (o) edible meat and offal of the animals listed in paragraph 3, provided that the processing is restricted to salting, smoking or similar processes, but excluding *pâté*, fatty livers of geese and ducks, and similar products.

(2) For the purposes of subparagraph (1), the agricultural and aquatic food products shall be considered to be in a raw state, even if the products have undergone simple preparation or preservation, including freezing, chilling, drying, salting, smoking, stripping or polishing.

3. A supply of the following live animals bred or raised in this country:

- (a) cattle;
- (b) sheep;
- (c) goat;
- (d) swine; and
- (e) poultry.

4. A supply of the following inputs for agricultural purposes:

- (a) seeds, bulbs, rooting, and other forms of propagation of edible fruits, nuts, cereal crops, tubers and vegetables, including the seedlings and cuttings; and
- (b) fertilizers, acaricides, insecticides, fungicides, nematocides, herbicides, growth regulators, pesticides, veterinary drugs

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and vaccines, feed and feed ingredients other than food, drugs and vaccines for domesticated animals generally held as pets.

5. (1) A supply of gear designed exclusively for fishing, including canoes, boats, nets, floats, twines, and hooks.

(2) An import and supply of raw material for use in the production of nets and twines and goods produced for fishing.

6. A supply of water, excluding water commonly supplied in bottles or other packaging suitable for supply to consumers.

7. A supply of electricity to a dwelling.

8. (1) A supply of

(a) textbooks and supplementary readers that are on the approved list of the Ministry responsible for Education;

(b) newspapers,

(c) atlases,

(d) charts,

(e) maps, and

(f) music.

(2) The exemption in subparagraph (1) does not apply to

(a) imported

(i) textbooks;

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- (ii) exercise books;
 - (iii) newspapers;
 - (iv) publications; and
 - (v) charts;
- (b) architectural plans and similar plans;
 - (c) drawings;
 - (d) scientific and technical works;
 - (e) periodicals;
 - (f) magazines;
 - (g) trade catalogues;
 - (h) price lists;
 - (i) greeting cards;
 - (j) almanacs;
 - (k) calendars;
 - (l) diaries and stationery; and
 - (m) other printed matter.
9. A supply of education services.
10. A supply of laboratory and library equipment for use in providing educational services.

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11. A supply of medical services and medical supplies.
12. (1) A supply of pharmaceuticals in Ghana.
 - (2) A supply or import of the active ingredients and selected inputs for the manufacture of pharmaceuticals as determined by the Minister responsible for Health and prescribed by the Minister.
 - (3) An import of selected drugs or pharmaceuticals as determined by the Minister responsible for Health and prescribed by the Minister.
13. A supply of domestic transportation of passengers by road, rail and water, except the supply of haulage or the rental or hiring of passenger and other vehicles.
14. A supply of machinery and parts of machinery specifically designed for use in the following activities:
 - (a) agriculture, veterinary practice, fisheries, aquaculture and horticulture;
 - (b) mining, as specified in the mining list determined by the Minister responsible for Mines and prescribed by the Minister;
 - (c) manufacturing;
 - (d) railway and tramway;
 - (e) upstream petroleum operations, as specified in the petroleum list determined by the Minister responsible for Energy and prescribed by the Minister; and
 - (f) dredging.

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15. A supply of crude oil and the following hydrocarbon products:
 - (a) petrol;
 - (b) diesel;
 - (c) liquefied petroleum gas;
 - (d) kerosene;
 - (e) residual fuel oil; and
 - (f) natural petroleum gas.

16. A supply of the following:
 - (a) immovable property, including land used or intended for use for the purpose of a dwelling but excluding the supply of immovable property by an estate developer;
 - (b) accommodation in a dwelling;
 - (c) land used or to be used for agricultural purposes; and
 - (d) civil engineering public works, including roads and bridges.

17. A supply of financial services excluding non-life insurance.

18. A supply of goods designed exclusively for use by persons with disability.

19. A supply of postage stamps issued by the Ghana Post, other than for expedited services or for philatelist purposes.

20. A supply of salt for human consumption, including table salt.

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21. A supply of mosquito nets, whether or not infused with chemicals.
22. A supply of paper for the production of exercise books and text-books.
23. An import of mild carbon steel for the manufacture of machetes.
24. Importation of
 - (a) plant and machinery designed specifically for use in the automobile industry and kits by an automobile manufacturer or assembler who is registered under the Ghana Automotive Manufacturing Development Programme; and
 - (b) electric vehicles for public transportation.

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SECOND SCHEDULE

(section 36)

ZERO-RATED SUPPLIES

1. The supplies specified in paragraphs 2 and 3 of this Schedule are subject to the Tax at a rate of zero per cent for the purposes of section 36.

2. SUPPLY OF GOODS

(1) A supply of goods where the supplier has entered the goods for export pursuant to the Customs Act, 2015 (Act 891) and the goods have been exported from the country by the supplier.

(2) A supply of goods where the Commissioner-General is satisfied that the goods have been exported from the country by the supplier without having been used in the country after the supply was entered, except as necessary for or incidental to, the export of the goods.

(3) A supply of goods shall not be considered to be exported from this country unless

- (a) immediately before being put on board the conveyance for export, the goods are produced to the Commissioner of Customs for examination;
- (b) on demand by the Commissioner of Customs, the exporter provides samples of the goods as the Commissioner may require for testing or in any other purpose;
- (c) the person in charge of the conveyance for the export or any other person that the person in charge may authorise for the purpose, certifies on the document

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on which the goods are entered that the goods have been received on board; and

- (d) particulars of the goods are included in the cargo manifest of the conveyance.

(4) A supply of goods under a rental agreement, charter party or agreement for chartering, where the goods are used exclusively in an export country.

(5) Subject to the definition for “foreign-going aircraft” and “foreign-going vessels”, a supply of goods shipped as stores on foreign-going vessels or foreign-going aircraft leaving the territories of Ghana and going to a destination in an export country.

(6) A supply of goods to a free zone developer or free zone enterprise, provided that the developer or enterprise provides satisfactory documentation that its operations and the procedure for acquisition of the supply satisfy the requirements of the Free Zone Act, 1995 (Act 504).

(7) A supply of goods as part of the transfer of a taxable activity as a going concern by one taxable person to another taxable person, but only if

- (a) subsection (4) of section 19 and section 20 are satisfied; and
- (b) the notices, including the details of the transaction, required by Regulations are provided to the Commissioner-General.

(8) The Minister may, by Regulations, provide for the zero-rating of exports of goods by tourists and similar persons, under such terms and conditions as the Minister shall specify.

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(9) A supply of goods shall not be considered to be exported from the country if the supply has been or will be re-imported to the country by the supplier.

(10) A supply of locally manufactured textiles up to 31st December, 2028 by a local manufacturer who has been approved by the Minister responsible for Trade, Agribusiness and Industry.

(11) A supply of locally manufactured sanitary towels.

3. SUPPLY OF SERVICES

(1) A supply of services directly in connection with land or any improvement to land situated outside the country.

(2) A supply of services directly in respect of personal property situated outside the country at the time the services are rendered.

(3) A supply of services comprising the filing, prosecution, granting, maintenance, transfer, assignment, licensing or enforcement of any intellectual property rights for use outside the country.

(4) A supply of freight and insurance directly attributable to the export of goods.

(5) A supply of stevedoring related to transit and transshipment.

(6) A supply of port operation services related to transit and transshipment.

(7) Shipping line charges related to transit and transshipment.

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THIRD SCHEDULE

(section 38)

RELIEF SUPPLIES

1. The individuals, organisations and matters specified in paragraphs 2 to 9 of this Schedule are entitled to relief from Tax for the purposes of section 38.
2. The President of the Republic.
3. Subject to paragraph 5, a supply for the official use of any Commonwealth or Foreign Embassy, Mission or Consulate.
4. Subject to paragraph 5, a supply for the use of a permanent member of the Diplomatic Service of any Commonwealth or foreign country that is exempted by Parliament from the payment of customs duties.
5. The relief provided in paragraphs 3 and 4 applies only if a similar privilege is accorded by the Commonwealth or foreign country to the representative of Ghana in that country.
6. A supply for the use of an international agency, or technical assistance scheme, where the terms of agreement made with the Government and approved by Parliament include an exemption from domestic indirect taxes.
7. Emergency relief items approved by Parliament.
8. Tax-registered manufacturers for raw materials at importation, subject to the condition that
 - (a) the manufacturer is a member in good standing of the Association of Ghana Industries;

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- (b) the manufacturer has submitted all previous tax returns and paid the Tax, penalties and interest from previous tax periods if any;
- (c) the Commissioner-General
 - (i) is satisfied that the manufacturer has met the conditions in subparagraphs (a) and (b) and other compliance requirements under this Act; and
 - (ii) has listed the manufacturer in a register published by the Commissioner-General on the 1st of January of each year and updated every six months.
- (d) the imported raw materials will be applied solely and exclusively for the manufacturing operations of the relief beneficiary.

A supply of goods or services in connection with reconnaissance or prospecting by a holder of a reconnaissance licence or prospecting licence issued in accordance with the Minerals and Mining Act, 2006 (Act 703) and who is registered with the Ghana Revenue Authority.

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FOURTH SCHEDULE

(sections 46(4) and 46(6))

TAX DEBIT NOTE

1. Except as otherwise provided by the Commissioner-General, a tax debit note required by subsection (4) of section 46 shall contain at least the following particulars:

- (a) the words “tax debit note” in a prominent place;
- (b) a sequential identifying number;
- (c) the name, address and taxpayer identification number of the registered person making the supply;
- (d) the name, address and taxpayer identification number of the recipient of the supply;
- (e) the date on which the tax debit note was issued;
- (f) the identifying number and date of issue of the tax invoice relating to the supply;
- (g) the value of the supply indicated on the applicable tax invoice, the correct amount of the value of the supply, the difference between those two amounts, and the tax charged that relates to that difference;
- (h) a brief explanation of why the tax debit note is being issued; and
- (i) information sufficient to identify the taxable supply to which the tax debit note relates.



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TAX CREDIT NOTE

2. Except as otherwise provided by the Commissioner-General, a tax credit note required by subsection (6) of section 46 shall contain at least the following particulars:

- (a) the words “tax credit note” in a prominent place;
- (b) a sequential identifying number;
- (c) the name, address and taxpayer identification number of the registered person making the supply;
- (d) the name, address and taxpayer identification number of the recipient of the supply;
- (e) the date on which the tax credit note was issued;
- (f) the identifying number and date of issue of the tax invoice relating to the supply;
- (g) the value of the supply indicated on the applicable tax invoice, the adjusted value of the supply or the correct amount of the value of the supply, the difference between the two amounts, and the tax charged that relates to that difference;
- (h) a brief explanation of why the tax credit note is being issued; and
- (i) information sufficient to identify the taxable supply to which the tax credit note relates.



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FIFTH SCHEDULE

(Section 52(2))

APPORTIONMENT OF INPUT TAX

For the purpose of determining the deductible input tax under subsection (2) of section 52, the following formula shall apply:

$$A \times B/C$$

Where,

A is the total amount of input tax for the period that is not directly attributable to taxable or exempt supplies;

B is the total amount of taxable supplies made by the taxable person during the period; and

C is the total amount of all supplies made by the taxable person during the period.



Value Added Tax Bill, 2025

Date of *Gazette* notification: 21st November, 2025.



VALUE ADDED TAX BILL, 2025

MEMORANDUM

The object of the Bill is to revise and consolidate the law relating to the imposition of Value Added Tax.

The Value Added Tax Act, 2013 (Act 870) provides for the imposition of a Value Added Tax on the supply of goods or services made in the country and the import of goods or services into the country. Act 870 has been in force for over ten years and several challenges identified with the implementation of Act 870 have made it necessary to reform and consolidate the legislative framework to ensure effective implementation.

Firstly, Act 870 has undergone several amendments in response to evolving policy, administrative and economic considerations. These amendments, while necessary, have resulted in the fragmentation of the legislative framework of the Value Added Tax and contributed to the complexity of the current Value Added Tax regime. There is therefore the need to consolidate the amendments to improve clarity, consistency and legal certainty.

Furthermore, the current structure of the Value Added Tax exhibits several distortions. Although the statutory rate of the tax is fifteen per cent, the effective rate of the Tax is approximately twenty-two per cent, due to the decoupling of the Ghana Education Trust Fund Levy of two point five per cent, the National Health Insurance Levy of two point five per cent and the COVID-19 Health Recovery Levy of one per cent. The prohibition of businesses from claiming input tax credits on the National Health Insurance Levy, the Ghana Education Trust Fund Levy and the COVID-19 Health Recovery Levy has led to tax cascading effects, increased the cost of production and ultimately raised the cost of goods and services.

Additionally, the current Value Added Tax regime incorporates a combination of standard rates, flat rates, and non-deductible levies, exhibiting the features of both value added tax and sales tax systems. This has undermined the neutrality, efficiency and transparency of the Value Added Tax regime and created compliance and administrative challenges.

VALUE ADDED TAX BILL, 2025

In the 2025 Budget Statement and Economic Policy, Government decided to undertake comprehensive reforms to the Value Added Tax regime of the country as part of broader measures to enhance domestic revenue mobilisation, improve efficiency in tax administration, and alleviate the tax burden on households and businesses.

The reforms seek to enact a new Value Added Tax Act to abolish the COVID-19 Health Recovery Levy and reverse the decoupling of the National Health Insurance Levy and the Ghana Education Trust Fund Levy from the Value Added Tax base, thereby restoring the ability to claim input tax credits.

The reforms also provide for a reduction of the effective rate of the Value Added Tax to ease the burden on households and businesses, eliminate the flat rate scheme of the tax in favour of a unified and transparent structure, make provision for an upward revision of the registration threshold for the Value Added Tax in order to exempt micro and small enterprises from Value Added Tax obligations as well as improve taxpayer compliance through enhanced public education and awareness campaigns.

The Bill therefore seeks to revise and consolidate the existing legal framework in respect of the Value Added Tax to restore the integrity of the Value Added Tax system, promote voluntary compliance, reduce the administrative burden and create a more equitable and growth-supportive tax environment.

The Bill is expected to be revenue neutral in 2026 due to increased compliance and the overall positive economy wide effect of the reforms.

Clauses 1 to 3 of the Bill provide for the Value Added Tax.

Clause 1 imposes a Value Added Tax to be charged on the supply of goods or services made in the country, other than exempt goods or services and the import of goods or services, other than exempt import. Under the clause, unless otherwise provided in the Bill, the Tax is to be charged on the supply of goods or services where the supply is a taxable supply and is made by a taxable person in the course of the taxable activity of that person.

VALUE ADDED TAX BILL, 2025

Clause 2 sets out the persons who are liable to pay the Tax. In the case of a taxable supply, the Tax is to be paid by the taxable person who makes the supply, and in the case of an import of goods, by the importer. In the case of an import of services, the Tax is to be paid by the recipient of the service, and in the case of a non-resident person, by the non-resident person subject to *clause 15*.

The rate of the Tax, as specified under *clause 3*, is fifteen per cent and is to be calculated on the value of the taxable supply of the goods or services or the value of the import.

Clauses 4 and 5 make provision for a taxable person and taxable activity.

Under *clause 4*, a taxable person is a person who is registered for the purposes of the Bill or required to register under *clauses 6 to 17*. The *clause* further provides for the effective date of registration of a person as a taxable person.

Clause 5 defines a taxable activity as an activity which is carried on by a person in the country or partly in the country, whether or not for a pecuniary profit and which involves or is intended to involve, in whole or in part, the supply of goods or services to another person for consideration. Under the *clause*, a taxable activity includes an activity of a local authority or unincorporated association or body that involves, in whole or in part, the supply of goods or services to another person for consideration, the processing of data or supply of information or similar service, the supply of staff, the giving of gifts or the loaning of goods, among others.

Clauses 6 to 20 deal with registration for the Value Added Tax.

Under *clause 6*, a person who engages in a taxable activity and is not registered for the Tax is required to, in the case of a taxable supply of services, register within thirty days after engaging in the taxable activity, unless otherwise directed by the Commissioner-General. In the case of a taxable supply of goods, a person is required to register where the person meets the threshold requirements specified under the *clause*.



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Despite the period of registration specified under *clause 6*, *clause 7* imposes an obligation on a promoter of public entertainment to apply for registration not less than forty-eight hours before the commencement of a public entertainment. The *clause* further imposes an obligation on an auctioneer to apply for registration despite the threshold rules in *clause 6*.

Under *clause 8*, a person who is required to register under the Bill is a taxable person from the beginning of the tax period that immediately follows the tax period in which the requirement to register arose.

Clause 9 mandates the Commissioner-General to give notice of the decision to register or not to register an applicant to the applicant within thirty days after the receipt of the application for registration.

Under *clause 10*, the Commissioner-General is required to issue a certificate of registration to each person registered for the Tax. The *clause* further requires a person registered for the Tax to display the certificate of registration at the principal place of business of the person and every other location the person engages in a taxable activity.

Clause 11 empowers the Commissioner-General to give notice to a person who has, within the time specified in the notice, made taxable supplies in excess of a turnover threshold, or below the turnover threshold specified in *clause 6*. The Commissioner-General is required to, in accordance with the determination made under the *clause*, register or cancel the registration of the person.

Clause 12 provides for the designation of taxable persons in respect of groups and distinct divisions. Under the *clause*, a group of taxable persons may, with the approval of the Commissioner-General, be treated as one designated taxable person for the purposes of the Tax. The *clause* further empowers a taxable person whose taxable activity is structured into distinct divisions to apply to the Commissioner-General to register one or more of the divisions for the Tax.

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Clause 13 provides for the voluntary registration of a person who is not required to register under the Bill. The *clause*, however, prohibits the Commissioner-General from registering a person who voluntarily applies to register if the Commissioner-General is, among others, satisfied that the person has no fixed place of abode or business or the Commissioner-General has reasonable grounds to believe that the person may not keep proper accounting records related to any business activity carried on by that person or submit regular and reliable tax returns as required by or under the Bill.

Clause 14 provides for the compulsory registration of a person required to register under the Bill who fails to apply for registration or a person who the Commissioner-General considers necessary to register.

Clause 15 requires a non-resident person who provides telecommunication services or electronic commerce to a person for use or enjoyment in the country, other than through a Tax registered agent, to register if that non-resident person makes a taxable supply.

Under *clause 16*, a person who fails to apply for registration is liable to a penalty of not less than three times the amount of the Tax on taxable supplies payable from the time the person is required to apply for registration until the person applies for registration with the Commissioner-General.

Under *clause 17*, a person who imports taxable goods and is not registered for the Tax is, in addition to the penalty provided in *clause 16*, liable to make an upfront payment of twenty per cent of the customs value of the taxable goods. The person may, however, be credited with the upfront payment made under the *clause* after the person registers and files a return for the relevant period.

Clause 18 mandates the Commissioner-General to keep a register of taxable persons that contains the particulars of the taxable persons as specified by the Commissioner-General.

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Clause 19 requires a taxable person to give notice in writing to the Commissioner-General if the taxable person ceases to operate, sells, or relocates the business engaged in the taxable activity or if there is a change in the ownership of the business engaged in the taxable activity, among others.

Under *clause 20*, the Commissioner-General is required to cancel the registration of a taxable person where the Commissioner-General is satisfied that the taxable person no longer exists, is not carrying on a taxable activity, is not required or entitled to apply for registration, has not kept proper accounting records related to a business activity carried on by that person or has not submitted regular and reliable tax returns required under the Bill. A cancellation, under the *clause*, takes effect from the end of the tax period in which the registration is cancelled or any other date determined by the Commissioner-General.

Clauses 21 and 22 provide for a supply of goods and services.

Under *clause 21*, a supply of goods means an arrangement under which an owner of goods parts with possession of the goods by way of sale, barter, lease, transfer, exchange, gift or similar disposition or a supply of any form of power, heat, refrigeration or ventilation.

Clause 22 defines “supply of services” as a supply which is not a supply of goods or money and is in the nature of the performance of services for another person, the grant, assignment or surrender of a right, making a facility or advantage available, tolerating a situation or refraining from doing an activity.

Clauses 23 to 32 set out the special circumstances that amount to a supply of goods or services under the Bill.

Under *clause 23*, where goods are repossessed under a credit agreement, the repossession is a supply of the goods by the debtor under the credit agreement to the person who exercises the right of repossession.

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Clause 24 provides for a lay-away agreement as a supply of services. Under the *clause*, where a lay-away agreement is terminated or cancelled, and the seller retains an amount paid by the purchaser or recovers an amount the purchaser owes under the agreement, the cancellation or termination is a supply of services by the seller in respect of the agreement.

Clause 25 deals with separate supplies. Where a supply of goods or services consists of a supply that is charged with the Tax at a positive rate, and a supply of goods charged with the Tax at a rate of zero per cent, or an exempt supply, each part of the supply of goods or services is to be treated as a separate supply of goods or services if each part is reasonably capable of being supplied separately.

Provision is made under *clause 26* for activities that do not constitute a supply of goods or services. Under the *clause*, a supply of services by an employee to an employer by reason of the employment of that employee is not a supply of services for the purposes of the Tax. Furthermore, the transfer of goods to a person acting in a representative capacity to the transferor is not a supply of goods.

The effect of a denial of input tax is dealt with under *clause 27*. Under the *clause*, except as otherwise provided in the Bill, where a taxable person supplies goods or services, and a deduction for input tax paid on the acquisition of the goods or services is denied, the supply of the goods or services by the taxable person is a supply of goods or services other than in the course or furtherance of a taxable activity.

Clause 28 deals with the payment of deposit and the receipt of a claim as a supply of goods or services. Under the *clause*, the payment of a sum of money as a deposit, other than on a returnable container, is treated as a supply when the deposit is forfeited. Furthermore, where a taxable person receives a payment of a claim, or is otherwise indemnified under a non-life insurance contract for a loss incurred in connection with the conduct of a taxable activity, the receipt of the payment or indemnity

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is a supply of services by the taxable person in the course or furtherance of a taxable activity.

Clause 29 makes provision for the disposition of a taxable activity as a supply of goods or services.

Under *clause 30*, the issuance of a phone card, the provision of prepaid airtime or prepayment on a mobile or fixed electronic device, or any other similar scheme of advance payment for the supply of goods or services is a supply of services for the purposes of the Tax. In addition, where a right to receive goods or services for a monetary value stated on a token, voucher, gift certificate, or stamp other than a postage stamp authorised under the Postal and Courier Services Regulatory Commission Act, 2003 (Act 649), is granted for a consideration or money, the issue of the token, voucher, gift certificate or stamp is not a supply except to the extent, if any, that the consideration exceeds the monetary value.

Clause 31 provides for mixed supplies. Under the *clause*, a supply of services incidental to a supply of goods is part of the supply of goods. Also, a supply of goods incidental to a supply of services is part of the supply of services while a supply of services incidental to an import of goods is part of the import of the goods.

Under *clause 32*, a supply of goods or services made by an agent on behalf of the principal is a supply by the principal. Further, a supply of goods by auction is, for the purposes of the Bill, considered a supply of goods for consideration by the auctioneer in the course or in furtherance of a taxable activity carried on by the auctioneer.

Clauses 33 to 38 make provision for taxable supplies.

Under *clause 33*, a taxable supply is, except as otherwise provided in the Bill or Regulations made under the Bill, a supply of goods or services for consideration made by a taxable person in the course of, or as part of a taxable activity carried on by the taxable person.

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Clause 34 provides for the payment of the Tax on importation of goods or services. The *clause* mandates the Commissioner-General to make arrangements to collect at the time of import, the Tax due under the Bill. The *clause* further provides for the application of relevant provisions of the Customs Act, 2015 (Act 891) to the Tax charged under the Bill or Regulations made under the Bill.

Clause 35 exempts the supply of goods or services specified in the First Schedule from the Tax. A supply of goods or services is not an exempt supply if the supply is subject to the Tax at the rate of zero per cent in accordance with *clause 36*.

Under *clause 36*, a taxable supply specified in the Second Schedule is taxable at a rate of zero per cent.

Clause 37 exempts an import of goods from the Tax where the goods are exempt under the First Schedule or are classified as an exempt import in conformity with Part C of the Third Schedule of the Harmonised Commodity Description and Coding System also known as the Harmonised System.

Clause 38 grants the individuals, organisations and matters specified in the Third Schedule relief from the Tax on taxable imports of goods or taxable supplies of goods acquired in the country. The *clause* further empowers the Minister to make Regulations to specify the method by which the persons entitled to relief shall obtain the relief, subject to restrictions that the Minister considers necessary.

Clauses 39 to 42 provide for the time and place that a supply of goods or services or an import of goods or services occurs or takes place.

Under *clause 39*, a supply of goods or services occurs, where the goods or services are applied to own use, on the date the goods or services are first applied to own use, and where the goods or services are supplied by way of gift, on the date on which ownership in the goods passes or

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the performance of the service is completed. In any other case, a supply of goods or services occurs on the earliest of the dates on which the goods are removed from the premises of the taxable person or from any other premises where the goods are under the control of the taxable person, the goods are made available to the person to whom the goods are supplied, the performance of the service is completed, receipt of payment occurs or a tax invoice or sales receipt is issued.

An import of goods occurs when the goods are entered for purposes of section 48 of the Customs Act, 2015 (Act 891) while an import of services occurs at the time determined by the application of *clause 39* to the import on the basis that the import is a supply of services, *clause 40*.

Under *clause 41*, the place of a supply of goods is, except as otherwise provided in the Bill, the place where the goods are delivered or made available by the supplier or, if the delivery or the making available of the goods involves the transportation of the goods, the place where the goods are when the transportation commences.

Under *clause 42*, a supply of services takes place, subject to the *clause* and Regulations made under the Bill, at the location of the place of business of the supplier from which the services are supplied. The *clause* further outlines the type of services which take place where the recipient uses the service, including a transfer or assignment of a copyright, patent, licence, trademark, or similar right, the service of a consultant, engineer, lawyer, architect, accountant or other professionals and the processing of data or supplying of information or any similar service, among others.

Clause 43 deals with the issue of a tax invoice or a sales receipt. The *clause* requires a taxable person to, on making a taxable supply of goods or services, issue to the recipient, a tax invoice in the form and with the particulars prescribed by the Commissioner-General. The *clause* further empowers the Commissioner-General to authorise a taxable person who makes a taxable supply to issue a sales receipt instead of a tax invoice in accordance with the prescribed conditions and procedures.

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Clauses 44 to 47 provide for Taxable Value.

The value of a taxable supply, under *clause 44*, is, where the supply is for monetary consideration, the amount of the consideration and all duties and taxes, excluding the Tax, the Ghana Education Trust Fund Levy, the National Health Insurance Levy and the levy imposed under paragraph (b) of section 23 of the Tourism Act, 2011 (Act 817). Where the supply is not for monetary consideration or is only partly for monetary consideration, the value of a taxable supply is the open market value of a similar supply, excluding the Tax, the Ghana Education Trust Fund Levy, the National Health Insurance Levy and the levy imposed under paragraph (b) of section 23 of the Tourism Act, 2011 (Act 817).

Clause 45 specifies the value for determining the Tax chargeable on taxable imports of goods as the import value calculated in accordance with sections 67 to 68 of the Customs Act, 2015 (Act 891), the import duties and taxes other than the Tax and the cost of insurance and freight which is not included in the customs value under the *clause*. The value of an import of services is, subject to circumstances specified under the *clause*, the amount of the consideration for the import.

Clause 46 sets out the conditions under which a taxable person is required to make an adjustment. These include where the supply is cancelled, the nature of the supply is fundamentally varied or altered, the previously agreed consideration for the supply is altered by agreement with the recipient of the supply, whether due to an offer of a discount or for any other reason or the goods or services or a part of the goods or services are returned to the supplier. In addition, the taxable person should have given a tax invoice in relation to the supply and the amount shown on the invoice as the Tax charged on the supply should be incorrect, or the taxable person should have filed a return for the period in which the supply was made and accounted for an incorrect amount of output tax on that supply because of the occurrence of a condition specified in the *clause*.

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Clause 47 provides for adjustments based on bad debts. Under the *clause*, where a taxable person issues a tax invoice for the supply of taxable goods or services, and the whole or part of the consideration for the supply is not received by the taxable person, the taxable person may deduct input tax under *clause 49* for the Tax paid in respect of the taxable supply that is subsequently treated as a bad debt.

Clauses 48 to 54 provide for the calculation of the Value Added Tax payable and refunds.

Under *clause 48*, the Tax payable by a taxable person for a tax period is the total amount of output tax chargeable by the person in respect of the taxable supplies made, or considered to have been made during the tax period, excluding the total deductible input tax allowed for the tax period under *clause 49*.

Clause 49 outlines the deductions that may be made by a taxable person from the output tax due for a tax period to include the tax on goods and services purchased in the country and goods imported by that person and used wholly, exclusively and necessarily in the course of the taxable activity of that person, subject to conditions specified under the *clause*. Other deductions that may be made include input tax deductions allowed under *clauses 46 and 47* for the tax period, an amount equal to the tax fraction of any amount paid during the tax period by the taxable person to indemnify another person under a non-life insurance contract where, among others, the supply of the non-life insurance contract is a taxable supply.

Clause 50 specifies the circumstances under which a taxable person does not qualify for deductible input tax. Under the *clause*, a taxable person does not qualify for deductible input tax in respect of a taxable supply or the import of a motor vehicle or vehicle spare parts unless the taxable person is in the business of dealing in or hiring motor vehicles or selling vehicle spare parts and the vehicle or spare part is for use in that

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business. Furthermore, a taxable person does not qualify for deductible input tax in respect of a taxable supply relating to entertainment, including restaurant, meals and hotel expenses unless the taxable person is engaged in a taxable activity of providing entertainment and the entertainment is for use in that taxable activity.

Clause 51 makes provision for other conditions for deducting input tax. The *clause* empowers the Commissioner-General to determine the procedure for the deduction of input tax by a resident person who uses or enjoys a digital service from a non-resident person. Where goods for which an input tax deduction has been allowed under the Bill ceases to be applied to taxable transactions before the end of the life of the goods, the *clause* requires the goods to be treated as sold at the time of the cessation for the open market value.

Clause 52 provides for the calculation of deductible input tax for mixed taxable and exempt supply. Under the *clause*, a taxable person who makes taxable supplies and exempt supplies may deduct the input tax on the taxable purchases and the taxable imports which can be directly attributed only to the taxable supplies made.

Clause 53 makes provision for refunds and credit for excess tax paid. The *clause* sets out the requirements of the Commissioner-General where the amount of input tax which is deductible exceeds the amount of output tax due in respect of a tax period.

Clause 54 mandates the Commissioner-General to pay a taxable person entitled to a refund of Tax within thirty days after receipt of the application, where the previous tax returns have been submitted by the due dates with no outstanding Tax for any period, and the amount of the Tax, penalties and interest from previous tax periods have been paid by the due dates.

Clauses 55 to 58 deal with the withholding of Value Added Tax.

Clause 55 empowers the Commissioner-General to appoint a Value Added Tax Withholding Agent for the Authority.

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Under *clause 56*, a Value Added Tax Withholding Agent is mandated to withhold from the payment to a person registered for the Tax, seven per cent of the taxable output value of standard rated supplies, and at the time of making payment for the standard rated supplies, issue a Withholding Value Added Tax Credit Certificate in the form prescribed by the Commissioner-General to the supplier.

The scope of a Value Added Tax Withholding Agent, under *clause 57*, includes entities registered for the Tax whose supplies are subject to the Tax at a rate of zero per cent, Government entities selected by the Commissioner-General and other entities registered for the Tax.

Under *clause 58*, the Commissioner-General may exempt a person from the withholding Tax where the Commissioner-General is satisfied that the person has a satisfactory tax record.

Clauses 59 to 63 deal with tax returns, records and assessment.

Clause 59 mandates a taxable person to account for the Tax for each period on a tax return in a form and manner prescribed by the Commissioner-General.

Under *clause 60*, the payment of the Tax due for a tax period is to be made to the Commissioner-General not later than the date the tax return referred to in *clause 59* is required to be submitted.

Clause 61 provides for the payment of the Tax on the import of services, other than as provided for under paragraph (c) of *subclause (1)* of *clause 31*. The person liable for the Tax under the *clause* is required to provide the Commissioner-General with a service import declaration and pay the Tax due in respect of the import within twenty-one days after the tax period in which the services were imported.

Clause 62 specifies the circumstances under which the Commissioner-General may assess the amount payable by a person or claimed by a person

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as payable in respect of a supply. These include where the Commissioner-General has reason to believe that a person will become liable for the payment of an amount of the Tax but that person is unlikely to pay the amount or where a person, other than a taxable person, supplies goods or services and represents that Tax is charged on the supply.

Clause 63 empowers a person who is not satisfied with a submitted tax return to apply to the Commissioner-General in writing for authority to make an addition or amendment to the return.

Clauses 64 to 67 deal with recovery of tax due, interest and other liabilities.

Clause 64 provides for the amount that is recoverable as the Tax due. Under the *clause*, an amount shown on an invoice or sales receipt as Tax on a supply of goods or services is recoverable as Tax due from the person who issues the invoice or sales receipt, whether the invoice or sales receipt is issued by a taxable person or another person, and whether or not the invoice is a tax invoice issued under this Act or Regulations made under this Act, an amount of tax is chargeable on the supply or the person issuing the invoice is a taxable person.

Clause 65 spells out the circumstances for the recovery of the Tax from the recipient of a supply. The *clause* empowers the Commissioner-General to raise an assessment on the recipient for the amount of unpaid tax in respect of the supply and any interest or penalty that has become payable where the taxable person has, in consequence of a fraudulent action or misrepresentation by the recipient of the supply, incorrectly treated the supply as an exempt supply, a supply subject to the Tax at a rate of zero percent, or a relief supply.

The failure to issue a tax invoice under *clause 66* is a criminal offence punishable by a fine of not more than one hundred penalty units or a term of imprisonment of not more than six months or by both. An offender is also liable to a penalty of an amount of not more than fifty thousand currency points or three times the amount of Tax involved, whichever is higher.

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Under *clause 67*, a person who knowingly engages in the evasion of Tax, or takes steps with a view to evade the Tax payable by that person or any other person commits an offence and is liable on summary conviction to a fine of not less than twice the amount of the Tax being evaded and not more than thrice the amount of the Tax being evaded or to a term of imprisonment of not less than two years and not more than five years or to both.

Clauses 68 to 75 deal with miscellaneous provisions.

Clause 68 makes provision for tax-inclusive pricing. The *clause* mandates a taxable person to include the Tax in the price of a taxable supply advertised or quoted by the taxable person and to indicate in the advertisement or quotation that the price includes the Tax. The *clause* further specifies the circumstances under which a taxable person may advertise or quote the price of a taxable supply without the Tax.

Clause 69 empowers the Commissioner-General to declare a person to be a representative of a taxable person for the purposes of *clause 70*, where the Commissioner-General considers it necessary.

The responsibilities and liabilities of a representative of a taxable person are set out under *clause 70*. Under the *clause*, a representative of a taxable person is responsible for performing the duties imposed on the taxable person, including the payment of the Tax. The representative is also personally liable for the payment of the Tax payable in the representative capacity of that person if, while the amount remains unpaid, the representative, among others, alienates, charges, or disposes of any money received or accrued in respect of which the Tax is payable.

The Minister is empowered under *clause 71* to make Regulations to give effect to the provisions of the Bill.

The interpretation of words and expressions used under the Bill is provided for under *clause 72*. *Clause 73* repeals the Value Added Tax, 2013 (Act 870) and subsequent amendments to Act 870 and saves relevant matters under the Act while *clause 74* deals with transitional provisions.



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Finally, *clause 75* specifies the date the Bill is to come into force.

DR. CASSIEL ATO FORSON (MP)
Minister responsible for Finance

Date: 13th November, 2025.