ARRANGEMENT OF SECTION

Section

First Schedule to Act 870 amended

Act 1005

REPUBLIC OF GHANA

THE ONE THOUSAND AND FIFTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED

VALUE ADDED TAX (AMENDMENT) ACT, 2019

AN ACT to amend the Value Added Tax Act, 2013 (Act 870) to provide exemptions from the payment of value added tax on imports of plant and machinery designed specifically for use in the automobile industry and kits imported by an automobile manufacturer or assembler registered under the Ghana Automobile Manufacturing Development Programme and on the management fees for private equity, venture capital and mutual funds; and for related matters.

DATE OF ASSENT: *28th December, 2019.*

PASSED by Parliament and assented to by the President

First Schedule to Act 870 amended

The Value Added Tax Act, 2013 (Act 870) is amended by the substitution for the First Schedule, of

"FIRST SCHEDULE

EXEMPT SUPPLIES

(*Sections 35 and 37*)

Item

1. Except as otherwise provided, the supplies specified in this Schedule are exempt supplies for the purposes of sections 35 and 37.

2. For the purposes of this Schedule, the following definitions apply:

"commercial rental establishment" means

(a) accommodation in a hotel, motel, inn, boarding house, guest house, 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 the 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 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; or

(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 any employer solely or mainly for the benefit of the employees of that employer or of a related person of that employer or their dependants, 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 a local authority or an educational establishment approved by the Minister 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.

"dwelling" means any building, premises, structure or any place or any part of these which is not a commercial rental establishment and which is used predominantly as a place of residence or abode of a natural person or which 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 program provided by any one of the following establishments that is duly registered or licensed by the Minister for Education:

(a) a day care, including 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;

"estate developer" means a commercial establishment engaged in the business of the construction and sale of immovable property;

"financial services" means the provision of insurance; issue, transfer, receipt of, or dealing with money whether in domestic or foreign currency or any note or order of payment of money; provision of credit; or operation of a bank account or an account with a similar institution;

"kits" means the knocked down components for the manufacture of automobiles;

"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 for Health to perform that service , other than spa, gymnasium and similar services;

"medical supplies" means equipment and accessories for the supply of medical services as determined by the Minister responsible for Health;

"mutual fund" means a public or external company incorporated to operate as a collective investment scheme;

"National Lotto" means the National Lotto established under section 1 of the National Lotto Act, 2006 (Act 722);

"pharmaceuticals" mean the essential drugs listed under Chapter 30 of the Harmonised Systems Commodities Classification Code, 2012;

"private equity fund" means an investment company which pools money to invest in private companies for the purpose of generating or making returns on their growth; and

"venture capital fund" means an investment company which pools money to provide funding to early stage, high potential growth companies for purposes of generating or making returns on their growth.

3. 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;
(m) cocoa;
(n) shea butter; and
(o) edible meat and offal of the animals listed in paragraph 5,

provided that the processing is restricted to salting, smoking or similar processes, but excluding pate, fatty livers of geese and ducks, and similar products.

4. For the purposes of paragraph 3, the agricultural and aquatic food products shall be considered to be in their raw state, even if they have undergone simple preparation or preservation, including freezing, chilling, drying, salting, smoking, stripping or polishing.

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

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

6. A supply of the following agricultural inputs:
(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, nematicides, herbicides, growth regulators, pesticides, veterinary drugs and vaccines, feed and feed ingredients other than food, drugs and vaccines for domesticated animals generally held as pets.

7. (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.

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

9. A supply to a dwelling of electricity up to a maximum consumption level specified for block charges for lifeline units.

10. (1) A supply of textbooks and supplementary readers on the Ministry of Education approved list, newspapers, atlases, charts, maps and music.

(2) The exemption in subparagraph (1) does not apply to imported newspapers, architectural and similar plans, and drawings, scientific and technical works, periodicals, magazines, trade catalogues, price lists, greeting cards, almanacs, calendars, diaries and stationery.

11. A supply of education services.

12. A supply of laboratory and library equipment for use in rendering educational services.

13. A supply of medical services and medical supplies.

14. (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 for Health and prescribed in Regulations.

(3) An import of selected drugs or pharmaceuticals as determined by the Minister for Health and prescribed in Regulations.

15. A supply of domestic transportation of passengers by air, road, rail and water, except the supply of haulage or the rental or hiring of passenger and other vehicles.

16. A supply of machinery and parts of machinery specifically designed for use in the following activities:

(a) agriculture, veterinary practice, fisheries, acquaculture and horticulture;
(b) mining as specified in the mining list;
(c) manufacturing;
(d) railway and tramway;
(e) upstream petroleum operations as specified in the petroleum list; and
(f) dredging.

17. 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.

18. A supply of the following:

(a) immovable property, including land, used or intended to be used for the purpose of a dwelling;
(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.

19. A supply of financial services.

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

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

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

23. A supply of mosquito nets, whether or not impregnated with chemicals.

24. A supply of paper for the production of exercise books and textbooks.

25. An import of mild carbon steel for the manufacture of machetes.

26. A stake in the National Lotto organised by the National Lottery Authority.

27. Importation of 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.

28. Management fees charged by a local fund manager for management of a licensed private equity fund, a venture capital fund or a mutual fund.".

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