VALUE ADDED TAX (AMENDMENT) (NO. 2) ACT, 2017

Act 954

ARRANGEMENT OF SECTIONS

Section

1. Section 5 of Act 870 amended
2. Section 42 of Act 870 amended
3. Sections 47A and 47B inserted
4. Section 48 of Act 870 amended
5. Section 52 of Act 870 amended
6. First Schedule to Act 870 amended

Act 954

REPUBLIC OF GHANA

THE NINE HUNDRED AND FIFTY-FOURTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED

VALUE ADDED TAX (AMENDMENT)(NO. 2) ACT, 2017

AN ACT to amend the Value Added Tax Act, 2013 (Act 870) to remove the tax on stakes in the National Lotto, to provide for the withholding from the payment of Value Added Tax to registered Value Added Tax traders and to provide for related matters.

DATE OF ASSENT: *29th December, 2017.*

PASSED by Parliament and assented to by the President:

Section 5 of Act 870 amended

1. The Value Added Tax Act, 2013 (Act 870), referred to in this Act as the "principal enactment", is amended in paragraph *(d)* of subsection (2) of section 5 by the deletion of "lotteries and".

Section 42 of Act 870 amended

2. Section 42 of the principal enactment is amended by the deletion of subsection (11) and the insertion of

"(11) In the case of telecommunications service described in paragraph *(b)* of subsection (2) of section 16, 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".

Sections 47A and 47B inserted

3. The principal enactment is amended by the insertion after section 47 of

"**Appointment of Value Added Tax Withholding Agent**

47A. The Commissioner-General may in writing appoint a Value Added Tax Withholding Agent for the Authority.

Duties of a Value Added Tax Withholding Agent

47B. A Value Added Tax Withholding Agent shall

(a) withhold from the payment to a registered Value Added Tax trader, seven percent of the taxable output value of standard rated supplies; and

(b) 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.

Scope of Value Added Tax Withholding Agent

47C. The scope of a Value Added Tax Withholding Agent shall include

(a) Value Added Tax registered entities whose supplies are zero-rated; and

(b) selected Government and other Value Added Tax registered entities.".

Section 48 of Act 870 amended

4. Section 48 of the principal enactment is amended by

(a) the insertion after subparagraph (iii) of paragraph *(a)* of subsection (1) of

"(iv) in respect of supplies made in Ghana, the taxable person is in possession of a Withholding Value Added Tax Credit Certificate issued under this Act.; and

(b) the renumbering of subparagraph (iv) of paragraph *(a)* of subsection (1) as (v).".

Section 52 of Act 870 amended

5. Section 52 of the principal enactment is amended by the addition of subsection (9)

"(9) Despite subsections (4) and (5), a Value Added Tax Withholding Agent shall,not later than the 15th day of the month immediately following the month to which the returns relate,

(a) submit to the Commissioner-General returns relating to the Value Added tax withheld under section 47B for each period in accordance with the prescribed form; and

(b) pay the amount withheld for each period to the Commissioner-General.".

First Schedule to Act 870 amended

6. The First Schedule to the principal enactment is amended by the addition of the following new paragraph:

"24. (1) A stake in the National Lotto organised by the National Lottery Authority.

(2) For purposes of this paragraph, "National Lotto" has the meaning assigned in section 56 of the National Lotto Act, 2006 (Act 722).".

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