Navigating taxation - 2026

Ghana

July 2026

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Introduction

In this publication, all currency references are in Ghana Cedi (GH¢), which was approximately USD 0.0881 as at 30 June 2026.

Although we have taken all reasonable care in compiling this publication, we do not accept responsibility for any errors or inaccuracies that it may contain. This guide has been prepared for quick reference, and action should not be taken on the strength of the information contained herein without obtaining professional advice.

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A brief profile of PwC

About us

Global overview
At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're a tech-forward, people-empowered network with more than 364,000 people in 136 countries. Across audit and assurance, tax and legal, deals and consulting we help clients build, accelerate and sustain momentum. Find out more at www.pwc.com.

Our global values
We are driven by our global values of Act with integrity, Make a difference, Care, Work together and Reimagine the possible. We strive to deliver what we promise, work together as a team, and become a more purpose-led and values-driven firm.

In Africa, PwC is the largest provider of professional services, with over 400 partners and over 10,000 people located in 14 countries and 31 office locations. This enables us to provide clients with seamless and consistent service, wherever they are located on the continent.

PwC Ghana
We offer professional services to both the private and public sectors in the following industries:

- Consumer and Industrial Products and Services
- Energy, Utilities and Resources
- Financial Services
- Government and Public Sector (Including Donor Agencies and NGOs)

Audit and Assurance Services

Our audit approach is tailored to suit the size and nature of your organisation and draws upon our extensive industry knowledge. As leaders in the development of non-financial performance reporting, we help our clients respond to the need for greater transparency, improved corporate governance and business models based on the principle of sustainability. Every engagement is considered unique and is executed to ensure value creation. We assist shareholders and other stakeholders by providing an independent opinion and reports that add credibility to financial information. We assist audit committees in discharging their corporate governance and compliance responsibilities. We provide clearance to group auditors so that they are able to meet group reporting requirements. And we assist management by providing observation and advice on financial reporting and business issues.

Risk Assurance Services

Our risk assurance services consist of a portfolio of inter-related solutions developed around the themes of risk, controls and assurance. These services draw on skills and competencies that are fundamental to the delivery of a high-quality financial audit.

The risk assurance services we offer manage the following four areas of risk:

- Financial/Commercial
- Operational
- Organisational
- Compliance/Regulatory

Tax and Legal Services

PwC is the leading provider of tax services worldwide. We understand your business and economic environment and we combine this with specialist tax knowledge to help you navigate complexity. We provide services in the areas of direct tax, indirect taxes, transfer pricing, international tax and mergers and acquisitions, tax reporting and strategy, people and organisation and company secretarial and immigration services.

As regards accounting, we assist with preparing the monthly cash book, recording monthly bank transactions, keeping other subsidiary ledgers, submitting the trial balance, income statement, and balance sheet.

Advisory Services

We help organisations to work smarter and grow faster. We consult with our clients to build effective organisations, innovate and grow, reduce costs, manage risk and regulation and leverage talent. Our aim is to support you in designing, managing and executing lasting beneficial change. We offer services in the following areas:

- Transactions
- Business recovery
- People and change
- Finance and accounting
- Strategy and operations
- Technology solutions
- Forensics and investigative Services

Sustainability and Climate Change Services

Organisations today operate in a complex environment with growing pressures from many angles. These include the need for transparency from stakeholders; consumer pressure (licence to operate); growing and changing risks to business models and supply chains; and increased competition for efficiency and growth opportunities attained through access to new products and markets.

Our sustainability experts help our clients in defining their sustainability strategy, advising on policy, operational change, risk management, reporting, monitoring and assuring their progress – all through a sustainability lens. We help our clients integrate environmental, social and governance issues into their operations and embrace the challenges of today's business environment as opportunities for long-term and sustainable growth.

PwC Ghana Business School

For PwC, developing people and sharing knowledge are central to how we do business. We believe it is pivotal to the achievement of growth in our firm, our clients' businesses, industries and the broader economy.

PwC's Business School is not a traditional learning institution. Due to our deep experience and knowledge of our clients' businesses and the industries in which they operate, we are subject matter experts in a variety of areas. PwC's Business School is therefore focused on delivering relevant learning and development solutions based on this knowledge, as well as offering public courses on selected topics and a wide range of bespoke training solutions tailored to the needs of organisations.

For more information on the Business School please visit our website: pwc.com/gh/en/about-us/business-school.html.

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Direct taxation

Income liable to tax

In Ghana, income tax is charged each year on the income of both resident and non-resident persons.

Resident persons are taxed on their worldwide income while non-resident persons are taxed on income which has a source in Ghana. Generally, income has a source in Ghana if it accrues in or is derived from Ghana.

Resident persons

An individual is resident for tax purposes if that individual is:

- Present in Ghana for an aggregate period of at least 183 days in any 12-month period that commences or ends during the year;
- A citizen who is temporarily absent from Ghana for a period of not more than 365 continuous days where that citizen has a permanent home in Ghana; or
- An employee of the Government of Ghana who has been posted abroad.

A partnership is resident for a year if any of the partners resided in Ghana at any time during that year.

A company is resident if it is incorporated under the Companies Act, 2019 (Act 992) or management and control of the company is exercised in Ghana at any time during the year.

A Ghanaian permanent establishment is treated as a resident company for the purposes of income taxation.

Persons not meeting the above criteria are non-resident persons.

Income sources

The chargeable income of a person for any assessment period is the total of that person's income for the year from each business, employment, and investment less the total amount of deductions allowed to that person.

Taxation of individuals

Monthly tax rates

The table below indicates the monthly income tax bands and rates generally applicable to the chargeable income of resident individuals:

Year 2026	Chargeable income GH¢	Rate (%)	Tax payable GH¢	Cumulative income GH¢	Cumulative tax GH¢
First	490.00	0	0.00	490.00	0.00
Next	110.00	5	5.50	600.00	5.50
Next	130.00	10	13.00	730.00	18.50
Next	3,166.67	17.5	554.17	3,896.67	572.67
Next	16,000.00	25	4,000.00	19,896.67	4,572.67
Next	30,520.00	30	9,156.00	50,416.67	13,728.67
Exceeding	50,416.67	35			

The chargeable income of non-resident individuals is generally taxed at a flat rate of 25%.

Income from employment

An individual's income from employment for a calendar year is the gains and profits of that individual from the employment for that year or a part of the year.

Personal relief

Personal reliefs ranging from GH¢600 to GH¢2,000 (per category) are available to individuals who meet the qualifying criteria. Individuals with disabilities are also entitled to 25% of their non-investment assessable income as personal relief.

Contributions to retirement benefit schemes

Statutory contributions towards retirement are categorised under a three-tiered scheme, as follows:

- **First tier** – A mandatory basic social security scheme.
- **Second tier** – A mandatory fully funded and privately managed occupational pension scheme.
- **Third tier** – A voluntary fully funded and privately managed provident fund and personal pension scheme.

The general mandatory monthly pension contribution rates are as follows:

- **By employers**: 13% of the employee's salary.
- **By employees**: 5.5% of the employee's salary.

The employer is responsible for remitting the total contributions within 14 days from the end of the month in which the deduction is expected to have been made. The contributions are remitted to the Social Security and National Insurance Trust (SSNIT) and an approved trustee, as appropriate.

Exemption from tax is available for qualifying contributions made to the mandatory and voluntary pension schemes.

Interest incurred by an individual on residential premises

Mortgage interest incurred by an individual on a loan employed in the construction or acquisition of one residential premises may be claimed as a deduction against the income of that individual.

Non-cash benefits

Except where specifically exempt or otherwise stated, non-cash benefits received from employment are recognised at market value and taxed.

Accommodation facilities and vehicle-related benefits are valued as follows:

Facility provided	Quantification of benefit
Provision of accommodation	**Value (% of TCE)**
Accommodation with furnishings	10%
Accommodation only	7.5%
Furnishings only	2.5%
Shared accommodation	2.5%
Provision of means of transport	
Fuelled vehicle with driver	12.5% up to GH¢1,500 per month
Vehicle with fuel	10% up to GH¢1,250 per month
Vehicle only	5% up to GH¢625 per month
Fuel only	5% up to GH¢625 per month

Taxation of loan benefits

Interest on concessionary loans granted by an employer to an employee may be deemed as a taxable benefit.

Non-taxable benefits/income

The following benefits and income are generally not taxable:

- A discharge or reimbursement of proper business costs incurred on behalf of the employer.
- A discharge or reimbursement of the employee's dental, medical, or health insurance expenses if the benefit is available to each full-time employee on equal terms.
- Relocation costs for recruiting a non-resident individual to come and work in Ghana based on certain conditions.
- On-site accommodation provided by an employer engaged in timber, mining, building, construction, farming business or petroleum operations to employees.
- Payment made to employees on a non-discriminatory basis which by reason of the size, type and frequency of the payment is unreasonable or administratively impracticable for the employer to account for or allocate to an individual.
- Redundancy pay.
- Pension.
- Capital sum paid to a person as compensation or gratuity for personal injury suffered by that person or because of the death of another person.
- Interest paid to an individual by a resident financial institution or on bonds issued by the Government of Ghana.
- Interest and dividends paid or credited to a member of an approved unit trust or mutual fund scheme.

Taxation of overtime and bonus

Reduced income tax rates apply on overtime and bonus payments subject to meeting certain conditions.

Payment to temporary and casual workers

Payment to a temporary worker is generally taxed using the general applicable income tax rates for individuals. Payment to a casual worker is subject to 5% final withholding tax.

Pay-as-you-earn

Pay-as-you-earn (PAYE) is a system of withholding income tax from payments made by employers to employees.

Under the PAYE system, the employer deducts tax from an employee's taxable income at source and remits the tax to the Ghana Revenue Authority (GRA) by the 15th day of the month following the month in which the deduction was or should have been made.

Employer returns

An employer must file an Employer's Annual Tax Deduction Schedule with the GRA, disclosing income paid to and tax withheld from each employee, within four months of the end of the calendar year.

Modified taxation

Individuals whose only source of income in the year is from one business may opt to be taxed under the presumptive tax scheme based on instalment or turnover, subject to certain conditions.

Year of assessment (individuals and partnerships)

The year of assessment and accounting period for both individuals and partnerships are the calendar year.

Corporate tax

Rates of tax

Income tax rates applicable to companies differ according to industry, location and type of business. The general rates applicable to entities which do not qualify for incentives are:

Entity /activity	Rate (%)
Companies – General	25
Companies engaged in mining or upstream petroleum business	35

Minimum chargeable income

Apart from farming businesses and businesses operating within the first five years of commencement of operations, businesses that have been declaring losses for the previous five years of assessment may be subject to minimum tax on 5% of their turnover.

Year of assessment (companies)

The year of assessment is the calendar year.

Basis period

The accounting period of a company or trust is the accounting year of the company or trust.

A company or a trust may choose a particular accounting year. Once chosen, an accounting year cannot be changed unless approval in writing is obtained from the Commissioner-General of the GRA.

Deductions allowed

Expenses that are wholly, exclusively and necessarily incurred in the production of income are allowed as a deduction for tax purposes.

Examples of allowable expenses are as follows:

- Capital allowance.
- Bad debts (under certain conditions).
- Tax losses brought forward for a specified number of years.

- Repairs and improvements under certain conditions.
- Losses incurred on the realisation of business or investment assets and liabilities.
- Incentives for hiring recent graduates.
- Financial costs under certain conditions.

Deductions not allowed

In general, expenses that are of a capital nature or not wholly, exclusively and necessarily incurred in the production of income are not deductible. Examples of expenses that are not deductible include domestic and excluded expenditure.

Capital allowances

Capital allowances are granted to persons who own depreciable assets and use those assets to produce income from business. Capital allowances granted to a person are to be taken in the year granted and cannot be deferred.

Depreciable assets are grouped in the following classes for the purpose of capital allowances except for mining and upstream petroleum entities:

Class	Assets included	Rate (%)	Basis
1	Computers and data handling equipment with peripheral devices	40	Reducing balance
2	i) Automobiles, trailers, buses and minibuses, goods vehicles, construction and earth-moving equipment, heavy general purpose or specialised trucks, plant and machinery used in manufacturing ii) Plantation capital expenditure	30	Reducing balance
3	Locomotives, water transportation equipment, aircraft, office furniture and fixtures Equipment not included in another class	20	Reducing balance
4	Buildings, structures and works of a permanent nature	10	Straight-line
5	Intangible assets	Over useful life	

An importer or manufacturer of excisable goods shall be granted 50% capital allowance on a straight line basis on machinery and equipment imported for the purpose of affixing excise tax stamps.

Carry-over of tax losses

Tax losses can be carried forward for 5 years.

Mineral royalties

Mineral royalties are payable by holders of mining leases, restricted mining leases and small-scale mining licences. With effect from March 2026, price-linked royalties apply to non-small-scale gold operations and lithium spodumene, ranging from 5% to 12%, while small-scale gold operations attract a 2% royalty. Other minerals, including diamond, bauxite, manganese, salt, industrial minerals, limestone and iron ore, attract a royalty rate of 5%.

Royalty payments must be made within 15 days after the end of each month, together with a monthly report on royalties accrued and payments made on account. Taxpayers must also submit annual mineral production returns and complete an end-of-year reconciliation within 30 days after year-end.

Ring-fencing of financial institutions, petroleum and mineral operations

The chargeable income of financial institutions, petroleum or mineral operations is calculated separately for each financial service, petroleum right or mineral operation.

Dividends

Generally, unless exempt or subject to lower rate in a double tax treaty, dividends paid by a resident company is subject to a final withholding tax of 8%.

Growth and sustainability levy

The Growth and Sustainability Levy ("GSL") is a quarterly levy chargeable on the accounting profit before tax (PBT) or gross production of some specified companies and institutions. The rate of this levy is 5% of PBT for Category A companies and institutions, 1% or 3% of gross production for Category B companies and 2.5% of PBT for Category C entities. It is applicable for years up to 2028.

The affected companies and institutions are:

Categories	Rate (%)
Category A 1. Banks 2. Non-Bank Financial Institutions 3. Insurance companies 4. Telecommunications companies liable to collect and pay the Communications Service Tax under the Communications Service Tax Act, 2008 (Act 754) 5. Breweries 6. Inspection and valuation companies 7. Companies providing mining support services 8. Bulk Oil Distributors 9. Oil Marketing Companies 10. Communication Tower Operators 11. Companies providing upstream petroleum services 12. Companies and institutions registered by the Securities and Exchange Commission 13. Specialised Deposit-Taking Institutions 14. Electronic Money Issuer 15. Shipping lines, maritime and airport terminals	5% of profit before tax
Category B	
Gold mining companies	3% of gross production
Other mining companies and upstream oil and gas companies	1% of gross production
Category C All other entities not falling within Category A or Category B	2.5% of profit before tax

Free-zone developers/enterprises

Companies registered to operate as free-zone developers/enterprises enjoy a ten-year income tax holiday. Once the ten-year tax holiday has expired, the tax rate on the export of goods and services is 15%. Any other non-exempt income is likely to be taxed at 25%.

Young entrepreneurs

Business income of young entrepreneurs operating in certain sectors is exempt from tax for five years. Depending on the location of the business, the income tax rate is increased to up to 15% for the next five years and then up to 25% thereafter. Such businesses could also carry forward tax losses for five years.

Private universities

Private universities are exempted from corporate income taxes if 100% of profit after tax is ploughed back into the business.

Manufacturers and assemblers of automobiles

Business income of registered manufacturers and assemblers of knocked down automobiles under the Ghana Automotive Manufacturing Development Programme are exempted from tax for a period ranging between 3 to 10 years subject to meeting certain conditions.

Lottery operators

Business income of lottery operators is subject to tax at 20% of gross gaming revenue (GGR). GGR is the total amount staked or wagered less prizes or winnings paid or payable. Lottery operators include private lotto operators, sports betting operators, casino operators, route operators, remote interactive games operators and other games of chance operators.

Change in control

Any change in the underlying ownership of an entity that exceeds 50% and takes place at any time within a three-year period, may trigger the following consequences for the entity:

- Deemed disposal of the assets and liabilities of the entity at market value and reacquisition at the same value; and
- Non-deductibility of financial costs, losses and bad debts incurred before the change after the change.

Taxation of gifts

A gift received by an entity in respect of business, or an investment is included in the assessable income of the entity and taxed at the applicable corporate tax rate.

Realisation of assets and liabilities

The gains or losses from the realisation of business or investment assets and liabilities are included in the assessable income of the entity and taxed at the applicable corporate tax rate. A prescribed return should be filed within 30 days after realisation of an asset or liability.

Telecommunications and transportation business

Payments received by a non-resident person who carries on a business of transmitting or receiving messages by cable, radio, optical fibre or satellite or electronic communication from an apparatus located in Ghana, whether or not the messages originate, terminate or are used in Ghana, are subject to a withholding tax rate of 15%.

Similarly, payments received by a person who conducts a business of carrying passengers, cargo, mail or other movable assets that are embarked in Ghana (other than transhipment), including the rental of containers and related equipment that are incidental or supplementary to the transportation business, are subject to a withholding tax rate of 15%. For a non-resident, the withholding tax is treated as a final tax.

Taxation of banking business

A person engaged in banking business is required to determine income or loss from the banking business separately from any other business activity and keep separate books of account for each business. Specific provision for a debt claim is deductible if the Commissioner-General is satisfied that it is indeed a bad debt.

Financial sector recovery levy

The financial sector recovery levy is a quarterly levy applicable to banks, excluding rural or community banks. The rate is 5% of the accounting profit before tax of a bank.

Taxation of insurance companies

General business

The business of a general insurance company is taxed on premiums and proceeds derived and any reserve for unexpired risk deducted in the previous period, less:

- Proceeds incurred.
- Premium incurred under a contract of reinsurance.
- Reserve for unexpired risk as at the end of the accounting year.

The corporate income tax rate is applied to the result.

Any other business activity of a person engaged in general insurance business is required to be tracked and taxed separately.

Life insurance business

A person engaged in a life insurance business is required to determine income from the life insurance business separately from any other business activity.

The business of a life insurance company is taxed as follows:

- **Step 1**: Exclude from income premiums derived and proceeds derived.
- **Step 2**: Do not deduct from income and do not include in the cost of an asset or liability premiums and proceeds incurred.

The corporate income tax rate is applied to the result.

Withholding tax on premium payments

Premiums paid to a resident insurance company under an insurance contract are excluded from withholding tax.

Premiums paid to a non-resident person for insurance with a source in Ghana attract a 5% withholding tax.

Taxation of retirement funds

Retirement contributions received by a retirement fund are exempt from tax. Retirement payments made by the retirement fund are not deductible.

Payments sourced from Ghana

The following are some of the payments considered as having been sourced from Ghana:

- Dividends paid by a tax resident company.
- Interest paid by a resident person (including a Ghanaian permanent establishment) or paid in relation to a debt obligation secured by real property located in Ghana.
- Payments made in respect of natural resources located in Ghana.
- Rent paid for the use of, right to use, or forbearance from using an asset situated in Ghana.
- Royalties paid for the use of, right to use, or forbearance from using an asset in Ghana.
- Premiums and proceeds for general insurance paid to cover risk in Ghana.
- Payment in respect of acquiring a domestic asset or incurring a domestic liability or the realisation of that asset or liability.
- Payment made in respect of an activity conducted or forbearance from conducting an activity in Ghana.
- Payments for employment or services rendered in Ghana, regardless of the place of payment; or paid by the Government, regardless of the place of performance.
- Any other payments brought into or received in Ghana by a resident person.

General matters

Income attributable to a permanent establishment

The income and liability of a permanent establishment are calculated as if the permanent establishment is separate from its owner and arrangements between the two are recognised.

The income of a Ghanaian permanent establishment is subject to tax in the same manner as a resident company. The foreign income of a foreign permanent establishment is exempt from tax in Ghana.

Branch profit tax

The net profit of a branch is deemed as repatriated profits and attracts a final withholding tax of 8%.

Unilateral relief from double taxation

A resident person (excluding a partnership) can claim foreign tax credit for any income tax they pay to a foreign country in respect of a foreign sourced income to the extent that the foreign sourced income is included in the assessable income of that person.

Double tax treaties

Double tax treaties (DTTs) provide relief from the double taxation of income that accrues to residents of contracting states within either of the jurisdictions covered by the treaty. Ghana has DTTs with several countries.

Treaty tax rates

Tax rates applicable under the terms of these treaties are as follows:

Country/type of income	Dividends [1]	Dividend [2]	Royalties	Technical or management service fee	Interest
	%	%	%	%	%
France	7.5	15.0	12.5	10.0	12.5
United Kingdom	7.5	15.0	12.5	10.0	12.5
Germany	5.0	15.0	8.0	8.0	10.0
South Africa	5.0	15.0	10.0	10.0	10.0[3]
Belgium	5.0	15.0	10.0	10.0	10.0
Italy	5.0	15.0	10.0	10.0	10.0
The Netherlands	5.0	10.0	8.0	8.0	8.0
Switzerland	5.0	15.0	8.0	8.0	10.0
Denmark	5.0	15.0	8.0	8.0	8.0
Singapore	7.0	7.0	7.0	10.0	7.0
Mauritius	7.0	7.0	8.0	10.0	7.0
Czech Republic	6.0	6.0	8.0	8.0	10.0
Morocco	5.0	10.0	10.0	10.0	10.0
Qatar	5.0	10.0	10.0	10.0	10.0
Ireland*	7.0	7.0	8.0	10.0	7.0
Malta*	6.0	6.00	8.0	12.0	7.0
Norway*	7.0	15.0	10.0	12.0	7.0
Barbados*	5	7.5	7.5	7.5	7.5[4]
Luxembourg*	7.0	7.0	8.0	10.0	7.0
Seychelles*	5.0	5.0	5.0	8.0	5.0
Iran*	5.0	6.0	5.0	10.0	5.0

* Not yet in force.

[1] Dividends, where the recipient holds at least 10% or 25% of shares.
[2] Dividends, in any other case.
[3] Withholding tax of 5.0% will apply for payments to non-resident banks.
[4] Withholding tax of 5.0% will apply for interest derived by a bank which is a resident of the other contracting state.

Withholding tax under domestic tax laws

Payees registered on the GRA's Taxpayer Portal can now download withholding tax credit certificates provided the withholding agents file and make payment using the portal.

Income	Rate (%)
Resident persons:	
Interest (excluding individuals and resident financial institutions)	8
Dividends	8
Rent on residential properties	8
Rent on non-residential properties	15
Fees to resident individuals as invigilators, examiners and part-time teachers or lecturers, and endorsement fees to individuals	10
Fees or allowances to directors, managers, board members and trustees who are resident individuals	20
Commission to insurance, sales, canvassing and lotto agents who are individuals	10
Supply of goods exceeding GH¢2,000 per annum	3
Supply of works exceeding GH¢2,000 per annum	5
Supply of services by an entity exceeding GH¢2,000 per annum	7.5
Supply of general services by an individual	7.5
Payments to petroleum subcontractors	7.5
Payments for unprocessed rough diamonds	1.5
Royalty, natural resource payments	15
Realisation of assets and liabilities	3
Non-resident persons:	
Dividends	8
Royalties, natural resources payments and rents	15
Management and technical service fees	20
Goods, works or any services	20
Repatriated branch after tax profits	8
Interest income (excluding individuals)	8
General insurance premiums	5
Income from telecommunication and transportation business	15
Payments to petroleum subcontractors	15
Realisation of assets and liabilities	10

Exempt income

The following types of income are exempt from tax:

a. Gain from life insurance when the proceeds are paid by a resident insurer.

b. The income of a non-resident person from a business that operates ships or aircraft, if the Commissioner-General is satisfied that an equivalent exemption is granted by that person's country of residence to persons resident in Ghana.

c. A dividend paid to a resident company by another resident company when the company receiving the dividend controls at least 25% of the voting power in the company paying the dividend. This exemption does not apply to certain special industries.

d. Interest or dividend on an investment paid or credited to a holder or member of an approved unit trust scheme or mutual fund.

e. Interest and gains realised by a non-resident person on bonds issued by the Government of Ghana.

f. Income of an approved unit trust or mutual fund.

g. Income of an approved Real Estate Investment Trust.

Anti-avoidance schemes

Income splitting

Income splitting includes transfers of income or assets (including money) to an associate that result in the transferee receiving or enjoying the income from that property to reduce the combined tax liability of the transferor and transferee. Income splitting is not permitted under the laws of Ghana.

Transfer pricing

Ghana's Transfer Pricing Rules (TPRs) require that transactions conducted between persons who are in a controlled relationship (e.g., parent-subsidiary, associates, relatives, etc.) be done at arm's length. Controlled relationships are based on participation, management or control of an entity. The threshold for control determination is 25% or more of the entity's voting power, income or capital. The TPRs do not cover transactions between an employer and employee.

A transaction is conducted at arm's length if the terms of the transaction do not differ from the terms of a comparable transaction between independent persons.

The acceptable methods under the TPRs are like those contained in the guidance of the Organisation for Economic Co-operation and Development (OECD) on transfer pricing.

At the end of the year, taxpayers who conducted business with other persons with whom they have controlled relationships are required to complete and file:

- Annual transfer pricing returns.
- Country-by-Country report.
- Supporting documentation or information on transactions with connected persons in the form of Master File and Local File.

Thin capitalisation

A company is deemed as being thinly capitalised if at least 50% of the company is owned or controlled by an exempt person and the ratio of its debt to equity is greater than 3:1. Thin capitalisation does not apply to financial institutions.

Administrative procedures

Furnishing of returns of income

A return of income should be filed with the GRA within four months of the end of each accounting period.

Subject to approval by the Commissioner-General, multiple extensions may be granted to file a return later. Extensions granted shall not exceed 60 days from the date the return was originally due to be filed.

Cases where a return is not required

Unless the Commissioner-General requests so in writing, a return shall not be filed by:

- A non-resident person who has no tax payable for the year; or
- A resident individual who has no tax payable on his or her chargeable income for the year.

Statement of estimated tax payable

A person who is required to directly pay tax in instalment is required to file an estimate of tax payable for the year with the Commissioner-General by the date for payment of the first tax instalment.

Payment of tax

Tax instalment payments are generally due by the last day of the third, sixth, ninth and twelfth months of the basis period where the accounting period is a twelve-month period.

Withholding tax is due 15 days after the end of each calendar month that a tax is withheld.

In any other case, tax is due on the date stated in a notice of assessment.

Offences and penalties

Penalties and interests apply for non-compliance, and in some cases, criminal sanctions exist for the income tax offences.

Independent Tax Appeals Board

The Independent Tax Appeals Board (ITAB) was established under the Revenue Administration Act, 2016 (Act 915) to hear and determine appeals against objection decisions issued by the Commissioner-General of the GRA. Its role is to provide taxpayers with an independent, fair, and transparent platform to challenge tax assessments and other tax decisions after the objection stage.

A taxpayer who appeals to ITAB is required to settle the prescribed application fee and submit a Notice and Memorandum of Appeal within specified timelines.
A taxpayer who is dissatisfied with the outcome of proceedings at ITAB may proceed to seek redress at the courts.

02

Indirect taxation

Value Added Tax, National Health Insurance Levy & Ghana Education Trust Fund Levy

Scope

In Ghana, Value Added Tax (VAT), National Health Insurance Levy (NHIL) and Ghana Education Trust Fund Levy (GETFL) are charged on any supply of goods and services that is a taxable supply and is made by a taxable person in the course of its taxable activity.

A taxable activity means an activity, whether for a pecuniary profit or not, carried on by a person in Ghana or partly in Ghana that involves the supply of goods or services to another person for consideration.

Except for exempt goods and services, VAT, NHIL and GETFL are generally charged on the following:

- The supply of goods and services made in Ghana.
- Imports of goods and services.

The liability for VAT, NHIL and GETFL is in the case of:

1. A taxable supply, by the taxable person making the supply.
2. Imported goods, by the importer.
3. An imported service, by the receiver of the service under certain conditions.
4. The supply of telecommunication services, digital services or electronic commerce for use in Ghana, by the non-resident person making the supply or its agent.

Except for taxable supplies considered to be zero-rated, the standard rate of VAT is 15%, the NHIL is 2.5% and the GETFL is 2.5%.

A taxable person is a person who is registrable for VAT and/or who has been registered by the Commissioner-General and issued with a certificate of registration. The effective date of registration as a taxable person is the date specified on the certificate of registration or, in the case of persons who are registrable but not yet registered for VAT, from the beginning of the tax period immediately following the tax period in which the obligation to register arose.

Standard (invoice credit) scheme

The general mandatory registration turnover threshold for suppliers of goods is GH¢750,000 over a twelve-month period (or its quarterly equivalent). There is no registration threshold applicable to the taxable supply of services. Accordingly, all service providers are required to register for VAT within 30 days of commencement of service.

Group registration

Group registration is possible but subject to approval of a written application by members of the proposed group of businesses.

Tax representative

A taxpayer may appoint a person as his representative in dealings with the GRA subject to conditions approved by the Commissioner-General.

Certified invoicing system

VAT-registered persons are required to issue invoices using an electronic invoicing system that is integrated with the invoicing system of the GRA—the Certified Invoicing System (CIS). There are several approaches to adopting the electronic invoicing system.

Exempt supplies

Some supplies that are specifically exempt are listed below:

1. Agricultural inputs.
2. Water, excluding bottled or packaged water.
3. Electricity to homes.
4. Local textbooks, approved supplementary readers, newspapers, atlases, charts, maps and music.
5. Education services, and laboratory and library equipment for use in rendering such services.
6. Medical services and medical supplies.
7. Certain pharmaceuticals, active ingredients and selected inputs.
8. Domestic transportation (excluding transport by air).

9. Machinery and parts of machinery designed for use in certain specified activities.
10. Crude oil and specified hydrocarbon products.
11. Accommodation in a dwelling, or land for agricultural use and civil engineering public works.
12. Goods specifically designed for the disabled.
13. Financial services, excluding non-life insurance (except motor vehicle insurance).
14. Imported plant and machinery designed specifically for use in the automobile industry and kits by an automobile manufacturer or assembler subject to meeting certain conditions.
15. Imported electric vehicles for public transportation.

The full list and detailed descriptions of exempt items are provided in the relevant VAT legislation.

VAT, NHIL and GETFL incurred

A VAT registered business, which principally makes taxable supplies, may recover the VAT, NHIL and GETFL incurred on goods or services purchased for the business, subject to meeting certain conditions.

There is a time limit of six (6) months within which to claim VAT incurred on goods and services procured.

Withholding of VAT

The Commissioner-General has appointed some persons as VAT withholding agents. These agents are required to withhold from payments for standard rated supplies, 7% of the taxable output value for VAT purposes, and issue a Withholding VAT Credit Certificate at the time of payment.

Upfront payment by VAT-registrable importers

An upfront payment of 20% of the customs value of taxable goods imported by registrable VAT persons (but not registered) is charged at all ports of entry, in addition to import duties, levies and other taxes. This is a VAT compliance measure, and the payment is recoverable once the importer has registered for VAT, filed a VAT return, provided evidence of the upfront payment and applied for the recovery.

Returns

Registered businesses are generally required to submit monthly returns showing:

- VAT, NHIL and GETF charged on supplies;
- The value of supplies that were exempt or relieved from VAT;
- VAT, NHIL and GETFL incurred on the purchase of goods and services; and
- The net VAT, NHIL and GETFL payable or credit.

VAT, NHIL and GETFL return, and payment (if any) are ordinarily due by the last working day of the month after the month to which the returns relate.

VAT, NHIL and GETFL on imported goods are paid when the associated duties are paid. The return and payment of VAT, NHIL and GETFL on imported services are due within 21 days of the month following the month in which the services were imported.

Withholding VAT returns are filed by the 15th day of the following month to which the returns relate and tax withheld is paid by the due date.

Refunds

Businesses can apply for VAT refunds in accordance with the provisions of the relevant VAT legislation. Refund claims must satisfy relevant conditions.

Penalties

There is a comprehensive system of penalties and interest payable for:

- The incorrect declaration of VAT, NHIL and GETFL.
- The late submission of returns.
- Late payments.
- Infringements of the provisions of the VAT laws.

Some monetary penalties resulting from non-compliance are given in the table below:

Offence	Sanctions
Failure to register	Not less than three times the amount of tax on taxable supplies until the application is filed
Failure to issue (proper) tax invoices	Up to GH¢1,200
Failure to comply with provisions of the Certified Invoicing System	Up to GH¢50,000 or three times the amount of tax involved, whichever is higher. This is in addition to the penalty for failure to issue (proper) tax invoices
Late filing of VAT return	GH¢500 plus an additional GH¢10 per day
Making a claim for a refund which you are not entitled to	Twice the original refund request, plus interest
Late payment of tax	125% of the Bank of Ghana monetary policy rate, compounded monthly, and applied to the amount outstanding
Failure to withhold and remit VAT	30% of the amount due plus the VAT that should have been withheld

Communication service tax

Communication service tax (CST) is payable by users of electronic communication services ("ECS") provided by a person permitted or authorised under the Electronic Communications Act, 2008 (Act 775) and its regulations.

Users of ECS include individuals and corporate entities, as well as the ECS providers themselves.

The rate of CST is 5% and is chargeable on ECS, and recharges made by ECS providers. Charges for ECS include those made for monetary and non-monetary consideration (e.g., promotions and bonuses). CST is also applicable to interconnection services.

ECS providers in Ghana are ordinarily required to collect the CST and account to the GRA monthly.

The due date for filing the CST return is the last working day of the month following the month to which the tax return and payment relate, unless the Commissioner-General directs otherwise.

If a CST return is not filed by the due date without justification, a penalty of GH¢2,000 applies, with an additional penalty of GH¢500 for each day the return is not submitted.

If an extension approval has not been granted by the Commissioner-General of the GRA, interest at 125% of the statutory rate is imposed on CST that is not remitted to the GRA by the due date.

Special petroleum tax

Persons licensed to operate as oil marketing companies are required to charge a special petroleum tax at specific rates per litre or kilogramme on the following petroleum products:

- Petrol
- Diesel
- Liquefied petroleum gas
- Natural petroleum gas
- Kerosene

The tax is administered by the GRA and should be remitted by the last working day of the month following the month of transaction.

Customs and excise taxes

Ghana enacted the Common External Tariff (CET) classification system as the binding customs duty regime in 2016.

The CET sets out the various duties and administrative charges applicable to imports and exports and also outlines the rates of excise duties applicable to excisable goods manufactured or imported into the country.

Import duties

Typically, import duties range between 0% and 35%, depending on the nature (description) of the item imported as specified in the CET.

Import duties are generally levied on the cost, insurance and freight (CIF) value of the item imported.

VAT of 15%, NHIL of 2.5% and GETFL of 2.5% are also applied to the sum of the CIF value (used for customs purposes) and the customs duty.

Special import levy

A special import levy of 2% applies on the importation of certain goods. The levy applies in addition to the import duties and mandatory statutory or administrative charges. This levy is expected to expire by December 2028.

African Union import levy

An African Union ("AU") import levy of 0.2% applies on eligible imports of goods from Non-AU member states into AU member states for consumption within the member state. The AU levy provides a reliable and predictable source of funding for the AU and some of its specialised agencies.

ECOWAS levy

An Economic Community of West African States ("ECOWAS") levy of 0.5% is imposed on imports of goods from non-ECOWAS member states into ECOWAS member states. Funding raised through the ECOWAS levy is primarily used in financing the activities of the ECOWAS Commission and Community institutions.

Export and import levy

A 0.75% Export and Import ("EXIM") levy applies on all imports of goods into Ghana. Proceeds from the EXIM levy is subsequently allocated to the Ghana EXIM Bank and the Ghana Export Promotion Agency.

Import duty concessions/exemptions

Certain privileged individuals, organizations, and institutions—such as diplomatic missions, as well as entities in specific sectors like mining, oil and gas, and free zones—are eligible for special import duty concessions/exemptions.

Administrative charges

There are statutory administrative charges ranging between 0.4% and 3.45% of the value of goods imported. These charges may apply regardless of any import duty exemptions.

Export duty

Exports usually attract 0% duty, except in some cases for specific classes of goods.

Excise duty

Excise duty is applicable to specified goods manufactured in or imported into Ghana. It is imposed at specified rates and expressed on the qualifying price (in addition to specific rates for some products). It applies to products such as beer, spirits, tobacco products and electronic cigarettes.

Excise tax stamp

Excise tax stamps are to be affixed to specific excisable goods which are manufactured in or imported into the country.

It applies to tobacco products, alcoholic and non-alcoholic carbonated beverages, bottled water and other goods specified by the Minister responsible for Finance, before sale or before entry into the market.

Environmental tax

An environmental excise tax of 5% applies to specified locally manufactured and imported plastic and plastic products.

Airport tax

Airport tax is levied on local and foreign travels. The tax is GH¢5 for local travels and US$60–US$200 for foreign travels.

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