

# **ELECTRONIC TRANSFER LEVY BILL, 2021**

**A**

**BILL**

**ENTITLED**

## **ELECTRONIC TRANSFER LEVY ACT, 2021**

**AN ACT** to impose a levy (e-levy) to be known as the Electronic Transfer Levy on electronic transfers and to provide for related matters.

PASSED by Parliament and assented to by the President:

### **Imposition of levy on mobile money transfers**

1. (1) There is imposed by this Act, an Electronic Transfer Levy of 1.75% on electronic transfers.
- (2) The Levy shall be charged at the time of transfer by the entities listed in the First Schedule.

### **Scope of application of Levy**

2. (1) Subject to subsection (2), the Levy imposed under section 1 applies to the transfers listed in the Second Schedule
- (2) The Levy imposed under section 1 does not apply to:
  - i. cumulative transfers of one hundred Ghana Cedis a day;
  - ii. Transfers between accounts owned by the same taxpayer;
  - iii. Transfers for payment of taxes, fees and charges on Ghana.GOV; and
  - iv. Transfers between licensed agents accounts

### **Administration**

3. The Levy shall be administered by the Commissioner-General of the Ghana Revenue Authority in accordance with the Revenue Administration Act, 2016 (Act 915)

### **Authority to collect Levy**

4. The Levy shall be collected by the Ghana Revenue Authority established under the Ghana Revenue Authority Act, 2009 (Act 791).

### **Payment into Consolidated Fund**

5. The Commissioner-General of the Ghana Revenue Authority shall pay all amounts collected under this Act into the Consolidated Fund. *Time lines*

### **Recovery of Levy**

6. For the purpose of enforcing the collection of the Levy, the provisions of the Revenue Administration Act, 2016 (Act 915) relating to administration, collection and enforcement, shall apply to the collection of the Levy.

### **Regulations**

7. The Minister may, by legislative instrument, make Regulations to provide for the efficient and effective implementation of this Act. *with 6 min the after the paper of the Act*

### **Administrative Guidelines**

8. The Commissioner-General may issue administrative Guidelines as may be required for the efficient and effective implementation of this Act.

### **Interpretation**

9. In this Act, unless the context otherwise requires,  
"Bank" means a bank regulated under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)  
"Commissioner-General" means the Commissioner-General appointed under section 13 of the Ghana Revenue Authority Act, 2009 (Act 791);  
"Levy" means the Electronic Transfer Levy imposed under section 1.  
'Merchant Payments' are payments done either through (a) Merchant acquiring scheme through a Licensed payment scheme or (b) Merchant acquiring service offered by a licensed payment service provider

First  
Schedule  
Section 1(2)  
Charging  
Entitles

1. Licensed Electronic Money Issuers ("EMIs") as defined in the Payment Systems Act, 2019 (Act 987)
2. Licensed Payment Service Providers ("PSPs") as defined in the Payment Systems Act, 2019 (Act 987)
3. Licensed Banks

Second  
Schedule  
Section 2(1)

Types of Transfers covered

1. Mobile money transfers done between accounts on the same EMI
2. Mobile money transfers from accounts on one EMI to a recipient on another EMI
3. Transfers from bank accounts to mobile money accounts (either directly, GIP debit, bank cards or another scheme)
4. Transfers from mobile money accounts to bank accounts (either directly, GIP debit, bank cards or another scheme)
5. Bank transfers originating from a bank account belonging to an individual



## ELECTRONIC TRANSFER LEVY BILL, 2021

### MEMORANDUM

The object of this Bill is to impose a levy to be known as the Electronic Transfer Levy and to provide for related matters.

Out of about 18 million potential taxpayers only 2.4 million persons (approximately 8% of the total population) were registered as personal income tax payers as at August, 2021; 45,109 entities were registered as corporate taxpayers while 54,364 persons were registered as self-employed taxpayers. Recent economic data further suggests that the overall tax to GDP for SSA in 2018 was 16.5%, while the tax to GDP for Ghana in 2019 was estimated to be 12.2% which is one of the lowest among our peer middle income countries.

Digital transactions have experienced steady growth over the past five years. Between 2017 to 2021, mobile money transactions increased from Ghc155million to 986million in Ghana. More importantly, the convenience of the platform has created efficiencies and enhanced productivity.

This expansion in mobile money transactions has supported growth in e-commerce, social media shopping and the use of digital payments.

This expansion, while positive for financial inclusion and economic growth, also presents an opportunity to extend government's ability to mobilise tax revenue. Digital payment systems are currently largely untaxed, and while the industry grows, several government tax revenue sources are experiencing a decline in growth. Revenue sources like VAT and NHIL are directly impacted by the increasing use of digital payment systems which facilitate alternative shopping avenues that do not apply the said taxes. Government is determined to take the needed steps to steadily improve on domestic resources mobilization and strengthen GRA'S competence in electronic tax handles without compromising its pro-poor interventions.

The Levy is a key mechanism that the Government of Ghana will use to help ensure that more Ghanaians and the public contribute their fair share towards the development of our country. It will be used to tackle the intractable problems of rising debt, high youth unemployment, inadequate digital infrastructure, a

diminished entrepreneurship culture while maintaining the flagship programs.

It is our conviction that with all of us "Burden Sharing" to contribute our fair share of taxes, the GhanaCares Obaatanpa program will successfully transform our economy to realise the President's vision of a WISER Society (Wealthy, Inclusive, Sustainable, Empowered and Resilient), that is a Ghana Beyond Aid.

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