

Tax Flash Alert

Electronic Transfer Levy Act, 2022 (Act 1075)

April 2022

The Parliament of Ghana passed the Electronic Transfer Levy Act, 2022 (Act 1075), to impose a 1.5% levy on electronic transfers. This takes effect from 1 May 2022 and is intended to boost Government of Ghana's revenue mobilisation drive, broaden the tax base and provide for other related matters.

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Imposition of Levy on Electronic Transfer (E-Levy)

The rate of the levy shall be 1.5% and shall be imposed on electronic transfers; "at the time of the transfer" by specific entities.

Specific entities required to charge the E-Levy are:

- Electronic Money Issuers. That is payment service providers who issue electronic money.
- Payment Service Providers. That is Corporate bodies licensed under the Payment Systems and Services Act, 2019 (Act 987) to provide payment services.
- Banks. That is a body corporate with banking licence under the Banks and Specialised Deposit-Taking Institution Act, 2016 (Act 930).
- Specialised Deposit-Taking Institutions. This is a body corporate which engages in the deposit-taking business in accordance with Act 930.
- Other Financial Institutions to be prescribed by Regulations made under the Act.





Scope & Coverage of the E-Levy

The levy imposed by the specified entities shall cover the below transactions:

- Mobile money transfers between accounts on the same electronic money issuer. Example, transfer from a person on "Telecom A's" mobile money network to another person on the same network.
- Mobile money transfers from an account on one



- electronic money issuer to a recipient on another electronic money issuer. Example, transfer from a person on "Telecom A's" mobile money network to another person on "Telecom B's" mobile money network.
- Transfers from bank accounts to mobile money accounts and vice versa of different persons.
 Example, transfer from Person A's bank account to Person B's mobile money accounts and vice versa.
- Bank transfers on instant pay digital platform or applications originating from a bank account belonging to an individual subject to a threshold. Example from Individual A's Bank account to Individual B's Bank account. Note: The threshold will be determined by the Minister of Finance.

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Exclusions from the E-Levy

The below listed transactions shall be exempted from the levy.

- Transfers up to a daily cumulative limit of GHS100 made by the same person.
- Transfers between accounts owned by the same person.
- Transfers for the payment of taxes, fees or charges es on Ghana.Gov or any other Government of Ghana payment platforms.
- Specified Merchant Payments. This refers to payments made to merchants through a payment service to a person registered with the Ghana Revenue Authority for the purpose of income tax or value added tax.
- Transfers between principals, agents and master-agent accounts.
- Electronic clearing of cheques.



Administration and Collection of the Levy

The levy shall be collected, enforced and administered by the Ghana Revenue Authority in line with the provisions of the Revenue Administration Act 2016 (Act 915).



O5 Regulations & Administrative Guidelines

- The Finance Minister may by legislative instrument issue a Regulation to provide for the efficient and effective implementation of the Act.
- The Commissioner-General may issue administrative guidelines as may be required for the efficient and effective implementation of the Act.

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