

# 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.

### 01 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.



### 02 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.

### 03 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 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.



### 04 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).



### 05 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.



Kofi Frempong-Kore

Partner, Tax

taxmt@kpmg.com.gh

+233 (501) 324342