



GHANA CHAMBER OF
TELECOMMUNICATIONS
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A4AI Ghana Experts Workshop **[Taxation]**

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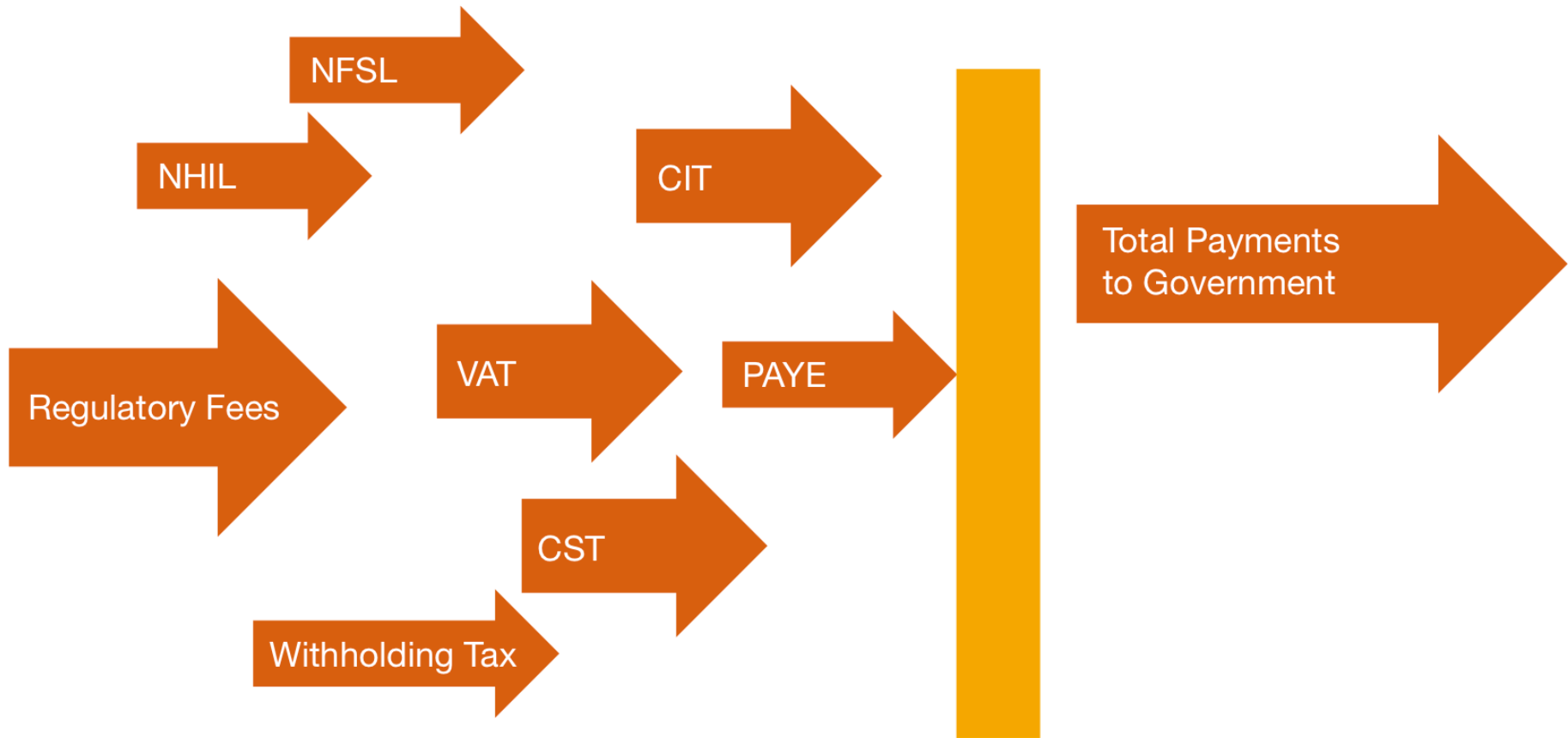
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Report Highlights

- Total Tax Contribution Report
 - 32% of industry revenues goes to GoG
 - Taxes borne (30%), Taxes collected (70%)
- Findings
 - CAPEX Decline
- Industry Priority Tax
- Conclusion



TTC - Overview



- 32% of Industry revenues/turnover goes to GoG
- Taxes borne (30%) and Taxes collected (70%)

TTC - Overview



The total taxes borne:

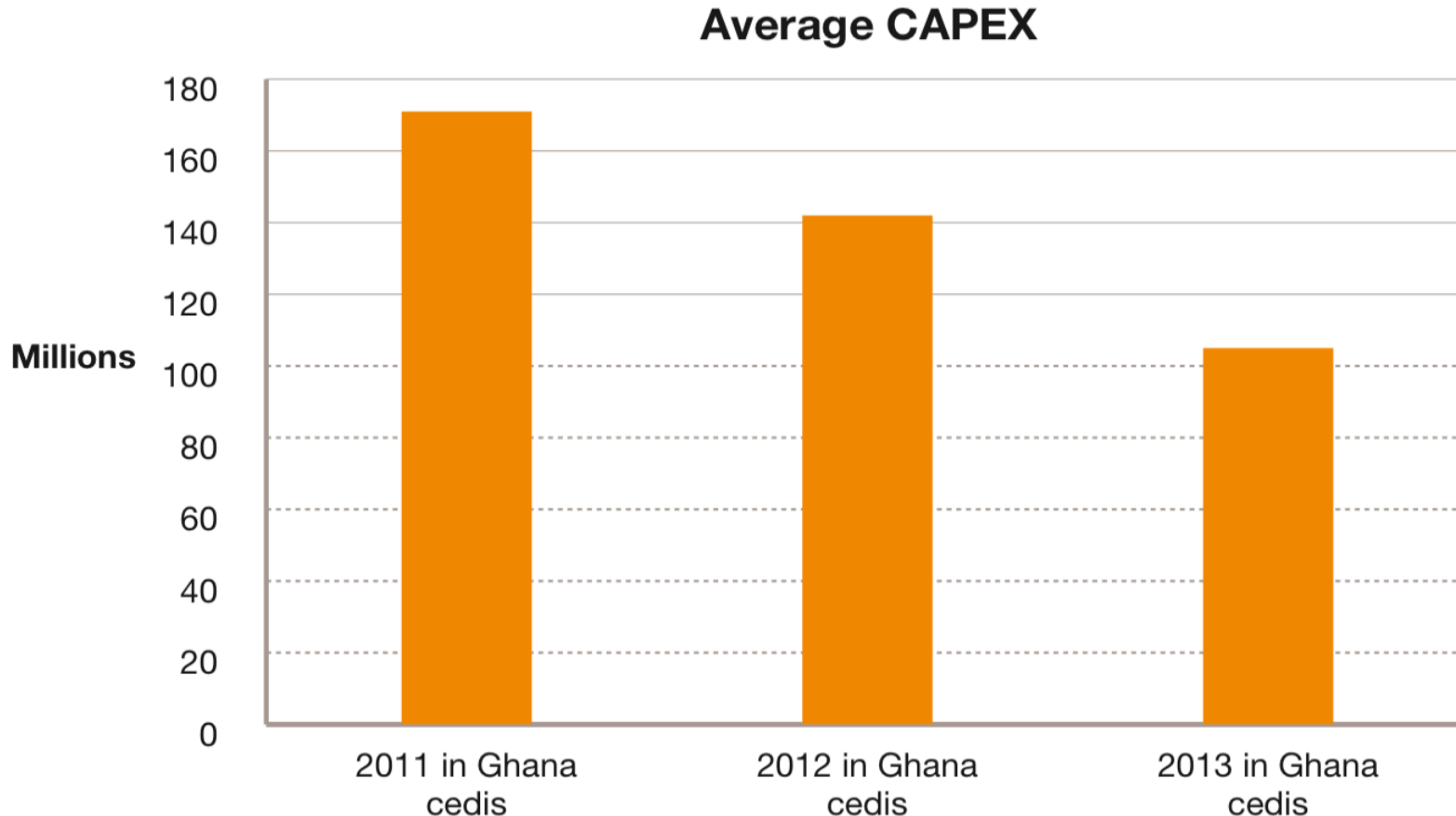
Profit taxes (25% corporate income tax, National Fiscal Stabilisation Levy);
People taxes (i.e. social security contributions and PAYE contributions, which are sometimes borne by companies on behalf of employees); and
Product taxes (irrecoverable VAT and customs duties), property taxes (business rates), and government agency or regulatory fees.

Taxes collected:

Profit taxes (withholding taxes on vendor or supplier payments);
People taxes (PAYE, employee social security);
Product taxes (CST, VAT); and
Property taxes (business permits, and stamp duties on land registration and loan facilities).



Findings: CAPEX Decline



- Study shows a CAPEX decline of 43%
 - Non-profitability of 4 out of 5 Operators, has slowed investment
 - Negative Impact of Foreign exchange depreciation
 - Divestment in Tower Infrastructure
 - Regulatory and Policy Unpredictability

PRIORITY TAXES

- NFSL
- CST on Interconnection
- 20% import duty on Devices
- VAT on Mobile Money
- **SIIT**
 - Implications
 - Loss of traffic, revenue to GoG, Operators (grey market growth)
 - Penalties
 - Industry alternative:
 - Remove 19cents floor price
 - Replace fixed surcharge with 32% ad valorem tax
 - Continuous Engagement with MoC, MoF, Parliament, NCA, CSOs, Media

CONCLUSION

- Excessive focus on direct revenue from Telecoms
- Need to recognize multiplier effect and future of Telecoms
- What's your role?



THANK YOU!!!



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