

VALUE ADDED TAX (AMENDMENT) (NO. 2) BILL, 2017

ARRANGEMENT OF SECTIONS

Section

1. Section 5 of Act 870 amended
2. Section 42 of Act 870 amended
3. Sections 47A and 47B inserted
4. Section 48 of Act 870 amended
5. Section 52 of Act 870 amended
6. First Schedule to Act 870 amended

VALUE ADDED TAX (AMENDMENT) (NO. 2) BILL, 2017

A
BILL

ENTITLED

VALUE ADDED TAX (AMENDMENT)(NO. 2) ACT, 2017

AN ACT to amend the Value Added Tax Act, 2013 (Act 870) to remove the tax on stakes in the National Lotto and to provide for related matters.

Passed by Parliament and assented to by the President:

Section 5 of Act 870 amended

1. The Value Added Tax Act, 2013 (Act 870), referred to in this Act as the “principal enactment”, is amended in paragraph *(d)* of subsection (2) of section 5 by the deletion of “lotteries and”.

Section 42 of Act 870 amended

2. Section 42 of the principal enactment is amended by the deletion of subsections (11), (12) and (13) and the insertion of:

“(11) In the case of telecommunications service, the place of supply is the place where the facility or instrument for the emission, transmission or reception of the service in respect of which the invoice for the supply is issued or is to be issued, is ordinarily situated.

(12) In the case of electronic commerce described in paragraph *(a)* of subsection (2) of section 16, the place of the supply is the place where the effective use and enjoyment occurs.

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(13) In the case of telecommunication services described in paragraph (b) of subsection (2) of section 16, the place of supply is the place where the effective use and enjoyment occurs.

(14) The place of supply of a recharge card or other similar mode of recharging is the place where the product is supplied.”.

Sections 47A and 47B inserted

3. The principal enactment is amended by the insertion after section 47 of

“Appointment of Value Added Tax Withholding Agent

47A. The Commissioner-General may in writing appoint a Value Added Tax Withholding Agent for the Authority.

Duties of a Value Added Tax Withholding Agent

47B. A Value Added Tax Withholding Agent shall

- (a) withhold from the payment to a registered Value Added Tax trader, seven percent of the taxable output value of standard rated supplies; and
- (b) at the time of making payment for the standard rated supplies, issue a Withholding Value Added Tax Credit Certificate in the form prescribed by the Commissioner-General to the supplier.”.

Section 48 of Act 870 amended

4. Section 48 of the principal enactment is amended by

- (a) the insertion after subparagraph (iii) of paragraph (a) of subsection (1) of
“(iv) in respect of supplies made in Ghana, the taxable person is in possession of Withholding Value Added Tax Credit Certificate issued under this Act.; and
- (b) the renumbering of subparagraph (iv) of paragraph (a) of subsection (1) as (v).”.

Section 52 of Act 870 amended

5. Section 52 of the principal enactment is amended by the addition of subsection (9)