

IN THE FOURTH SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH  
REPUBLIC OF GHANA

REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR  
WAIVER OF IMPORT DUTIES, IMPORT VAT, GETFUND LEVY, NHIL,  
EXIM LEVY AND SPECIAL IMPORT LEVY AMOUNTING TO THE GHANA  
CEDI EQUIVALENT OF ONE MILLION, ONE HUNDRED AND TWELVE  
THOUSAND, FOUR HUNDRED AND FIFTY-ONE UNITED STATES  
DOLLARS (US\$1,112,451.00) FOR CHINA GANSU INTERNATIONAL  
CORPORATION FOR ECONOMIC AND TECHNICAL COOPERATION AND  
SEVEN HUNDRED AND TWENTY-SIX THOUSAND, THREE HUNDRED  
AND FORTY-ONE UNITED STATES DOLLARS (US\$726,341.00) FOR  
CHINA RAILWAY MAJOR BRIDGE ON MATERIALS, EQUIPMENT AND  
WORKS TO BE PROCURED FOR THE IMPLEMENTATION OF THE  
ACCRA INTELLIGENT TRAFFIC MANAGEMENT PROJECT UNDER THE  
TRANCHE B FACILITY AGREEMENT BETWEEN THE REPUBLIC OF  
GHANA AND CHINA DEVELOPMENT BANK (CDB)

**1.0 INTRODUCTION**

The request for waiver of Import Duties, Import VAT, GETFund levy, NHIL, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of One Million, One Hundred and Twelve Thousand, Four Hundred and Fifty-One United States Dollars (US\$1,112,451.00) for China Gansu International Corporation for Economic and Technical Cooperation and Seven Hundred and Twenty-Six Thousand, Three Hundred and Forty-One United States Dollars

(US\$726,341.00) for China Railway Major Bridge on materials, equipment and works to be procured for the implementation of the Accra Intelligent Traffic Management Project under the Tranche B Facility Agreement between the Republic of Ghana and China Development Bank (CDB) was laid in the House on Tuesday, 20<sup>th</sup> October, 2020 by the Minister for Monitoring and Evaluation, Hon. Dr Anthony Akoto Osei on behalf the Minister responsible for Finance.

Rt. Hon. Speaker referred the request to the Finance Committee for consideration and report.

The Committee met with a Deputy Minister for Finance, Hon Kwaku Agyeman Kwarteng and officers from the Ministry of Finance, the Ministry of Roads and Highways and the Ghana Revenue Authority (GRA) to consider the referral.

## **2.0 DOCUMENTS REFERRED TO**

The Committee referred to the following documents:

1. The 1992 Constitution;
2. The Public Financial Management Act, 2016 (Act 921);
3. The Standing Orders of the Parliament of Ghana; and
4. The Contract Agreement between the Government of Ghana and the China Gansu International Corporation for Economic Cooperation and China Railway Major Bridges.

## **3.0 BACKGROUND**

The Government of Ghana signed a Master Facility Agreement (MFA) and other related finance documents with China Development Bank on December 16, 2011 for a term loan facility in the amount of US\$3.00 Billion to be utilised to develop Twelve (12) infrastructure projects under two tranches as follows:

- a) Tranche A being a 15-year facility for US\$1.5 Billion at LIBOR +2.95%;  
and
- b) Tranche B is a 10 year facility for US\$1.5 Billion at LIBOR +2.85%.

Since the MFA was signed, four Subsidiary Agreements out of the twelve projects designed to benefit from the MFA have been signed. The subsidiary agreements are the Western Corridor Gas Infrastructure Project (WCGIP) the ICT Enhancement Surveillance Project (ICT Project), the Coastal Fish Landing Sites and the Accra Intelligent Traffic Management Project.

Parliament at its Twenty-Fourth Sitting of the Third Meeting held on Monday, 3<sup>rd</sup> December, 2018 approved by resolution the Fourth Subsidiary Agreement between the Republic of Ghana and China Development Bank (CDB) for an amount of Two Hundred and Ten Million, Six Hundred and Sixty thousand United States Dollars (US\$210,660,000.00) in relation to the Accra Intelligent Traffic Management Project under the Tranche B facility.

The purpose of the Fourth Subsidiary Agreement is to draw funds from the Master Facility to finance the Accra Intelligent Traffic Management System (AITMS) and the Road Completion and Consultancy project.

Clause 14.1 of the Particular Conditions of the Contract puts the burden of taxes on the project related items on the Employer (in this case Government of Ghana working through the Ministry of Transport). This provision therefore puts the responsibility for the payment of taxes and duties on equipment, materials and works to be procured under the project on Government.

In order to implement the project successfully, there is the need to waive taxes and duties applicable. It is in this regard that the request for the waiver of taxes and duties on materials, equipment and works for the road completion component of the Accra Metropolitan Area Intelligent Traffic Management Systems Project has been submitted to Parliament in accordance with Article 174 of the 1992 Constitution of Ghana.

#### **4.0 THE REQUEST**

The request is to seek approval for the waiver of Import Duty, NHIL/ GETFund Levy, Import VAT, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of up to US\$1,112,451 and US\$726,341 for the China

Gansu International Corporation for Economic Cooperation and China Railway Major Bridges respectively.

#### 4.1 Details of the Assessment

The details of the assessments as undertaken by the Ghana Revenue Authority (GRA) is summarized in Table 1 below:

Table 1 Assessment of Taxes and Duties

	Item	China Gansu International Corporation for Economic Cooperation	China Railway Major Bridges
1	Import Duty	456,108	335,006
2	NHIL/ GETFund Levy	147,265	92,014
3	Import VAT	386,571	241,536
4	EXIM Levy	66,633	26,104
5	Special Import Levy	55,875	31,681
	<b>Total</b>	<b>1,112,451</b>	<b>726,341</b>

Attached as an **APPENDIX** are the details of the various tax assessments by the GRA.

## 5.0 OBSERVATIONS

### 5.1 Rationale for the Request

The Committee was informed that the purpose of the Greater Accra Metropolitan Area Intelligent Traffic Management System (AITMS) project is to improve transport infrastructure and reduce traffic congestion in the Greater Accra area and to widen the La Beach Road, the Coastal and Meridian Roads and the Teshie Link roads.

Under Clause 14.1 of the Particular Conditions of the Contract, the project is to be waived off the payment of taxes and duties applicable to the project.

The request is therefore to seek approval to exempt the materials, equipment and works to be undertaken in respect of the Road Completion Component of

the AITIMS project from the payment of taxes and duties in order to ensure the smooth implementation and timely completion of the project.

## 5.2 Benefits of the project

The Committee noted that when complete the project would help reduce traffic congestion in the Greater Accra area. It would also enhance the safety of vehicles and pedestrians and improve travel time. The project would further improve traffic flow and promote economic activities.

## 5.3 Cost of the Project

The Committee was informed that the total cost of the project is US\$236.10 Million, of which CDB is financing US\$200.68 Million whilst Government is paying US\$35.42 Million. Details of the cost of the project is captured in Table 2 below:

Table 2 Cost Breakdown of the Project

	<b>Component</b>	<b>Amount (US\$)</b>
1	Intelligent Traffic Management System	100
2	Road Completion and Consultancy	136.10
	<b>Total</b>	<b>236.10</b>

## 5.4 Update on the Project

The Committee was informed that the Intelligent Traffic Management System project is progressing according to schedule. A number of traffic management systems have been installed in the region.

With respect to the Road Completion Project which starts from the Black Star Square, Osu to Nungua, the Committee was informed that earthworks are currently ongoing. A number of culverts are also being constructed at various sections of the road.

As part of the project scope, a three (3) tier interchange would be constructed at Nungua whilst two bridges would be built across the Kpeshie lagoon and two rail bridges would be built near Sakumono junction. The road to be

constructed is a two (2) lane dual carriageway with walkways and cycle paths, among others.

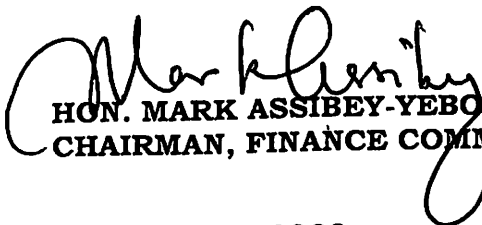
The Ministry explained that the grant for tax waiver would ensure the smooth implementation and timely completion of the Road Completion aspect of the AITMS Project.

## **6.0 CONCLUSION**

Considering the immense benefits to be derived from the projects, the Committee is of the view that the requests will go a long way to help ease traffic congestion and improve vehicular and pedestrian safety.

The Committee therefore recommends to the House to adopt its report and approve the Request for waiver of Import Duties, Import VAT, GETFund levy, NHIL, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of One Million, One Hundred and Twelve Thousand, Four Hundred and Fifty-One United States Dollars (US\$1,112,451.00) for China Gansu International Corporation for Economic and Technical Cooperation and Seven Hundred and Twenty-Six Thousand, Three Hundred and Forty-One United States Dollars (US\$726,341.00) for China Railway Major Bridge on materials, equipment and works to be procured for the implementation of the Accra Intelligent Traffic Management Project under the Tranche B Facility Agreement between the Republic of Ghana and China Development Bank (CDB) in accordance with Article 174(2) of the Constitution, the Public Financial Management Act, 2016 (Act 921) and the Standing Orders of Parliament.

Respectfully submitted.

  
**HON. MARK ASSIBEY-YEBOAH (DR)**  
**CHAIRMAN, FINANCE COMMITTEE**

  
**EVELYN BREFO-BOATENG (MS)**  
**CLERK TO THE COMMITTEE**

**22<sup>nd</sup> October, 2020**

# APPENDIX

## TAX ASSESSMENT

### ACCRA METROPOLITAN AREA INTELLIGENT TRAFFIC MANAGEMENT PROJECT

Description of Items	Spec	Qty	CIF (USD)	I/D Rate	Imp. Duty	Nhil/Gfund 5%	Imp. VAT 12.5%	EXIM Levy 0.75%	SIL 0%/2%	TOTAL (EURO)
<b>Machinery &amp; Equipment</b>										
Concrete Batching Plant	HZS120	1	257,000	5%	12850	0	0	1928	0	14,778
Concrete Mixer Truck	10m3	8	688,000	5%	34400	0	0	5160	0	39,560
Cementing Truck	40t	1	89,000	5%	4450	0	0	668	0	5,118
Concrete Pump Truck	47m	1	388,000	5%	19400	0	0	2910	0	22,310
Asphalt Batching Plant	YLB or MDHB	1	780,000	5%	39000	0	0	5850	0	44,850
Axle Weight	120t 3*16m	1	29,000	5%	1450	0	0	218	0	1,668
Asphalt Truck	30t	2	100,000	5%	5000	0	0	750	0	5,750
Asphalt Emulsion Production Equipment		1	270,000	5%	13500	0	0	2025	0	15,525
Asphalt Paver	Telescopic	1	225,000	5%	11250	0	0	1688	0	12,938
Single Steel-wheel Roller	22t	2	120,000	5%	6000	0	0	900	0	6,900
Single Steel-wheel Roller	26t	2	136,000	5%	6800	0	0	1020	0	7,820
Double Steel-wheel Roller	13t	1	65,000	5%	3250	0	0	488	0	3,738
Pneumatic Roller	26t	2	126,000	5%	6300	0	0	945	0	7,245
Excavator	330	4	900,000	5%	45000	0	0	6750	0	51,750
Excavator	240	5	790,000	5%	39500	0	0	5925	0	45,425
Payloader	ZL50	5	280,000	5%	14000	0	0	2100	0	16,100
Grader		5	445,000	5%	22250	0	0	3338	0	25,588
Water Tanker	12m3	3	144,000	5%	7200	7560	19845	1080	2880	38,565
Water Tanker	18m3	3	195,000	5%	9750	10238	26873	1463	3900	52,223
Backhole	JCB	2	180,000	5%	9000	0	0	1350	0	10,350
Forklift	5t	1	23,000	5%	1150	0	0	173	0	1,323
Generator	400KW	2	136,000	5%	6800	0	0	1020	0	7,820
Generator	100KW	1	22,000	5%	1100	1155	3032	165	440	5,892
Tipper Truck	20m <sup>3</sup>	30	1,950,000	5%	97500	102375	268734	14625	39000	522,234
Fuel Truck	10t	1	63,000	5%	3150	3308	8682	473	1260	16,872
Truck	6t	4	88,000	5%	4400	4620	12128	660	1760	23,568
Pickup	Toyota	6	174,000	5%	8700	9135	23979	1305	3480	46,599
Prado	Toyota	1	75,000	20%	15000	4500	11813	563	1500	33,375

Mobile Crane	5t	1	32,000	5%	1600	0	0	240	0	1,840
<b>Machine &amp; Tools</b>										
Plate Compactor		5	2,500	5%	125	0	0	19	0	144
Water Pump		5	2,689	5%	134	141	371	20	54	720
Air Compressor		2	20,000	5%	1000	1050	2756	150	400	5,356
Electric Welding Machine	YT-300A	2	8,000	5%	400	0	0	60	0	460
Electric Welding Machine		3	3,872	5%	194	0	0	29	0	223
Asphalt Emulsion Sprayer		2	3,442	5%	172	181	474	26	69	922
<b>Laboratory Apparatus</b>										
Compression-testing Machine		2	7,824	5%	391	0	0	59	0	450
Concrete Vibrating Platform	DW-40	2	268	5%	13	0	0	2	0	15
Sieve Shaker	ZBSX-92A	1	415	5%	21	0	0	3	0	24
Electric Constant Temperature Blast Drying Oven	101-2	3	679	20%	136	41	107	5	14	302
Concrete Rebound Hammer	PS-6	5	546	5%	27	0	0	4	0	31
Bearing Ratio Tester		2	2,326	5%	116	0	0	17	0	134
Automatic Pressure Regulating Radon Permeation Instrument	HP-40	1	710	5%	36	0	0	5	0	41
Concrete Slump Meter		10	268	5%	13	0	0	2	0	15
Soil moisture detector		3	951	5%	48	0	0	7	0	55
Heavy Compactor		3	312	5%	16	0	0	2	0	18
Electric Heavy Compactor	JZ-2D	2	1,935	5%	97	0	0	15	0	111
Needle Plate Gauge		1	19	5%	1	0	0	0	0	1
Indoor Automatic Control Instrument of Standard Nursing Pool	FHBS-30	3	4,324	5%	216	227	596	32	86	1,158
Electronic Balance	1000g/0.01g	5	391	5%	20	21	54	3	8	105
Electronic Balance	2000g/0.1g	5	273	5%	14	14	38	2	5	73
Electronic Balance	500g/0.01g	5	376	5%	19	20	52	3	8	101
Electronic Scales	100kg/10g	5	424	5%	21	22	58	3	8	114
Electronic Scales	30kg/1g	5	185	5%	9	10	26	1	4	50
Vernier Caliper	0~300mm	3	244	5%	12	13	34	2	5	65
Sand Screen		10	644	5%	32	34	89	5	13	173



Chippings Screen		10	696	5%	35	37	96	5	14	186
Mould for Concrete Specimens (Plastic)	(150*150*150)	150	1,081	5%	54	57	149	8	22	289
Enamelled Dish (Large)		5	37	20%	7	2	6	0	1	16
Enamelled Dish (Medium)		5	34	20%	7	2	5	0	1	15
Enamelled Dish (Small)		5	30	20%	6	2	5	0	1	13
Thermometer	0~100°C	2	24	5%	1	1	3	0	0	6
Volumetric Flask	1000ml	10	103	20%	21	6	16	1	2	46
Sand Apparent Density Determination (bottle)		10	89	5%	4	5	12	1	2	24
Jars	500mL	10	31	20%	6	2	5	0	1	14
Volume Cup	1L, 2L, 3L, 5L, 7	5	144	5%	7	8	20	1	3	39
Stone Bucket	5mL, 10mL, 25mL	2	247	5%	12	13	34	2	5	66
Triangular Scraper		3	9	5%	0	0	1	0	0	2
30cm Steel Ruler (thick)		2	15	5%	1	1	2	0	0	4
50cm Steel Ruler (thick)		2	18	5%	1	1	2	0	0	5
100cm Steel Ruler (thick)		2	21	5%	1	1	3	0	0	6
Asphalt Mixture Maximum Density Meter	LN-21	1	640	5%	32	34	88	5	13	171
Automatic Mixer	BH-20	1	1,208	5%	60	63	166	9	24	323
Combustion Method Asphalt Content Tester	HYRS-6	1	4,118	5%	206	216	567	31	82	1,103
Asphalt Mixture Marshall Stability Meter	LWD-5A	1	1,338	5%	67	70	184	10	27	358
Marshall Electric Compactor	MDJ- II	1	1,029	5%	51	0	0	8	0	59
Electric Thermostatic Water Bath	CF-B	1	257	20%	51	15	41	2	5	115
Large Oven (stainless steel liner)	101-4	1	535	20%	107	32	84	4	11	238
Small Oven (stainless steel liner)	101-2	1	288	20%	58	17	45	2	6	128
Electro-hydraulic Demoulder	YDT-20	1	782	5%	39	41	108	6	16	210
Sand Equivalent Tester	SD-II	1	113	5%	6	6	16	1	2	30
Saturated Surface Dry Mold	带捣棍	1	21	5%	1	1	3	0	0	6
Asphalt Low Temperature Extensometer (LCD)	LYY-7A 1.5/2m	1	2,306	5%	115	121	318	17	46	618
Automatic Asphalt Softening Point Meter	SYD-2806E	1	268	5%	13	14	37	2	5	72
Bitumen Needle Forcemeter	SZR-5	1	432	5%	22	23	60	3	9	116
High and low temperature thermostatic water bath	HW-30	1	844	20%	169	51	133	6	17	376
Brinell Rotary Viscometer	NDJ-1C	1	3,109	5%	155	163	428	23	62	833
Asphalt Rotary Film Oven	LBH-85	1	1,400	20%	280	84	221	11	28	623

Asphalt Mixer (emulsified asphalt high-speed shearing machine)		1	642	5%	32	0	0	5	0	37
Lee's Pycnometer	250ML	1	5	5%	0	0	1	0	0	1
Glass Thermometer	0-200°	20	21	5%	1	1	3	0	0	6
Plug-in Asphalt Thermometer	0-200°	20	885	5%	44	46	122	7	18	237
Infrared Thermometer	0-200°	5	185	5%	9	10	26	1	4	50
Adjustable Electric Stove	2000W	1	31	20%	6	2	5	0	1	14
<b>Measuring Instrument</b>										
GPS		2	18,118	5%	906	951	2497	136	362	4,852
Total Station		3	7,103	5%	355	373	979	53	142	1,902
Spirit Level	SD3	10	2,471	5%	124	130	340	19	49	662
<b>TOTAL</b>			<b>8,884,343</b>		<b>456108</b>	<b>147265</b>	<b>386571</b>	<b>66633</b>	<b>55875</b>	<b>1,112,451</b>

**CERTIFICATE**

**TOTAL TAX LIABILITY=1,112,351US DOLLARS**

This is to certify that the assessment given is true and correct.

Signature:.....

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Importer/Agent's Name & Designation:.....

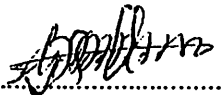
Assessment rechecked and found correct and complete

.....29-09-2020.....

Date

For Official Use  
**COMMISSIONER**  
**CUSTOMS DIVISION**  
**GHANA REVENUE AUTHORITY, ACCRA**

SIGN.....  
DATE.....

Signature: .....

Officer's Name & Rank:- **GIDEON GLEY**  
**(SNR REV. OFFICER)**

**TAX ASSESSMENT**

**ACCRA METROPOLITAN AREA INTELLIGENT TRAFFIC MANAGEMENT PROJECT/BRIDGE**

Description of Items	Spec	Qty	CIF (USD)	I/D Rate	Imp. Duty	Nhil/ Gfund 5%	Imp. VAT 12.5%	EXIM Levy 0.75%	SIL 0%/2%	TOTAL (USD)
Ringlock shoring system	300t	3	450,000	5%	22500	0	0	3375	0	25,875
I16 UB(steel)	50t	50	37,500	10%	3750	2063	5414	281	750	12,258
0. 15cm bamboo plywood sheet	3000 tablets	30	90,000	20%	18000	5400	14175	675	1800	40,050
Beret tablets and accessories	112t	112	108,600	20%	21720	6516	17105	815	2172	48,327
Steel tube bracket	841t	841	597,100	20%	119420	35826	94043	4478	11942	265,710
Pile-cap		4	45,000	10%	4500	2475	6497	338	900	14,709
Pier column		4	75,000	10%	7500	4125	10828	563	1500	24,516
Pad-mounted transformer	315KVA	1	9,000	5%	450	473	1240	68	0	2,230
Pad-mounted transformer	200KVA	1	6,000	5%	300	315	827	45	0	1,487
generator	30KW	3	12,000	5%	600	630	1654	90	240	3,214
generator	75KW	1	10,000	5%	500	525	1378	75	200	2,678
generator	200KW	2	51,600	5%	2580	2709	7111	387	1032	13,819
Impact drill		3	111,000	5%	5550	0	0	833	0	6,383
excavator		2	240,000	5%	12000	0	0	1800	0	13,800
Wheel Loader		1	54,000	5%	2700	0	0	405	0	3,105
Dump truck		3	150,900	5%	7545	7922	20796	1132	3018	40,413
Crane	40t	3	675,000	5%	33750	0	0	5063	0	38,813
Crane	25t	2	272,000	5%	13600	0	0	2040	0	15,640
Semi-trailer	13m	1	57,500	5%	2875	0	0	431	0	3,306
Sprinkler maintenance vehicle		1	29,000	5%	1450	1523	3997	218	580	7,767
Fuel truck	8t	1	65,000	5%	3250	3413	8958	488	1300	17,408
Pick-up		3	87,000	5%	4350	4568	11990	653	1740	23,300
SUV business car		3	225,000	20%	45000	13500	35438	1688	4500	100,125
Universal material testing machine	WE-100B	1	6,510	5%	326	0	0	49	0	374
Universal material testing machine	WE-600B	1	7,510	5%	376	0	0	56	0	432

Electro-hydraulic pressure testing machine	DYE-2000	1	3,000	5%	150	0	0	23	0	173
Full-automatic bending and compression constant stress testing machine	DYE-300B	1	4,670	5%	234	0	0	35	0	269
Electric rebar gauge	BJ-10	1	300	5%	15	16	41	2	0	74
Reinforced cold-formed core	8mm-140mm	1	330	5%	17	17	45	2	7	88
TOTAL			3,480,520		335006	92014	241536	26104	31681	726,341

CERTIFICATE

TOTAL TAX LIABILITY=726,341US DOLLARS

This is to certify that the assessment given is true and correct.

Signature:.....

.....

Importer/Agent's Name & Designation:.....

Assessment rechecked and found correct and complete

.....29-09-2020.....

Date

For Official Use  
**COMMISSIONER**  
**CUSTOMS DIVISION**  
**GHANA REVENUE AUTHORITY, ACCRA**  
 SIGN.....  
 DATE.....

Signature:.....

Officer's Name & Rank:- GIDEON GLEY  
 (SNR REV. OFFICER)