

REPORT OF THE FINANCE COMMITTEE
ON THE CUSTOMS AND EXCISE (DUTIES
AND OTHER TAXES)(AMENDMENT) NO.2
BILL, 2009

1.0 INTRODUCTION

The **Customs and Excise (Duties and Other Taxes)(Amendment) No. 2 Bill, 2009** was presented and *read the first time* in the House on 24th November, 2009 and subsequently referred to the Finance Committee for consideration and report in accordance with article 103 and order number 169 of the Standing Orders of the House.

The Committee met and considered the Bill with the Deputy Minister of Finance and Economic Planning, Hon. Fifi Fiavi Kwetey, and officials of the Customs, Excise and Preventive Service (CEPS) as well as officials from the Ministry of Finance and Economic Planning and hereby submits this report.

2.0 REFERENCE DOCUMENTS

The Committee referred to and/or was guided by the following in its consideration of the Bill:

1. The 1992 Constitution of the Republic of Ghana
2. Customs and Excise (Duties and Other Taxes) Act 1996, (Act 512)
3. The Standing Orders of the Parliament of Ghana

3.0 PURPOSE OF THE BILL

The purpose of the Bill is to introduce an import levy on textiles, textile articles and poultry products and to move from specific excise duty to advalorem rates.

4.0 CONTENTS OF THE BILL

The Bill contains a total of four (4) clauses

Clause 1 seeks to amend the Customs and Excise (Duties and Other Taxes) Act, 1996 (Act 512) by inserting a new section to impose an import levy of 1% of CIF value on textiles, textile articles and 2% of CIF value on poultry products.

Clause 2 amends section 11 of Act 512 to enable advalorem rates to be applied.

Clause 3 amends the Fifth Schedule of Act 512 by the imposition of advalorem rates of duty on specified products.

Clause 4 repeals the Customs and Excise (Duties and Other Taxes) (Amendment) Act, 2007 (Act 739) and the Customs and Excise (Duties and Other Taxes) (Amendment) Act, 2008 (Act 758)

5.0 OBSERVATIONS

The Committee observed that the advalorem rates being imposed would apply to tobacco products, beer (and other than indigenous beer), wines (including sparkling wines), waters, tables (including mineral waters of all description), malt drinks (such as malta) and spirits (including akpeteshie).

The Deputy Minister of Finance and Economic Planning, Hon. Fifi Fiavi Kwetey explained to the Committee that the rationale for the imposition

of import levy on textiles and poultry products is to protect local producers of these products.

Some Members expressed concern about a possible inflationary impact from the potential rise in the prices of the affected products which they said could occur as a result of the imposition of the advalorem rates.

Some Members, on the other hand, expressed satisfaction at the imposition of the one hundred and forty percent (140%) and twenty percent (20%) advalorem rates of duty on cigarette and akpeteshie respectively, saying it will help cut down on the abuse of these products.

6.0 CONCLUSION

The Committee has dutifully examined the Bill and finds that its passage would help protect local producers and also rake in additional revenue for the development of the country.

The Committee therefore recommends to the House to ***pass*** the **Customs and Excise (Duties and Other Taxes) (Amendment) No.2 Bill, 2009.**

Respectfully submitted.



**HON. JAMES KLUTSE AVEDZI
CHAIRMAN**



**PEACE A. FIAWOYIFE
CLERK**

14TH DECEMBER, 2009



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