

**IN THE FIRST SESSION OF THE THIRD
PARLIAMENT OF THE FOURTH REPUBLIC OF
GHANA**

**REPORT OF THE FINANCE COMMITTEE ON THE
REQUEST FOR TAX EXEMPTION IN RESPECT OF
TAX AND DUTY EXEMPTIONS FOR THE
TAKORADI-AGONA JUNCTION ROAD
REHABILITATION PROJECT**

1.0 INTRODUCTION

The above document was laid in the House pursuant to Article 174(2) of the Constitution on Friday, 11th May 2001 and referred to the Finance Committee for consideration and report. The Committee met with the Minister of Roads and Highways, Hon. Kwadwo Adjei Darko, and a technical team from the Ministry to examine the request, and reports as follows:

2.0 BACKGROUND INFORMATION

The Government of Ghana has secured a Grant from the Danish Government, under which a Transport Sector Program support comprising a trunk road component, a feeder road component and institutional support in conformity with the National Transport Sector Development Framework is to be undertaken.

There are three Agreements relevant to the Grant and under all three there are Articles stipulating that the project and all Agreements relevant thereto, as well as the income of the Contractors and

Expatriate staff, are to be exempted from the payment of all forms of duties, taxes and fiscal levies in the Republic of Ghana.

The three Agreements are:

- (i) General Terms and Procedures of Development cooperation between the Government of Denmark and the Government of Ghana dated 30th March, 1993.
- (ii) Transport Sector Support Programme dated 8th July, 1999 between the Government of Denmark and Government of Ghana.
- (iii) Memo of Understanding between Danida and the then Ministry of Roads and Transport in respect of the project signed on 22nd June, 2000.

Under the agreement, the trunk road component, which involves the rehabilitation of the 28 km Takoradi-Agona Junction road and which forms part of the coastal highway between Accra and the Western Region is to be fully funded by Danida. The contract was awarded to Messrs Skanska-Sonitra JV in October 2000.

The tax exemptions sought under the three Agreements fall into four categories.

The first category seeks to exempt all materials and equipment imported by, or supplied to, the contractor for the execution of the project from import duties, taxes, national or other public charges;

The second category seeks to exempt the goods, works and services supplied by the consultants and contractors employed by DANIDA for the purposes of implementing the project, from taxes, duties and levies;

The third category seeks to exempt the expatriate personnel and executing agencies from the payment of income tax or any other direct tax or charge in respect of any emoluments paid to them from funds or resources provided by DANIDA for the purposes of implementing the project;

The fourth category seeks to exempt the expatriate personnel and their spouses and dependants from payment of customs duties, taxes, and other charges imposed on the importation of household goods and personal effects.

Attached are copies of the relevant articles stipulating the tax exemptions titled Appendices A-E.

3.0 OBSERVATIONS

The Committee was informed that the project, started in October 2000, has already suffered delays due to the issues on payment of taxes and duties related thereto.

It was also observed that should these exemptions not be granted, any duties and taxes paid by the Contractors and expatriate staff would have to be refunded by the Government of Ghana including any interest, penalties and exemptions payable or incurred in connection therewith.

Therefore in order to avoid the Government incurring more debts as a result of the interest that is likely to accrue on the taxes, it has become necessary to seek approval from the House to waive the payment of the required duties and taxes on the specified equipment, spares, personal effects and materials being used for the execution of the project, as provided for under the contract agreements.

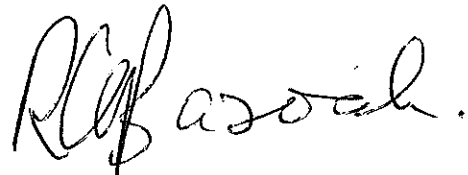
3.1 Estimated Tax and duty to be Paid

The Committee was informed that the total amount of tax and duty exemptions claimed under the three Agreements in respect of materials, equipment personnel and personal effects for the project is estimated to be US\$6,185,930.00 and DK1,381,545.00 (Danish Kroner).

4.0 RECOMMENDATION

In view of the above observations, the Committee recommends to the House the approval by Resolution, the exemption from payment of duties and taxes amounting to **US\$6,185,930.00** and **DK1,381,545.00** on equipment, spares, personal effects and materials being used for the rehabilitation of the Takoradi-Agona Junction Road in accordance with Article 174(2) of the Constitution.

Respectfully submitted.



HON. R.A. BASOAH
(CHAIRMAN)



AMY FORSON
(PRINCIPAL ASST. CLERK)

1ST JUNE 2001

APPENDIX A

Article 9

Importation, Import taxes, and Other Public Charges

The Government of Ghana shall secure a timely importation and clearance through customs of goods covered by this Agreement, which include lists of materials to be imported by contractor according to specification in the Works Contract. The parties shall ensure that the Danish grant is not used for payment of any import duty, tax, national or other public charge such as import surcharges, duties to compensate for domestic excise taxes, charges or deposits in connection with the issuance of payments, work permits, licenses or import licenses for all equipment, materials, supplies, and spare parts supplied by Denmark to the activities agreed upon.

Article 10

Information, Monitoring, and Evaluation

The parties shall collaborate fully to ensure that the purposes of this Agreement be accomplished. To that end, the Parties shall exchange views with regard to matters relating to the Programme and provide each other with all data, documentation and information available to them, shall give all appropriate mutual assistance required in the discharging of the parties duties and provide all necessary support, in particular in all administrative questions, to facilitate the due implementation of the project.

Joint Danish-Ghanaian Annual reviews shall be carried out at Programme level in accordance with the SPS-Documents or at request of either party. At Component level reviews will be planned according to need and be decided upon either prior to or at the Annual Sector Review.

APPENDIX B

ARTICLE 2

Objective of Memorandum of Understanding

The objective of the Memorandum of Understanding is to ensure joint co-operation and efforts by all parties in the implementation of the trunk road component of the of the Transport Sector Support Programme (TSPS) as defined in the component description outlined in the Sector Programme Support Document.

ARTICLE 3

Organisation, Management & Administration

Danida will enter into contracts with consultant (s) and Contractor (s) for the execution of the Takoradi – Agona Jn. rehabilitation works. The management team for the implementation of the component will comprise the consultant's Resident Engineer and the contractors Site Manager in consultations with GHA. Danida will monitor implementation and authorise variations in due consultations with all parties.

ARTICLE 4

Inputs by Danida

The inputs by Danida are;

- to provide funding for the rehabilitation of the Takoradi- Agona Jn. road, the expatriate and Ghanaian consultants for design, tendering, supervision, capacity building, institutional development and socio-economic development.
- select, Danish consultants by competitive tendering to be responsible for design, tendering and on optional basis also for supervision in consultations with GHA
- select contractors to implement road works in consultations with GHA
- monitor project implementation
- hand over work sites and as-built drawings to GHA upon satisfactory completion of road works.

ARTICLE 5

Obligations of the Government of Ghana

- A. The Government of Ghana shall promptly inform Danida of any major problem or deviation from the stipulations made in the Government Agreement. Possible mitigation will be agreed upon in consultation with the Government of Ghana (GOG), Ghana Highway Authority (GHA) and Danida.

B. The Ghana Highway Authority shall;

- i act as the liaison between Danida and other affiliated agencies
- ii advice on all reports, recommendations and other matters concerning the component referred to it by Danida in reasonable time to avoid delay or disrupt the execution of works and services.
- iii inform Danida of any condition which interferes or threatens to interfere with the successful implementation of the component.
- iv designate officials to closely follow the supervision of activities and also attend site meetings in order to discuss and agree on possible variations. (Issue on definition of roles for each party to be discussed).

C. Exemptions, Permits and Authorisations

The Government of Ghana shall ensure that goods, works and services supplied by consultants and contractors employed by Danida for purposes of implementing the component shall be exempted from taxes, duties and levies

It shall also secure all relevant permits and authorisations to enable the consultants and contractors perform their duties

D. Right of Way for Road Construction

The Government of Ghana shall secure the right of way for road construction, make provisions for the settlement of compensation in respect of land acquisition and also ensure timely disbursements in accordance with the implementation schedule of the component

The Government of Ghana shall make funds available for the relocation of utilities at the construction site as and when required and in due time to avoid delays.

E. Maintenance

The GHA will take over the road sections upon completion after those sections have passed all tests on completion prescribed in the contract and apply timely routine and periodic maintenance when required in order to ensure the sustainability of the Danida investment.

It shall also enforce axle loads on traffic limits in order to uphold the estimated lifetime of the investment.

APPENDIX C

STS. 1

Overenskomst

AGREEMENT
on
**General Terms and Procedures of Development
Co-operation**
between
**the Government of Denmark and the
Government of Ghana**

OVERENSKOMST
om
generelle betingelser og procedurer
for udviklingssamarbejde
mellem
Danmarks regering og
Ghanas regering

Preamble

Præambel

The Government of Denmark, hereinafter referred to as Denmark, and the Government of Ghana hereinafter referred to as Ghana, desiring to co-operate in promoting the economic and social development of Ghana, have agreed as follows:

Danmarks regering, i det følgende benævnt Danmark, og Ghanas regering, i det følgende benævnt Ghana, som ønsker at samarbejde for at fremme økonomisk og social udvikling i Ghana, har indgået følgende overenskomst:

Article 1

Artikel 1

Obligations of the Parties

Parternes forpligtelser

Denmark shall make available to Ghana financial assistance, material resources, technical assistance, and training opportunities. Ghana shall ensure the effective utilization of the said assistances and training opportunities.

1. Danmark stiller finansiel bistand, materielle ressourcer, faglig bistand og uddannelsesmuligheder til rådighed for Ghana. Ghana sikrer den effektive anvendelse af sådan bistand og sådanne uddannelsesmuligheder.

The specific terms and procedures, including the financial and other obligations of the two parties in regard to specific projects, programmes, and other joint activities under this agreement (hereinafter referred to as Projects) shall in each case be determined by the Parties in Specific Agreements with explicit reference to this Agreement.

2. De særlige betingelser og procedurer, indbefattet de to parteres finansielle og andre forpligtelser med hensyn til særlige projekter, programmer, og andre fælles aktiviteter under nærværende overenskomst (i det følgende benævnt projekter) træffer parterne i hvert enkelt tilfælde beslutning om i særlige overenskomster med udtrykkelig henvisning til nærværende overenskomst.

Should there be any discrepancy between this Agreement and the Specific Agreement, the latter shall prevail.

3. I tilfælde af uoverensstemmelse mellem nærværende overenskomst og de særlige overenskomster, står de sidstnævnte ved magt.

In the implementation of this Agreement the Ministry of Foreign Affairs of Denmark shall be competent to represent Denmark, and the Ministry of Foreign Affairs of Ghana shall be competent to represent Ghana (hereinafter referred to as the Competent Authorities).

4. Ved implementeringen af nærværende overenskomst er Danmarks udenrigsministerium kompetent til at repræsentere Danmark, og Ghanas udenrigsministerium er kompetent til at repræsentere Ghana (i det følgende benævnt de kompetente myndigheder).

Article 2

Artikel 2

Executing Agencies

Udøvende institutioner

For the purposes of this Agreement the term "Executing Agencies" means any public authority and public or private corporation as well

1. I forbindelse med nærværende overenskomst betyder udtrykket »udøvende institutioner« enhver offentlig myndighed og offentlig eller

as any organization whether public or private, accepted by the two Governments and contracted by Denmark to implement the Specific Agreements referred to in Article 1, paragraph 2 above.

2. Denmark shall, unless otherwise agreed in the Specific Agreement, pay the fees and costs of the Executing Agencies in accordance with the rules and regulations of the Danish Ministry of Foreign Affairs excluding the costs to be covered by Ghana as stipulated in paragraph 3 below.

3. Ghana shall take the following measures with regard to the Expatriate Executing Agencies:

- a) grant them free of charge and without undue delay all necessary permits and authorizations;
- b) exempt them from income tax or any other direct tax or charge in respect of any emoluments paid to them from funds or resources outside Ghana for their services in Ghana under this Agreement;
- c) exempt them from duty to submit the Ghanaian authorities any tax or financial declarations required from private persons or corporations;
- d) impose no currency or foreign exchange restrictions on funds introduced into Ghana by the Expatriate Executing Agencies for the implementation of the activities under this Agreement, and facilitate the exchange and the exportation of such funds as well as the opening of bank accounts; and
- e) exempt them from professional registration and licence requirements.

Article 3
Personnel

1. Technical assistance provided upon Ghana's request under this Agreement may be in the form of technical assistance personnel (short term or long term assignments) employed by the Danish Ministry of Foreign Affairs or by the Executing Agencies referred to in Article II, paragraph 1 above. The provision of the services of the above-mentioned personnel (hereinafter referred to as the Personnel) is subject to the availability of suitable qualified and experienced persons at the appropriate time.

privat sammenslutning såvel som enhver organisation hvad enten offentlig eller privat, der er anerkendt af de to regeringer og kontraheret af Danmark til at implementere de særlige overenskomster, der henvises til i ovenstående artikel 1, stk. 2.

2. Med mindre andet er vedtaget i de særlige overenskomster, betaler Danmark de udøvende institutioners honorarer og omkostninger i overensstemmelse med det danske udenrigsministeriums regler og forskrifter fraregnet de af Ghana afholdte omkostninger, som fastsat i nedennævnte stk. 3.

3. Ghana foranstalter følgende med hensyn til de udsendte udøvende institutioner:

- a) udsteder dem vederlagsfrit og uden utilbørlig forsinkelse alle de nødvendige tilladelser og autorisationer;
- b) fritager dem for indkomstskat eller andre direkte skatter eller afgifter af indtægter, der tilgår dem fra midler uden for Ghana for deres tjenesteydelser i Ghana i henhold til nærværende overenskomst;
- c) fritager dem fra at fremsende enhver skatte- eller finansiell erklæring til de ghanesiske myndigheder, der kræves af privatpersoner eller sammenslutninger;
- d) fritager midler overført til Ghana af de udsendte udøvende institutioner til implementeringen af aktiviteter i henhold til nærværende overenskomst for valutakontrol og letter omveksling og eksport af sådanne midler såvel som oprettelsen af bankkonti; og
- e) fritager dem for faglige registrerings- og licenskrav.

Artikel 3
Personel

1. Faglig bistand stillet til rådighed efter anmodning fra Ghana i henhold til nærværende overenskomst kan være i form af teknisk bistandspersonel (kortvarige eller langvarige opgaver) ansat af det danske udenrigsministerium eller de i ovennævnte artikel 2, stk. 1 nævnte udøvende institutioner. Tilvejebringelsen af ovennævnte personels (i det følgende benævnt personellet) tjenesteydelser er betinget af tilgængeligheden af egnede, kvalificerede og erfarne personer på det rette tidspunkt.

4. Denmark shall cover the rent for suitable housing for the expatriate personnel and their spouses and dependents. Water, electricity, and telephone charges in respect of such housing will be the responsibility of the expatriate personnel. Ghana shall assist in finding such suitable housing.

5. In respect of the Personnel Ghana shall:

- a) make available adequate land, free of charge, or immovable property as may be required for the implementation of Projects under this Agreement.
- b) provide and bear the costs of local support for the work of the Personnel including suitable office and/or laboratory space with all the normal facilities thereto, secretarial services, duty trips, other necessary assistance, and postage and telecommunications for official purposes.
- c) grant leave and absence on account of vacation, sickness, pregnancy, or childbirth in accordance with the respective employment contracts.
- d) assist the spouses of the expatriate personnel in obtaining a work permit in Ghana for the period in which the expatriate personnel is working in Ghana under this agreement.

6. Ghana undertakes that the expatriate Personnel and their spouses and dependents are:

- a) exempted from national service and any other military obligations;
- b) entitled to open bank accounts, exempted in any currency or foreign exchange restrictions imposed on external funds introduced into Ghana, and allowed to exchange and to export such funds as well as any proceeds of household goods and personal effects imported and/or sold in accordance with the provisions in paragraphs 17 and 18;
- c) exempted from professional registration and licence requirements.

7. Ghana will make provisions for the exemption of the expatriate Personnel and their spouses and dependents from:

- a) personal income tax or any other direct tax or charge, including contributions to national social security schemes, in respect of any emoluments paid to them by Denmark for their services in Ghana under this Agreement.

14. Danmark betaler husleje for passende bolig for det udsendte personel og disses ægtefæller og pårørende. Udgifter til vand, elektricitet og telefon i.f.m. sådan en bolig afholdes af det udsendte personel. Ghana skal være behjælpelig med at finde passende bolig.

15. Vedrørende personellet vil Ghana:

- a) gratis stille land eller fast ejendom, som må anses for nødvendige for gennemførelse af projekter under nærværende overenskomst, til rådighed;
- b) skaffe og afholde udgifterne til lokal hjælp til personellets arbejde, herunder passende kontor- og/eller laboratoriefaciliteter med normalt udstyr, sekretærbistand, tjenesterejser, anden nødvendig bistand, samt tjenstlige post- og telekommunikationsfaciliteter;
- c) godkende ferie, fravær på grund af sygdom og barselsorlov i overensstemmelse med de respektive ansættelseskontrakter;
- d) være det udsendte personels ægtefæller behjælpelig med at få arbejdstilladelse i Ghana for den periode, som det udsendte personel arbejder i Ghana i medfør af nærværende overenskomst.

16. Ghana forpligter sig til, at det udsendte personel og disses ægtefæller og pårørende:

- a) er fritaget fra værnepligt og enhver anden militær pligt;
- b) har tilladelse til at åbne bankkonti, er undtaget fra restriktioner for fremmed valuta indført til Ghana, og har tilladelse til at veksle og udføre sådanne midler samt ethvert provenu i.f.m. indbo og personlige ejendele, som er importeret og/eller solgt i overensstemmelse med reglerne i stk. 17 og 18;
- c) er fritaget for faglig registrering og licensbestemmelser.

17. Ghana sørger for, at det udsendte personel og disses ægtefæller og pårørende fritages for:

- a) personlige indkomstskatter og andre direkte afgifter, inklusiv bidrag til sociale ordninger, af indtægter, som de modtager fra Danmark for deres tjeneste i Ghana under nærværende overenskomst;

- b) the duty to submit to Ghanaian authorities any tax or financial declarations required from the citizens of Ghana or aliens residing in Ghana for emoluments mentioned above;
- c) all customs duties, taxes, and other related charges imposed on the import of new as well as used household goods and personal effects including a motor vehicle for their exclusive use imported by this Personnel and their spouses and dependents or purchased from a bonded warehouse in Ghana within 6 months after their arrival in Ghana, subject to reexport on completion of service or payment of duties and taxes if sold locally unless to a person entitled to the same privileges. The term "household goods and personal effects" shall include, inter alia, for each household;
- one stove/cooker, microwave oven, refrigerator, deep freezer, dish washing machine and universal kitchen machine,
 - one washing machine, dryer, vacuum cleaner and sewing machine,
 - two radios, one tape recorder and one record/CD player,
 - one TV-video set incl. antenna, cine- and videocamera, and other photographic equipment,
 - one air conditioner for each member of the family, however, at least two per household,
 - one typewriter,
 - minor electrical appliances,
 - sports and musical equipment,
 - furniture,
 - one personal computer set,
 - personal professional equipment in reasonable quantities,
 - one water pump.
- b) pligten til at oplyse de ghanesiske myndigheder om skatte- og finansielle forhold, som kræves af ghanesiske borgere eller fastboende udlændinge i Ghana, vedrørende indtægter som ovenfor anført;
- c) alle toldafgifter, skatter og andre gebyrer i.f.m. import af nyt såvel som brugt indbo og personlige ejendele, inkluderet et motorkøretøj, som personellet og disses ægtefæller og pårørende indfører til eget brug, eller indkøber i Ghana fra frilager inden 6 måneder efter deres ankomst, under forudsætning af at disse genstande genudføres ved tjenestetidens ophør, eller at der betales afgifter og skatter, hvis de sælges lokalt, bortset fra salg til personer der nyder samme privilegier. Udtrykket »indbo og personlige ejendele« omfatter bl.a. for hver husstand:
- et komfur, en mikrobølgeovn, et køleskab, en dybfryser, en opvaskemaskine og en universel køkkenmaskine,
 - en vaskemaskine, en tørretumbler, en støvsuger og en symaskine,
 - to radioer, en båndoptager og en plade/CD-spiller,
 - et TV-video sæt med antenne, film- og videokamera og andet fotografisk udstyr,
 - en air conditioner for hvert familiemedlem, dog mindst to pr. husstand,
 - en skrivemaskine,
 - mindre elektriske apparater,
 - sportsudstyr og musikinstrumenter,
 - møbler,
 - en personlig computer,
 - personligt fagligt udstyr i rimeligt omfang,
 - en vandpumpe.

18. In the event that a motor vehicle referred to above is damaged beyond repair as reasonable costs or otherwise lost without neglect on the part of the expatriate Personnel or their spouses and dependents, the exemptions mentioned in that paragraph apply to the importation or purchase of a new motor vehicle irrespective of any time limit. Furthermore, Ghana shall allow import free of customs duties, taxes, or other charges of one motor vehicle after three years have elapsed since the first entry

18. I tilfælde af at et motorkøretøj, som anført ovenfor, bliver beskadiget i en sådan grad, at det ikke vil kunne betale sig at reparere det, eller på anden måde går tabt uden at det udsendte personel eller disses ægtefæller og pårørende er skyld deri, skal de i ovenstående stk. omtalte fritagelser gælde for import eller køb af et nyt motorkøretøj uden hensyn til tidsfrist. Endvidere skal Ghana tillade told-, afgifts- og gebyr-fri indførsel af et motorkøretøj tre år efter personellens første indrejse i Ghana, hvis personel-

Done in ACCRA on this the 30th day of
March 1993 in two originals in the English lan-
guage (both texts being equally authentic).

For the Government for Ghana

Dr. Kwesi Botchway
Minister for Finance and
Economic Planning

For the Government of Denmark

Jorn Krogbeck
Ambassador

Udfærdiget i ACCRA den 30. marts 1993 i to
originaleksemplarer på engelsk (begge eksem-
plarer har samme gyldighed).

For Ghanas regering

Dr. Kwesi Botchway
Finansminister og minister for
økonomisk planlægning

For Danmarks regering

Jorn Krogbeck
Ambassadør

Udenrigsministeriet, den 7. juli 1994

NIELS HELVEG PETERSEN

APPENDIX D

Permitted Resources 21.2 If it appears to the Contractor that the following conditions apply, namely:

- (a) compliance with Sub-Clause 21.1 will make performance of his obligations impracticable, and
- (b) the cause of such impracticability was Unforeseeable,

then the Contractor shall give notice to the Engineer. The notice shall describe the cause of such impracticability, shall set out the reasons why the Contractor considers it to be Unforeseeable, and shall include detailed particulars of the proposed Subcontractor, Plant and/or Materials which the Contractor considers would enable him to perform his obligations under the Contract.

The Engineer may (or may not) then give notice to the Contractor, describing the Subcontractor, Plant and/or Materials which the Contractor is permitted to use and/or incorporate in the Works (as the case may be), as a "Permitted Resource". The Engineer shall respond to the Contractor's notice as soon as practicable, either by issuing a notice or by advising the Contractor that no such permission is being given, at the Employer's discretion.

If the Cost of the proposed subcontract, Plant or Materials is expected to be less than the limit of the Engineer's authority stated in the Appendix to Tender, the Engineer shall respond to the Contractor's notice within 21 days.

Nothing in this Sub-Clause limits the obligations, liabilities or responsibilities of a Party, or entitles a Party to an adjustment of the Contract Price, irrespective of whether any such permission is given or withheld.

Failure to Comply 21.3 If the Contractor fails to supply to the Engineer (upon request) reasonable evidence that any Subcontractor or item of Plant or Materials is a Permitted Resource or Eligible Resource, the Employer shall be entitled to claim a reduction of the Contract Price in accordance with Sub-Clause 2.5. This reduction shall be the total Cost of any Subcontractors, Plant and Materials for which the Contractor has failed to supply such reasonable evidence, plus any cost incurred by the Employer's Personnel which is attributable to such failure.

Goods Purchased in the Country 21.4 This Clause 21 shall not apply to any item of Goods:

- (a) which is purchased in the Country,
- (b) which is neither made, nor imported into the Country, for use in connection with the Works,
- (c) for which all duties and taxes have been paid and will not be recoverable under Clause 22, and
- (d) the Cost of which is less than the limit stated in the Appendix to Tender. For Materials normally delivered in bulk, such Cost shall be defined as the Cost of each bulk delivery to the Site.

22 ~~Local Duties and Taxes~~

~~Exemption for~~ **Goods** 22.1 The Goods imported by the Contractor into the Country for the Works shall be exempt from customs and other import duties and taxes. In this Clause, "Goods" includes fuel and lubricants required for the Contractor's Equipment.

The Contractor shall prepare the necessary exemption and other documents in accordance with the Laws of the Country, the requirements of customs and other legally constituted authorities, and any other reasonable requirements of the Recipient. The Contractor shall be entirely responsible for the presentation of documentation in order to clear the Goods through the customs authorities, and shall be deemed to have been satisfied (before submitting the Tender) as to all relevant procedures.

Other Duties and Taxes 22.2 All imported Goods, which are not incorporated in or expended in connection with the Works, shall be exported on completion of the Contract. If not exported, or if used in connection with other contracts, the Goods will be assessed for duties (as applicable to the Goods involved) in accordance with the Laws of the Country, and the Contractor shall pay such duties accordingly.

The Contractor shall not be entitled to exemption from:

- (a) port dues, quay dues and similar charges, and
- (b) any element of duty or tax inherent in the price of goods or services procured in the Country,

which shall be deemed to be included in the Accepted Contract Amount.

Responsibility of the Recipient 22.3 The Recipient shall be responsible for exemptions under Sub-Clause 22.1, except to the extent that non-exemption is attributable to a failure by the Contractor to comply with the relevant procedures.

In the event that exemption is not granted, the Contractor shall endeavour to minimise the disruption to the progress of the Works, including paying the duties and/or taxes. The Recipient shall then pay to the Contractor the amount of such duties and taxes as were due and paid and to which the Contractor was entitled to exemption under Sub-Clause 22.1, in the currency in which the duties and/or taxes were paid by the Contractor.

Responsibility of the Employer 22.4 In order to facilitate the Contractor's applications for exemptions, the Employer shall issue to the Contractor, prior to the Commencement Date, a copy of the relevant parts of the Government Project Agreement.

If the Recipient fails to make payment of any amount due under Sub-Clause 22.3 by the date on which the Taking-Over Certificate is issued for the Works, other than by reason of a failure by the Contractor to provide the appropriate documentation entitling him to payment of such amount, it shall be certified and paid in accordance with Clause 14 and included in the Contract Price.

Additional Exemptions 22.5 If and to the extent that the following conditions apply, namely

- (a) the Contractor is exempted from a duty or tax which is applicable in the Country in accordance with its Laws;
- (b) such exemption is Unforeseeable and is not an entitlement under this Clause 22 (but may be described or implied in the Government Project Agreement); and
- (c) the amount of duty or tax is either refunded to, or not paid by, the Contractor;

Handwritten marks: a large 'A' and the number '125'.

APPENDIX E

SKANSKA / SONITRA J.V.

13th October 2000

LIST OF TAXES AND DUTY EXEMPTION FOR LOCAL PURCHASE
OF MATERIALS AND SPARE PARTS, EQUIPMENTS FOR TAKORADI
AGONA PROJECT WITH DANIDA

NO.	DESCRIPTION	UNIT	QUANTITY	NET UNIT PRICE (\$)	AMT. (\$)
1	Cement	Tons	12,000	60.54	726,480.00
2	Gas Oil	Lts.	9,500,000	0.20	1,900,000.00
3	Oil	Lts.	400,000	0.95	380,000.00
4	Bitumen	Tons.	6,400	250.00	1,600,000.00
5	Kerosine	Lts.	1,120,000	0.20	224,000.00
6	Steel	Tons	550	337.00	185,350.00
7	Wood (soft wood)	m3	500	150.00	75,000.00
8	Plywood (18mm)	m2	10,000	7.00	70,000.00
9	Nitrate ammonium	Tons	150	420.00	63,000.00
10	Dynamite	Tons	20	2,350.00	47,000.00
11	Detonators	Units	15,000	1.28	19,200.00
12	Electric Wire	ml.	100,000	0.07	7,000.00
13	Blasting Line	ml.	10,000	0.27	2,700.00
14	Binding Wire	Tons	15	800.00	12,000.00
15	Plastic retarder	Lts.	54,000	1.80	97,200.00
16	Personal effects for expatriate	unit	13	10,000.00	130,000.00
17	Aluminum	unit	40	3,500.00	140,000.00
18	Computers (complete set)	unit	15	3,000.00	45,000.00
19	Vehicles (private)	unit	5	15,000.00	75,000.00
20	Double cabin (4 wheel drive)	unit	10	20,000.00	200,000.00
21	Pick-up	unit	10	15,000.00	150,000.00
22	Tyres for truck	unit	500	300.00	150,000.00
					6,185,930.00

Master List

Takordi – Agona Junction Road Project

Equipment to be imported for the benefit of the Project.

No.	Item Description	Unit	Quantity	Value (DKK)
1.	Nissan Terrano S 4WD	EA	2	288,553.00
2.	Toyota Hi-Lux Double Cab 4WD	EA	3	493,110.00
3.	Toyota Hi-Lux Extra Cab 4WD	EA	4	599,852.00
			Total DKK	1,381,515.00

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