



**REPORT OF THE FINANCE COMMITTEE ON THE CUSTOMS
(AMENDMENT) BILL, 2023**

1.0. INTRODUCTION

The Customs (Amendment) Bill, 2023 was presented to Parliament by the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare on behalf of the Hon. Minister for Finance, and read for the first time on Friday, 8th December, 2023 in accordance with Article 174(1) of the 1992 Constitution.

The Bill was subsequently referred to the Finance Committee for consideration and report in accordance with Order 169 of the Standing Orders of the House.

Pursuant to the referral, the Committee met with the Hon. Deputy Minister for Finance, Mrs. Abena Osei Asare, officials from the Ministry of Finance, Attorney-General's Department and the Ghana Revenue Authority (GRA) and considered the referral.

The Committee is grateful to the Hon. Deputy Minister and officials for the assistance.

2.0. REFERENCE

The Committee referred to the following documents during its deliberations:

- The 1992 Constitution of Ghana;
- The Standing Orders of the Parliament of Ghana;
- The Ghana Revenue Authority Act, 2009 (Act 791);
- The Customs Act, 2015 (Act 891); and
- The Harmonised Commodity Description and Coding System.

3.0. BACKGROUND

The World Customs Organisation in 2022 revised its Harmonised Commodity Description and Coding System in response to advances in technology, the emergence of new product streams, changing trade patterns, environmental considerations, health and safety and the fight against terrorism. The revised Coding System was subsequently adopted by the Economic Community of West African States (ECOWAS) Commission for implementation by Member States. In an effort to harmonise Ghana's customs regime and coding systems with the revised Coding System, the Government of Ghana intends to amend the Customs Act to adopt and implement the 2022 Economic Community of West African State External Tariff. The proposed amendment involves the introduction of four hundred and thirty-one (431) tariff lines to the Customs Tariffs. The amendment also seeks to provide an import duty waiver on raw materials for the manufacture of sanitary towels in response to appeals made to Government to help reduce the cost of basic hygiene products and to support production of sanitary towels to meet local demands.

4.0. PURPOSE OF THE BILL

The purpose of the Bill is to amend the Customs Act, 2015 (Act 891) to enable Ghana adopt and implement the 2022 Economic Community of West African

States Common External Tariff. The proposed amendment will add four hundred and thirty-one tariff lines to the Customs Tariff and align the Value Added Tax and Excise Duty rates with the respective tariff lines. The proposed amendment is also expected to improve the customs classification and provide accurate international trade statistics, and strengthen the economic integration of the country with neighbors within the Economic Community of West African States sub-region.

5.0. PROVISION OF THE BILL

The Customs (Amendment) Bill, 2023 seeks to amend the Customs Act, 2015 (Act 891) to add four hundred and thirty-one tariff lines (431) to the Customs Tariff and to provide a waiver for the importation of raw materials for the manufacture of sanitary towels. The proposed amendment consists of one clause which amends the First Schedule to Act 891 to include the new four hundred and thirty-one tariff lines with their respective Common External Tariffs. The clause also exempts raw materials not locally available for the manufacture of sanitary towels from the payment of import duty.

6.0. OBSERVATIONS

6.1. Importance of the Amendment

The Committee noted that the proposed Amendment to the customs Bill, 2015 (Act 891) seeks to align Ghana's customs code with World Customs Organisation and the Economic Community of West African States Commission. The amendment will enable the country to adopt and implement the 2022 Economic Community of West African States Common External Tariff. The proposed amendment is also expected to improve the customs classification and provide accurate international trade statistics, and strengthen the economic integration of the country with neighbors within the Economic Community of West African States sub-region.

6.2. Fiscal Impact of the Proposed Amendment

The Committee observed that the Bill which seeks to harmonise Ghana's Custom regime with the World Customs Organisation and the Ecowas States will add four hundred and thirty-one new tariff lines to the Customs Tariff and align the Value Added Tax and Excise Duty rates with the respective tariff lines. The Committee further noted that the Addition however has not resulted in an increase in tax rate and will not result in increased customs duty at the ports. The Hon Deputy Minister informed the Committee that the proposed amendment is expected to bring clarity and provide details of some taxable commodities and the various rates in line with the World Customs Organisations codification. The new codification will also eliminate discretion by custom official in the determination of rate for some undefined commodities,

The Committee noted that the proposed amendment to the Customs Act is estimated to cost approximately six million Ghana Cedis (GH¢6,000,000.00) through the waiver of Customs duties on raw materials for the production of sanitary towels. The adoption of the harmonised codes is revenue neutral and is not expected to generate additional revenue to government.

7.0. CONCLUSION

The Committee has thoroughly examined the Bill and is convinced that the proposed amendments to the Customs Act, 2015 (Act 891) is purely intended to harmonised Ghana's Harmonised System Code with the Harmonised Commodity Description and Coding System of the International Customs Organization as adopted by the Economic Community of West African States Commission. The harmonisation will not result in any increase in customs rates. In view of the need to ensure Ghana's Customs code is harmonised with the internationally accepted codes, the Committee recommends to the House to adopt this Report and pass

the **Customs (Amendment) Bill, 2023** into law in accordance with Article 106 (13) of the 1992 Constitution of the Republic of Ghana and Order 119 of the Standing Orders of the House.

Respectfully submitted.



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HON. KWAKU KWARTENG
(CHAIRMAN, FINANCE COMMITTEE)



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EPHRAIM AMU
(SCHEDULE OFFICER, FINANCE COMMITTEE)

11TH DECEMBER, 2023

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