



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

1.0. INTRODUCTION

The **Exemptions (Amendment) Bill, 2023** was *presented and read the first time* in the House on Tuesday, 7th December, 2023 by the Hon. Minister responsible for Finance, Mr. Ken Ofori-Atta.

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.

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

The Committee is grateful to the above-mentioned Hon. Deputy Minister and the team of officials of the Ministry of Finance, GRA and the Attorney General's Department for attending upon the Committee.

1.1. URGENCY OF THE BILL

The Committee determined and hereby certifies that the Bill is of an urgent nature and may be taken through all the stages of passage in one day in accordance with article 106(13) of the 1992 Constitution and Order 119 of the Standing Orders of the House.

2.0. REFERENCES

The Committee referred to and was guided by the following documents *inter alia* during its deliberations on the Bill:

- The 1992 Constitution of the Republic of Ghana.
- The Standing Orders of the Parliament of Ghana.
- Interpretation Act, 2009 (Act 792).
- Public Financial Management Act, 2016 (Act 921).
- The Budget Statement and Economic Policy of the Government of Ghana for the 2024 Financial Year.
- Ghana Revenue Authority Act, 2009 (Act 791).
- Exemptions Act, 2022 (Act 1083).

3.0. BACKGROUND

The agricultural sector is a critical sector for the growth and development of the economy of the country. To promote the Growth Agenda of Government, Government seeks to introduce a waiver of

customs duties and customs taxes on the importation of machinery, equipment and inputs used for agricultural purposes. This is to reduce the financial burden on farmers in the acquisition of machinery, equipment and inputs used for agricultural purposes.

These incentives are intended to commence in 2024 with a waiver of customs duties and taxes for fishing floats and other fishing gear; and fertilizer and seeds for the Planting for Food and Jobs Programme Phase 2.

3.1. OBJECT OF THE BILL

The object of the Bill is to provide a waiver of customs duties and customs taxes in respect of the importation of fishing gear and agricultural inputs.

4.0. CONTENTS OF THE BILL

The Bill contains six (6) clause.

Clause 1 of the Bill replaces the headnote before section 17 of Act 1083 with "Personal Effects, Foodstuffs, Machinery Equipment, Fishing Gear, Seeds and Fertilizer".

Clause 2 of the Bill inserts section 19A into Act 1083 to provide for fishing gear, seeds and fertilizer for the Planting for Food and Jobs Programme Phase 2 specified in the Second Schedule, that are imported for agricultural purposes to be exempt from customs duties and customs taxes.

The exemption is subject to certification by the Minister responsible for Food and Agriculture or the Minister responsible for Fisheries and Aquaculture Development, and the approval of the Minister responsible for Finance.

Under *clause* 3 the reference to "Schedule" in section 30 of Act 1083 is amended to insert the word "First" before "Schedule" in view of the inclusion of a new Schedule.

Clause 4 amends section 34 of Act 1083 to introduce a definition for "fishing gear".

Clause 5 amends the headnote to the Schedule to Act 1083 consequential to the amendment under clause 2.

Clause 6 amends Act 1083 to insert a Second Schedule that provides for the exemption of fishing gear, seeds and fertilizer for the Planting for Food and Jobs Programme Phase 2, that are imported for agricultural purposes from custom duties and custom taxes pursuant to the insertion of section 19A.

6.0. OBSERVATIONS

6.1. Fiscal Impact

As to what the fiscal impact of the Bill will be when passed, the Committee was informed that the waiver would result in estimated exemptions to the tune of four hundred and forty-two million, six hundred and fifty thousand Ghana Cedis for the 2024 financial year.

6.2. Food Inflation

The Committee was informed that the grant of exemptions on fishing gear, seeds and fertilizer forms part of interventions by Government to help reduce the cost of food production and to slow down food inflation in the country.

6.3. Planting for Food and Jobs Programme Phase 2

The Committee observed that the Bill provides for the exemption from customs duties and customs taxes, seeds and fertilizer imported for agricultural purposes in relation to the *Planting for Food and Jobs Programme Phase 2*.

The Committee however noted that the principal enactment has already made provisions in Section 14 thereof to cater for programme-specific tax concessions through Regulations. The Committee thus advised the Minister to activate the procedure enacted in Section 14 of Act 1083 to deal with the tax exemptions targeted at the Planting for Food and Jobs Programme Phase 2.

7.0. AMENDMENTS PROPOSED

The Committee respectfully proposes the following amendments to the Bill:

- i. Clause 1 -- Amendment proposed – Last line, delete “Personal Effects, Foodstuffs, Equipment, Fishing Gear, Seeds and Fertilizer” and insert “*Personal Effects, Foodstuffs, Equipment for Trial and Fishing Gear*”**

- ii. Clause 2 – **Amendment proposed** – Delete and insert the following:
“19A. Fishing gear that are imported for agricultural purposes and
(a) certified by the Minister responsible for Fisheries and Aquaculture Development, and
(b) approved by the Minister
are exempt from customs duties and customs taxes.”
- iii. Clause 3 – **Amendment proposed - Delete**
- iv. Clause 5 – **Amendment proposed - Delete**
- v. Clause 6 – **Amendment proposed - Delete**

8.0. RECOMMENDATION AND CONCLUSION

The Committee respectfully recommends to the House to adopt this Report and pass the **Exemptions (Amendment) Bill, 2023** into law in accordance with the 1992 Constitution and Order 119 of the Standing Orders of the House, *subject to the amendments proposed.*

Respectfully Submitted.



HON. KWAKU KWARTENG
(CHAIRMAN, FINANCE COMMITTEE)



EPHRAIM AMU
(SCHEDULE OFFICER,
FINANCE COMMITTEE)



11TH DECEMBER, 2023