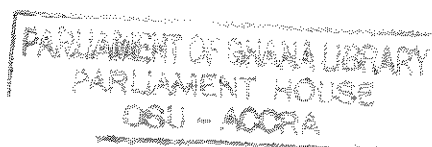


**IN THE FIRST SESSION OF THE SEVENTH PARLIAMENT  
OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE  
COMMITTEE ON FINANCE**

**ON THE**

**INCOME TAX (AMENDMENT)  
BILL, 2017**



*14<sup>TH</sup> MARCH, 2017*

*Acc No: 1857*

*Class No: BR/ITA/17*

## 1.0 INTRODUCTION

The **Income Tax (Amendment) Bill, 2017** was presented to Parliament by the Minister for Finance, Hon. Ken Ofori-Atta and *read the first time* on Tuesday 14<sup>th</sup> March 2017. The Bill was subsequently referred to the Finance Committee for consideration and report in accordance with article 174 of the Constitution, 1992 and Order 169 of the Standing Orders of the Parliament of Ghana. The Committee also determined that the Bill is of an urgent nature and has to be taken through all the stages in one day in accordance with article 106(13) of the Constitution, 1992 and Order 119 of the Standing Orders of the House.

The Hon. Minister of Finance, Mr. Ken Ofori-Atta and other officials from the Ministry of Finance and the Ghana Revenue Authority assisted the Committee in its deliberations on the Bill.

The Committee is grateful to the Hon. Minister and the officials from the Ministry of Finance and GRA for attending upon the Committee.

### 1.1 Urgency of the Bill

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

## 2.0 REFERENCES

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

- a. The 1992 Constitution of Ghana.
- b. The Standing Orders of the Parliament of Ghana.
- c. Income Tax Act, 2015 (Act 896)
- d. Interpretation Act, 2009 (Act 792)

### **3.0 BACKGROUND**

The Ghana Stock Exchange was established to provide investors with a secure platform on which to raise capital and trade in securities.

The Government has outlined measures to deepen the capital market and to draw more investors into the market. The measures include off-loading a portion of Government holdings onto the market and removing the tax on gains from realization of securities on the market.

### **4.0 PURPOSE OF THE BILL**

The Bill seeks to amend the Income Tax Act, 2015 (Act 896) to exempt the gain on realization of securities of companies listed on the Ghana Stock Exchange from income tax for the period 2017 to 2021.

### **5.0 CONTENT OF THE BILL**

The Income Tax (Amendment) Bill, 2017 contains one clause.

The clause variously amends section 7(1) of Act 896 to exempt from tax the gains from the realization of securities traded on the Ghana Stock Exchange up to 31<sup>st</sup> December, 2021.

### **6.0 OBSERVATIONS**

#### **6.1 Boost to the Stock Market**

The Committee was informed that recently, there is not much activity going on at the Ghana Stock Exchange due to the illiquidity situation on the Exchange. There is therefore the need to introduce this measure to attract more investment onto the Exchange especially the ever-growing pension funds in the economy.

#### **6.2 Sunset Clause**

The Minister for Finance, Hon. Ken Ofori-Atta informed the Committee that the tax exemption is programmed to last till the end of December 2021 by which time the stock market is expected to have picked up significantly. Again, government would still be at liberty at that time to review the market circumstances and make a further decision as to whether or not to continue the policy.

## 8.0 CONCLUSION

The Committee after carefully examining the Bill, finds that its passage is necessary to remove the tax on gain from the realization of securities of companies listed on the Ghana Stock Exchange so as to help deepen the capital market and draw more investors on to the stock market.

The Committee therefore recommends to the House to adopt this report and pass the **Income Tax (Amendment) Bill, 2017** into law in accordance with Article 106 of the Constitution and Orders 126 and 127 of the Standing Orders of the House.

The Committee further recommends that the Bill be taken through all the stages in one day in accordance with Order 119 of the Standing Orders of the House.

Respectfully Submitted

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

  
.....  
**EVELYN BREFO-BOATENG (MS.)**  
**(CLERK, FINANCE COMMITTEE)**