Policy & Regulatory Reform

Taxation Areas (Targeted):
- Surcharge on International Inbound Traffic (SIIT)
  - Price Arbitrage/Simboxing
- 20% Import Duty on Mobile Devices
- VAT on Mobile Money
- National Fiscal Stabilization Levy
- Tower Moratorium Penalties

Message:
- These taxes increase barriers to affordability, reduce investment and undermine the competitiveness of Ghana

Risk/Challenges:
- Government’s fiscal deficit & revenue demands
- Stakeholder Buy-in
- Election Year.
## KEY ACTIVITIES 2016

### TEAM APPROACH / STRATEGIC ENGAGEMENTS

<table>
<thead>
<tr>
<th>GROUP MEETING</th>
<th>TIMELINE</th>
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<tbody>
<tr>
<td>Champions Meeting</td>
<td>All Year</td>
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<tr>
<td>Taxation Team Engagement</td>
<td>All Year</td>
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### STRATEGIC ENGAGEMENTS

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<tr>
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<td>Meetings with the MoF</td>
<td>All Year</td>
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<tr>
<td>Meetings with the MoC [Minister, Deputy &amp; CD]</td>
<td>All Year</td>
</tr>
<tr>
<td>Meetings with Central Bank, GRA etc</td>
<td>All Year</td>
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### RESEARCH ON TAX IMPLICATIONS TO TELCO INDUSTRY

<table>
<thead>
<tr>
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<tr>
<td>GSMA Ghana Tax Study</td>
<td>Launched (Q1 2015)</td>
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<td>Study with PwC</td>
<td>Launched (Q4 2015)</td>
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</table>
General Taxes

Taxes levied on mobile operators in Ghana

- About 40% of Operator revenues is in the form of taxes which forms about 9.1% of GoG’s total income.
- Inefficiencies in the market reduce growth and investment in the mobile sector.

Source: Deloitte analysis
Policy & Regulatory Reform

MESSAGE:

• Consumer taxes create barriers to affordability

• Taxes on mobile operators reduce growth and investment in the mobile sector

• The tax burden on mobile is higher than that on many other sectors

• ReBalancing Mobile Taxes;
  – Increases access to ICT
  – Promotes digital inclusion and increase economic growth
  – Incentivise investments, enhance rural telephony
# 20% Import Duty on Mobile Devices

## Current Status
- CET implementation underway…
- TWG monitoring impact on the industry and consumers
- Feedback from OEMs has been, old stock currently in stores

## High Level Joint Stakeholder Engagement
- TWG engaged the Minister of Finance to speed up implementation
- Tax Policy Unit notified TWG of the effected changes from 20% to 10%.

**Q1 2016**
## National Fiscal Stabilization Levy

**Current Position:**
- Government extended this levy beyond the sunset clause of December 2014 to 2017
- Team continues to monitor effect of this tax and will share detailed impact in due course etc.
PRIORITY TAXES

VAT on Mobile Money

High Level Stakeholder Engagement

The TWG led a series of bilateral engagements;
• Engaged the Tax Policy Unit
• Engaged the Central Bank

Current Position:
• Suspended indefinitely
• Possible review of MM guidelines.....
  Issues surrounding VAT is out of the discussions and roadmap documents circulated from the Central Bank

TIMELINE

Q1-Q2
2016
**Tower Moratorium Update**

**Current Status**
- Ministry requests an extension by 2 years.
- TWG research indicates
  - 9 million customers to lose service
  - Over 4,000,000 cedis penalty a day to the industry

**High Level Joint Stakeholder Engagement**
- TWG engaged the Regulator and Ministry
- Ministry notified TWG of inability to resolve this due to elections

**TIMELINE**

Q2 2016
Next Steps

– Align & Intensify our Interventions with National Coordinator

• Creating parallel engagement lines to enhance lobby/education efforts
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