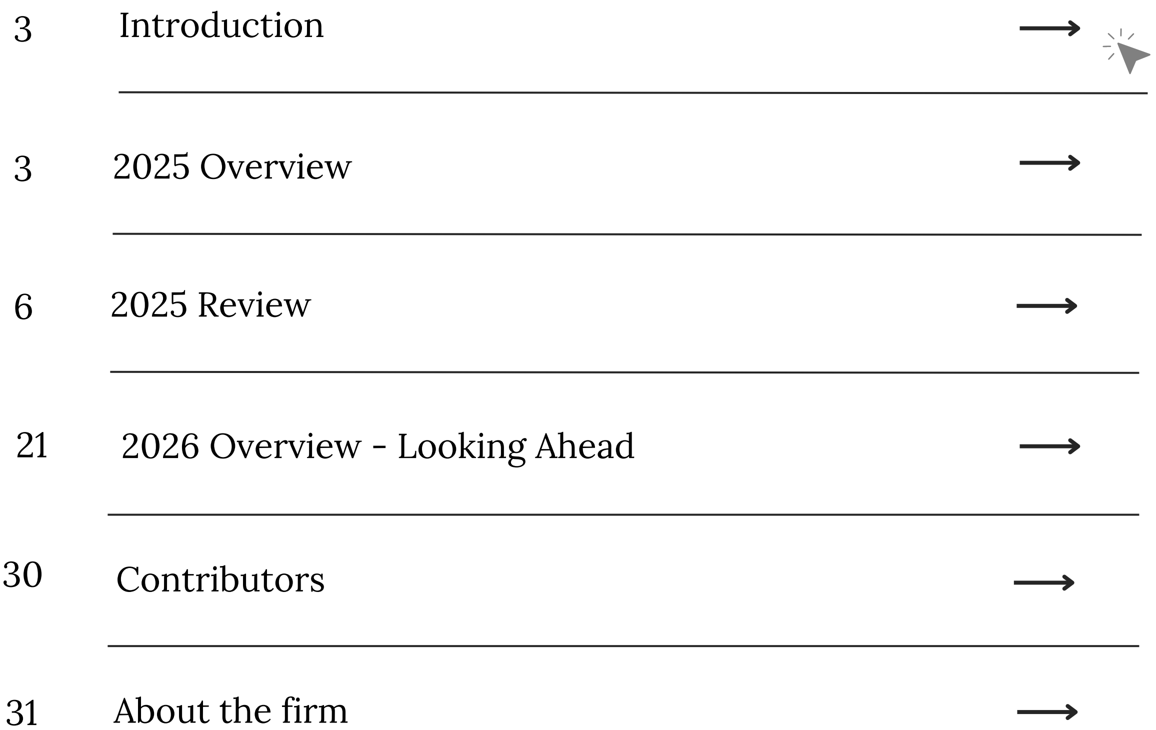
BENTSI-ENCHILL
LETSA & ANKOMAH

Ghana's Tax Outlook 2026

Content



3 Introduction

3 2025 Overview

6 2025 Review

21 2026 Overview - Looking Ahead

30 Contributors

31 About the firm

Introduction

Ghana's tax environment in 2025 was defined by a single, overriding imperative which was fiscal consolidation under sustained macroeconomic pressure. The legislative and administrative measures introduced by the Government of Ghana and the Ghana Revenue Authority (GRA) were significantly influenced by International Monetary Fund (IMF) programme conditionalities, post-debt restructuring considerations , and the familiar tension between revenue mobilisation and private sector competitiveness. Some of these measures were anticipated. Others represented a sharper shift in direction. Together, they have materially altered the tax risk landscape for businesses, investors, and individuals operating in Ghana.

In this inaugural edition of the Tax Legal Outlook, we examine the developments that shaped Ghana's tax system in 2025. In this respect, we consider legislative amendments, evolving policy positions, and changes in administrative and enforcement practice. We also assess emerging dispute trends and what they signal for taxpayer exposure. Finally, we set out our outlook for 2026, a year likely to present another cycle of reform and recalibration, but in a materially different fiscal context from the one that has characterised the past three years. Our aim is to provide taxpayers (whether multinational corporations or domestic enterprises) and professional advisers with a clear, practical, and forward-looking assessment of where Ghana's tax framework stands and where it is likely to go. We hope this edition serves as both a reference for the year past and a guide for the present year

2025 Review

The macroeconomic and fiscal context

Ghana's tax policy developments in 2025 cannot be understood in isolation. They are the direct consequence of a macroeconomic crisis that fundamentally reshaped the country's fiscal architecture. In late 2021, following years of expansionary fiscal policy and rising debt service costs, Ghana effectively lost access to international capital markets. Ghana suffered a significant downgrade in sovereign credit ratings leading to a spike in sovereign bond yields to levels that made further external borrowing prohibitively expensive. What followed was a period of acute economic stress. The Ghana Cedi (**GHS**) depreciated by over 50% against the US Dollar (**USD**) in 2022 alone, international reserves fell to critically low levels, inflation surged past 50%, and domestic financing conditions tightened sharply as banks retreated from government paper. By mid-2022, it had become clear that Ghana's public debt trajectory was unsustainable.

In May 2023, after months of negotiation, the government secured a USD 3 billion, 36-month Extended Credit Facility arrangement with the IMF (**the IMF Programme**). The IMF Programme was accompanied by a comprehensive Domestic Debt Exchange Programme (**DDEP**), under which holders of domestic government bonds accepted significant haircuts and maturity extensions. External creditors, including bilateral lenders and Eurobond holders, subsequently entered into parallel restructuring processes. The scale of the restructuring—one of the largest sovereign debt restructurings in Africa's recent history—underscored the severity of the fiscal imbalance that had accumulated.

The implications for fiscal policy were immediate and far-reaching. With external borrowing effectively unavailable, concessional financing from multilateral institutions insufficient to close the gap, and domestic debt markets still recovering from the DDEP, the government's ability to finance expenditure became almost entirely dependent on domestic revenue mobilisation. Under the IMF Programme, Ghana committed to restoring fiscal sustainability through a combination of expenditure restraint and revenue enhancement, including the achievement of a primary budget surplus of 1.5% of GDP. Tax policy moved from the periphery to the centre of economic management. Strengthening tax collection was no longer merely desirable but existential.

The difficulty, however, was that Ghana entered this period of fiscal consolidation with a revenue base ill-equipped for the task. In 2022, the country's tax-to-GDP ratio stood at approximately 13.8%—well below the 16-18% range typical of comparable lower-middle-income economies and significantly below the 20% threshold generally considered necessary to fund basic public services without chronic borrowing. The reasons for this shortfall are structural and long-standing. Personal income tax collections have consistently lagged behind peer jurisdictions with similar statutory rate structures, reflecting both administrative limitations and the narrow formal employment base. Value added tax (VAT) performance has been constrained by extensive exemptions and the sheer scale of economic activity that occurs outside the formal sector. With the informal sector estimated at over 60% of the labour force, a substantial portion of Ghana's economy remains effectively invisible to the tax system.

Against this backdrop, the revenue performance achieved since 2022 reflects a genuine and sustained consolidation effort. Nominal tax collections have grown significantly year-on-year, with total tax revenue reaching approximately GHS 153.5 billion in 2025, up from GHS 113.4 billion in 2024—a growth of around 35% in nominal terms. This growth has translated into a gradual but meaningful improvement in the tax-to-GDP ratio, representing one of the few areas of unambiguous progress in Ghana's post-crisis adjustment.

Two important qualifications, however, temper this progress. First, revenue performance has periodically fallen short of programme targets, exposing the fragility of the recovery. Total revenue and grants in the first nine months of 2025 underperformed projections, with the IMF attributing part of the shortfall to the appreciation of the GHS (which, while positive for inflation and external stability, reduced the local currency value of foreign currency-linked revenues) and to persistent operational challenges at the country's ports. Second, a significant portion of the increase in nominal collections reflects the inflationary expansion of the tax base rather than a genuine structural broadening of the taxpayer population or durable improvements in compliance. In other words, part of what appears as revenue growth is simply the mechanical effect of higher prices flowing through to taxable transactions.

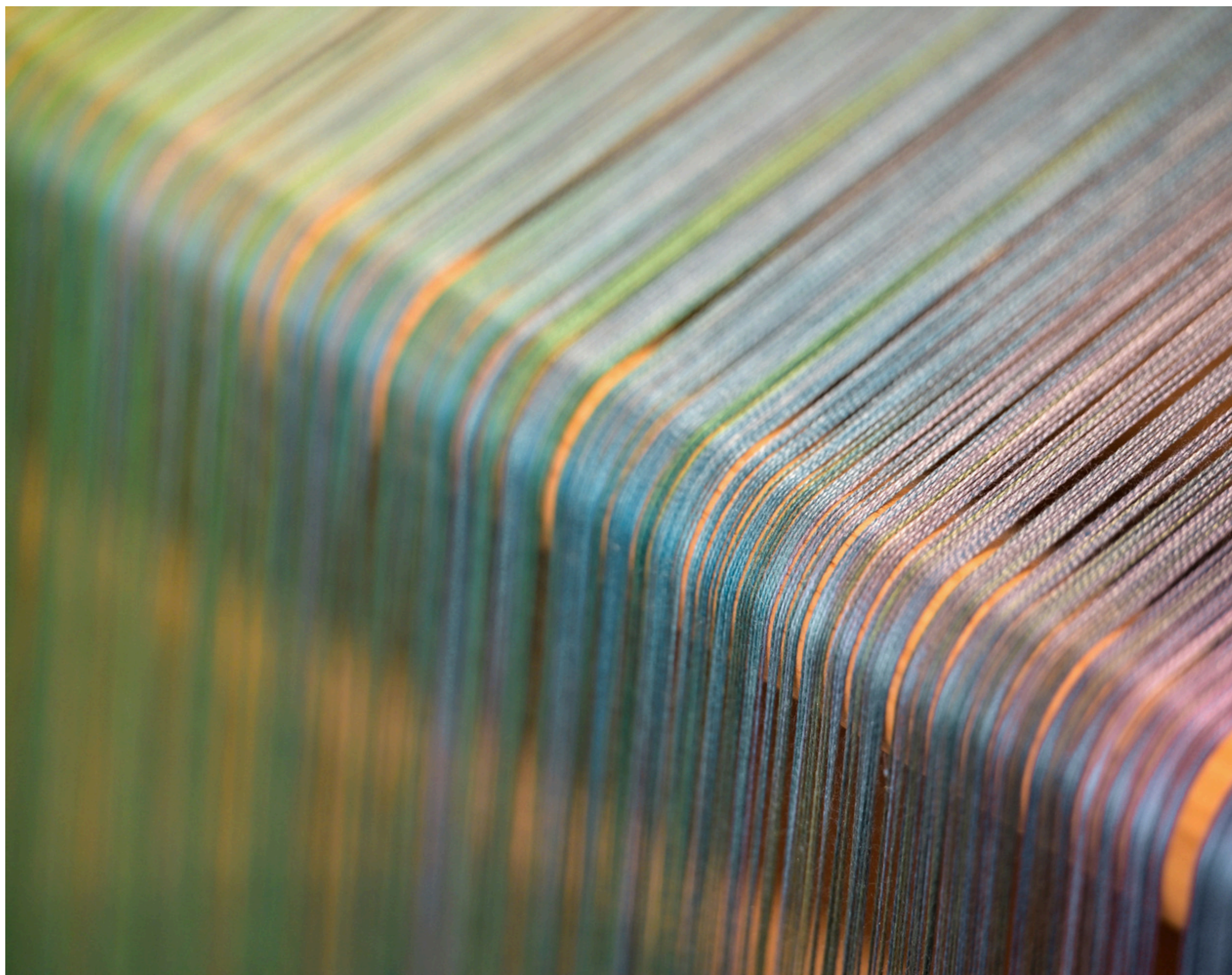
As a result, the underlying revenue challenge remains unresolved. Ghana's tax-to-GDP ratio, although improving, still lags behind the sub-Saharan African average of approximately 16% and remains well below the level required to sustain public expenditure without continued reliance on borrowing or donor support. Expanding the tax base, both by bringing more economic activity into the formal system and by improving compliance among existing taxpayers, therefore, remains the central policy objective. The government has indicated that revenue collection will need to increase by approximately 0.6 percentage points of GDP annually over the medium term in order to meet fiscal consolidation targets and restore sustainable public finances.

Against this challenging fiscal backdrop, macroeconomic conditions improved materially during 2025, offering a rare window of stabilisation. Consumer price inflation, which had peaked at over 54% in late 2022, declined steadily through 2024 and fell from 23.8% in January 2025 to just 5.4% by December, comfortably below the Bank of Ghana's 8% upper target band for the first time in years. The Bank of Ghana responded by aggressively easing monetary policy,

cutting the policy rate by a cumulative 1,000 basis points during the year to 18%, its lowest level since the crisis began. The GHS, defying expectations, recorded its first annual appreciation against the USD since 1994, a milestone that reflected improved sentiment, stronger reserves, and the completion of key debt restructuring milestones. International reserves were rebuilt to approximately 3.4 months of import cover, providing a modest but meaningful buffer against external shocks.

Ghana also met all quantitative performance criteria under the 5th review of the IMF Programme, concluded in December 2025. This was a significant achievement, signalling to markets and development partners that the adjustment programme remained on track. However, the successful completion of IMF reviews does not, in itself, resolve the structural vulnerabilities in Ghana's fiscal position. It merely confirms that the immediate crisis has been managed and not that the underlying challenges have been overcome.

It is against this background—fiscal consolidation under an IMF programme, a narrow and structurally constrained tax base, a legacy of debt restructuring that continues to shape market confidence, and improving but still fragile macroeconomic conditions—that the tax policy and legislative developments discussed in this outlook must be assessed. The reforms undertaken in 2025, and those anticipated in 2026, represent the government's attempt to build a revenue architecture capable of sustaining Ghana's development ambitions without repeating the fiscal missteps of the recent past.



2025 in review

Legislative and regulatory developments

Tax policy developments in 2025 were unusually active, reflecting both the government's campaign commitments and the fiscal imperatives of the IMF Programme. Parliament enacted a broad package of tax legislation within the first quarter of the year, followed by additional reforms later in the year affecting the indirect tax system, revenue administration, and sector-specific taxation. The legislative programme moved in three directions, each responding to different political and fiscal pressures.

Firstly, several recently introduced levies were repealed as part of the government's stated objective of reducing transaction-based taxes viewed as burdensome, economically distortive, or administratively inefficient. The government had campaigned explicitly on the removal of these levies, particularly those introduced during the preceding fiscal consolidation period, which it characterised as emergency measures that had outlived their justification.

Secondly, certain revenue instruments were retained, extended, or strengthened to preserve fiscal capacity within the constraints of the ongoing IMF Programme.

Finally, and most significant in structural terms, the indirect tax system was overhauled.

This section examines the principal legislative and regulatory developments of 2025.

Key reforms under the new VAT regime

The following taxes were repealed with effect from April 2025:

Tax Instrument	Rational for repeal
Electronic Transfer Levy (E-Levy) - a 1% charge on electronic transfers, including mobile money transactions, bank transfers, and inward remittances, introduced in 2022	The E-Levy faced sustained public opposition on the basis that it placed an additional financial burden on citizens, discouraged the adoption of digital financial services, and risked reversing gains in financial inclusion. Across its operational life, the levy met only approximately 12% of its initial GHS 6.96 billion annual revenue target, generating approximately GHS 6 billion in total. This modest yield, against the significant compliance burden and the effect it had on digital finance growth, ultimately rendered the levy unsustainable.
Emissions Levy - an annual levy on carbon dioxide equivalent emissions from motor vehicles and industrial sectors, including construction, manufacturing, mining, and oil and gas, introduced in 2023	Industry bodies, particularly in transport, manufacturing, and extractives, argued the levy amounted to double taxation given the existing sanitation and pollution levy on petroleum purchases. Critics also contended that the levy had the potential to raise the cost of basic goods and services without a clear mechanism for monitoring or reducing actual emissions, rendering it a revenue measure rather than a genuine environmental policy instrument.
COVID-19 Health Recovery Levy (COVID Levy) - a 1% charge applied to the supply of goods and services and on imports, introduced in 2021 as a temporary measure to finance Ghana's post-pandemic economic recovery programme	By 2025, the COVID Levy had long outlived its stated justification. Ghana's post-pandemic recovery was well advanced, and the levy's continued operation sat uneasily alongside the government's stated objective of reducing the indirect tax burden on businesses and households. More fundamentally, the levy formed part of the most structurally damaging component of the cascading VAT problem described below. Abolishing the levy reduced the effective indirect tax rate on taxable supplies and removed the component of the old regime that was hardest to justify on policy grounds.
Withholding tax **(WHT)** on betting and lottery winnings - a 10% WHT on winnings from betting, lottery, and gaming activities	The levy was widely perceived as a disproportionate imposition on lower-income consumers, who constitute the primary market for lottery and sports betting products. The revenue yield was limited relative to the administrative friction and regressivity concerns it introduced, and the levy was seen as inconsistent with the broader objective of simplifying the tax system.
1.5% WHT on unprocessed gold from small-scale miners - WHT applied at the point of purchase of unprocessed gold from artisanal and small-scale mining operators	This WHT created a fiscal disincentive for small-scale miners to route gold through formal purchasing channels, directly undermining the Government's objective of formalising the artisanal mining sector through the Ghana Gold Board **(GoldBod)**. Its removal was a deliberate complement to the GoldBod framework, eliminating a tax friction that encouraged informal and often illicit sales while simultaneously establishing a single, regulated purchase channel intended to bring transparency to the sector.

Extension and modification of retained levies

The Growth and Sustainability Levy (**GSL**), originally introduced as a temporary measure with a sunset clause in 2025, was extended to 2028. More significantly, the levy rate applicable to mining companies and upstream oil and gas companies was increased from 1% to 3% of gross production. This increase reflects the government's intention to capture a larger share of returns from the extractives sector during a period of elevated global gold prices, and signals a broader policy direction toward extracting greater fiscal value from natural resource exploitation. The rate for mining companies has since been reverted to the 1%, however, following a restructuring of the royalty regime in the mining sector in March 2026. For other sectors subject to the GSL (including banks, telecommunications, and brewing), the existing rates were maintained.

The Special Import Levy (**SIL**), which imposes a 2% charge on the CIF value of certain imported goods, was also extended to 2028. The SIL has been a consistent revenue contributor and, despite periodic criticism from importers regarding its impact on trade costs, the government determined that its fiscal contribution outweighed the case for repeal. The extension provides certainty for importers and customs brokers regarding the continued application of the levy over the medium term.

Energy sector levy consolidation

Ghana's energy sector has long been burdened by legacy debts owed to independent power producers and fuel suppliers, a consequence of years of under-pricing, foreign exchange volatility, and delayed tariff adjustments. To address these obligations, successive governments introduced a series of levies on petroleum products, each with its own legislative basis, collection mechanism, and earmarked purpose. By 2025, four separate levies were in operation, namely the Energy Debt Recovery Levy, the Energy Sector Recovery Levy, the Sanitation and Pollution Levy, and the Price Stabilisation and Recovery Levy. The proliferation of these instruments created administrative complexity and reduced transparency regarding the total levy burden on fuel consumers.

The Energy Sector Levies Act, 2025 (Act 1135) consolidated these four levies into a single instrument known as the Energy Sector Shortfall and Debt Repayment Levy. The consolidation is intended to simplify administration, improve transparency for consumers, and provide a clearer line of sight into the total levy burden embedded in fuel prices. Shortly thereafter, the Energy Sector Levies (Amendment) Act, 2025 (Act 1141) increased the consolidated levy by GHS 1.00 per litre on applicable petroleum products, bringing additional revenue to bear on the accelerated repayment of legacy energy sector debts.

The net effect for consumers is a marginal increase in the pump price of fuel. For the energy sector, the reform represents a step toward resolving the chronic debt overhang that has undermined the financial viability of power generation and distribution companies. Whether the consolidated levy will be sufficient to clear the accumulated arrears within a reasonable timeframe remains to be seen, but the legislative framework is now in place for a more disciplined approach to energy sector financing.

Reform of the tax refund framework

A less visible but operationally significant reform was introduced through amendments to the Revenue Administration Act, 2016 (Act 915) as amended (the **RAA**), affecting the statutory framework for tax refunds. Under the RAA, a designated portion of total tax revenue is set aside in a Tax Refund Account to meet legitimate refund claims from taxpayers. The 2025 amendments reduced the statutory ceiling of this account from 6% to 4% of total tax revenue.

The stated rationale for this reduction was fiscal discipline. Government analysis indicated that a significant portion of funds accumulated in the refund account over previous years had

been applied to general expenditures unrelated to legitimate tax refunds, effectively treating the account as a discretionary fiscal buffer rather than an earmarked fund. The reduction is intended to curtail this practice and ensure that funds designated for refunds are actually used for that purpose.

The narrower cap, however, also reduces the fiscal space available to absorb refund claims in any given year. This creates a potential tension as awareness of refund entitlements increases, particularly among taxpayers who have historically not pursued refunds due to administrative complexity or uncertainty regarding outcomes. If legitimate claims begin to exceed the reduced allocation, the administration of the refund account may attract greater scrutiny, and taxpayers may face longer processing times or increased resistance from the GRA. Businesses with material refund exposures, particularly in sectors with significant input VAT (such as exporters and capital-intensive industries), should monitor this development closely.

Taxation of non-life insurance premiums

Insurance services have historically sat outside Ghana's VAT base. The rationale, broadly accepted across many tax systems, is that insurance performs a risk-pooling function that is conceptually difficult to value for VAT purposes and that subjecting premiums to VAT would deter uptake in markets already characterised by low penetration. Ghana's insurance penetration rate has historically remained below 2% of GDP, among the lowest on the African continent, making the policy case for exemption a live and commercially significant one.

This position began to shift with the Value Added Tax (Amendment) Act, 2022 (Act 1082), which moved non-life insurance services into the category of taxable supplies under the Value Added Tax Act, 2013 (Act 870) as part of broader efforts to reduce exemptions and widen the indirect tax base. However, implementation was delayed due to uncertainty over the precise definition of non-life insurance services and the scope of the new taxable category.

The Value Added Tax (Amendment) Act, 2025 (Act 1133) resolved that ambiguity by defining non-life insurance as non-life insurance services other than motor vehicle insurance. With effect from 1 July 2025, non-life insurance premiums became subject to VAT. Motor insurance was deliberately excluded from this change because it is compulsory by law, and taxing it would effectively impose a broad-based consumption tax on all motorists regardless of income.

The practical implications vary across the market. For corporate policyholders with significant property, liability, or professional indemnity cover, the additional cost is material but likely absorbable. For individuals and smaller businesses, particularly those that have historically been reluctant to purchase cover due to cost sensitivity, the effective rate increase may further dampen insurance uptake. Industry stakeholders have expressed concern that taxing insurance premiums in a market with structurally low penetration could prove counterproductive, reducing the insured population and ultimately limiting the risk-pooling benefits that insurance is intended to provide. These concerns carry genuine commercial and policy weight, and the impact on penetration rates should be monitored over the coming years.

Comprehensive reform of the VAT regime

Ghana's VAT regime, as it existed prior to 2026, had accumulated over a decade's worth of legislative additions, amendments, and emergency levies that together produced a regime hat was structurally distorted, administratively burdensome, and increasingly difficult to justify on first principles. The regime had evolved into a fragmented indirect tax structure in which the core VAT system operated alongside multiple additional charges, each introduced at different points in time to address specific fiscal pressures.

In formal terms, the statutory VAT rate remained 15%. In practice, however, the indirect tax burden on most taxable supplies was significantly higher because VAT operated in conjunction with three additional levies: the National Health Insurance Levy (**NHIL**) at 2.5%, the Ghana Education Trust Fund Levy (**GETFund Levy**) at 2.5%, and the COVID-19 Health Recovery Levy (**COVID-19 Levy**) at 1%. Each levy served a distinct policy objective (healthcare financing, education funding, and pandemic recovery, respectively), but their interaction within the VAT framework produced a system that was both complex to administer and economically distortive.

The principal difficulty lay in the calculation structure rather than the existence of the levies themselves. Under the pre-reform regime, the NHIL, GETFund Levy, and COVID-19 Levy were decoupled from the VAT base. They were first applied to the value of the taxable supply and then incorporated into the base on which VAT was calculated. In effect, VAT was imposed on a base that already included the earlier levies. The practical consequence was a cascading tax structure in which certain elements of the indirect tax burden were effectively taxed again, producing a compounding effect that increased the overall burden beyond the sum of the nominal rates.

The mechanics of this cascade can be illustrated using a taxable supply with an invoice value of GHS 1,000:

Indicator	Basis of calculation	Amount (GHS)
NHIL (2.5%)	applied to invoice value of GHS 1,000	25
GETFund Levy (2.5%)	applied to invoice value of GHS 1,000	25
COVID-19 Levy (1%)	applied to invoice value of GHS 1,000	10
Cost base after levies	GHS 1,000 + GHS 25 + GHS 25 + GHS 10	1,060
VAT (15%)	applied to inflated base of GHS 1,060	159
	Total tax on supply	219
	Total amount invoiced to client	1,219

Although no single legislative provision imposed a 21.9% rate, the combined structure produced an effective indirect tax burden of that magnitude on every standard-rated taxable supply. For businesses and consumers alike, this represented a significant departure from the stated 15% VAT rate.

A further structural issue compounded the problem. The NHIL, GETFund Levy, and COVID-19 Levy were not creditable as input tax under the previous regime. VAT-registered businesses could not recover these amounts through the input tax deduction mechanism; instead, the levies formed part of the cost base of taxable supplies. This feature meant that the cascading effect was not confined to final consumption. It was embedded within business-to-business transactions, compounding across supply chains and increasing the cost of production in sectors where taxable inputs passed through multiple stages of value addition. The result was a hidden tax on productive activity that undermined Ghana's competitiveness and often translated into additional costs passed on to the final consumer.

Over time, these features contributed to a VAT regime that was widely regarded as administratively complex, economically distortive, and increasingly misaligned with the core design principles of value added taxation. The system was ripe for reform, and the Value Added Tax Act, 2025 (Act 1151) (the **New VAT Act**), which came into force on 1 January 2026, represents the most significant overhaul of Ghana's indirect tax system in over a decade.

Key reforms under the new VAT regime

Three fundamental changes were introduced that together restructure the economics of indirect taxation in Ghana.

First, the COVID-19 Levy was abolished. Introduced in 2021 as a pandemic recovery financing measure, the levy had long since become detached from any credible ongoing policy justification. Its removal, therefore, reduces the nominal levy stack and directly lowers the effective rate on every taxable supply.

Second, the NHIL, GETFund Levy, and VAT are now recoupled to the same base. All three charges apply uniformly to the invoice value of the taxable supply, eliminating the cascade that previously saw VAT imposed on a base already inflated by the other levies. This structural correction alone removes a significant source of complexity and economic distortion from the system.

Third, and with the deepest operational consequence for VAT-registered businesses, the NHIL and GETFund Levy paid on inputs are now deductible as input tax. Under the previous regime, these levies were embedded costs that could not be recovered. Under the new VAT regime, effected by National Health Insurance (Amendment) Act, 2025 (Act 1156) and the Ghana Education Trust Fund (Amendment) Act, 2025 (Act 1155) they flow through the input tax credit mechanism in the same manner as VAT itself. This change materially improves the economics of VAT compliance for businesses operating across multiple stages of the supply chain, particularly those in manufacturing, construction, and other sectors with significant taxable inputs.

In combination, these three changes reduce the effective rate of indirect taxation from 21.9% to 20% and fundamentally improve the neutrality and efficiency of Ghana's VAT system.

Key reforms under the new VAT regime

Three fundamental changes were introduced that together restructure the economics of indirect taxation in Ghana.

First, the COVID-19 Levy was abolished. Introduced in 2021 as a pandemic recovery financing measure, the levy had long since become detached from any credible ongoing policy justification. Its removal, therefore, reduces the nominal levy stack and directly lowers the effective rate on every taxable supply.

Second, the NHIL, GETFund Levy, and VAT are now recoupled to the same base. All three charges apply uniformly to the invoice value of the taxable supply, eliminating the cascade that previously saw VAT imposed on a base already inflated by the other levies. This structural correction alone removes a significant source of complexity and economic distortion from the system.

Third, and with the deepest operational consequence for VAT-registered businesses, the NHIL and GETFund Levy paid on inputs are now deductible as input tax. Under the previous regime, these levies were embedded costs that could not be recovered. Under the new VAT regime, effected by National Health Insurance (Amendment) Act, 2025 (Act 1156) and the Ghana Education Trust Fund (Amendment) Act, 2025 (Act 1155) they flow through the input tax credit mechanism in the same manner as VAT itself. This change materially improves the economics of VAT compliance for businesses operating across multiple stages of the supply chain, particularly those in manufacturing, construction, and other sectors with significant taxable inputs.

In combination, these three changes reduce the effective rate of indirect taxation from 21.9% to 20% and fundamentally improve the neutrality and efficiency of Ghana's VAT system.

Abolition of the VAT Flat Rate Scheme

The New VAT Act abolishes the VAT Flat Rate Scheme (**VFRS**), which had allowed certain businesses (principally retailers and wholesalers with turnover below a prescribed threshold) to account for VAT at a flat rate of 3% of the value of taxable supplies rather than tracking input and output VAT through the standard mechanism.

The VFRS was introduced as an administrative simplification for businesses that struggled with the record-keeping demands of the standard VAT scheme. Its practical effect, however, was to create a parallel VAT system with significantly lower compliance obligations and, in many cases, significantly lower effective VAT yields. The scheme was also susceptible to abuse, with some businesses that should have been on the standard scheme opting for VFRS to reduce their tax burden, and others understating turnover to remain within VFRS thresholds. The VFRS also fundamentally departed from the essence of VAT as a consumption tax – businesses subject to the scheme were disallowed from claiming input tax and thus suffered the tax on inputs (in theory at least), although in practice the input taxes suffered were passed on to consumers through increased prices.

Businesses previously operating under the VFRS must now migrate fully to the standard VAT system. This requires proper tracking, reporting, and reconciliation of input and output VAT, issuance of tax invoices that meet statutory requirements, and filing of periodic VAT returns. For many affected businesses, particularly smaller retailers and wholesalers, the transition represents a meaningful upgrade in accounting systems and record-keeping discipline. The GRA has indicated it will provide transitional guidance, but the compliance burden should not be understated.

Changes affecting the real estate sector

The real estate sector faces one of the most commercially significant VAT changes under the New VAT Act. Under the previous regime, estate developers (companies primarily engaged in property development and sales) benefited from a preferential 5% flat VAT rate on the supply of immovable property. This preferential rate was introduced to support housing development and improve affordability in a market characterised by significant housing deficits.

That preferential rate has now been abolished along with all other special VAT rates. The real estate sector now falls within the unified VAT framework, with the full effective rate of 20% applying to all taxable supplies of immovable property by VAT-registered developers. The quadrupling of the effective VAT rate represents a material increase in the tax cost embedded in new property transactions.

The commercial implications are significant. Developers will face a choice between absorbing the additional tax cost through margin compression or passing it through to purchasers in the form of higher prices. In a market where housing affordability is already severely constrained, price pass-through risks further excluding middle-income buyers from the formal property market. The reform may also affect the relative attractiveness of formal versus informal property transactions, with potential implications for land titling and property registration objectives.

Changes affecting fund management services

Fund management fees charged by a local fund manager for the management of a licensed private equity fund, venture capital fund, or mutual fund were treated as VAT-exempt under the repealed law. The policy rationale was that financial intermediation through collective investment vehicles serves a broader economic function, and that imposing VAT on the cost of managing those vehicles would raise the effective cost of investment products and deter participation in an already underdeveloped segment of Ghana's capital market.

Under the New VAT Act, fund management fees are now treated as taxable supplies subject to the standard 20% effective rate. This change aligns Ghana with a number of jurisdictions that have concluded that the efficiency costs of exempting financial services outweigh the policy benefits, and that fund management (unlike certain core banking activities) is sufficiently distinct to warrant inclusion in the VAT base.

The practical impact will be felt most acutely by institutional investors and high-net-worth individuals who allocate capital through Ghanaian-domiciled funds. The additional tax cost may reduce net returns and could influence fund structuring decisions, particularly for managers considering whether to domicile funds in Ghana or in competing jurisdictions with more favourable VAT treatment of financial services.

Increase in the VAT registration threshold

The New VAT Act increases the VAT registration threshold from GHS 200,000 to GHS 750,000 of annual taxable turnover. Businesses with turnover below this threshold are no longer required to register for VAT, file VAT returns, or charge VAT on their supplies.

The rationale for this increase is administrative simplification. The previous threshold, set at GHS 200,000 and unchanged for several years, had been significantly eroded by inflation, bringing an ever-larger population of small businesses into the VAT net. Many of these businesses lacked the administrative capacity to comply effectively, resulting in poor filing rates, limited revenue contribution, and disproportionate enforcement costs for the GRA. Raising the threshold removes these businesses from the formal VAT system, allowing the GRA to focus compliance resources on larger taxpayers with greater revenue potential.

The scale of the step change (from GHS 200,000 to GHS 750,000) does, however, create a cliff-edge effect. Businesses approaching the threshold have a strong incentive to manage reported turnover below it, either by deferring revenue recognition, splitting operations across multiple entities, or underreporting sales. The GRA will need to monitor this boundary carefully to prevent the threshold from becoming a tool for tax avoidance rather than administrative simplification.

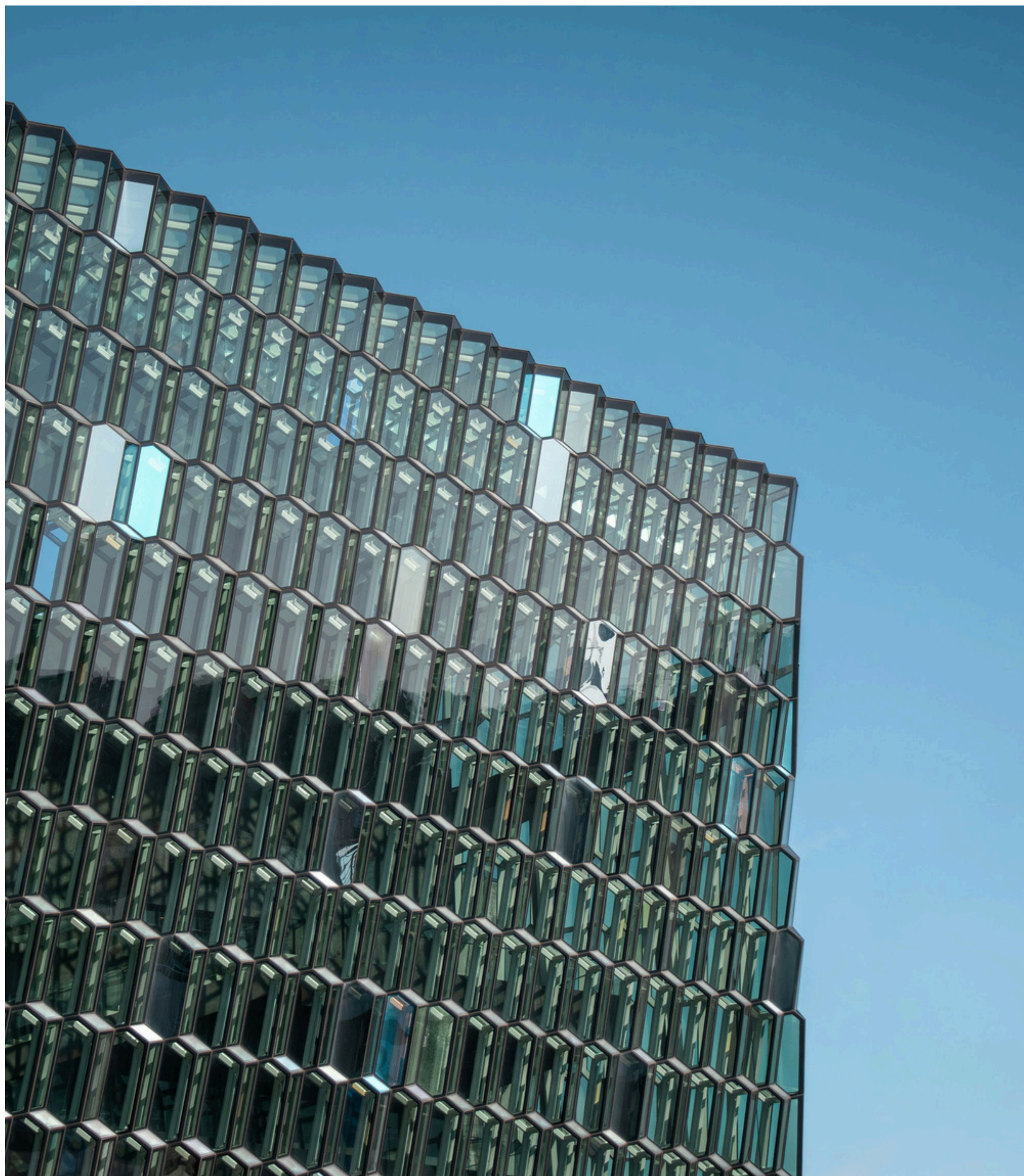
Exemption for mineral exploration activities

In a notable concession to the extractives sector, the New VAT Act exempts supplies made to or by persons engaged in mineral exploration and reconnaissance activities. This change addresses a long-standing concern that the VAT system imposed a significant cost on pre-revenue exploration expenditure, effectively taxing the search for mineral deposits before any commercial return had been realised.

Exploration is inherently high-risk such that most exploration programmes do not result in commercially viable discoveries, and the capital invested is often lost entirely. Imposing VAT on exploration inputs increased the effective cost of this activity and placed Ghana at a competitive disadvantage relative to jurisdictions that offered more favourable treatment of pre-production expenditure. The exemption removes this structural disincentive and may encourage greater exploration investment, which is essential for replenishing Ghana's mineral reserves over the long term.

Consolidation of the VAT Act

The New VAT Act also consolidates the VAT legislative framework. Prior to its enactment, the VAT regime was spread across the old law and a series of amending Acts each addressing specific gaps or policy adjustments without restating the principal Act. The cumulative effect was a body of legislation that was difficult to navigate and, in places, internally inconsistent. The New VAT Act repeals and replaces that entire framework, consolidating the rules governing taxable supplies, exemptions, zero-rating, registration, returns, and enforcement into a single instrument.



Operationalisation of the Independent Tax Appeals Board

The Revenue Administration Regulations, 2025 (**LI 2513**) (the **RAR**) came into force on 7 November 2025, providing the procedural framework necessary to operationalise the Independent Tax Appeals Board (**ITAB**). The ITAB was established under the Revenue Administration (Amendment) Act, 2020 (Act 1029) as a quasi-judicial body mandated to hear and determine appeals against objection decisions of the Commissioner-General, providing an independent layer of administrative review between the GRA and the courts.

The Revenue Administration Regulations, 2025 (LI 2513) (the RAR) came into force on 7 November 2025, providing the procedural framework necessary to operationalise the Independent Tax Appeals Board (ITAB). The ITAB was established under the Revenue Administration (Amendment) Act, 2020 (Act 1029) as a quasi-judicial body mandated to hear and determine appeals against objection decisions of the Commissioner-General, providing an independent layer of administrative review between the GRA and the courts.

The establishment of the ITAB was widely welcomed by the tax community. Prior to its creation, taxpayers dissatisfied with a GRA objection decision had no intermediate recourse other than litigation in the High Court, a process that is costly, time-consuming, and often inaccessible for smaller taxpayers. The ITAB was intended to provide a faster, more accessible, and more specialised forum for resolving tax disputes, staffed by members with relevant expertise in tax and accounting matters.

The ITAB's first members were inaugurated in May 2023. Its operationalisation, however, was significantly delayed. The implementing regulations that would govern its procedures, timelines, evidence rules, and decision-making processes remained in draft form through 2023 and 2024, leaving the ITAB unable to hear cases despite its formal establishment. This delay frustrated taxpayers who had expected the ITAB to become functional shortly after its members were appointed.

With the RAR now in force, the ITAB is operational and serves as the mandatory first forum for all tax appeals. Taxpayers dissatisfied with an objection decision of the Commissioner-General must now initiate their appeal at the ITAB rather than proceeding directly to the High Court. A taxpayer dissatisfied with an ITAB decision retains the right to appeal to the High Court within 30 days of receiving the ITAB's decision.

The operationalisation of the ITAB represents a significant development in Ghana's tax dispute resolution framework. In theory, it should reduce the burden on the High Court, provide faster resolution of disputes, and improve access to justice for smaller taxpayers. In practice, the ITAB's effectiveness will depend on its capacity to hear cases efficiently, the quality and consistency of its decisions, and the willingness of both the GRA and taxpayers to engage constructively with the new forum. 2026 will be the first full year of ITAB operations, and its performance will be closely watched by the tax community.

Case law developments

The 2025 judicial year produced a body of tax decisions that, taken together, significantly advance the understanding of Ghana's tax law and the boundaries of administrative power. Each decision carries implications that extend well beyond the parties before the court and will shape tax administration and dispute resolution in the years ahead. Considering that Ghanaian tax law jurisprudence has long suffered a dearth of cases, it is refreshing to note that taxpayers and the GRA alike are increasingly seeking the intervention of the courts in the enforcement of rights and interpretation of grey areas in the tax laws.

Maersk Drillship IV Singapore Pte Ltd v Commissioner-General, GRA

The GRA assessed Maersk Drillship IV, a Singapore-incorporated subcontractor operating under ENI’s Offshore Cape Three Points Petroleum Agreement (the **PA**), approximately USD 28.4 million in branch profit tax, additional corporate income tax, PAYE, withholding tax, and VAT/NHIL. The GRA's position was that notwithstanding the PA, the Income Tax Act, 2015 (Act 896) (the **ITA**) and the Internal Revenue Act, 2000 (Act 592) applied to Maersk’s income, including profits repatriated from its Ghanaian permanent establishment, which the GRA contended were subject to branch profit tax.

Maersk contended that the PA, which had been ratified by Parliament in 2006, contained a fiscal stability clause that froze the applicable tax regime as at the effective date of the agreement and that the PA exhaustively listed the taxes applicable to the contractor and its subcontractors (including Maersk). On that basis, Maersk argued that it was a designated beneficiary of the fiscal provisions under the PA and its income tax liability was confined to the 5% final withholding tax under section 27 of the Petroleum Income Tax Law, 1987 (PNDC Law 188). Both the High Court and the Court of Appeal rejected this argument and applied branch profit tax to the repatriated profits.

The Supreme Court allowed the appeal and set aside the concurrent judgments of the lower courts. The Court held that the PA clearly and exhaustively limited the taxes applicable to the contractor and its subcontractors to those expressly stated in the agreement, and that additional tax liabilities could not be imposed through implication or subsequent legislation. Because the fiscal stability clause had been ratified by Parliament, it possessed the force of law and guaranteed that only the tax regime referenced in the PA would apply for the duration of the agreement. The Court emphasised that the stability clause was a fundamental component of the investment framework and could not be unilaterally varied by administrative action or new legislation. The Court further held that the Maersk branch in Ghana, as an external company, was not a separate legal entity from the Singapore parent. Accordingly, the GRA’s attempt to characterise the Ghanaian branch as the subcontractor - while treating the Singapore entity as falling outside that definition - lacked merit.

The decision confirms that a fiscal stability clause in a parliamentary-ratified petroleum agreement can effectively lock in the fiscal regime applicable to contractors and subcontractors, and that subsequent tax legislation cannot expand that liability. Given the long-term and capital-intensive nature of petroleum projects, the judgment reinforces the legal force of fiscal stability provisions and provides investors with greater certainty that the fiscal commitments contained in such agreements will be respected by the courts. For the GRA, the decision narrows the scope for applying new tax measures to operations covered by existing stability agreements, and signals that attempts to expand tax liability beyond the agreed framework will not survive judicial scrutiny.

The Supreme Court’s conferment of the force of law on agreements ratified by Parliament is concerning and may have far-reaching, unintended consequences. Chief among these is the implication that an agreement with the government could override or amend existing law simply by virtue of parliamentary ratification. This would be problematic: until Parliament amends a law through the constitutionally prescribed legislative process, both the central government and Parliament itself must comply with the existing law. Agreements entered into by the government are therefore subject to the existing law. Such agreements bind the parties inter se but do not acquire the force of law merely through parliamentary ratification—a process that the Constitution does not recognise as law-making. As Atuguba JSC observed in John Akparibo Ndebugri v Attorney-General & Others,[1] parliamentary approval or ratification of an executive act does not transform it into a statute; the requirement exists solely to ensure transparency, openness, and parliamentary consent in the national interest. The Supreme Court’s reasoning in the Maersk Drillship case therefore marks a significant departure from Ndebugri, effectively deeming ratification as a law-making step. This reasoning creates a significant constitutional issue: can ratification of an agreement be construed as amending an existing statute, thereby sidestepping the law-making procedures under the Constitution?

Perseus Mining Ghana Limited v Commissioner-General, GRA

Following a successful appeal by Perseus at the Court of Appeal against a USD 7.5 million tax assessment, the GRA filed a notice of appeal to the Supreme Court without first seeking special leave as required by Article 131(2) of the 1992 Constitution. The Supreme Court dismissed the appeal as a constitutional nullity. The Court held that where a tax dispute originates in an administrative decision and the High Court exercises appellate jurisdiction (reviewing a decision of the Commissioner-General rather than hearing an original case), an appeal to the Supreme Court lies only with special leave under Article 131(2) of the Constitution. The GRA's failure to seek that leave rendered its notice of appeal void from inception.

The key implication of this decision is procedural. The jurisdictional pathway to the Supreme Court in tax matters is not automatic. Where the High Court has reviewed an administrative decision on appeal, special leave is required for any further appeal.

Agility Distribution Parks Ghana Limited v Commissioner-General, GRA
Delivered in January 2026 but arising from a dispute squarely within the 2025 review period, this decision is a landmark for tax refund litigation. Agility had overpaid over GHS 12 million in VAT, NHIL, and corporate income tax, a position the GRA admitted. Despite this admission, the GRA refused a cash refund, instead offering only a tax credit to be carried forward against future liabilities. The GRA relied on section 50(1) of the repealed VAT Act to argue that cash VAT refunds were available only to exporters, and that non-exporting businesses were limited to credit offsets.

The Court of Appeal reversed the High Court and ordered full cash payment. The Court held that section 50(3) of the repealed VAT Act expressly preserved the right to refund outside the exporter context, that section 50(5) of the repealed VAT Act and section 68 of the RAA were in harmony rather than in conflict, and that both provisions supported the taxpayer's entitlement to a cash refund of admitted overpayments. The Court further held that forcing a taxpayer to carry forward an admitted overpayment indefinitely as a credit, without any time limit or guarantee of utilisation, amounted to an unlawful appropriation of the taxpayer's funds and effectively imposed an unauthorised tax on productive activity. Mandamus was granted, compelling the GRA to make the refund.

The judgment confirms that non-exporting businesses have a clear and enforceable right to cash refunds of excess tax under the RAA, and that the GRA's longstanding practice of defaulting to tax credits rather than refunds, particularly in the VAT context, has no statutory foundation and is susceptible to legal challenge. The decision is particularly significant given the recent reduction in the statutory ceiling of the Tax Refund Account from 6% to 4% of total tax revenue. As refund claims increase and compete for a smaller allocation, taxpayers armed with the Agility precedent are better positioned to insist on cash refunds rather than indefinite credit carry-forwards. The GRA, for its part, will need to revisit its refund administration practices to ensure compliance with this judgment.

Kenashmi Ghana Limited v Commissioner-General, GRA
Kenashmi Ghana Limited, an importer, petitioned the Commissioner-General for a downward review of the FOB values applied to fifteen containers of tomato paste imported in 2018. The GRA took over seven months to respond, ultimately accepting Kenashmi's proposed values. By that time, however, several containers had already been auctioned to third parties. Kenashmi commenced proceedings seeking recovery of the value of four containers, alleging that the GRA had failed to comply with statutory procedures governing seizure and auction.

The High Court gave judgment in favour of Kenashmi, awarding USD 57,883.40 plus interest, damages, and costs. The Court held that where an objection is ultimately accepted, the delay in resolving the dispute cannot be used to penalise the taxpayer through seizure and auction during the pendency of the objection. The Court further held that the GRA had failed to comply with mandatory statutory procedures, including the requirement to give written notice of seizure and to gazette notice of auction at least 14 days before the sale.

The decision reinforces that taxpayers have a right to petition for review of customs valuations and are entitled to a response within a reasonable time. It also confirms that the GRA must comply strictly with statutory procedures governing seizure and auction, and that failure to do so will result in liability for losses.

M & C Logistics and Trading Limited v Iddrisu Ventures
M & C Logistics, a licensed gold purchaser, bought gold bars from Iddrisu Ventures between 2017 and 2018. M & C Logistics contended that it had paid the full purchase price inclusive of WHT, on the understanding that the seller would remit the 3% WHT to the GRA. When the GRA assessed M & C Logistics for unpaid WHT of GHS 701,839.31, the company sought to recover the amount from the seller.

The High Court found in favour of the seller. The Court held that under section 85(2) of the ITA, the obligation to withhold tax on purchases of unprocessed precious minerals rests on the person making payment, not the recipient. Accordingly, M & C Logistics, as purchaser, was the statutory withholding agent and remained liable to the GRA regardless of any private arrangement with the seller.

The decision confirms that the statutory obligation to withhold and remit tax on purchases of unprocessed precious minerals lies with the purchaser and cannot be delegated or transferred to the seller through private agreement.

2026 OUTLOOK: THE YEAR AHEAD

The formal conclusion of the IMF Programme, expected in August 2026 (following a possible extension from the initial May 2026 deadline), is the defining event of Ghana's fiscal calendar. For the first time since 2022, Ghana will be managing its fiscal position without the discipline, financing support, and external validation of an IMF-supervised arrangement. The transition to post-programme status carries both opportunity and risk. On one hand, it signals that the acute phase of the debt crisis has passed and that Ghana has met the quantitative and structural benchmarks required to exit the programme. On the other hand, it removes the external anchor that has, for the past three years, imposed discipline on fiscal policy and provided reassurance to markets and development partners.

Whether fiscal discipline holds after the IMF Programme concludes will depend in significant part on factors outside the government's direct control: global commodity prices (particularly gold, oil, and cocoa), and the trajectory of international interest rates. But it will also depend on: the government's willingness to maintain expenditure restraint in an environment where political pressures are building and development spending commitments made during the 2024 election campaign are now expected to be delivered; the pace at which the energy sector arrears are resolved while also ensuring a disciplined implementation of the cash waterfall mechanism to prevent accumulation of new arrears; and whether the Bank of Ghana maintains the monetary discipline that has anchored the GHS's recent stability. The tension between fiscal prudence and political imperatives will be one of the defining dynamics of the post-programme period.

For the tax environment, the post-programme period presents two divergent scenarios, and the trajectory of fiscal policy will determine which materialises.

In the favourable scenario, fiscal consolidation holds, the GRA meets or approaches its revenue targets, the improved tax administration processes and VAT reforms bed in smoothly, and 2026 becomes a year of stable, predictable compliance activity. Businesses are able to plan and invest with reasonable confidence in the stability of the tax framework. The relationship between the GRA and the taxpayer community shifts from adversarial enforcement toward collaborative compliance.

In the less favourable scenario, a fiscal gap opens in the second half of the year, driven by revenue shortfalls, expenditure overruns, or external shocks. The government, facing pressure to close the gap without IMF support, resorts to emergency measures such as accelerated introduction of new levies, upward revisions to existing tax rates, or intensified enforcement campaigns that create systemic pressure on large taxpayers. In this scenario, the tax system becomes an instrument of short-term revenue extraction rather than long-term economic development. Both scenarios remain live possibilities as of the date of this publication.

In terms of legislative and administrative reform, the 2026 agenda is ambitious. A new VAT framework and minerals royalty regime are live. A comprehensive review of (and reform of) other core tax statutes is expected. The GRA is deploying digital enforcement infrastructure at scale. How effectively this reform programme is delivered, and how fairly it is administered, will determine whether Ghana's tax system moves from a period of reactive fiscal adjustment to one of structural, durable improvement.

The following subsections set out our outlook for each major area of the tax system in 2026.

Indirect tax

Implementation of the VAT Act is already underway, having taken effect on 1 January 2026. The legislation restructures the economics of indirect taxation in Ghana more significantly than any reform in the past decade. The abolition of the COVID-19 Levy, the recoupling of VAT and the health and education levies to the same base, and the introduction of input tax deductibility for NHIL and GETFund Levy payments collectively reduce the effective indirect tax rate from 21.9% to 20% while materially improving the neutrality of the system. The question for 2026 is whether this reformed design translates into compliant practice across a large and heterogeneous taxpayer population.

The most immediate compliance challenge is the migration from the VFRS to the standard VAT mechanism. Businesses that have historically accounted for VAT at a flat 3% on their turnover, principally retailers and wholesalers, must now track input and output tax separately, issue tax invoices that meet statutory requirements, and file periodic VAT returns. For many, this requires a meaningful upgrade in accounting systems, point-of-sale infrastructure, and record-keeping discipline. The GRA has indicated it will provide transitional guidance, but the practical burden of the transition should not be understated. Errors in the first months of the new regime, whether

genuine or deliberate, are likely to attract enforcement attention. Businesses that fail to migrate promptly, or that continue to charge flat-rate VAT after the abolition of the VFRS, face potential penalties and reputational risk.

The real estate sector faces the starkest single rate change under the new regime. The preferential 5% flat VAT rate previously available to estate developers has been abolished. Residential and commercial property development now fall within the unified VAT framework at an effective rate of 20%, a quadrupling of the previous rate. The consequence is a material increase in the tax cost embedded in new property transactions. Whether developers absorb this increase through margin compression or pass it through to purchasers in the form of higher prices will play out through the course of the year. In a market where housing affordability is already severely constrained, price pass-through risks further excluding middle-income buyers from the formal property market and may drive activity toward informal arrangements that escape the VAT net entirely.

The increase in the VAT registration threshold from GHS 200,000 to GHS 750,000 removes a significant population of smaller businesses from the formal VAT regime. This is a rational simplification that allows the GRA to focus compliance resources on larger taxpayers with greater revenue potential. However (as previously noted), the scale of the step change creates a cliff-edge effect. Businesses approaching the threshold have a strong incentive to manage reported turnover below it, whether by deferring revenue recognition, splitting operations across multiple entities, or simply underreporting sales. The GRA will need to monitor this boundary carefully and deploy data analytics to identify businesses that appear to be artificially suppressing turnover to remain below the threshold.

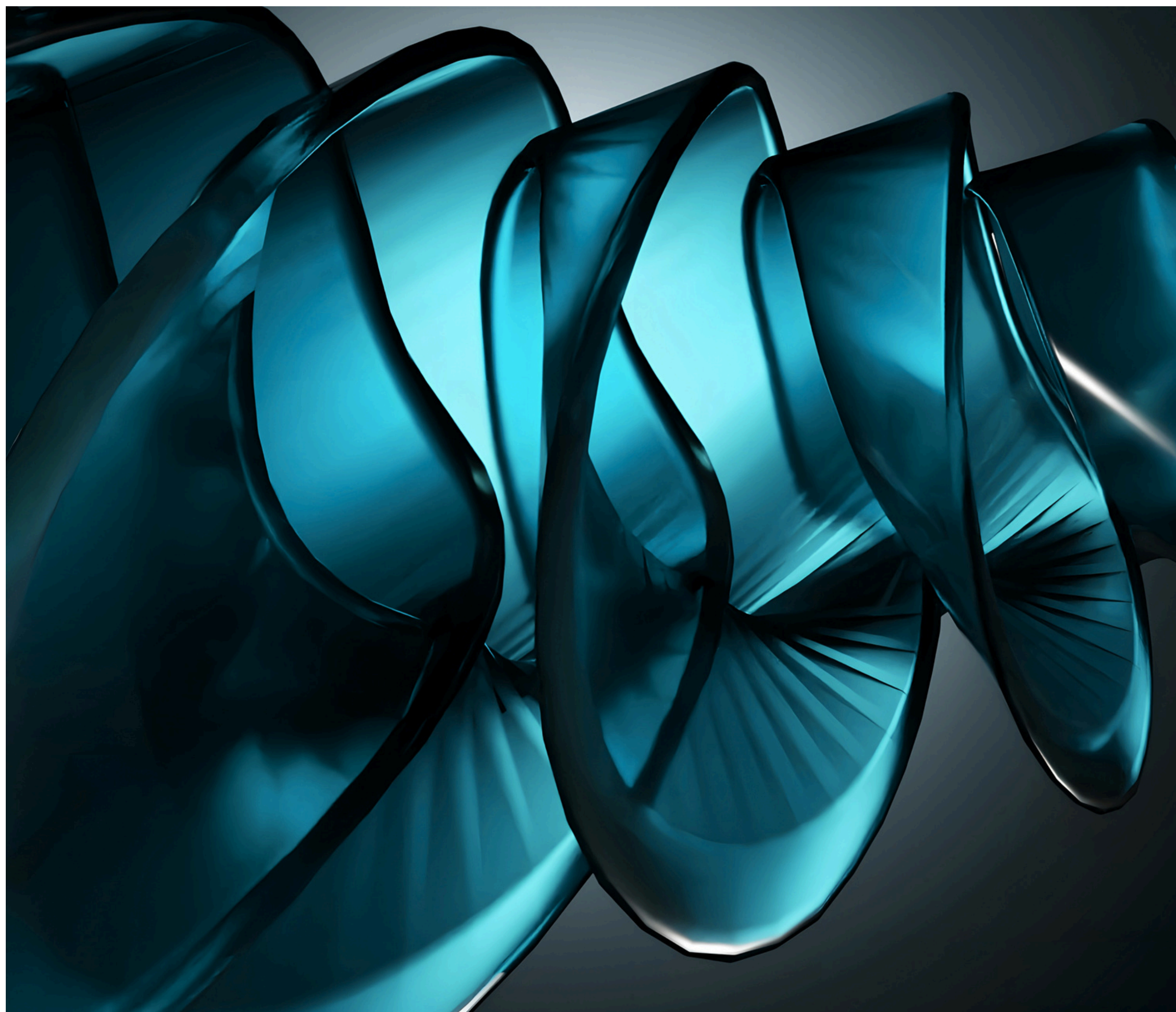
The full rollout of Fiscal Electronic Devices (**FED**s) in 2026 is the development with the most structural long-term significance for VAT administration. FEDs are certified point-of-sale terminals that transmit transaction data to the GRA's central system in real time, creating a continuous audit trail that makes discrepancies between sales data and periodic VAT returns immediately detectable. For businesses within the FED regime, the era in which VAT compliance risk was concentrated in the annual audit cycle is effectively over. Risk is now continuous, and the margin for underreporting has narrowed dramatically. The expansion of FED coverage to additional sectors and smaller businesses is expected to accelerate through 2026, and businesses should prepare for a compliance environment in which real-time visibility is the norm rather than the exception.

Income tax

A comprehensive review of the ITA has been confirmed for 2026, with the stated objectives of modernising the regime, improving coherence, and aligning with evolving international standards. The ITA has been amended numerous times since its enactment, and the accumulated patchwork of changes has created structural ambiguities, interpretive difficulties, and inconsistencies that complicate both compliance and administration. The review is expected to address these issues and enhance investment predictability by providing clearer rules on areas that have historically generated disputes.

Key areas likely to be addressed in the ITA review include the taxation of capital gains (particularly on the disposal of shares and interests in entities holding Ghanaian assets), the treatment of cross-border transactions and permanent establishment rules, thin capitalisation and interest deductibility limitations, and the alignment of Ghana's transfer pricing framework with OECD guidelines.

A full bill is anticipated in the 2027 budget cycle, meaning that 2026 will be a year of consultation, drafting, stakeholder engagement and enacted reform.



Digital economy

The taxation of digital economy activity remains one of the more unsettled areas of Ghana's tax framework. The rapid growth of e-commerce, digital services, and platform-based business models has outpaced the development of tax rules designed for traditional brick-and-mortar commerce. 2026 is likely to bring meaningful movement on several fronts simultaneously, as the government seeks to capture revenue from digital activity that has historically escaped the Ghanaian tax net.

On the income tax side, the government has confirmed its intention to introduce interim provisions implementing a significant economic presence (**SEP**) rule ahead of the full ITA review. The SEP rule would subject non-resident digital service providers, including streaming platforms, cloud services, digital advertising networks, online marketplaces, and software-as-a-service providers, to Ghanaian income tax on revenues derived from Ghanaian users, without the requirement of a physical permanent establishment in Ghana. This represents a significant departure from traditional source rules and aligns Ghana with a growing number of jurisdictions that have adopted unilateral measures to tax the digital economy.

The de minimis threshold and administrative mechanics of the SEP rule are yet to be fine-tuned, and important questions remain unanswered. How will the GRA identify and register non-resident digital service providers? What withholding or collection mechanisms will be deployed? How will the rule interact with Ghana's existing tax treaties, many of which do not contemplate taxation in the absence of a permanent establishment? The GRA's practical capacity to enforce

against non-resident platforms that have no physical presence in Ghana will be an early test of the rule's credibility.

In the interim, resident businesses making payments to foreign digital counterparties should review their WHT positions carefully. The GRA has signalled closer scrutiny of payments for digital services, software licences, and online advertising as a proxy enforcement mechanism while the SEP framework is being developed. Businesses that have not been withholding tax on such payments, or that have been applying incorrect rates, should consider regularising their positions proactively.

The more structurally significant development for the digital asset space is the Virtual Asset Service Providers Act, 2025 (Act 1154) (the **VASP Act**), which brings digital asset activities within the formal regulatory perimeter of the Securities and Exchange Commission and the Bank of Ghana. The VASP Act covers the operation of virtual asset exchanges, custody services, and the tokenisation of real-world assets, establishing a licensing and supervision framework for market participants.

The VASP Act does not, however, resolve the tax treatment of virtual asset transactions. That gap is material. The income tax consequences of cryptocurrency trading (including the characterisation of gains as capital or revenue), the VAT treatment of crypto-to-crypto and crypto-to-fiat exchanges, the taxation of mining and staking rewards, and the treatment of token issuances and initial coin offerings remain insufficiently addressed in Ghana's existing tax legislation. The absence of explicit guidance creates compliance uncertainty for market participants and potential revenue leakage for the state. We expect the GRA to issue interpretive guidance on digital asset taxation in the course of 2026, whether through a practice note, or targeted amendments to the ITA, as the formalisation of the sector under the VASP Act makes the gap increasingly visible and untenable.

Customs and excise

Reform of the Customs Act, 2015 (Act 891) and the Excise Duty Act, 2014 (Act 878) has been confirmed as part of the broader legislative overhaul programme for 2026. Both statutes are due for modernisation, and the government has indicated that the reforms will address structural weaknesses, align Ghana with international best practices, and support the country's ambitions as a regional trade and logistics hub.

For customs, the stated goals are alignment with the revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures, reduction in clearance times, and simplified border procedures. The commercial case for reform is clear. Ghana’s ports have historically been identified as among the most costly and time-consuming entry points in West Africa, and the competitive implications for the country’s regional hub ambitions are material. Lengthy clearance times, unpredictable valuations, and burdensome documentation requirements have deterred investment in trade-dependent sectors and undermined Ghana's attractiveness as a gateway to the West African market.

Enforcement, however, is already running ahead of legislative reform. The GRA's Customs Division has significantly intensified post-clearance audit activity, with particular focus on misclassification of goods (to attract lower duty rates), undervaluation (to reduce ad valorem duties), the abuse of preferential trade arrangements, and the diversion of goods imported under duty suspension regimes into the domestic market. Importers should expect continued heightened scrutiny throughout 2026 and should ensure that customs valuation methodologies, tariff classification positions, rules of origin documentation, and end-use declarations are well-documented and defensible. The cost of a post-clearance adjustment, including back duties, penalties, and interest, can be substantial, and the reputational consequences of an adverse finding can extend beyond the immediate financial impact.

Extractives

No sector of Ghana's economy faces a more demanding fiscal environment in 2026 than mining. Elevated global gold prices, a restructured gold trading regime under the GoldBod, and the government's determination to capture a larger share of mineral rents have combined to produce significant legislative and regulatory changes to the environment. Mining companies operating in Ghana must now contend with a materially altered royalty and tax regime.

The centrepiece of this shift has been the royalty reform, which came into force in March 2026. The new regime introduces a sliding-scale royalty structure with a base rate of 5% of gross mineral revenue, being the previous flat rate, rising to as much as 12% where gold prices exceed USD 4,500 per ounce. To partially offset this increase, the government has reduced the GSL applicable to mining companies from 3% to 1% of gross production. The net effect, however, remains a significant increase in the effective fiscal burden on mining operations.

The fiscal stakes are significant on both sides. For the government, mining royalties represent one of the most reliable revenue streams for the post-programme fiscal adjustment period. For the mining sector, the effective tax rate at current gold prices already sits at the upper end of international comparators, with inevitable implications for project valuations, investment decisions, and capital allocation. The Ghana Chamber of Mines and several major mining companies have publicly expressed concern that the new rates could render marginal projects uneconomic and deter future exploration investment.

The royalty reform forms part of a broader review of the Minerals and Mining Act, 2006 (Act 703), which entered public consultation in 2025 and is expected to continue through 2026.

On the positive side, the abolition of VAT on mineral exploration and reconnaissance activities under the New VAT Act is a genuine and long-overdue concession to the sector. Removing the VAT charge on high-risk, pre-revenue exploration expenditure reduces the effective cost of exploration and addresses a structural disincentive that had long undermined Ghana’s competitiveness against regional peers such as Burkina Faso, Mali, and Côte d'Ivoire. For junior exploration companies in particular, the VAT exemption materially improves project economics and may encourage renewed exploration activity in underexplored regions of the country.

Tax administration and enforcement

The GRA enters 2026 with deeper data capabilities, expanded enforcement tools, and a revenue target that requires material outperformance against historical baselines. The enforcement environment is expected to be qualitatively different from previous years. Taxpayers that have historically managed tax risk on the assumption of low audit probability should revisit that assumption. The combination of improved data analytics, third-party information matching, and sector-specific enforcement campaigns means that the GRA is better positioned than ever to identify compliance gaps and pursue them systematically.

The operationalisation of the Integrated Tax Administration System (**ITAS**) is the single most significant development in GRA capability. ITAS is a comprehensive digital platform designed to automate Ghana’s tax administration across registration, filing, payment, assessment, and audit. Following delays from its original end-2024 launch date, the ITAS launch on 1 April 2026 represents a step change in the GRA’s ability to cross-reference taxpayer data against third-party information from banks, the Lands Commission, the Office of the Registrar of Companies, the Ghana Immigration Service, and other government agencies. The result will be more targeted, evidence-based audit selection and a significantly reduced ability for taxpayers to maintain inconsistent positions across different tax heads or government databases.

Based on the pattern of audit and enforcement activity through 2025 and early 2026, the following categories of taxpayers are likely to attract the greatest enforcement attention during the year:

- large foreign-owned companies in mining, oil and gas, telecommunications, financial services, and fast-moving consumer goods, where transfer pricing and base erosion concerns are most acute
- businesses migrating from the VFRS to the standard VAT scheme, particularly those with a history of underreporting
- real estate developers adjusting to the new 20% effective VAT rate, where pricing and margin impacts are most visible
- importers with exposure to post-clearance customs audit, particularly in sectors with high rates of misclassification or undervaluation
- non-resident digital service providers, in anticipation of the SEP framework, and resident businesses making payments to such providers

Transfer pricing remains a priority enforcement theme and is likely to intensify further in 2026. The GRA's Transfer Pricing Unit has continued to expand its capacity and audit activity, and its access to Country-by-Country Reporting (**CbCR**) data provides a structured tool for identifying high-risk entities and transactions. The CbCR data, combined with information from tax treaties and exchange of information agreements, enables the GRA to benchmark Ghanaian subsidiaries against their global group profiles and identify entities that appear to be reporting disproportionately low profits relative to their scale of activity in Ghana.

Tax disputes

As enforcement activity intensifies, tax disputes are expected to increase correspondingly. The combination of higher revenue targets, improved data analytics through ITAS, and more targeted audit selection means that more assessments are likely to be issued, and more of those assessments are likely to be challenged. The tax dispute landscape in 2026 will be shaped by several factors.

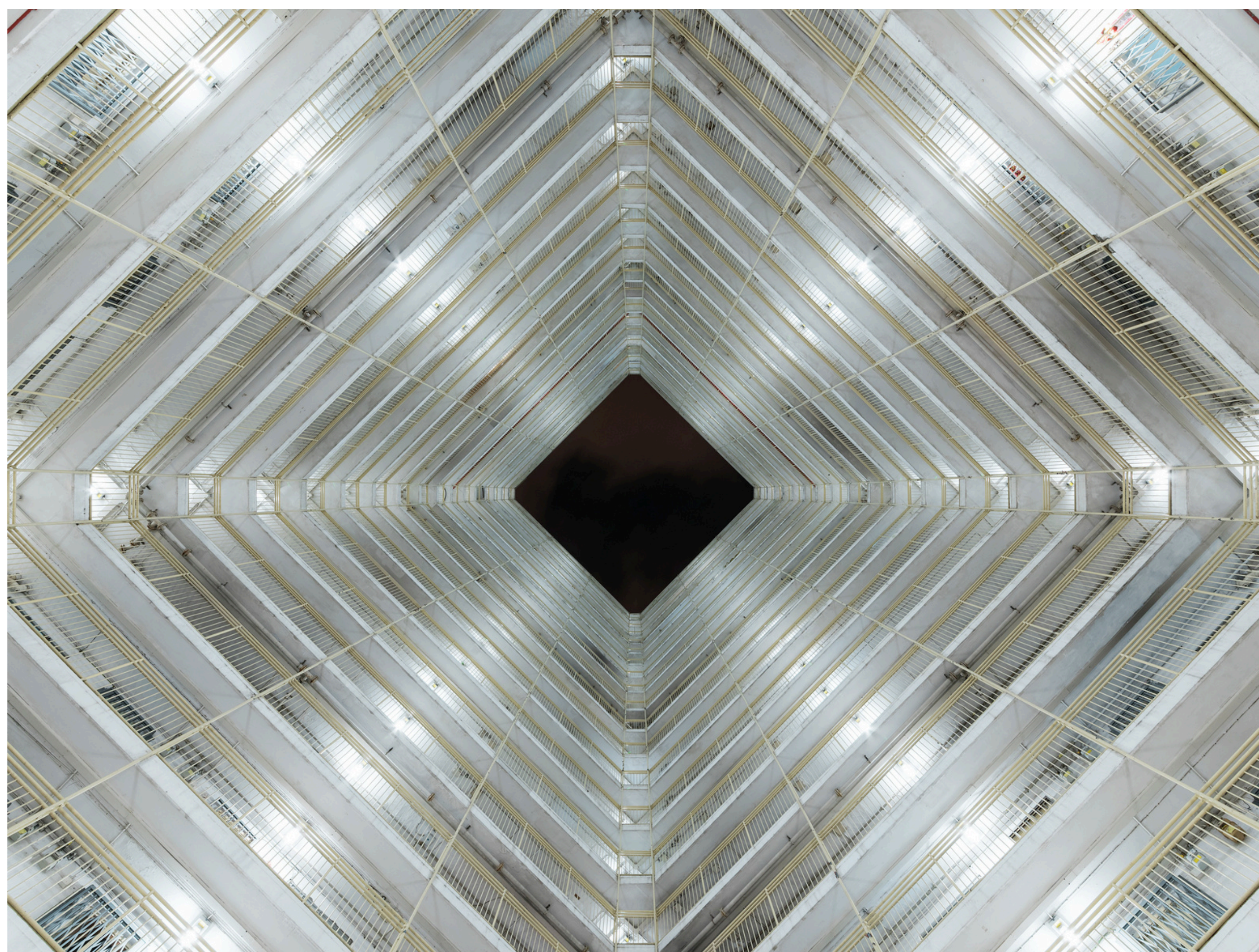
A recurring pressure point in Ghana's dispute framework remains the requirement under the RAA that a taxpayer must pay 30% of the disputed tax liability before the Commissioner-General will consider an objection. While intended to discourage frivolous objections and ensure that the state collects at least a portion of disputed amounts, the rule has significant practical consequences for liquidity management, particularly where large assessments are involved. For many taxpayers, the immediate commercial question is not simply whether the assessment is defensible on technical grounds, but whether the business can absorb the cash flow impact of the 30% deposit while the dispute is resolved. This requirement can create pressure to settle disputes on terms that do not reflect the underlying merits, simply to avoid the liquidity strain of the deposit.

2026 is the first full year of ITAB operations under the Revenue Administration Regulations. The ITAB provides an independent, specialised forum for tax appeals that sits between the GRA and the High Court. We expect to see a significant number of tax disputes filed with the ITAB in 2026 as taxpayers test the new forum and seek to resolve disputes without the cost and delay of High Court litigation. The quality, consistency, and timeliness of ITAB decisions will be closely watched by the tax community and will determine whether the Board fulfils its promise as an accessible and effective dispute resolution mechanism.

We also expect greater use of less formal means of resolving tax disputes in 2026, particularly involving settlement discussions at the administrative stage. The GRA has increasingly demonstrated a willingness to resolve matters through negotiated outcomes rather than prolonged litigation, particularly in transfer pricing and valuation disputes where the technical positions of both parties may be open to interpretation and neither side has a clear-cut case. Taxpayers facing significant assessments should consider whether early engagement with the GRA on settlement may produce a better outcome than adversarial litigation, taking into account the 30% deposit requirement and the time and cost of pursuing a dispute through the ITAB and courts.

At the same time, a number of significant disputes are likely to reach the Court of Appeal and Supreme Court in the coming years as taxpayers test the boundaries of newer enforcement tools and challenge the GRA's interpretation of evolving tax rules. Transfer pricing adjustments, digital services taxation, customs valuation methodologies, and the application of anti-avoidance provisions are all areas where the jurisprudence remains underdeveloped and where taxpayers may see strategic value in litigating test cases. The resulting case law will play an important role in shaping the practical operation of Ghana's tax system beyond the current reform cycle, and decisions in 2026 and 2027 may establish precedents that endure for decades.

Transfer pricing remains a priority enforcement theme and is likely to intensify further in 2026. The GRA's Transfer Pricing Unit has continued to expand its capacity and audit activity, and its access to Country-by-Country Reporting (CbCR) data provides a structured tool for identifying high-risk entities and transactions. The CbCR data, combined with information from tax treaties and exchange of information agreements, enables the GRA to benchmark Ghanaian subsidiaries against their global group profiles and identify entities that appear to be reporting disproportionately low profits relative to their scale of activity in Ghana.



Concluding reflections

2026 marks an inflection point for Ghana's tax system—one that will determine whether the country transitions from reactive fiscal adjustment to sustainable, structurally sound revenue administration. Across a compressed legislative cycle, Ghana has enacted or initiated reforms spanning VAT, income tax, customs, excise, digital economy taxation, and extractives. The direction of travel is coherent and, in many respects, overdue: a broader base, more sophisticated administration, and closer alignment with international norms.

The challenge, as it has frequently been in Ghana's tax reform history, lies not in policy design but in implementation.

What is now clear is that Ghana’s tax architecture is becoming more data-driven, more enforcement-oriented, and more ambitious than at any point in the country's modern fiscal history. The operationalisation of ITAS, the nationwide expansion of Fiscal Electronic Devices, the mandatory migration to the standard VAT mechanism, and the intensifying focus on transfer pricing and digital economy activity collectively signal a revenue authority that is systematically upgrading its capacity to monitor and act upon taxpayer behaviour. For businesses operating in Ghana, the compliance environment is shifting fundamentally: discrepancies will be detected earlier, scrutiny will be more targeted, and tolerance for informal tax positions will narrow considerably.

Simultaneously, the policy trajectory reflects the government’s determined and continuing search for durable revenue sources within a structurally constrained fiscal environment. The royalty reforms in the mining sector, the anticipated comprehensive review of the ITA, the expansion of the excise base to capture carbon-intensive goods and sugary beverages, and the impending digital economy tax measures all illustrate the same underlying imperative: broadening the tax base while extracting greater value from sectors perceived to have the capacity to contribute more. This represents a deliberate recalibration of the fiscal relationship between the state and the private sector.

The central variable that will shape the trajectory of Ghana's tax environment remains the fiscal position after the IMF Programme formally concludes in August 2026. If revenue performance holds, macroeconomic conditions remain supportive, and reform implementation proceeds without major disruption, 2026 may well mark the beginning of a more stable, predictable, and ultimately more credible tax environment: one in which the rules are clear, enforcement is consistent, and compliance is rewarded. If, however, fiscal pressures re-emerge, whether through revenue shortfalls, external shocks, or the political imperative to deliver on campaign spending commitments, the tax system will almost certainly be asked to do more, and quickly. History suggests that such pressure tends to manifest through emergency levies, upward rate revisions, or intensified enforcement campaigns that prioritise short-term collections over long-term taxpayer relationships.

For taxpayers, whether multinational corporations, domestic enterprises, or high-net-worth individuals, the practical lesson from 2026 is unambiguous. The direction of travel is toward greater transparency, stronger administrative capacity, and a narrower margin for informal compliance practices. The era in which tax risk could be managed through periodic engagement with auditors is giving way to continuous, data-enabled oversight. Businesses and individuals that invest early and strategically in robust tax governance, contemporaneous documentation, proactive compliance systems, and internal controls will be substantially better positioned to navigate the evolving landscape and engage constructively with the GRA when disputes arise. Conversely, taxpayers that adopt a business as usual approach risk exposure not only to assessments and penalties, but to reputational harm in an environment where tax compliance is increasingly viewed as a measure of corporate citizenship and integrity.

Ghana stands at a crossroads. The reforms underway have the potential to transform the country's tax system into one that is modern, efficient, and capable of sustainably funding national development priorities. Whether that potential is realised will depend on the

government's commitment to implementation, the GRA's capacity to administer complex new regimes fairly and consistently, and the private sector's willingness to engage constructively with a more demanding compliance environment. The stakes for fiscal sustainability, investor confidence, and the broader credibility of Ghana's economic governance could not be higher.

Contributors

Seth Asante
Managing Partner

Tax
Financial Institutions & Capital Markets
Energy & Infrastructure

Godwin O. Nkrumah
Partner

Tax
Energy & Infrastructure

Joel Telfer Jnr
Associate

Tax
Financial Institutions & Capital Markets

About the firm

Bentsi-Enchill, Letsa & Ankomah is a leading full-service law firm in Ghana with in-depth expertise and experience in providing first-rate legal services for international and local clients in all sectors of the economy. We are well-recognised for our leadership and stand out for providing commercially relevant legal services and innovative solutions to our clients.

What drives us is our long-term commitment to providing legal services with the highest level of professionalism and quality, as well as building our teams to help our clients succeed and take advantage of the right opportunities. At Bentsi-Enchill, Letsa & Ankomah, we understand that our clients operate in increasingly challenging times and are committed to partnering with them to help them navigate these challenges and deliver the highest-quality advice and service.

Find more about our firm here.

Awards & Rankings

Chambers Global 2026

Corporate Commercial - Band 1

Disputes - Band 1

Projects & Energy - Band 1

Fintech- Band 1

International & Cross-border capabilities- Spotlight Firm

IFLR Africa Awards, 2026

Ghana law firm of the year

Partner of the Year

Impact Deal of the Year

Legal 500 2026

Banking and Finance - Tier 1

Capital Markets - Tier 1

Corporate, Commercial and M&A - Tier 1

Energy - Tier 1

Dispute Resolution - Tier 1

Infrastructure Projects - Tier 1

International Financial Law Review (IFLR1000) 2025

M&A - Tier 1

Capital Markets - Tier 1

Projects - Tier 1

Banking - Tier 1

Find more about our services here

BENTSI-ENCHILL
LETSA & ANKOMAH

+233.302.208888
+233.302.2221171
+233.302.2224612

4 Momotse Avenue, Adabraka
Accra - Ghana (GA-073-2077)
LinkedIn
www.ghanasoutlook.com
www.bentsienchill.com