

FAQs on E-LEVY

1 What is the E-Levy?

The E-levy is a tax imposed on electronic transfers charged at the time of transfer. The levy shall be administered by the GRA and collected through licensed Banks, Specialised Deposit-Taking Institutions, Payment Service Providers (PSPs), and Electronic Money Issuers (EMIs).

2 What is the rate of the levy?

The levy is 1.50% of the value of the electronic transfer.

3 Why has Government decided to levy electronic transfers?

- To expand the tax base
- To increase domestic tax mobilisation due to Ghana's low tax-per-GDP ratio compared to its peers and other developing nations. (South Africa- 26.7%, Senegal-16.4%, SSA average- 16.5%, Ghana-12.2% in 2019). Currently, Ghana's Tax-to-GDP for 2021 is 13.4%.
- To provide an opportunity for every Ghanaian to contribute towards nation building
- To reduce dependence on debt and borrowing

4 What will the revenue generated by the E-Levy be used for?

The proceeds shall be used to tackle:

- the seemingly intractable and hydra headed challenges of high youth unemployment;
- inadequate and poor physical and digital infrastructure, including, in particular, roads;
- rising public debt; and the
- diminishing entrepreneurship culture of Ghanaians.

5 How will the levy be applied?

The levy will be applied on the value (amount) of transfer above GHS 100 on a daily basis. That is, after one hundred Ghana Cedis (GHS 100) a day cumulative transfer, the e-levy will be applied. In other words, if the total amount sent in a day is not more than GHS 100, you will not pay E-levy.

For example, if Kofi sends GHS 50 to his sister in the morning and sends another GHS 50 (GHS 100 in total) to his brother in the afternoon, he will not pay the E-levy.

However, if Kofi makes any other transfer in the day after the money sent to his brother, the transfer amount will attract the E-levy (i.e. 1.50% of any amount above the first GHS 100).

6 Who is responsible for charging the E-Levy and how will it be charged?

The levy will be charged whenever a person makes a transfer. The charging entity will add the levy to the transfer amount and charge both to the person's wallet or account. The entity will then pay the levy collected to Government.

The entities responsible for charging the

- The mobile money operators (MTN Momo, Vodacash, AirtelTigo Money, Zeepay and G-Money)
- Payment Service Providers such as E-Tranzact, GHANA.GOV, Korba, etc.
- All banks
- Specialised Deposit taking institutions such as rural and community banks, savings and loan companies, finance houses etc.
- The Minister also has the power to add to the list through Regulations

7 Who will be collecting the E-Levy?

Government, through the Ghana Revenue Authority will set up a platform to collect the E-Levy in collaboration with licensed Electronic Money Issuers (EMIs), licensed Payment Service Providers (PSPs), licensed Banks, specialized deposit-taking institutions, and any other entity designated by the Minister

8 What transactions fall under the E-Levy?

Any transfer to or from a mobile money account or from a bank account of a person will be subject to the tax. These include:

- Transfers done on the same mobile money network – For example sending money from your MTN Momo wallet to another person's MTN Momo wallet.
- Transfers from one mobile money network to a recipient on another network - For example, sending money from your MTN Momo wallet to another person's TIGO Cash wallet.
- Transfers from bank accounts to mobile money accounts: For example, Kofi transfers money from his CBG bank account to Ama's MTN mobile money wallet.
- Transfers from mobile money accounts to bank accounts: For example, Esi transfers money from her Vodafone Cash money wallet to Yaw's GCB bank account.
- Bank transfers on a digital platform or application which originate from a bank account belonging to an individual: For example, Kwame transferring money from his NIB Bank account to Akua's Prudential Bank account.

9 What transactions are NOT covered by the E-levy?

The following transfers are excluded from the levy:

- Cumulative transfers of GHS 100 per day made by the same person: Everyone has a daily tax-free threshold (Limit) GHS 100 – that is every person will be able to send up to GHS100 a day without the payment of the levy;
- Transfer between accounts owned by the same person: if you are sending money to your own account (i.e., of the same person) then you will not be charged the E-Levy. A transfer from Kojo's Tigo wallet to his MTN wallet or from his CBG bank account to his GCB bank account or from his savings account to his current or investment account, will not attract the levy.
- Transfers for the payment of taxes, fees, and charges: Any payment of taxes fees or charges made to an MDA or MMDA using the Ghana.gov platform or other designated method, do not attract the levy.
- Electronic Clearing of Cheques: Clearing of cheques by the banks and specialized deposit taking institutions such as the savings and loans companies etc. are excluded.
- Specified merchant payments: Payments made to commercial establishments through a payment service (mobile money,

bank application, Fintech etc.) to a person registered with the Ghana Revenue Authority for the purposes of income tax or value-added tax is excluded. This applies to both online and physical sales.

- Transfers between principal, agent, and master-agent accounts: To avoid charging the levy multiple times transfers that pass through multiple service providers before they get to the actual recipient do not attract the levy.

10 Are utility and airtime payments subject to the E-levy?

Yes. Once the payment is made from a mobile money account, bank account, or through a merchant payment platform; and exceeds the GHS 100 daily threshold the levy is payable.

11 Will the levy be charged on payments of wages and salaries using mobile money?

If the company is registered with GRA for income tax or VAT and salary payment is made from a corporate bank account, there will be no e-levy charge on the amount.

12 Will there be a threshold above which E-levy charges will not apply?

No, there is no threshold; the E-levy applies to all transfer amounts.

13 Will ATM withdrawals attract E-levy?

No, ATM withdrawals are excluded from the E-levy.

14 Will Mobile Money Qwikloan attract E-Levy?

Loan repayments will not attract the Levy if the recipient is registered with the GRA for Income tax or VAT. Otherwise, the sender will pay the E-Levy.

15 Will there be a separate bank account to collect the E-levy?

By law, all revenue collected by the GRA, including the E-Levy, shall be paid into the Consolidated Fund.

16 We are encouraged to pay our taxes through ghana.gov. Will tax payment made through ghana.gov attract E-Levy?

No, any payment of taxes, fees or charges made to an MDA or MMDA using the Ghana.gov platform or other designated system is excluded from E-Levy.

17 When will the E-levy come into effect?

The E-Levy will come into effect after approval by Parliament.

18 If I encounter some trouble, who can I call?

A 24-hour service centre will be set up to help individuals who may need further clarification or who might be experiencing any challenges. The call lines will be announced shortly.



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