

PRESS STATEMENT

AGI URGES GRA TASK FORCE TO STOP DISRUPTING BUSINESS OPERATIONS

The Association of Ghana Industries (AGI) notes with concern, recent developments and restrictions on the operations its beverage manufacturers by the Ghana Revenue Authority (GRA). Without recourse to the tax stamp implementation arrangements and progress updates that the beverage manufacturers had given the GRA and Ministry of Finance, the GRA task force on Tuesday October 2, 2018 stormed the premises of some of AGI beverage manufacturers unannounced, restricting the movement of products from factory to sales outlets. By this recent action, the companies have already suffered revenue losses and a dent on reputation of their brands.

Discussions between AGI and the Ministry of Finance and GRA on the implementation of the tax stamp have travelled a long haul on account of the technical challenges and we sincerely appreciate Government's cooperation and openness to dialogue along this journey.

However, this action by the task force including the misleading reports on the tax stamp compliance do not put our law abiding companies in any good light. In view of these developments, AGI will like to set the record straight with the following clarifications for the general public;

1. AGI is not against the Tax Stamp policy. Whilst we appreciate challenges that Government faces with tax revenue mobilization and consequently the need to improve the efficiency of revenue administration, we are concerned about its impact on beverage companies.
2. The beverage companies are fully compliant with the excise law and in addition the GRA tax officials are also stationed in their premise to ensure compliance. The introduction of Tax Stamps will not necessarily increase revenue from the beverage manufacturers. They rather risk experiencing a reduction in revenue as production efficiencies are negatively impacted due to the application of the stamp.
3. AGI and its members have extensively engaged government on the Tax Stamp Act and put forward alternative lower cost digital solutions that are widely used in other industries for this type of monitoring. However, following the final decision to implement the paper stamp, the companies have taken all necessary steps that will lead to full compliance – including ordering of tax stamp applicator equipment, the Purchase Orders, some of which have been shared with Government to demonstrate their commitment. Some companies are already conducting test runs of their new applicator on production lines.
4. AGI is appealing to Government not to shut its doors for further dialogue but rather provide dispensation for companies to continue to do business based on the evidence submitted, showing how they will be fully compliant by the end of this year.

The fiscal policies that Government implement must be business-friendly enough to motivate compliance and to bolster growth of the Ghanaian economy for job opportunities. To this end the implementation of the Tax Stamp must not stifle the operations of any business that demonstrates compliance. It must be a win-win situation for all parties.

Signed: Dr. Yaw Adu Gyamfi
AGI President

For and on behalf of Association of Ghana Industries

If you need further information, please contact the Chief Executive Officer on 0302-779023/4

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