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All News Editors

For Immediate Release

**CUSTOMS MONITORING TASKFORCES AND
ALLEGATIONS BY GUTA & TAGG**

The Ghana Revenue Authority (GRA) has noticed with great concern, narratives in the media space from members of the Ghana Union of Traders Association (GUTA) and Traders Advocacy Group Ghana (TAGG) as follows:

1. Frequent arrests of goods by Customs Monitoring Taskforces eventually leading to payment of heavy penalties by traders and;
2. Composition of several Taskforces by the GRA with a high tendency of alleged harassment and extortion.

Management would like to use this opportunity to provide clarity on the issues and also educate the general public on our compliance and enforcement measures.

GRA employs various compliance and enforcement measures such as invigilation and compliance visits to registered businesses specifically, those registered to charge and account for Value Added Tax (VAT), test purchases, and in some instances closing of shops due to failure to pay taxes. These activities are also conducted simultaneously across the country to achieve the same impact.

To ensure VAT compliance, the VAT Act, 2013 (Act 870) was amended by the VAT (Amendment) Act, 2022 (Act 1082) to impose an upfront payment of 12.5% of the Customs value of taxable goods (including vehicles) imported by persons who are required to register for VAT but have failed to register at all ports of entry. Such importers will however be allowed to recover this payment when they register and file their VAT returns, as required by Act 1082.

A total of **GH¢ 104,468,870.17** upfront payments of VAT were made from 6th June to 31st August 2023 with a corresponding increase in VAT registration standing at **4,064**.

GRA also embarked on a VAT invoice invigilation exercise which led to a huge increase in VAT collection. For example, a company in the manufacturing sector which records monthly sales of **GH¢3 million** recorded almost **GH¢8 million** during the invigilation. In the hospitality sector, a taxpayer reported **GH¢780,000.00** as sales for the month, but the invigilation revealed an amount of **GH¢1.7 million**.

It is expected that when the Electronic VAT invoicing system is fully rolled out VAT infractions will be minimized.

The Customs Division in particular, has put in place four (4) Monitoring Taskforces to curtail smuggling, under declaration, misdescription and concealment of goods thereby ensuring that the right amount of duties and taxes are paid by importers. These Monitoring Taskforces are as follows:

1. Monitoring Team – Tema
1. Monitoring Team - Eastern Frontier based at Dabala
2. Monitoring Team - Western Frontier based in Kumasi
3. Monitoring Team – Vehicle Taskforce (Nationwide)

The Monitoring Taskforces have significantly impacted on revenue mobilization between October 2022 to August 2023 totaling GH¢181,478,844.93. Examples are;

- The Tema Team recovered a total short collection of GH¢153,802,495.54.
- The Eastern Frontier Monitoring Team also recovered a total short collection of GH¢4,684,844.42.
- The Western Frontier Team recovered a total short collection of GH¢1,112,587.29 and;
- The Vehicle Taskforce (Nationwide) also recovered a total short collection of GH¢21,878,917.68.

Examples of interceptions made by the monitoring teams are:

1. On 8th June 2023, a truck with registration number AS 4935-11 loaded with 1 X 40ft container marked SUDU8780767 was intercepted around Kumasi. Re-examination conducted revealed that the following goods were not manifested and unentered:
 - KIA Bongo Truck with VIN: KNE5D01324K990908
 - Suzuki Motorcycle with VIN: JS1B5112100106352
 - Honda CBF 250 Motorcycle with VIN: 2MC35A04R606629
 - Global Eagle Motorcycle with VIN: laemd24006B930687
 - Honda JF07 Scoopy Motorcycle with VIN: ZDCJF07A03F070223
 - Honda Scoopy Motorcycle with VIN: ZDCKF08A06F063034
 - 80 ctns X 3pcs X 5ltrs vegetable cooking oil
 - 20 ctns X 5pcs X 5ltrs vegetable cooking oil
2. On 8th March 2023, two trucks with registration numbers GB 517-22 and GR 7891-21 carrying 4X20FT containers were wholly misdescribed to contain coal pressor spiral. A total revenue of **GH¢37,763.67** had been paid for all the four containers. Upon re-examination, it was uncovered that the declared coal pressor spiral was mackerel in tomato sauce. Re-assessment was done and a total evaded revenue of **GH¢1,464,118.20** was realized.
3. The team in collaboration with National Investigation Bureau (NIB) and National Security intercepted two trucks which contained smuggled frozen mackerel at Dormaa Kyeremasu in the Bono Region. After re-examination and assessment was done an additional tax of **GH¢138,536.36** was recouped to the state.
4. Three trucks which were carrying tomato paste and mackerel were also intercepted at a hidden place around Adugyama in the Ashanti Region. Upon interrogation and meticulous examination of their Customs Bills of Entry

(BOE)s, it was evident that the consignment in the three trucks had paid revenue of only **GH¢78,000.00** and hence they were picked for further action. After re-examination and re-assessment, it came out clearly that there was tax evasion and hence a total evaded tax of **GH¢206,997.78** was recouped to the state.

5. A 40ft container carrying spare parts from Takoradi was intercepted from a hideout along the Assin Fosu stretch based on intelligence. At the point of arrest, the importer had paid a total revenue of **GH¢12,435.78**. Upon re-examination and re-assessment, a short collection of **GH¢236,855.80** was realized.
6. A truck containing smuggled wax print from the Volta region was also intercepted. Re-examination and re-assessment was conducted on the truck and total evaded revenue of **GH¢402,844.33** was recovered.
7. The team embarked on an intelligence led operation and intercepted an Ivorian registered truck which was paraded as a transit vehicle with a fake transit sticker on the windscreen and a fake tracking device. Upon meticulous examination, it was uncovered that the truck was carrying smuggled rice from La Cote d'Ivoire to Kumasi and not in transit. Upon arrest and re-examination and assessment was done total revenue of **GH¢337,241.88** was recouped to the state.

Apart from being a deterrent to those persons who are involved in non-compliant activities, these compliance activities also resulted in additional revenue for the State.

Management of the GRA therefore wishes to appeal to the leadership of GUTA and TAGG to cooperate with the various Taskforces across the country and encourage their members to comply with the Tax laws. We will continue to engage the members of Trade Associations, including GUTA and TAGG, to address their issues as we strive to achieve our common goal of revenue mobilization.

We also encourage the general public to report any misconduct on the part of GRA officers during these exercises and in their normal course of work on **0800-900-110**. Additionally, the names of companies, importers, and Clearing agents who have been found to be involved in these malpractices and the resultant short collection will be published as the laws prescribe.

GRA will continue to ensure that the human involvement in revenue mobilization is reduced while improving on automation of systems to eliminate the use of discretion and thereby assist taxpayers to comply.

We remain committed to our core mandate of revenue mobilization and facilitation of trade and we assure all traders and the general public that the work of the Taskforces and the other compliance activities is not to intimidate or harass them but rather to ensure that businesses are complying with the tax laws and are paying the right amount of taxes due the Government of Ghana for national development.

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