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All News Editors

For Immediate Release

**TAX IMPLICATIONS OF DONATION OF TWO
HELICOPTERS TO KWAME NKRUMAH UNIVERSITY OF
SCIENCE AND TECHNOLOGY (KNUST)**

The attention of Management of the Ghana Revenue Authority (GRA) has been drawn to an online publication on, "GRA halts two helicopter 'gifts' to KNUST over taxes".

Management of GRA would like to use this opportunity to react as follows:

1. Section 75 of the Customs Act 2015, (Act 891) refers to temporary admission, as a Customs procedure that allows goods to be temporarily brought into the country for a specific purpose without the payment of import duties or taxes. This procedure is designed to facilitate international trade, reduce cost, and promote temporary cross-border activities.
2. Goods that are temporarily admitted into the country under this regime are expected to be re-exported within a certain timeframe, usually 90 days or a specific period for activities such as trade shows, exhibitions, repairs, or other temporary uses. Appropriate documentation, including a Customs declaration, is required to initiate the temporary admission process. These documents specify the intended use and the expected re-exportation date. Failure to meet this deadline will result in the payment of the "suspended" import duties and taxes.
3. The Customs Division requires a guarantee / security such as an insurance bond or deposit, to ensure revenue is not lost if the goods or items in question are not re-exported.

4. All countries including Ghana, impose restrictions on the types of goods that can be temporarily admitted and the purposes for which they can be used. As such, Customs procedures for temporary admission come with conditions which vary from country to country. Non-compliance with the terms of temporary admission can further result in sanctions, such as fines or forfeiture of the goods to the State.
5. For the incident in question, the mining firm brought in the two helicopters in 2020 under the Temporary Admission Regime, which requires that they are re-exported after the agreed period. If the firm wishes to transfer the ownership of the helicopters to a third party (Kwame Nkrumah University of Science and Technology), they are required to pay the appropriate taxes and duties before handing them over to KNUST. This will prevent the possible abuse of the Temporary Admissions Regime by importers who apply for the waiver of duties but resort to donating the equipment as scrap as a way of evading payment of taxes.
6. Furthermore, KNUST has not imported any equipment into the country and therefore is not liable for import duty or taxes.
7. Management of GRA further uses this opportunity to entreat all importers and the general public to comply with the Tax Laws and procedures to ensure smooth trade facilitation and maximizing revenue for national development. GRA is also committed to supporting Government's agenda of enhancing education at all levels and would do all it can within its mandate to support education.

FLORENCE ASANTE (MRS.)

ASSISTANT COMMISSIONER, COMMUNICATION & PUBLIC AFFAIRS

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