

**REPORT OF THE FINANCE COMMITTEE ON THE INTERNAL
REVENUE (REGISTRATION OF BUSINESS) (AMENDMENT)
BILL**

1.0 INTRODUCTION

The Internal Revenue (Registration of Business) (Amendment) Bill was laid in the House on Wednesday 8th October 2008 and referred to the Finance Committee for consideration and report in accordance with the 1992 Constitution and the Standing Orders of the House.

To consider the Bill, the Committee met with the Deputy Minister of Finance and Economic Planning, Hon. Prof. George Gyan-Baffour, officials from the Ministry of Finance and Economic Planning and the Internal Revenue Service (IRS) and presents this report.

2.0 REFERENCE DOCUMENTS

In considering the Bill, the Committee made reference to the following:-

1. the 1992 Constitution of the Republic of Ghana
2. the Internal Revenue (Registration of Business) Act, 2005 (Act 684)
3. the Standing Orders of Parliament.

3.0 PURPOSE OF THE BILL

The purpose of this Bill is to amend the Internal Revenue (Registration of Business) Act, 2005 (Act 684) to convert the monetary values in the Schedule from the old cedi to the Ghana cedi to bring Act 684 in conformity with the recent monetary redenomination exercise which became effective in July 2007.

3.1 CONTENTS OF THE BILL

The Bill is made of a clause which seeks to amend the Internal Revenue (Registration of Business) Act, 2005 (Act 684) by deleting '₵100,000.00', '₵75,000.00 and '₵50,000.00' and inserting GH₵10.00, GH₵7.50GP and GH₵5.00 respectively in the Schedule of the Act.

4.0 OBSERVATIONS AND RECOMMENDATION

The Committee was informed that in July 2007, the country undertook a monetary redenomination exercise. However, the monetary values of Act 684 are still quoted in the old currency (old Ghana cedi). As a result of this, there was the need to make an amendment to convert the monetary values of the Act to conform to the new values.

The technical team informed the Committee that the Amendment was necessary as it would ensure that people to whom the Act applies do not pay anything different from what they are required to pay.

Some Members were of the view that the monetary redenomination exercise undertaken by Bank of Ghana affected all monetary values in the laws of Ghana and therefore there was no need for the Bill. It was however explained that even though the conversion affects the monetary values, there was still the need for a legislative framework to convert the monetary values in the Acts to the new Ghana currency. This, the technical team explained, is what the Bill is seeking to do.

The Committee observed that the Bill seeks to ensure that persons to whom the Internal Revenue (Registration of Business) Act applies pay rates that they are supposed to pay and which are quoted in the Ghana cedi. This, the Committee observed that would ensure that people are not cheated in the application of the law.

The Committee however is of the view that a general legislation should be enacted to correct these issues with the law with respect to the monetary denominations as this is more convenient than individual Institutions coming with these individual amendments. It

was also of the view that this situation is not only limited to the Internal Revenue Service but the whole laws of Ghana.

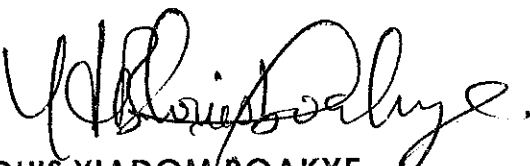
The Committee therefore recommends to the Attorney – General to quickly take steps to ensure that a legislation is passed to address this concern rather than these individual amendments to individual Acts.

5.0 CONCLUSION

The Committee is of the view that the Bill is in the right direction and therefore recommends to the House to adopt this report and pass the Internal Revenue (Registration of Business) (Amendment) Bill.

Respectfully submitted.


HON. NII ADU DAKU MANTE
CHAIRMAN


LOUIS YIADOM BOAKYE
FOR CLERK, FINANCE COMMITTEE

21st October, 2008.