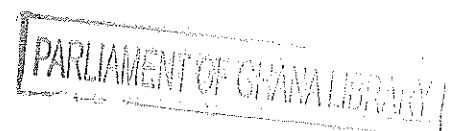
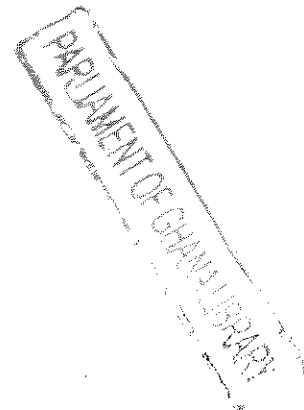


**IN THE THIRD SESSION OF THE SIXTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**

**REPORT OF THE COMMITTEE ON
EDUCATION**

ON THE

**CHARTERED INSTITUTE OF
TAXATION BILL, 2014**



Acc No 1540 A

Class No BR/CIT/104

1.0 INTRODUCTION

1.1 The Chartered Institute of Taxation Bill, 2014 was laid in Parliament and read the first time on 17th December 2014. In accordance with Article 106 (4) and (5) of the Constitution and Order 186 of the Standing Orders of the House, the Rt. Hon. Speaker referred the Bill to the Committee on Education for consideration and report. The Committee, in the course of its work, was assisted by the Hon. Minister for Education, Prof. Naana Jane Opoku-Agyemang and her team, Council Members of the Chartered Institute of Taxation, Ghana as well as officials from the Attorney General's Department. The Committee is grateful for their assistance.

2.0 REFERENCE

2.1 The Committee referred to the following documents during its deliberations:

- a. The 1992 Constitution
- b. The Standing Orders of Parliament
- c. The Chartered Institute of Taxation Bill, 2014

- d. The Chartered Institute of Taxation of Nigeria (Act) Act No. 76, 1992 (now CITN Act, CAP C10 Vol. 2, Laws of the Federation of Nigeria, 2004)

The Committee also considered a petition received from the Chartered Institute of Certified Tax Accountants (Ghana) as well as a communication from the National Accreditation Board (NAB) in respect of the Chartered Institute of Certified Tax Accountants (Ghana).

3.0 BACKGROUND

3.1 The Chartered Institute of Taxation, Ghana (CITG) is a registered professional body under the Professional Bodies Registration Act (NRCD 143). The Institute, since its establishment, has and continues to play a significant role in the education and training of personnel in the tax profession. The Institute, in collaboration with other actors, provides capacity building for tax professionals in both the public and private sectors to improve knowledge, practices, and standards for effective mobilization of government tax revenues.

Furthermore, the Institute conducts research into issues relating to taxation, and makes invaluable contributions towards the planning and formulation of tax policies and strategies for the public and private sectors. It is significant to note that the recommendations of the Institute largely contributed to the establishment of tax courts by the Judiciary.

The CITG is a founding member of the West African Union of Tax Institutes and the Africa Association of Tax Institutes. The Chartered Institute of Taxation (Ghana) occupies the presidency and the vice-presidency positions of these associations.

4.0 OBJECT OF THE BILL

The Bill seeks to give the Chartered Institute of Taxation Ghana, the legal mandate to regulate the practice of taxation in the country.

5.0 CONTENT OF THE BILL

5.1 The Bill is made up of forty clauses and divided into four main Parts as follows:

- a. Chartered Institute of Taxation;
- b. Qualification and membership of the Institute;

- c. Administrative and financial provisions; and
- d. Miscellaneous provision.

5.2 Part one, comprising clauses 1-11 focuses on the Establishment of the Institute, its object and functions and the Governing Council, among others.

5.3 Part Two made up of clauses 12-25 sets out the registration of tax practitioners, qualification, categorization of members, prohibition from practicing as a chartered tax practitioner or tax practitioner, removal of name from register, to mention but a few.

5.4 Part Three encompasses clauses 26-32 and highlights among others, the appointment of a Registrar, Functions of the Registrar, Appointment of other staff, and Funds of the Institute.

5.5 Part Four covers clauses 33-37 which capture Offences, Regulations, Interpretation, Transitional provisions and Repeal and savings.

6.0 **OBSERVATIONS**

6.1 The Committee noted that over the years, the Chartered Institute of Taxation, Ghana has been playing a key role in the promotion and

development of taxation in the country. It is worth noting that a number of tax professionals and practitioners in both the public and private sectors received their professional training through the accredited programmes of the Institute.

6.2 The Committee observed that in spite of the significant contribution of the Institute to the development of taxation in the country, the Chartered Institute of Taxation, Ghana, lacks the requisite mandate accorded sister chartered institutes in countries like Nigeria to regulate the practice of taxation. The Committee noted in particular, that the Chartered Institute of Taxation, Nigeria (CITN), which is backed by Act No. 76, 1992, (now CITN Act, CAP C10 Vol. 2, Laws of the Federation of Nigeria, 2004) makes it the only professional body with the authority to regulate the practice and administration of taxation in the country. This regulatory framework, has contributed tremendously in streamlining the practice of taxation in Nigeria.

6.3 The Committee during the consideration of the Bill, received a petition from a professional body by name Chartered Institute of Certified Tax Accountants (CICTA). The CICTA stated in its petition

that it obtained its full registration (registration number 59, gazette no. 143) on 12th July 2012 under the Professional Body Decree 1973 (NRCD 143). The petition sought to question the basis for making the Chartered Institute of Taxation, Ghana, the National Tax Regulator. According to the petition, since the Chartered Institute of Taxation, Ghana is a professional body just like the Chartered Institute of Certified Tax Accountants, it will be unfair and against the principle of Freedom of Association to make the latter assume the position of a National Tax Regulator. The petition views as discriminatory clause 19 of the Bill, which prohibits individuals or members of other professional bodies from practicing as tax professionals unless they are members of the CITG. The petition therefore advocated for the creation of an independent institution/body to regulate the practice of taxation in the country.

6.4 According to the CITG, the CICTA had earlier requested for automatic membership of the CITG on the grounds that the content of its (CICTA) programmes was very similar to that of the CITG, and should therefore be exempted from taking the approved examinations of the CITG. Subsequently, the CITG sought confirmation on the

status of the CICTA from the National Accreditation Board (NAB). NAB in response, stated that the Chartered Institute of Certified Tax Accountants (CICTA) has not been accredited to award qualifications. According to NAB, for an institute to be recognized as "chartered" it must have a legal backing to award qualifications, other than just operating under the Professional Bodies Registration Act, 1973 (NRCD 143).

6.5 Much as the Committee appreciated the concerns raised by the Chartered Institute of Certified Tax Accountants (CICTA), it took into consideration the position of the NAB in respect of the accreditation status of the CICTA.

It is worth noting that the NAB has subsequently issued a statement in the Tuesday 7th July 2015 issue of the Daily Graphic to the effect that the CICTA, Ghana "does not have the legal mandate to award any academic or professional qualifications that may be accepted for purposes of academic/professional placements/progression". The Committee noted that the above publication reinforces NAB's earlier position on the status of CICTA, Ghana which was contained in its

(NAB) communication to the CITG, a copy of which was made available to the Committee.

6.6 The Committee also noted that the Bill provides a window of opportunity for persons who are practicing as tax practitioners, prior to the commencement of the Act, to apply to the Council, within three months of the commencement of the Act, for Membership of the Institute, and upon approval be registered to continue as tax practitioners.

6.7 The Committee recognises that the Chartered Institute of Taxation, Ghana has the requisite expertise in the field of taxation, and possesses the structures to regulate the professional and ethical standards of tax practitioners. The bill when passed will position the Institution to play a more significant role in its field of operation.

It is important to note that institutions like the Ghana Revenue Authority, the Institute of Chartered Accountants (Ghana), KPMG and Price Water House all acknowledge the strategic importance of this Bill to the development of taxation in the country and have therefore lent it their full support.

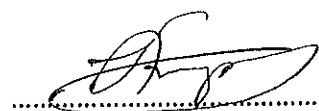
7.0 CONCLUSION

Undoubtedly, taxation could be described as the lifeblood of every nation, the practice of which is greatly dependent on professionally trained personnel. Considering the expertise of the Chartered Institute of Taxation, Ghana and its contributions to the practice and development of taxation over the years, the Committee is of the view that giving the Institute the exclusive legal mandate to determine the standards of knowledge and skills to be obtained by persons seeking to become professional tax practitioners and administrators, as well as regulating the administration and practice of taxation through the appropriate legal and ethical regime, will go a long way to improve performance and standards in the tax profession.

The Committee therefore recommends that its report on the Chartered Institute of Taxation Bill, 2014 be adopted by the House.

Respectfully submitted


.....
HON. MATHIAS A. PUZAA
CHAIRMAN, COMMITTEE ON EDUCATION


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JANET FRIMPONG
CLERK TO THE COMMITTEE

November 2015

PROPOSED AMENDMENT

Clause 1 - Amendment proposed - Sub-clause (1), line 2, after "Taxation" add ", Ghana"

Clause 2 - Amendment proposed - delete and insert the following "the object of the Institute is to promote the study and regulate the practice of taxation in the country"

Clause 3 - Amendment proposed - Paragraph (j), line 1, after "library" delete "of books and periodicals"

Clause 3 - Amendment proposed - Paragraph (l), line 1, after "publish" delete "books on taxation related" and insert " professional and research materials on taxation and related"

Clause 4 - Amendment proposed -Sub-clause (1), delete and insert the following:

4 (1) The governing body of the Institute is a Council consisting of

(a) a chairperson with expertise in taxation;

(b) the President of the Institute elected by members of the Institute at an annual general meeting of the Institute;

(c) The Vice-President of the Institute elected by members of the Institute at an annual general meeting of the Institute;

- (d) four members of the Institute elected by members of the Institute at an annual general meeting of the Institute;
- (e) one representative of academia with specialization in ~~a taxation-related~~ field nominated by the committee of vice chancellors of public universities;
- (f) one representative of
 - (i) ~~the Ministry of Education~~ not below the rank of a Director;
 - (ii) the Ministry of Finance not below the rank of a Director;
 - (iii) the Attorney-General not below the rank of Principal State Attorney; and
- (g) two members of the Institute nominated by the Minister one of whom shall be a women.

Clause 5 - Amendment proposed - sub-clause (2), line 2, after "President" delete "and" and insert "through" and after "Minister" delete "through the president of the Institute".

Clause 6 - Amendment proposed - sub-clause (3), line 1, delete "six" and insert "seven".

Clause 6 - Amendment proposed - sub-clause (4), line 2, delete "Vice-president" and insert "President".

Clause 8 - Amendment proposed - sub-clause (5), line 1, delete "may" and insert "consisting of members and non-members shall"

Clause 12 - Amendment proposed - Head note after "registration" insert "and licensing"

Clause 12- Amendment proposed - Add the following new sub-clause:

(2) "A firm shall not practice as a chartered tax practicing firm or tax practicing firm unless it is licensed by the Institute"

Clause 13 - Amendment proposed - sub-clause (2), paragraph (a), line 1, delete "and" and insert "or"

Clause 14 - Amendment proposed - Head note, delete and insert "Membership"

Clause 14 - Amendment proposed - delete and insert the following

"The membership of the Institute consists of the following

- (a) Honorary fellows;
- (b) fellows;
- (c) Ordinary members; and
- (d) Associate members.

Clause 15 - Amendment proposed - Head note, delete "ordinary"

Clause 15 - Amendment proposed - sub-clause (1), line 1, delete "an ordinary" and insert "a"

Clause 16 - Amendment proposed - delete and insert the following

16 (1) The Council may confer the title of "Fellow of the Chartered Institute of Taxation, Ghana" on an ordinary member of the Institute who

(a) has acquired at least ten years' practical experience in tax practice or administration;

(b) has submitted a thesis or publication to the Council in accordance with the qualifying criteria determined by the Council;

(c) has made a significant contribution towards the improvement of the status of the Institute and taxation in general;

(d) is regularly in good standing; and

(e) satisfies any other criteria determined by the Council

(2) The Council may confer the title "Honorary Fellow of the Chartered Institute of Taxation, Ghana" on a person who has made a significant

contribution in furtherance of the objects of the Institute.

(3) A Fellow of the Institute, other than an Honorary Fellow may use the title "FCITG"

Clause 18 - Amendment proposed - sub-clause (1), line 3, delete "two state owned newspapers in the country" and insert "one daily newspaper of nation-wide circulation"

Clause 18 - Amendment proposed - sub-clause (3), paragraph (a), after "and" insert "their".

Clause 19 - Amendment proposed - sub-clause (2), delete "practise" and insert "practice" and after "means" delete "a person who"

Clause 19 - Amendment proposed - sub-clause (2), paragraph (a), line 1,
delete "engages" and insert "engaging",
delete "professes" and insert "professing"
delete "practise" and insert "practice".

Clause 19 - Amendment proposed - sub-clause (2), paragraph (a), line 2, after "chartered tax practitioner" insert "or" and after "tax practitioner" delete "or tax adviser"

- Clause 19 - Amendment proposed - sub-clause (2), paragraph (b), delete "offers" and insert "offering" and delete "performs" and insert "performing"
- Clause 19 - Amendment proposed - sub-clause (2), paragraph (c), line 1, delete "renders" and insert "rendering" and delete "assistance" and insert "assisting"
- Clause 19 - Amendment proposed - sub-clause (2), paragraph (d), line 1, delete "renders" and insert "rendering"
- Clause 19 - Amendment proposed - sub-clause (2), line 10, delete "that" and insert "a"
- Clause 21 - Amendment proposed - sub-clause (2) line 1, delete "fee"
- Clause 22 - Amendment proposed- sub-clause (2), paragraph (a), line (2), delete "a"
- Clause 24 - Amendment proposed - paragraph (c), line (2), after "offence" insert "involving fraud or dishonesty"
- Clause 35 - Amendment proposed - line 4, after "taxation" insert "Ghana"
- Clause 36 - Amendment proposed - sub-clause (1), line 6, after "taxation" insert ", Ghana"

First schedule- Amendment proposed – clause 2, sub-clause (1), line 3, delete “secretary of the Council” and insert “registrar of the Institute”

First schedule- Amendment proposed – clause 2, sub-clause (2), line 2, delete “secretary of the Council” and insert “registrar of the Institute”

First schedule- Amendment proposed – clause 3, sub-clause (1), line 1, delete “secretary of the Council” and insert “registrar of the Institute”

First schedule- Amendment proposed – clause 4, sub-clause (1), line 4, delete “secretary of the Council” and insert “registrar of the Institute”

First schedule- Amendment proposed – clause 4, sub-clause (3), line 1, delete “secretary of the Council” and insert “registrar of the Institute”

Second schedule- Amendment proposed – clause 1, sub-clause (1), paragraph (a), delete and insert “elect their representatives to the council”

Second schedule- Amendment proposed – clause 1, sub-clause (1), paragraph (c), delete “determine” and insert “recommend to the Minister”

Second schedule- Amendment proposed – clause 1, sub-clause (6), paragraph (a), line 2, delete “secretary” and insert “registrar”

Second schedule- Amendment proposed – clause 2, sub-clause (1), line 2, after “twenty” add “percent of”

Second schedule- Amendment proposed – clause 3, sub-clause (1), line 1, delete “secretary” and insert “registrar”

Second schedule- Amendment proposed – clause 3, sub-clause (2), delete “secretary” and insert “registrar”

Second schedule- Amendment proposed – clause 3, sub-clause (2), paragraph (e), delete

Third schedule- Amendment proposed – paragraph (c), sub-paragraph (iii), delete “any” and insert “the”

Third schedule- Amendment proposed – paragraph (c), sub-paragraph (iv), delete “any” and insert “the”.

Third schedule- Amendment proposed – paragraph (l), sub-paragraph (ii), line 2, after “practitioner” insert “or tax practitioner”

Long title- Amendment proposed – line 1, after “taxation” add “,Ghana”