



MEMORANDUM TO PARLIAMENT

BY

THE MINISTER OF FINANCE

ON

**THE WAIVER OF APPLICABLE TAXES ON ONSHORE
COMPONENT FOR PHASE II OF THE DEDICATED SECURED
COMMUNICATIONS SYSTEMS
FOR GHANA'S PUBLIC**

ADMINISTRATION AND EMERGENCY SERVICES

3/12/....., 2014

1. ACTION REQUIRED

Hon Members of Parliament are kindly requested to consider and approve the waiver of taxes on the onshore component involving VAT/NHIL and withholding taxes, on direct project expenditure for the implementation of the phase II of the dedicated Secured Communications Systems for Ghana's Public Administration and Emergency Services (the "project") amounting to *Four Million, Nine Hundred and One Thousand, Three Hundred and Eighty Six United States Dollars (US\$4,901,386.00)*.

It may be recalled that Cabinet at its Seventh Meeting held on Thursday 11th July, 2013 approved by Resolution a joint Memorandum by the Ministers of Finance and Communications on the said Credit Facility for US\$123,409,273.10 (One Hundred and Twenty-Three Million, Four Hundred and Nine Thousand, Two Hundred and Seventy-Three United States Dollars and Ten Cents) from the Government of the People's Republic of China through a Preferential Buyer's Credit of the Export Import Bank of China to implement Phase II of the Project to be executed by ZTE Corporation of China/ZTE Ghana Ltd.

The span of work under the Phase II of the Global Open Trunking Architecture (GOTA) Communication Network covers the extension of the GOTA services to the rest of the country to enhance the coverage performance of the existing areas and also provide a seamless service all over the country.

It may also be noted that Parliament has already approved the waiver of taxes for the project but without reference to the onshore component.

2. BACKGROUND TO THE PROJECT

The GOTA Phase I network has been deployed since 2007, and running well. The Phase I of the Project covered mainly the Southern sector of the country (Greater Accra, Central, Western, Eastern, Volta, and Ashanti). The Phase I of the Project has a capacity of 50,000 lines with 72 Base Transceiver Stations (BTS) for the wireless coverage. Phase I of the Project was funded through a credit facility from the China EXIM Bank. It has been successfully completed and the services are functioning. GOTA Communication Network Phase II of the Project is outstanding.

Under Phase II of the Project 270 BTS would be deployed as part of the expansion of the project to cover the Northern part of the country (Upper East, Upper West, Brong Ahafo and Northern Regions). Additionally, the coverage in the Southern part of the country undertaken during the Phase I will be enhanced.

All the BTS provide Evolution-Data-Only (EVDO) Rev. B (the most advanced technology) service, and will also upgrade the BTS of Phase I to support EVDO Rev. B. Considering the disaster redundancy, one set of new Core Network (CN) will be deployed in Kumasi for the Phase II network expansion.

Based on the Phase II network, the total capacity will be 200,000 lines, and the system can be expanded to provide services for 3,000,000 users.

3. TECHNOLOGY VERSATILITY

The GOTA system is a trunking system based on Code Division Multiple Access (CDMA) 2000 technology. The system provides high-speed wireless data service, in compliance with the International Telecommunication Union (ITU) standard (ITU M.2014). The GOTA solution can accommodate many applications that cannot be achieved by other system, including visible dispatching (select members from GIS map), dispatching all members for both wired and wireless, capture and upload picture/video to command centre, Chip Scan, Finger Scan, Two-dimensional Code Scan, GPS, mobile office, etc. These applications can be used by officers in the Police, Army and related department at big events such as sports, large gathering and at customs, airports, hospitals, fire brigade, clubs and so on.

The GOTA system, as a leading trunking technology, support smooth evolution to Long Term Evolution (LTE) based trunking system named GOTA 4G. With GOTA LTE, broadband (100Mbps) can be generated to enhance the introduction of more applications such as mobile video monitor for traffic policing, accident/disaster rescue, HD picture/video transfer, remote education, remote healthcare, etc.

4. REGIONAL COVERAGE AND EQUIPMENT NUMBERS (PHASE I AND II)

Region	Deployed in Phase I		Expansion for Phase II	
	BTS	Microwave Repeater	BTS	Microwave Repeater
Greater Accra	16	1	8	1
Central	9	3	19	5
Western	19	3	43	8
Eastern	12	4	34	7
Volta	4	1	27	5
Upper East	0	-	10	2
Upper West	0	-	25	4
Ashanti	12	2	17	3
Brong Ahafo	0	-	31	4
Northern	0	-	56	13
Total	72	14	270	52

Source: MoC

5. ATTRIBUTION OF THE PROJECT/SYSTEM

The GOTA System when fully functional will have countrywide coverage with the following attributes:

- ✓ Serving the individual and separate communication needs of the administration and service delivery requirements of Government, including MDAs.
- ✓ Providing a common communication platform for all MDAs down to the District Level.
- ✓ The Project will enhance countrywide reaction time to emergencies drastically.
- ✓ The Network is scalable and capable of being expanded to the capacity of 200,000 subscribers or more, depending on demand.
- ✓ With the completion of the project, the cost of Government communication will be cut down considerably.
- ✓ The project will also improve the efficiency of the user agencies through End-to-End encryption technology, high speed data and voice communication.

6. FINANCING DETAILS

The purchase and installation of the Dedicated Secured Communication System for Ghana's Public Administration Emergency Services will be financed with a Preferential Buyer's Credit from the Government of the People's Republic of China through the Export Import Bank of China.

6.2 The terms of the credit facility are summarized as follows:-

vii.	Loan Amount	-	USD123,409,273.10
viii.	Interest Rate	-	2% per annum
ix.	Repayment Period	-	Twenty (20) years
x.	Grace Period	-	Five years from the effective date of the Loan years
xi.	Management Fee	-	1%
xii.	Commitment Fee	-	0.75% per annum

7. DURATION

The Project (Phase II) is expected to be completed in 12 months after commencement of the work.

8. OBLIGATION OF THE GOVERNMENT OF GHANA

Under Article 7 of the Supply Contract Agreement dated October, 2011 which was entered into between the Government of Ghana (represented by the National Security Council) and the ZTE Corporation, China, the Government of Ghana shall be responsible for taxes that are applicable within the shores of Ghana.

Consequently, the Ministry of Communications through the Ministry of Finance is seeking tax exemptions on supplies under the contract Agreement as provided for under Article 174 (2) of the Constitution to enable the full amount of the facility to be committed to the project.


9. TAX ASSESSMENT BY THE GHANA REVENUE AUTHORITY

On the request of the Ministry of Communications, the Ghana Revenue Authority has assessed the tax liability on the project amounting to US\$3,812,187.00 for the VAT/NHIL on the local services and US\$ 1,089,199.00 as the withholding tax component. This amounts to **US\$4,901,386.00** as the total assessed taxes applicable onshore on services.

10. CONCLUSION

In view of the requirement of the Contract Agreement and under Article 174 (2) of the Constitution, Hon. Members of Parliament are kindly requested to consider, and approve the waiver of Tax liability on the Supply and installation contract (onshore component) for the implementation of the phase II of the Dedicated Secured Communications Systems for Ghana's Public Administration and Emergency Services (the "project") amounting to *Four Million, Nine Hundred and One Thousand, Three Hundred and Eighty Six United States Dollars (US\$4,901,386.00)*.

Please find attached relevant supporting documents including the statutory approvals, Tax Assessment on the onshore component, Previous Approval and copies of the Agreement.



HON. SETH E. TERKPER
MINISTER OF FINANCE

*In case of reply the **number and date** of this letter should be **quoted***

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Republic of Ghana

MINISTRY OF COMMUNICATIONS

P. O. BOX M.38

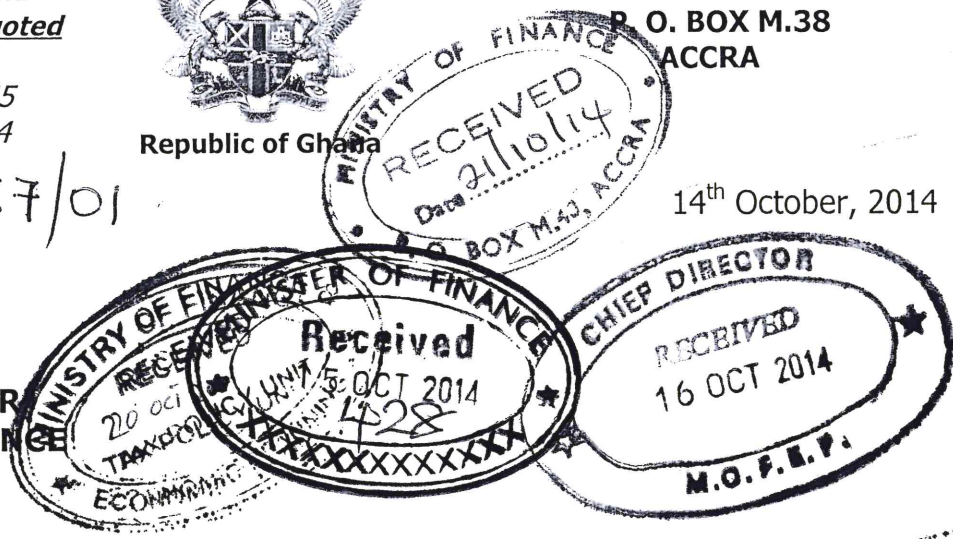
ACCRA

My Ref. No: HA.239/257/01

14th October, 2014

Your Ref. No:

**THE HON. MINISTER
MINISTRY OF FINANCE
ACCRA**



APPLICATION FOR EXEMPTION FROM PAYMENT OF VAT/NHIL AND WITHHOLDING TAXES RELATED TO THE IMPLEMENTATION OF GHANA DEDICATED SECURITY INFORMATION SYSTEM PROJECT (PHASE II)

Reference is respectfully made to the agreement between Ministry of Communications and ZTE Corporation of China for the implementation of the Phase II of the Dedicated Security Information System Project.

Subsequently, Parliament on 18th December 2013 granted approval for waiver of taxes for the offshore component of the project.

ZTE as per the contract is also seeking for tax exemption for the onshore component of the project. Accordingly, the cost of the onshore component was forwarded to the Domestic Tax Revenue Division of the Ghana Revenue Authority (GRA) which computed the tax liabilities of the onshore component as per the attached.

In this respect, we wish to submit ZTE's request for tax exemption and the tax liability computed by GRA to the Ministry of Finance to enable the Ministry initiate the process for Parliamentary approval for the tax exemption for the onshore component of the project.

Please accept the assurances of the Hon. Minister's highest consideration.

**ISSAH YAHAYA
CHIEF DIRECTOR
FOR: MINISTER**

*Hel TPO
Pse deal M. Zolho*

*Plus
Kne*

*20/10/14
JG*

04



PARLIAMENTARY SERVICE

Parliament House - Accra (Ghana)

In case of reply the number and date of this letter should be quoted.

My Ref. No. OP/1/2/0028
Your Ref.

Telephone No. +233 [0] 302 664184 (4lines)
Fax No. +233 [0] 302665957

6th JANUARY, 2014

THE HON. MINISTER,
MINISTRY OF FINANCE
ACCRA.

Hon. Minister,

APPROVAL OF THE REQUEST FOR WAIVER OF CUSTOMS DUTIES, VAT, EDIF, ECOWAS LEVY, DESTINATION INSPECTION FEES, WITHHOLDING TAX LIABILITIES ON SUPPLIERS AND SPECIAL IMPORT LEVY AMOUNTING TO THIRTY-FIVE MILLION, SEVEN HUNDRED AND NINETY-FOUR THOUSAND, FIVE HUNDRED AND THREE UNITED STATES DOLLARS (US\$35,794,503.00) RELATING TO THE IMPLEMENTATION OF GHANA DEDICATED SECURITY INFORMATION SYSTEM PROJECT (PHASE II)

Parliament at its Thirty-first Sitting of the Third Meeting held on Wednesday, 18th December 2013, approved by Resolution the Request for waiver of Customs Duties, VAT, EDIF, ECOWAS LEVY, Destination Inspection Fees, Withholding Tax Liabilities on suppliers and Special Import Levy amounting to Thirty-five million, seven hundred and ninety-four thousand, five hundred and three United States Dollars (US\$35,794,503.00) relating to the implementation of Ghana Dedicated Security Information System Project (Phase II).

I am directed to forward to you the text of the Resolution as follows:

WHEREAS

1. By the provisions of Article 174 (2) of the Constitution, Parliament is empowered to confer power on any person or authority to waive or vary a tax imposed by an Act of Parliament;
2. The exercise of any power conferred on any person or authority to waive or vary a tax in favour of any person or authority is by the said provisions made subject to the prior approval of Parliament by resolution;
3. By the combined operation of the provisions of section 26 (2) of the Customs, Excise and Preventive Service (Management) Law, 1993 (PNDCL 330), the Export and Import Act, 1995 (Act 503), the Export Development and Investment Fund Act, 2000 (Act 582), the Value Added Tax Act, 1998 (Act 545), the Value Added Tax (Amendment) Act, 2000 (Act 579) and other existing Laws and Regulations applicable to the collection of Customs duties and other taxes on the importation of goods

(B)

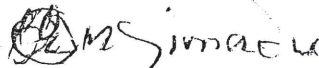
into Ghana, the Minister for Finance may exempt any statutory corporation, institution or individual from the payment of duties and taxes otherwise payable under the said Laws and Regulations or waive or vary the requirement of such statutory corporation, institution or individual to pay such duties and taxes:

4. In accordance with the provisions of the Constitution and at the request of the Government of Ghana acting through the Minister responsible for Finance, there has been laid before Parliament a request by the Minister for Finance for the prior approval of Parliament the exercise by the Minister of the power conferred on the Minister under the Laws and Regulations relating to the waiver of Customs Duties, VAT, EDIF, ECOWAS LEVY, Destination Inspection Fees, Withholding Tax Liabilities on suppliers and Special Import Levy amounting to Thirty-five million, seven hundred and ninety-four thousand, five hundred and three United States Dollars (US\$35,794,503.00) relating to the implementation of Ghana Dedicated Security Information System Project (Phase II).

NOW THEREFORE, this Honourable House hereby approves the exercise by the Minister responsible for Finance of the power granted by Parliament by Statute to waive such Customs Duties, VAT, EDIF, ECOWAS LEVY, Destination Inspection Fees, Withholding Tax Liabilities on suppliers and Special Import Levy amounting to Thirty-five million, seven hundred and ninety-four thousand, five hundred and three United States Dollars (US\$35,794,503.00) relating to the implementation of Ghana Dedicated Security Information System Project (Phase II).

The Resolution is respectfully submitted for your appropriate action.

Yours sincerely,


EMMANUEL ANYIMADU
CLERK TO PARLIAMENT

Cc: Hon. Attorney-General and Minister for Justice
Ministry of Justice
Accra.

GHANA REVENUE AUTHORITY

DOMESTIC TAX REVENUE DIVISION



+233(0)302-247955
Infoegra.gov.gh
www.gra.gov.gh

Our Ref. No. DCMTO-EXM-1408013

Your Ref. No.

August 13, 2014

The Minister
Ministry of Communication
P. O. Box M.38
Accra

RE: APPLICATION FOR EXEMPTION FROM PAYMENT OF VAT/NHIL AND WITHHOLDING TAX

We make reference to the Ministry of Communication letter dated 17th July, 2014 in which is requesting the Domestic Tax Revenue Division of GRA to compute the tax assessment on VAT/NHIL and withholding tax relating to the onshore components for approval of tax exemption by Parliament.

Our analysis of the domestic services you intend to be rendered as provided for on the Master List furnished us (copy attached) shows the estimated VAT/NHIL payable as follows:

S/N	LOCAL/DOMESTIC SERVICES	AMOUNT IN USD	VAT @ 15%	NHIL @ 2.5%	TOTAL VAT/NHIL @ 17.5%
1	Installation & Commissioning	15,805,710.00	2,370,857	395,142.75	2,765,999.75
2	Network Planning & Optimization	2,160,000.00	324,000	54,000.00	378,000.00
3	Project Management	2,568,210.00	385,232	64,205.25	449,437.25
4	Training	1,250,000.00	187,500	31,250.00	218,750.00
		21,783,920.00	3,267,589	544,598.00	3,812,187.00

Thus, the total taxable value for local services on the above schedule is **Twenty-One Million, Seven Hundred and Eighty-Three Thousand, Nine Hundred and Twenty USD (USD21,783,920)**. The total VAT/NHIL payable resulting from the computation of **17.5%** VAT/NHIL on the taxable value is **Three Million Eight Hundred and Twelve Thousand One Hundred and Eighty-Seven USD (USD 3,812,187)** for local services.

25

Furthermore, the estimates for the withholding taxes related to the onshore components of the project are as follows:

NO.	ITEM	AMOUNT US\$	WITHHOLDING TAX USD
3.1	Installation and Commissioning	15,805,710.00	790,285.50
3.2	Network Planning and Optimization	2,160,000.00	108,000.00
3.3	Project Management	2,568,210.00	128,410.50
3.4	Training	1,250,000.00	63,500.00
Total Withholding Taxes			1,089,199.00

The amount of taxes related to the onshore component is USD 1,089,199.00

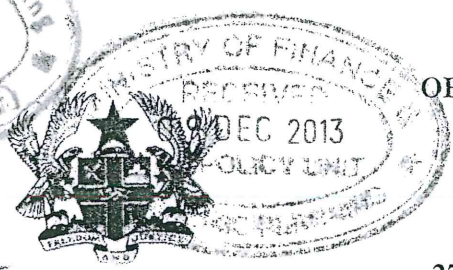
Please do not hesitate to contact us for further clarification if need be.


13/08/2014
K. Gyimah-Asante
Deputy Commissioner (MTO)
for: Commissioner-General

Cc: Deputy Commissioner (LTO)

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In case of reply the number and date of this letter should be quoted.



OFFICE OF THE PRESIDENT
P.O. BOX 1627
ACCRA

My Ref. No.
Your Ref. No.

OP/CA 12/v2

CONFIDENTIAL

FREEDOM AND JUSTICE

27TH NOVEMBER, 2013

THE WAIVER OF IMPORT DUTIES AND TAXES ON MATERIALS AND EQUIPMENT INCLUDING OTHER RELATED TAXES FOR PHASE II OF THE DEDICATED SECURED COMMUNICATIONS SYSTEMS FOR GHANA'S PUBLIC

I refer to your letter dated 5th November, 2013 on the above subject.

2. H.E. The President has granted Executive Approval for the waiver of Customs Duties, VAT, EDIF, ECOWAS Levy, Destination Inspection Fees, Withholding Tax Liabilities on Local and Foreign suppliers and other project related imposts for the implementation of the phase II of the dedicated Secured Communications Systems for Ghana's Public Administration and Emergency Services(the "project") amounting to **Thirty Five Million, Seven Hundred and Ninety Four Thousand, Five Hundred and Three United States Dollars (US\$35,794,503.00)**

3. I would be grateful if you could take requisite action on the decision.

*Jm(F)/ES
Pse fns
27/11/13*

Roger K. Angsomwine
ROGER K. ANGSOMWINE
SECRETARY TO THE CABINET

HON. MINISTER FOR COMMUNICATIONS
HON. MINISTER FOR FINANCE

*Phenit
Pse
2/12/13
105*

Cc: Chief of Staff
Secretary to the President
Secretary to the Vice President

Heed TPU / Dv. L.S

*Pse fns - advice of
10/12/13*



In case of reply, the number and date of this letter should be quoted.

CONFIDENTIAL

My Ref. No

Your Ref. No

OP/CA 1. V4

REPUBLIC OF GHANA



OFFICE OF THE PRESIDENT

P.O. BOX 1627

ACCRA

15TH JULY, 2013

PHASE II OF THE DEDICATED SECURED COMMUNICATIONS SYSTEM FOR GHANA'S PUBLIC ADMINISTRATION AND EMERGENCY SERVICES

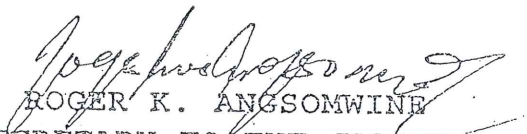
At its seventh meeting held on Thursday, 11 July 2013, Cabinet considered a memorandum jointly sponsored by the Minister for Communications and Minister for Finance on the above subject.

2. In this memorandum, Cabinet was invited to consider and approve a credit facility for USD123,409,273.10 (One Hundred and Twenty-three Million, Four Hundred and Nine Thousand, Two Hundred and Seventy-three United States Dollars, Ten Cents) from the Government of the People's Republic of China through a Preferential Buyer's Credit of the Export Import Bank of China to implement Phase II of the Dedicated Secured Communications System for Ghana's Public Administration and Emergency Services (the "Project") to be executed by ZTE Corporation of China.

3. Cabinet noted that the implementation of the project would further enhance effective and efficient delivery of services to the populace.

3. Cabinet after discussing the memorandum gave approval to the request.

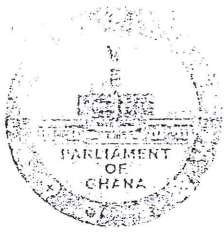
4. It would be appreciated if you could take necessary action on the decision.


ROGER K. ANGSOMWINE
SECRETARY TO THE CABINET

HON. MINISTER FOR FINANCE

HON. MINISTER FOR COMMUNICATIONS

cc: Executive Secretary to H.E.
The President
Secretary to H.E. The Vice
President
Chief of Staff



PARLIAMENTARY SERVICE

Parliament House - Accra (Ghana)

*In case of reply the number
and date of this letter should
be quoted*

My Ref No. AP/12/11

Your Ref.

Telephone No. 0302 664184 (4lines)
Fax No. 0302 665957

17th SEPT. 2013

THE HON. MINISTER,
MINISTRY OF FINANCE AND ECONOMIC PLANNING
ACCRA.

Hon. Minister,

PREFERENTIAL BUYER CREDIT LOAN AGREEMENT BETWEEN THE
GOVERNMENT OF THE REPUBLIC OF GHANA AND THE EXPORT-IMPORT
BANK OF CHINA FOR AN AMOUNT OF ONE HUNDRED AND TWENTY-
THREE MILLION, FOUR HUNDRED AND NINE THOUSAND, TWO HUNDRED
AND SEVENTY-THREE UNITED STATES DOLLARS, TEN CENTS
(US\$123,409,273.10) TO FINANCE THE GHANA DEDICATED SECURITY
INFORMATION SYSTEM PROJECT (PHASE II)

Parliament at its Third Sitting of the Emergency Meeting held on Wednesday, 18th September 2013, approved by Resolution the Preferential Buyer Credit Loan Agreement between the Government of the Republic of Ghana and the Export-Import Bank of China for an amount of One Hundred and Twenty-three million, Four Hundred and Nine Thousand, Two Hundred and Seventy-three United States Dollars, Ten Cents (US\$123,409,273.10) to finance the Ghana Dedicated Security Information System Project (Phase II).

I am directed to forward to you the text of the Resolution as follows:

WHEREAS

1. By the provisions of article 181 of the Constitution and Sections 3 and 7 of the Loans Act, 1970 (Act 335), the terms and conditions of any loan raised by the Government of the Republic of Ghana on behalf of itself or any public institution or authority shall not come into operation unless the said terms and conditions have been laid before Parliament and approved by a Resolution of Parliament;
2. Pursuant to the provisions of the said article 181 of the Constitution and Sections 3 and 7 of the Loans Act, 1970 (Act 335), at the request of the Government of the Republic Ghana acting through the Minister responsible for Finance, there has been laid before Parliament the terms and conditions of the Preferential Buyer Credit Loan Agreement between the Government of the Republic of Ghana and the Export-Import Bank of China for an amount of One Hundred and Twenty-three million, Four Hundred and Nine Thousand, Two Hundred and

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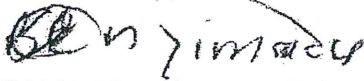
Seventy-three United States Dollars, Ten Cents (US\$123,409,273.10) to finance the Ghana Dedicated Security Information System Project (Phase II).

THIS HONOURABLE HOUSE HEREBY RESOLVES AS FOLLOWS:

In accordance with the provisions of the said article 181 of the Constitution and Sections 3 and 7 of the Loans Act, 1970 (Act 335) this House approves the Preferential Buyer Credit Loan Agreement between the Government of the Republic of Ghana and the Export-Import Bank of China for an amount of One Hundred and Twenty-three million, Four Hundred and Nine Thousand, Two Hundred and Seventy-three United States Dollars, Ten Cents (US\$123,409,273.10) to finance the Ghana Dedicated Security Information System Project (Phase II).

The Resolution is respectfully submitted for your appropriate action.

Yours sincerely,

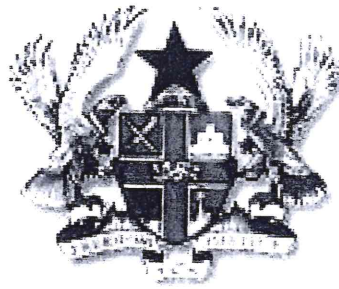


**EMMANUEL ANYIMADU
CLERK TO PARLIAMENT**

Cc: Hon. Attorney-General and Minister for Justice
Ministry of Justice
Accra.

Hon. Minister for Communications
Accra.

Hon. Minister for Defence
Accra.



SUPPLY CONTRACT
FOR
Dedicated Security Information System

BETWEEN

The Government of Ghana
(Represented By Ministry of Communications)

AND

ZTE Corporation, China

CONTRACT NO.

2013





TABLE OF CONTENT

ARTICLE 1: DEFINITION.....5

ARTICLE 2: SCOPE OF CONTRACT8

ARTICLE 3: TECHNICAL SPECIFICATIONS8

ARTICLE 4: BILL OF QUANTITIES (BOQ)8

ARTICLE 5: PRICE OF THE CONTRACT8

ARTICLE 6: TERMS OF PAYMENT.....9

ARTICLE 7: TECHNICAL DUE DILIGENCE.....10

ARTICLE 8: VALUE FOR MONEY AUDIT10

ARTICLE 9: INDEPENDENT ENGINEER(S)10

ARTICLE 10: TAXES.....10

ARTICLE 11: DELIVERY10

ARTICLE 12: LIQUIDATED DAMAGES11

ARTICLE 13: PACKAGING11

ARTICLE 14: INSURANCE.....12

ARTICLE 15: FACTORY TEST.....12

ARTICLE 16: CUSTOMS CLEARANCE AND INLAND TRANSPORTATION.....12

ARTICLE 17: QUALITY AND QUANTITY DISCREPANCY12

ARTICLE 18: SCOPE OF WORK.....13

ARTICLE 19: TARGET DATE FOR COMPLETION13

ARTICLE 20: IMPLEMENTATION SCHEDULE.....13

ARTICLE 21: MEETING.....13

ARTICLE 22: SOFTWARE LICENCE.....14

ARTICLE 23: THE CONTRACTOR'S PERSONNEL.....14

ARTICLE 24: PROVISION OF FACILITIES AND SERVICES BY THE PURCHASER.....14

ARTICLE 25: ACCESS TO SITE.....15

ARTICLE 26: MODIFICATION OF TECHNICAL SPECIFICATION15

ARTICLE 27: SUPERVISION AND INSTALLATION PROCEDURE15

ARTICLE 28: EXCUSED DELAY15

ARTICLE 29: CONTRACT AMENDMENT.....15

ARTICLE 30: ACCEPTANCE TEST.....16

ARTICLE 31: TRAINING17

ARTICLE 32: WARRANTY18

ARTICLE 33: POST WARRANTY SERVICE20

ARTICLE 34: CONFIDENTIALITY21

ARTICLE 35: TERMINATION.....21

ARTICLE 36: GOVERNING LAW AND RESOLUTION OF DISPUTES21

ARTICLE 37: INTELLECTUAL PROPERTY RIGHTS22

ARTICLE 38: INDEMNIFICATIONS.....22

ARTICLE 39: EXPORT CONTROLS23

ARTICLE 40: RETENTION OF TITLE24

ARTICLE 41: GENERAL PROVISIONS.....24

EMTS

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(d) Full set insurance certificate;

Each letter of credit shall be established by the Purchaser through a bank acceptable to the Contractor, subject to Uniform Customs and Practice for Documentary Credits. No. 500(ver.1993) established by the International Chamber of Commerce.

ARTICLE 7: TECHNICAL DUE DILIGENCE

Both parties agree that the Purchaser shall conduct a technical due diligence to appraise the Contractor's proposal agreed to before implementation of same.

ARTICLE 8: VALUE FOR MONEY AUDIT

- 8.1 The Contractor has agreed to cooperate closely with the Purchaser on a value for money audit.
- 8.2 The Contractor agrees that if any savings accrue from the value for money audit, the Purchaser reserves the right to determine how the savings will be applied.

ARTICLE 9: INDEPENDENT ENGINEER(S)

- 9.1 Both parties agree to the engagement of an independent engineer(s) (a third party firm) to validate what has been agreed by the parties during implementation of the project. The terms of reference for the independent engineer(s) will be agreed by both parties and cost borne under this Project.
- 9.2 If equipment, services or components are delivered the independent engineer will from the commencement of the project certify the said equipment, services or components in accordance with this Agreement.

ARTICLE 10: TAXES

The Contractor shall undertake to pay the taxes, customs duties, harbor charges, and other expenses related to this Contract inside the mainland of China except as otherwise agreed elsewhere in this Contract. The Purchaser shall undertake to pay all taxes, customs duties, and other expenses related to this Contract except as otherwise agreed elsewhere in this Contract outside the mainland of China.

ARTICLE 11: DELIVERY

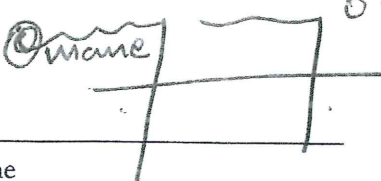
- 11.1 The Contractor shall ship the equipment and related material within one hundred and eighty (180) Days after receipt of advance payment by the Purchaser as specified in Article 6 of this Contract.
- 11.2 The Contractor shall mark on each package with fadeless paint the Contract number, gross weight, measurement, serial number of package, port of destination and the necessary cautions such as the words: "KEEP AWAY FROM MOISTURE", "HANDLE WITH CARE", "THIS SIDE UP", or similar indicative marks or expressions.
- 11.3 The Property and risk in the equipment shall reside in the Contractor until they are finally delivered and handed over to the Purchaser.

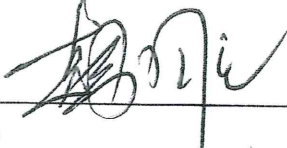


IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the day and year herein above set forth.

For and on behalf of:
The Government of Ghana

For and on behalf of:
ZTE CORPORATION

By 
Name

By 
Name

DR EDWARD KOFI OMANE BOAMAH

HAN GUOQIANG

Title

Title

MINISTER

V.P

MINISTRY OF COMMUNICATIONS
P. O. BOX 113
ACCRA

Witness



Witness



Name: ISSAH YAHAYA

Name: WEI XIANQIANG

Title: DIRECTOR/PPME

Title: Regional M.D

Date: 15/11/2013

Date: 2013.11.15

Witness



Name: ALHAJI YAHYA MATTAMA

Title: DIRECTOR

Date: 15/11/2013

CHINA EXIMBANK PBC NO. (2013) 06 TOTAL NO. (250)
NO. (1420303052013210011)

PREFERENTIAL BUYER CREDIT LOAN AGREEMENT

**On Ghana Dedicated Security Information System
(Phase II) Project**

BETWEEN

**The Government of the Republic of Ghana
Represented by Ministry of Finance and Economic Planning of the
Republic of Ghana**

as Borrower

AND

The Export-Import Bank of China

as Lender

DATED _____

4

Contents

ARTICLE 1 DEFINITIONS.....	2
ARTICLE 2 CONDITIONS AND UTILIZATION OF THE FACILITY.....	4
ARTICLE 3 DISBURSEMENT OF THE FACILITY.....	6
ARTICLE 4 REPAYMENT OF PRINCIPAL AND PAYMENT OF INTEREST.....	7
ARTICLE 5 REPRESENTATIONS AND WARRANTIES BY THE BORROWER.....	9
ARTICLE 6 SPECIAL COVENANTS.....	11
ARTICLE 7 EVENTS OF DEFAULT.....	13
ARTICLE 8 MISCELLANEOUS.....	14
ARTICLE 9 CONDITIONS TO EFFECTIVENESS.....	17
Appendix 1.....	20
Appendix 2.....	23
Appendix 3.....	24
Appendix 4.....	25
Appendix 5.....	26
Appendix 6.....	28
Appendix 7.....	31
Appendix 8.....	33
Appendix 9.....	34
Appendix 10.....	35

THIS PREFERENTIAL BUYER CREDIT LOAN AGREEMENT

(the "Agreement") is made on the day of _____ (date)

BETWEEN

The Government of the Republic of Ghana represented by Ministry of Finance and Economic Planning of the Republic of Ghana (hereinafter referred to as the "**Borrower**"), having its office at P.O. Box MB 40, Accra, Ghana;

AND

THE EXPORT-IMPORT BANK OF CHINA (hereinafter referred to as the "**Lender**"), having its registered office at No. 30, Fuxingmennei Street, Xicheng District, Beijing 100031, China.

WHEREAS:

(A) The Borrower has requested that the Lender make available a loan facility of up to One Hundred and Twenty Three Million Four Hundred and Nine Thousand Two Hundred and Seventy Three US Dollars and Ten Cents only (US\$ 123,409,273.10) to the Borrower for the financing needs under the Commercial Contract (as defined in Article 1), and;

(B) The Government of the Republic of Ghana represented by National Security Council (hereinafter referred to as the "**End-User**") and ZTE Corporation (hereinafter referred to as the "**Chinese Contractor**") have entered into on October 28, 2011 the Supply Contract for Dedicated Security Information System (hereinafter referred to as the "**Commercial Contract**") for the purpose of the implementation of the Project (as defined in Article 1).

NOW THEREFORE, the Borrower and the Lender hereby agree as follows:

ARTICLE 1 DEFINITIONS

Where used in this Agreement, unless the context otherwise requires, the following terms have the following meanings:

- 1.1 “**Account Bank of the Lender**” means the Export-Import Bank of China.
- 1.2 “**Agreement**” means this preferential buyer credit loan agreement and its appendices and any amendment to such agreement and its appendices from time to time upon the written consent of the parties.
- 1.3 “**Availability Period**” means the period commencing on the date on which this Agreement becomes effective and ending on the date falling Sixty (60) months thereafter, during which time all the disbursements shall be made in accordance with the stipulations of this Agreement.
- 1.4 “**Banking Day**” means a day on which banks are open for ordinary banking business in Beijing, including Saturdays and Sundays on which banks are open for business as required by the provisional regulations of China, but excluding the legal festivals and holidays of China and Saturdays and Sundays falling out of the aforesaid regulations.
- 1.5 “**China**” means the People’s Republic of China.
- 1.6 “**Commitment Fee**” means the fees calculated and paid in accordance with Article 2.2 and Article 2.7.
- 1.7 “**Commercial Contract**” means, the Supply Contract for Dedicated Security Information System for the purpose of the implementation of the Project entered by and between the Government of the Republic of Ghana represented by National Security Council and ZTE Corporation on October 28, 2011 with the total amount of One Hundred and Twenty Nine Million Nine Hundred and Four Thousand Four Hundred and Ninety Eight US Dollars only (US\$129,904,498.00).

1.8 **“Disbursement”** means the advance of the Facility made in accordance with Article 3 of this Agreement.

1.9 **“End-User”** means National Security Council, which ultimately utilizes the Facility.

1.10 **“Event of Default”** means any event or circumstance specified as such in Article 7.

1.11 **“Facility”** has the meaning set forth in Article 2.1.

1.12 **“Final Repayment Date”** means the date on which the Maturity Period expires.

1.13 **“First Repayment Date”** means the first repayment date of principal and interest after the maturity of the Grace Period.

1.14 **“Grace Period”** means the period commencing on the date on which this Agreement becomes effective and ending on the date Sixty (60) months after the date on which this Agreement becomes effective, during which period only the interest and no principal is payable by the Borrower to the Lender. The Grace Period includes the Availability Period.

1.15 **“Interest Payment Date”** means the 21st day of January and the 21st day of July in each calendar year and the Final Repayment Date.

1.16 **“Irrevocable Notice of Drawdown”** means the notice issued in the form set out in Appendix 5 attached hereto.

1.17 **“Loan”** means the aggregate principal amount disbursed and from time to time outstanding under the Facility.