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OFFICE OF THE PRESIDENT
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Ref. No.

FREEDOM AND JUSTICE

20TH MARCH, 2015

CONFIDENTIAL

RATIFICATION OF THE TAX EXEMPTIONS PROVISIONS IN THE FRAMEWORK AGREEMENT AND FRAMEWORK ARRANGEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND THE GOVERNMENT OF THE REPUBLIC OF KOREA UNDER TECHNICAL AND ECONOMIC COOPERATION WITH FUNDING FROM THE ECONOMIC DEVELOPMENT COOPERATION FUND (KOREA EXIM BANK)

At its Thirty-First Meeting held on Thursday 19th March, 2015, Cabinet considered the above-mentioned Memorandum submitted by the Minister for Finance.

2. The Memorandum requested Cabinet to consider, approve and recommend same to Parliament for ratification of the tax exemptions provisions in the framework Agreement/Arrangement including the waiver of applicable taxes, Levies and other imposts contained in the said Arrangement between the Government of the Republic of Ghana and the Government of the Republic of Korea concerning loans from the Economic Development Cooperation Fund (EDCF).
3. Cabinet approved the Memorandum for Parliament's consideration.
4. I shall be grateful if you could take requisite action on the decision by Cabinet.

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

THE MINISTER FOR FINANCE

Amf(F)(ES) 1/15
Re Fra
4/19/15

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

Acc No : 1303 67
Class No Ra 1/MOF/15

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MEMORANDUM TO PARLIAMENT

BY

MINISTER FOR FINANCE

ON

RATIFICATION OF THE TAX EXEMPTIONS
PROVISIONS IN THE

FRAMEWORK AGREEMENT & FRAMEWORK ARRANGEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GHANA AND
THE GOVERNMENT OF THE REPUBLIC OF KOREA

UNDER

TECHNICAL AND ECONOMIC COOPERATION

WITH FUNDING FROM

THE

ECONOMIC DEVELOPMENT COOPERATION FUND
(KOREA EXIM BANK)

21..... MAY, 2015

ACTION REQUIRED

Parliament is respectfully invited to consider, approve and ratify the tax exemptions provisions in the framework Agreement/Arrangement including applicable taxes, Levies and other imposts contained in the said Arrangement between the Government of the Republic of Ghana and the Government of the Republic of Korea concerning loans from the Economic Development Cooperation Fund (EDCF).

Under the Legal Opinion on the Exchange of Note on the said Framework Agreement/Arrangement, the AG's Department has given series of recommendations to conclude the Agreement prominent among which includes the need to obtain prior Parliamentary approval for the tax exemptions provisions in the Agreement under the requirement of Article 174 (2) of the Constitution.

This memo therefore requests Parliament to consider and ratify the tax exemptions provisions in the said Agreement to be accorded representatives, Staff and Families and Office of the partner Country representative (Korea, EDCF Korea Exim Bank) under the Arrangement.

For such commitments under Technical Cooperation Agreement, import exemptions are admissible under Tariff 3AF.3 in the Third Schedule of Exemptions in the Customs HS Code if ratified by Parliament.

The detailed requests of the exemptions are contained in Article 6 of the draft Framework Agreement annexed to this memo covering exemptions provisions for representative staff and their families as well as Office of the EDCF (cf. Annex 1, Article 6).

Highlights of the request for the experts of EDCF and Office include the following:

- i. waiver of income tax and other charges in connection with emoluments remitted from overseas for purposes of the Cooperation Agreement
- ii. Exemptions from Import duties, Import VAT and other charges on household effects including one vehicle for each representative expatriate staff and specified vehicles for operations of the Office as may be mutually agreed upon
- iii. Exemption from income tax and other imposts in connection with office expenses remitted from overseas.
- iv. Other measures necessary for the performance of the duties of the Representative Staff and Office.

Article 6 (6) of the Agreement requires Government to accord the representative staff as well as its Office such privileges, exemptions and benefits as are no less favourable than those accorded to their representative staff and their families as well as Offices of executing agencies of any Third country or of any international organization performing a similar mission in Ghana.

Cabinet at its Thirty First Meeting held on Thursday 19th March, 2015, considered and approved a Memorandum on the request.

It is noted that the contents of the framework Agreement is similar to other host Country Agreements between the Government of Ghana and other technologically advanced countries such as Germany and the United States for which the request may be supported.

BACKGROUND

The Government of the Republic of Korea and the Government of the Republic of Ghana in accordance with the above framework Agreement between the two Governments on Extension of Loans from the Economic Development Cooperation Fund (EDCF) proposes to conclude the said Agreement premised on the ratification of the tax exemptions provisions in the Agreement.

The Framework Agreement is a comprehensive program which covers all grants, and technical assistance cooperation programs to be implemented in Ghana. Without executing the Agreement no grant aid under the program can be implemented in Ghana. Importantly no program can be concluded under the Fund. The Framework Arrangement thus spells out annual programs and projects for implementation.

It is noted that under the Economic Development Cooperation Fund (EDCF), the Korean Government shall enable the Ghanaian Government to obtain concessionary facilities from the Fund up to a maximum commitment amount in Korean Won not exceeding the equivalent of Two Hundred Million United States Dollars (US\$200,000,000) up to 2016 fiscal year to finance EDCF loan projects in the Republic of Ghana unless otherwise agreed upon by the two Governments.

Proposed Grant Projects

Proposed projects to be undertaken under the Agreement for the 2016/2017 fiscal year between the two Governments under the said cooperation are as follows:

- c. Project for improving Maternal, Newborn and Child Health care in Keta Municipality; and Ketu North and South Districts of the Volta Region of Ghana, and
- d. Project for Establishing a Master Plan for Urban Transport System Development in Accra.

Project Description

Project name: Maternal and Child Health Manpower Training and Strengthening Health Care Service Delivery System in the Volta Region of Ghana,

- Project period and scale: \$6,000,000 / 2015-2017
- Target area: Keta, Ketu South and North Districts, Volta Region, Ghana
- *Specific project areas (Indicative)*

1	Midwives Training	e. Textbook and education program development for clinical trainer f. Dispatch professional clinical trainer g. To building classroom and teacher accommodation h. Equipment for clinical practice
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2.4	Capacity building of MCH manpower	<p>c. Capacity building of midwives, community nursing, physician assistant</p> <p>d. Community On-the-Job Training (OJT), Dispatch monitoring professional</p>
3	Improvement of community facility	Supporting equipment like delivery bed, ultrasonic waves, sterilizer, incubator(District hospital in 3 district, 24 health center)
4	Project management by Project Manager (PM)	<p>c. Personnel expenses for PM and Assistant</p> <p>d. AUV (Administrative Use Vehicle)</p>

3. JUSTIFICATION FOR GOVERNMENT'S INTERVENTION

The Government of Korea (Korea EximBank) has indicated that EDCF loan (tied loan) is concessional which is extended at less than 0.15% per annum with 35 years maturity including 10 years grace period. In case of untied EDCF loan, Korea Eximbank proposes to provide it at less than 1.5% per annum with 25 years maturity including 7 years grace period. It is noted that the country can negotiate for more favorable terms on case basis (Ref. Korea Eximbank).

Korea Eximbank notes that without executing the Agreement no grant aid programme such as is contained in the table above or the EDCF which is a concessionary facility can be concluded and executed by both parties.

The Government of Ghana upon signing the Framework Agreement and Arrangement with the Korea Government under the EDCF protocol is expected to abide by and satisfy all the conditions provided therein.

Article 2 of the Framework Arrangement on grant aid and Article 6 of the Framework Agreement with partner country deals with expected obligations of the Government of the Republic of Ghana;

Per article 2 of the Grant Agreement, clearly states that "in case the Korean Government carries out the Programmes above, the Ghanaian Government shall take all the necessary measures:

- to exempt the equipment, machinery and materials imported for the implementation of the Programs from custom duties, internal taxes(including value added tax) and other fiscal levies;
- to exempt the equipment, machinery and materials purchased in the Republic of Ghana for the implementation of the Programs from internal taxes (including value added tax) and other fiscal levies;

- to exempt Korean nationals who take part in the implementation of the Programs (hereinafter referred to as the "Korean nationals") from customs duties, internal taxes and other fiscal levies which may be imposed in the Republic of Ghana with respect to their income and property;

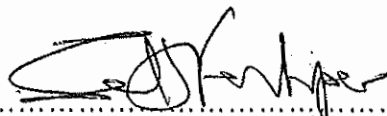
These provisions link with the Article 6 of the Framework Arrangement concerning disbursements from the EDCF.

The import of this provision is that Government shall accord the representative staff as well as Office such privileges, exemptions and benefits as are no less favourable than those accorded to their representative staff and their families as well as Offices of executing agencies of any Third country or of any international organization performing a similar mission in Ghana. This does not however preclude other local employees from honouring their tax obligations.

4. CONCLUSION

Based on the provisions in the contract Agreement and evidence of these commitments in other technologically advanced countries and further, as permitted under Tariff 3AF.3 in the HS Code and Cabinets approval on the request, Parliament is respectfully invited to consider and ratify the Draft Framework Agreement/Arrangement between the Governments of Ghana and Korea for implementation of the above-mentioned projects including the tax exemptions provisions as contained in the Agreements. This is to enable the Minister of Finance conclude and sign the said Agreements. The request is also in accordance with Article 174 (2) of the 1992 Constitution.

Please find attached the following supporting documents for your necessary action; Copy of the Cabinet Approval, Copy of the Draft Framework Agreement/Arrangement to be concluded, Copy of the Relevant Sections of Tax Exemptions provisions in Similar Technical Cooperation Agreements (GIZ, USAID), Other Relevant Supporting Documents Including the relevant Page of the Legal Opinion from the Attorney General's Department.



HON. SETH E. TERKER
MINISTER

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FRAMEWORK ARRANGEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF KOREA AND
THE GOVERNMENT OF THE REPUBLIC OF GHANA
CONCERNING LOANS FROM
THE ECONOMIC DEVELOPMENT COOPERATION FUND
FOR THE YEARS 2014 THROUGH 2016

The Government of the Republic of Korea (hereinafter referred to as the "Korean Government") and the Government of the Republic of Ghana (hereinafter referred to as the "Ghana Government"),

In accordance with the Agreement between the Korean Government and the Ghana Government concerning Loans from the Economic Development Cooperation Fund signed on May 29, 2003 (hereinafter referred to as the "Agreement"),

Have agreed as follows:

Article 1

The Korean Government shall enable the Ghana Government to obtain loans from the Economic Development Cooperation Fund (hereinafter referred to as the "EDCF") up to a maximum commitment amount in Korean Won not exceeding the equivalent of 2 Hundred Million US dollars (US\$ 200,000,000) for the years 2014 through 2016 to finance EDCF loan projects in the Republic of Ghana, unless otherwise agreed by the two Governments.

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Article 2

An EDCF loan for each individual project (hereinafter referred to as the "Loan") shall be extended to the Ghana Government in accordance with the following procedures:

- (a) The Korean Government and the Ghana Government shall identify potential projects in close collaboration with each other, and the Ghana Government shall submit a list of prospective projects to be financed under this Arrangement to the Korean Government;
- (b) The Ghana Government shall request the Korean Government, through diplomatic channels, to extend a Loan for each individual project;
- (c) In case the Korean Government decides to extend a Loan for the requested project after appraisal of the project, it shall inform the Ghana Government of its decision through diplomatic channels; and
- (d) Details of each individual project and the Loan amount for the project shall be set out in and made available through a loan agreement (hereinafter referred to as the "Loan Agreement") to be concluded between the Export-Import Bank of Korea (hereinafter referred to as the "Bank") and the Ghana Government.

Article 3

1. The terms and conditions for each individual project shall be specified in each Loan Agreement to the extent consistent with the Agreement and the provisions of this Arrangement. Each Loan Agreement shall contain, inter alia, the following principles, unless otherwise agreed by the two Governments:

- (a) The borrower or guarantor of the Loan shall be the Ghana Government;
- (b) The repayment terms and the interest rate shall be specified in the Loan Agreement of the individual project;
- (c) No interest shall accrue for the Loan covering the consulting services costs, in case the consultant is selected from among Korean firms;

(d) In the event that the Ghana Government fails to make payment of all or any portion of the principal of the Loan or any other amount due under the Loan Agreements, the unpaid amount shall bear an overdue charge at the rate of two percent (2%) per annum in addition to the interest rate specified in the Loan Agreements

(e) The eligible source countries for the procurement of goods and services, including consulting services, to be financed out of the Loan shall be the Republic of Korea for the foreign currency portion and the Republic of Ghana for the local currency portion; procurement from countries other than the eligible source countries, if any, shall be set out in the Loan Agreements

(f) The suppliers of the goods and services necessary for the implementation of the project shall be selected through competitive bidding among Korean firms;

(g) The consultants shall be employed through limited competitive bidding among Korean consulting firms;

(h) The procurement or consulting contracts shall be concluded within eighteen (18) months from the effective date of each Loan Agreement;

(i) Details of the methods and procedures for the procurement shall be governed by the Loan Agreements and

(j) All taxes, customs duties and other fiscal charges imposed in the Republic of Ghana on goods and services provided by the suppliers for the implementation of the projects under the Loan Agreements shall either be exempted or borne by the Ghana Government.

2. The revision of any principle stated in paragraph 1 above may be made with the mutual consent of the two Governments, and shall be set out in the Loan Agreements.

Article 4

Should the Loan allocated to a project be insufficient for the implementation of the project, the Ghana Government shall take responsibility to provide such funds as shall be needed.

Article 5

The Loans shall be disbursed by the Bank to the Ghana Government, or to the suppliers and/or consultants on behalf of the Ghana Government, in accordance with the disbursement procedures under the Loan Agreements.

Article 6

1. The Ghana Government shall permit the Bank to maintain an EDCF office in the Republic of Ghana (hereinafter referred to as the "Office") and shall allow Resident Representatives (hereinafter referred to as the "Representatives") and the EDCF staff (hereinafter referred to as the "Staff") to be dispatched from the Republic of Korea to discharge their duties in connection with the Loans under this Arrangement.
2. The Ghana Government shall accord the Representatives, Staff and their families as well as the Office the following privileges, exemptions and benefits:
 - (a) For the Representatives, Staff and their families:
 - (i) exemption from income tax and other charges imposed on or in connection with any emoluments or allowances remitted from overseas
 - (ii) exemption from consular fees, customs duties, taxes and other charges of a similar nature other than those for storage, cartage, and similar services, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage, in respect of the importation of personal and household effects including one motor vehicle for each Representative and Staff member and other items for personal use only
 - (iii) exemption from special consumption tax and value added tax on one motor vehicle for each Representative and Staff member who does not import any motor vehicle into the Republic of Ghana, in case of a local purchase

- (iv) exemption from the registration fees for the motor vehicles mentioned in (ii) and (iii) above
- (v) permission to enter, leave, and sojourn in the Republic of Ghana for the duration of their assignment therein, and the expediting and facilitation of the procedures for alien registration and exemption from consular fees
- (vi) issuance of identification cards to secure the cooperation of all Ghana Governmental organizations necessary for the performance of the duties of the Representatives and Staff
- (vii) issuance of identification cards and special passes to enter airports and seaports beyond the passport control point to receive and send off missions of the EDCF and
- (viii) expediting and facilitation of the acquisition of car driving licenses.

(b) For the Office:

- (i) exemption from customs duties, taxes, and other charges of similar nature other than those for storage, cartage and similar services, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage, in respect of the importation of office equipment and other articles, including telex machines, necessary for office activities
- (ii) importation free of customs duties or purchase free of taxes in the Republic of Ghana of motor vehicles necessary for office activities whose number is to be agreed between the relevant authorities of the two Governments;
- (iii) exemption from income tax and other fiscal charges imposed on or in connection with office expenses remitted from overseas and
- (iv) exemption from value added tax imposed on the Office rent.

(c) Other measures necessary for the performance of the duties of the Representatives, Staff and Office.

3. The motor vehicles mentioned in paragraph 2 above shall be subject to payment of customs duties and taxes if they are subsequently sold or transferred within the Republic of Ghana to individuals or organizations not entitled to exemption from such duties and taxes or similar privileges.

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4. The Representatives, Staff and their families as well as the Office importing goods free of customs duties, taxes and other charges of a similar nature, in accordance with sub-paragraphs (a) and (b) of paragraph 2 above shall present details of such goods to the authority concerned of the Ghana Government to assist with import and re-export formalities.

5. The Representatives, Staff and their families as well as the Office may re-export, sell within the Republic of Ghana or grant to the Ghana Government on its approval the items imported free of customs duties, taxes, and other charges of a similar nature, in accordance with the laws and regulations of the Republic of Ghana.

6. The Ghana Government shall accord the Representatives, Staff and their families as well as the Office such privileges, exemptions, and benefits as are no less favorable than those accorded to the representatives, staff and their families as well as the offices of executing agencies of any third country or of any international organization performing a similar mission in the Republic of Ghana.

Article 7

The two Governments mutually agree to further negotiate the specific terms and conditions of the Loan Agreements in line with this Arrangement.

Article 8

This Arrangement may be amended by the mutual written consent of the two Governments. The amendment shall become effective on the date agreed upon by the two Governments. The amendment of this Arrangement shall not affect the validity of any Loan advanced prior to such amendment.

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Article 9

Any dispute arising out of the interpretation or implementation of this Arrangement shall be settled amicably through negotiations between the two Governments.

Article 10

1. This Arrangement shall enter into force on the date of signature and shall remain in force, unless otherwise agreed upon by the two Governments, until the Ghana Government performs all the obligations under each of the Loan Agreements.

2. Either Government may terminate this Arrangement at any time by notification to the other Government through diplomatic channels. The termination shall take effect six (6) months from the date of the notification of termination to the other Government. Obligations outstanding at the time of such termination shall nonetheless be completed in accordance with the provisions of this Arrangement, unless otherwise agreed by the Korean Government.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Arrangement.

Done in duplicate at , on this day of , 2013, in the English language.

FOR THE GOVERNMENT OF
THE REPUBLIC OF KOREA

FOR THE GOVERNMENT OF
THE REPUBLIC OF GHANA

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

Our Ref: MOF/GRA/00P/045

Your Ref.

Tel No: 0302665517



REPUBLIC OF GHANA

499
MINISTRY OF FINANCE
P. O. BOX MB 40
ACCRA

18 DEC, 2014

**REQUEST FOR CABINET APPROVAL ON THE RATIFICATION OF THE TAX
EXEMPTIONS PROVISIONS IN THE FRAMEWORK AGREEMENT &
FRAMEWORK ARRANGEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF KOREA AND THE GOVERNMENT OF
THE REPUBLIC OF GHANA
CONCERNING LOANS FROM THE ECONOMIC DEVELOPMENT
COOPERATION FUND (EDCF)**

I wish to forward fifty-five (55) copies of a Memorandum on the above subject.

I would be grateful if you could arrange for Cabinet/Executive approval for the request to enable the Ministry forward same to Parliament for consideration and approval as required under Article 174 (2) of the Constitution.


HON. SETH E. TERKPER
MINISTER

THE SECRETARY TO CABINET
OFFICE OF THE PRESIDENT
FLAGSTAFF HOUSE, ACCRA

cc Chief of Staff, Office of the
President, Flagstaff House
Sec. to the Cabinet, Office of the
President, Flagstaff House
Hon. Dep. Ministers, MoF
Chief Director, MoF

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FRAMEWORK AGREEMENT ON GRANT AID BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE
GOVERNMENT OF ----

The Government of the Republic of Korea and the Government of --
-- (hereinafter referred to as "the Parties"),

Desiring to further strengthen the friendly relations existing between
the two countries through the promotion of grant aid, and

Considering the mutual benefits to be derived from promoting the
economic and social development of their respective countries,

Have agreed as follows:

ARTICLE 1

The Parties shall endeavor to promote grant aid between the two
countries.

ARTICLE 2

1. On the basis of this Agreement, the Parties shall carry out specific
grant aid programs to be agreed upon between the Parties and, if
necessary, may conclude subsidiary arrangements.

2. Subsidiary arrangements shall make specific reference to this
Agreement and the terms of this Agreement shall, unless stated
otherwise, apply to such subsidiary arrangements.

ARTICLE 3

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to the economic and social development of ----, and not be utilized for military purposes.

ARTICLE 5

In case the Korean Government dispatches Experts, Missions and/or Volunteers to ----, the ---- Government shall take, at its own expense unless otherwise agreed in subsidiary arrangement(s) as referred to in Article 2, the following measures:

- √ (a) to provide suitable office(s) and other facilities including telephone and facsimile services required for the performance of the duties of the Experts, Missions and Volunteers as well as to bear the expenses of the operation and maintenance of such office(s) and facilities;
- √ (b) to provide local staff (including adequate interpreters, if necessary) as well as ---- counterparts to the Experts, Missions and Volunteers, necessary for the performance of the duties of such Experts, Missions and Volunteers;
- (c) to bear the expenses of the Experts, and Volunteers, whenever local conditions and the financial resources of the authorities concerned of the ---- Government permit, for:
 - (i) daily transportation to and from their place of work,
 - (ii) their official travel in ----, and
 - (iii) their official correspondence;
- (d) to provide rent-free housing accommodation for the Experts and their families as well as the Volunteers, whenever local conditions and the financial resources of the authorities concerned of the ---- Government permit;
- (e) to provide free medical care and facilities for the Experts and their families, members of the Missions and the Volunteers,

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whenever local conditions and the financial resources of the authorities concerned of the ---- Government permit;

(f) to designate, after consultation with the Korean Government, hospitals in which Korean medical personnel shall carry out the above-mentioned duties and authorize their medical practice in accordance with related ---- laws and regulations upon the presentation of medical licenses issued by the Korean Government; and

(g) to indemnify from liability for any act or omission occurring in the process of discharging official duties that gives rise to litigation by a third party, except where such an act or omission is committed with deliberate intent or gross negligence on the part of the Korean medical personnel.

ARTICLE 6

1. The ---- Government shall:

(a) exempt the Experts, members of the Missions and the Volunteers from income tax and other charges imposed on or in connection with any emoluments or allowances remitted to them from overseas,

(b) exempt the Experts and their families, members of the Missions and the Volunteers from consular fees, customs duties, taxes and other charges of a similar nature other than those for storage, cartage and similar services, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage, in respect of the importation of:

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(i) personal and household effects and consumer goods to be agreed between the relevant authorities of the Parties, and

(ii) one motor vehicle per Expert assigned to stay in ---- for a period amounting to or exceeding 183 days,

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(c) exempt the Experts assigned to stay in ---- for a period amounting to or exceeding 183 days who do not import any motor vehicles into ---- from special consumption tax and value added tax on one motor vehicle per Expert in case of local purchases, and

(d) exempt the Experts from the registration fees for the motor vehicles mentioned in (ii) and (iii) above.

2. The motor vehicles mentioned in paragraph 1 above shall be subject to payment of customs duties and taxes if they are subsequently sold or transferred within ---- to individuals or organizations not entitled to exemption from such duties, taxes or similar privileges.

3. The ---- Government shall take the following measures:

(a) to permit the Experts and their families, members of the Missions and the Volunteers to enter, leave and sojourn in ---- for the duration of their assignment therein, and to expedite and facilitate the procedures for alien registration and exempt them from consular fees.

(b) to issue to the Experts and their families, members of the Missions and the Volunteers identification cards to enable them to secure the cooperation of all ---- Governmental organizations necessary for the performance of the duties of such Experts, Missions and Volunteers;

(c) to expedite and facilitate the acquisition of car driving licenses by the Experts and their families, members of the Missions and the Volunteers; and

(d) other measures necessary for the performance of the duties of the Experts, Missions and Volunteers.

4. The ---- Government shall accord the Experts and their families, members of the Missions and the Volunteers such privileges, exemptions and benefits as are no less favorable than those accorded to experts and their families, members of missions and volunteers of any third country or of any international organization performing a similar mission in ----.

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ARTICLE 7

The ---- Government shall indemnify and hold harmless the Experts, members of the Missions and the Volunteers from any claims resulting from, occurring in the course of or otherwise connected with the discharge of their duties, except when the relevant authorities of the Parties agree that such claims arise from gross negligence or willful misconduct on the part of the Experts, members of the Missions or the Volunteers,

ARTICLE 8

1. (a) In case the Korean Government provides the ---- Government with equipment, machinery and materials, these shall become the property of the ---- Government upon being delivered c.i.f. at the port of the disembarkation to the authorities concerned of the ---- Government. The equipment, machinery and materials shall be utilized for the purpose for which they are provided unless otherwise agreed upon, and shall not be utilized for military purposes.

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(b) The Korean Government shall instruct the executing agency referred to in Article 10 of this Agreement to submit to the ---- executing agency concerned a list of the equipment, machinery and materials referred to in this paragraph prior to their arrival to facilitate the procedures mentioned in paragraphs 2 and 3 of this Article.

2. The ---- Government shall exempt the equipment, machinery and materials referred to in paragraph 1 of this Article from consular fees, customs duties, taxes and other charges of a similar nature, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage.

3. In case the Korean Government provides the ---- Government with equipment, machinery and materials purchased in ----, the ----

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Government shall exempt such equipment, machinery and materials from taxes including value added tax and other obligatory charges.

4. The expenses for the transportation within ---- of the equipment, machinery and materials referred to in paragraphs 1 and 3 above and the expenses for their replacement, maintenance and repair shall be borne by the ---- Government.

5. (a) The equipment, machinery and materials, which the Experts, members of the Missions and the Volunteers carry with them for the performance of their duties, shall remain the property of the Korean Government unless otherwise agreed upon.

(b) The Experts, members of the Missions and the Volunteers shall be exempted from consular fees, customs duties, taxes and other charges of a similar nature, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage in respect of the importation of the equipment, machinery and materials.

(c) The ---- Government shall exempt the Experts, members of the Missions and the Volunteers from taxes including value added tax and other obligatory charges in respect of the local purchase of the equipment, machinery and materials necessary for the performance of their duties under this Agreement.

ARTICLE 9

The Experts, members of the Missions and the Volunteers shall maintain close contact with the ---- Government through organizations designated by it.

ARTICLE 10

1. The ---- Government shall permit the Korea International Cooperation Agency (hereinafter referred to as "KOICA"), the executing agency for grant aid of the Korean Government, to maintain an overseas office in ---- (hereinafter referred to as "the Office") and shall allow a

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Resident Representative and members of his/her staff to be dispatched from the Republic of Korea (hereinafter referred to as "the Representative and Staff") to discharge the duties to be assigned to them by KOICA in connection with the grant aid programs under this Agreement.

2. The ---- Government shall accord the Representative and Staff and their families, as well as the Office, the following privileges, exemptions and benefits:

(a) For the Representative and Staff and their families:

- (i) exemption from income tax and other charges imposed on or in connection with any emoluments or allowances remitted from overseas,
- (ii) exemption from consular fees, customs duties, taxes and other charges of a similar nature other than those for storage, cartage and similar services, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage, in respect of the importation of personal and household effects including one motor vehicle for the Representative and for each Staff member and other items for personal use only,
- (iii) exemption from special consumption tax and value added tax on one motor vehicle for the Representative and for each Staff member who does not import any motor vehicle into -- -- in case of a local purchase,
- (iv) exemption from the registration fees for the motor vehicles mentioned in (ii) and (iii) above,
- (v) permission to enter, leave and sojourn in ---- for the duration of their assignment therein, as well as expediting and facilitation of the procedures for alien registration and exemption from consular fees,

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- (vi) issuance of identification cards to secure the cooperation of all ---- Governmental organizations necessary for the performance of the duties of the Representative and Staff,
 - (vii) issuance of identification cards and special passes to enter airports/seaports beyond the passport control point to receive and/or send off experts and missions of KOICA, and
 - (viii) expediting and facilitation of the acquisition of car driving licenses.
- (b) For the Office: ✓
- (i) exemption from customs duties, taxes and other charges of a similar nature other than those for storage, cartage and similar services, as well as from the requirements of obtaining import licenses and certificates of foreign exchange coverage, in respect of the importation of office equipment, machinery, motor vehicles, materials and other articles, including telex machines, necessary for office activities,
 - (ii) importation free of duties, or purchase from bond in ----, of motor vehicles necessary for office activities, the quantity of which is to be agreed between the relevant authorities of the Parties, and
 - ✶ (iii) exemption from income tax and other fiscal charges imposed on or in connection with payment of office expenses remitted from overseas.
- (c) other measures necessary for the performance of the duties of the Office, the Representative and Staff.

3. The motor vehicles mentioned in paragraph 2 above shall be subject to payment of customs duties and taxes if they are subsequently sold or transferred within ---- to individuals or organizations not entitled to exemption from such duties and taxes or similar privileges.

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4. The Representative and Staff and their families, as well as the Office, importing goods free of customs duties, taxes and other charges of a similar nature in accordance with sub-paragraphs (a)(ii), (b)(i) and (b)(ii) of paragraph 2 above shall present details of such goods to the authority concerned of the ---- Government to assist with import and re-export formalities.

5. The Representative and Staff and their families, as well as the Office, shall re-export, or sell within ---- or grant to the ---- Government on its approval, the items imported free of customs duties, taxes and other charges of a similar nature, in accordance with the laws and regulations of ----.

6. The ---- Government shall accord the Representative and Staff and their families, as well as the Office, such privileges, exemptions and benefits as are no less favorable than those accorded to the representative, staff and their families, as well as the offices, of executing agencies of any third countries or of any international organization performing a similar mission in ----.

ARTICLE 11

The Government of ---- shall take the necessary measures to ensure the security of the Experts, members of the Missions, the Volunteers and the Representative and Staff, as well as their families, staying in ----.

ARTICLE 12

The Parties shall consult with each other in respect of any matter that may arise from or in connection with this Agreement.

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ARTICLE 13

1. The provisions of this Agreement shall also apply to any specific grant aid programs being carried out between the Parties prior to the entry into force of this Agreement, and to the Experts and their families, members of the Missions, the Volunteers and the Representative and Staff and their families staying in ----, as well as to the equipment, machinery and materials brought into ---- to carry out the said programs.

2. The termination of this Agreement shall not affect the specific grant aid programs being carried out under this Agreement until the date of the completion of the said programs, unless the Parties expressly agree otherwise, nor shall it affect the privileges, exemptions and benefits accorded to the Experts and their families, members of the Missions, the Volunteers and the Representative and Staff and their families staying in ---- for the performance of their duties in connection with the said programs.

ARTICLE 14

1. Each Party shall notify the other Party in writing through diplomatic channels of the completion of its domestic legal procedures required to bring this Agreement into force. This Agreement shall enter into force on the date of the later notification.

2. This Agreement shall remain in force for a period of three years, and shall be automatically renewed for subsequent three-year periods, unless either Party gives the other Party at least six months' written advance notice of its intention to terminate the Agreement.

3. Amendments or additions to this Agreement may be made by mutual written consent of the Parties at the request of either Party. Such amendments or additions shall constitute an integral part of this Agreement and shall become effective upon the date of acceptance by the other Party.

GHANA

Peace Corps Program

Agreement effected by exchange of notes
Signed at Accra July 19, 1961
Entered into force July 19, 1961.

The American Ambassador to the Ghanaian Minister of Foreign
Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 5

July 19, 1961

EXCELLENCY:

I have the honor to refer to recent conversations between representatives of our two Governments and to advise you that the Government of the United States of America will be prepared, at the request of the Government of Ghana, to arrange for the assignment to Ghana of technically and professionally trained men and women of the United States of America who volunteer to serve in the Peace Corps. These Peace Corps volunteers will live and work for periods of time in Ghana for the purpose of assisting the Government and people of your country in the economic and social development of Ghana.

I have the honor to propose that the establishment and operation of a Peace Corps program in Ghana shall be in accordance with the understandings set forth below:

1. Peace Corps volunteers while in Ghana shall be solely responsible in regard to their substantive work to the Government of Ghana, and in this regard take their instructions from the Ministers or other duly designated Ghanaian authorities. Peace Corps volunteers shall accept and carry out operational and executive duties and not serve or be regarded as advisers. The Government of the United States of America shall be responsible for the medical care of volunteers, their logistical support not provided by the Government of Ghana, and their morale and discipline in other than their substantive work.

2. The Government of Ghana shall have the right to request the recall of any volunteer whose job performance or conduct is unsatisfactory, and in such event, the Government of the United States of America shall arrange for the return of the volunteer to the United

States. The Government of the United States of America shall have the right to request the recall of any volunteers, and in such event, the Government of Ghana shall not withhold its consent to such action. In any case of recall, the Peace Corps will make every effort to obtain a replacement for the recalled volunteer if the Government of Ghana so requests.

3. Except as otherwise stated herein, Peace Corps volunteers while in Ghana shall be subject to the laws of the Government of Ghana and shall have no diplomatic privileges and immunities. Volunteers shall, however, always have the right of access to the Embassy of the United States of America.

4. The Government of Ghana and the Government of the United States of America shall each bear a fair share of the costs of maintaining and accommodating Peace Corps volunteers while in Ghana.

5. Equipment, materials and supplies which may be furnished or financed by the Government of the United States of America for use in connection with Peace Corps projects in Ghana shall be exempted by the Government of Ghana from any taxes, duties, fees and other charges. The Government of the United States of America may transfer title to any of such equipment, materials and supplies to the Government of Ghana.

6. Peace Corps volunteers while in Ghana shall be exempted by the Government of Ghana from personal and income taxes relating to all income derived from their work as volunteers and from sources outside Ghana. Such persons shall be allowed duty-free entry of personal items brought or arriving at the beginning of their tour.

7. The Government of Ghana and the Government of the United States of America shall mutually inform, consult and cooperate with each other with respect to all matters concerning the volunteers and the Peace Corps program.

8. The Government of Ghana agrees to receive a representative and necessary staff designated by the Government of the United States of America and approved by the Government of Ghana for the purpose of assuring the discharge of the responsibilities of the Government of the United States of America in respect to the Peace Corps program and Peace Corps volunteers in Ghana. The Government of Ghana will exempt the Peace Corps representative and staff from income tax as to all income derived from their Peace Corps work and from sources outside Ghana, from social security taxes and from all other taxes, charges and fees except (a) sales taxes or other charges or fees included in the prices of goods or services, or (b) license fees; and will accord the Peace Corps representative and staff the same treatment with respect to the payment of customs, import, export and all other duties, fees and charges on personal property, equipment and supplies imported into Ghana for their own use as is accorded personnel of comparable rank or grade of the Embassy of the United States of America.

TIAS 4811

9. Appropriate representatives of the Government of the United States of America and the Government of Ghana may conclude from time to time such further arrangements and subsidiary agreements with respect to specific Peace Corps projects and Peace Corps volunteers in Ghana as appear necessary or desirable.

10. All or any part of the Peace Corps program provided herein may, except as may otherwise be provided in arrangements agreed upon or agreements reached pursuant to paragraph nine, be terminated by either Government if that Government determines that because of changed conditions the continuation of such a program, or some part of it, is unnecessary or undesirable.

Finally, I have the honor to propose that, if these understandings are acceptable to the Government of Ghana, this note and your Excellency's reply note concurring herein shall constitute an agreement between our two Governments which shall enter into force on the date of your Excellency's reply note and which shall remain in force until ninety days after the date of written notification from either Government to the other of intention to terminate it.

Accept, Excellency, the renewed assurances of my highest consideration.

FRANCIS H. RUSSELL

His Excellency
MINISTER OF FOREIGN AFFAIRS FOR THE
REPUBLIC OF GHANA,
Accra

*The Ghanaian Minister of Foreign Affairs to the American
Ambassador*

GHANA
MINISTER OF FOREIGN AFFAIRS

TA/US/L

The Minister of Foreign Affairs presents his compliments to the Ambassador of the United States of America in Ghana and has the honour to refer to the Ambassador's Note No. 5 of 19th July, 1961 on the operations of the United States Peace Corps in Ghana.

The Minister of Foreign Affairs, on behalf of the Government of Ghana, accepts the operations of the Peace Corps in Ghana in accordance with the agreements set below:

1. Peace Corps volunteers while in Ghana shall be solely responsible in regard to their substantive work to the Government of Ghana, and in this regard take their instructions from the Ministers or other duly-designated Ghanaian authorities. Peace Corps volunteers shall accept and carry out operational and executive duties and not serve or

TIAS 4811

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be regarded as advisers. The Government of the United States of America shall be responsible for the medical care of volunteers, their logistical support not provided by the Government of Ghana, and their morale and discipline in other than their substantive work.

2. The Government of Ghana shall have the right to request the recall of any volunteer whose job performance or conduct is unsatisfactory, and in such event, the Government of the United States of America shall arrange for the return of the volunteer to the United States. The Government of the United States of America shall have the right to request the recall of any volunteers, and in such event, the Government of Ghana shall not withhold its consent to such action. In any case of recall, the Peace Corps will make every effort to obtain a replacement for the recalled volunteer if the Government of Ghana so requests.

3. Except as otherwise stated herein, Peace Corps volunteers while in Ghana shall be subject to the laws of the Government of Ghana and shall have no diplomatic privileges and immunities. Volunteers shall however, always have the right of access to the Embassy of the United States of America.

4. The Government of Ghana and the Government of the United States of America shall each bear a fair share of the costs of maintaining and accommodating Peace Corps volunteers while in Ghana.

5. Equipment, materials and supplies which may be furnished or financed by the Government of the United States of America for use in connection with Peace Corps projects in Ghana shall be exempted by the Government of Ghana from any taxes, duties, fees and other charges. The Government of the United States of America may transfer title to any of such equipment, materials and supplies to the Government of Ghana.

6. Peace Corps volunteers while in Ghana shall be exempted by the Government of Ghana from personal and income taxes relating to all income derived from their work as volunteers and from sources outside Ghana. Such persons shall be allowed duty-free entry of personal items brought or arriving at the beginning of their tour.

7. The Government of Ghana and the Government of the United States of America shall mutually inform, consult and cooperate with each other with respect to all matters concerning the volunteers and the Peace Corps programme.

8. The Government of Ghana agrees to receive a representative and necessary staff designated by the Government of the United States of America and approved by the Government of Ghana for the purpose of assuring the discharge of the responsibilities of the Government of the United States of America in respect to the Peace Corps programme and Peace Corps volunteers in Ghana. The Government of Ghana will exempt the Peace Corps representative and staff from income tax as to all income derived from their Peace Corps work and from sources outside Ghana; from social security taxes and from all

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

D54/SF.134

My Ref: ~~D45/SF.134~~

Your Ref No:

FAX No. 667609

Tel No: 665051

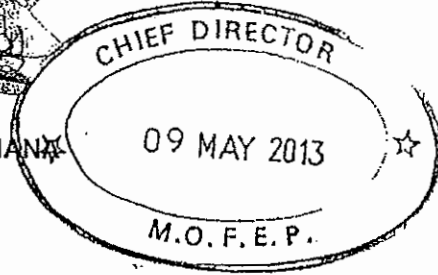


REPUBLIC OF GHANA

MINISTRY OF JUSTICE

P. O. BOX MB. 60

Accra



6th May, 2013

THE CHIEF DIRECTOR
MINISTRY OF FINANCE
MINISTRIES, ACCRA



RE: REQUEST FOR LEGAL OPINION – EXCHANGE OF NOTE ON FRAMEWORK AGREEMENT (FA)

I refer to your letter number MOF/OLA/SCLFK dated 23rd March, 2012 in respect of the above subject.

The above mentioned agreement has been reviewed by our office subsequent to which the following comments, suggestions and recommendations have been made.

1. Article 5(e)

It is suggested that there should be a cap on the extent to which Ghana is required to provide free accommodation for the volunteers. In any case the number of volunteers and families expected should be agreed upon by the parties prior to the execution of this agreement.

2. Article 5(g)

Enquiries from the Registrar of the Ghana Medical Association indicate that the Association does not indemnify medical volunteers against any omission occurring in the process of discharging their duties. This provision should therefore be deleted.

Dr. Legal
[Signature]

② *Repl. General*
(Mr. Aboye)
Let's handle
23/05/13

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[Signature] *ERM-B1*

3. Articles 6(1)(a) & (b), 10(2)(a)(i), (ii) & (iii)

The above provisions of the Framework deal with the exemption of volunteers from various forms of taxes.

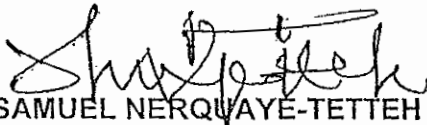
Since Parliament is the only institution which has the power to approve the waiver of taxes pursuant to Article 174(2) and (3) of the 1992 Constitution, this provision should be referred to Parliament for consideration.

4. Article 10

The provisions of this article are not relevant considering the fact that the Republic of Korea has an embassy in the Republic of Ghana which can perform the functions enumerated under this article. It is recommended that this article is deleted.

It is also recommended that the government's position in respect of the agreement as far as policy is concerned should be considered.

Please do not hesitate to revert if you require any clarification.



SAMUEL NERQUAYE-TETTEH
CHIEF STATE ATTORNEY
FOR: ATTORNEY-GENERAL &
MINISTER FOR JUSTICE



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EMBASSY OF THE REPUBLIC OF KOREA
ACCRA, GHANA

KEA 13- 125

The Embassy of the Republic of Korea presents its compliments to the Ministry of Finance and Economic Planning of the Republic of Ghana and has the honour to inform the latter that the Korean Government is introducing a Framework Arrangement on Grant Aid for the year 2013, which is to establish the terms governing the grant aid projects for the year.

In this regard, the Embassy has the honour to request the Ministry to arrange for a meeting between development attaché and the relevant officials at the Ministry to have a discussion on the conclusion of the Framework Arrangement for the acknowledgement of the forthcoming projects.

Furthermore, the Korean Government would like to have the Framework Arrangement signed each year by both parties as a mutual acknowledgement of new projects and programs. Attached herewith is a copy of the Framework Arrangement for your reference.

The Embassy of the Republic of Korea avails itself of this opportunity to renew to the Ministry of Finance and Economic Planning of the Republic of Ghana the assurances of its highest consideration.

Accra

May 9th, 2013

Cc: Ministry of Foreign Affairs and Regional Integration



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