

GHANA

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This chapter forms part of:

CORPORATE TAX & TAX CONTROVERSY
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1. CORPORATE TAX

1.1 What is the basic corporate tax rate and are there any other specific rates that should be noted?

The standard corporate income tax rate in Ghana is 25%, which applies to the chargeable income of most companies under the Income Tax Act, 2015 (Act 896) as amended (ITA).

However, several sector-specific and incentive-based corporate income rates apply for companies operating in specific industries. Companies principally engaged in the hotel industry are taxed at 22%, while companies engaged in petroleum and mineral operations are subject to a 35% tax rate. Companies licensed as free zone enterprises are also subject to a 15% tax rate on export income after their 10-year tax holiday.

Tax policies geared at incentivising participation in specific industries also result in other corporate tax rates for specific business operations. To incentivise local manufacturing, manufacturing companies benefit from reduced rates depending on their location, with lower rates available for businesses located outside major commercial centres. Manufacturing businesses located in regional capitals, except for Accra and Tema, are taxed at 75% of the standard corporate tax rate, while those located elsewhere in the country are taxed at 50% of the standard corporate tax rate. The corporate income of companies from export of non-traditional goods such as horticulture products, handicrafts and wood products is taxed at 8%.

Further incentives apply for companies operating within or supporting the agricultural sector in Ghana. Financial institutions are subject to a 20% tax rate on income derived from loans granted to farming enterprises or leasing companies for productive use. Certain activities benefit from temporary tax concessions under the Sixth Schedule to the ITA, during which they are taxed at a reduced rate of 5% on chargeable income. These include farming enterprises and agro-processing businesses using local agricultural raw materials, which enjoy a five-year concession period, waste processing businesses, which enjoy a seven-year concession period, and rural banks, which enjoy a ten-year concession period. Following the expiry of the respective temporary concession periods, these businesses continue to enjoy reduced corporate income tax rates for a further five-year period, with the applicable rate determined by the location of the business. Businesses located in Accra and Tema are taxed at 20%, while businesses located in other regional capitals outside the Northern Savannah Ecological Zone are taxed at 15%. Businesses located outside other regional capitals are taxed at 10%, with the lowest rate of 5% applying to businesses located within the Northern Savannah Ecological Zone, comprising the Upper West, Upper East and Northern Regions and contiguous areas.

Companies of young entrepreneurs (35 years or below) within priority sectors such as agriculture, manufacturing, horticulture and medicinal plants and energy production also benefit from a five-year tax holiday, where they are taxed at only 5%, followed by reduced tax rates depending on location. The applicable rates are 15% for businesses located in Accra and Tema, 12.5% for businesses located in other regional capitals outside the three northern regions, 10% for businesses located outside regional capitals, and 5% for businesses located within the three

northern regions. It should be noted that while the Sixth Schedule to the ITA refers to the “three northern regions”, Ghana’s regional reorganisation in 2018 expanded the northern regions from three to six, with the Northern Region being split into the Northern, North East and Savannah Regions, and the Upper West and Upper East Regions remaining. In our view, the 5% rate should extend to businesses located in all six northern regions, as the legislative intent underlying the provision was to incentivise investment in the historically underserved northern belt of the country, and a strict interpretation that limits the benefit to only the original three regions would produce an outcome inconsistent with that intent.

In addition to the corporate income tax rates outlined above, certain companies are subject to the Growth and Sustainability Levy (GSL) under the Growth and Sustainability Levy Act, 2023 (Act 1095), as amended by the Growth and Sustainability Levy (Amendment) Act, 2025 (Act 1131). The GSL is charged on profit before tax or gross production, depending on the category of business, and is payable in respect of the 2023 to 2028 years of assessment. The GSL is not deductible for corporate income tax purposes. The applicable rates under the Schedule to Act 1095, as amended, are as follows:

- Category A companies, comprising of banks, non-bank financial institutions, insurance companies, telecommunication companies liable to collect and pay Communication Service Tax, breweries, inspection and valuation companies, companies providing mining support services, shipping lines, maritime and airport terminals, bulk oil distributors, oil marketing companies, communication tower operators, companies providing upstream petroleum services, companies and institutions registered by the Securities and Exchange Commission, specialised deposit-taking institutions and electronic money issuers, are subject to the GSL at a rate of 5% of profit before tax.
- Category B companies, being gold mining companies, are subject to the GSL at a rate of 1% of gross production, having been reduced from 3% by the Growth and Sustainability Levy (Amendment) Act, 2026, passed by Parliament on 13 March 2026, to mitigate the impact of the Minerals and Mining Royalty Regulations, 2025 on the mining sector.
- Category BA companies, being other mining companies and upstream oil and gas companies, are subject to the GSL at a rate of 1% of gross production, a category introduced by Act 1131.
- All other companies not falling within Categories A, B or BA are subject to the GSL at a rate of 2.5% of profit before tax.

Notably, the GSL applies to a company irrespective of any tax holiday or exemption that the company may otherwise enjoy under the ITA or any other enactment, meaning that companies benefiting from the concessions and incentives discussed above remain liable for the GSL during their concession periods.

1.2 Is there a global minimum tax?

Ghana’s legislation does not currently provide for a global minimum tax regime. Ghana is also not a member of the Inclusive Framework responsible for

implementing the Organisation for Economic Co-operation and Development (OECD)/G20's global minimum tax under the Base Erosion and Profit Shifting (BEPS) initiative and has not implemented the Two-Pillar solution, including the 15% global minimum tax under Pillar Two.

That said, Ghana participates in a number of international tax transparency and cooperation initiatives, including:

- the Global Forum on Transparency and Exchange of Information for Tax Purposes;
- the African Tax Administrator's Forum (ATAF) and other regional tax bodies; and
- the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information.

Domestically, Ghana has introduced BEPS-aligned measures, including transfer pricing rules and anti-avoidance provisions. The government has also indicated that it is monitoring the OECD/G20 Two-Pillar solution and may in due course consider the introduction of measures such as a Qualified Domestic Minimum Top-Up Tax (QDMTT), as part of broader tax reform efforts.

1.3 How is income, capital gains and foreign-source income taxed?

Income tax

Income taxation in Ghana is based on the concept of chargeable income under Act 896, which is the total assessable income of a person for a year of assessment from employment, business or investment sources, less the deductions allowed under the law. Permitted deductions include amounts excluded from the calculation of business and investment income, including exempt income, allowances, amounts subject to final withholding tax and amounts already taxed as employment or business income.

In the case of companies, assessable income typically includes business activities and investments.

Business income consists of the gains and profits derived from carrying on a business during an accounting year. In determining those gains and profits, the law requires the inclusion of amounts connected with the business, such as service fees, consideration received from trading stock, gains derived from the realisation of business assets and liabilities, and other amounts effectively connected with the business.

Investment income refers to the gains and profits derived by a company from conducting an investment during an accounting year, gains derived from the realisation of investment assets, lottery winnings and other amounts connected with the investment. This will include dividends, interest, annuities, natural resource payments, rent and royalties earned by companies.

Ghana operates a self-assessment regime, under which companies are required to file annual tax returns within four months after the end of their financial year (subject to extension) and make quarterly advance tax payments based on estimated chargeable income. The Ghana Revenue Authority (GRA) retains the power to issue or adjust assessments where necessary.

Foreign-source income

Ghana adopts a residence-based taxation system. Resident companies are taxed on their worldwide income (i.e. income from both Ghanaian and foreign sources). Non-resident companies are taxed only on the income derived from or accrued in Ghana. Companies will be deemed as resident in Ghana if they are incorporated under Ghanaian law, or the management and control of the affairs of the company are exercised in Ghana at any time during that accounting year.

Non-resident companies may be subject to tax in Ghana where they create a permanent establishment (PE), including through:

- a fixed place of business in Ghana;
- construction or installation projects in Ghana exceeding 90 days;
- the presence of dependent agents (except the agent is a general agent of independent status acting in its ordinary course of business); or
- the provision of services in Ghana.

Income attributable to a PE is taxed in Ghana as if the PE were a separate entity from the non-resident owner and in the same manner as a resident company. In addition to corporate income tax imposed on the PE, non-resident owners of the PE will be subject to an 8% branch profit tax on earned repatriated profits.

Conversely, a Ghanaian resident company may create a foreign permanent establishment where it maintains a fixed place of business in another jurisdiction (typically for six months or more). Income attributable to that foreign PE and repatriated to the resident company in Ghana as profits will form part of the resident company's worldwide taxable income in Ghana.

To mitigate double taxation, Ghanaian resident companies are entitled to foreign tax credit relief for income tax paid in a foreign jurisdiction on foreign-source income. Where a double taxation agreement (DTA) applies, the availability and scope of relief are determined by the treaty. In the absence of a DTA, relief is granted under domestic law, typically subject to a limitation based on the Ghanaian tax payable on that income.

Resident companies can use foreign tax credit as a relief against tax payable for the assessment year or a deduction for income tax paid to the foreign country, if the company relinquishes the foreign tax credit in Ghana.

Capital gains tax

Ghana does not operate a standalone capital gains tax regime for companies. Instead, gains derived from the realisation of assets or liabilities are treated as part of a company's chargeable income under the ITA and taxed at the applicable corporate income tax rate.

A capital gain is generally calculated as the excess of the consideration received over the cost base of the asset or liability at the time of realisation. For resident companies, such gains form part of their worldwide income. For non-resident companies, capital gains tax applies only to gains derived from the realisation of assets situated in Ghana.

Although capital gains are taxed as part of corporate income, companies are typically required to file a separate capital gains tax return with the GRA, disclosing the gains realised and the tax payable.

1.4 Are there any indirect taxes?

Ghana imposes a range of indirect taxes on goods and services, the principal one being the value added tax (VAT).

Value added tax (VAT)

VAT is governed by the Value Added Tax Act, 2025 (Act 1151) and applies to the supply of goods and services by a taxable person, as well as to imports. The standard VAT rate is 15%. In addition, the following statutory levies apply on the same taxable base:

- the National Health Insurance Levy (NHIL): 2.5%; and
- the Ghana Education Trust Fund Levy (GETFund Levy): 2.5%.

Accordingly, the effective consumption tax burden is 20%. Certain supplies are exempt or zero-rated under the VAT Act.

In 2025, the government of Ghana abolished the Electronic Transfer Levy (1.5%) which applied to all electronic transfers and the COVID-19 Health Recovery Levy (1%) which was a non-deductible tax introduced to support COVID-19 expenditures by the government.

Other indirect taxes and levies

Ghana also imposes sector-specific indirect taxes. These include:

- the Tourism Fund Levy (1%) for hospitality services;
- the Communications Service Tax (5%) on electronic communications;
- stamp duties on instruments such as leases, transfers and security documents;
- Casino Revenue Tax and other gaming-related levies; and
- airport taxes and charges on air travel.

Trade and excise taxes

Indirect taxes are also imposed on imports and selected goods:

- customs duties under the Customs Act, 2015 (Act 891);
- excise duties under the Excise Duty Act, 2014 (Act 878) on goods such as alcohol, tobacco, petroleum products and plastics;
- African Union Import Levy (0.2%) on eligible imports; and
- energy sector levies under the Energy Sector Levies Act, 2015 (Act 899).

1.5 What are the withholding taxes and how are such taxes applied?

Withholding tax is a key collection mechanism under the ITA, under which tax is deducted at source on specified payments. Depending on the nature of the payment, the tax withheld may constitute either a final tax or an advance payment of income tax.

The main categories of withholding taxes are as follows:

Employment income (PAYE)

Employment income is subject to Pay-As-You-Earn (PAYE), under which employers are required to withhold tax from employee salaries based on the applicable graduated income tax rates.

Investment income

Investment income in Ghana is generally subject to withholding tax, which in most cases constitutes a final tax.

Dividends are subject to withholding tax at a rate of 8% for both resident and non-resident recipients. This tax is final, although the rate may be reduced where an applicable DTA applies.

Interest paid to companies is generally subject to 8% withholding tax, which is treated as a final tax in most cases.

Royalties attract a 15% withholding tax, which is treated as a final tax. This rate may also be reduced under a relevant tax treaty for non-resident recipients.

Rental income is taxed differently depending on the nature of the property and the status of the recipient. Rent from residential premises paid to resident persons is subject to an 8% final withholding tax, while rent from commercial premises or payments made to non-resident recipients is subject to 15% withholding tax.

Payments for goods, services and contracts

Withholding tax also applies to payments made in the ordinary course of business for goods, works, and services.

For residents, withholding tax applies at the following rates:

- 3% on the supply of goods;
- 5% on works; and
- 7.5% on technical and service fees.

For non-resident persons, payments for goods, works, and services are generally subject to a 20% withholding tax, unless reduced under an applicable tax treaty. In addition, amounts realised by non-residents from the realisation of assets or liabilities are subject to withholding tax at a rate of 10%.

For resident recipients, the tax treatment of gains from the realisation of assets or liabilities is generally addressed under the capital gains provisions of the income tax regime rather than by way of withholding tax.

Withholding agents are required to remit the tax to the Commissioner-General within 15 days after the end of the month in which the tax is withheld. The withholding agent must also file a monthly statement specifying the payments made, the identity and tax identification number of the recipient, and the amount of tax withheld.

Where a withholding agent fails to deduct the required tax, the agent remains liable to pay the amount that should have been withheld, although the agent may recover it from the recipient. Any contractual provision that seeks to prevent the deduction or withholding of tax required under the Act is void unless ratified by Parliament.

1.6 Do you have a General Anti-Avoidance Rule and if so, how does it operate/apply?

Ghana has a General Anti-Avoidance Rule (GAAR), which allows the tax authority to counteract arrangements designed primarily to obtain an improper tax advantage or to avoid or reduce tax liability. The GRA may disregard or recharacterise an arrangement entered into as part of a tax avoidance scheme

where the arrangement is fictitious, lacks substantial economic effect, or where its legal form does not reflect its economic substance. The concept of an arrangement is defined broadly to include any action, agreement, course of conduct, promise, transaction, understanding or undertaking whether legally enforceable or not.

Complementing this rule, the Revenue Administration Act empowers the GRA to adjust a taxpayer's liability where a tax benefit has been obtained through a tax avoidance arrangement. Such arrangements are those whose main purpose, or expected principal benefit, is to obtain a tax benefit, including avoiding, reducing or postponing tax, increasing a tax refund, or obstructing the collection of tax. Where the authority determines that such an arrangement exists, it may issue a notice adjusting the taxpayer's liability in a manner considered appropriate to counteract the tax advantage obtained.

2. TAX CONTROVERSY

2.1 What types of issues most frequently lead to tax controversies?

Tax controversies in Ghana most commonly arise from disputes over tax assessments issued by the GRA, particularly where taxpayers challenge adjustments made following audits or reviews.

In recent years, there has been a noticeable increase in high-value tax disputes involving large corporates, particularly within the telecommunications and petroleum sectors, reflecting a more assertive enforcement posture by the GRA.

These disputes have typically centred on the following key issues:

- **Upfront payment requirement for objections.** The legality and application of the requirement for taxpayers to pay at least 30% of the disputed tax as a condition for lodging an objection against an assessment.
- **Taxation of unrealised foreign exchange gains.** Whether unrealised foreign exchange gains should be treated as taxable income, particularly in the context of financial reporting adjustments versus realised income.
- **VAT on cross-border services.** The application of VAT to services provided by non-residents, including questions around place of supply, reverse charge obligations, and the evolving treatment under recent VAT reforms.
- **Characterisation of payments to non-residents.** Whether certain payments should be treated as technical service fees, royalties, or business income, with corresponding implications for withholding tax and treaty relief.
- **Transfer pricing and related party transactions.** Disputes arising from pricing adjustments, documentation requirements, and the application of the arm's-length principle in intra-group arrangements.
- **Industry-specific tax regimes.** Particularly in the petroleum and mining sectors, including disputes over stabilisation clauses in petroleum agreements, contractual tax exemptions, and the interaction between sector-specific agreements and general tax legislation.

Overall, tax controversy in Ghana is increasingly driven by interpretation issues and the interface between evolving legislation and complex commercial structures, particularly in cross-border and regulated sectors.

2.2 What are the legislative frameworks that govern the process and resolution of tax controversies?

The legislative frameworks governing the process and resolution of tax controversies in Ghana are primarily contained in the Revenue Administration Act, 2016 (Act 915) as amended, together with the relevant substantive provisions of the ITA.

Under this framework, where a taxpayer is dissatisfied with a tax decision concerning them, including assessment, the taxpayer may lodge a written objection with the Commissioner-General within 30 days of notification of a decision, stating the grounds of objection. As a general rule, the objection will not be entertained unless the taxpayer has paid all outstanding taxes and at least 30% of the adjusted tax in dispute, although the Commissioner-General has the discretion to waive or vary this requirement.

Following the consideration of the objection, the Commissioner-General may confirm, vary, or set aside the assessment. A taxpayer who remains dissatisfied with the object decision may appeal to the Independent Tax Appeal Board, and thereafter to the Tax Appeal Court, which is a division of the High Court of Ghana.

2.3 Are there any alternative methods available for resolving tax controversies?

Ghana does not currently provide formal alternative dispute resolution mechanisms, such as mediation or arbitration, specifically for tax disputes. Tax controversies are generally resolved through a statutory administrative and judicial process.

That said, the tax dispute resolution framework provides for an alternative appeal mechanism through the Independent Tax Appeal Board (ITAB), which is intended to serve as a specialised and independent forum for resolving tax controversies before recourse to the courts. The ITAB was introduced through the Revenue Administration (Amendment) Act, 2020 (Act 1029) to hear appeals concerning objection decisions issued by the Commissioner-General, as opposed to the previous procedure where an aggrieved party could appeal directly to the High Court of Ghana.

The ITAB has recently completed its operational framework and became fully operational from January 2026. With the commencement of operations, the ITAB is expected to provide an independent and impartial platform for the resolution of disputes, allowing taxpayers to challenge the tax assessments and other decisions of the tax authority before pursuing judicial proceedings. While the ITAB is not an ADR mechanism in the strict sense, it serves a functional equivalent role by facilitating earlier resolution of disputes and, in practice, may reduce the need for prolonged litigation.

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Kezia Owusu-Ansah is a senior associate in the Transactions and Strategic Advisory practice group at Templars, with a particular focus on tax advisory within complex commercial and cross-border transactions. She regularly advises on tax structuring, corporate and commercial transactions, mergers and acquisitions, private equity investments, and complex cross-border financing and investment matters. Kezia works closely with the firm's partners on tax mandates across a broad range of sectors and has developed strong experience advising on the tax aspects of corporate restructurings, cross-border investments, and transaction structuring, as well as providing pre-dispute tax advisory support. Her practice combines technical tax analysis with a clear understanding of commercial drivers, enabling her to deliver practical and implementable solutions in complex deal environments. In addition to her tax work, Kezia has significant experience supporting international investors, development finance institutions, and multinational companies on transactions across key sectors of the Ghanaian economy. Her work frequently involves coordinating and managing large-scale legal due diligence exercises, advising on regulatory considerations, and supporting the structuring and execution of high-value investments in Ghana. Kezia holds a Master of Laws from Harvard Law School, a Qualifying Certificate in Law from Ghana School of Law, and an LLB from Kwame Nkrumah University of Science and Technology. Kezia is dual qualified as a solicitor in England and Wales and as a lawyer in Ghana, bringing her strong cross-border perspective to complex transactions in emerging markets.

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FIRM PROFILE

Templars

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