ARRANGEMENT OF SECTIONS

Sections
1. Section 7 of Act 896 amended
2. First Schedule to Act 896 amended
3. Sixth Schedule to Act 896 amended
THE NINE HUNDRED AND SEVENTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED

INCOME TAX (AMENDMENT) ACT, 2016

AN ACT to amend the Income Tax Act, 2015 (Act 896) to provide for the exemption from tax of interest paid to an individual by a resident financial institution or to an individual on bonds issued by the Government of Ghana; to provide for a reduction in withholding tax on service fees paid to a resident person and to provide for related matters.

DATE OF ASSENT: 18th February, 2016.

PASSED by Parliament and assented to by the President:

Section 7 of Act 896 amended

1. The Income Tax Act, 2015 (Act 896) referred to in this Act as the “principal enactment” is amended in subsection (1) of section 7
   (a) by the deletion of “and” after paragraph (n);
   (b) by the deletion of “.” and the insertion of “; and” after para-
       graph (o); and
   (c) by the insertion of new paragraphs (p) and (q) as follows:
       “(p) interest paid to an individual
INCOME TAX (AMENDMENT) ACT, 2016

(i) by a resident financial institution; or
(ii) on bonds issued by the Government of Ghana; and

"(g) the interest or dividend paid or credited to a holder or member
on an investment in an approved unit trust scheme or mutual
fund is exempt”.

First Schedule to Act 896 amended

2. The principal enactment is amended in the First Schedule by the
substitution for

(a) paragraph 8(1) (b) (viii) of

"(viii) in the case of lottery winning:
   (i) First 2,592 — Nil
   (ii) Exceeding 2,592 — 5 percent;’;
   percent.’

(b) paragraph (8)(1)(c)(vii) of

“(vii) in the case of service fees referred to in section
116 (2) (c), 7.5 percent;”; and

(c) paragraph (8)(3) of

“(3) The rate of tax to be withheld from a payment under
section 85(2) is three percent of the amount.”.

Sixth Schedule to Act 896 amended

3. The principal enactment is amended in the Sixth Schedule by the
deletion of subparagraph (3) of paragraph 6.

Date of Gazette notification: 18th February, 2016.