

Ghana revises Communication Service Tax rate

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The Parliament of Ghana passed the *Communication Service Tax (Amendment) Act, 2020*, Act 1025 (the *CST Amendment Act* or Act) on 27 August 2020. The Act also was assented to by the President on 27 August and gazetted on the same date. The Act, however, sets 15 September 2020 as the commencement date.

Key highlights

In a nationwide broadcast on 26 July 2020 (COVID-19 update #14), Ghana's President announced the reduction of the CST rate, as an additional measure to alleviate the hardships caused by the pandemic.

Consequently, on 27 August 2020, the Parliament of Ghana passed the *CST Amendment Act*. The Act reduces the CST rate from 9% to 5%. The Act also provides that, at least 25% of the revenue generated from the tax be used to finance the national youth employment program.

Communication service providers impacted by this Act are expected to revise their tariff rates to reflect the new CST rate with effect from 15 September 2020.

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