

**JULY 2025 PROFESSIONAL EXAMINATIONS  
ADVANCED TAXATION (PAPER 3.3)  
CHIEF EXAMINER'S REPORT, QUESTIONS AND MARKING SCHEME**

**EXAMINER'S GENERAL COMMENTS**

The tax paper, to all intents and purposes was a good one. It departed a little from what is familiar with candidates but not as significant as to cause any upset for any candidate. The paper came across as one that exposed the lack of seriousness on a lot of candidates given the solution they provided. Candidates should revise their previous part two knowledge in taxation before proceeding to do the final level taxation. This will consolidate their knowledge in taxation.

**STANDARD OF THE PAPER**

The paper's standard was appropriate and squared with previous diets especially given that everything was within the syllabus coverage. The paper quality was excellent as the amount of effort required to provide a response was commensurate with the marks allocated. The level of difficulty was appropriate as it required a bit of thinking

**PERFORMANCE OF CANDIDATES**

The performance of the candidates was generally mundane. A lot of candidates did not seem to have a clue on taxation provision of Non-Governmental Organisations. Some candidates associated NGO with locational incentives.

The oil and gas and mining questions posed challenges for candidates. It was interesting some candidates intimated the proceeds from the realisation should be granted capital allowance.

Withholding tax explanation was a challenge for most candidates. Goods which constitute common trading stock of both vendor and purchaser are exempt from tax under section 116 of Act 896. This was lost on many candidates.

Computation of customs duty where insurance was not provided was a challenge for many candidates. If the goods are imported by sea, where there is no insurance, it is computed as 0.875% of the cost and freight and 1% by air.

**NOTABLE STRENGTH AND WEAKNESS**

**Strengths**

Many candidates had an idea how capital allowance should be computed but only failed in pooling the assets. Few candidates understood the requirement of the NGO taxation and made good marks.

Taxation as a tool for economic development was well answered.

**Weaknesses**

Candidates failed to pool assets for capital allowance purposes. Capital allowance should be pooled from Pool 1 to Pool 3 and class 4 and 5.

The provision on objection was lost on many candidates. Many had no clue how objection cases should be handled.

## QUESTION ONE

- a) Bofuro Company LTD, a manufacturing company, has been in business for several years.

The following are extracts from the company's accounting records:

	01/01/2023 (WDV)	Additions in 2023
	GH¢	GH¢
Office Buildings (Note i)	287,000	480,000
Factory Buildings		540,000
Land		100,000
Furniture and Fittings	40,000	68,000
Motor Vehicles (Note ii)	109,000	550,000
Computers	180,000	80,000
Plant and Machinery	230,000	650,000
Office Equipment	64,000	84,000
Patents and Copy Rights (Note iii)	4,400	80,000

The following assets were disposed of during the year 2023:

	Original Cost	Cash Proceeds from Sale
	GH¢	GH¢
Motor vehicles	75,000	60,000
Computers	80,000	72,000
Plant and Machinery	85,000	66,000
Office Furniture	55,000	65,000

### Notes

- i) The building was constructed five years ago, and five years' capital allowances have been computed and enjoyed by the company.
- ii) The Motor Vehicles acquired during 2023 were two:
- A commercial vehicle for transportation of goods (one tonne capacity) GH¢350,000.
  - A five-seater saloon car for the official use of the Managing Director GH¢200,000.
- iii) The Patents and Copy Rights as at 01/01/2023 have four more years to expire while those acquired in 2023 were for 8 years' duration.

### Required:

Compute the capital allowance for the company for the 2023 year of assessment. **(6 marks)**

- b) Dimame is a Non-Governmental Organisation (NGO) located in Accra with operational area in the Northern Regions of Ghana. The NGO buys bags of rice from a supermarket in Accra and transports them to the Northern Regions for distribution to widows and orphans. Its main source of funding is from a benefactor based in the Netherlands, who has been supporting the project since its inception.

In support of its operations, it engaged Chartered Accountants as employees. The Chartered Accounts routinely organise training programmes for Government Institutions on budget preparation and advanced financial modeling for a fee. This additional source of income equally supports the operations of the NGO.

Ghana Revenue Authority (GRA) has written to this NGO to regularise its operations with it for tax purposes. Management of the NGO has argued that it is exempt from tax on its income and has therefore consulted you to offer professional help on the matter.

**Required:**

Justify whether the NGO is required under the tax laws to pay taxes. (4 marks)

- c) Akple LTD is a Ghanaian company located at Keta in the Volta Region of Ghana.

In June 2017, the company purchased a parcel of land at Keta at a cost of GH¢50,000. The company spent GH¢10,000 to construct a fence wall around the property to protect it from encroachment.

In July 2020, the company purchased a building for use as a warehouse at Dzelukope, a suburb of Keta, valued at GH¢200,000.

In June 2024, the company decided to dispose of the parcel of land purchased in June 2017 and the building purchased in July 2020 to raise money to finance the acquisition of a small business.

The company engaged the services of a land valuer to determine the market value of the land located at Keta. The company paid the valuer GH¢15,000 for the services rendered.

In August 2024, the company sold the parcel of land for GH¢120,000 and the building for GH¢300,000. The written down value of the building was GH¢140,000 at the time of the sale.

**Required:**

Advise the company on the income tax implications of the realisation of the assets. (5 marks)

- d) You are the Financial Accountant of Dzato LTD, a company set up to manufacture toilet rolls. Management is dissatisfied with a tax decision by the Commissioner-General and you have been asked to determine the way forward.

**Required:**

In reference to *section 42 of the Revenue Administration Act 2016, (Act 915)*, advise Management on the responsibilities of the company and the responsibilities of the Commissioner-General in resolving the impasse. (5 marks)

(Total: 20 marks)

## QUESTION TWO

- a) Cost incurred before production is described as pre-production cost and needs to be identified and treated in a special way.

**Required:**

Explain the tax treatment of pre-production cost in the extractive sector. (2 marks)

- b) The sale of assets in both mineral and mining operations and petroleum operations are equal and opposite.

**Required:**

Explain the treatment of sale of assets under mineral and mining activities and also petroleum activities. (5 marks)

- c) Decommissioning funds are rehabilitation funds set up to ensure that after the operations are over, the land is restored to its original form. Those funds may create tax revenue for government after the operations are over.

**Required:**

Explain decommissioning funds in the petroleum upstream operations and also the circumstances under which rehabilitation activities in the mineral and mining activities may create revenue for government. (4 marks)

- d) *Shaft sinking* and *overburdening stripping* are critical component of cost in the mineral and mining operations.

**Required:**

Explain how the cost incurred in shaft sinking and overburdening stripping are treated for tax purposes. (4 marks)

- e) You are the Tax Advisor for MBC LTD. Management of the company are convinced that they have paid tax in excess of GH¢1,000,000 for the year 2024.

**Required:**

In reference to *section 68 of the Revenue Administration Act 2016, (Act 915)*, advise Management on the responsibilities of the Commissioner-General in refunding tax paid in excess determined by an order of the court or tribunal or by an application for a refund by a company. (5 marks)

**(Total: 20 marks)**

### QUESTION THREE

- a) At a recent workshop organised by Famia & Associates, a tax practicing firm, it was echoed that as a tax practitioner or tax officer of the Ghana Revenue Authority (GRA), it is absolutely important that one conducts affairs at all times in line with the professional code of ethics. It was mentioned in passing that the Fundamental Ethical Principles in the practice of Taxation are bedeviled with some threats shaking the foundation of these ethical principles. Participants at the workshop were however disappointed that the organisers did not outline and explain what these threats are.

You just qualified as a young tax accountant with Famia & Associates and the Managing Partner has tasked you to prepare a presentation to be circulated to the participants to address their disappointment.

**Required:**

Prepare a report highlighting the relevant issues considered as threats to ethical principles.  
(10 marks)

- b) Ebo Gyankari commenced trading on 1 January 2023 and has made the following sales: January to March 2023 - GH¢20,000 per month; April to June 2023 - GH¢25,000 per month. Sales have been good and he realised as at the end of June 2023 that he will be making sales of GH¢30,000 for the next three months, rising to GH¢60,000 for the last three months of the year. He deals in ceramics but he is yet to register as a Value Added Tax (VAT) trader.

As a tax consultant to Ebo Gyankari, you have advised him in writing that he should register for VAT, but he has refused to register because he thinks he is not a Large Taxpayer, neither is he a service provider.

**Required:**

- i) For tax planning purposes, identify what Ebo Gyankari may lose if he fails to heed to your advice. (2 marks)
- ii) Briefly explain from an *ethical viewpoint* the issues you should consider in order for your firm to deal with Ebo Gyankari's refusal to register for VAT. (3 marks)
- c) The two main inter-governmental fiscal transfers used in Ghana are the District Assemblies Common Fund (DACF) and the District Development Fund (DDF).

**Required:**

Advise the Minister for Local Government, Chieftaincy and Religious Affairs on the purpose of the DACF and the objectives of the DDF Assessment Tool as enablers of rural development. (5 marks)

(Total: 20 marks)

## QUESTION FOUR

- a) Subiri Enterprise LTD is a dealer in drinks. It buys its drinks from GIHOC as a wholesaler and sells to retailers. It has not deducted any withholding tax on payments to its suppliers over the years and its management is contemplating doing so to avoid any possible sanctions from Ghana Revenue Authority. It has received a letter from the Ghana Revenue Authority to conduct a tax audit on its activities. Ahead of the tax audit, Management has invited you as a Tax Consultant to come and conduct tax health check on its operations and put things right.

**Required:**

Advise the company on the withholding tax situation on payment to its suppliers.

**(4 marks)**

- b) During the month of October 2024, Wayoni LTD imported goods by sea freight from China. Wayoni LTD is an importer of general merchandise goods for sale in Ghana. The goods imported have a cost of GH¢10,500,000. Total freight value was GH¢5,500,000. Wayoni LTD could not provide evidence of any amount paid to insure the goods against loss or damage.

As a tax expert, you have been consulted to advise on the amount of duties and taxes payable upon importation of these goods.

**Required:**

Determine the following in line with the Customs Act, 2015 (Act 891) and the Customs Regulations, 2016 (L.I. 2248):

- i) The Cost, Insurance and Freight (CIF) value of Wayoni LTD's importation. **(3 marks)**
- ii) The amount of Import Duty Payable, assuming the Import Duty rate is 20%. **(2 marks)**
- iii) The amount of Import VAT payable. **(4 marks)**
- iv) The amount of ECOWAS Levy payable. **(1 mark)**
- v) The amount of African Union Import Levy payable. **(1 mark)**

*(Note: Wayoni LTD is not exempted from any of the levies).*

- c) Some economists are of the view that governments should move away from imposing burdensome taxes on businesses and persons since this stifles economic development. They however accept the fact that taxation can be used as a tool for economic development.

**Required:**

Discuss **FIVE** ways taxation can be used as a tool for economic development. **(5 marks)**

**(Total: 20 marks)**

## QUESTION FIVE

- a) Ashiyie LTD is a company resident in Ghana with the parent company in the United States of America. It deals in vehicles. Ashiyie LTD purchase vehicles for sale in Ghana from its parent company in the United States of America.

10 vehicles were acquired in 2023. Five (5) of the vehicles have some unique features never seen in Ghana before and the other have common features known in Ghana. Those with the unique features commanded a higher purchase price.

The Commissioner-General has requested that the cost of purchase of the branded ones should have the same value as the non-branded ones. This has generated a lot of interest among the tax community.

**Required:**

In light of the tax provisions, evaluate the proposition by the Commissioner-General and whether it has the support of the tax laws. **(6 marks)**

- b) Selham Ghana LTD was established for the main purpose of providing marketing support services to Selham UK PLC, its parent company. Selham Ghana LTD's expenses are reimbursed with a 5% mark-up, which constitutes its total revenue.

**Required:**

Justify the best transfer pricing method that can be used to test this transaction. **(4 marks)**

- c) Ghana's tax administration regime has in recent years seen special regimes providing taxpayers with the opportunity to voluntarily disclose their unpaid tax liabilities in exchange for varying levels of waivers for penalties and/or interest for non-compliance. For example, we have recently had the Tax Amnesty Act, 2017 (Act 955) and the Penalty and Interest Waiver Act, 2022 (Act 1081). In line with the Multilateral Competent Authority Agreement (MCAA) and the Standard for Automatic Exchange of Financial Account Information Act, 2018 (Act 967), the Special Voluntary Disclosure Programme (SVDP) has been introduced by the Ghana Revenue Authority (GRA) to provide non-compliant persons with the opportunity to voluntarily disclose offshore assets and income to the GRA to regularise their tax affairs without incurring any penalties.

**Required:**

State **TWO** reliefs available to persons who qualify and voluntarily disclose previously unreported income. **(2 marks)**

- d) Mr. Alej Rudger, a citizen of Germany, visited Ghana for the first time on 1 April 2024 for a conference, and left Ghana on 15 May 2024 after the conference had ended.

**Required:**

Justify whether Mr. Alej Rudger is required to disclose his offshore accounts and income to the GRA. **(4 marks)**

- e) Although achieving voluntary tax compliance is the ultimate goal of every Revenue Authority globally, there is still the need for Revenue Authorities to utilise digital technologies to improve tax compliance and streamline the tax administration process.

**Required:**

Identify **FOUR** recent practical examples of how the GRA is using technology to improve compliance and streamline the tax administration process in Ghana. **(4 marks)**

**(Total: 20 marks)**

## SUGGESTED SOLUTION

### QUESTION ONE

a)

BOFURO COMPANY LTD  
COMPUTATION OF CAPITAL ALLOWANCE

Y/A 2023	POOL 1	POOL 2	POOL3	CLASS 4 A	CLASS 4 B	INTANGIBLE ASSET		
1/1/23-31/12/23						ASSET A	ASSET B	TOTAL
	40%	30%	20%	10%	10%	4 YEARS	8 YEARS	
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	
WDV b/f	180,000	339,000	104,000	287,000	-	4,400	-	
Additions	80,000	1,075,000	152,000	-	1,020,000	-	80,000	
	260,000	1,414,000	256,000	287,000	1,020,000	4,400	80,000	
Proceeds from disp	(72,000)	(126,000)	(65,000)	-	-	-	-	
	188,000	1,288,000	191,000	287,000	1,020,000	4,400	80,000	
Capital Allowance	75,200	386,400	38,200	57,400	102,000	1,100	10,000	<b>670,300</b>
WDV c/f	112,800	901,600	152,800	229,600	918,000	3,300	70,000	

(6 marks)

- b) Non-governmental organisation operating as public nature with written constitution that states that it will not promote partisan politics or use its platform to engage in partisan politics and the operation will not confer private benefit on the promoters shall be exempt from tax. However, their business income is taxable.

Obligations:

- Pay taxes on training income.
- Pay PAYE on behalf of the employees.
- Withhold tax on payment to suppliers.

**(4 marks)**

- c) Disposal of land

	<b>GH¢</b>	<b>GH¢</b>
Consideration received		120,000
Cost:		
Cost of Land	50,000	
Improvement	10,000	
Valuation	<u>15,000</u>	<u>75,000</u>
Gains from realisation		<u>45,000</u>
Disposal of Warehouse		
Written Down value	140,000	
Proceeds	<u>(300,000)</u>	
Balancing charge	<u>(160,000)</u>	

Gains from realisation of capital assets shall be taxed at 25%

	<b>GH¢</b>
Gains from realisation	45,000
Balancing charge	<u>160,000</u>
	205,000
Tax charged at 25%	<u><u>51,250</u></u>

**(5 marks)**

- d) Under Section 42 of the Revenue Administration Act, 2016 (Act 915), the following are the respective responsibilities of the parties to resolve the impasse:

**Dzato LTD**

- Tax payer must be dissatisfied with the tax decision of the Commissioner-General.
- Taxpayer must object to the tax decision within 30 days in writing stating clearly the grounds for the dissatisfaction.
- Taxpayer must pay 30% the taxes in dispute and all the taxes not in dispute if administered by the Domestic Tax Revenue Division of the Ghana Revenue Authority
- Taxpayer can appeal for a waiver, suspension or variation of the 30%.

**Commissioner-General**

- Waive, suspend or vary the request of the 30%.
- Determine the objection within 60 days
- May Approve or decline the request
- May communicate or not communicate

**(5 marks)**

**(Total: 20 marks)**

**EXAMINER'S COMMENTS**

Question one was a cluster of questions. The question ranged from capital allowance to objection. On capital allowance, a handful of candidates got it correct. The rest had difficulty with the computation. Some had challenges with the treatment of disposal.

NGOs are exempt from tax on their investment income unless granted exemption on the back of a written constitution that indicates it is apolitical and its operation does not confer private benefit on the individuals that established it. However, business income is taxable. In effect, the income from training is taxable, employees must pay PAYE through the NGO and also withholding taxes on its purchases of bags of rice.

The gains on the realisation of capital asset, i.e. the land, is taxable together with the excess of proceeds of the building over its written down value.

## QUESTION TWO

a)

Pre-production cost must be granted capital allowance when the business is in production by dividing the pre-production cost by 5. Capital allowance in the extractive is 20% straight line method or 5 years.

**(2 marks)**

b) Sale of asset before and after production are treated differently.

***In the case of sale before production:***

Under both petroleum and mineral & mining, the proceeds should be deducted from the pre-production cost.

***Sale of asset after production:***

In the case of petroleum, add the proceeds to revenue.

In the case of mineral and mining, deduct the proceeds from the written down value to arrive a balancing charge or balancing allowance.

**(5 marks)**

c) Decommission funds are funds created under petroleum operations to ensure that the field or block after operations are restored back to its original form. The funds are a provision and allowable.

Rehabilitation activities are decommissioning activities but that terminology is related to mining. It is also for the restoration of the mining sites. When the funds exceed the cost, a tax at the rate of 35% shall be imposed on the surplus. It is the surplus of the funds over the costs that create revenue for government.

**(4 marks)**

d) Cost incurred in shaft sinking and overburdening stripping is treated based on how it was incurred. When the cost is incurred to help the process of production for the first time, the cost is deemed as preproduction cost and therefore should be capitalised.

On the other hand, if the cost is incurred to increase the flow of production or improve the access, the cost must be expensed.

**(4 marks)**

e) **Refund Arising from a Court or Tribunal Order**

- Apply the excess deduction against any tax outstanding.
- Refund the remainder within 90 days of the decision.
- The Commissioner-General must refund the excess if even there is a refund.
- Pay interest if the refund is not done within 90 days.
- The interest is calculated at 50% of the statutory rate.

**(5 marks)**

**(Total: 20 marks)**

**EXAMINER'S COMMENTS**

The question was on mining and petroleum. It was strange candidates evaluated the decommissioning fund instead of rehabilitation activity. Although they have the same treatment, the requirement of the question was not followed.

### QUESTION THREE

a)

#### REPORT Famia & Associates

**To:** Managing Partner  
**From:** Tax Accountant  
**Date:** 15<sup>th</sup> July, 2025  
**Subject:** Threats to Ethical Principles

#### **Introduction**

Following the concerns expressed at the recent workshop on the above, I wish to share my thoughts as follows:

#### **Threats to independence**

*Self Interest Threat:* This arises when the tax officers or other professional persons have direct financial interest in the client or taxpayer.

*Self-Review Threat:* This occurs when tax officers or other professional persons are required to review or re-evaluate (for a different purpose) a previous judgement they have made or action that they have taken.

*Advocacy Threat:* This occurs when the tax officer or other professional tax adviser is in a position to defend or justify the position of the taxpayer, and act as an 'advocate'.

*Familiarity Threat:* This occurs when the officers of GRA or other professional persons become too sympathetic with the taxpayer's position due to close relationships.

*Intimidation Threat:* This occurs when the tax officer or other professional tax adviser is deterred from acting with objectivity due to terrorization against him or his firm or GRA.

#### **Significance of adherence**

It is important to ensure that clients and practitioners conduct themselves in the manner that, there will not be a compromise on their respective roles.

Tax practitioners are sure to conduct their professional work well and also to provide assurance that the work is done with the utmost circumspection and due care.

Clients will also be assured that the best service and professional advice shall be received from practitioners.

#### **Conclusion**

I hope that the above will provide the basis for the integrating of the code of ethics in future workshops.

Thank you.

Naana

**(Any 4 four points well explained @ 2.5 marks each = 10 marks)**

b)

- i) Taxpayers are registered upon meeting the threshold for registration. The threshold is GH¢200,000 and GH¢500,000.

Input tax incurred is claimable from output that is in respect of only standard persons. In the case of the retailer, no input tax is claimable.

From the above, it is likely the person can meet the threshold. Assuming the entity meets the condition, it has within 30 days to register, else it is an offence.

(2 marks)

ii) Ethical view

Failure to register shall compromise the ability to claim input tax and risks sanctions from the Commissioner-General. The entity may risk business not being patronised as without VAT, other taxpayers may find it difficult to patronise the business.

(3 marks)

c) **Purpose of District Assembly Common Fund (DACF)**

The DACF is a constitutionally mandated fiscal transfer mechanism (under Article 252 of the 1992 Constitution) designed to:

- **Promote fiscal decentralization:** Ensure equitable distribution of financial resources to Metropolitan, Municipal, and District Assemblies (MMDAs) for local development.
- **Reduce regional disparities:** Allocate funds to less economically endowed districts to bridge development gaps between urban and rural areas.
- **Support local governance and service delivery:** Finance critical infrastructure, education, healthcare, sanitation, and poverty alleviation projects in rural communities.
- **Enhance grassroots participation:** Enable MMDAs to prioritize and implement community-driven projects based on local needs.

#### **District Development Fund (DDF) Assessment Tool**

The DDF Assessment Tool is a performance-based fiscal instrument introduced under the Ghana Secondary Cities Support Program (GSCSP) to:

- **Improve fiscal discipline and accountability:** Assess MMDAs' financial management, transparency, and compliance with fiscal policies before releasing funds.
- **Encourage local revenue mobilisation:** Reward districts that demonstrate efforts to improve Internally Generated Funds (IGF) with additional allocations.
- **Enhance project prioritization and execution:** Ensure funds are directed toward high-impact rural projects for example, roads, water systems and agriculture.
- **Strengthen Monitoring and Evaluation:** Track fund utilization and project outcomes to minimize mismanagement and corruption.
- To reward districts which meet the set criteria and are considered high performers.

(5 marks)

(Total: 20 marks)

#### **EXAMINER'S COMMENTS**

Ethics is now part of the syllabus and candidates are encouraged to master the principles of ethics so as to be able to answer the questions. Candidates' general performance in this question was somewhat good.

## QUESTION FOUR

- a) Subiri Enterprise Limited is a wholesaler and buys drinks from GIHOC. Withholding tax is a tax withheld upon payment to the withholder. However, when supplier and payer deal in common trading stock, no withholding tax applies. Subiri Enterprise LTD is right in not withholding and it should continue in the same way.

The Tax Audit will deal with other tax administration.

**(4 marks)**

b)

- i) **Computation of Insurance (in line with L.I. 2248) and the CIF Value**

		<b>GH¢</b>	<b>GH¢</b>	
Cost of goods			10,500,000	<b>0.5 mark</b>
Freight			5,500,000	<b>0.5 mark</b>
			16,000,000	
Notional Insurance (0.875% * Cost and Freight)			140,000	<b>1 mark</b>
<b>CIF</b>			16,140,000	<b>1 mark</b>
Import Duty @ 20%			3,228,000	<b>2 marks</b>
NHIL @ 2.5%	x CIF	403,500		<b>1 mark</b>
GetFund @ 2.5%	x CIF	403,500		<b>1 mark</b>
Covid-19 @ 1.0%	x CIF	161,400		<b>1 mark</b>
		968,400		
ECOWAS Levy 0.5%	x CIF	80,700		<b>1 mark</b>
Africa Union Imp 0.2%	x CIF	32,280		<b>1 mark</b>
		1,081,380	1,081,380	
			20,449,380	
VAT @ 15%			<b>3,067,407</b>	<b>1 mark</b>

c) **Ways taxation can be used as a tool for economic development**

- To promote exports.
- To protect infant industries.
- To provide infrastructure.
- To raise revenue.
- To curb the consumption of harmful products.
- To stabilise the economy.

**(5 relevant points @ 1 mark each = 5 marks)**

**(Total: 20 marks)**

**EXAMINER'S COMMENTS**

Candidates had difficulty with explaining how common stock should be exempt from tax. Most candidates maintained an erroneous impression that such should suffer withholding tax.

Many candidates also had challenges with the computation of the Customs duty and also the levies and the VAT

## QUESTION FIVE

- a) **Evaluation of the proposition by the Commissioner-General in relation the vehicles having different features**

**Contractual terms:** Clearly, the terms of the contract are not the same. The differences in the contract terms will make the case of the Commissioner-General moot as branded vehicles will post high purchase price.

**Nature of the vehicle:** The nature of the branded vehicles will obviously have a higher purchase price than the unbranded because of the cost incurred in the manufacture.

**FAR analysis:** The function performed in the branded vehicles will be more detailed and hence increases cost. The asset to be used for the branded vehicles will obviously will be different from the use of the assets for the ordinary.

**Economic Circumstances:** The branded vehicles will take a longer period for production and obviously will be affected by the economic conditions.

**Business strategies:** The branded vehicles may be sold at a lower price just so to market the product known for future patronage.

(6 marks)

- b) The best transfer pricing method for testing Selham Ghana LTD's transactions with Selham UK PLC is the Cost Plus Method (CPM) or Transactional Net Margin Method. Either of the methods is able to provide the market price to be charges.

(4 marks)

- c) The following reliefs are available under the Special Voluntary Disclosure Programme (SVDP):

- Relief in respect of penalties for making false or misleading statements as specified under section 74 of the Revenue Administration Act, 2016 (Act 915).
- 100% relief in respect of an administrative non-compliance penalty that was or may be imposed under the tax laws of Ghana, including penalty for the late filing of a return.
- No prosecution.

(2 marks)

- d) Since this was his first visit in Ghana, and he stayed in Ghana for 45 days (1 April 2024 to 15 May 2024), Mr Alej Rudger is deemed to be **non-resident** in Ghana for tax purposes. Mr. Alej Rudger is therefore **not** required to disclose his offshore accounts and income to the GRA.

(4 marks)

- e) Ways in which the GRA is using technology to improve compliance and streamline the tax administration process in Ghana:
- **Online filing of tax returns:** through the GRA Taxpayers Portal, taxpayers are able to file their returns online without having to visit a GRA Taxpayer Service Centre. Taxpayers are also able to accomplish the above through the GRA Taxpayers Mobile App available on the Android Play Store and the Apple App Store.
  - **Online payment of taxes:** through the Ghana GOV portal, taxpayers can make payment of taxes online, without the need to make any physical cash payments, making the compliance process smoother for the taxpayer.
  - **Electronic Tax Clearance Certificates (E-TCCs):** taxpayers are now able to obtain their Tax Clearance Certificates (TCCs) online through the E-TCC portal available on the GRA Taxpayers Portal. Taxpayers can also obtain their E-TCCs through the GRA Taxpayers Mobile App available on the Android Play Store and the Apple App Store.
  - **E-VAT/E-Invoicing:** VAT-registered taxpayers are now required to issue VAT invoices using the certified invoicing system of the Commissioner-General. This is expected to improve VAT compliance and VAT tax revenue yield.
  - Integrated Customs Management System (ICUMS)

(4 marks)

(Total: 20 marks)

### EXAMINER'S COMMENTS

Question 5(a) was supposed to be an easy question. It turned out to be a landmine. Question 5(d) was on residence of an individual. Many candidates defined the resident status but could not link it to the question. This made marking a bit difficult.

### CONCLUSION AND RECOMMENDATIONS

Candidates should learn assiduously if they want to pass their examination with ease.

Tuition Providers should continue to provide support to students to overcome their weaknesses as established above in order to help increase the pass rate.

Calculation questions will require the provisions of headings. In the case of tax computation, year of assessment and basis period. Many candidates did not provide this as a basic requirement. Some did not quote currency sign. Candidates should learn to correct this aberration.