

Frequently Asked Questions on E-Levy

1. What is the E-Levy?

The E-levy is a tax imposed on electronic transfers charged at the time of transfer. The law is administered by the Ghana Revenue Authority (GRA) and collected through licensed Banks, Specialized Deposit-Taking Institutions, Payment Service Providers (PSPs), and Electronic Money Issuers (EMIs).

2. What is the rate or charge of the levy?

The levy is currently a flat 1.50% of the value of the electronic transfer. There are exemptions as well and those are provided here.

3. How will the levy be applied?

The levy will be applied on the value (amount) of transfer above GHS 100 on a daily basis. That is, after one hundred Ghana Cedis (GHS 100) a day cumulative transfer, the e-levy will be applied. In other words, if the total amount sent in a day is not more than GHS 100, you will not pay E-levy.

4. Who is responsible for charging the E-Levy and how will it be charged?

The entities responsible for charging are:

- All Licensed Banks, Specialized Deposit taking institutions such as rural and community banks, savings and loan companies, finance houses, etc.
- Mobile Money Operators (MTN MoMo, Vodafone cash, AirtelTigo Money, Zeepay and G-Money),
- Payment Service Providers such as E-Tranzact, Ghana.gov, Korba, ExpressPay, etc.,
- The Minister of Finance also has the power to add to the list through Regulations.

5. What transactions fall under the E-Levy?

- (i) Transfers done on the same mobile money network – For example sending money from your MTN Momo wallet to another person's MTN Momo wallet.
- (ii) Transfers from one mobile money network to a recipient on another network - For example, sending money from your MTN Momo wallet to another person's Vodafone Cash wallet.
- (iii) Transfers from bank accounts to mobile money accounts: For example, Kofi transfers money from his Fidelity bank account to Ama's MTN mobile money wallet.
- (iv) Transfers from mobile money accounts to bank accounts: For example, Esi transfers money from her Vodafone Cash money wallet to Yaw's Fidelity bank account.
- (v) Bank transfers (both Intra-Bank and Inter-Bank) on a digital platform or application which originate from a bank account belonging to an individual.
NB: Daily threshold of Ghs 20,000.00 i.e. the tax will only be applied when the cumulative amount in a day exceeds Ghs 20,000.00.

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6. What transactions are NOT covered by the E-levy or are exempted?

The following transfers are excluded from the levy:

- (i) Cumulative transfers of GHS 100 per day made by the same person: Everyone has a daily tax-free threshold (limit) of GHS 100 - that is every person will be able to send up to GHS100 a day without the payment of the levy;
- (ii) Transfer between accounts owned by the same person: if you are sending money to your own account (i.e., of the same person) then you will not be charged the E-Levy. A transfer from Kojo's AirtelTigo wallet to his MTN wallet or from his CBG bank account to his GCB bank account or from his Fidelity bank account to his own Fidelity bank account or from his savings account to his current or investment account, will not attract the levy.
- (iii) Transfers for the payment of taxes, fees, and charges: Any payment of taxes fees or charges made to an MDA or MMDA using the Ghana.gov platform or other designated method, do not attract the levy.
- (iv) Electronic Clearing of Cheques: Clearing of cheques by the banks and specialized deposit taking institutions such as the savings and loans companies etc. are excluded. By extension, SWIFT, ACH and GIS transfers are all exempted.
- (v) Specified merchant payments: Payments made to commercial establishments through a payment service (mobile money, bank application, Fintech etc.) to a person registered with the Ghana Revenue Authority for the purposes of income tax or value- added tax is excluded. This applies to both online and physical sales.
- (v) Transfers between principal, agent, and master-agent accounts: To avoid charging the levy multiple times transfers that pass through multiple service providers before they get to the actual recipient do not attract the levy.
Deposits and withdrawals made at Agent point will not attract any e-levy.

The following transfers are also **excluded/exempted** from the levy:

1. Loan Disbursement from Licensed Entity
2. Loan Repayment to Licensed Entity
3. Transfers from either Account Holder to Joint Accounts
4. Transfers from Trustees to In-Trust-For (ITF) Account
5. Transfers to Escrow Accounts on Instant Pay
6. Airtime Top-Up, Data Bundle, Utility Bills
7. ATM Withdrawals

7. When will the E-levy come into effect?

The E-Levy will come into effect on 1st May,2022 for Phase 1 and 1st July 2022 for Phase 2

8. Is there any other information I would need to Know?

Note that for payments made to Corporates, Agents, SMEs, who are exempted by the GRA, the payer will not pay the e-levy.