



Activity brief (December 2014)

Minerals Sector Tax Administration Support to the Government of Ghana

15 March 2013 – 15 March 2014



If the LTO implements the suggested structural changes, this formal and on-the-job training could generate up to USD 50 million of revenue in a year.

Participating country: Ghana

Date approved:	25/05/2012
Implementation partner:	Ghana Revenue Authority
Total cost:	AUD 449 612

Background: Ghana Revenue Authority (GRA) faces capacity constraints in many areas related to the mining sector, but none more so than in the administration of its fiscal regime. Management of the sector raises a number of issues for GRA, requiring its staff to be experienced tax administrators while also possessing a solid understanding of the mining industry.

Objective: The objective of the activity was to provide assistance to the Ghanaian Government to increase the efficiency and effectiveness of revenue collection in the minerals sector.

Activity description: The Government of Ghana requested the Australian Government's assistance to improve the governance and development of its mining sector. Based on a scoping study of potential areas of support, the Australian Government decided to support GRA's capacity to administer tax in the minerals sector.

The project provided short-term audit and fiscal training advisers to GRA's Large Taxpayer Office (LTO) for one year.

Sector: Extractives

Outcomes: The activity resulted in an increased capability of the GRA's staff in both identification and treatment of non-compliance. Using on-the-job training during audits of Ghana's major gold producer and bauxite miner, the audit adviser demonstrated the potential for significant revenue gains that could be achieved through a risk-based approach to auditing. In addition, the adviser improved understanding of the need to manage the tax system as part of Ghana's entire fiscal system, requiring engagement with business, professionals, community and government.

The two technical advisers conducted joint training with the AAPF initiative, *Establishment of a Natural Resource Tax Unit (NRTU) in the Liberian Revenue Department*. This, in turn, helped to facilitate contact between the GRA and the NRTU, which led to a range of requests for further information and advice on tax issues. This included the GRA sharing information with the NRTU on both compliance with, and clarification on, large business/mining tax issues.