

**THE SEVEN HUNDRED AND THIRTY-FOURTH
ACT
OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED
VALUE ADDED TAX (AMENDMENT) ACT, 2007**

AN ACT to amend the Value Added Tax Act, 1998 (Act 546) in order to give legal backing to a Flat Rate VAT SCHEME that will facilitate VAT collection in the informal retail distribution trade sector and to provide for related purposes.

DATE OF ASSENT: *18th May,*
2007 ENACTED by the President and Parliament:

Section 24 of Act 546 amended

1. The Value Added Tax Act, 1998 (Act 546) as amended and referred to in this Act as the principal enactment is further amended in subsection 24 by the insertion after subsection (6) of subsection (6a)

"(6a) A taxable person to whom subsection (2) of section 3 applies does not qualify for input tax deduction or tax credit".

Section 3 of Act 546 amended

2. The principal enactment is amended in section 3 by the insertion of subsection (2).

"(2) Unless otherwise directed by the Commissioner in writing, a taxable person who is a retailer of goods shall account for the Value Added Tax payable under this section at a flat rate of 3% calculated on the value of the taxable supply".

Section 76 of Ad 546 amended

3. The principal enactment is amended by the insertion after the inter retention of 'VAT' of "VAT Flat Rate Scheme" means a Value Added Tax collection and accounting mechanism that applies a marginal tax

percentage representing net VAT payable on the value of taxable goods supplied."

Date of *Gazette* notification: . 24th May, 2007