

Parliament abolishes E-Levy

• Bill awaits Presidential assent to give effect

By Joshua Bediako Koomson,
PARLIAMENT HOUSE

PARLIAMENT yesterday passed the Electronic Transfer Levy (Repeal) Bill, 2025, effectively abolishing the Electronic Transfer Levy (E-Levy) that was introduced in 2022.

This follows the presentation of a report by the Chairman of the Finance Committee, Isaac Adongo, which recommended the repeal of the tax.

On March 11, 2025, the Minister of Finance, Dr Cassiel Ato Forson, announced the government's intention to repeal the E-Levy, fulfilling a campaign promise aimed at easing

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• Dr Cassiel Ato Forson, Minister of Finance



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financial pressures on Ghanaians.

Subsequently, on March 13, 2025, Dr Forson presented the Electronic Transfer Levy (Repeal) Bill, 2025, along with seven other bills to Parliament.

These bills sought to abolish certain taxes deemed burdensome, including the E-Levy, the 10 per cent withholding tax on betting winnings and the Emissions Levy.

Parliament also passed the Income Tax (Amendment) Bill, 2025 to abolish Betting Tax, taxes on Gaming and Lotteries, and repeal 1.5 per cent withholding tax on unprocessed gold.

Debate

During the parliamentary debate yesterday, the Majority Leader, Mahama Ayariga, emphasised that repealing the E-Levy would result in approximately GHe2 billion remaining in the hands of citizens annually, enhancing disposable income and stimulating economic activities.

"Mr Speaker, the report indicates that if we pass the Electronic Transfer Levy (Repeal) Bill, individuals and households will have more disposable income.

This is because they would no longer lose money through the deductions imposed by the tax," he said.

He said repealing the tax meant individuals would retain the funds previously deducted, thereby increasing their disposable income.

That, he said, aligned with the assertion that eliminating the levy would leave more money in the hands of citizens.

"Mr Speaker, this policy decision is guided by the objective of enhancing the financial well-being of our citizens. I, therefore, support the passage of this bill," Mr Ayariga said.

The Member of Parliament (MP) for Nhyiaeso, Dr Stephen Amoah, supported the repeal but cautioned that such decisions



• Dr Cassiel Ato Forson, Minister of Finance

should consider the country's fiscal position and overall economic impact.

While there were signs of economic recovery, he said, the fiscal space had not yet reached a point where an expedited repeal was prudent.

"I only advise that in doing some of these things, the rationale and the reasons should be such that our fiscal space and our economy as a whole will be

accorded the needed decision that will rather augur well for the good people of this country," he

said.

The MP for Abetifi, Dr Brian Acheampong, also backed the repeal but questioned the rationale provided.

He argued that if the goal was to increase disposable income, other taxes with higher rates, such as the Value Added Tax (VAT), should also be considered for repeal.

Background

E-Levy was introduced in 2022 with the aim of broadening the tax base by imposing a levy on electronic financial transactions.

Initially set at 1.75 per cent, the levy met strong opposition in

Parliament and from a large segment of the population.

It was later adjusted to one per cent and applied to various electronic transactions, including mobile money transfers, merchant payments and bank transfers.

The E-Levy was met with significant public resistance, as many citizens expressed concerns about its impact on disposable income and the potential deterrent effect on the use of digital financial services.

Despite the opposition, the levy was implemented with the goal of generating additional revenue to support national development initiatives. Its performance was woefully low from the start before it ramped up after months of implementation.

In fulfilment of a campaign promise to alleviate the tax burden on citizens and encourage the use of electronic transactions, the Minister of Finance, Dr Cassiel Ato Forson, in the budget presented to Parliament on March 11, this year, announced the government's intention to repeal the E-Levy.

Subsequently, on March 13, 2025, Dr Forson presented the Electronic Transfer Levy (Repeal) Bill, 2025, along with seven other bills, to Parliament.

The bills are to abolish certain taxes deemed burdensome, including the E-Levy, the 10 per

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