

News Flash



www.myumbbank.com | Universal Merchant Bank Limited | UMB Research/Business Intelligence Unit Monday, 22 October, 2018

Economic News

'2019 Budget to improve corporate tax mobilization, Finance Minister'

As government engages different business associations ahead of the 2019 National Budget which is scheduled for next month, Finance Minister, Ken Ofori-Atta has maintained that corporate entities will be encouraged to file their tax returns in the budget through several initiatives. Already, the Trades Union Congress has stated that it does not expect new taxes in the 2019 budget. But speaking to corporate companies at a budget forum, Finance Minister, Ken Ofori-Atta disclosed that lots of corporate companies have defaulted in paying taxes to the tune of GHS 3bn. He stated that most of the PAYE companies in the country have issues in paying taxes, resulting in government losing revenue. "If we look at PAYE companies. There are about 888 of them, there is about 67% (540) that are paying regularly, and then another 350 that have issues and of that about 223 are not even attempting to file their tax", he said. Mr. Ofori-Atta said the situation provides a challenge to the Ghana Revenue Authority to design effective methods of getting the funds for government. "It is either the problem is from the GRA, or I don't understand your (companies) challenges. Because clearly GRA needs to do better". [Source: Citifmonline.com](#)

'Germany to support government with EUR 86.5m'

Germany will over the next two years support government with a grant of EUR 86.5 m in four priority areas of development cooperation to ensure sustainable economic development. The support covers technical cooperation programmes to the tune of EUR 35.5 m and EUR 51m for financial cooperation projects. Dr. Stefan Oswald, Director General for the Marshall Plan with Africa, Displacement and Migration at the German Federal Ministry for Economic Cooperation and Development, announced this to journalists in Accra, after concluding an intergovernmental negotiating meeting with officials of Ghana in Accra. He explained that the agricultural sector would receive 6m to finance market-oriented programmes and EUR 39.5 m would be allocated to programmes in governance. [Source: Myjoyonline.com](#)

'Fuel prices go up again'

The Institute for Energy Security (IES) has once again been vindicated over its warning last week that fuel prices could increase marginally in its projection for this month's second pricing window, spanning October 16-31 2018. The Institute had attributed the expected increase to a rise in the average Brent crude price by 5.7 % with a corresponding increment in the prices of Gasoline and Gasoil on the international market. The Institute last month warned fuel prices could cross the GHS 5 mark in the first window of September and it happened even though the government had absorbed some cost. [Source: Ghanaweb.com](#)

Corporate News

'No more' fixed-term/guaranteed returns to Gold Coast clients – Nduom'

Gold Coast Holding Company, a full-service investment bank under Groupe Nduom, has decided to stop issuing fixed-term/guaranteed returns to clients beginning Monday, October 22, 2018. This, according to Dr Papa Kwesi Nduom, President and chairman of Groupe Nduom, was in line with a directive issued by the Securities and Exchange Commission (SEC) on guaranteed return products. SEC in June this year ordered fund management companies to stop the practice which was flouting its regulations and gave the companies a 6-month ultimatum window, July 1 - December 31, 2018 to unwind the fixed term investments in their books, and migrate their clients to other options like managed account mandates and collective investment schemes. SEC ordered that "no such new investments should be made by any fund manager" and that "fund managers should unwind such existing investments on maturity. Maturities beyond the 6-month window will be considered on a case by case basis." [Source: Graphiconline.com](#)

'Telecoms Chamber to engage government over impending increased tariffs'

The Chamber of Telecommunications has said it is open to further discussions with the government over the imposition of taxes on operations of its members. This follows the increase in telecom service tariffs after the recalibration of the Value Added Tax (VAT). The midyear budget review saw the separation of the 5% GETFund and NHIL levies from the VAT and charged as straight ones. This has led to telcos increasing their tariffs effective November 1, 2018.

[Source: Ghanaweb.com](#)

Currency - Interbank	Rate 18 Oct	Rate 19 Oct	%Change
USD/GHS	4.7929	4.7920	0.02
GBP/GHS	6.2658	6.2493	0.26
EUR/GHS	5.5047	5.5028	0.03
CHF/GHS	4.8111	4.8077	0.07
CNY/GHS	0.6908	0.6921	-0.20
ZAR/GHS	0.3347	0.3328	0.57

The cedi appreciated against all the major trading currencies.