

# News Flash



www.myumbbank.com | Universal Merchant Bank Limited | UMB Research/Business Intelligence Unit Monday, 12 November, 2018

## Economic News

### 'Gov't to broaden tax net, rope in more people'

The President, Nana Akufo-Addo, is unhappy with the low number of people who pay taxes in the country. Describing the situation as unacceptable, he said moves are being made to broaden the tax base and rope in more people. "Less than six percent of our people are part of the taxpaying population of our country. According to him, 1.5m people pay taxes in Ghana out of a population of 30m people. "That is an unacceptable set of figures. But it is feasible because the state itself doesn't have the capacity to be able to make sure that all those who should be in the tax net are in the tax net," the President said at a conference in South Africa.

Source: [Myjoyonline.com](http://Myjoyonline.com)

### 'Pirating tax stamp is a crime – GRA warns'

The Chief Revenue Officer at Ghana Revenue Authority (GRA), Kwabena Apau Anto, has said it is a crime for businesses to pirate tax stamps on fake products. According to him, the Authority is investigating a number of such cases, and we have even made some arrests. We want to make sure that such people are arrested and brought to book. Some businesses and individuals acquire tax stamps from the Authority genuinely and then affix them on another company's products. "That is what most people are doing. All that they do is pirate other people's products," said Mr. Anto, after GRA's tax stamp taskforce visited some selected retail shops in Accra to inspect stamps on consumable products. The exercise was aimed at ensuring that retailers comply with the law and sell consumable products with the approved tax stamps from the Authority. Some consumable products without the tax stamp were confiscated. Source: [Myjoyonline.com](http://Myjoyonline.com)

### 'ACEP cautions GOIL on Exxon Mobil deal'

The Africa Centre for Energy Policy (ACEP) has cautioned the Ghana Oil Company Limited (GOIL) to ensure that it puts in place the necessary measures to absorb any risk that may arise from its partnership with Exxon Mobil. GOIL is set to become ExxonMobil's local partner as it begins full-scale exploration for oil in Ghana's West Cape Three Points in the Western Region. In an interview, Executive Director of ACEP, Benjamin Boakye said GOIL must be prepared to deal with any financial risks. "Going forward we also have to look at the risk levels and to see which companies can be able to absorb those exploratory risks because in the oil and gas industry the risks could be high. If you do not have companies who really have enough financial muscle to be able to participate, you may end up drowning those companies. For example, if you look at GOIL's financials recorded profit of about GHS 30m and that is just about how much they need to participate in drilling a well, that is where the challenge could be, when you sink that kind of money and you are not lucky, then you have lost that resource as a local company. Source: [Citibusinessnews.com](http://Citibusinessnews.com)

## Corporate News

### 'GHS 1.4 bn interbank investments locked up in CBG'

A total of GHS 1.4bn belonging to other financial institutions is locked up with the Consolidated Bank as management of the bank says it does not have the cash flow to pay bulk depositors. Some of the customers are financial institutions including Microfinance and Savings and Loans Companies who were saving with the five collapsed banks merged into the Consolidated Bank Ghana. Deputy MD of Consolidated Bank, Thiaru Ndugu, who disclosed this at a Town hall meeting with workers of the bank, said depositors who invested their money with the collapsed banks, would have to wait a little longer until it receives cash flow from the bond government issued to clear the mess after the revocation of the licenses of the banks. "We are trying as much as possible to consult the customers and make them understand exactly what is happening. We were given a bond and that is the only cash flow we can pay the depositors with," Mr. Ndugu explained. Source: [Citibusinessnews.com](http://Citibusinessnews.com)

### 'Panic withdrawals ... Finance Houses call for calm'

Finance Houses have assured clients that even though some members are faced with unwarranted panic withdrawals, most members are in good standing and operating without any problems. In a statement from the industry's association, members are calling for calm as they engage the regulator and other stakeholder institutions for a quick resolution of the panic withdrawals issue. "We assure our clients of their payments upon maturity. It is therefore unnecessary to redeem, withdraw or disinvest if you do not have immediate need for your funds, as this has dire implications on liquidity and will aggravate the problem for even the strongest financial institution anywhere in the world," stated in a communique signed by the association's Executive Secretary, Kokui A. Adu. Source: [Bftonline.com](http://Bftonline.com)