



PRESS STATEMENT

21ST JANUARY 2016

IMPROVE TRANSPARENCY AND ACCOUNTABILITY: STOP BANKS FROM KEEPING PETROLEUM TAXES AND LEVIES ACCRA-21ST JANUARY 2016

The Public Accounts Committee of Parliament (PAC) at its sitting on the 20th of January 2016, revealed that some Banks have withheld an amount of GHS83m for more than three years for reasons yet to be disclosed.

The Africa Centre for Energy Policy (ACEP) is worried about this revelation by the committee. ACEP has consistently maintained that the transparency and accountability mechanism around the governance of taxes and levies on downstream petroleum sector needs urgent improvement to ensure that taxes and levies are used for the intended purposes for which consumers are made to pay.

It is instances like this that continue to burden citizens with levies such as TOR debt recovery levy with no definite schedule for repayment. The ministry of finance has over the years violated the legal requirement to account for the receipt from the TOR debt recovery levy to parliament as required by law.

TOR Debt Recovery Fund Levy Act 2003 (Act 642) states; “The Minister shall within three months after the end of each financial year, submit a report on the Fund to Parliament.” However the Minister does not comply with such requirement of the law. This is also a duty call on parliament to monitor the implementation of the laws they make to ensure that implementing bodies do not flout the laws.

If parliament had been demanding timely accounting of public funds, we will not be talking about petroleum levies kept in Banks for more than three years. Society would have benefited from the investment of such monies. In the specific instance of the GHS83m of petroleum taxes kept by Banks, ACEP calls on parliament to probe into the matter and those responsible should be punished whilst the banks involved should be made to pay appropriate interest on it.

We would like to reiterate our call to the Minister of Finance to consciously report on the receipt and utilization of taxes imposed on petroleum products. This will improve transparency and accountability and also improve public confidence in the payment of taxes. ACEP will continue to monitor the governance space on the petroleum sector, particular the reporting requirements under the Energy Sector Levies Act 2015 (Act 899) to ensure that Petroleum levies are not kept by banks or misapplied.

Signed

Benjamin Boakye

Deputy Executive Director