

**IPPG**

Legal & Regulatory Digest

# **Ghana's Emissions Levy Act, 2023 (Act 1112)**



By Reginald Nii Odoi Esq.



Legal & Regulatory Digest

— 2024 —

Ghana's Emissions and Levy Act, 2023 (Act 1112)

---

Compiled by Reginald Nii Odoi Esq.

## ACKNOWLEDGEMENT

The author wishes to express his sincere gratitude to the Legal Research Fellows at the International Perspective for Policy and Governance (IPPG) for their thorough review, valuable insights, and suggestions.

IPPG's Legal and Regulatory Digest is a meticulously curated resource designed to provide comprehensive insights into the legal and regulatory frameworks shaping various sectors in African countries. It aims to serve as an essential guide for investors, stakeholders, policymakers, legal professionals, and researchers, by offering a detailed overview of key legislative acts, regulations, and policies. By presenting structured analyses and clear summaries, the digest facilitates a deeper understanding of the responsibilities and obligations imposed by these legal frameworks, as well as the mechanisms in place for ensuring compliance and resolving disputes.

---

Cover page image: [theghanareport.com](https://theghanareport.com) | Inner page image: [freepik.com](https://freepik.com)

## About US

### **International Perspective for Policy & Governance (IPPG).**

The International Perspective for Policy & Governance (IPPG) is an independent foreign affairs and international development think tank focused on enhancing the effectiveness of policy implementation, governance, and sustainable development across the African continent. Our mission is to drive impactful change in Africa by providing policymakers and stakeholders with data-driven insights and actionable policy recommendations.

### **For further information, please contact:**

IPPG  
P O Box CT 2368  
Cantonments, Accra,  
Ghana Tel: +233-302-917430 / +233-244-756145  
Email: [ippg@ippgafica.org](mailto:ippg@ippgafica.org)  
Website: [www.ippgafica.org](http://www.ippgafica.org)

### **Rights and Permissions**

The material in this work is subject to copyright. As IPPG supports disseminating its knowledge, this work may be reproduced, in whole or in part, for noncommercial purposes, provided full attribution to IPPG is given.

### **Suggested Citation**

Odoi Reginald, Nii. “Ghana’s Emissions Levy Act, 2023 (Act 1112)”. Legal and Regulatory Digest, International Perspective for Policy & Governance (IPPG), Accra, 20224.

### **Design & Layout**

Knockout Concepts (+233-266-272674)



## Introduction

The Emissions Levy Act, 2023 (Act 1112), represents a significant legislative milestone in Ghana's ongoing efforts to mitigate the adverse effects of climate change and promote environmental sustainability. This Act imposes a levy on carbon dioxide equivalent (CO<sub>2</sub>e) emissions from key sectors of the Ghanaian economy, including construction, manufacturing, mining, and energy, as well as emissions from internal combustion engine (ICE) vehicles. By targeting both industrial activities and transportation emissions, the Act aims to incentivize the reduction of greenhouse gas (GHG) emissions and foster the adoption of cleaner technologies.

This edition of the IPPG's Legal and Regulatory Digest provides a detailed overview of the Act's provisions, including the rates of levies imposed, the assessment and collection mechanisms, and the regulatory authority entrusted to oversee its implementation.

## Main Features of the Act

### Imposition of an Emissions Levy

The Act imposes a levy on carbon dioxide equivalent (CO<sub>2</sub>e) emissions from specified sectors of the Ghanaian economy, including the construction, manufacturing, mining, and energy sectors. Additionally, the Act imposes a levy on emissions from internal combustion engine (ICE) vehicles.

### Rates of Levy Imposed

The rates imposed on emissions from the specified sectors of the economy and ICE vehicles, are detailed in Table 1 and Table 2, respectively.

**Table 1: Emissions Levy Rates for Specified Economic Sectors**

Sector	Emissions	Rates
Construction	Co <sub>2</sub> e	GHS100 (\$7.9) <sup>1</sup> per tonne of emissions per month
Manufacturing	Co <sub>2</sub> e	GHS100 (\$7.9) per tonne of emissions per month

<sup>1</sup>Exchange rate of \$1.00 to GHS 12.54 (Bank of Ghana Daily Interbank FX Rates, 8th March, 2024 - <https://www.bog.gov.gh/treasury-and-the-markets/daily-interbank-fx-rates/>)

Sector	Emissions	Rates
Mining	Co2e	GHS100 (\$7.9) per tonne of emissions per month
Energy (Oil and Gas)	Co2e	GHS100 (\$7.9) per tonne of emissions per month
Energy (Electricity and Heating)	Co2e	GHS100 (\$7.9) per tonne of emissions per month

**Table 2: Emissions Levy Rates for Internal Combustion Engine (ICE) Vehicles**

Vehicle Type	Emissions	Rates
Motorcycles & Tricycles	Combustion Emissions	GHS 75 (\$6) per annum
Motor Vehicles, Buses, and Coaches up to 3000 cc	Combustion Emissions	GHS 150 (\$12) per annum
Motor vehicles, buses, and coaches above 3000 cc	Combustion Emissions	GHS 300 (\$24) per annum
Cargo trucks and articulated trucks	Combustion Emissions	GHS 300 (\$24) per annum

### Tax Base

The tax base for the imposition of the levy is the aggregate of GHG emissions attributable to a person, expressed as the carbon dioxide equivalent (CO<sub>2</sub>e) of GHG emissions resulting from fuel combustion, industrial processes, and fugitive emissions.

### Assessment of Levy Payable

The Act empowers the Commissioner-General of the Ghana Revenue Authority (GRA) to assess the levy to be imposed. This assessment must be conducted in collaboration with other relevant government agencies.

Taxpayers in the specified sectors are required to file an estimate of the levy payable for each year of assessment with the Commissioner-General of the GRA by the end of the first month of the year. The Commissioner-General may request additional information from the taxpayer. The estimate to be filed must be in a form prescribed or directed by the Commissioner-General.

### Submission of return and time for payment of Levy

The Act requires taxpayers subject to the levy in the specified sectors to submit a return to the Commissioner-General stating the quantity of emissions and the levy payable for each month. This return must be submitted by the last working day of the month immediately following the reporting period. Once the levy is assessed, the Act mandates that payment be remitted to the Commissioner-General by the last working day of the month following the assessment month.

For motor vehicle levies, the Act stipulates that individuals must remit payment to the Ghana Revenue Authority (GRA) on or before renewing their road-use or roadworthiness certificates. Accordingly, as mandated by Ghanaian law, the Driver and Vehicle Licensing Authority (DVLA) is required to issue these certificates only upon verification of levy payment.

### Authority to Collect the Levy

The Act entrusts the Ghana Revenue Authority (GRA) with the pivotal responsibility of collecting the levy.

### Payment into the Consolidated Fund

The Act mandates that all levies collected pursuant to its provisions must be deposited by the Commissioner-General into the Consolidated Fund.

### Administration of the Levy

The administration of the levy is to be governed by the provisions of the Revenue Administration Act, 2016 (Act 915) as amended.

### Power to make Regulations.

The Act empowers the Minister of Finance to promulgate regulations through legislative instruments. These regulations may address matters such as amending the schedule to the Act, revising the rates of the levy, and modifying the sectors and motor vehicles subject to the levy.

### Dispute Resolution

A significant omission in the Act is the absence of provisions for dispute resolution. This lack of a clear, structured process for addressing grievances means that individuals or entities aggrieved by the levy, or its implementation are left without an internal mechanism to resolve their issues within the framework of the Act. Consequently, those seeking redress for matters related to the levy may have no other option but to pursue resolution through the High Courts of Ghana, which have jurisdiction over all civil and criminal matters, including constitutional and administrative issues.

## Conclusion

In conclusion, the Emissions Levy Act, 2023 (Act 1112), is a pivotal policy instrument designed to drive Ghana towards a low-carbon future. By establishing a legal framework for the imposition, assessment, and collection of levies on CO<sub>2</sub>e emissions, the Act not only underscores the government's commitment to environmental stewardship but also sets the stage for significant advancements in sustainable development.

The successful implementation of this Act hinges on robust collaboration between the Ghana Revenue Authority (GRA), other government agencies, and stakeholders across various sectors. As Ghana moves forward with this ambitious initiative, continuous monitoring, transparent reporting, and adaptive regulatory measures will be essential to achieving the desired environmental outcomes and securing a sustainable future for the nation.

A detailed IPPG report, soon to be released, thoroughly examines various policy and design challenges associated with the Emissions Levy Act. The report further presents recommendations for improving the Act's implementation regime, thereby ensuring its practical and successful application.

**IPPG** INTERNATIONAL PERSPECTIVE  
FOR POLICY & GOVERNANCE  
DRIVING RESEARCH | SHAPING POLICY | FOSTERING KNOWLEDGE | BUILDING CAPACITY

[www.ippgafrica.org](http://www.ippgafrica.org)