



**FOR IMMEDIATE RELEASE**

**MOBILE INDUSTRY ALIGNS WITH GOVERNMENT ON COMMUNICATIONS SERVICE TAX (CST) INCREASE IMPLEMENTATION.**

Accra, October 30, 2019 - The Ghana Chamber of Telecommunications wishes to inform mobile subscribers and the general public that, following fruitful discussions between government and industry; an agreement to stop upfront deduction of CST but rather apply the tax through a tariff adjustment has been reached.

For the past few weeks, there have been several discussions on the implementation of the CST. The members of the Ghana Chamber of Telecommunications will like to reassure its customers that we have acted in good faith considering our intentions to engage all relevant agencies following the passage of the CST Amendment Law. The mobile industry considers the upfront deductions legal and implemented the current CST based on alignment with how the Ghana Revenue Authority (GRA) calculates and charges the CST.

However, we understand stakeholders' concerns and have aligned on the current agreement to implement a price increase to pass on the tax instead of upfront deductions. It is worth noting, that despite this arrangement to stop upfront deductions, GRA will still calculate and account for the CST as an upfront charge.

The price increase will take effect by November 26<sup>th</sup> 2019, as the industry requires a number of weeks to complete the reconfiguration of our systems to accommodate the commercial and technical requirement that the exercise necessitates to ensure an even smooth experience for customers. We acknowledge the Ministry of Communications, Ministry of Finance, the National Communications Authority (NCA) and GRA for their support and understanding in this matter.

We wish to thank our customers, for their patience and continued patronage of our services over the past several weeks following the CST amendment implementation. During the transition period from upfront payments to the pass through payment of the CST through a tariff increase, our members have resolved to give extra value to reward customers for their loyalty. Subsequently mobile operators will notify their customers individually in the ensuing days.



Finally, we commend Government for the recent dialogues and we encourage such dialogues prior to the amendment or passage of any laws that require significant changes and upgrades to our systems to enable us coordinate effectively for the benefit of all stakeholders within the ecosystem.

The telecommunications industry is committed to the socio-economic development of Ghana, and that remains our focus and objective. We will continue to engage with the government, our customers, partners and all other stakeholders while providing our customers the best value, continue to create jobs and contribute significantly to government revenues.

Ing. Kenneth Ashigbey  
Chief Executive Officer

### **Note For Editors**

The socio-economic importance of the telecoms industry in Ghana is huge with operators investing more than six billion US dollars in Ghana since the mid-90s. In 2018, telecommunications contribution to GDP growth was 2%. Nearly 40 per cent of telecom operators' revenues go to government in taxes. A further 40 per cent of revenues are re-invested in Ghana. Even so, tariffs have dropped consistently unlike any other sector in Ghana, even as the costs of inputs have kept on rising. The telecoms industry alone employs more than 1.5 million Ghanaians directly and indirectly, with many other industries such as banking, trade and commerce, media and advertising being dependent on it for revenues and efficiency.

Not least, telecom operators have carried out some of the most impactful social responsibility projects to the joy and benefit of millions of grateful communities throughout Ghana with projects valued over a €100M over the last decade.

### **Media Contacts:**

For the Chamber  
Derek Laryea  
+233-302-730-500  
[derek@telecomschamber.org](mailto:derek@telecomschamber.org)