



## PKF WORLDWIDE TAX UPDATE (2025-Q1)

### RELEVANT TAX MATTERS IN GHANA

#### 1. NEW TAX LEGISLATION

There has not been any new tax legislation from January 2025 till the time of sending this report.

#### 2. CASE LAW/ RULING DECISION

There was one (1) case law/ruling decision relating to an arbitration between Tullow Ghana Limited and the Republic of Ghana decided by the International Chamber of Commerce

A summary is as follows:

##### **Parties Involved**

##### **Tullow Ghana Limited vs The Republic of Ghana**

In ICC Arbitration Number 26579/AB/CP

##### **History:**

The Complainant, Tullow Ghana Limited, submitted a Request for Arbitration, to the International Chamber of Commerce (ICC), on 5<sup>th</sup> October 2021, concerning a liability to pay a Branch Profit Tax for the years 2012, 2013 and 2014 arising out of an assessment by the Ghana Revenue Authority

Correspondence and meetings relating to claims and counter-claims between the parties were allowed by ICC until 14<sup>th</sup> November 2024 after which a ruling was given on 24<sup>th</sup> December 2024

## **Factual Background**

The dispute concerns the liability of Tullow Ghana Limited to pay Branch Profit Tax (BPT) as assessed by the Ghana Revenue Authority for the 2012, 2013 and 2014 Years of Assessment

This dispute arose from two (2) Petroleum Agreements signed on 22<sup>nd</sup> July 2004 and 10<sup>th</sup> March 2006

### **Ruling;**

The International Chamber of Commerce made the following declarations:

- The Branch Profit Tax Assessments made by the Ghana Revenue Authority constitute a breach by the Republic of Ghana of Article 12 and Article 26(2) of the Petroleum Agreements
- The Republic of Ghana is to indemnify Tullow Ghana Limited in respect of the following:
  - a. any amount the latter is compelled to pay in respect of the Branch Profit Tax assessment and
  - b. any cost or losses incurred as a result of any action taken to enforce such assessment plus interest on any such payments made, cost or losses.
- The Republic of Ghana's counter claim is dismissed
- The Republic of Ghana is to pay the following cost and expenses of Tullow Ghana Limited in relation to the arbitration
  - a. GBP 1,946,589.44 and USD 294,228.72 in respect of Tullow Ghana Limited's legal and other cost of the arbitration
  - b. USD574,000 in respect of Tullow Ghana Limited's deposit in respect of the fees of the Tribunal and ICC
  - c. Interest of the above amount at the rate of 5% per annum
- The ICC rejected all other request and claims

## **4. New Tax Treaty**

There has been no new tax treaty from January 2025 till the time of sending this report.

Please for tax services contact our tax consultant:

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