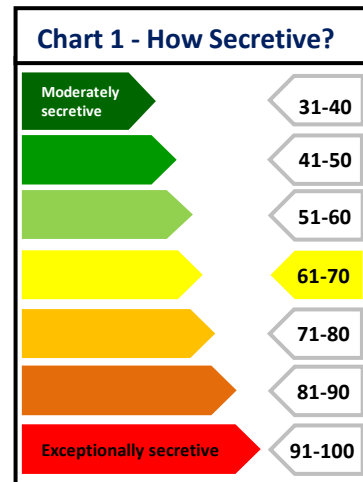


## Narrative Report on Ghana

Ghana is ranked at 57th position on the 2013 Financial Secrecy Index. This ranking is based on a combination of its secrecy score and a scale weighting based on its share of the global market for offshore financial services.

Ghana has been assessed with 66 secrecy points out of a potential 100, which places it towards the top end of the secrecy scale (see chart 1).

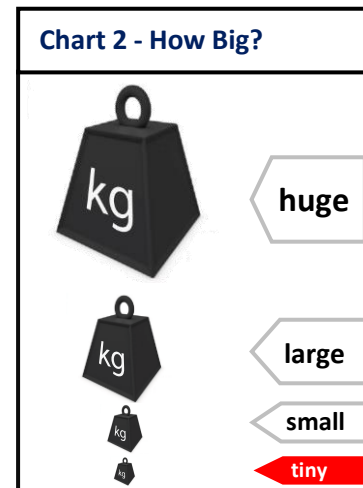
Ghana accounts for less than 1 per cent of the global market for offshore financial services, making it a tiny player compared with other secrecy jurisdictions (see chart 2).



### Part 1: Telling the story<sup>1</sup>

The proposal to establish Accra as an International Financial Services Centre (IFSC) was originally mooted in 2004, and by June 2005 the Government under President John Dufour had signed a Memorandum of Understanding with Barclays Bank of Ghana, to further investigate the potential for creating an IFSC.

The regulatory environment for offshore companies was drafted in 2007, but the entire project was put on hold by the Ghanaian parliament in 2008.



In a move to avoid blacklisting by the OECD, the new government under President John Atta Mills revoked Barclays Bank's offshore banking license with effect from June 2011, but the legal framework establishing the IFSC has not been revoked, making it easy to revive the project at a later stage.

Other challenges remain outstanding if Ghana is to improve on its weak secrecy score of 66. Notably, steps need to be taken to improve access to company ownership and to require disclosure of information about trusts and foundations.

### Quotations and Links

- "The last thing Africa needs is a tax haven in the centre of the African continent."- Jeffrey Owens, former director of OECD's Centre for Tax Administration

- Christensen, J. (2009) Africa's Bane: Tax Havens, Capital Flight and the Corruption Interface (WP) John Christensen WP 1/2009 - 8/1/2009 – available at: [http://www.realinstitutoelcano.org/wps/portal/rielcano\\_eng/Content?WCM\\_GLOBAL\\_CONTEXT=/elcano/elcano\\_in/zonas\\_in/sub-saharan+africa/dt1-2009](http://www.realinstitutoelcano.org/wps/portal/rielcano_eng/Content?WCM_GLOBAL_CONTEXT=/elcano/elcano_in/zonas_in/sub-saharan+africa/dt1-2009)
- <http://www.guardian.co.uk/business/2010/jan/19/ghana-oecd-tax-haven-warning>
- <http://news.peacefmonline.com/news/201003/39844.php>

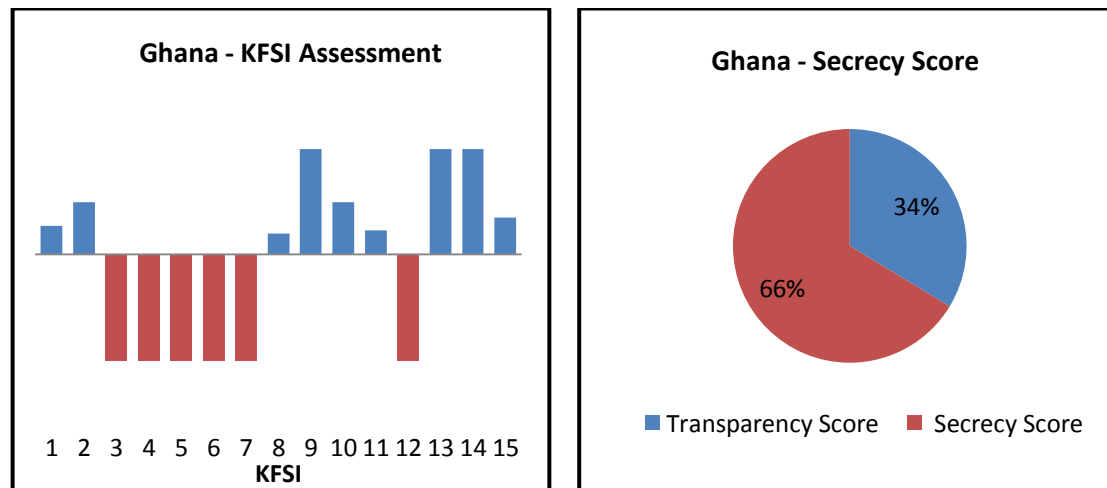
*With thanks to Johannes Chiminya (Tax Justice Network Africa) for his help with this article.*

### Next steps for Ghana

Ghana's 66 per cent secrecy score shows that it must still make major progress in offering satisfactory financial transparency. If it wishes to play a full part in the modern financial community and to impede and deter illicit financial flows, including flows originating from tax evasion, aggressive tax avoidance practices, corrupt practices and criminal activities, it should take action on the points noted where it falls short of acceptable international standards. See part 2 below for details of Ghana's shortcomings on transparency. See this link <http://www.financialsecrecyindex.com/kfsi> for an overview of how each of these shortcomings can be fixed.

### Part 2: Secrecy Scores

The secrecy score of 66 per cent for Ghana has been computed by assessing the jurisdiction's performance on the 15 Key Financial Secrecy Indicators, listed below.



The numbers on the horizontal axis of the bar chart on the left refer to the Key Financial Secrecy Indicators (KFSI). The presence of a blue bar indicates a positive answer, as does blue text in the KFSI list below. The presence of a red bar indicates a negative answer as does red text in the KFSI list. Where the jurisdiction's performance partly, but not fully

complies with a Key Financial Secrecy Indicator, the text is coloured **violet** in the list below (combination of red and blue).

This paper draws on key data collected on Ghana. Our data sources include regulatory reports, legislation, regulation and news available at 31.12.2012<sup>2</sup>. The full data set is available [here](#)<sup>3</sup>. Our assessment is based on the 15 Key Financial Secrecy Indicators (KFSIs, below), reflecting the legal and financial arrangements of Ghana. Details of these indicators are noted in the following table and all background data can be found on the [Financial Secrecy Index website](#)<sup>4</sup>.

**The Key Financial Secrecy Indicators and the performance of Ghana are:**

<b>TRANSPARENCY OF BENEFICIAL OWNERSHIP – Ghana</b>	
1.	Banking Secrecy: Does the jurisdiction have banking secrecy?  <b>Ghana does not adequately curtail banking secrecy</b>
2.	Trust and Foundations Register: Is there a public register of trusts/foundations, or are trusts/foundations prevented?  <b>Ghana partly discloses or prevents trusts and private foundations</b>
3.	Recorded Company Ownership: Does the relevant authority obtain and keep updated details of the beneficial ownership of companies?  <b>Ghana does not maintain company ownership details in official records</b>
<b>KEY ASPECTS OF CORPORATE TRANSPARENCY REGULATION – Ghana</b>	
4.	Public Company Ownership: Does the relevant authority make details of ownership of companies available on public record online for less than US\$10/€10?  <b>Ghana does not require that company ownership details are publicly available online</b>
5.	Public Company Accounts: Does the relevant authority require that company accounts are made available for inspection by anyone for a fee of less than US\$10/€10?  <b>Ghana does not require that company accounts be available on public record</b>
6.	Country-by-Country Reporting: Are all companies required to comply with country-by-country financial reporting?  <b>Ghana does not require country-by-country financial reporting by all companies</b>

<b>EFFICIENCY OF TAX AND FINANCIAL REGULATION – Ghana</b>	
7.	<p>Fit for Information Exchange: Are resident paying agents required to report to the domestic tax administration information on payments to non-residents?</p> <p><b>Ghana does not require resident paying agents to tell the domestic tax authorities about payments to non-residents</b></p>
8.	<p>Efficiency of Tax Administration: Does the tax administration use taxpayer identifiers for analysing information efficiently, and is there a large taxpayer unit?</p> <p><b>Ghana partly uses appropriate tools for efficiently analysing tax related information</b></p>
9.	<p>Avoids Promoting Tax Evasion: Does the jurisdiction grant unilateral tax credits for foreign tax payments?</p> <p><b>Ghana avoids promoting tax evasion via a tax credit system</b></p>
10.	<p>Harmful Legal Vehicles: Does the jurisdiction allow cell companies and trusts with flee clauses?</p> <p><b>Ghana partly allows harmful legal vehicles</b></p>
<b>INTERNATIONAL STANDARDS AND COOPERATION – Ghana</b>	
11.	<p>Anti-Money Laundering: Does the jurisdiction comply with the FATF recommendations?</p> <p><b>Ghana does not comply with international anti-money laundering standards</b></p>
12.	<p>Automatic Information Exchange: Does the jurisdiction participate fully in Automatic Information Exchange such as the European Savings Tax Directive?</p> <p><b>Ghana does not participate fully in Automatic Information Exchange</b></p>
13.	<p>Bilateral Treaties: Does the jurisdiction have at least 46 bilateral treaties providing for information exchange upon request, or is it part of the European Council/OECD convention?</p> <p><b>As of 31 May, 2012, Ghana had at least 46 bilateral tax information sharing agreements complying with basic OECD requirements</b></p>
14.	<p>International Transparency Commitments: Has the jurisdiction ratified the five most relevant international treaties relating to financial transparency?</p> <p><b>Ghana has ratified relevant international treaties relating to financial transparency</b></p>

15.	International Judicial Cooperation: Does the jurisdiction cooperate with other states on money laundering and other criminal issues?  <b>Ghana does not cooperate with other states on money laundering and other criminal issues</b>
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<sup>1</sup> This narrative report is based on information up to date at 1 October 2013, however all references to FSI scores or ratings reflect the 2013 results.

<sup>2</sup> With the exception of KFSI 13 for which the cut-off date is 31.05.2013. For more details, look at the endnote number 2 in the corresponding KFSI-paper here:

<http://www.financialsecrecyindex.com/PDF/13-Bilateral-Treaties.pdf>.

<sup>3</sup> That data is available here: <http://www.financialsecrecyindex.com/database/menu.xml> |

<sup>4</sup> <http://www.financialsecrecyindex.com>.