

THE 2026 BUDGET STATEMENT: KEY HIGHLIGHTS



On 13 November 2025, Hon. Dr. Cassiel Ato Forson, the Minister for Finance, presented the 2026 Budget Statement and Economic Policy to Parliament. This was themed "Resetting for Growth, Jobs and Economic Transformation".

In this alert, we highlight the key tax initiatives of the 2026 budget below:

Update on VAT Reforms

The 2026 Budget intends to reform the current VAT laws. The following initiatives are expected to be undertaken in the 2026 fiscal year:

- » abolish the COVID-19 Health Recovery Levy;
- » abolish the decoupling of the GETFund and NHIL levies from the VAT tax base, allowing both levies to be subject to input tax deductions
- » abolish VAT on reconnaissance and prospecting of minerals



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- » reduce the effective VAT rate from 21.9% to 20%
- » raise the VAT registration threshold from GH¢200,000 to GH¢750,000
- » extend the VAT zero-rating on the supply of locally manufactured textiles to 2028

Electronic and Digital Solutions to VAT Administration

The government aims to reform the VAT regime by updating policies and laws while leveraging electronic and digital solutions to enhance administration. The measures proposed include:

- » implementing digital systems to monitor and collect VAT on cross-border digital transactions
- » deploying Fiscal Electronic Devices (FED) to improve compliance and track taxable transactions
- » introducing VAT reward scheme to encourage consumers to collect receipts and participate in VAT compliance efforts.

Review Core Tax Laws

In 2026, the Government will commence the comprehensive reform of Ghana's key tax laws, including the:

- » Income Tax Act, 2015 (Act 896)
- » Customs Act, 2015 (Act 891)
- » Excise Duty Act, 2014 (Act 878)

Closing Revenue Leakage at the Port

The Government intends to deploy Artificial Intelligence (AI)-driven pre-arrival inspections for all cross-border shipments to detect under-valuation, flag high-risk goods, and strengthen Customs' capacity to combat smuggling, improve safety, and protect national security.

Takeaways

- » Abolishing the COVID-19 Levy will reduce the effective VAT rate, which will lower the final price of goods and services, increasing purchasing power and consumer welfare, especially for low- and middle-income households.
- » Reduction of the effective VAT rate from 21.9% to 20% is going to provide slight relief on the prices of goods and services.
- » The increase in the VAT registration threshold from GH¢200,000 to GH¢750,000 will reduce compliance burden on small and medium sized enterprises.
- » The extension of zero rate for locally manufactured textiles until 2028 strengthens local textile manufacturers by lowering their tax-related costs, promoting import substitution.
- » The abolition of VAT on mineral reconnaissance and prospecting will revive investor confidence, stimulate new discoveries and promote responsible mining
- » The integration of GETFund and NHIL into the VAT base removes the cascading effect and ensures businesses can claim input credits, reducing their overall tax burden.
- » Implementing a VAT reward scheme to encourage consumers to collect receipts can boost VAT revenues
- » The introduction of Fiscal Electronic Devices and other digital platforms will enhance government revenue collection through automation and help prevent tax fraud and leakages.
- » The review of core tax laws will help align these laws with global best practices, promote equity and competitiveness, simplify compliance, and enhance revenue generation

If you have any questions on the matters referred to in this Alert, please do not hesitate to contact the authors below.

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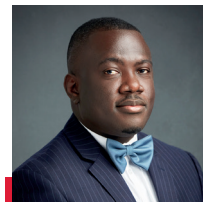
11 Nii Ablade Kotey Avenue
East Legon
P. O. Box DT 1210 Accra, Ghana
T: +233 302500107/+233508646424
E: info@wtsnobisfields.com
www.wtsnobisfields.com

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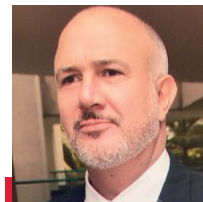
Theophilus Tawiah
Managing Partner

M: +233 24 491 7803
T: +233 30 250 0107/+233 50 864 6424
E: theophilus.tawiah@wtsnobisfields.com



Joseph Tamakloe
Partner

T: +233302500107
E: Joseph.tamakloe@wtsnobisfields.com



Robin McCone
Tax Partner/Board Member

T: +233302500107
E: robin.mccone@wtsnobisfields.com



Wilhelmina Joana Buckman
Associate Director

T: +233 302 500107
E: Wilhelmina.buckman@wtsnobisfields.com



Abraham Otoo
Tax Manager

T: +233302500107
E: abraham.otoo@wtsnobisfields.com



Michael Tandoh
Tax Manager

T: +233302500107
E: michael.tandoh@wtsnobisfields.com