GRA tasked to retrieve ₵6.6m from Prestea Sankofa Gold

Source: Ghana | Luv News | Kofi Adu Domfeh

Date: 30-03-2015 **Time:** 09:03:57:pm

0 Share(s)

The Ghana Revenue Authority (GRA) has been tasked to retrieve an estimated ₵6.6million in outstanding mineral royalties from Prestea Sankofa Gold Limited, a gold mining firm in the Western Region.

The company has failed to pay royalties for 2012 and 2013 after exporting over ₵130million worth of gold in the two years.

The default in payment is contained in the Ghana Extractive Industries Transparency Initiative (GHEITI) Report for 2012 and 2013.

“Whatever the excuse, it’s something that is due the State and they have to pay,” said a source at the Boas & Associates, which prepared the GHEITI Report.

Prestea Sankofa is a Ghanaian gold mining company with the Ghana National Petroleum Corporation (GNPC) holding majority shares.

The company produced 21,237 ounces of gold in 2012 at total revenue of $36,012,936 and an additional 22,853 ounces at revenue of $31,760,747 was recorded in 2013.

According to the GHEITI report, the company paid over ₵1.5million to the GRA over the period, but the amount covered outstanding royalty payments for 2011.

Liquidity and production challenges are some factors attributed to the company's failure to honour the obligation.

According to the source, the appropriate legal penalties should be meted out to the company.

"If these people have waited for two years without any payment of royalty, then you can imagine the quantum of liability… the GRA is at the moment taking up that issue with them and I believe that in the shortest possible time they should come up with that payment," he stated.

The GHEITI Report has requested the GRA to investigate and reconcile the revenue to royalty payment and to recover the probable difference due the state.

The Report has also recommended regularization of royalty payment frequency in split quarterly payments to ensure standardization and adherence to procedures for royalty payments to promote compliance.

The Report noted that corporate tax has exceeded mineral royalty for three continuous years. "This may require further investigation and actions to ensure the sustainability of mining revenues," it concluded.