Sentinal

FREQUENTLY ASKED QUESTIONS (FAQs)

Stakeholders Information Guide

Introduction

The Sentinal System enables the Ghana Revenue Authority (GRA) to collect VAT on qualifying cross-border digital services at the point of payment. It does not change how customers make their payments. With Sentinal, the applicable VAT is included in the payment and remitted to GRA when the VAT is deducted.

These FAQs provides simple and practical information and are designed to promote clear, consistent and transparent communication among customers, merchants, financial institutions and other stakeholders.

1. What is the Sentinal System?
It's a mechanism used by GRA to identify, monitor and collect VAT on qualifying cross-border digital service transactions.

2. What is a cross-border digital service?
A cross-border digital service is a service supplied electronically by merchants or businesses outside Ghana.

3. What qualifies as a cross-border digital service under Sentinal;
a. Online subscriptions and streaming services such as Netflix, HBO, Apple Tv, Amazon Prime
b. Cloud services such as Microsoft Azure, Google Cloud
c. Online gaming such PlayStation Plus, Xbox Game Pass, Apple Arcade
d. Online market places such as AliExpress

4. Is Sentinal a new tax?
No. Sentinal is not a new tax.

5.Why is Sentinal being introduced?
It is to make VAT collection on qualifying digital transactions more timely, accurate and transparent.

6. Do customers need to do anything differently?
No. Customers can continue to pay and enjoy their everyday digital services.

7. Will the customer be notified when the VAT is deducted?
Yes. The customer will be notified via SMS or email

8. What VAT rate applies?
A combined rate of 20% is applicable comprising 15% VAT plus 5% GETFund and NHIL.

9. How is the VAT collected?
The VAT is collected through the payment platforms from which the payment is made.

10. Which payment methods are in scope for the Sentinal System?
Payments made using Ghana-issued debit/credit cards, mobile money accounts or digital wallets are covered.

11. What should a customer do if they are wrongly charged VAT?
If the customer does not receive the refund amount automatically, they will have to notify the bank or the Electronic Money Issuer (EMI) from which the payment was made.

12. What are the conditions that need to be satisfied before a transaction can fall under Sentinal? The conditions are as follows:
a. where the payment instrument is issued in Ghana
b. the merchant is non-resident
c. the service is supplied electronically

13. Which merchants are in scope?
Non-resident suppliers of digital services who are subject to VAT — this includes both Digital Service Providers already registered with GRA and those not yet registered.

14. What are the new obligations of a registered Digital Service Provider?
- They are to display prices exclusive of VAT
- Let customers know VAT applies at the point of payment
- VAT will be automatically charged at the point of payment

15. What are the obligations of unregistered Digital Service Providers on the supply of services?
Unregistered Digital Service Provider are required to register with GRA

16. **If VAT is already collected in real time, do I still need to file VAT returns?**
A: Yes. Real-Time VAT collection and periodic VAT returns are two different activities, and both are required.

17. Which institutions must integrate with the Sentinal System?
- Banks
- Payment Service Providers (PSPs)
- Electronic Money Issuers (EMIs)
- Third-Party Payment Providers (TPPs)
- Other regulated or licensed entities processing qualifying transactions are also required to integrate.

18. Who collects and remits the VAT?
The regulated entities listed above shall collect the VAT and remit same to GRA.

19. Is integration mandatory for Entities?
Yes. Integration is mandatory for regulated entities processing qualifying cross-border digital service transactions.

For more information visit the nearest GRA Taxpayer Service Centre, or contact us through:
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