

PARLIAMENT PASSES PETROLEUM AMENDMENT BILL

Parliament last Wednesday passed the Petroleum Revenue Management (Amendment) Bill 2015 into law.

With the coming into effect of the new law, the Ghana National Petroleum Corporation (GNPC) will no longer have the power to control revenue generated from the sale of petroleum products.

The law stipulates that "The Minister of Finance shall ensure that the Bank of Ghana (BoG) transfers to a national oil company, the relevant portion of the petroleum revenue due to that national company under subsection (2)(a) and (2)(b) not later than three working days after the receipt of petroleum revenue into the Petroleum Holding Fund."

Under the previous law which has been amended, the GNPC had the power to receive the country's petroleum revenue, deduct its share of the proceeds and then deposit the rest into the Petroleum Holding Fund.

Purpose of the law

The purpose of the law is to amend the Petroleum Revenue Management Act, 2011 (Act 815) to provide for the allocation of funds to the Ghana Infrastructure Investment Fund (GIIF) for purposes of infrastructural development to provide for the composition of the Investment Advisory Committee, among other things.

Act 815 was enacted to provide a framework for the collection, allocation and management of petroleum revenue in a responsible, transparent, accountable and sustainable manner for the benefit of the citizens of Ghana, in accordance with the 1992 Constitution.

However, the implementation of Act 815 exposed some inconsistencies and typographical errors that needed to be rectified, hence the amendment to conform to the intendment of the drafters.

The substance of Act 815 was generally maintained in the new law, according to the Chairman of the Finance Committee of Parliament, James Klutse Avedzi.

Section 48 of Act 815 as amended in the new law requires the minister of finance to present a report to Parliament describing the stage of implementation of the programmed activities funded by the expenditure incurred on the activities covered by the Annual Budget Funding Amount, and to indicate the portion of the Annual Budget Funding Amount allocated to the Ghana Infrastructure Investment Fund.

Finance Committee's report

A report by the Parliamentary Select Committee on Finance observed that the bill would make the Ghana National Petroleum Corporation (GNPC) an operator in the field and empower it to borrow on the strength of its own balance sheet and not to rely on central government guarantees.

It further noted that the amendment bill did not change the substance of Act 815 but rather clarified some issues for smooth implementation of the Act.

Debate

The Minority Spokesperson on Finance, Dr Anthony Akoto Osei, lauded the bill but cautioned that as much as the bill was empowering the corporation to borrow on its own balance sheet as a state-owned enterprise (SOE), it was important to make a provision to hold management of the corporation accountable.

Source: [Daily Graphic](#)