



FINANCIAL INTELLIGENCE CENTRE, GHANA

TYOLOGY REPORT

SUSPICIOUS USE OF PERSONAL BANK ACCOUNTS FOR BUSINESS TRANSACTIONS TO EVADE PAYMENTS OF TAX

Issued by the Financial Intelligence Centre
AUGUST 2025



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LIST OF ABBREVIATIONS

AI	Accountable Institution
AML	Anti Money Laundering
CDD	Customer Due Diligence
CFT	Combating the Financing of Terrorism
CPF	Countering Proliferation Financing
DNFBPs	Designated Non-Financial Businesses and Professions
FI	Financial Institutions
FIC	Financial Intelligence Centre
GAAR	General Anti-Avoidance Rule
GRA	Ghana Revenue Authority
IR	Intelligence Report
KYC	Know Your Customer
LEA	Law Enforcement Agency
LI	Legislative Instrument
MFI	Microfinance Institutions
ML	Money Laundering
MOTI	Ministry of Trade and Industry
OAGMJ	Office of the Attorney-General and Ministry of Justice
NIB	National Intelligence Bureau
NRA	National Risk Assessment
PAYE	Pay-As-You-Earn
PEP	Politically Exposed Person
PF	Proliferation Financing
STR	Suspicious Transaction Report
TBML	Trade-Based Money Laundering
TF	Terrorist/Terrorism Financing
VAT	Value Added Tax

MESSAGE FROM THE CEO

The Financial Intelligence Centre (FIC) has prepared this report to highlight emerging concerns regarding the ***“Suspicious Use of Personal Bank Accounts for Business Transactions to Evade Payments of Tax”***. This typology study forms part of the FIC’s mandate to identify, analyze and disseminate intelligence on emerging money laundering and related financial crimes that undermine the integrity of our financial system and the national economy.

The use of personal bank accounts to conceal business transactions and evade tax obligations not only deprives the state of critical revenue but also creates vulnerabilities that may be exploited for money laundering and terrorist financing. This practice erodes public trust, distorts fair competition, and weakens our collective efforts to promote sustainable economic growth.

Through this report, we seek to raise awareness among Accountable Institutions, Competent Authorities, and other stakeholders on the patterns, indicators, and risks associated with this typology. It is our expectation that the insights provided will support the strengthening of compliance frameworks, improve detection mechanisms, and guide effective enforcement actions.

The Financial Intelligence Centre (FIC) remains committed to working closely with our stakeholders in safeguarding the financial system. By enhancing vigilance and fostering collaboration, we can collectively curb tax evasion schemes and ensure that our financial sector remains resilient, transparent, and supportive of national development.

I encourage all stakeholders to study this report carefully and integrate its findings into their operational and regulatory strategies. Together, we can build a stronger, more accountable, and more secure financial ecosystem.

MR. ALBERT KWADWO TWUM BOAFO
Chief Executive Officer
Financial Intelligence Centre, Ghana

INTRODUCTION

The Financial Intelligence Centre (FIC) of Ghana serves as the central coordinating body for Ghana's Anti-Money Laundering, Combating the Financing of Terrorism and Countering Proliferation Financing (AML/CFT/CPF) framework. In fulfilling this mandate, FIC collaborates closely with key stakeholders, including Regulatory and Supervisory bodies, Law Enforcement Agencies (LEAs) and the private sector. This collaboration targets strengthening both preventive and enforcement measures against financial crimes.

FIC is responsible for receiving and analyzing financial transactions related to suspected criminal proceeds, providing guidance to Accountable Institutions (AIs) and regulators, collaborating with tax authorities to address tax-related crimes, maintaining a comprehensive, secure financial intelligence database and conducting periodic assessments on emerging risks. The intelligence generated from these analyses is disseminated to LEAs and Competent Authorities to support investigations, prosecutions and asset recovery efforts related to such offences.

Additionally, FIC disseminates strategic insights through trend analyses, typologies and guidance materials to AIs to help them better identify and mitigate related risks within their operations. According to findings from the 2024 National Risk Assessment (NRA), tax-related offences continue to be one of the most prevalent predicate crimes linked to money laundering in Ghana.

This report provides a comprehensive analysis aimed at enhancing the understanding of the nature, scope and methods commonly associated with tax-related offences that may serve as conduits for money laundering (ML), terrorist financing (TF) or proliferation financing (PF) activities. This forms a

part of FIC's broader mandate to proactively detect, deter and disrupt financial crimes through intelligence-led strategies and inter-agency collaboration.

OBJECTIVES OF THIS REPORT

This report has been developed to provide key stakeholders with strategic insights into the nature, scope and methods of potential use of personal bank accounts of individuals for tax evasion that contribute to money laundering activities in Ghana.

Specifically, the objectives of this report are to:

- a. Assess whether the analysed Suspicious Transaction Reports (STRs) indicate the use of personal bank accounts for business activities.
- b. Highlight red flags or indicators that may assist in identifying and combatting tax offences.
- c. Provide recommendations and practical measures to stakeholders.

SCOPE

This report covers STRs submitted by AIs from 2018 to 2024, as well as Intelligence Reports (IRs) shared with the AML Unit of the Ghana Revenue Authority (GRA) during the same period.

METHODOLOGY

The report utilizes quantitative and qualitative datasets of sampled STRs and IRs from the database of FIC to present the findings. The STRs were sourced from reports filed by various AIs such as banks, microfinance institutions (MFI), insurance companies and some designated non-financial businesses and professions (DNFBPs). The findings presented in this report are derived

from analyses of STRs and GRA tax assessments on intelligence reports (IRs) disseminated to them by the FIC.

The primary sources of information included:

1) Suspicious Transaction Reports (STRs)

The reports submitted by various AIs served as a crucial starting point for the analysis. A review was conducted on selected STRs to identify indicators of:

- Misrepresentation of income of account users.
- Use of personal bank accounts for high-value commercial transactions.
- Inconsistent declarations of sources of funds or wealth.
- Structuring of deposits to avoid reporting thresholds.
- Refusal to provide documentation or clarify source and purpose of funds.

2. Outcomes of Investigations (Feedback) from the AML Unit of GRA

FIC leveraged on the feedback mechanism established with the AML Unit of GRA to incorporate findings from investigations carried out on submitted IRs to the Authority. The analysis of these findings helped:

- Validate intelligence initially identified through STRs.
- Establish direct links between undeclared income in personal bank accounts and business transactions.
- Uncover attempts to disguise the origin of untaxed income through layering techniques or the use of proxies.

THE TAX SYSTEM IN GHANA: LEGAL AND STRUCTURAL OVERVIEW

Ghana's tax system is primarily governed by a framework of laws that aim to mobilize domestic revenue, ensure equitable taxation and promote compliance. The key legislations that underpin the tax regime includes; Communications Service Tax (Amendment) Act, 2019 (Act 998), Communications Service Tax Act, 2008 (Act 754), COVID 19 Health Recovery Levy, 2021 (Act 1068), Free Zones Act 1995 (Act 504), Financial Sector Recovery Levy Act, 2021 (Act 1067), Ghana Revenue Authority Act, 2023 (Act 1096), Ghana Revenue Authority Act, 2009 (Act 791), Ghana Infrastructure Investment Fundamental Act, 2021 (Act 1063), Ghana Education Trust Fund Act, 2000 (Act 581), Growth and Sustainability Levy Act 2023 (Act 1095), Income Tax (Amendment) Act, 2023 (Act 1094), Income Tax (Amendment) (No.2) Act, 2021 (Act 1071), Income Tax (Amendment) Act, 2021 Act 1066, Income Tax Act, 2015 (Act 896), Internal Revenue Act (2006 Amended Version), Penalty and Interest Waiver (Amendment) Act, 2021 (Act 1073), Penalty and Interest Waiver (Amendment) Act, 2021 (Act 1073), Revenue Administration (Amendment) Act, 2020 (Act 1086), Revenue Administration (Amendment) Act, 2020 (Act 1029), Stamp Duty Act, 2005 (Act 689), Stamp Duty (Amendment) Act, 2023 (Act 1109), Standard for Automatic Exchange of Financial Account Information (Amendment) Act 2023 Act 1099, Standard for Automatic Exchange of Financial Account Information Act 2018 (Act 967), TIN Act, 2002 (Act 632), VAT Amendment - Value Added Tax Act, 2023 (Act 1107), VAT Amendment - Value Added Tax Act, 2022- (Act 1087), VAT Amendment - Value Added Tax Act, 2022- (Act 1082), VAT Amendment - Value Added Tax Act, 2021 (Act 1072), VAT Amendment - Value Added Tax Act, 2017 (Act 954), Value Added Tax Act, 2013 - (Act 870), Income Tax Act, 2015 (Act 896), the Revenue Administration Act, 2016 (Act 915), the Value Added Tax Act, 2013 (Act 870), the Customs Act, 2015 (Act 891), and the Excise Duty Act, 2014 (Act 878), among others.

Structure of the Tax System

Ghana operates a self-assessment and pay-as-you-earn (PAYE) tax system underpinned by both direct and indirect taxes. The tax system is administered by the Ghana Revenue Authority (GRA), established under the Ghana Revenue Authority Act, 2009 (Act 791), which brought together the Customs, Excise and Preventive Service, the Internal Revenue Service and the Value Added Tax Service into a single authority.

Legal Definition of Tax

Section 9(1) of the Revenue Administration Act, 2016 (Act 915) defines “tax” as:

“a duty, levy, charge, rate, fee, interest, penalty or any other amount imposed by a tax law or to be collected by, or paid to, the Commissioner-General under a tax law.”

The above definition provides legal basis for all fiscal obligations in relation to tax within Ghana’s jurisdiction.

Categories of Taxes

Direct Taxes

These are taxes levied directly on the income or profits of individuals and entities.

Personal Income Tax

Regulated under the Income Tax Act, 2015 (Act 896), individual residents are taxed on their worldwide income, while non-residents are taxed only on income sourced from Ghana. The income tax rates for individuals are progressive, as outlined in the First Schedule of Act 896.

ii) Corporate Income Tax

Corporations are subject to income tax on their chargeable income under Act 896. The standard corporate tax rate is 25%, with sector-specific rates such as 35% for mining and upstream petroleum operations and 20% for non-traditional exports.

iii) Withholding Taxes

Sections 114–123 of Act 896 provide for withholding taxes on specified payments such as dividends, interest, rent, royalties, and fees for services.

The payer is required to withhold tax and remit it to GRA.

iv) Capital Gains Tax

Under Sections 4 and 37 of Act 896, capital gains arising from the realization of chargeable assets are included in income and taxed at the applicable rate.

Indirect Taxes

These are taxes levied on goods and services rather than income or profits.

i) Value Added Tax (VAT)

Governed by the Value Added Tax Act, 2013 (Act 870), VAT is charged on the supply of goods and services in Ghana and on imports. The standard rate is 12.5%, with an additional 2.5% NHIL (National Health Insurance Levy) and 2.5% GETFund Levy, effectively bringing the total VAT-related charge to 17.5%.

ii) Excise Duty

Under the Excise Duty Act, 2014 (Act 878), excise duty is levied on specified locally manufactured and imported goods such as alcoholic beverages, tobacco products and petroleum.

iii) Customs Duties

These are taxes on imported goods governed by the Customs Act, 2015 (Act 891), including import duties, processing fees and levies for special purposes (e.g., the COVID-19 Health Recovery Levy).

Tax Administration and Compliance

The Revenue Administration Act, 2016 (Act 915) governs the administration of tax laws and provides the legal framework for registration, filing of returns, assessments, audits, enforcement, and dispute resolution.

Key compliance obligations include:

- Registration (Sections 13–16 of Act 915)
- Filing of Returns (Sections 28 – 32, 73)
- Tax Payment (Sections 9, 10, 80–84)
- Record Keeping (Sections 27, 28)
- Penalties for Non-compliance (Sections 72 - 76, and 78 - 82)

The Commissioner-General is empowered to enforce compliance, impose penalties and interest for late filing and payments and take legal action where necessary.

Enforcement and Tax Avoidance Laws

Tax avoidance laws are legal provisions and regulations designed to curb the practice of minimizing tax liability through artificial or aggressive financial arrangements that exploit loopholes in the tax system. Governments regularly revise such laws to close gaps and address emerging avoidance schemes.

- Transfer Pricing Regulations (L.I. 2258) are enforced to ensure the arm's length pricing between related parties.
- General Anti-Avoidance Rule (GAAR) under Section 34 of Act 896 empowers the Commissioner-General to re-characterize a

transaction or arrangement that lacks commercial substance and is primarily for tax avoidance.

OVERVIEW OF MONEY LAUNDERING IN GHANA AND THE ROLE OF ACT 1044

Money laundering in Ghana remains a significant financial and security concern, involving the concealment of illicitly acquired funds through legitimate financial channels. The country's strategic geographic location, cash-based economy, informal sector, and increasing cross-border trade make it vulnerable to various money laundering schemes, including but not limited to trade-based schemes, use of personal accounts for business transactions and investment in real estate. Key sectors at risk include banking, precious metals and stones, gaming, virtual assets, just to mention a few.

To address these risks, Ghana has strengthened its legal and institutional framework through the Anti-Money Laundering Act, 2020 (Act 1044), supported by the efforts of the FIC, LEAs, supervisory and regulatory bodies in enforcing compliance, sharing intelligence and tackling financial crimes.

Section 1(2) of Act 1044 states that a person commits an offence of money laundering if the person knows or ought to have known that a property is, or forms part of, the proceeds of unlawful activity and the person:

- a. converts, conceals, disguises or transfers the property for the purpose of
 - i. concealing or disguising the illicit origin of the property; or
 - ii. assisting any person who is involved in the commission of the unlawful activity to evade the legal consequences of the unlawful activity.
- b. conceals or disguises the true nature, source, location, disposition, movement or ownership of, or rights to, the property; or

- c. acquires, uses or takes possession of the property knowing or suspecting at the time of receipt of the property that the property is, or forms part of the proceeds of unlawful activity.

The Act also presumes guilt where a person under investigation possesses assets disproportionate to their lawful income and is unable to account for the source of income. The Anti-Money Laundering Act, 2020 (Act 1044) recognizes tax crimes as predicate offenses for money laundering, reinforcing the synergy between tax enforcement and AML measures.

THE NEXUS BETWEEN TAX EVASION AND MONEY LAUNDERING

Tax evasion and money laundering are two distinct yet deeply interconnected financial crimes that pose significant threats to the integrity of national and global financial systems. While tax evasion involves the deliberate underreporting or non-payment of taxes legally owed to the government, money laundering refers to the process of concealing or disguising the origins of illegally obtained funds to make them appear licit.

At its core, tax evasion generates illicit proceeds, i.e. income that should have been declared to tax authorities but was hidden through deceptive means. Once this income is concealed, the perpetrators often undertake laundering activities to integrate these illicit funds into the financial system. These activities may involve the layering of transactions to obscure the audit trail and eventual integration into legitimate economic channels such as real estate, luxury assets, or even business investments.

A common method through which tax evasion and money laundering intersect is *the use of personal bank accounts to conduct business-related transactions*. This practice, often referred to as commingling of funds, allows

individuals to blur the lines between personal and business income and expenses. For instance, a business owner may channel company revenues into personal bank accounts, thereby underreporting business income to tax authorities. Simultaneously, this approach provides a convenient cover for laundering funds derived from criminal activities, as the financial transactions appear to be part of normal business operations.

The misuse of personal accounts for business transactions undermines transparency, making it difficult for both financial institutions and regulators to accurately assess the legitimacy of financial flows. This practice circumvents not only tax obligations but also AML/CFT controls, such as Know Your Customer (KYC), Customer Due Diligence (CDD) and reporting suspicious transactions.

Understanding the convergence of tax evasion and money laundering is essential for building an effective response to financial crimes. As such, there is a growing emphasis on strengthening the collaboration between AIs and FIC to detect and disrupt these dual threats.

REPORTING TRENDS AND INTELLIGENCE OUTCOMES

This section presents an overview of STRs filed by AIs that formed the basis for identifying typologies related to tax evasion using personal bank accounts. It also outlines the subsequent IRs disseminated to the AML Unit of GRA for further investigation and tax compliance actions. The analysis highlights key patterns observed in the reporting and the outcomes or responses triggered by the intelligence shared. This forms the analytical foundation of the typology and underscores the role of AIs and FIC in combating tax-related financial crimes.

STRs filed by Accountable Institutions

Als, under the Anti-Money Laundering Act, 2020 (Act 1044), are legal entities obligated to institute robust measures to identify, prevent and report activities related to ML/TF/PF and other related financial crimes.

The roles of these Als include but may not be limited to, ensuring CDD requirements are met to establish business relationships, performing continuous and ongoing monitoring of business relationships, keeping records of customers and transactions, suspicious activity and suspicious transactions reporting, cash transaction reporting, ensuring compliance with requirements on sanction lists and high-risk countries lists, organizing trainings and awareness creation campaigns towards AML/CFT, adopting a risk-based approach and developing internal policies, procedures and controls to disrupt tax evasion and other financial crimes.

Section 38(1) and (2) are key provisions in Act 1044 mandating Als to file STRs to FIC.

The Act requires that an AI that knows or reasonably suspects that an individual, a business entity, an accountable institution, or a trust has received or is about to receive the proceeds of unlawful activity, is required to submit STR to FIC. This obligation also applies where a transaction to which a business entity is a party is suspected to,

- i. facilitate or is likely to facilitate the transfer of the proceeds of unlawful activity
- ii. have no apparent business or lawful purpose
- iii. be conducted in a manner to avoid or give rise to a reporting obligation under the Act
- iv. be relevant to an investigation into tax evasion or an attempt to evade payment of tax, duty, or levy imposed by law; or
- v. involve actual or attempted money laundering.

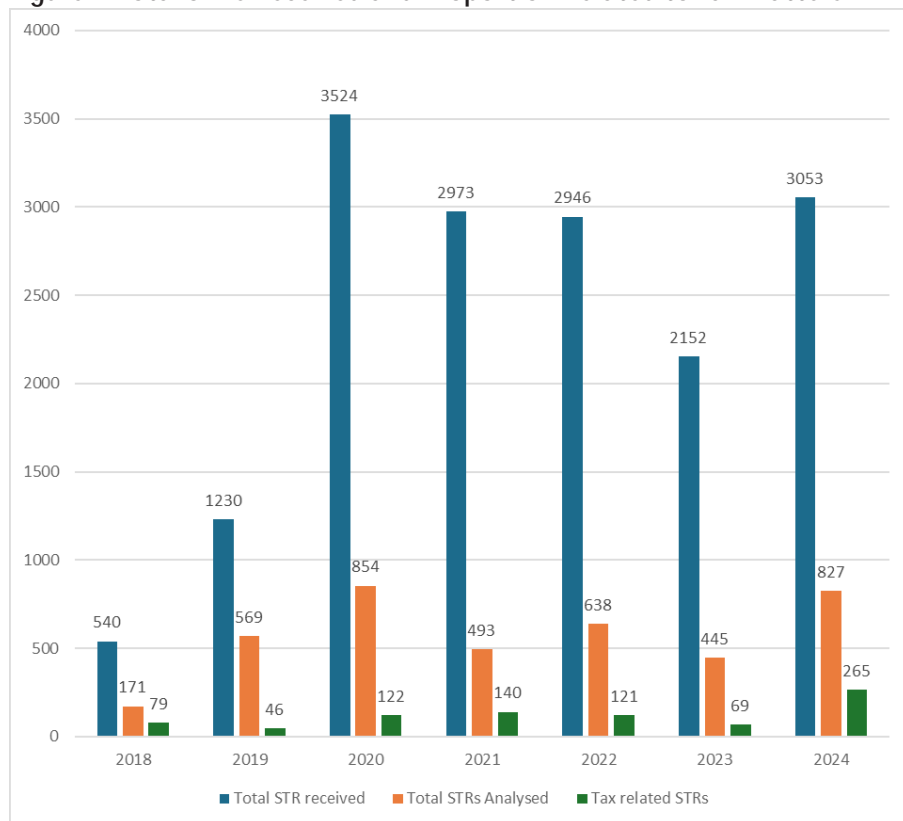
In such instances, the STR must be submitted within twenty-four hours of forming such knowledge or suspicion.

Furthermore, an AI that knows or reasonably suspects that any property is the proceeds of unlawful activity is likewise required to report this suspicion to the Centre. This report must also be submitted within twenty-four hours from the time the knowledge or suspicion was formed.

These requirements underscore the proactive role AIs must play in detecting and reporting suspicious transactions that may be linked to money laundering, tax evasion, or other financial crimes.

Figure 1 below presents an overview of the total number of Suspicious Transaction Reports (STRs) received over the reporting period, highlighting the subset of STRs identified as having tax-related implications. This comparison provides insight into the extent of potential tax evasion or avoidance activities detected through financial intelligence.

Figure 1. Total STRs Received and Proportion Related to Tax Matters



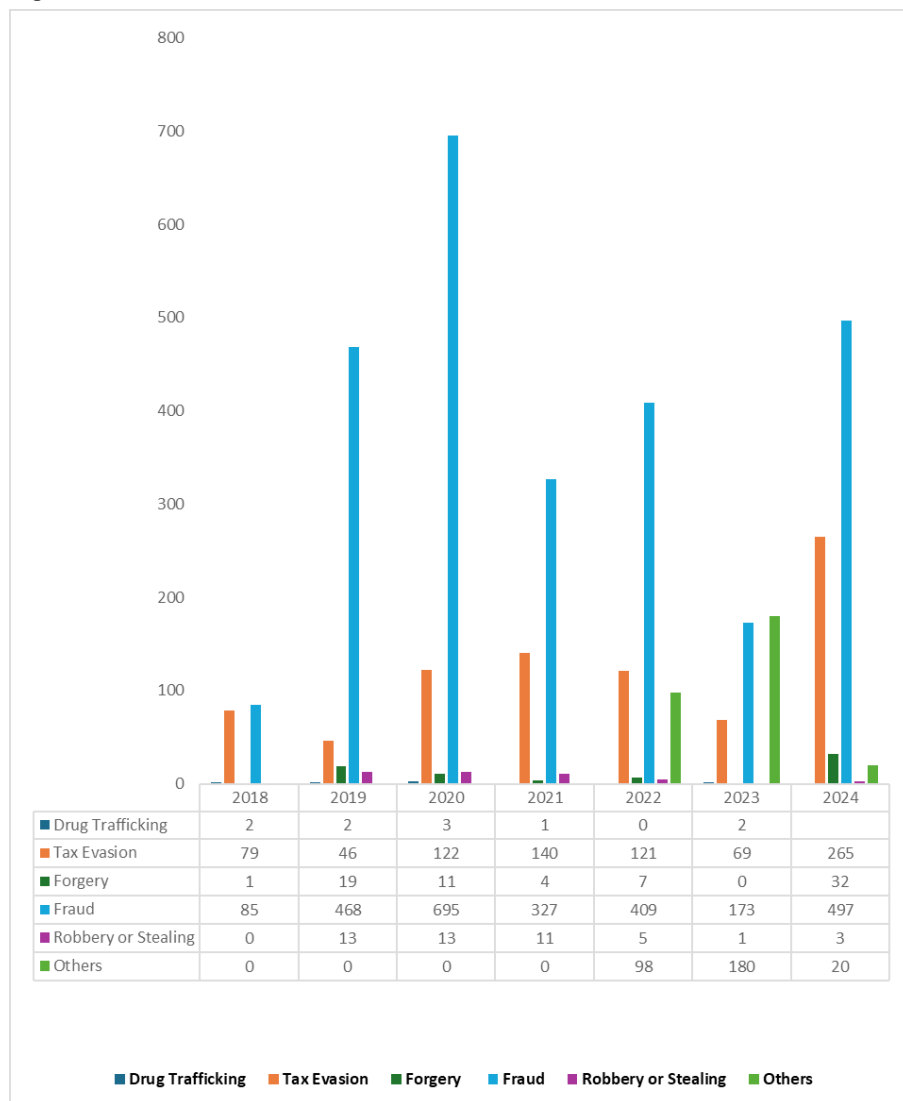
Source: FIC database

From 2018 to 2024, FIC received a total of approximately 16418 STRs, of which 842 were identified as having potential tax implications and referred to the AML Unit of GRA. The trend over the period showed fluctuations starting at 540 STRs (79 tax-related) in 2018 to a peak in 2020 then dipped until 2023 and finally rising again in 2024 with 3053 STRs (265 tax-related).

The two (2) main offences which consistently formed the basis for the suspicions reported to FIC were fraud and tax-related crimes. While drug trafficking, forgery and robbery/stealing appeared less frequently, their recurrence highlights the diverse criminal activities potentially associated

with money laundering. The sharp increase in tax crime cases reported in 2024, as indicated in figure 2 below, could be ascribed to growing awareness and improved detection mechanisms among reporting entities.

Figure 2: Predicate Offences Identified from STRs



Source: FIC database

Figure 2 above highlights the top 5 predicate offences underlying the STRs analysed and converted into cases. It is evident from the figure that tax-related offences were the second most common predicate offense after fraud.

Intelligence Reports disseminated to the AML Unit of GRA

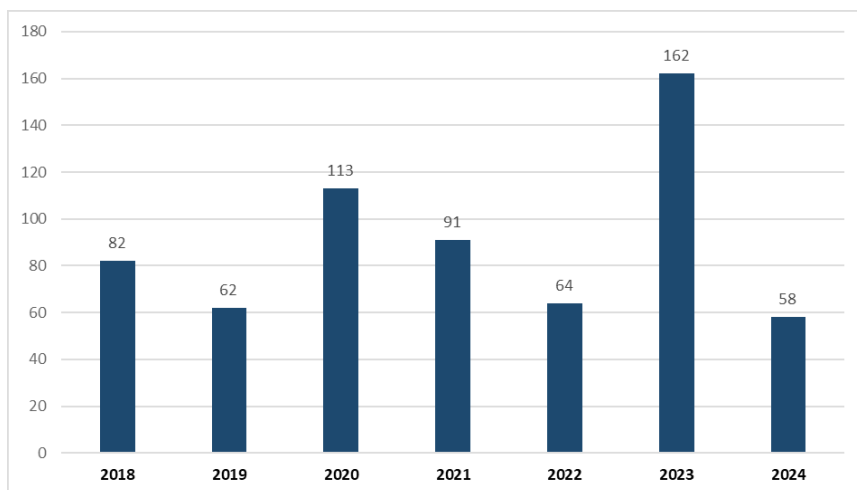
IRs are analytical products generated by the FIC based on the review of STRs and other relevant financial and non-financial data. These reports are developed following in-depth analysis to identify possible ML/TF, tax and other financial crimes.

The reports typically contain details of suspicious financial flows, relationships among individuals and entities, potential predicate offences and red flags observed. Once developed, these IRs are disseminated to LEAs, competent authorities such anti-corruption bodies, or the revenue authority, depending on the nature of the suspected offence.

In the case of tax-related offences, IRs are typically submitted to the AML unit of GRA to support the detection, investigation, and prosecution of tax crimes. The dissemination of such reports enables the tax authority to assess undeclared income, recover lost revenue and enhance compliance. As such, IRs are a key output of FIC's mandate to safeguard the financial system from abuse and to support national efforts in combating financial crime.

Figure 3 below outlines the IRs disseminated to the AML Unit of GRA that are linked to suspected tax evasion, particularly the use of personal bank accounts to conceal business proceeds.

Figure 3: Distribution of IRs disseminated to the AML Unit of GRA



Source: FIC database

Figure 3 shows that tax-related offenses, based on the IRs submitted to the AML Unit of GRA, fluctuated over the review period, with both increases and declines rather than a consistent trend. These fluctuations may reflect variations in compliance levels, reporting diligence, and enforcement intensity across the years, underscoring the need for targeted interventions to ensure consistent oversight.

Data provided by FIC through the dissemination of IRs to GRA resulted in various tax assessments and collections from 2018 to 2024 as indicated in table 1 below.

Table 1: Dissemination of Intelligence Reports (IRs) to the AML Unit of GRA for Tax Compliance Audits

	2018	2019	2020	2021	2022	2023	2024
IRs disseminated by FIC to GRA	82	62	113	91	64	162	58
Investigations initiated based on IRs	82	62	113	28	75	127	58
Tax assessed based on IRs from FIC (GHC)	22,783,244.85	48,519,498.24	41,941,628.65	5,202,463.35	57,304,989.67	21,898,258.07	4,965,293.90
Tax collected based on IRs from FIC (GHC)	8,287,352.86	23,122,249.03	33,073,636.15	2,615,701.07	6,190,736.93	4,141,523.40	2,031,769.62

Source: FIC & AML Unit of GRA Database, 2024

FINDINGS AND TYPOLOGIES

This section presents key findings based on some case studies involving tax evasion schemes that exploit the use of personal bank accounts. The analysis focuses on how such accounts are used to conceal business income, obscure the true ownership of funds and facilitate underreporting of taxable earnings.

FIC/GRA Collaboration in Unravelling Tax Evasion

High-quality reports submitted by AIs have played a pivotal role in:

1. **Initiating tax audits:** Intelligence shared with tax authorities has led to audits revealing under-reported income, undeclared assets, or fictitious business expenses.
2. **Assessing tax liabilities:** Some STRs directly contributed to identifying tax liabilities, resulting in tax assessments and recovery actions. In

certain instances, intelligence reports have led to the recovery of significant tax arrears.

By examining actual cases and patterns observed through financial intelligence and investigative work, the typologies outlined here aim to identify common methods, actors and red flags associated with this form of tax evasion.

Case 1

A foreign-owned company, DNG Ltd, operating in Ghana, used the country's cash-based economy to hide income, evade taxes, and potentially launder proceeds. The case began when Bank "Q" filed an STR with FIC regarding unusual cash deposits into the personal account of a Ghanaian national, **TCO**. Although TCO claimed to be a ceramic tile dealer, he was receiving large cash deposits regularly exceeding the statutory threshold for cash transactions. Further intelligence gathered by the FIC revealed that DNG Ltd operated several outlets in Accra where most customer payments were made in cash. After close of business each day, the company split its cash collections, depositing a large portion into TCO's personal bank account and a smaller amount into its official corporate account. This arrangement enabled the company to underreport its revenue and pay minimal taxes, as GRA was unaware of the true scale of operations. FIC subsequently disseminated an IR to the AML unit of GRA, which triggered a tax audit. The audit uncovered significant unreported income through TCO's personal bank account, resulting in a tax liability assessment of GH¢12 million (approximately USD 1.1 million). DNG Ltd, its directors, and TCO were prosecuted for tax evasion and ordered to pay the full amount.

Case 2

An STR filed by Bank "A" in 2023 highlighted unusual transaction patterns on the personal account of customer, **HF**. HF was receiving frequent and substantial deposits from multiple unrelated sources, followed by regular payments to various individuals and entities.

The pattern was inconsistent with the customer's declared personal profile and did not reflect any known employment or legitimate business activity.

Upon analysis by FIC, a suspicion of undeclared business income being funneled through the personal account was established. An IR was disseminated to the AML unit of GRA for possible tax-related violations. Subsequently, the AML unit of GRA conducted a detailed tax audit and determined that HF owned a business not known to GRA and had underreported her income, resulting in GH¢776,182.06 in unpaid taxes.

The full amount was recovered, confirming that the personal account was being used to conceal business income and evade tax obligations.

Case 3

In 2024, Bank "B" filed an STR to FIC concerning their customer, **IBA**, following a cash deposit of GHS 2.5 million into IBA's personal bank account. Further review of the account revealed consistent high-volume cash inflows from multiple individuals, suggesting possible commercial activity. IBA's KYC records did not indicate any registered business or source of income that would

Case 3 cont...

justify such large and frequent deposits. FIC conducted a detailed analysis and observed that IBA was likely operating an unregistered business or conducting business transactions through a personal bank account, thereby concealing income to evade tax. Based on the findings, FIC disseminated an IR to the AML unit of GRA for possible tax evasion and regulatory breaches. Following FIC's referral, the AML unit of GRA carried out a tax audit and assessment. It was established that IBA had failed to declare substantial income. The investigation concluded with the recovery of GH¢ 457,424.38 in unpaid taxes.

Case 4

In 2022, Bank "D" submitted an STR to FIC regarding a client, **EDL**, a foreign national. At the time of account opening, EDL indicated that his source of income was "personal savings".

Subsequent monitoring and analysis of the account by FIC revealed multiple high-value deposits from various third-party sources totaling GH¢2,532,510.00. The volume and nature of these transactions were inconsistent with the declared source of income and suggested that the subject was using the personal bank account to conduct undisclosed commercial activities. Additional information received by FIC showed that EDL was the owner and director of a company and was channeling business proceeds into his personal bank account. In response, FIC disseminated an IR to the AML unit of GRA for tax compliance review. Upon assessment, the AML unit of GRA confirmed that the subject had been engaged

Case 4 cont...

in business activities through the personal bank account and had not fulfilled the corresponding tax obligations. The AML unit of GRA proceeded to recover GH¢248,557.00 in unpaid taxes from the subject, reflecting earnings that had not been previously declared.

Case 5

Bank "X" submitted an STR to FIC concerning a client identified as **VTA**. During the account opening process, the subject declared "personal savings" as his source of income. However, subsequent monitoring and analysis by FIC revealed multiple inward remittances totaling GH¢417,020.05 into the subject's personal bank account. The volume and nature of these transactions were inconsistent with the declared source of income and indicated that the account was likely being used for undisclosed business activities. Based on these findings, FIC disseminated an IR to the AML unit of GRA for further review. Following a tax compliance assessment, GRA confirmed that VTA had indeed been conducting business through his personal bank account without meeting the necessary tax obligations. As a result, GRA recovered GH¢149,344.62 in unpaid taxes, representing previously undeclared income.

TYOLOGIES IDENTIFIED

Typology	Modus Operandi	Reason for Operation
Structuring or Smurfing	<p>Businesses that generate large sums of money deliberately split revenues into multiple small deposits.</p> <p>Instead of depositing GH¢100,000 at once, which may trigger suspicion or reporting thresholds, they break it down into GH¢4,900 or GH¢9,800 across different days, branches, or even across multiple personal accounts.</p>	<p>To avoid regulatory detection (banks and FIC systems often flag unusually large deposits).</p> <p>To make the funds appear like ordinary personal savings.</p>
Use of Third-Party Personal Bank Accounts	<p>Tax evaders deliberately use accounts of family members, friends, employees, or associates to channel income, making it harder for authorities to trace the money back to them.</p>	<p>Creates a layer of distance between themselves and the taxable funds.</p> <p>Makes it more difficult for tax authorities to prove ownership of income.</p>
Commingling of Business and Personal Funds	<p>Business owners mix personal and business funds in their personal accounts. Instead of using a registered business account, they run all sales, supplier payments, and customer receipts through their personal bank account. This conceals the true volume of business activity from the GRA.</p>	<p>Reduces visibility of actual business turnover.</p> <p>Allows under-declaration of taxable income.</p> <p>Avoids the enhanced monitoring that comes with corporate accounts.</p>
Cash-Intensive Businesses	<p>Individuals engaged in cash-heavy businesses (traders, importers, service providers) deposit large volumes of cash into personal accounts but fail to declare it as income to the GRA.</p>	<p>Cash deposits are harder to trace compared to electronic transfers.</p> <p>Easy to disguise deposits as personal income or "savings."</p>

Red Flags for AIs in Detecting Potential Tax Evasion via Personal Bank Accounts

Red flags (related to tax evasion through the use of personal bank accounts for business transactions) which can help AIs to detect if a transaction is suspicious include:

1. High volume transactions in personal bank accounts.
2. Structuring/smurfing, in which business-related transactions are broken up into small amounts and transacted through personal accounts to avoid detection and questioning by FIs. e.g. Company 'A' is not transacting much. However, evidence from Company B would suggest that Company A is active and conducts business through other channels.
3. Unexplained transactions which are repeatedly conducted between personal and business accounts.
4. Personal bank account of shareholder/signatory of the company receives fund transfer from company account in the name of borrowing.
5. Any act or transaction is not found reasonable or has no justifiable purpose.
6. Unusual and high-value transactions in the businessperson's other linked accounts, e.g. of other relatives, close friends, associates etc.

Note: *The aforementioned red flags are intended as a reference guide to assist AIs in identifying potentially suspicious activities, particularly those involving the misuse of personal bank accounts for business-related transactions. These reflect current trends and should be regularly updated to address evolving typologies and emerging risks associated with tax evasion and financial crime. The indicators listed are not exhaustive, nor do they constitute definitive evidence of wrongdoing or full compliance with the Anti-Money Laundering Act, 2020 (Act 1044). Professional judgment and contextual analysis remain essential in the assessment of suspicious activities.*

Analysis of Impact

The use of personal bank accounts for business transactions undermines financial transparency, facilitates tax evasion and contributes to broader economic and governance challenges. In Ghana, this practice has a significant impact on state revenue, financial crime risk, and the overall integrity of the financial system.

Revenue Loss to the State

FIC and GRA have identified tax evasion through misuse of personal bank accounts as a contributor to significant revenue shortfalls. Key observations include:

- **Unreported Income and Tax Leakages:** Business income deposited into personal accounts often goes undeclared in tax filings. This results in the evasion of corporate income tax, VAT, and other statutory obligations.
- **Estimated Impact from Intelligence Reports:** While precise national data is scarce, intelligence disseminated by FIC to GRA from 2018 to 2024 contributed to tax assessments valued at approximately GH¢202,615,376.73 in a few cases involving misuse of personal bank accounts. This indicates the potential for millions of cedis in unrealized tax revenue at scale.
- **Widening the Informal Sector Gap:** The habit of conducting business through personal bank accounts is prevalent in the informal sector, which makes up a significant majority of Ghana's labour force. This diminishes the tax base and limits the state's capacity to mobilize domestic resources for development.

Link to Wider Financial Crime

The commingling of business funds into personal bank accounts is not only a tax concern but often serves as a conduit for broader financial crimes, including:

- **Money Laundering:** Funds of illegal origin, including proceeds from fraud, illegal mining (galamsey), or smuggling, can be disguised as business income when deposited into personal bank accounts. Without proper scrutiny, such accounts help launder money by creating a false impression of legitimate enterprise.
- **Corruption and Abuse of Office:** Public officials or politically exposed persons (PEPs) may use personal or associate accounts to conceal kickbacks or illicit commissions from contracts awarded. This practice undermines anti-corruption measures and accountability frameworks.
- **Trade-Based Money Laundering (TBML):** In some cases, businesses under-invoice or over-invoice goods and deposit discrepancies into personal bank accounts. This facilitates illicit financial flows that distort international trade data and harm Ghana's economic integrity.

The total suspicious transaction value associated with these disseminated cases was estimated at approximately GH¢79,462,968.06 as recovered by the AML Unit of GRA over the period.

The findings indicate tax-related offenses involving the misuse of personal bank accounts for business activities, as evidenced by related STRs submitted by FIs to FIC in recent years. This trend underscores an increasing risk of tax evasion and potential money laundering facilitated through such practices, thereby warranting sustained vigilance and reinforced regulatory oversight.

RECOMMENDATIONS

To effectively address the misuse of personal bank accounts for business-related transactions often linked to tax evasion, all stakeholders must work collaboratively. Harmonizing the type of accounts used with the nature of business operations is essential to improving financial transparency and accountability. Based on the analysis and findings of this report, the following targeted recommendations are made to AIs and LEAs.

Recommendations for AIs

- **Client Education at Onboarding and Beyond:**
AIs should proactively educate customers at the time of onboarding and periodically thereafter on the appropriate use and purpose of different types of accounts (e.g., personal vs. business accounts).
- **Targeted Awareness for Business Clients:**
Companies, sole proprietors, and other business entities should be sensitized about the importance of conducting all business-related transactions exclusively through official business accounts to maintain transparency and regulatory compliance.
- **Broader Monitoring Scope:**
In addition to monitoring customer business accounts, AIs should extend monitoring to personal bank accounts of key individuals such as shareholders, proprietors, senior employees and close family members. This would help detect linked transactions and hidden business flows conducted through non-business channels.

Recommendations for LEAs

- **Integrated Business Registry for Due Diligence:**
Establish a centralized business registry that consolidates data from various registration authorities, including municipal bodies, the

Ministry of Trade and Industry (MOTI), and the Office of the Registrar of Companies (ORC). This will streamline investigations and improve verification processes.

- **Prioritization of Tax Evasion Cases:**
Given that tax evasion has been identified as a high-risk predicate offense in successive NRA, investigative agencies should give special attention to cases where there is evidence or suspicion of business income being routed through personal bank accounts.

CONCLUSION

Between 2018 and 2024, tax-related offenses emerged as a significant concern in the spectrum of suspicious transaction reporting, accounting for 18.2% of all analysed STRs. The misuse of personal bank accounts for business activities – by sole proprietors, shareholders and in some cases, relatives or employees represents a deliberate strategy to conceal business income, distort financial audit trail and evade tax obligations.

Tackling these offenses calls for a coordinated approach involving enhanced monitoring, targeted regulatory guidance and strengthened institutional capacity to identify and disrupt such typologies. Prioritizing tax-related offenses, particularly the misuse of personal bank accounts, is crucial to preserving fiscal integrity and ensuring sustained tax compliance.

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