

TECHNOLOGY TRANSFER AGREEMENT

UKGCC: MANDATORY COMPLIANCE
SERIES

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- Definition of TTAs and scope
- Key legislation on TTAs
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- Process of registering TTAs
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DEFINITION OF TTAs

In Ghana, technology transfer generally relates to the transfer of:

- industrial property e.g. trademarks, trade names.
- technical service/ expertise e.g. feasibility studies, plans, diagrams, models formulae.
- technical know-how
- managerial services and personnel training.



KEY LEGISLATION GOVERNING TTAs

Two legislation generally apply to technology transfers in the Ghanaian economy.

(GIPC ACT 2013, ACT 865)

The GIPC is required to register, keep records and monitor all technology transfer agreements in Ghana

**TECHNOLOGY TRANSFER
REGULATIONS, 1992, L.I. 1547**

This set out extensively terms and conditions applicable to technology transfer agreements



THE ROLE OF THE GIPC IN TTA ADMINISTRATION

MANDATE

Register and keep records of all technology transfer agreements



SCOPE OF TTA APPLICATION

There must be a Technology Transfer Agreement (TTA)

The agreement must be between a Ghanaian incorporated company (Transferee) and foreign based company (Transferor).

The duration of the TTA should be more than 18 (eighteen) months to ten (10) years.

Payment for the technology by the transferee to the Transferor eg through the banking system.

The technology under the TTA must not be freely and easily available in Ghana.



TTA REGISTRATION PROCEDURE

Application for the registration of a TTA must contain the following:

- Complete technology transfer agreement Form GIPC/T1
- Certified true copy of Certificate of Incorporation
- Three original / certified copies of the TTA
- A detailed training schedule
- A yearly forecast of fees to be transferred during the term of the Agreement.
- Evidence of industrial property registrations if applicable
- Audited accounts for the five (5) most recent years of the Transferee Company
- A copy of Company Regulations
- A copy of GIPC Registration Certificate
- A copy of GIPC Renewal of Registration Certificate (if applicable)

2. Payment of non-refundable application fee (currently GH 15,206.00) and approval fee based on transfer value

KEY ASPECT OF TTA REGISTRATION APPLICATION

Allowable fees to be charged by the Transferor.

#	Technology Type	Allowable charges
1	Royalties for Intellectual Property	0-6% of net sales
2	Technical Services/ Assistance	0-3% of net sales
3	Know-how	0-2% of net sales
4	Management Services	0-2% of profit before tax
5	1-4	8%



Net sales for the purpose of Technology Transfer means , ex-factory selling price of the product exclusive of sales tax and excise duties levied by Government or the net income accruing from a service, minus the landed cost or payment for any component, materials and supplies imported from the technology supplier other than initial capital equipment and the first round of components, materials and supplies imported therefrom.

RENEWAL OF TTA REGISTRATION

Submit all relevant documentation applicable to applications for new registrations.

The submission of the application documents should be accompanied by an Update Report on the implementation of the current/previous Agreement.

The report should highlight the following:-

- The Training programmes organised for personnel of the Transferee indicating the number of Ghanaians trained, the type of training offered, the place and duration of the training.
- The aspect of the technology so far acquired by the Transferee
- The aspect of the technology adopted, absorbed or improved by the Transferee
- The challenges to full assimilation of the technology.
- The estimated period it will take the Transferee to completely assimilate the technology
- The justification for the renewal specifying in particular the extent of availability or unavailability of the technology in Ghana.
- The annual breakdown of the fees transferred during the term of the Agreement

PENALTIES FOR NON-REGISTRATION

- Failure to register a TTA with the GIPC is a breach of the GIPC Act 2013, Act 865 and L.I 1547 liable to a summary conviction.
- A company which fails to register its TTA with the GIPC should not transfer fees and charges to the Transferor in relation to technology transferred.
- The GIPC may also suspend, cancel or revoke the registration and advise BOG to suspend any remittance and incentives granted to the company etc.



CHALLENGES TO TTA ADMINISTRATION

Major challenges facing TTA administration are as follows:

- Delays in the TTA approval processes
- Banks transfer fees of clients without ensuring valid TTA certificate.
- Efficiency in the procedure or processes to verify the authenticity of TTA certificates submitted by clients.
- Lack of punitive measures against banks that facilitate or aid transfer of TTA fees without valid TTA certificate.
- Long time frame in obtaining regulatory approval
- Practical challenges with the definition of TTAs
- Outdated TTA regulations (L.I 1547)



HIGHLIGHTS OF TTAs in GIPA Bill 2025

Objective

To design a more responsive and efficient framework to regulate TTAs towards promoting, facilitating and regulatory technology transfers in Ghana.

REVISIONS TO TTA FRAMEWORK UNDER GIPA BILL

FUNCTIONS OF GIPA IN TTA FRAMEWORK

- Register TTAs
- Monitor TTAs
- Keep records of all TTAs of enterprises in Ghana to which this Act applies;
- Facilitate the acquisition, adoption, promotion and transfer of technology into and within Ghana

REVISIONS TO TTA FRAMEWORK UNDER GIPA BILL ctnd

DEFINITION OF TTAS

“technology transfer agreement” means an agreement between a **foreign transferor** which is duly incorporated or registered in the country of origin of the foreign transferor and a **transferee** that is an enterprise incorporated or registered under the Companies Act, 2019 (ACT 992) which has a duration of not less **twelve months** and which involves one or more of the following:

- a. the assignment, sale or licensing of foreign patents, foreign trademarks and **all forms of foreign industrial property rights** registered in accordance with **the laws of the country** or under **any other arrangements** recognized and enforceable under the laws of the country;
- b. the provision of foreign technological knowledge/expertise such as software, instructions, guides, models, formulae and feasibility studies;
- c. the provision of foreign technical advisory services, foreign technical assistance or any other technical services in whatever form they may be and supplied.
- d. the provision of foreign managerial personnel in the country for the **day-to-day management or administration** of the transferee except where the foreign transferor owns more than sixty percent of the equity share capital of the transferee upon which the level of payments by the transferee to the transferor will be reduced pro rata.

REVISIONS TO TTA FRAMEWORK UNDER GIPA BILL ctnd

REGISTRATION OF TTAS

- A TTA registered under this Act comes into force on the date of the registration.
- The initial duration of a registered technology transfer agreement
 - shall not exceed five (5) years; and
 - is subject to renewal which shall not exceed five (5) years for each term
- A technology transfer agreement may be renewed with the approval of the Authority in consultation with the regulator of the relevant sector and is subject to registration by the Authority.
- Fees and charges under a technology transfer agreement shall only be paid under a technology transfer agreement registered under this Act.





REGISTRATION OF TTAS ctnd

- No payment shall be made to the credit of any person or enterprise outside the country by any financial institution in respect of any payments due under a TTA, unless a certificate of registration issued under this Act is presented by the party or parties concerned together with a copy of the TTA certified and confirmed by the GIPA.
- Fees and charges in relation to TTAs that are not registered under this Act shall not be treated as a deductible tax expense of an enterprise under the Income Tax Act 2015 (Act 791).
- A TTA that is not registered with the Authority is not legally enforceable

BACKDATING OF TTAS

Principle: TTAs should come into effect post GIPC/GIPA registration

Scenario:

Parties execute a TTA with an effective date set prior to GIPA registration

- Under Act 865: No backdating of effective date; date of registration is effective date
- Under draft GIPA: Failure to submit a signed TTA within 30 days of the (prior) effective date shall in addition to applicable registration fees , be subject to an administrative penalty fee of 2500 penalty units of every month of non-submission of the application for registration

Effect of draft GIPA:

- GIPA will review the signed TTA for conformity with legislation
- Parties will be required to amend/insert addendum to TTA as necessary
- GIPA will register TTA
- GIPA may backdate the effective date as deemed relevant



OFFENCES

- A person or enterprise commits an offence if that person
 - is required by this Act to register a TTA but fails to register the TTA with the Authority
 - transfers or facilitates the transfers of fees and charges under an unregistered TTA or transfers or facilitates the transfers of fees and charges inconsistent with the terms of a registered TTA



WAY FORWARD

- ✓ Setting up of a dedicated Department (TTAD) for TTA administration
- ✓ Revision of TTA Forms to simplify process
- ✓ Close collaboration with the Bank of Ghana and the Ghana Revenue Authority to ensure compliance of technology transfer legislation
- ✓ Continuous collaboration with other sector regulators on TTA regulation
- ✓ Providing the necessary technical assistance for the passage of the GIPA Act 2025
- ✓ Review of the technology transfer Regulation, 1992, L.I 1547 to make it current and reflect best practices
- ✓ Development of TTA templates and guidance

THANK YOU