



**Mandatory Regulatory
Compliance for
Businesses in Ghana
The GIPC Act, 2013
(Act. 865)**

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- The Ghana Investment Promotion Centre (GIPC) is a government agency established under GIPC Act, 2013, Act 865 responsible for the encouragement and promotion of investments in Ghana; and
- to provide for the creation of an attractive incentive framework and a transparent, predictable and facilitating environment for investments in Ghana.



- The GIPC Act, Act 865 applies to all enterprises in Ghana.
 - ❑ Applies to enterprises in all sectors of the Ghanaian economy
- The interpretation of this Act does not restrict the application of other laws/enactments.
 - ❑ Other legislation requiring registration , licensing, satisfaction of capital requirements and/or local content requirements must be complied e.g. laws related to banking, mining, petroleum and insurance



- Functions of the GIPC include:
 - Formulation of investment promotion policies & plans to attract foreign & local investments
 - Registration of investors,
 - Initiation and organisation of investment related exhibitions, conferences & seminars
 - Identification of specific projects & joint venture opportunities for investment promotion and investor participation ,
 - Provision of investor support services/aftercare,
 - Registration of technology transfer agreements,
 - Collect, collate, analyse & disseminate information on investment opportunities and incentives
 - Negotiation of bilateral investment treaties



- Enterprises with foreign shareholders **shall** after incorporation with the Registrar-General's Department and **before commencement of operations be registered with the GIPC.**
- The Centre shall **within 5 working days** from the date of receipt of registration documents in good order register the enterprise.
- Enterprises registered with the GIPC shall renew their registration every two years
- An enterprise wholly owned by a Ghanaian(s) **may** after incorporation register with the Center and be entitled to benefits and incentives under the Act.



Step 1. Registration with Registrar General's Department

Incorporate a company at the Registrar- General's Department and obtain the following:

- Certificate of Incorporation and TIN number
- Company Constitution

Step 2. Minimum Equity Contribution

Foreign investors are required to comply with the GIPC Act 2013 (Act 865) regarding minimum equity requirements either in cash or in capital goods relevant to the investment; or a combination of both.

By way of equity participation, the breakdown is as follows:



- ❑ US\$200,000 for JV with Ghanaian partner having not less than 10% equity participation
- ❑ US\$500,000 for 100% foreign ownership
- ❑ US\$1,000,000 for Trading Activity with a minimum of 20 skilled Ghanaians employed

***There is no minimum equity requirement for:**

- **Foreigners interested in the following sectors: manufacturing, export trading and portfolio investment.**
- **A foreign spouse of a citizen of Ghana**
- **A citizen of Ghana who loses his/her citizenship**



Step 3. Registration with GIPC

The Investor then registers with the GIPC (after paying the relevant fees) for the process to be completed. This procedure takes five (5) statutory working days to complete, provided the registration forms and all supporting documents are in order.

This GIPC Registration process may be conducted online



GIPC Registration Certificate Renewal

Companies are required to renew their certificates every two (2) years as stated in section 24 (3) of the GIPC Act 865. The requirements include:

- **Completing Renewal Forms**
- **Status Report**
- **The latest Audited Financial Statements**
- **Recent PAYE Schedule with payments receipt**
- **SSNIT Clearance/Schedule with payments receipt as filed with SSNIT**
- **Tax Clearance Certificate**
- **Evidence of any changes in ownership/directorship structure filed with the Registrar**

General's Department



Grant of Expatriate Quota

Under Section 35 of the GIPC Act 865 expatriate quotas are granted based on paid-up capital as follows:

- ❑ US\$50,000 \geq and $<$ US\$250,000, (one automatic quota)
- ❑ US\$250,000 \geq and $<$ US\$500,000 (two automatic quotas)
- ❑ US\$500,000 \geq and $<$ US\$700,000 (three automatic quotas)
- ❑ US\$700,000+ (four automatic quotas)

Additional requirements Include:

- Application Letter
- Resume/Curriculum Vitae of expatriate
- Copy of bio data page of passport
- Copy of employment contract or appointment letter
- Confirmation of departure letter from Ghana Immigration Service

Companies can also apply for short term work permit through the Centre



Import Duty Exemption

Under Section 26 of the GIPC Act 865, companies are granted exemptions from payment of Import Duty, VAT and NHIL on plant and machinery for their operations including those under the laws mentioned in the Act.

Exemption applications are done online through the UNIPASS EMDA System with the following documents as attachments:

- **Bill of lading/Air Waybill**
- **Commercial Invoice**
- **Packing List**
- **Model numbers and photos of all machines and equipment imported and awaiting clearance**



- A valid tax clearance certificate obtained for GIPC exemptions
- A standard business plan.

Strategic Investment Approval

Under Section 26 (4) of the GIPC Act 865, specific incentive packages may be negotiated for, in addition to the incentives and benefits available under various legislations e.g. customs and taxation laws.

A project with minimum investment value of US\$50 million and in the priority sectors of the country as may be determined from time to time by the development policy of the Government of Ghana will be considered for approval as a strategic or major investment.

ACTIVITIES RESERVED FOR GHANAIS



- Non-Ghanaians are prohibited under section 27 of the GIPC Act, 2013, Act 865 from engaging in activities (**non-exclusive**) including;
 - Sale of goods or provision of services in a market or petty trading/hawking,
 - Operation of taxi/car hire service with under 25 vehicles,
 - Operation of beauty salon/barber shop,
 - printing of recharge scratch cards
 - Production, retail and supply of sachet water
 - Production of exercise books and basic stationery
 - Retail of finished pharmaceutical products

INVESTMENT GUARANTEES



- Prohibition against discrimination unless specifically provided under legislation :
 - ✓ Foreign investors, employers, workers enjoy same rights as citizens
 - ✓ GIPC shall not discriminate based on country of origin or nationality of an investor
 - ✓ Foreign investors subject to same laws and Ghanaian investors
- Guarantee against expropriation as stated in 1992 Constitution
- Transfer of capital, profits and dividends, fees for technology transfer agreements
- In disputes between foreign investor and Government recourse may be made to UNCITRAL, Bilateral Investment Treaty or other relevant national/international body

REGISTRATION OF TECHNOLOGY TRANSFER

AGREEMENTS (TTAs)



- Under GIPC legislation a Technology Transfer Agreement (TTA) refers to an agreement with an enterprise which involves:
 - Assignment, sale and licensing of all forms of industrial property e.g patents, industrial designs and trademarks.
 - Provision of technical expertise
 - Provision of know-how.
 - Provision of managerial services

Between a company in Ghana (Transferee) and a company outside Ghana (Transferor)

PROCEDURES FOR TTA REGISTRATION



1. Submission of documentation on a stated application form
2. Payment of non-refundable application fee and approval fee based on transfer value

Generally it takes 4-6 weeks to review and register an application.

3. Applications will be reviewed to ensure compliance with GIPC legislation
4. Non compliant TTAs will be returned with detailed explanations to be resubmitted
5. Approval Fees are required for compliant applications prior to issuance of Registration Certificate

KEY TTA PROVISIONS



1. Clauses transferring technology freely and easily available in Ghana are non-enforceable
2. Initial duration between 18 months and 10 years. Renewal 18 months to 5 years
3. Fees payable within specific thresholds (% of net sales/profit before tax)
4. Applicable law is Ghana law
5. Effective date of TTA is date of registration by GIPC
6. Transferor must provide training to transferee



- a) 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.
- b) A company which fails to register its TTA with the GIPC can not legally transfer fees and charges to the Transferor in relation to technology transferred.
- c) The GIPC may also suspend, cancel or revoke the registration and advise Bank of Ghana to suspend any remittance and incentives granted to the company etc

APPEALS AGAINST DECISIONS OF CENTRE



A person dissatisfied with the decision of the Centre may;

- Appeal to the Board of the Centre against the decision
- The Appeal shall be made within sixty days after the appellant has been informed of the decision.
- The Board shall within seven days after receipt of the Appeal set up a three(3) member committee and EITHER affirm, revoke or vary the decision of Centre
- A person dissatisfied with the decision of the Board may apply to the High Court for judicial review

NEW GIPC SERVICE OFFERINGS



In order to enhance the Centres operations and customer offerings, the Centre has created two new units namely:

Investor Aftercare Division

The division mainly engages in the active engagement of existing investors by the Centre to support their operations. Their functions include:

Assistance in overcoming compliance and regulatory issues

Mediation between government and investors to guide investor-friendly policy formulation

Guidance and support in navigating day-to-day- business difficulties



Diaspora Investment Desk

The Diaspora Investment Desk has been set up by the Centre to engage the Diaspora community. The desk has the following objectives:

To set up an institutional structure to enhance dialogue, provide advice, support and assistance to the diaspora, relating to investments and business opportunities.

To mobilize resources from diasporas living abroad.

To advise on diaspora policy including incentives and a broad framework of engagement.

To highlight and showcase skilled and dedicated diasporas globally.

To set-up a process to identify and invite diaspora talent to Ghana.

To serve as a liaison between diaspora entrepreneurs, stakeholders and citizens to build coalitions between them.

THANK YOU



CONTACT US

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GHANA
BEYOND
AID



Grow in
Grow with **Ghana**