

# REGISTRATION OF COMPANIES WITH FOREIGN PARTICIPATION IN GHANA



**INTEGRATED LEGAL CONSULTANTS**

**No. 12, Nii Amaah Ollenu Street  
Airport West, Accra  
P.M.B. 52 Kanda  
Accra  
Ghana**

**Edition 21**

[www.integratedlegalconsultants.com](http://www.integratedlegalconsultants.com)

## Newsletter

### *Editor's Note*

Integrated Legal Consultants (ILC) was founded in April 2007, in Accra, Ghana, to offer dedicated and innovative corporate legal services while ensuring that the Ghanaian and West African business community and our network of international clients benefit from the highest quality of corporate and commercial legal services that the Practice provides.

As part of this vision, the firm has introduced the publication of newsletters on legal and economic issues that would be of interest to clients and equally affect their transactions. This is our 21<sup>st</sup> edition.

Companies that have foreign participation in addition to being registered in line with the provisions of the Companies Act 2019 ( Act 992) are also required to comply with the provisions of the Ghana Investment Promotion Centre Act, 2013 (Act 865). Act 865 is the major legislation that regulates the activities of local and foreign investors who wish to carry on business in Ghana.

In this issue, we take a look at the registration of companies with foreign participation in Ghana in line with the requirements and conditions for foreign participation provided by the Ghana Investment Promotion Centre.

We hope you find it informative and educative. Your feedback is welcome.

*Esohe Olajide*

**Editor**

*Olusola Ogundimu*

**Editor-In-Chief**



## REGISTRATION OF COMPANIES WITH FOREIGN PARTICIPATION IN GHANA

### Introduction

Ghana's investment landscape is structured by a comprehensive legal framework designed to attract foreign capital while safeguarding the interests of its citizens. At the heart of this framework is the Ghana Investment Promotion Centre (GIPC) Act, 2013 (Act 865), which provides a clear set of rules and requirements for both local and foreign investors who wish to operate within the country.

This legislation defines the standards for what constitutes a "Ghanaian" investor, establishes minimum capital requirements for enterprises involving foreign participation, and details specific industries reserved solely for Ghanaian citizens. Through a balanced approach that encourages capital influx while securing local industry benefits, Act 865 fosters economic growth, job creation, and local industry development—ultimately creating a thriving environment for both Ghanaian and international investors.

### Definition of a "Ghanaian" Under Act 865

Act 865 defines a Ghanaian as *"a citizen of Ghana or a legal entity—whether a company, partnership, association, or other body, incorporated or not—wholly owned by Ghanaian citizens."*

This definition sets the stage for determining eligibility and certain protections under Act 865 ensuring that Ghanaian citizens maintain a degree of exclusive control over particular sectors of the economy while allowing foreign investors to operate within clearly established guidelines.



### Registration Requirements for Enterprises with Foreign Participation

The Act mandates that any enterprise with foreign involvement must register with the Ghana Investment Promotion Centre (GIPC) to obtain legal authorization to operate in Ghana. This registration process serves as the primary regulatory mechanism for overseeing foreign investments and ensuring compliance with Ghana's economic priorities. For foreign investors, the GIPC has stipulated minimum capital requirements that vary depending on the type and ownership structure of the enterprise as indicated below:

- a. *Joint Ventures with Ghanaian Partners:* For a non-Ghanaian investor entering into an arrangement to set up a joint enterprise/venture with a Ghanaian partner, a minimum capital requirement of Two Hundred Thousand United State Dollars (US\$ 200,000.00) or its equivalent in capital goods is required. This threshold ensures that foreign investment is meaningful and capable of contributing to Ghana's economic development.
- b. *Wholly Foreign-Owned Enterprises:* In cases where a business is entirely foreign-owned, the minimum capital requirement is Five Hundred Thousand United States Dollars (US\$

500,000.00) or its equivalent in capital goods. This higher capital threshold reflects the additional protections in place for Ghanaians by promoting a certain scale of investment that can support economic growth.

- c. *Trading Enterprises:* For enterprises who intend to engage in trading, whether wholly or partially foreign-owned, the Act sets the minimum capital requirement as One Million United States Dollars (US\$1,000,000.00). Additionally, such enterprises are required to employ at least twenty (20) skilled Ghanaian employees, ensuring that foreign investment in the trading sector also provides substantial local employment.

#### **Effecting Registration for Companies with Foreign Participation Under the GIPC Act**

Where an enterprise falls under any of the capital requirements indicated above, it must effect its registration with the GIPC upon completion of its incorporation at the Office of the Registrar of Companies (ORC).

It is important to note that section 24 of Act 865 mandates that any enterprise with foreign participation, as permitted under the Act, must be duly registered with the GIPC subsequent to its incorporation or registration at the ORC, and prior to the commencement of its business operations.

This mandatory registration with the GIPC under section 24 of Act 865 for all businesses involving foreign participation, is a critical compliance step for foreign investors intending to operate in Ghana. Upon successful registration with the GIPC, the Centre issues a registration certificate to the applicant which serves as proof of compliance and

enables the business to operate in accordance with our investment laws.

The registration certificate issued by the GIPC is valid for a period of two (2) years. It is imperative for businesses to note that this validity is not indefinite. The certificate must be renewed upon its expiration to maintain the entity's legal status, avoid penalties, and ensure continued compliance with the provisions of the GIPC Act.

The renewal process involves the submission of updated business documentation and the payment of prescribed fees as stipulated by the GIPC.

Failure to register with the GIPC or to renew the registration certificate within the stipulated timeline may result in sanctions, including fines or the suspension of business operations. It is therefore recommended that investors prioritize compliance to safeguard their investments and uphold their business operations in Ghana.

The documents required for the said registration include:

- i. A copy of Certificate of Incorporation
- ii. A copy of Company's constitution
- iii. Beneficial Ownership Document from the Registrar of Companies
- iv. Form 3 from the Registrar of Companies
- v. Change of Profile document from the Registrar of Companies (if any changes have been made)
- vi. Articles/Memorandum of Association (in the case of Liaison companies or subsidiaries)
- vii. Power of Attorney (in the case of Liaison companies)
- viii. Deed of transfer or shareholder's agreement filed at the ORC (in situations where some shares have been transferred)



- ix. Companies already in operation need to provide- TAX Clearance Certificate, Pay As You Earn (PAYE) List and Receipts, Social Security and National Insurance Trust (SSNIT) List and Receipts
- x. Audited Accounts/Financial Statements and
- xi. A valid National ID of the person or agent submitting the application<sup>1</sup>

registrations are vital in ensuring that businesses operate responsibly and within the confines of Ghana’s economic and social objectives.

**Enterprises Reserved Exclusively for Ghanaians**

To protect the livelihoods of Ghanaian citizens and prevent excessive competition from foreign investors in certain sectors, Act 865 restricts foreign involvement in a range of industries designated as “reserved enterprises.” These reserved industries include:

- a. Small-scale retail and market trading
- b. Taxi or car rental services with fleets of fewer than twenty five (25) vehicles
- c. Beauty salons and barber shops
- d. Printing of telecommunications scratch cards
- e. Production of exercise books and other basic stationery
- f. Sale of finished pharmaceutical products
- g. Production and sale of sachet water
- h. All forms of pool betting and lottery activities, with the exception of football pools

By reserving these industries for Ghanaians, Act 865 aims at preserving local business opportunities in sectors that often support micro-enterprises and serve as entry points for many Ghanaian entrepreneurs.



**Compliance and Industry-Specific Regulations**

Aside registering at the ORC and with the GIPC, foreign-owned businesses must adhere to specific industry regulations and obtain necessary permits from relevant government bodies before commencing operations. Depending on the business sector, registration may be required with the Petroleum Commission, the Data Protection Commission, the Environmental Protection Agency, and the Food and Drugs Authority, among others. These sector based registrations may be required to be done along with the mandatory registration of registered entities with the Ghana Revenue Authority, and the Social Security and National Insurance Trust (SSNIT). These regulatory

<sup>1</sup> Completing GIPC Registration Form&ltbr/>
<https://gipc.gov.gh/gipc-registration/>>accessed 20<sup>th</sup>  
 November,2024



## Conclusion

The Ghana Investment Promotion Centre Act, 2013 (Act 865) serves as a regulatory framework that not only promotes foreign investment but also actively safeguards the economic interests of Ghanaian citizens. By delineating clear requirements for investment, specifying minimum capital thresholds, and restricting certain industries for exclusive local ownership, Act 865 aims at striking a balance between welcoming international investors and supporting Ghana's domestic industries. For any investor looking to establish a presence in Ghana, understanding and complying with the provisions of Act 865 is essential to achieving sustainable and lawful business operations within the country.

***By Yvette Asare Badu  
(Associate)***

If you require further information or assistance with respect to registration of companies with foreign participation, kindly send an email to [ilc@integratedlegalconsultants.com](mailto:ilc@integratedlegalconsultants.com)