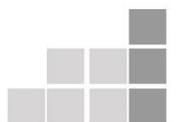




INTEGRATED LEGAL CONSULTANTS

FOREIGN INVESTORS- REGULATORY BODIES



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, our Practice has introduced the publication of newsletters on legal and economic issues that would be of interest to its clients and equally affect their transactions. This is our sixth edition.

Regulation of business entities is a key factor to be considered by a potential investor in Ghana. It is important that they are aware of the four (4) main regulatory bodies that guide the activities of companies in Ghana to ensure they remain compliant.

In this issue, we have highlighted the four (4) main regulatory bodies that foreign investors should be mindful of while doing or intending to carry on business in Ghana.

The issue also highlights the registration requirements and some of the documents required for registering with each of these regulatory bodies in Ghana.

We hope you find it informative and educative.

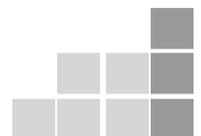
Your feedback is welcome.

Esohe Olajide

Editor

Olusola Ogundimu

Editor-In-Chief



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FOUR MAIN REGULATORY BODIES A FOREIGN INVESTOR WISHING TO SET UP IN GHANA NEED KNOW

Doing business globally can be challenging, especially for foreign investors who are strangers to the navigations of the business terrain of a new jurisdiction. Today, many governments and their agencies provide ample information on strategic platforms be it online or in brochures placed in various government offices and various locations to ease the stress of prospective investors. It follows that this article also seeks to assist investors navigate by introducing four (4) of the main regulatory bodies in Ghana with respect to doing business. Investors need to be well abreast of the rules and regulations of these bodies as they are the gate keepers of the entrance into doing business in Ghana.



1. Registrar General Department (RGD)

The Registrar General's Department was established under the Ordinance 1950, with the aim of ensuring an efficient and effective administration of entities in Ghana. The RGD is now administered under the Companies Act 2019, Act 992. Its scope includes the registration / incorporation and regulation of business entities in Ghana and administration of estates amongst others.

Of particular importance with respect to this write-up is the role of the Registrar General Department in the incorporation and registration of business entities in Ghana.

When a foreign investor seeks to do business in Ghana, the first step is to incorporate an entity with the Registrar General Department. Depending of the nature of business and the sector of interest, the investor may be required to meet a number of criteria, namely;

- Availability of proposed Business Name
- Capital Requirement
- Directorship and secretary
- Auditors
- Shareholders
- Registered Office Address
- Tax Identification Numbers

Once the above requirements are met, subject to paying the applicable fees the entity will be incorporated with the Registrar General Department and issued with the Certificate

of Incorporation and Certificate to Commence Business.

Note

that the company would be required to file Annual returns every year.

2. Ghana Investment Promotion Centre (GIPC)

The Ghana Investment Promotion Centre (GIPC) was established to co-ordinate and monitor all investment activities and assist domestic and foreign investors in Ghana. The activities of the

Centre are regulated by the Ghana Investment Promotion Centre Act, 2013, Act 865.

Upon incorporation, the Company must be registered with the Ghana Investment Promotion Center which is the focal point for regulation and promotion of foreign investments in Ghana. The cost of registration at the Ghana Investment Promotion Centre varies and depends on the amount of capital brought into the country and the nature of the business of the company.



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Also, to successfully register with the Ghana Investment Promotion Centre the foreign shareholder of the enterprise will be required to satisfy the minimum equity capital contribution either in cash transferred through Ghana's banking system or its equivalent in the form of goods, plant and machinery and other tangible assets imported especially and exclusively for the enterprise. The imported items must be covered by a Destination Inspection Report issued by an accredited inspection company stating the value and the condition of the goods by the Customs.

Where the company is wholly foreign owned, a minimum equity investment of US\$500,000.00 (Five Hundred Thousand United States Dollars) is required from the foreign investor but if it is a joint-venture with a Ghanaian company, a minimum equity investment of US\$200,000.00 (Two Hundred Thousand United States Dollars) is required. A company or enterprise being set up for trading purposes is required to have a minimum equity investment of US\$ 1,000,000.00 (One Million United States Dollars and must employ at least 20 (Twenty) skilled persons of Ghanaian Nationality.

A company registered by the Center is entitled to applicable benefits and incentives such as the provision of automatic quota positions, custom import duty exemption, income tax incentives, and investment guarantees which include free transferability through any authorized bank in freely convertible currency of dividends net profits attributable to the investment and guarantee against expropriation by the government.

Upon registration and the payment of the applicable fees, the enterprise will be issued with a Ghana Investment Promotion Centre Registration Certificate which is renewable every two (2) years.



3. Ghana Revenue Authority (GRA)

The Ghana Revenue Authority (GRA) was established by an Act of Parliament being, Act 2009 (Act 791). This act merged the three (3) revenue agencies, i.e. the Customs, Excise and Preventive Service (CEPS), the Internal Revenue Service (IRS), the Value Added Tax Service (VATS) and the Revenue Agencies Governing Board (RAGB) Secretariat into a single Authority for the administration of taxes and customs duties in the country. The Income Tax Act, 2015, Act 896 is relevant herein.

Upon incorporation, every company is required to register with the Ghana Revenue Authority. The Ghana Revenue Authority has three (3) main divisions; Customs Division, Domestic Tax Revenue Division and Support Services Division. The Company would be particularly required to register with the Internal Revenue Service Unit and Value Added Tax Unit both under the Domestic Tax Revenue Division.

The Company is also be required to register with the Internal Revenue Service under the Ghana Revenue Authority.



4. Ghana Immigration Service (GIS)

The Ghana Immigration Service is an established agency under the Ministry of the Interior to advise on and to ensure the effective implementation of all laws and regulations pertaining to immigration and related issues. The Immigration Act, 2000 (Act 573) regulates the activities of the Ghana Immigration Service such as admission, residence, employment and removal of foreign nationals and to provide for related matters.

Once the paid up capital has been satisfied, and the prospective investor has effected registration of the company with the Ghana Investment Promotion Centre ('GIPC') it can then proceed to apply for the resident/work permits, from the Immigration Department, through the GIPC.

The following documents are required by the Immigration Department:

- i. A police report from home country of the applicant
- ii. A medical report issued by a recognized medical establishment in Ghana
- iii. Two passport photographs of the applicant
- iv. A contract of employment and Curriculum Vitae of the person to utilize the quota position

If you require any help with registration or compliance issues for your company in Ghana kindly send an email to ilc@integratedlegalconsultants.com



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