GHANA INVESTMENT PROMOTION CENTRE

# GHANA'S INVESTMENT PROMOTION MEASURES AND THE GIPA ACT

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# OUTLINE

- Repositioning Ghana's Investment Future Together
- Key Investment Promotion Strategies
- Highlights of Key Sections of the GIPA Bill

# INTRODUCTION

GHANA INVESTMENT PROMOTION CENTRE

*The Ghana Investment Promotion Centre is currently undergoing a strategic Repositioning of Ghana's Investment Future in order to attract both foreign and local direct investment through targeted promotion, regional opportunity mapping, diplomatic engagement, regulatory reforms and alignment with the African Continental Free Trade Agreement. Internally, the Centre will modernise its systems, expand regional presence, enhance staff capacity, and adopt stronger advocacy and digital tools to deliver efficient, investor-focused services aligned with national development priorities.*

# REPOSITIONING GHANA'S INVESTMENT FUTURE TOGETHER

**Pillars of This Strategy**

1. Positioning Ghana as an open and competitive investment destination.

2. Making it easier and more predictable to do business

3. Strengthening institutional capacity within the Centre.

# KEY INVESTMENT PROMOTION STRATEGIES

1. Investment Opportunity Mapping Across All Regions.

2. Development of Pipeline of Bankable Projects

3. Customized country and sector specific promotion

4. Regional Investment Roadshows across all 16 regions.

5. Establishment of AfCFTA Desk to assist intra-African investors seeking to establish operations in Ghana.

# HIGHLIGHTS OF THE GHANA INVESTMENT PROMOTION AUTHORITY BILL

# BACKGROUND

- GIPC  was established in the early 1960’s as the Capital Investment Board, it has since undergone several transformations and changes in role.

- Previous laws included those passed in  1981 and 1994. The current law  was passed in 2013 as  the GIPC Act, 2013 (Act 865)

- GIPC Act 1994 (Act 478) established the Centre with the core mandate to promote and facilitate investment in sectors of the economy, except mining and petroleum.

- Under Act 865  GIPC operates under an enhanced mandate  to encourage, promote, facilitate and regulate investment in Ghana and covers ALL sectors of the  Ghanaian economy

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# NECESSITY FOR THE GIPA BILL

- ✓ A comprehensive new investment legislation was required to provide a robust regulatory framework necessary to effectively promote and facilitate investment in Ghana.

- ✓ Balance protection and encouragement of local investment vis a vis the promotion and facilitation of FDI

- ✓ Boost Ghana's prospects as a regional hub for several economic sectors

- ✓ Reflect domestic changes in legislation, international legal commitments e.g. under AfCFTA and global best practices

- ✓ Promote sustainable investment, transfer of technology and social inclusion

# NECESSITY FOR THE GIPA BILL (CTND)

- In 2023, Amendments to Act 865 was laid in Parliament
- However, it was not passed into law when Parliament finally rose at the end of its tenure
- Upon AG's advice Act 865 is to be repealed and replaced with a new comprehensive law due to the number of amendments earlier proposed to Act 865
- The GIPA Bill reflects most of the text of the Amendments to Act 865 and introduces further innovations.

# WHAT IS THE PURPOSE  OF  THE GIPA BILL ?

1. An Act to establish the Ghana Investment Promotion Authority (GIPA)**;

2. To encourage, promote, facilitate and regulate investments into and within Ghana;

3. To provide an incentive framework and a transparent, predictable and facilitating environment for investments in Ghana;

4. To facilitate investment outside Ghana by Ghanaian investors in Ghana**

5. Applies to enterprises in Ghana &  is  not  to be interpreted to restrict compliance with the requirements of any other enactment;

6. Promote and regulate technology transfer agreements  to  ensure fair value, enhance innovation, strengthen local capacity  and contribute to sustainable development

# FUNCTIONS OF THE AUTHORITY

In addition to the functions of the GIPC under Act 865, the Bill expands the functions of the Authority to include:

- Promote and facilitate investments consistent with the principles of sustainable development, environmental responsibility etc
- Register, monitor and keep records of all enterprises in Ghana to <u>which the Act applies</u>
- Facilitate the acquisition, adoption, promotion, and transfer of technology into <u>and within</u> Ghana;
- Facilitate the amicable resolution of grievances that may arise between an enterprise and an institution of Government though the establishment and operation of a grievance mechanism;
- Act as one-stop shop to promote and facilitate of investments for accessibility to information, transparency and improved ease of doing business;

# FUNCTIONS OF THE AUTHORITY CONT'D

- Promote and facilitate outward investment by Ghanaian enterprises into foreign countries to:
  - Foster expansion into regional and global markets;
  - Increase the international competitiveness of Ghanaian enterprises;

- Provide or facilitate the provision of investment related advisory services to eligible enterprises on compliance, business marketing, expansion strategies, etc.

- Act as the national focal point under the Protocol on Investment under AfCFTA

- Give the public notice of the Act and its Regulations

# ESTABLISHMENT & REGISTRATION OF ENTERPRISES

I. An enterprise for the purpose of the Act shall be incorporated /registered in accordance with the Companies Act 2019 (Act 992) and any other law relevant to the establishment of the enterprise.

II. An enterprise of which foreign ownership is permitted under the Act shall after incorporation or registration and before the commencement of operations register with the Authority.

III. Registration process within 5 days if documents are in good order (24 HR service available)

IV. Obligatory renewal of registration every year.

V. Benefits and incentives under the Act are not available to unregistered enterprises or those not in good standing**

VI. Other registrations with MDAs by enterprises are made pursuant to GIPC registration **

VII. Wholly owned Ghanaian enterprises may register with the Authority and renew every year.

# TAX INCENTIVES

1. <u>INDUSTRY SPECIFIC TAX INCENTIVES</u>

The Minister of Finance may, in consultation with the Authority, by an LI grant an industry- or programme-specific tax incentive for an industry or investment programme subject to the Exemptions Act, 2022 (Act 1083)].

2. <u>SPECIAL TAX INCENTIVES FOR STRATEGIC INVESTMENTS</u>

Cabinet shall determine priority areas of investment for the purpose of granting special tax incentives to promote strategic investments (in line with section 16 of the Exemptions Act).

The priority areas and criteria for determining what constitutes a strategic investment will be published

# CITIZENSHIP BY INVESTMENT

The Ministry of Interior in consultation with the Authority shall enact relevant legislation to specify the category of investors who shall qualify to apply for citizenship of Ghana under specific conditions.

Conditions may be based on

- Amount of investment
- Sector of investment
- Years of residency

# MINIMUM FOREIGN CAPITAL REQUIREMENT

| Under Act 865 | Under GIPA Bill, 2025 |
|---|---|
| • A **joint enterprise** with a citizen: foreign capital ≥ USD 200,000 cash or capital goods or a combination of both;<br>• The citizen ≥ 10% equity | No minimum foreign capital requirement;<br>Removes blanket minimum capital regime of Act 865; |
| • **Wholly foreign owned enterprise** foreign capital ≥ USD 500,000 cash or capital goods or a combination of both; | No minimum foreign capital requirement |
| • Non-citizen in a **trading enterprise**: ≥<br>• USD 1 Million in cash or goods and services;<br>• Employ ≥ 20 skilled Ghanaians. | **Non-citizen in a trading enterprise**: ≥ USD 500,000.00;<br>2. ≥ 75% of the employees must be skilled Ghanaians |

# INVESTOR GRIEVANCE MECHANISM (IGM)

- There shall be established an IGM to process grievances submitted by investors against any government institution

- A Grievance is submitted via an application with required information within 6 months of grievance arising

- GIPA will facilitate resolution of grievance in consultation with aggrieved investor and relevant government institution within 3 months
- Relevant government institutions shall be obliged to cooperate and implement the decision/recommendation of the Authority in the resolution of the grievance
- Actual/alleged criminal activity , cases pending in court, ADR or <u>submitted to internal MDA mechanisms</u> are excluded

- GIPA facilitates resolution within 3 months and forwards decision/recommendation to investor

- GIPA will submit quarterly reports to the Office of President on unresolved grievances

# AUTOMATIC EXPATRIATE QUOTAS IN TERMS OF PAID-UP CAPITAL & GHANAIAN EMPLOYESS OF NOT LESS THAN 90% OF WORKFORCE

**Under Act 865**

1. ≥ USD 50,000 and ≤ USD 250,000: ONE person.
2. ≥ USD 250,000 and ≤ USD 500,000: TWO persons;
3. ≥ USD 500,000 and ≤ USD 700,000: THREE persons;
4. ≥ USD 700,000: FOUR persons

**Under GIPA Bill, 2026**

1. ≥ USD 50,000 and ≤ USD 500,000: TWO persons.
2. ≥ USD 500,000 and ≤ USD 1 million: FOUR persons;
3. ≥ USD 1 million and ≤ USD 3 million: SIX persons;
4. ≥ USD 3 million and ≤ USD 6 million: EIGHT persons;
5. ≥ USD 6 million and ≤ USD 10 million: TEN persons;
6. ≥ USD 10 million: TWELVE persons.

# TECHNOLOGY TRANSFER AGREEMENT

Changes introduced include :

- Initial duration 5 years; renewal duration every 5 years (initial duration 10 years under Act 865)
- Fees transferable only under registered TTAs
- Banks shall not facilitate payments under unregistered TTAS
- Fees and charges under unregistered TTAs are not a deductible as a tax expense
- Unregistered TTAs are legally unenforceable
- GIPC renews TTAs in consultation with relevant sector regulator (specific approval generally not required)
- TTA Regulations are applicable to TTAs

# ADMINISTRATIVE PENALTIES/OFFENCES UNDER GIPA BILL, 2026