

# DOING BUSINESS IN GHANA

## PROCEDURE

### **STEP 1 – Registration with Registrar General’s Department**

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

- Certificate of incorporation
- Company Regulation
- Certificate to commence Business

The department has five (5) working days to complete formalities if all documents are in order.

### **STEP 2 – Minimum Equity Contribution**

Foreign investors should comply with the GIPC Act 865 regarding minimum equity requirements either in cash or in kind as follows:

- Bank account** – open 2 corporate accounts (foreign and local) with a local bank of your choice.
- By bank transfer** – effect a bank to bank transfer of minimum equity requirement, which must be converted into local currency (Cedis). This transaction should be confirmed to the Bank of Ghana by the investor’s local authorised dealer bank. Bank of Ghana in turn confirms this transaction to GIPC for the company’s registration purposes.
- By physical cash** – physical cash carried into Ghana by individuals for investment purposes should be declared on Bank of Ghana Form T5 on arrival and subsequently deposited in a bank account within the shortest possible time. This transaction should be confirmed by your dealer bank and the Bank of Ghana as in (ii).

### **Importation of Plant, Machinery and Equipment**

Enterprises are free to implement their projects by importing the relevant plant, machinery and equipment. Zero-rated and concessionary duty items should be cleared automatically and directly through the Customs Excise and Preventive Service (CEPS). Essential plant, machinery and equipment, which fall under section 26 (2) of Act 865 should be cleared with the GIPC.

- iv. **Equity in kind** – in the case of equity in kind in the form of imported machinery, equipment and goods, all documents covering such imports should be in the name of the registered company and evidenced by the following, which should be submitted to GIPC for registration purposes:
  - a. Bill of lading/Airway Bill (originals)
  - b. Destination (Ghana) Inspection Certificate
  - c. Custom Bill of Entry (originals)
  - d. Import Declaration Form (IDF)
  - e. Certified/Final Invoices
  - f. Evidence of Capitalisation – form 6 from the Registrar Generals Department
  
- v. **Registration with relevant Agencies** – registration with the relevant agencies as applicable to the sector of operation

### **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 are in order.

### **STEP 4 – Wholly Ghanaian – owned enterprises**

Wholly Ghanaian-owned enterprises do not need to register with GIPC since the minimum foreign capital requirement does not apply to such enterprises. They may however register (free) to enjoy the incentives offered under the GIPC Act.

### **STEP 5 – Immigrant Quota**

All wholly Ghanaian-owned enterprises and enterprises with foreign participation seeking immigrant quota facilities in respect of expatriate personnel (experts) for their businesses should satisfy the relevant minimum capital requirements specified under Section 28 of Act 865. Immigrant quota request is by a letter to GIPC.

### **STEP 6 – Registration with IRS and VAT Secretariat**

All enterprises must register directly with the Internal Revenue Service and the Value Added Tax (VAT) Secretariat for purposes of statutory tax e.g. taxes, rebates and exemptions.

### **STEP 7 – Environmental Impact Assessment Certificate**

Applicable enterprises must register and obtain an environmental permit from the Environmental Protection Agency (EPA).

## OWNERSHIP

Joint Ventures with Ghanaian partners are encouraged but 100% foreign participation is allowed

## EQUITY

US\$200,000 for JV with Ghanaian partner  
US\$500,000 for 100% foreign ownership  
US\$1,000,000 for Trading Activity  
**Export Trade & Manufacturing**  
Enterprises are exempt from the minimum equity.

## EXPATRIATE EMPLOYMENT

<b>Quota</b>	<b>Amount (USD)</b>
1 Person(s)	50,000 – 249,999
2 Person(s)	250,000 – 499,999
3 Person(s)	500,000 – 699,999
4 Person(s)	700,000 – upwards

## SETTING UP

The Ghana Investment Promotion Centre is the government agency re-established under the GIPC Act 2013 [Act 865] mandated to encourage, promote and facilitate investment in all sectors of the Ghanaian economy.

## WHY GHANA?

- A stable political environment within the West African sub region with established democratic institutions and systems to ensure good governance in the Country
- Abundant, adaptable and easily trainable labour force
- A competitive daily minimum wage rate (GHC 7.0 or US\$ 2.5 per day)
- 100% foreign ownership of Companies
  - **100% repatriation of profit and dividends after tax**
- Duty free access of manufactured exports to USA (AGOA) and European Union markets
- Excellent sea and air connections with Europe and USA
- Strategic and central location within West Africa provides access to the ECOWAS market with an estimated population of 350 million people
- A comparatively well-developed infrastructure i.e. internal road network, electricity and water supplies, internal and external communication as well as sea and airport facilities

- An already existing industrial base ranging from heavy engineering to precision industries, electronic, agro-processing, plastics and metal work, clothing and textiles, jewellery and wood processing.
- Availability of a stock exchange as well as other bank and non-banking financial institutions
- A dynamic private sector willing to collaborate with foreign partners
- A committed and progressive government/private sector participation
- A high degree of personal safety
- A truly hospitable people

## CORPORATE TAX

Type of Company		Percentage
All companies		25%
Income from non-traditional exports		8%
Hotels		22%
Financial Institutions	Income from loan to farming enterprises	20%
	Income from loan for a leasing company	20%

## INVESTMENT INCENTIVES

### TAX HOLIDAYS (From Start of Operation)

Sector		No. of years
Real Estate		5 years
Rural Banks		10 years
Agriculture and Agro-Processing	Cocoa farmers and producers	Income tax exempt
	Cattle ranching	10 years
	Tree cropping (e.g. coffee, oil palm, shea-butter and coconut)	10 years
	Livestock excluding cattle and poultry	5 years
	Fish farming, poultry and cash crops	5 years
Agro-Processing – converting fish, livestock into edible canned products		5 years
Waste processing (including plastics and polythene)		7 years
Free Zones Enterprise/Development		10 years &

	maximum, 25% thereafter
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### **LOCATIONAL INCENTIVES (Tax Rebates)**

- a) Manufacturing industries located in regional capitals other than
- |                |     |
|----------------|-----|
| Accra and Tema | 25% |
| Elsewhere      | 50% |
- b) After the initial 5-year tax holiday period, agro-processing enterprises, which use local agricultural raw materials as their main inputs, shall have corporate tax rates fixed according to their location as follows:
- Accra – Tema 20%
  - Other Regional Capitals (except Northern, Upper East and Upper West Regional Capitals) 10%
  - Outside Regional Capitals 0%
  - Northern, Upper East and Upper West Regions (capitals and all other locations) 0%

### **EXEMPTIONS**

Industrial plant machinery and parts thereof are exempted from customs import duty under the HS Codes chapter 82, 84 and 85.

### **INVESTMENT GUARANTEES**





- Constitutional guarantee
- Investment laws which guarantee 100% transfer profits, dividends, etc.
- MIGA membership
- Bilateral Investment Promotion Treaties (BITs)

## Some Foreign Affiliates Operating in Ghana

Unilever  
Guinness  
Coca Cola  
Nestle  
Cadbury  
L'air Liquide  
Blue Skies  
Barry Callebaut  
Phyto Riker Pharmaceuticals  
Barclays Bank  
Ericsson  
ACS BPS  
Alcatel –Lucent France Ltd.  
Vodafone B.V.  
MTN  
Airtel  
AngloGold  
Toyota Motor  
PZ Cussons  
Cargill

Standard Chartered Bank  
Stanbic Bank  
Tractor and Equipment  
Fan Milk  
Golden Tulip Hotel  
Novotel hotel  
Sonitra Construction  
Business Focus  
CFAO  
Woolworths  
British Airways  
Emirates Airlines  
Lufthansa German Airlines  
Virgin Atlantic Airlines  
Delta Airlines  
South Africa Airlines  
Ethiopian Air  
C. Woerman  
Newmont Mining

## Institutions that play key roles in the establishment and running of businesses in Ghana

No.	State Institution	Logo	Address	Telephone	Facsimile	Website/Email
1	Bank of Ghana (BOG)		The Governor P. O. Box GP 2674 Accra	+233(30)2 666174-8 666361-5 666902-8 666921-5	+233(30)2 662996	<a href="http://www.bog.gov.gh">www.bog.gov.gh</a> <a href="mailto:bogsecretary@bog.gov.gh">bogsecretary@bog.gov.gh</a>
2	Registrar General's Department (RGsD)		P. O. Box 118 Accra	+233(30)2 664691-3	+233(30)2 666081 666469	<a href="http://www.rgd.gov.gh">www.rgd.gov.gh</a>
3	Ghana Revenue Authority		PMB, TUC Post Office, Accra- Ghana	+233-(0)302- 686106/68436 3	+233- (0)302- 681163	<a href="http://www.gra.gov.gh">www.gra.gov.gh</a>
	Customs Excise and Preventive Service (CEPS)		The Commissioner P. O. Box 68 Accra	+233(30)2 668319 666841		<a href="http://www.ghanacustoms.gov.gh">www.ghanacustoms.gov.gh</a> <a href="mailto:pr@ghanacustoms.gov.gh">pr@ghanacustoms.gov.gh</a>
	Internal Revenue Service (IRS)		The Commissioner P. O. Box 2202, Accra	+233(30)2 675701 –10 665833	+233(30)2 664938	<a href="http://www.irs.gov.gh">www.irs.gov.gh</a> <a href="mailto:info@irs.gov.gh">info@irs.gov.gh</a> <a href="mailto:commissioner@irs.gov.gh">commissioner@irs.gov.gh</a>

	Value Added Tax (VAT) Service		The Commissioner P. O. Box 17177 Accra	+233(30)2 661525/6 2610030	+233(30)2 674186	<a href="http://www.vats.gov.gh">www.vats.gov.gh</a> <a href="mailto:info@vats.gov.gh">info@vats.gov.gh</a>
4	Ghana Immigration Service (GIS)		The Director Private Mail Bag Accra	+233(30)2 258250 224445 221667 674125 213401	+233(30)2 258249	<a href="http://www.ghanaimmigration.org">www.ghanaimmigration.org</a> <a href="mailto:director@myzipnet.com">director@myzipnet.com</a>
5	Environmental Protection Agency (EPA)		The Executive Director P.O. Box M 326 Accra	+233(30)2 664697/8	+233(30)2 662690	<a href="http://www.epaghana.org">www.epaghana.org</a>
6	Ghana Free Zones Board		The Executive Secretary P. O. Box M 626 Accra, Ghana	+233(30)2 780535 785037 785038 +233(24) 2174534	+233(30)2 780536 780537	<a href="http://www.gfzb.com.gh">www.gfzb.com.gh</a> <a href="mailto:info@gfzb.com.gh">info@gfzb.com.gh</a>
7	Ghana Export Promotion Council		P. O. Box M 146 Ministries Accra	+233(30)2 689889 683153	+233(30)2 677256	<a href="http://www.gepcghana.com">www.gepcghana.com</a> <a href="mailto:info@gepcghana.com">info@gepcghana.com</a>
8	Minerals Commission		The Chief Executive P.O. Box M.248 Accra, Ghana	+233(30)2 771318 / 773053 / 772783	+233(30)2 773324	<a href="http://www.ghana_mining.org">www.ghana_mining.org</a> <a href="mailto:Mincom@mc.ghanaminig.org">Mincom@mc.ghanaminig.org</a>
9	Ghana Tourist Board		P. O. Box GP 3106 Accra	+233(30)2 682601 682607 682608	+233(30)2 682510	<a href="http://www.touringghana.com">www.touringghana.com</a>
10	Ministry of Communications		The Minister <b>P.O. Box M42</b> <b>Accra</b>	+233(30)2 685626 685601	+233(30)2 667114	<a href="http://www.moc.gov.gh">www.moc.gov.gh</a> <a href="mailto:moc@ghana.gov.gh">moc@ghana.gov.gh</a>
11	Ghana Standards Board		The Executive Director P.O. Box MB 245 Accra	+233(30)2 500231, 500065/6, 506992-6	+233(30)2 500231, 500092	<a href="http://www.ghanastandards.org">www.ghanastandards.org</a> <a href="mailto:gsbdir@ghanastandards.org">gsbdir@ghanastandards.org</a> <a href="mailto:gsbnep@ghanastandards.org">gsbnep@ghanastandards.org</a>
12	National Communications Authority		The Director General P. O. Box 1568 Cantonments, Accra	+233(30)2 776621 771701	+233(30)2 763449	<a href="http://www.nca.org.gh">www.nca.org.gh</a> <a href="mailto:nca@gana.com">nca@gana.com</a>

13	Association of Ghana Industries	<b>AGI</b> Association of Ghana Industries	Executive Director P. O. Box AN 8624 Accra North	+233(30)2 779793 779023/4	+233(30)2 773143, 763383	<a href="http://www.agighana.org">www.agighana.org</a> <a href="mailto:agi@agighana.org">agi@agighana.org</a>
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