



商業信託  
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## Country Profile: Ghana

## The Facts

Location	Western Africa, bordering the Gulf of Guinea, between Cote d'Ivoire and Togo
Languages	Official – English Spoken – Akan, Ewe, Dagomba, Dangme, Dagaare Ga, Nzema, Gonja, Kasem
Nationality	Ghanaian
Religions	Christian – 71.2% Muslim – 17.6% Others – 11.2%
Government	Constitutional Democracy
Head of Government	President
Legislature	Unicameral Parliament
Constitutional Document	The Constitution of the Republic of Ghana
Economy	Ghana is one of fastest growing economy in the world and owns one of the highest GDP per capita in Africa due to it's diverse and rich resources. Crude oil production and refining, offshore banking, entrepot trade, financial services, electronics, mining, lumbering, tourism, light manufacturing, aluminum smelting, cement and food processing are some of the major industries in Ghana. Exporting minerals, oil, agricultural products are the main sources of foreign exchange.
Currency	Ghana Cedi (GHS)
GDP (2012)	Total – GHS 73.92 billion Per capita – GHS 2,966 Real GDP growth – +8.2%
Population	24,652,400 (approx.)
Percentage of population	Akan – 47.5% Mole-Dagbon – 16.6% Ewe – 13.9% Ga-Dangme – 7.4% Gurma – 5.7% Others – 8.9%
Area	238,533 km <sup>2</sup>
Time zone	GMT (UCT ±0)
Public Holidays	13
Climate	Tropical



Sources: Central Intelligence Agency, International Monetary Fund, Embassy of Ghana – Washington, DC

## Ghana

Ghana's economy has been strengthened by a quarter century of relatively sound management, a competitive business environment, and sustained reductions in poverty levels. Ghana is well endowed with natural resources and agriculture accounts for roughly one-quarter of GDP and employs more than half of the workforce, mainly small landholders. The services sector accounts for 50% of GDP. Gold and cocoa production and individual remittances are major sources of foreign exchange. Oil production at Ghana's offshore Jubilee field began in mid-December, 2010, and is expected to boost economic growth. President MILLS faces challenges in managing new oil revenue while maintaining fiscal discipline and resisting debt accumulation. Estimated oil reserves have jumped to almost 700 million barrels. Ghana signed a Millennium Challenge Corporation (MCC) Compact in 2006, which aims to assist in transforming Ghana's agricultural sector. Ghana opted for debt relief under the Heavily Indebted Poor Country (HIPC) program in 2002, and is also benefiting from the Multilateral Debt Relief Initiative that took effect in 2006. In 2009 Ghana signed a three-year Poverty Reduction and Growth Facility with the IMF to improve macroeconomic stability, private sector competitiveness, human resource development, and good governance and civic responsibility. Sound macro-economic management along with higher prices for oil, gold and, cocoa helped sustain high GDP growth in 2008-12.

## The Ghana Business Climate

There are several reasons to invest in Ghana:

- **Sound macroeconomic environment:** Ghana's macroeconomic performance has been positive in recent times. This level of performance has been stimulated by the prevalence of relative peace coupled with private sector competitiveness; human resource development; good governance and civic responsibility. The sound macro-economic management along with high prices for gold and cocoa helped sustain GDP growth in 2008 and 2009. For 2010, GDP growth was 4.1%, and the economy continues on its path of recovery, mainly backed by government's expenditure in infrastructure and FDIs. The Government Statistician put provisional per capita GDP for 2010 at GH¢1,872.07 (\$1,318.36) compared with GH¢1,069.89 (\$753) under the old series, moving the country into the lower middle income bracket. The new series places Ghana as the third largest in ranking of GDP per person in the ECOWAS sub-region behind Cape Verde and Nigeria, and 21st in Africa. On sectoral performance, the share of the agricultural sector in GDP under the new series saw agriculture, the dominant sector, now making up to 30.2% of the economy, lagging behind the services sector, which accounts for 51%. The industrial sector accounts for 18.6%. (Source: GNA 5 November 2010). The economy is seeing significant progress which is underlined by the relative political stability and macroeconomic reforms. The improvement in the economy has brought about an influx of foreign investments of various forms as well as a gradual increase in middle-class professionals.
- **Immediate access to all markets of the ECOWAS:** Ghana is a member of the Economic Community of West African States (ECOWAS), a regional economic organization comprising a thriving market of 250 million people in West Africa. Formed in 1975, ECOWAS allows for the free movement of goods and people across the borders of its 16 member nations. Since its creation, implementation of the ECOWAS protocol on trade has greatly enhanced intra-regional trade as well as Ghana's status as an economic force in the sub-region. Ghana's trading access to other African nations is expected to increase significantly in the coming years, especially as African nations move toward implementation of the African Economic Community, established by African heads of state and government in 1991. The AEC will take effect in 2025.

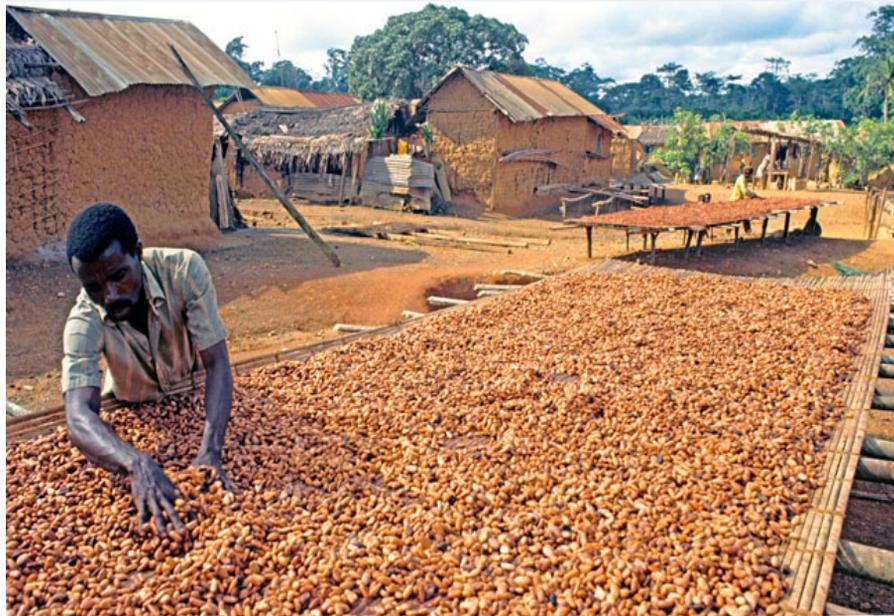
- **A country of natural wealth:** Ghana is endowed with abundant natural wealth, including vast agricultural, mining and human resources. Along with its growing manufacturing sector, agriculture remains a key sector of the economy. The agrarian sector employs 60 percent of the Ghanaian workforce and makes up almost 44 percent of the country's GDP. Cocoa is the second-largest export, and new exports such as wood products, textiles, jewelry, pineapples, tuna fish and cotton are rapidly diversifying Ghana's agricultural export profile. The country has over 13.6 million hectares of arable land suitable for crops or livestock, and a potential annual production of 655,000 metric tons of fisheries products. In addition to agricultural wealth, Ghana is also rich in mineral resources. Gold recently replaced cocoa as the country's primary export, with diamonds, aluminum and bauxite accounting for a large part of the country's exports. The mining industry was liberalized in 1987, and strategic investors such as de Beers, Lonrho, and others from the United States, Canada, Australia, South Africa and Britain have already taken advantage of the new business opportunities. Gold output rose to some 1.6 million ounces in 1995, and the Ghana Minerals Commission estimates that the 1996 output will reach 1.84 million ounces. Diamond production rose by an estimated 60 percent in 1994, and a continued rise is expected. Ghana's industrious, well-educated workforce is one of the country's most valuable resources. There is a strong primary, secondary and higher education infrastructure, and literacy rates average 53 percent, one of the highest in the continent. Industrial growth, led by the mining, food processing and textile sectors, reached about 7 percent by the end of 1995. According to *The Economist* magazine, the performance of Ghana's agricultural and mining sectors combined should lead to 5.5 percent GDP growth in 1995, and 5 percent GDP growth in 1996.
- **New business opportunities:** Recent amendments to Ghana's 1985 Investment Code have opened up a wide range of new business opportunities. The 1994 Ghana Investment Promotion Act guarantees the freedom for non-Ghanaians to establish and run enterprises in potentially lucrative areas such as natural gas; hydropower projects; fruit and vegetable farming; food processing, including fish canning; production of agro-chemicals; pharmaceuticals; and information technology. The government's ongoing privatization initiatives also open up a number of sectors for new business partnerships and investment, notably the banking and the state petroleum and telecommunications sectors. Tourism is an especially strong area for new business projects. Key opportunities in this sector include: tourist accommodation, particularly beach resorts; tourist transportation; catering enterprises; eco-tourism projects; night life and leisure; and tourist servicing enterprises. The Government of Ghana estimates that tourism will generate over \$270 million annually after 1996.

## Setting up a Business in Ghana

An entrepreneur, irrespective of nationality, can set up a business enterprise in Ghana in accordance with the provisions of any of the following legal instruments:- The Companies Code, 1963 (Act 179); the Partnership Act, 192 (Act 152) and the Business Name Act, 1962 (Act 151).

A foreign investor may team up with a Ghanaian entrepreneur or company for a joint venture, usually in the form of a partnership or a limited company. However, under the Ghana Investment Promotion Centre Act, 1994 (Act 478), a minimum equity capital of US\$10,000 is required from any foreign investor who intends to enter into a joint venture partnership with a Ghanaian. The foreign shareholder is required to satisfy this minimum equity capital either in cash transferred through Ghana's banking system or its equivalent in the form of goods, plant and machinery, vehicles or other tangible assets imported specially and exclusively to establish the enterprise.

Foreigners are permitted 100-per-cent ownership of an enterprise provided he/she satisfies section 19 (2b) of the GIPC Act, 1994 (Act 478). Wholly foreign-owned enterprises must have a paid-up capital the equivalent of US\$50,000. To establish a business, you will first have to register the business. Registration and incorporation of business are processed by the Registrar General's Department. After a company is duly registered and it is issued with a certificate, the company can approach any of the investment facilitation agencies to go through the investment procedure that is relative to the company's object of business. When the investment procedure is completed and the company is issued with its respective license, registration certificate or immigrant quota approval letter, it can apply to the Ghana Immigration Service for residence permit, by submitting appropriate documentation.



## Types of Business Structures in Ghana

An entrepreneur, irrespective of nationality, can set up a business enterprise in Ghana in accordance with the provisions of any of the following legal instruments:

- The Companies Code, 1963 (Act 179)
- The Partnership Act, 1962 (Act 152)
- The Business Name Act, 1962 (Act 151)

The most common company types used by foreign investors are:

- **Limited Company:** Application for registration of a company is made directly, or through agents or solicitors, to the Registrar-General. A company is duly registered after the company's regulations have been submitted to the registrar of companies and a certificate of incorporation issued. A specified fee is paid on presentation of the regulations. The information required includes:
  1. The name of the company with the word 'Limited' as the last word in the name
  2. The nature of the company's business
  3. A statement that the company possesses all the powers of a natural person of full capacity
  4. The names of the first directors of the company
  5. A statement that the liability of the company is limited
  6. The share capital and its division into shares of no par value
  7. Limitation on the powers of the board of directors in accordance with Section 202 of the Companies Code
  8. Any other lawful provisions relating to the constitution and administration of the company
- **Wholly Foreign-owned Enterprises:** Foreigners are permitted 100-percent ownership of an enterprise provided he/she satisfies section 19 (2b) of the GIPC Act, 1994 (Act 478). Wholly foreign-owned enterprises must have a minimum paid up capital, the equivalent of US\$50,000 in all areas of economic activity except import trading, where the minimum equity capital requirement is US\$300,000. In the cases of export trading and liaison (external) offices, there is no minimum foreign equity requirement.
- **Joint Ventures:** A foreign investor may team up with a Ghanaian entrepreneur or company for a joint venture, usually in the form of a partnership or a limited company. However, under the Ghana Investment Promotion Centre Act, 1994 (Act 478), a minimum equity capital of US\$10,000 is required from any foreign investor who intends to enter into a joint venture partnership with a Ghanaian in any area of economic activity, except import trading. In import trading the minimum equity capital requirement is US\$300,000. The foreign shareholder is required to satisfy this minimum equity capital either in cash transferred through Ghana's banking system or its equivalent in the form of goods, plant and machinery, vehicles or other tangible assets imported specially and exclusively to establish the enterprise.



- **External Company:** An external company is a body corporate formed outside Ghana but which has an established place of business in Ghana. This can take the form of a branch, management, share, transfer, registration office, factory, mine or other fixed place of business, but does not include an agency unless the agent is authorized to negotiate and conclude contracts on behalf of the outside company. Within one month of the establishment of the place of business, the external company should deliver to the Registrar of Companies the following:
  1. An English language translation of a certified copy of the charter, statutes, regulations, memorandum and articles or other instrument constituting or defining the constitution of the company.
  2. Statement of the following in duplicate:
    - a) Name
    - b) Nature of business or main objects
    - c) Name, address and business occupation of the local manager authorized to manage the business in Ghana
    - d) Number of authorized shares, amount paid and what is remaining payable in cash or otherwise
    - e) Address of its registered or principal office in the country of its incorporation
    - f) Address including post office box number of its principal place of business in Ghana
    - g) Name and address in Ghana of a person authorized by the company to accept service of process and other documents on its behalf
    - h) Particulars and copies of any charges on the property of the company or if no such charges, then statement to that effect

On receipt of the documents, they are registered in the Registrar of External Companies and the particulars gazetted. An external company may invite the Ghanaian public to subscribe to its shares, subject to its complying with requirements of the Companies Code covering invitations and the prospectus as if it were a Ghanaian company. The Registrar, however, has the discretion to waive or modify parts of these requirements. Annually, or at intervals not exceeding 15 months, the external company must submit for registration, a profit-and-loss account and balance sheet (as in the limited liability return of accounts). Alterations made in the charter, statutes, regulations, articles or other instruments used in registration should be delivered to the Registrar within 2 (two) months or the effective date of the alteration.

## Taxation

In 2001, a new tax law, The Internal Revenue Act 2000 (Act 592), was passed to administer Direct Taxes. The Internal Revenue Regulations, 2001 (L. I. 1675) was also introduced. There have been a number of amendments to the law and regulations. The only notable national levies in the country are:

- The National Health Insurance Levy of 2.5% imposed on certain goods and services
- The National Fiscal Stabilization Levy of 5% imposed on profit before tax of companies and institutions of certain listed sectors of the economy.

The National Health Insurance Levy is administered on the lines of the value added tax. Taxes consist of the income taxes, sales and service taxes administered by the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority (GRA) and customs and excise duties administered by the Customs Division (CD) of the GRA.

Unless specifically exempted in the law, companies (both resident and non-resident) are required to pay tax on income relating to business and investment, derived from, accrued in, brought into or received in Ghana after the necessary adjustment are made. The rate of tax is generally 25%. There are different rates applicable to certain companies (refer to 'Incentives' below). From 2012, mining companies are to pay corporate tax at a rate of 35%. The proposed amendment to the tax law to compel institutions with tax-free status pay tax on income from commercial activities was not effected. The corporate entity is taxed separately from its share holders. All companies have to file returns four months after their accounting year. It is also required that they make quarterly tax payment on the current year's income based on provisional assessment made by the DTRD or the company itself (where the DTRD has granted that permission).

Businesses are required to pay tax on gains made on realization of chargeable assets. Chargeable assets include land (which is not for agriculture in Ghana), buildings, shares, goodwill and business assets, among others. Chargeable assets do not include trading stock, securities of a company listed on the Ghana Stock Exchange during the first 15 years of the establishment of the Stock Exchange, Classes 1, 2, 3 and 4 assets (e.g. vehicles, plant and machinery, air and sea transport, computers, etc.). The capital gain is calculated as the excess of consideration received from the realization over the cost base of the asset at the time of realization. The tax is imposed at the rate of 15%. However, there are several exemptions:

- Gains derived from mergers, amalgamations or re-organization of the company where there is continuity of underlying ownership in the asset of at least 25%
- Capital gains of up to Gh¢ 50.00 where the person uses up the amount received to acquire a replacement asset
- Transfer of ownership of an asset to a former spouse in divorce settlement or genuine separation
- Transfer of asset to spouse or certain relatives.

### Investment Incentives in Ghana

In order to encourage and facilitate the operations of private enterprise, the Ghana Investment Promotion Centre Act, 1994 (Act 478), makes provision for the automatic award of investment incentives and benefits without prior approval. These incentives include:

- Customs import duty exemptions administered by the Customs, Excise and Preventive Service (CEPS)
- Tax incentives administered by the Internal Revenue Service (IRS)

The extensive and generous incentives packaged in the Free Zone Act (1995) for investors interested in developing and operating free zone enclaves and single-factory free zones in Ghana include:

- 100% exemption from payment of direct and indirect duties and levies on all imports for production and exports from free zones
- 100% exemption from payment of income tax on profits for 10 years and shall not exceed 8 per cent thereafter
- Total exemption from payment of withholding taxes from dividends arising out of free zone investments
- Relief from double taxation for foreign investors and employees
- No import licensing requirements
- Minimal customs formalities
- 100% ownership of shares by any investor – foreign or national – in a free zone enterprise is allowed
- There are no conditions or restrictions on: repatriation of dividends or net profit; payments for foreign loan servicing; payments of fees and charges for technology transfer agreements; and remittance of proceeds from sale of any interest in a free zone investment



- Free Zone investors are permitted to operate foreign currency accounts with banks in Ghana
  - At least 70% of annual production of goods and services of Free Zone Enterprises must be exported; consequently up to 30% of annual production of goods and services of a free zone enterprise are authorized for sale in the local market
- Free Zone investments are guaranteed against nationalization and expropriation.

## Immigration and Visa Requirements

All persons entering Ghana must be in possession of a valid passport or Travel Documents establishing the identity of the holder. Travel Documents include Laisser-Passer and other travel documents issued by International Agencies recognized by the Government of Ghana are:

- ECOWAS
- United Nations and its specialized agencies
- The World Bank
- African Development Bank, etc.

Where there is doubt, it should be cleared with the Ghana Immigration Service headquarters or the Ministry of Foreign Affairs, Accra.

Every Company, Ministry, Departments and Agency or individual who wishes to apply for a work permit shall pick a work permit application form at the receiving counter of the GIS Headquarters. The Applicant should completely fill the application form, append his signature. The applications shall be accompanied by the resume, educational and professional certificates of the employee, employment contract, police report from home country and Medical report.

## Banking Requirements

There are several different types of bank accounts. Opening a bank account in Ghana is fairly simple. You fill out a form and provide the necessary evidence to confirm your identity. Document requirements for business accounts include, but are not limited to:

- License of incorporation
- ID of all board members
- Physical address of all members of the organization
- Physical address of all members of the board
- Names of references as support for you application
- There are several different types of bank accounts

Please note that some banks may have additional requirements for foreign entities so verify before attempting to open.

## Reference

Ghana Investment Promotion Centre	<a href="http://gipcghana.com">gipcghana.com</a>
Voices of Ghana	<a href="http://www.voicesofghana.com">www.voicesofghana.com</a>
Central Intelligence Agency	<a href="http://www.cia.gov">www.cia.gov</a>
Newsonline Ghana	<a href="http://www.newsonlinegh.com/how-to-do-business-in-ghana-prekese-ghanamedia-gives-you-the-tips">www.newsonlinegh.com/how-to-do-business-in-ghana-prekese-ghanamedia-gives-you-the-tips</a>
International Monetary Fund	<a href="http://www.imf.org">www.imf.org</a>
Embassy of Ghana – Washington, DC	<a href="http://www.ghanaembassy.org">www.ghanaembassy.org</a>
KPMG	<a href="http://www.kpmg.com/GH/en/Documents/Doing%20business%20in%20Ghana%20-2012.pdf">www.kpmg.com/GH/en/Documents/Doing%20business%20in%20Ghana%20-2012.pdf</a>
Embassy of Ghana – Japan	<a href="http://www.ghanaembassy.or.jp">www.ghanaembassy.or.jp</a>
Ghana Free Zones Board	<a href="http://www.gfzb.com.gh">www.gfzb.com.gh</a>
Embassy of Ghana – The Hague	<a href="http://www.ghanaembassy.nl">www.ghanaembassy.nl</a>
Deloitte	<a href="http://www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2012/dtl_tax_highlight_2012_Ghana.pdf">www.deloitte.com/assets/Dcom-Global/Local%20Assets/Documents/Tax/Taxation%20and%20Investment%20Guides/2012/dtl_tax_highlight_2012_Ghana.pdf</a>
PKF	<a href="http://www.pkf.com/media/387062/ghana_2012.pdf">www.pkf.com/media/387062/ghana_2012.pdf</a>
Ghana Immigration Service	<a href="http://www.ghanaimmigration.org">www.ghanaimmigration.org</a>
CommerceGhana.com Ltd	<a href="http://www.commerceghana.com/guidance/banking">www.commerceghana.com/guidance/banking</a>

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