

# THE LIMA DIGEST

MARCH 2023 / VOL. 3



## UPCOMING DEADLINES

PAY AS YOU EARN (PAYE), MARCH - GRA

15<sup>TH</sup>  
APRIL  
2023

WITHHOLDING TAX, MARCH - GRA

15<sup>TH</sup>  
APRIL  
2023

VALUE ADDED TAX, MARCH - GRA

30<sup>TH</sup>  
APRIL  
2023

INCOME TAX SELF ASSESSMENT RETURN-GRA

30<sup>TH</sup>  
APRIL  
2023

ANNUAL RETURNS – OFFICE OF THE REGISTRAR OF COMPANIES

30<sup>TH</sup>  
APRIL  
2023

ANNUAL RETURNS – OFFICE OF THE REGISTRAR OF COMPANIES - GRA

30<sup>TH</sup>  
APRIL  
2023

EMPLOYERS' ANNUAL PAYE RETURN - GRA

30<sup>TH</sup>  
APRIL  
2023

## UPCOMING EVENT

## SUBJECT CORPORATE INCOME TAXATION TRAINING

DATE: 28<sup>TH</sup>  
MARCH, 2023

TIME: 10 AM -  
4:00 PM GMT



SCAN ME

## ➔ PETROLEUM (LOCAL CONTENT AND LOCAL PARTICIPATION) (AMENDMENT) REGULATIONS, 2021 (L.I 2435)

On February 17, 2022, a new amendment, Petroleum (Local content and local participation) (Amendment) Regulations, 2021 (L.I 2435), came into force by the mandate conferred on the Minister responsible for Energy.

The amendment aimed to deepen local content and local participation of indigenous Ghanaian companies and to maximize Technology Transfer to the indigenous Ghana company.

In the amendment, the Commissioner may direct for;

- a) An indigenous Ghanaian company to enter into a channel partnership or a strategic alliance arrangement with a non-indigenous Ghanaian company, or
- b) A non-indigenous Ghanaian company to enter into a channel partnership or a strategic alliance arrangement with the indigenous Ghanaian company for the supply of goods and services.

The amended regulations also provided for some definitions which outline other categories of services and partnership or Joint Venture to engage in the upstream petroleum industry. The amended regulation defines the following;

- a) Channel Partnership
- b) Indigenous Ghanaian Company
- c) Original Equipment Manufacturer
- d) Strategic Alliance
- e) System Integrator
- f) Value Added Reseller

The supply of goods and services, and commodity chemicals are reserved for Indigenous Ghanaian Companies under the first schedule of part 3 & 4 of the amended regulations.

### KEY POINTS

1. Where a non-indigenous Ghanaian company intends to engage in the supply of goods and services within the petroleum industry, the incorporation of a Joint Venture company with the indigenous Ghanaian company with at least (10%) equity participation alone as provided for in the regulations prior to the amendment may not be sufficient to entitle the indigenous Ghanaian company to operate in the petroleum industry.
2. The Commissioner may direct for the formation of a Channel Partnership or Strategic Alliance arrangement between an indigenous Ghanaian company and a non-indigenous Ghanaian Company to engage in the business of petroleum activities. The formation of the Channel Partnership or the Strategic Alliance is aimed at deepening the involvement of indigenous Ghanaian companies, where the responsibilities of each partner is clearly defined and the partners agree to share resources to undertake mutually beneficial projects.
3. The supply of services, goods and commodities is now reserved for Indigenous Ghanaian companies.

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## GHANA INVESTMENT PROMOTION CENTRE (GIPC)

The Ghana Investment Promotion Centre (GIPC) is the mandated vehicle for investment promotion in the Country. It also oversees, with the Technology Transfer Regulations, and the implementation of the Technology Transfer Agreement (TTA).

Before registering with GIPC, an Enterprise is required to register or incorporate under the Companies Act 2019, Act 992 as well as other regulatory mandates that may apply to that enterprise.

Under the GIPC Act, 2013, Act 865, all companies/businesses with foreign participation are required to register with the Centre.

A non-citizen's full ownership of an enterprise attracts a minimum capital investment of USD500,000, whereas a joint partnership with a citizen will attract a minimum foreign capital of USD200,000 provided the citizen's participation is capped at 10% or more.

For both, the capital requirement can be either in cash and/or capital goods.

Portfolio investments or enterprises engaged solely in export trading\* and manufacturing are exempted from meeting the minimum capital requirements.

## TECHNOLOGY TRANSFER AGREEMENT (TTA)

Under the Ghana Investment Promotion Centre (GIPC) legislation, a Technology Transfer Agreement (TTA) refers to a legally

binding contract/agreement between a transferee (a company in Ghana) and a transferor (the one who owns the copyright or patent) for a duration of 18 months to 10 years for the initial registration and 18 months to 5 years upon its renewal.

The Agreement involves;

- Provision of managerial services and personnel training.
- Provision of technical expertise
- Provision of know-how (information, data whether patentable or not including technical/commercial information relating to research, design, use or sale)
- Assignment, sale and licensing of all forms of industrial property (e.g., Patents, Trademark and industrial design).

The TTA is governed by the GIPC Act, 2013, Act 865 (Section 37) and the Technology Transfer Regulations, 1992 (L.I 1547).

The GIPC reviews, registers, monitors and controls the clauses within the TTA.

### BENEFITS

- Legal transfer of fees, profits, dividends and charges outside Ghana
- Tax deductibility of transferred fees as expenses for the purpose of Corporate Income Tax
- Non-applicability of offences and penalties.

## BANK OF GHANA (BOG) DIRECTIVES

BoG has instructed all commercial banks in the country to demand the GIPC Technology Transfer Agreement (TTA) in a bid to check illicit financial flows from all multinational/transnational companies operating in the country before the funds can be remitted outside.

## SNAPSHOT OF THE ECONOMY OF GHANA

INFLATION (as at 28th February 2023) **52.8%**

MONETARY POLICY RATE (as at 30th January 2023) **28%**

GHANA REFERENCE RATE (as at 1st March 2023) **32.91%**

DEBT TO GDP RATIO (as at 1st January 2023) **93.5%**

### EXCHANGE RATE AS AT 16TH MARCH, 2023

	BUYING	SELLING
BANK OF GHANA	11.00	11.01
ABSA BANK	11.50	12.70
ZENITH BANK	11.50	12.85
STANBIC BANK	11.80	12.85
CAL BANK	11.20	12.86
GCB BANK	11.50	12.65

### QUOTES

**"Local content is the cornerstone of any successful economy. It is the foundation on which businesses can build, innovate and grow, and the bridge between local talent and global markets."**

**Nguzi Okonjo-Iweala**



### REGULATORY COMPLIANCE & COMPANY SECRETARIAL SERVICES (RCCSS) DEPARTMENT

**Edward Christian Bedford**  
Associate Director  
chris@limaghana.com

**Bernard Bisbee Adabadzi**  
Senior Associate  
bernard@limaghana.com

**Liddell Yorke**  
Senior Associate  
liddell@limaghana.com

### EDITOR

**Stephen Otu-Amoah**  
Managing Associate  
stephen@limaghana.com

### REGULATORY COMPLIANCE & COMPANY SECRETARIAL SERVICES (RCCSS)

Our RCCSS Department assists in registrations with all relevant statutory bodies, obtaining any licenses or permits and facilitating regular renewals to ensure compliance. Our range of services include but not limited to;

### GENERAL SERVICES

- Registration and renewal of GIPC Permits, filing of monthly and annual reports, Petroleum Commission Permits and Minerals Commission Permits;
- Forex authorization from Bank of Ghana;
- Registrations, payments and filing of Pensions returns (SSNIT, Tier 2) and obtaining SNIT clearance certificates;
- Renewal of tax exemption approvals;

### IMMIGRATION SERVICES

- Work and residence permits (including dependents), noncitizen card applications and renewals, filing of annual returns at Ghana Immigration Service, and other Immigration

### COMPANY SECRETARYSHIP SERVICES

- Attending board meetings, taking minutes, preparing and filing requisite resolutions;
- Filing all relevant documents at ORC and RGD, including but not limited to:
  - Registering all business entities in Ghana with the Office of the Registrar of Companies (ORC); including the Name search, share transfer, amendments, TIN registrations, and Annual Returns / renewal filings.
  - Registration of Industrial Property Rights with the Registrar-General's Department (RGD)

SUITE 4, ONE AIRPORT SQUARE, AIRPORT CITY, ACCRA GHANA

+233 (0) 55 971 9424,  
+233 (0) 30 709 9983

www.limaghana.com  
info@limaghana.com