



Ghana Investment Promotion Authority Act - **Key Changes**

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Ghana Investment Promotion Authority-Key Changes and Impact on Businesses and Investors

Introduction

Parliament has enacted the Ghana Investment Promotion Authority Act, 2026 (Act 1173), which repeals the Ghana Investment Promotion Centre Act, 2013 (Act 865) and establishes the Ghana Investment Promotion Authority (GIPA) in place of the Ghana Investment Promotion Centre (GIPC).

The new Act (Act 1173) significantly reshapes Ghana's investment landscape by:

- Changing the institutional framework from a "Centre" to an empowered "Authority";
- Revising entry conditions for foreign investors, including minimum capital rules and trading requirements;
- Aligning tax incentives, exemptions to the tax Exemptions Act, 2022 (Act 1083) ;
- Introducing new rules on Technology Transfer Agreements (TTAs), regarding funds transfer and tax deductibility;
- Expatriate employment quota increment from a maximum of 4 to 12 with a validity period of five (5) subject to renewal;
- Enhancing investor protection, enforcement, and dispute handling mechanisms.

This flash alert highlights the main changes relative to Act 865, the tax and investment implications, and steps businesses and investors should consider.

Why This Matters

The transition from Act 865 to Act 1173 is not a simple institutional rename; it changes how investors enter, operate in, and benefit from Ghana's investment regime. It matters because:

- Regulatory requirements and timelines have changed – renewal processes for existing businesses have been streamlined as well as a stronger monitoring regime;
- Tax incentives are now more structured and governed – businesses must align with sector/programme-specific instruments and the Exemptions Act;
- Foreign capital entry barriers have been removed in most sectors, but conditions for trading and local employment have become more explicit;
- Expatriate deployment, TTAs and ownership structures now carry direct tax and compliance consequences (e.g. non-deductibility of fees under unregistered TTAs); and
- Investor protections and remedies are strengthened, but so are penalties and anti-fronting controls.

Existing investors under the Act 865 and new investors under Act 1173 must understand these changes to access incentives, avoid penalties, and optimize investment structures in Ghana.



Key Changes and Impact on Businesses and Investors

Changes	Act 865	Act 1173	Impact
Minimum capital requirements	1. Minimum foreign equity applied as follows: • US\$200,000 for joint ventures (with at least 10% Ghanaian equity). • US\$500,000 for wholly foreign-owned enterprises. • US\$1,000,000 plus at least 20 skilled Ghanaian employees for foreign trading enterprises. 2. Minimum foreign equity includes assets and stocks investments. 3. Certain exemptions existed for specific types of investments and foreign spouses of Ghanaians. 4. Exempted from minimum capital if married to a Ghanaian for 5 years and more or hold an indefinite resident permit, marriage verified, and ordinarily resident in Ghana.	1. Minimum foreign capital requirements are abolished for most foreign investors. 2. Only foreign-owned trading enterprises must now meet: • US\$500,000 minimum equity in cash; and • At least 75% of the workforce must be skilled Ghanaians. 3. The exemption for foreign spouses of Ghanaians from minimum capital requirements is removed.	1. Non-trading foreign investors benefit from a more open regime with lower entry barriers, potentially expanding investment in services, manufacturing, and other sectors. 2. Foreign trading enterprises face lower capital thresholds than previously but must comply with local content employment obligations. 3. Structuring investments through foreign spouses to circumvent capital requirements is no longer available, requiring re-evaluation of such structures.

Key Changes and Impact on Businesses and Investors

Changes	Act 865	Act 1173	Impact
Technology Transfer Agreements (TTA) and tax deductibility	1. Bank restriction and tax deductibility was not expressly stated	1. Fees and charges under unregistered Technology Transfer Agreements (TTAs) are not deductible for tax purposes. This directly connects regulatory compliance (registration of TTAs with the appropriate authorities) to tax treatment of intra-group or cross-border payments. 2. Licensed banks have been empowered not to transfer any payment outside the country in respect to a technology transfer agreement unless: • proof of registration certificate and • copy of confirmed technology transfer agreement certified by the authority.	1. Multinational groups and investors using TTAs must ensure: • All TTAs are properly registered; 2. Terms are compliant with Ghanaian legislation and aligned with transfer pricing and arm's length principles. Failure to register TTAs can lead to disallowance of deductions, increasing effective tax costs. 3. Banks would not allow funds transfer where TTAs have not been registered.
Tax incentives and exemptions	1. GIPC-registered enterprises could access incentives under income tax, VAT and customs laws, including duty exemptions under strategic investment status. 2. The GIPC Board, with Presidential approval, could designate strategic investment areas and grant special incentive packages, with relatively discretionary parameters	1. Tax incentives are now framed around, Industry programme-specifics granted by the Minister of Finance, in consultation with GIPA, through legislative instruments (Cabinet). 2. Cabinet shall, for the purpose of granting special tax incentives to promote strategic investments, determine priority areas of investment. The Authority shall publish priority areas following a determination by Cabinet.	1. Incentives become more targeted, transparent and rule-based, but less ad hoc. 2. Access to incentives will increasingly depend on: • Sector classification and priority area designation; • Compliance with published criteria and ongoing monitoring; and • Proper alignment with instruments under the Exemptions Act. 3. Investors in priority sectors may obtain enhanced incentives, but must be prepared for stricter scrutiny and reporting.

Key Changes and Impact on Businesses and Investors

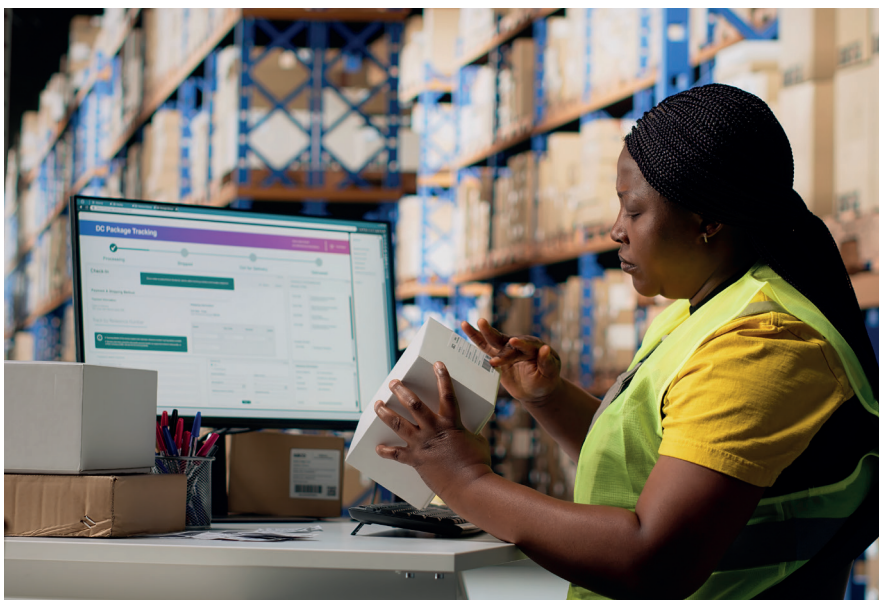
Changes	Act 865	Act 1173	Impact
Expatriate employment and local content obligations	- Expatriate quotas were tied to paid-up capital, typically allowing 1 – 4 expatriates with no renewal requirement.. - US\$50,000 – US\$250,000- 1 quota - US\$250,000 –US\$500,000- 2 quotas - US\$500,000 –US\$700,000- 3 quotas - Above US\$700,000- 4 quotas - Investors were encouraged to prioritize Ghanaians in certain roles.	- Expatriate quota ceilings have been increased to up to 12 expatriates, with quotas valid for five years and renewable, subject to investment conditions. - US\$50,000 – US\$500,000- 2 quotas - US\$500,000 – US\$1,000,000- 4 quotas - US\$1,000,000 – US\$3,000,000- 6 quotas - US\$3,000,000 – US\$6,000,000- 8 quotas - US\$6,000,000 – US\$10,000,000- 10 quotas - Above US\$10,000,000- 12 quotas - Stronger emphasis on, employment and development of local talent, gender equity and human capital development, Compliance with labour, environmental, human rights and ethical standards	Larger or complex projects gain greater flexibility in deploying foreign expertise, facilitating technology transfer and capacity building. The regime also emphasizes local content and skills development, requiring structured workforce planning and training programmes.
Investor protections, grievance mechanism and enforcement	There was no mention of grievance settlement process for investors, however, investors were protected under existing Ghana Laws on Contracts and Commercial agreements.	- Introduction of a formal investor grievance mechanism within GIPA for addressing disputes and complaints, including those involving government entities. - In the event of any war, conflict or similar events which is as a result of Government's failure, foreign investors registered under the Act shall be duly compensated and such compensation provided shall not be different from what is available to a wholly owned Ghanaian enterprise.	- The grievance mechanism may allow faster resolution of issues, reducing the need for immediate recourse to international arbitration. - Anti-fronting rules require careful review of beneficial ownership structures and nominee arrangements to ensure compliance.

Key Changes and Impact on Businesses and Investors

Changes	Act 865 (continuation)	Act 1173 (continuation)	Impact (continuation)
		- Enhanced anti-fronting provisions and enforcement tools to address abuse of Ghanaian nominees and circumvention of rules. - Introduction of a citizenship-by-investment framework (subject to further detailed legislation), with potential implications for tax residency and treaty access.	Citizenship-by-investment, once operational, could create new avenues for investment but will require careful tax planning for high-net-worth individuals and corporate principals.
Registration, renewal and compliance	- Foreign-owned enterprises had to register with GIPC after incorporation and before commencing operations. - Registration was renewable every two years. - Monitoring was conducted less regularly, and penalties were less detailed	- Foreign enterprises must register with GIPA and renew registration annually. - GIPA is committed to a defined timelines (e.g. five days to process complete registration applications, similar timelines for branch approvals). - Prior approval is required for establishing branches before registering with Registrar General; unauthorized branches may attract penalties. - A national investment registry and structured monitoring have been introduced. - Administrative penalties may be imposed for failing to renew registration, misuse of incentives, unauthorized activities, and providing false information.	- Increased compliance burden: annual renewals, more frequent reporting, and closer tracking of investment activities. - Enterprise structures (including branch networks and business lines) must be closely aligned with their registered scope.

Conclusion

Act 1173 represents a major advancement of Ghana's investment regulatory and tax incentive landscape. The removal of the minimum capital requirement reduces entry barriers for foreign investors and businesses. The introduction of a defined grievance process provides greater transparency and a structured mechanism for resolving disputes. At the same time, the non-tax deductibility of unregistered Technology Transfer Agreements (TTAs) reinforces compliance with registration requirements and encourages adherence to regulatory standards. Finally, the introduction of citizenship by investment is expected to attract foreign capital and contribute to economic growth. Existing and prospective investors should not assume continuity of treatment from Act 865 to Act 1173. A proactive review of investment structures, incentives, TTAs, workforce and compliance processes is essential to protect value and maintain eligibility for benefits.



How KPMG can help

KPMG can support businesses and investors in navigating and complying with the requirement of Act 1173 and related tax implications. For a tailored assessment, businesses are encouraged to share details of their current or planned investments in Ghana (sector, structure, incentive usage and TTA arrangements) so that KPMG can provide a focused action plan under the new regime.



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