

STARTUP Country Guide 2024

THE REPUBLIC OF GHANA

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CLAPTER 1

Exploring the startup sphere

I. The Ghanaian entrepreneurial ecosystem

Ghana is emerging as one of the most robust startup ecosystems in Africa, supported by foreign investments, mentorship, and training from organizations like the Ghana-India Kofi Annan Centre of Excellence in Information, Communication, and Technology (ICT), and Meltwater Entrepreneurial School of Technology (MEST). These initiatives, in addition to the <u>Ghana Hubs Network</u> and the Accra Digital Centre, contribute to the development of public policies focused on startups.

Ghana startup ecosystem is driven by a rich blend of cultural diversity, a youthful demographic, and a vibrant sense of community that fosters collaboration and creativity. It benefits from a growing pool of skilled talents, government support, and increasing interest from international investors, making it an attractive environment for startups. In the last four (4) years, the ecosystem has witnessed nearly 100 early-stage investment deals totaling over USD 542 Million. The ecosystem boasts a thriving network of over 100 hubs and accelerators that provide startups with invaluable support, mentorship, and resources. Incubators like <u>MEST Africa</u> and hubs like <u>Impact Hub Accra</u> are at the forefront of nurturing and accelerating startups.

Ghana government, through initiatives like <u>the National Entrepreneurship and Innovation Plan</u>, actively supports the growth of startups. Private-sector players, including banks and corporate entities are also investing and partnering with startups to further fuel the ecosystem's expansion and development. The <u>Ghanian Innovation</u> <u>and Startup Bill project</u> is an ideal example of joint national efforts. The bill constitutes a joint initiative by Ghana's private sector and the Government. This project aims to enhance the startup ecosystem through co-created legislation that establishes principles and support measures required for promoting entrepreneurial development. The Innovation bill will create an enabling environment for the growth, attraction, and investment protection of startups.

In 2023, the <u>Ghana Jobs and Skills Project</u> and the <u>Ghana Economic Transformation Project</u> granted USD 8.3 Million to Small and Medium Enterprises (SMEs) as part of its Ghana Enterprises Agency's <u>YouStart program</u>. <u>Innovest Afrika</u> was launched in December 2023 to accelerate 5,000 African startups by 2030. In December 2023, The Excellence in Broadcasting (EIB) Network partnered with the European Union in Ghana to launch the Entrepreneurship with Bola Ray program, a startup support program empowering 25 entrepreneurs under 30 by providing funding, training, mentorship, branding and marketing, and bookkeeping help. Accra, the capital of Ghana, also hosted <u>Ghana Digital Innovation Week</u> in 2023, a partnership between Ghana and other countries to celebrate the accomplishment of Ghana's digital innovation ecosystem and build momentum for its future development. Additionally, the city was the stage for the <u>Ghana Tech Summit</u> in September 2023 and the <u>Tech in Ghana Conference</u> in March 2024, both of which are pivotal gatherings that underscore Ghana's commitment to advancing its technological sector.

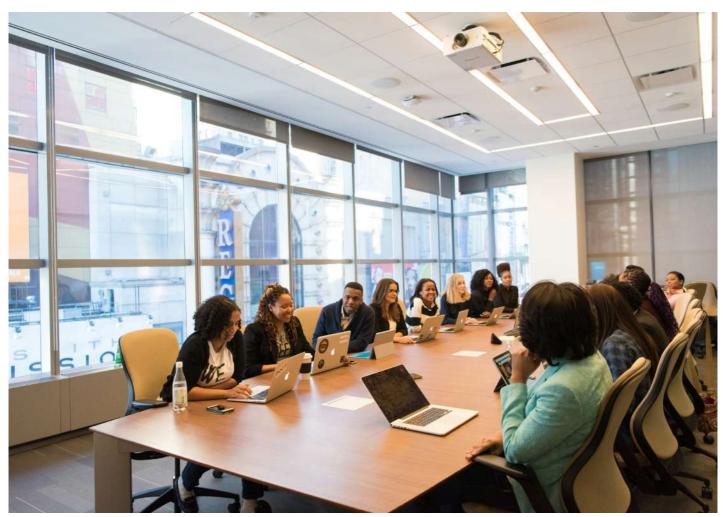


1. Startup definition

Definitions of startup and entrepreneurial entities can vary between countries and organizations. In the context of Ghana's legal framework, the Ghanaian Innovation and Startup Bill, currently under draft, provides a definition for startups. According to the bill, a startup is considered any legal entity that has been established in accordance with the existing legislation and has obtained the Startup Certification. The Startup Certification, or label, is granted to companies that meet specific criteria, including:

- Being in the early stages of development with significant potential for growth, scalability, and social impact, including job creation and environmental benefits.
- Employing a maximum of fifty (50) individuals.
- Having their headquarters located in Ghana.
- Maintaining a total balance sheet and annual turnover below 100 base points, with each base point equivalent to 10,000 Ghanaian Cedi (GHS).
- Utilizing innovation and technology in their business model to develop, produce, commercialize, and scale sustainable solutions to pertinent economic challenges.

Once a company is awarded the Startup Certificate, it becomes eligible to receive the benefits outlined in the Innovation and Startup Bill for the duration of its validity. The validity period of the certificate is limited to a maximum of eight (8) years from the date of issuance.



2. Promising sectors in Ghana

Ghana's growing startup landscape perfectly aligns with the country's strategic focus on technology and innovation. Among its thriving sectors are Agritech, Logistics and Transportation, and Fintech, each showcasing significant growth and investment potential.

The startup ecosystem benefits from a blend of cultural diversity, a youthful demographic, and strong public and private sector support, positioning Ghana as an attractive destination for entrepreneurs and investors alike.

Logistics and transportation

The logistics and transportation sector in Ghana is experiencing significant growth, driven by the country's increasing urbanization rate of 58% and the expansion of its middle class, which is projected to grow at 26.7% by 2025. This demographic shift is creating a substantial demand for transportation services. Additionally, government-led industrialization initiatives, such as One District One Factory and Strategic Anchor Industries, are propelling Ghana towards becoming a leading manufacturing hub.

In terms of its global standing, Ghana has made notable progress in logistics. According to the 2024 Agility Emerging Markets Logistics Index, Ghana has improved its position by nine (9) places since 2021, now ranked 31st globally. The country received its highest score in Business Fundamentals. However, the Logistics Managers Index for Ghana indicated a very slight decrease to 63.3 in the fourth quarter of 2023, from 63.7 in the previous quarter. Despite this minor dip, the logistics sector is anticipated to maintain steady growth over the next year, with a projected Logistics Managers Index of 64.3.

The government's plan to promote Electric Vehicles (EVs) is expected to lead to an increase in the use of electric bikes and other EVs. Industry insiders have reported significant operational cost reductions, by at least 20%, after transitioning to EVs, allowing for stable delivery fees since 2022. Tax incentives are likely to lower the acquisition costs of EVs, which will have a positive effect on the e-commerce, logistics, and mobility industries. Although the adoption of electric mobility in Ghana is in its early stages, e-mobility startups and businesses are emerging, taking advantage of the relatively simple technology of electric motors, battery packs, and assembly, particularly in the small vehicle segment.

These companies are introducing innovative emobility solutions and playing a crucial role in reducing the barriers to EV adoption. The growth of e-mobility startups in the region highlights the necessity for supportive policies, regulations, technology roadmaps, and policy accelerators to facilitate scaling.

The sector has seen promising developments, with logistics startups expanding their operations beyond Ghana's borders and facilitating thousands of deliveries. This expansion reflects the sector's potential and the effectiveness of innovative solutions in enhancing logistics performance, as evidenced by significant increases in monthly shipment volumes per customer for companies that have adopted new technologies.

AgriTech

The Agritech sector in Ghana is an emergent powerhouse within the nation's economy. Agriculture contributes to 20% of Ghana's Gross Domestic Product (GDP) and stands as the dominant occupation for 60% of the population. Agriculture lands cover 65% of the total land area. However, a mere fraction below 2% receives irrigation.

As Ghana positions itself as a regional hub for business and agricultural transformation, it plays a leadership role through initiatives like AfCFTA and through pragmatic policies like Planting for Food, Jobs & Exports, alongside One District One Factory (1D1F), emphasizing the country's support for food self-sufficiency through agricultural mechanization in West Africa.

Visionary in its approach, Ghana's agriculture sector is on the cusp of modernization, promising to culminate in a structurally transformed economy with benefits spanning food security, increased employment opportunities, and reduced poverty. The untapped potential within Ghana's commercial agriculture and agro-processing sectors beckons investors who showed readiness to partner with government institutions. In terms of funding for startups, agritech has notably risen to prominence within Ghana's evolving startup ecosystem. Since 2021, agritech has consistently been among the top five (5) funded industries, claiming the top spot in 2023. This emphasis is underscored by the decision to host one of the eight (8) UNDP Pan-African Innovation Hubs dedicated to agritech in Accra, solidified by events like further the Africa Stakeholders Conference Climate Smart on Agriculture held in September 2022.

🛒 FinTech

Ghana's fintech sector has been making remarkable strides in recent years, enhancing financial inclusion with a surge of innovative solutions from startups. Despite the regulatory and funding challenges that the Ghanaian ecosystem faces, it is showing significant promise and is deemed on a trajectory for continued growth. The fintech sector operates within a regulatory framework that is designed to stimulate development in the financial industry, protect consumer interests, and ensure financial stability via measures such as the innovation sandbox pilot. Crowdfunding guidelines have been drafted and include the process of applying for a crowdfunding intermediary license. This aligns with the government's commitment to digital transformation and making financial services accessible to all.

Under the Digital Ghana Agenda, the government has introduced measures to boost fintech growth, including the regulatory and innovation Sandbox Pilot. The sector's rapid expansion is driven by Ghana's youthful population, an expanding middle class, and a rising adoption of digital technologies. Mobile money has become the dominant payment method, with transactions reaching an estimated GHS 86.1 Billion by the end of 2021. Ghana has seen the second-highest growth in mobile money in Africa over the past five (5) years. McKinsey & Company's report projects that Ghana will be among the fastestgrowing markets for financial services in Africa, with an expected annual growth rate of 15% until 2025. Investments in fintech startups are indicative of the sector's potential. For example, a full-scale digital bank secured funding from Renew Capital, which is expected to support its growth and expansion plans. Another startup raised USD 7.9 Million in a Series A funding round in June 2021 and has since attracted additional investments. Furthermore, a Ghana-based fintech startup raised USD 17 Million, showcasing the increasing investor interest in the region's fintech innovation.

The Bank of Ghana is also contributing to the digital finance landscape with the development of the e-Cedi digital currency, aiming to increase financial inclusion to 75% by the end of 2023. The government launched the PAPPS payment system for cross-border payments and introduced the mobile payment app GhanaPay. A fintech firm established its African hub in Accra in the first quarter of 2023, Q1 2023, and fintech funding in West Africa rose to 42% in Q1 2022. Currently, an estimated 200 financial startups are active in the region.

Ghana's political stability, security, and impressive economic growth make it an attractive location for foreign tech companies looking to enter the West African market, with Accra being the preferred headquarter base. The regulatory landscape is evolving to support digital finance, balancing innovation with consumer protection and allowing more players to enhance competitiveness and choice. However, the e-levy on electronic payments may impact the adoption of digital financial solutions in the short term.

3. Ghana startup scene

Ghana's top startup industry sectors by funding¹

- AgriTech
- Logistics and transportation
- FinTech
- Software and Data

Startup ecosystem in numbers

- Funding raised by startups²: USD 65.7 Million
- Number of operating startups³: 500
- Tech hubs and ecosystem support organizations³: 100

Entrepreneurship and Innovation in Ghana: Indexes and Rankings (2023)

Index	Ranking	Index	Ranking
Business environment	42	Knowledge workers	89
Economic freedom	98	Mobile app creation	117
Global innovation ⁴	69	Operational stability for businesses	79
Global knowledge⁵	99	Regulatory environment	128
ICT access	100	State of cluster development	47
Innovation linkages	53		

CCAPTER 2 Beginning your entrepreneurial journey

I. Guiding steps to launch a startup in Ghana

1. Country specific legal structures

In Ghana, entrepreneurs have the flexibility to choose among various legal structures, each tailored to meet their specific business needs and goals. Below are business legal structures for entrepreneurs, listed from single-owner setups to entities suitable for numerous shareholders:

• Sole Proprietorship

• Companies Limited by shares

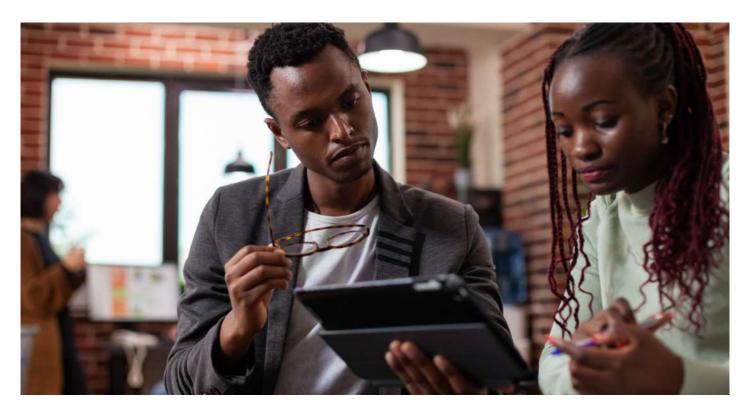
Companies Limited by guarantee

• External Companies

• Unlimited Companies

The recommended legal form for many early-stage startups looking to raise external funds is the Company Limited by Shares due to its balance of liability protection, flexibility, and pass-through taxation. Like few other structures, this legal structure provides limited liability protection to its members, restricting their liability to the amount unpaid on their shares. It provides limited liability protection to its members, restricting their liability to the amount unpaid on their shares. It requires a minimum of one (1) shareholder (who can be an individual or a corporate body) and two (2) directors, with at least one (1) director residing in Ghana. Additionally, a company secretary and an auditor are mandatory.

It is important to note that the minimum capital requirements vary based on factors such as the nationality of shareholders and the type of business activities. For companies with Ghanaian shareholders, the minimum stated capital is GHS 500. For joint ventures with foreign participation, the requirement is USD 200,000, while for companies with 100% foreign ownership, it is USD 500,000. Companies engaged in trading activities have a higher minimum capital requirement of GHS 13,920,000. This legal structure offers the advantages of limited liability, organizational flexibility, and ease of setup, making it a recommended choice for startups in Ghana.



2. Legal steps

In Ghana, several key government entities play important roles in facilitating the establishment of businesses, including startups. These entities work together to provide essential support and resources for the simplified legal establishment of startups in Ghana.

They assist with various aspects of the startup creation process, ensuring that entrepreneurs have the necessary guidance and resources to start their business ventures.

The entities include the National Identification Authority (NIA), Registrar General's Department (RGD), Ghana Investment Promotion Centre (GIPC), Ghana Revenue Authority (GRA), Ghana Immigration Service (GIS), National Insurance Trust (SSNIT), and Ghana Free Zones Board. By Coordinating efforts, these entities assist with business registration, tax identification, immigration issues, and social insurance administration, streamlining the process for entrepreneurs.

The specific timeline and sequencing for registering a company varies based on the business characteristics and the legal framework.

Below is an overview of the fundamental legal steps typically required by both locals and foreigners wishing to start a business in Ghana.



Step 1: Acquire a Ghana Card

In Ghana, proprietors of Sole Proprietorship businesses and business structures that allow shareholders are obligated to possess a Taxpayer Identification Number (TIN). The Personal Identification Number (PIN) on the Ghana Card now supersedes the TIN previously issued by the <u>Ghana Revenue Authority (GRA)</u> for individual taxpayers. Foreign national residing in Ghana need to present the Non-citizen Ghana card to pursue business ventures.

The acquisition of a Ghana Card can conveniently coincide with the process of business registration. This can be accomplished by submitting the necessary forms and supporting documentation to <u>the Registrar-General's</u> <u>Department (RGD)</u>.

_S[°] Steps

- 1 Purchase the FIMS scratch card from one of the locations listed in this <u>link</u>.
- 2 Visit your nearest registration center at the <u>National Identification Authority (NIA)</u>.
- 3 Fill out the application form with the required information.
- 4 Submit the FIMS Scratch card and completed application form.
- 5 Provide your fingerprints and your signature on an electronic pad.
- 6 Receive your Ghana card or non-citizen Ghana card.

Documents

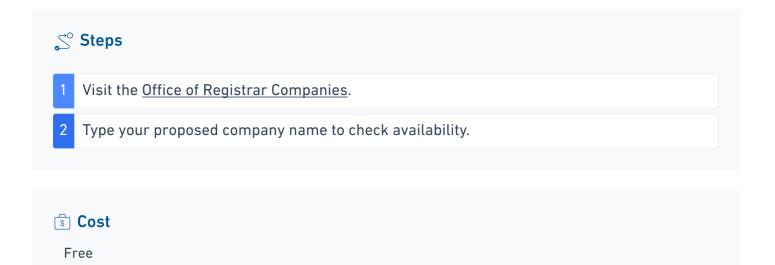
- A Passport
- A photograph
- A residence permit (For foreigners)/ Official birth certificate.
- An <u>application form</u>.

S Cost

Free

Step 2: Check your company name availability

The entrepreneur is required to formally request a search to be conducted at the Companies Registry to verify the availability and suitability of the proposed company name.



Step 3: Reserve the company name

Following the confirmation of the company's name availability, the entrepreneur should proceed to formally reserve the chosen name. Upon receipt of a written application and the corresponding fee, the Registrar, in accordance with section 15(13) of the Companies Act 1963 (Act 179), has the authority to reserve a pending name registration for the applicant. It is mandatory to renew the registered name each year at a fee of GHS 60.

S[℃] Steps

Online steps

- 1 Visit the <u>Registrar General's department website</u>.
- 2 Select "Name reservation" and log in.
- 3 Provide the required information.
- 4 Upload scanned and signed documents as per the instructions.
- 5 Pay the processing fees.
- 6 Save and print your e-Certificate.

Offline steps

- 1 Visit the nearest Registrar General's Department office.
- 2 Request and fill in the prescribed form A.
- 3 Submit the form at the business names registration counter.

- 4 Pay the processing fee.
- 5 Collect your business name registration certificate.

Documents

- Form A
- ⁻ Additional documents may be required.

S Cost

- Reservation fees: 60 GHC.

⁻ Yearly renewal fees: 60 GHC.

Step 4: Register the business at the Registrar General's Department (RGD)

The business registration applications can be submitted either online or in person at the customer service office of the Registrar-General's Department (RGD).

The following steps outline the process for incorporating a company limited by shares in Ghana, which is the recommended legal structure for startups. It's worth noting that the process for incorporating a company in Ghana may differ based on the chosen legal structure. If entrepreneurs decide to pursue an alternative legal structure, they need to refer to the relevant page on the Registrar General Department's website for specific guidance.

S	Steps
1	Visit the nearest <u>RGD</u> office.
2	Provide a consent letter from an auditor certified by the <u>Institute of Chartered</u> <u>Accountants</u> .
3	Sign form 3 witnessed by commissioner for oaths, notary public or self-declared.
4	Submit the supporting documents at the company registration counter.
5	If you choose the online channel, submit the documents at the <u>Business Registration</u> <u>section</u> of RGD website.

- 6 Pay incorporation fees and a capital duty fee.
 - Collect the certificate of incorporation, a Certified True Copy (CTC) of standard/registered company regulations, and a Certified True Copy of form.

Documents

- ⁻ Four (4) copies of the company regulations (or Memorandum of Association).
- Limited Liability Forms.

Ouration

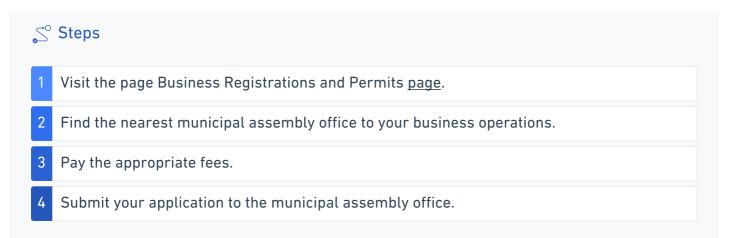
One (1) day.

S Cost

- Registration: 230 GHC.
- ⁻ Capital duty fee: 180 GHC.
- ⁻ 1% stamp duty on stated capital.

Step 5: Apply for a business operating permit

Certain industries, such as food processing, pharmaceuticals, financial institutions, and telecommunications, require sector-specific licenses from the appropriate regulatory bodies to ensure compliance with the specific sector's regulations. For all other businesses, follow these steps to obtain a Business Operating Permit from the relevant Metropolitan, Municipal, or District Assembly (MMDA) to ensure compliance with local regulations. Please note that sector-specific licenses must be obtained beforehand.



- ⁵ Be prepared for a potential inspection of your office premises, which may be required to obtain the certificate.
- 6 Once the process is finalized, collect your business operating certificate.

Requirements

- ⁻ Documents provided must be submitted in photocopies and originals.
- ⁻ Document requirements may change from a municipality to another.
- For activities that require a sector-specific license, the application process varies and depends on the ministry or its affiliated regulating institution.

Documents

- An application or introductory letter to the metropolitan chief executive stating the name, location, and type of the business.
- ⁻ A registrar general business certificate/ certificate of incorporation.
- ⁻ An application form, handed at the municipal assembly office.
- A sector-specific license, if applicable.
- A business location (GPS)/Address.

Ouration

Seven (7) to fourteen (14) days.

S Cost

Fees are determined by the metropolitan assembly.

Step 6: Apply for social security registration

Employers in Ghana are required by law to register with the <u>Social Security and National Insurance Trust</u> (<u>SSNIT</u>) and make mandatory social security contributions on behalf of their employees in accordance with regulations. Companies are required to register with SSNIT within the first thirty (30) days of commencing operations.

S₀	Steps
1	Schedule an appointment at the nearest SSNIT office.
2	Provide the necessary documents to the designated department.
3	 Upon approval, SSNIT will issue the following documents to the company. A confirmation letter containing the company's registration number. A certificate of membership, affirming the successful registration of the company.

Documents

- ⁻ A certificate of company registration to commence business.
- ⁻ An official copy of the company's regulations (or Memorandum of Association).
- ⁻ A Tax Identification Number (TIN).
- ⁻ Copies of valid identification for directors or local managers.
- ⁻ The company's address using Ghana Post's GPS coordinates.
- ⁻ An employee's list including their SSNIT numbers, basic salaries, and contributions, if applicable.

Step 7: Register with the Ghana Revenue Authority (GRA)

Every company is obligated to undergo taxpayer registration with the Ghana Revenue Authority (GRA) to become officially registered for direct taxes, Value Added Tax (VAT), and any other applicable taxes. This requirement applies to all types of businesses, including sole proprietorships, partnerships, and corporations. Businesses exempted from corporate tax are still mandated to register with the GRA to fulfill their income tax obligations.

_S[°] Steps

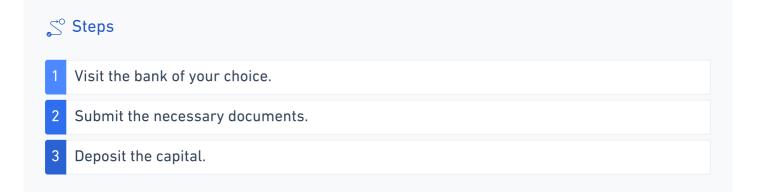
- Visit at the nearest Domestic Tax Revenue Division Office.
- 2 Submit the GRA application.

- A Completed corporate tax registration forms (all relevant forms are in GRA website).
- ⁻ A VAT registration forms, if applicable.

- A resume of all directors of the company.
- An office address/location.
- A Ghana card of the business owner(s)/director(s).
- ⁻ A certificate of incorporation or business registration.
- ⁻ A business location details.
- ⁻ Business location details.
- ⁻ Financial statements.

Step 8: Open a bank account and deposit the paid-in capital

It is essential to open a corporate bank account to operate legally and efficiently. Below is the required procedure to open a bank account.



Documents

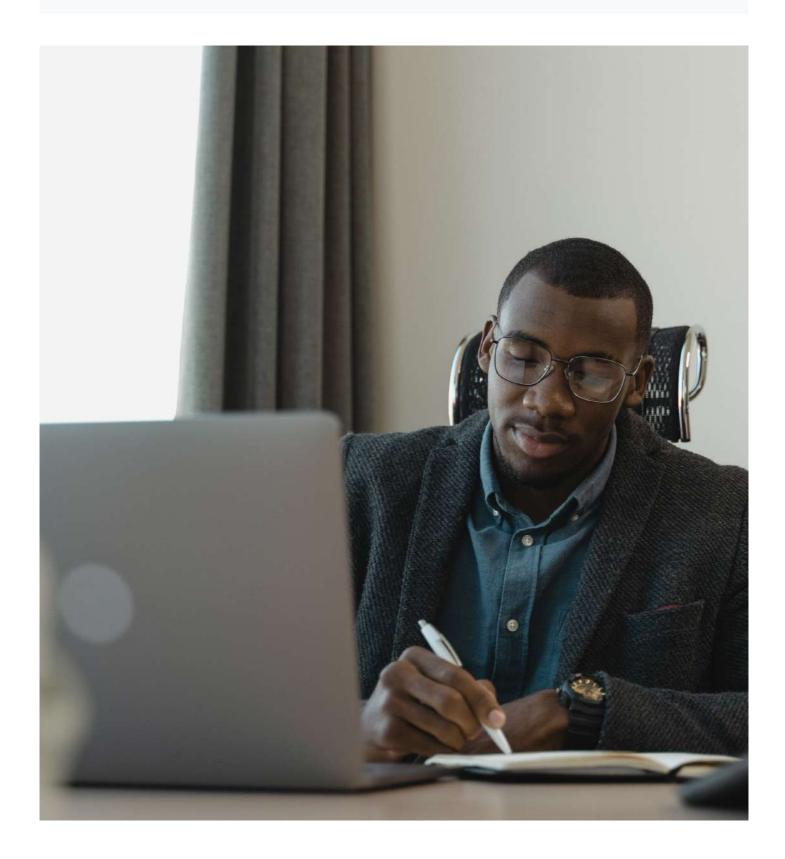
Documents (for foreigners)

- ⁻ An identification document.
- A Taxpayer's Identification Number.
- ⁻ Four (4) passport pictures.
- ⁻ A work and residence permit.
- A letter of introduction from your banking institution in your home country.
- A reference letter from an account holder of the bank.
- ⁻ A letter of reference from your employer, if requested by the bank.

Documents (for local corporates)

- ⁻ A company registration documents.
- Two (2) passport-size pictures of the signatories to the account.
- A proof of identification for all directors and signatories.

- ⁻ A proof of residential address for all directors and signatories.
- ⁻ The company address.
- ⁻ An annual returns, for companies registered over the past year.
- ⁻ A revenue stamp and constitution of the society, if not registered.
- ⁻ A residence permit, if the account signatories are foreigners.



II. Other country-specific considerations

1. Considerations for foreign investors

Complying with the minimum equity requirements under Act 865 is crucial for foreign investors operating in Ghana. These requirements vary according to the type of investment and must be met with cash or capital goods relevant to the investment. The minimum foreign equity requirement is as follows:

- USD 200,000 for joint ventures in cash or capital goods or both is required with Ghanaian partner/s having not less than 10% equity participation.
- USD 1 Million at least for trading activity in cash or goods and services with a minimum of twenty (20) skilled Ghanaians employed.
- USD 500,000 for 100% foreign ownership in cash or capital goods or both.

There is no minimum equity requirement for manufacturing, export trading, and portfolio investments. Exemptions apply to foreign spouses of Ghanaian citizens who meet certain requirements. Foreign investors should consult with professional advisors to ensure compliance before starting operations or engaging in business in Ghana.

Ghana has double taxation arrangements with various countries. Under these agreements, residents of Ghana who are subject to taxes in those countries are exempted from double taxation. Ghana has entered into income tax treaties with over thirty (30) countries.

The non-citizen Ghana card

A residence permit in Ghana is primarily for granting legal residency to foreigners in the country. However, to carry out various transactions, such as applying for or renewing a residence permit, opening or operating a bank account, and more, it is essential for foreigners to acquire the Non-citizen Ghana card. This card serves as the mandatory form of identification and must be obtained, irrespective of possessing a valid residence permit.

Obtain an investment certificate from the Ghana Investment Promotion Center (GIPC)

All enterprises in the country with foreign participation are required to register with the <u>Ghana Investment</u> <u>Promotion Centre (GIPC)</u> to obtain an investment certificate. For detailed instruction on the certification process, please visit the <u>investor guide</u>. This registration is renewable every two (2) years.



Requirements

- Companies already in operation need to provide a tax clearance certificate, along with Pay As You Earn (PAYE) list and receipts, SSNIT list and receipts.
- In situations where shares are to be transferred, a deed of transfer or shareholder's agreement is required.

Documents

- ⁻ The beneficial ownership document from the registrar of companies.
- ⁻ The change profile document from the registrar of companies, only if any changes have been made.
- ⁻ A copy of the certificate of incorporation.
- ⁻ The form 3 requested at the registrar of companies.
- ⁻ A power of attorney, in the case of liaison companies.
- A registration form.
- ⁻ A valid national ID (Ghana Card) of the person or agent submitting the application.
- An official copy of the company's regulations (or Memorandum of Association).
- ⁻ Audited accounts/financial statements.

Ouration

Five (5) working days.

S Cost

The service fees vary. Please visit the investment service fees.

Business activities reserved for Ghanaians

In Ghana, specific business activities are reserved exclusively for Ghanaian citizens. Non-Ghanaians are legally restricted from participating in these following businesses (non-exhaustive):

- Manufacturing exercise books and various fundamental stationery items.
- Operating a taxi or car hire service within an establishment with a fleet consisting of fewer than twenty-five (25) vehicles.
- Retailing of pharmaceutical products that have undergone final processing.

- The sale of goods or provision of services in a marketplace, petty trading, hawking, or vending goods in a designated stall.
- The production, distribution, and retailing of sachet water.

2. Tax regime

Brief overview of Ghana tax regime

Ghana has a residence-based taxation system in terms of which residents are subject to tax on their world-wide income. Income from business and investment (from both Ghanaian and foreign sources) is included in determining the resident person's assessable income, whereas non-residents are subject to tax only on their Ghanaian-sourced income. Here we present a brief overview of Ghana's tax system. The Ghana Revenue Authority (GRA) classifies taxes into three broad categories:

- Taxes on income and profits (direct taxes).
- Taxes on goods and services (indirect taxes).
- Taxes specifically on international trade (customs taxes).

A company is resident in Ghana if it is incorporated under the laws of Ghana or if its management and control are exercised in Ghana at any time during the year. Permanent establishments of nonresident companies in Ghana are also subject to tax on their worldwide income.

Corporate Income Tax

The standard corporate income tax (CIT) rate is fixed at 25%. However, there are specific rates for certain sectors such as:

- Companies primarily operating in the hotel industry are eligible for a reduced corporate income tax (CIT) rate of 22%.
- Companies engaged in non-traditional exports benefit from a notably lower CIT rate of 8%.
- Rural or community banks are subject to tax at a rate of 1% for a period of ten (10) years beginning with their first year of operations.

Additionally, some sectors must pay the Growth and Sustainability Levy (GSL) at varying rates from 1-5%. Starting from April 2023, companies that have declared losses for the past five years must pay a minimum tax of 5% of turnover. Companies within the first five (5) years of operations or those engaged in farming are excluded from these provisions.

Capital Gains Tax

In Ghana, unlike individuals, whose capital gains are taxed at a flat rate of 15%, companies do not have a separate capital gains tax rate.

Instead, the gains are integrated into their overall taxable income and taxed accordingly unless the asset in question is held or used for investment purposes.

Value-Added Tax (VAT)

Businesses that are liable or registered for VAT are obliged to issue tax invoices using the Certified Invoicing System (CIS) and collect VAT at rate of 15% on all supplies of goods and services made in, or goods imported into Ghana. Most professional services are also subject to VAT at the same rate.

Additionally, professional services fall under the same VAT rate of 15%.

Payroll taxes

Employers are required to withhold tax (Pay-As-You-Earn or PAYE) on employees' salaries and other emoluments, including benefits in kind, on a monthly basis at the graduated rates, with the highest rate at 35% for tax resident employees. A flat rate of 25% is applicable on the salaries and other emolument of non-resident employees. Employers are to remit the withheld taxes to the GRA by the 15th day of the subsequent month.

Social Security Contributions (SSC)

The social security contribution system in Ghana is structured into three (3) tiers, with the first two tiers requiring compulsory contributions and the third tier is voluntary. Employees are mandated to contribute 5.5% while employers have the responsibility of contributing 13% of the salary. These contributions are deductible for tax purposes. Moreover, withdrawal from SSC is tax exempt. Voluntary contributions are exempt from tax up to 16.5% of the salary. These contributions can be processed monthly through the Social Security and National Insurance Trust (SSNIT). Moreover, SSNIT has established collaborations with various banks in Ghana, enabling members to conveniently make their contributions online.

Withholding tax (WHT)

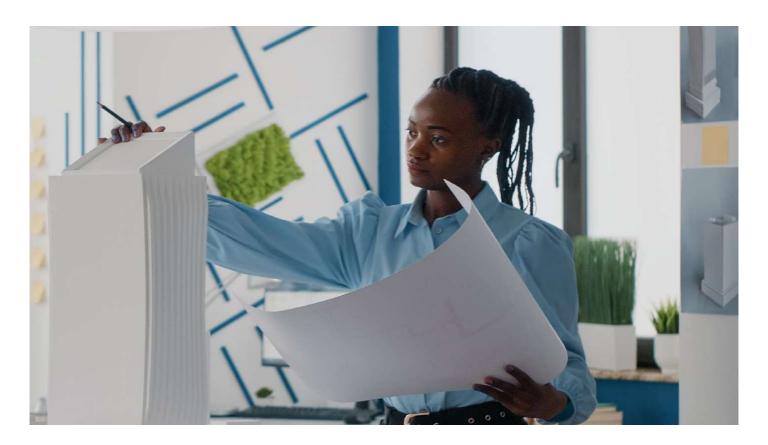
Withholding tax is a tax deducted at the source by a withholding agent when making payment. Under this extensive withholding tax regime, registered businesses that make payments for goods or services or various other activities are eligible to withhold tax, unless the person is exempt from paying tax. The withholding tax rate varies from 3% to 20% depending on the type of payment. The following WHT rates are applicable for both payments to residents and nonresidents:

- **Dividends:** 8% this is final tax for both residents and nonresidents without a PE in Ghana.
- Interest: 8% this is final tax for both residents and nonresidents without a PE in Ghana.
- **Royalties:** 15% this is final tax for nonresidents without a PE in Ghana

To withhold tax from business transactions, companies must be registered with the GRA.

Other levies

There are a handful of compulsory levies in Ghana. The National Health Insurance Levy (NHIL) is a levy of 2.5% charged on goods and services collected as part of the Value Added Tax (VAT) system. 34 Additionally, the Electronic Transfer Levy, also known as the E-LEVY, is a 1.5% levy imposed on electronic transfers of money. This levy is applied to the transferor at the time of the transfer. The collection and payment of the levy into the Consolidated Fund is the responsibility of the Ghana Revenue Authority (GRA). Finally, the Ghana Education Trust Fund Levy (GETFL) is a 2.5% levy collected by GRA imposed on the value of taxable supplies of goods and services, including imported ones.



3. Tax compliance requirements

Registration requirements

Full compliance with tax obligations in Ghana includes registering with the tax authorities for specific taxes, acting as a withholding agent, filing returns, making payments on time, and keeping proper records. These compliance measures, under the Revenue Administration Act, 2016 (Act 915), aim to reduce financial burdens on taxpayers and mitigate the risk of penalties. For businesses, registration with the Ghana Revenue Authority (GRA) ensures legal compliance and contributes to the development of Ghana's economy.

The tax year is the calendar year, if a company's accounting year differs from the calendar year, its basis period for a tax year is the accounting year ending within the tax year.

Corporate Income Tax return

Companies are required to submit annual tax returns for each year of assessment within four (4) months after the end of their accounting year. In addition to annual returns, companies must file a provisional self-assessment within the first quarter of each year. CIT payments are made in four quarterly installments: 31st March 30th June 30th September, and 31st December. CIT is due for payment at the same time as the due date for filing the return.

The Domestic Tax Revenue Division (DTRD) is responsible for the administration and annual collection of CIT. Companies can file their returns by either visiting a DTRD Taxpayer Service Center in person or electronically through the Taxpayer's Portal.

Companies that fail to pay income tax by the due date are liable to pay interest at 125% of the statutory rate on the amount of tax that remains unpaid, in addition to the tax payable. The interest is compounded monthly.

Capital Gains return

Companies are required to submit a Capital Gain Tax Return to the (GRA). This return must include a summary of taxes payable on capital gains from chargeable assets. For residents of Ghana, this encompasses assets located both domestically and internationally, while non-residents must report gains from assets situated within Ghana. The return must be submitted annually for any gains realized within the year. Failure to submit the return or pay the due taxes on time can result in penalties and interest on the unpaid taxes, emphasizing the importance of timely compliance to avoid additional financial burdens.

Employee taxes

Employers must compute and remit income tax on employment income accrued or derived in Ghana within 15 days after the month-end. At year-end, an annual reconciliation of withheld taxes must be prepared, and any shortfall paid by 15 January, with individual returns furnished by 30 April. Common compliance failures include omitting taxable amounts, using incorrect tax rates, and late payments or filings. Penalties for non-compliance include interest of 125% of the statutory rate for late payments and a GHS 500 fine plus GHS 10 per additional day for late filings.

Withholding Tax return

A withholding tax return must be filed with the commissioner-general of the GRA within fifteen (15) days after the end of the month. Non-compliance, such as failure to withhold tax, applying incorrect tax rates, late remittance, or late filing, can result in significant liabilities and penalties during tax audits. Withholding agents are required to submit a statement and payment of tax withheld or treated as withheld to the GRA by the 15th day of the month following the month in which the tax was withheld. Withholding agents must also issue a withholding certificate to the recipient of the payment.

VAT return

VAT returns must be filed on a monthly basis. All returns other than those for imported services and nonresident persons providing e-commerce services are due by the last working day of the month following the one in which the tax point occurred. Nonresident persons filing e-commerce VAT returns are required to file the returns by the last day of the month immediately following the month to which the returns relate.

Payment is due in full by the date on which the respective return is due. Nil returns must be filed if no VAT is payable or claimable.

As for VAT payments41, they must be made in full by the date on which the respective return is due, i.e., no later than the last working day of the month immediately following the month to which the return relates.

4. Financial reporting and auditing regulations

Financial reporting and auditing regulations for companies in Ghana are governed by the Companies Act, Act 179, and the Companies Act, 2019 (Act 992). The Act mandates the preparation and publication of annual financial statements as outlined in Sections 25-31. Furthermore, it provides legal backing to the standards issued by The Institute of Chartered Accountants of Ghana (ICAG).

Accounting and Auditing Standards

Since January 1, 2007, Ghana has adopted the International Financial Reporting Standards (IFRS) for listed companies, government business enterprises, banks, insurance companies, security brokers, pension funds, and public utilities. Additionally, starting from 2010, small and medium-scale enterprises (SMEs), state-owned organizations, and private organizations are required to utilize the IFRS for SMEs.

Under the Companies Act, 2019 (Act 992), all companies registered under the law, regardless of size or public interest level, must be audited by auditors registered with ICAG. These auditors must file audited financial statements with the Registrar of Companies. Furthermore, ICAG serves as the auditing standard setter in Ghana, having adopted International Standards on Auditing (ISA) issued by the International Auditing and Assurance Standards Board (IAASB).

Additional regulations issued by the Bank of Ghana, the National Insurance Commission (NIC), and the Securities and Exchange Commission (SEC) stipulate specific requirements for entities under their supervision. These regulations, in line with various acts and regulations, maintain that relevant companies must apply IFRS when preparing their financial statements and undergo auditing in accordance with ISA.



CHAPTER 3

Navigating startup regulations and incentives

I. Government incentives

1. Tax incentives

In Ghana, there are income tax exemptions and personal tax reliefs available to eligible organizations, easing their tax obligations. Additionally, the tax legislation offers incentives and special arrangements tailored to industries, locations, and sectors, aiming to reduce tax burdens and stimulate investment in those areas.

Income of a company from an agro-processing business conducted wholly in Ghana is subject to tax at a rate of 1% for a period of five (5) tax years. The period begins with the tax year in which the company begins commercial production.

The income of a company whose principal activity is the processing of waste, including recycling of plastic and polythene material for agricultural or commercial purposes is subject to tax at a rate of 1% for a period of seven (7) tax years. This period begins with the tax year in which the company begins its operations.

Manufacturing enterprises, other than those operating in free zones or engaged in the export of nontraditional goods, located in regional capitals other than Accra are entitled to a 25% income tax rebate, while manufacturing enterprises located outside regional capitals other than Tema are entitled to a 50% income tax rebate.

Venture capital tax incentives include the following:

- Subscriptions for new equity shares in venture capital funds are exempted from stamp duty annually.
- Interest and dividends earned from investment in a venture capital company are taxed at a rate of 1% for the first ten (10) assessment years.
- Chargeable income is subject to a tax rate of 5% for the first ten (10) assessment years.
- Carryforward of losses for five (5) years for business income as well as related to disposal of investment in capital asset.

To encourage investments in some strategic sectors such as agriculture, tourism, manufacturing for exports and local market among others, the following incentives have been offered under Ghana Investments Promotion Centre Act 2013

- Lower CIT rates.
- Exemption from Customs duties.
- Accelerated depreciation allowances.

To encourage young entrepreneurship following incentives have been offered under the **Entrepreneurs tax** incentives 2017 Act.

- Five (5) years tax holiday.
- Five (5) years carry forward of losses.
- After five (5) years of holiday lower tax rates depending on the location of the business.

To obtain further tax related information in Ghana, please visit the <u>Business Tax Exemptions</u> section on <u>the</u> <u>Ghana Revenue Authority (GRA)</u> website.

2. Non-tax financial incentives

In Ghana, a range of financial and funding initiatives have been established to lend support to entrepreneurs and ecosystem builders. Notable among these programs and grants are the National Entrepreneurship and Innovation Plan (NEIP) and the Ghana Investment Promotion Centre Act, 2013 (Act 865). These initiatives are geared towards furnishing entrepreneurs and ecosystem builders with essential assistance, resources, and opportunities, all of which are pivotal in fostering their growth and bolstering their contributions to Ghana's economic development. Main incentives are listed below.

SME Growth Grant Program

The support provided by the SME Growth Grant Program from the Ghana Enterprises Agency (GEA) aims to foster job creation and job sustainability. Approximately USD 20 Million have been allocated for this flagship grant program, which largely benefits SMEs across the country. The funds are utilized for generic training, enhancing capacity, and providing grants to support the growth of SMEs. The program encompasses Youth in MSME program, PWD support program, and Women MSME program.

Ghana Enterprises Agency

The Ghana Enterprises Agency (GEA) serves as the leading government body for the advancement and support of Micro, Small, and Medium Enterprises (MSMEs) in Ghana. The GEA is executing the Women-MSMEs Program (W-MSMEP) to offer training, capacity enhancement, and financial support to women-owned MSMEs. Additionally, the GEA is implementing the Youth in MSME Program (YIMP) to deliver training, capacity building, and liquidity assistance to MSMEs owned by young individuals.

Development Bank of Ghana Loans

The Development Bank of Ghana (DBG) offers loans to support eligible, viable, and creditworthy MSMEs engaged in the agribusiness, manufacturing, and high-value services sectors.

To qualify for financing under the project, these businesses must meet certain minimum eligibility criteria, including:

- The business must be properly registered as a legal entity, such as a sole proprietorship, partnership, or limited liability company.
- The business should be registered with the tax authorities and, if applicable, hold valid licenses from the relevant sector's licensing authority.

- The business should demonstrate financial viability, which will be assessed by the Participating Financial Institutions.
- The business should have majority private ownership, with private ownership constituting more than 50%.

National Entrepreneurship & Innovation Program (NEIP)

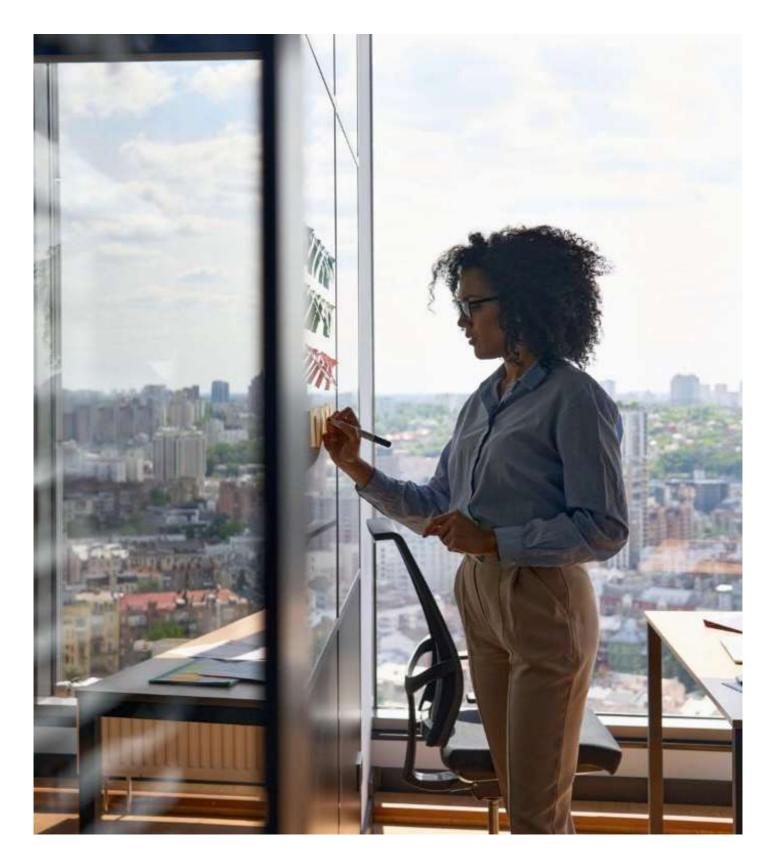
The NEIP is a flagship policy initiative by the Government of Ghana. Its main goal is to offer comprehensive national support to startups and small businesses. The NEIP primarily focuses on providing essential business development services, startup incubator facilities, and funding opportunities for young businesses, with the aim of fostering their growth and eventual success.

Benefits

- Creating an Industrial Sub-Contracting Exchange as a platform to connect large industries with small businesses and startups, enabling them to become part of the supply chain for goods and services.
- Encouraging and collaborating with private sector investors to establish business incubator hubs and industrial parks specifically for youth-owned businesses across the country.
- Establishing a Youth Enterprise Fund that attracts private capital to provide funding for early-stage businesses.
- Implementing a Buy-Local policy for ICT services that directs government contracts towards youth-owned businesses.
- Offering tax incentives to early-stage businesses established and owned by young entrepreneurs.
- Reserving 30% of proposed government contracts, which follow the concept of local content, to create a ready market for products and services offered by early-stage businesses.

YouStart initiative

The YouStart initiative provides valuable support to youth-led enterprises by offering soft loans. Startups and small businesses can access loans of up to GHS 50,000 to facilitate their growth. Additionally, the initiative offers starter packs, which are soft loans specifically designed for equipment acquisition. Individuals can receive starter packs up to GHS 50,000, while associations and groups can get up to GHS 100,000. Furthermore, SMEs can avail themselves of a standardized loan package ranging from GHS 100,000 to GHS 400,000 at concessional rates from financial institutions.



3. Free Economic Zones

The Ghana Free Zones program started in 1996 and aims at promoting processing and manufacturing of goods by establishing Export Processing Zones (EPZs). These zones are designed to facilitate the development of commercial and service activities, creating an environment that is conducive to producing goods at a minimal cost for the purpose of export. The program aims to attract investments, enhance export activities, and foster economic growth in Ghana. The Ghana Free Zones Authority (GFZA) is responsible for the direct control and licensing of Free Zones. It plays a key role in the initial approval process before customs procedures commence.

- Industrial Free Zone for the importation of raw materials for manufacturing of products for exportation.
- Service Free Zone which provides services to the Free Zone operators and also companies operating outside the Free Zones.
- Commercial Free zone for the importation of general goods for subsequent sorting, mixing, re-bagging, re-labeling or further processing into finished products for re-export.

There are two (2) established export processing zones: one located in Tema, near Accra, and the other in Sekondi, near Takoradi, which is the capital of the Western Region. Additionally, two (2) other zones are currently under development: one in Boankra in the Ashanti Region and another in Shama in the Western Region. These initiatives aim to attract investments and promote trade and industrial activities in Ghana.

Operating in Ghana's free zones offers several benefits, including a 100% exemption from payment of direct and indirect duties and levies on all imports used for production and exports. Companies also enjoy a 100% exemption from income tax on profits for the first ten years, after which the income tax is 25% for the domestic market and 15% for exports. There is a complete exemption from withholding taxes on dividends from free zone investments, and no import licensing requirements. Additionally, there are no restrictions on the repatriation of dividends, net profits, repayment of foreign loans, technology transfer payments, or the remittance of proceeds from the sale of interests in a free zone investment. Investors, whether foreign or national, can own 100% of the shares, and benefit from streamlined customs procedures.

The Ghana Free Zone Authority prioritizes investment in several key sectors. These sectors include Information and Communication Technology (ICT), textile/apparel, manufacturing, agro-food processing, seafood processing, jewelry/handicraft production, pharmaceuticals, and ethnic beauty products.

The Ghana Free Zones Authority offers competitive incentives and a "one-stop-shop" service to promote both domestic and foreign investment. Key support services include:

- Offering serviced land and utilities at designated Export Processing Zones.
- Obtaining work/residence permits for expatriates.
- Providing investor aftercare and follow-up to ensure ease of doing business.
- Providing information on investment opportunities and issuing licenses to approved enterprises.
- Assisting in securing permits from agencies like the Environmental Protection Agency and Ghana Water Company.

II. Labor and immigration regulations and facilitations

1. Entry visa

A Ghanaian visa is a requisite for most visitors, except for citizens from other West African countries and few others. The application for a Ghanaian visa should be made through the appropriate Ghanaian embassy or consulate in the applicant's country of residence. Please note that steps could vary from a country to another.

_S[°] Steps

- 1 Visit the website of your embassy in your residence country.
- 2 Complete the visa application form <u>online</u>.
- 3 Download and print the completed form.
- 4 Mail the documents to the Embassy.

Requirements

- All travelers above nine (9) months of age entering Ghana or transiting through the country must be vaccinated against Yellow Fever at least ten (10) days prior to the proposed date of departure.
- ⁻ Commonwealth nationals can obtain entry permits from a Ghana diplomatic mission or consulate abroad or any other visa issuing authority authorized by the Ghanaian Government.
- ⁻ The application must be completed online, no in-person drop-off or pick-up.

- A valid passport with at least six (6) months validity.
- ⁻ The visa application form.
- One (1) passport size photograph.
- A yellow fever vaccination.
- A recent bank statement.
- An air ticket reservation.
- ⁻ A hotel reservation, or an invitation by a resident, or two (2) references in Ghana with ID attached.
- ⁻ Photocopies of all supporting documents.

Ouration

- Regular applications processing: Fifteen (15) to twenty (20) business days.
- Expedited applications: Seven (7) business days.

2. Business visa

A business visa allows foreign nationals to enter Ghana for business-related activities. This type of visa is suitable for individuals traveling to Ghana for purposes such as attending business meetings, conferences, trade fairs, training sessions, or exploring business opportunities.

Visa exemptions apply to nationals from some West African (ECOWAS) countries, certain African Union member states, holders of diplomatic/service passports from selected countries, persons in direct airside transit, and holders of official passports from specific specialized agencies.

Nationals from African Union member states who are not ECOWAS nationals can obtain a visa on arrival upon paying the required fees. Ghana visas are issued both outside and within Ghana, covering single or multiple journeys for periods ranging from six months to five years. Visas issued within Ghana include Transit Visas, Emergency Entry Visas, Visas on Arrival, and Re-Entry Visas.

_S[°] Steps

- Visit the website of your embassy.
- 2 Complete the visa application form <u>online</u>.
- 3 Download, print, and sign the completed application form.
- 4 Attach all relevant documents to the forms and submit the application.

- A valid passport with at least six (6) months validity.
- ⁻ A visa application form.
- ⁻ One (1) passport size photograph (taken within three (3) months prior to submission).
- ⁻ Legal residency proof in the country where Ghana's Mission is situated.
- ⁻ A copy of return ticket or travel itinerary print-out.
- ⁻ A yellow fever vaccination.
- An original Invitation letter.
- ⁻ Two (2) references in Ghana with their ID proof.

- ⁻ A letter from the applicant's organization in the applicant's country, stating the purpose of the visit.
- A supporting/invitation letter from the applicant's business associates in Ghana.

3. Employment visa

An employment visa allows a foreign national to enter Ghana for employment purposes.

_S° Steps

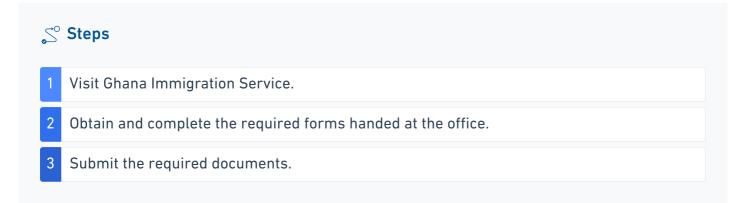
- 1 Visit the website of your embassy.
- 2 Complete the visa application form <u>online</u>.
- 3 Download, print, and sign the completed application form.
- 4 Attach all relevant documents and submit the application.

- ⁻ A copy of a letter from Ghana Investment Promotion Center approving immigrant quota.
- ⁻ A copy of letter of appointment.
- ⁻ A copy of signed contract/agreement.
- ⁻ A Curriculum Vitae.
- ⁻ A letter from Ghana Immigration Service, sanctioning grant of visa to you.
- ⁻ A letter of introduction.
- A valid passport with at least six (6) months validity.
- ⁻ A yellow fever vaccination.
- ⁻ One passport size photograph.
- ⁻ The visa application form.
- ⁻ Two (2) references in Ghana with their ID proof.



4. Work permit

A work permit is an official document issued by the Ghana Immigration Service that allows a foreign national to work legally in Ghana. Work permits often have a limited duration and need to be renewed periodically. For more information, check the <u>following GIS website</u>.



Documents

- A company registration/objects of company that intends to employ the applicant.
- A CV / Educational certificates.
- ⁻ A letter of appointment.
- A letter of support from the appropriate establishment.
- ⁻ A letter of support from the Ghanaian spouse, if applicable.
- ⁻ A marriage certificate (in case applicant is married to a Ghanaian.
- ⁻ A tax clearance certificate.
- ⁻ An application letter from the applicant or the organization engaging the applicant.
- ⁻ An audited accounts of company.

Ouration

- ⁻ Processing time: Within two (2) weeks from the date of receipt.
- If the application requires further investigation by the Ghana Immigration Service, the processing time will be extended to three (3) months.

S Cost

Consult the following <u>link</u> for the specific costs.

III. Data protection

The Data Protection Act of 2012 (Act 843) delineates the rules and principles governing the acquisition, utilization, divulgence, and protection of personal data by those in control or processing it. This law prioritizes the rights of individuals (referred to as data subjects) to protect their personal information. It obliges data controllers and processors to manage personal data in accordance with these rights, covering activities like data collection, utilization, disclosure, and deletion.

The Act is based on the fundamental rule that anyone processing personal data must respect the individual's right to privacy. This recognition by a data controller or processor should result in the application of the following eight basic principles when processing such information:

- Accountability
- Lawfulness Of Processing.

Openness.

- Specification Of Purpose.
- Compatibility Of Further Processing With Purpose Of Collection.
- Data Security Safeguards.Data Subject Participation.

• Quality Of Information.

For further explanations on the principles, check the following website.

Every data processor, regardless of whether they are local or foreign companies, is required to complete the registration process with the Commission. Information about registered entities, including foreign companies, can be accessed through a publicly available search register. Registration is a fundamental requirement for data controllers, and it involves obtaining a two-year certificate. This certificate must be renewed when it reaches its expiration date.

Furthermore, the Act brought into existence the <u>Data Protection Commission</u>, which functions as an autonomous statutory entity responsible for guaranteeing and enforcing adherence to these regulations. After successfully registering, a data controller issues a certificate of registration that remains valid for a period of two (2) years and can be renewed. The Data Protection Commission operates an online searchable registry accessible to the public, which provides details about registered data controllers. This registry displays the entity's current status in relation to the Commission and the expiration date of their existing registration.

To learn more about data protection and registration as a data controller or processor, visit the registration <u>portal</u>.



IV. Intellectual property

Ghana recognizes and provides protection for intellectual property rights under its legislation and international agreements. Under these provisions, entrepreneurs can claim ownership over the creation of an invention, a design, a distinctive mark, or an artistic work etc. The protection of these creations gives an exclusive or unique right of exploitation.

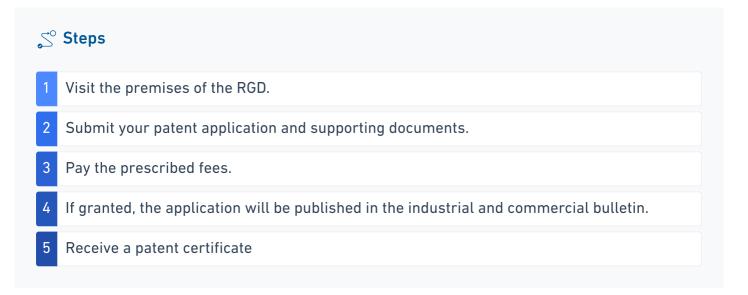
It gives owners the right to take judicial and other measures for their protection in case of unlawful unauthorized copying and use by third parties. There are four (4) common types of intellectual property rights: patents, trademarks, industrial designs, and copyrights. The section below covers the steps most startups need to know to receive protection under three (3) types based on their relevance to startups. The application process is administered by the Registrar General's Department (RGD) of the Ministry of Justice in Ghana.

1. Patents

A patent is a legal document that grants the holder exclusive rights to an invention for a defined period of time. It is a key element of Intellectual Property (IP) protection. In Ghana, inventors are granted exclusive rights to their creations through a patent, which provides protection for a period of twenty (20) years from the filing date of the patent application subject to payment of annual fees to maintain the patent. These rights allow inventors or patent owners to control the use, production, and import of their patented inventions in the country. This control extends to commercial applications and serves as an incentive for innovation and knowledge dissemination through mandatory patent publication.

The legal framework for trademark protection in Ghana is governed by Patents Act, 2003 (Act 657). No one is permitted to make, import, sell, or use a patented product or a product that has been obtained using a patented process without the consent of the owner. The owner of the patent may sue any person who uses the patent without his permission.

To register a patent in Ghana, startup owners must submit the application to the Registrar General's Department and pay the prescribed fees.



Requirements

- ⁻ A description of the invention must be clear and concise and must explain the invention in sufficient detail.
- ⁻ A power of attorney (if applicable), where applicant is a foreigner or foreign entity based outside the jurisdiction.
- ⁻ Drawings or other illustrations of the invention, if applicable.
- ⁻ One (1) or more claims, which define the scope of the invention.
- ⁻ Priority information, if applicable.
- The application must contain the name and address of the applicant, the title of the invention, and a declaration that the applicant is the true and first inventor.
- ⁻ The invention must be industrially applicable.
- ⁻ The invention must be new and not disclosed to the public prior to the filing date.
- ⁻ The invention must involve an inventive step, that is not obvious to a person skilled in the art.

Documents

- Application patent form (page 7 to page 9 of this guide).

S Cost

- ⁻ National processing fee: 50,000 GHC.
- ⁻ Three (3) first years: GHC 5,000 per year.

2. Trademarks

A trademark in Ghana is a recognizable mark, symbol, or expression that distinguishes the products or services of one company or individual from others.

Registering a trademark is crucial for safeguarding a brand against unauthorized use of similar signs or expressions by others. Entrepreneurs seeking trademark registration must submit their applications to the Registrar-General's Department, with collective marks directed to the specialized section within the Trademark Office. Opposition to trademark applications can be filed within two (2) months from the advertisement date, according to the Trademarks Act, with the possibility of extension at the registrar's discretion. Additionally, a registered trademark may be subject to cancellation if not used continuously for a period of five (5) years post-registration. Trademark registrations are initially valid for ten (10) years and can be renewed for further 10-year periods thereafter.

The legal framework for trademark protection in Ghana is governed by the Trademarks Act, 2004 (ACT 664).

_S[°] Steps

1 Visit the premises of the RGD.

- 2 Conduct a trademark search prior to the application.
- 3 Submit trademark registration to the Registrar.
- 4 In the event where there are no opposition to the approved trademarks, a certificate of registration of trademark is issued to the applicant.

Requirements

- All Trademark application accepted by the Registrar are published in the Industrial Trademarks Bulletin (Journal) for a period of two (2) months.
- Applicants whose principal place of business is located outside Ghana are required to apply through a legal entity.
- ⁻ The trademark must be distinctive and capable of distinguishing the goods or services of the applicant from those of others.
- ⁻ The trademark must not be a geographical indication.
- ⁻ The trademark must not be a well-known trademark owned by another owner.
- ⁻ The trademark must not be contrary to public order or morality.
- ⁻ The trademark must not be deceptive or misleading.
- ⁻ Within the publishing period, any interested party may file for a notice of opposition to the registration.

Documents

- ⁻ A trademark application form.
- ⁻ Certified priority document (if applicable), with verified English translation.
- ⁻ Information about the trademark.
- ⁻ A signed power of attorney.
- ⁻ Four (4) prints of the trademark.
- ⁻ Information about the goods and/or services that will be used in connection with the trademark.

S Cost

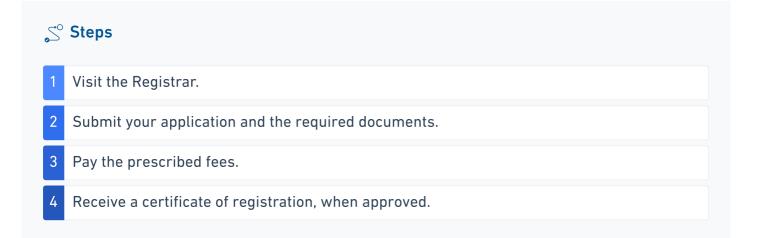
⁻ Trademark search: 1,567 GHC.

- ⁻ Trademark application: 2,786 GHC.
- ⁻ Certification of trademark: 2,786 GHC.

3. Industrial designs

An industrial design is the unique aesthetic features (the shape of an article, or two-dimensional features, such as patterns, lines, or color.) of a product that can be registered to grant the creator exclusive rights to its commercial use, preventing unauthorized replication or imitation. Industrial designs can be protected in Ghana through registration. The protection of industrial designs in Ghana is governed by the Industrial Designs Act, 2003 (Act 660).

A person may apply to the Registrar for the registration of an industrial design. The exploitation of a registered industrial design by persons other than the registered owner shall require the consent of the owner. The registration will be valid for five (5) years from the filing date of the application. The registration may be renewed for two (2) further consecutive periods of five (5) years upon the payment of the prescribed fee.



Requirements

- ⁻ If the applicant is not the creator, the application shall contain a statement justifying the applicant's right to the registration.
- ⁻ Industrial design must be new and features original elements.
- ⁻ The design should be significantly different from known designs or combinations thereof.
- The industrial design should be the result of the creator's own creative effort and not a mere copy of existing designs.



V. Key support organizations and initiatives (not exhaustive)

Accelerators

Google for Startups Accelerator in Ghana

GrowthAfrica

<u>Innohub</u>

Orange Corners

UNICEF StartUp Lab

Competitions and Awards

Hacklab Foundation

Mest Africa Challenge

Pitch AgriHack

Funding programs/institutions

<u>AGRA</u>

Annan Capital Partners

AV Ventures – West Africa SME Investment Platform

Bank Of Africa Ghana

Blue Haven Initiative

Breyer Capital

CDC Group (British International Investment)

Chanzo capital

<u>dLab</u>

Echoing Green

<u>ElectriFI</u>

Incubators

FasterCapital

Ghana Climate Innovation Center

Ghana Innovation Hub

Kumasi Technical University, Consulting and Business Incubation Centre (CBIC)

MEST Africa

Standard Chartered Women in Tech Incubator

Coworking spaces

Accra Impact Hub

Basecamp Initiative Accra

ComUnity_Spaces

Duapa Werkspace

Ghana Innovation Hub

HapaSpace Innovation Hub

<u>Ispace</u>

<u>Kukun</u>

Regus - Atlantic Tower

Events

Ghana Tech Summit

Funding programs/institutions

Emerald Africa Financing Facility

Energy Access Ventures Fund

Faster Capital

Founders Factory Africa

Founder Institute

Fund for Youth Employment

Ghana Angel Investor Network

Ghana Enterprises Agency (GEA)

Ghana Investment Promotion Center

GMC coLABS

GOODsoil VC

GSMA Innovation Fund

Ingressive Capital

International Finance Corporation (IFC)

Investisseurs & Partenaires (IEP)

MCE Social Capital

Novastar Ventures

Oikocredit International

responsAbility

Rising Tide Africa

<u>Seedstars</u>

Shell Foundation

Soros Economic Development Fund

Standard Chartered Ghana

Funding programs/institutions

USAID

<u>VestedWorld</u>

YESS Fund

<u>YouStart</u>

Other useful resources

African Impact Initiative

<u>AfriLabs</u>

Association of Ghana Startups (AGS)

AWS in Africa

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Dutch Entrepreneurial Development Bank (FMO)

Ghana-India Kofi Annan Centre of Excellence (GI-KACE)

Ghana's Startup Bill

Hello Tomorrow

Old Mutual

Opportunities For Africans

Palladium

Randstad

She WINS Africa

Telecel Group

The Agribusiness Dealroom

VC4A

VS0

Yison Tech Hub

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Appendix 1: Launching your startup: key success factors

Addressing market demand

Your startup should provide a compelling solution to a specific problem within a large and eager market. Think of it as a puzzle piece that fits perfectly into the demand landscape. Steve Blank's <u>Customer Development Model</u> can guide you in creating a product or service that customers cannot resist.

Feasibility analysis

Conduct a thorough feasibility analysis. This process empowers you to make informed decisions, spot areas needing improvement, and allocate resources effectively. It is your tool for maximizing your chances of crafting a successful, long-lasting venture. 46

Market insights

Dive deep into market analysis. Understand the current state of your industry segment and define your target market. A strong grasp of market dynamics is essential for positioning your product or service effectively.

Building a stellar team and network

Source and group a team of multitalented experts. This is one of the fundamental steps to scale a startup. These diverse talents will complement each other and will help you access a strong, interconnected network that can be your secret weapon for gaining support, mentorship, and continuous learning.

Analyzing the competition

Competitive analysis is not just about sizing up rivals; it is a vital part of your strategic planning, systematic research and evaluation of your competitors' strengths and weaknesses. It will guide you into finding your competitive edge and creating your added value ion the market.

Legal Flexibility

The legal form of a startup must allow for flexibility. Choose a legal structure for your startup that offers the flexibility needed for growth. Make it easy for shareholders to join and leave the company and ensure your memorandum of association can adapt to your evolving needs. In fact, the memorandum of association must be drawn up freely and allow the opening of share capital.

Appendix 2: What type of support to expect at each stage of a startup lifecycle

	Startup development stages	Government support	Funders support	SSOs support
Outreach	 Idea formation Problem validation Team establishment 	 Promote entrepreneurship education Facilitate Ideation: Hackathons, startup Weekends, etc. Promote innovation and entrepreneurship culture 	 Financial literacy and entrepreneurship awareness programs Networking opportunities to connect with potential mentors, advisors, and industry experts 	 Access to experienced mentors who provide guidance and advice on various aspects of startups Provision of office space, shared facilities, and infrastructure to support the early-stage development of the business
Pre start	 Idea development Business modeling Problem/Solution fit: prototyping Team Formation: access to training and mentorship 	 Offer entrepreneurship training and education Facilitate Proof of concept and proof of Business Facilitate Business Modeling Validate MVP 	 Seed funding for idea validation and product development Coaching to refine business ideas and plans Access to incubators or accelerators providing resources, infrastructure, and networking opportunities 	 Assistance in refining the product/service, pricing strategies, and go-to-market plans Support in conducting market research and understanding the target market, customer needs, and competitors

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	Startup development stages	Government support	Funders support	SSOs support
Launch	 Business Creation Early-stage fundraising Initial Go-To market: MVP development 	 Provide Early- Stage Financing Facilitate access to client and Go- To -Market Strategic partnerships Housing Operation set up and labeling 	 Seed funding to launch the business Cover initial operational costs Access to angel investors or venture capital firms Guidance on legal and regulatory compliance Support in building a strong founding team and advisory board 	 Guidance on company registration, intellectual property protection, and legal compliance Support in identifying funding sources, preparing investor pitches Connecting with potential investors
Growth	 Product/Market Fit International Go- To-market Expansion and scaling 	 Facilitate access to Finance Facilitate internationalizat ion via events, strategic partnership, etc. Provide operational support 	 Series A, B, or C funding rounds for scaling operations and market expansion Strategic guidance and industry insights from investors Assistance in negotiating partnerships and strategic alliances Exit strategies and assistance with mergers, acquisitions, or public offering 	 Assistance in scaling operations, managing growth, and overcoming operational challenges Access to industry experts Provide sector-specific knowledge and guidance



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