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BEYOND INVESTMENT PROMOTION

Does Ghana's New Investment Promotion Authority Act Position Ghana for the Next Generation of Global Investment?

Assessing the Economic, Legal and Fiscal Implications of Ghana's New Investment Framework

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Ghana has spent much of the last three decades presenting itself as one of Africa's most stable and investor-friendly economies. Political stability, an established legal system, access to natural resources and a strategic position within West Africa have supported that reputation. The location of the African Continental Free Trade Area Secretariat in Accra has also strengthened Ghana's claim to be a gateway to a continental market. Yet investment decisions are no longer driven solely by these factors. The next generation of global investment in emerging markets is increasingly being shaped by other factors such as technology, supply-chain resilience, environmental standards, access to skilled labour, regulatory speed and the ability of public institutions to solve problems after an investor has entered a country.

It is within this changing environment that the government enacted the Ghana Investment Promotion Authority Act, 2026 (Act 1173), to which President John Dramani Mahama assented on 15 July 2026. The Act repeals the Ghana Investment Promotion Centre Act, 2013 (Act 865) and transforms the Ghana Investment Promotion Centre into the Ghana Investment Promotion Authority. The name change is important, but the real test lies in whether the new law changes how Ghana attracts, facilitates, regulates and retains investment.

The timing is significant. According to the United Nations Trade and Development (UNCTAD), global foreign direct investment increased by 6% to approximately US$1.6 trillion in 2025, but the recovery remained fragile and uneven. Ghana's own inward Foreign Direct Investment (FDI) trajectory is harder to state precisely, because two very different measures of it circulate. UNCTAD's World Investment Report 2025 (the most recent edition with a confirmed Ghana figure at the time of writing) records Ghana's inward FDI at approximately US$1.67 billion in 2024, on a balance-of-payments basis. GIPC's own provisional figures, which count registered projects rather than balance-of-payments flows and are not directly comparable to the UNCTAD series, put 2025 inflows at approximately US$2.61 billion, more than four times the US$652 million GIPC recorded on the same project basis for 2024. Both series point the same direction, but the scale of improvement they imply is different enough that the two should not be quoted interchangeably, and the precise UNCTAD figure for 2025 should be confirmed against the World Investment Report 2026 country tables before publication. This improvement provides some momentum, but it does not remove the structural weaknesses that have limited the developmental impact of investment in Ghana.

6% Growth in global FDI in 2025, to approximately US$1.6 trillion (UNCTAD, World Investment Report 2026).

The GIPC's own 2024 investment report recorded 140 projects with an estimated FDI component of US$617.61 million. These projects were expected to create 15,328 jobs at full operation, of which 13,733 were projected for Ghanaians. However, 115 of the 140 projects were located in the Greater Accra Region (GIPC, 2025). The GIPC project figures and UNCTAD's FDI figures measure different things and should not be directly equated. Taken together, however, they reveal the wider policy challenge: Ghana must attract more investment, but it must also improve its quality, geographic distribution, local linkages and contribution to productivity.

GIPA Act (Act 1173) is therefore more than an institutional rebranding exercise. It represents an attempt to move Ghana from a narrow investment-promotion model towards a broader investment-governance framework. It lowers some barriers to foreign participation, increases the regulatory responsibilities of the new Authority, introduces investor obligations, creates a formal grievance mechanism and brings the award of investment incentives more firmly within Ghana's exemptions framework. These are important reforms. However, they also create new compliance costs, administrative discretion and legal questions that will determine whether the Act becomes a platform for productive investment or simply another layer of regulation.

From an Investment Promotion Centre to an Investment Promotion Authority

Under the repealed Act 865, the GIPC's core mandate was to encourage, promote and facilitate investment in Ghana. Act 1173 retains these responsibilities but significantly broadens them. The new Authority is required to encourage, promote, facilitate and regulate investment into and within Ghana. It must promote outward investment by Ghanaian enterprises, act as a one-stop shop, operate an investor grievance mechanism, facilitate technology transfer, support investment-related advisory services and serve as Ghana's national focal point under the AfCFTA Protocol on Investment.

This expanded mandate reflects a more modern understanding of investment policy. Ghana is no longer expected to act only as a recipient of foreign capital. The law now recognises that Ghanaian enterprises must also be supported to enter regional and global markets. This is particularly relevant under the AfCFTA, where the ability of local firms to invest across borders may become as important as Ghana's ability to host foreign companies.

The Act also introduces sustainable development, economic efficiency, social inclusion and environmental responsibility into the Authority's investment-promotion function. This is a notable departure from a model that measures success mainly by the number and dollar value of registered projects. It signals that investment should be judged by what it contributes to the economy, including employment, technology, exports, environmental protection and local capacity.

However, the word "Authority" does not automatically produce authority in practice. The institution will still depend on other bodies for company registration, immigration, taxation, environmental permits, land administration, foreign exchange approvals and sector licences. Act 1173 seeks to address this coordination challenge by establishing a Technical Committee comprising representatives from the Ministry responsible for Finance, the Ministry responsible for Trade, Bank of Ghana, Ghana Revenue Authority, Environmental Protection Authority, Office of the Registrar of Companies, Immigration Service, National Communications Authority, Lands Commission and the National Development Planning Commission. While the objective of strengthening inter-agency coordination is commendable, the institutional design raises important governance questions. The Board itself already includes representatives from several of these institutions and is empowered to establish committees to assist in the discharge of its functions. At the same time, the Act assigns responsibility for the day-to-day administration of the Authority to the Chief Executive Officer and the Authority's staff. The Technical Committee, by contrast, consists primarily of representatives from external institutions who remain accountable to their respective organisations rather than to the Authority. As a result, its role is necessarily advisory and consultative rather than operational. This raises the question of whether a separate statutory Technical Committee was required at all, particularly when the Board already possesses the authority to establish committees and includes representatives from many of the same institutions. Government could instead have strengthened inter-agency coordination by allowing the Board to establish a technical committee under section 11, comprising Board members and representatives of other relevant institutions as the Board considered necessary. Such an approach would have achieved the same coordination objective through a leaner and potentially more cost-effective institutional framework, while avoiding the creation of a separate statutory committee with overlapping membership and largely advisory functions.

A related, and so far, unasked, question is whether the Authority itself is resourced to meet the deadlines the Act sets for it. Act 1173 commits GIPA to registering an enterprise within five days, acknowledging a grievance within five days, resolving a grievance within three months, determining a strategic-investment application within thirty days, and maintaining a live national investment registry, on top of the one-stop-shop coordination role discussed above. These are demanding service standards for an institution that has just been renamed rather than necessarily re-staffed or re-platformed. Ghana's experience with other newly mandated agencies suggests that statutory timelines are only as credible as the administrative capacity behind them; the Authority's annual report should therefore track its own performance against these deadlines from year one, so that any gap between the law's ambition and GIPA's delivery becomes visible early rather than emerging anecdotally through investor complaints.

The Most Significant Reform: Rethinking Minimum Foreign Capital

One of the most consequential changes under Act 1173 is the removal of the broad minimum foreign-capital requirements that applied under Act 865.

Under the 2013 Act, a foreign investor entering a joint venture with a Ghanaian partner was generally required to invest at least US$200,000 in cash or qualifying capital goods, while the Ghanaian partner had to hold at least 10% equity. A wholly foreign-owned enterprise was generally required to invest at least US$500,000. A foreign-owned trading enterprise faced a higher threshold of US$1 million and was required to employ at least 20 skilled Ghanaians.

Act 1173 does not reproduce the US$200,000 joint-venture threshold or the US$500,000 threshold for a wholly foreign-owned enterprise. It retains a minimum capital rule only for a non-citizen engaging in a trading enterprise. The trading threshold is reduced from US$1 million to US$500,000, must be invested in cash as equity capital, and is accompanied by a requirement that at least 75% of the enterprise's employees be skilled Ghanaians (section 31).

US$500,000 New trading-enterprise capital floor under Act 1173, down from US$1,000,000 under Act 865.

Two further changes to this framework have received little attention in the commentary published on Act 1173 to date. First, the Act does not preserve the exemption available under Act 865 to a foreign spouse of a Ghanaian citizen, who could previously be treated as a Ghanaian for minimum-capital purposes after at least five years of marriage and ordinary residence in Ghana. Second, it does not preserve the exemption previously available under Act 865 to an enterprise established solely for export trading and manufacturing. Section 31 of Act 1173 sets out only two exemptions from the trading-enterprise capital requirement: a former Ghanaian citizen who lost citizenship because their new country of citizenship does not permit dual nationality, and a portfolio investor. Both the marital exemption and the export-and-manufacturing exemption that existed under Act 865 have been dropped. For foreign nationals married to Ghanaians and for export-oriented trading businesses, this is a real narrowing of an existing protection, not merely a technical drafting change, and it deserves separate notice from the general story of capital floors being removed.

This is a major shift from using capital size as the primary screening device to using sector restrictions, employment conditions, monitoring and compliance. It could make Ghana considerably more accessible to technology companies, professional service firms, knowledge-based businesses, start-ups and specialised investors whose economic value may not be reflected in large physical-capital investments. A software business, research enterprise or specialised advisory firm may create high-skilled employment and export revenue without initially investing US$500,000 in machinery or equipment.

The reform may also reduce artificial corporate arrangements created mainly to satisfy statutory thresholds. Under the old framework, some investors had an incentive to structure nominal joint ventures, inflate the value of capital goods or delay entry until the minimum capital could be demonstrated. Removing general capital floors allows the quality and viability of a project to matter more than its initial balance-sheet size.

The change is not without risk. Lower entry barriers can attract productive small and medium-sized foreign businesses, but they can also increase competition for domestic firms that face higher financing costs and weaker access to infrastructure. The answer should not be to rely on arbitrary capital thresholds as a substitute for industrial policy. Ghana must instead strengthen competition enforcement, improve domestic access to credit, support supplier development and ensure that foreign firms comply with tax, labour and local-content rules.

The revised trading rule attempts to strike that balance. Reducing the threshold to US$500,000 makes entry easier, while the 75% skilled-Ghanaian employment requirement links access to job creation. The percentage-based requirement also grows with the enterprise, unlike the fixed requirement of 20 skilled Ghanaians under Act 865. However, it could be more demanding for a small trading enterprise. For example, an enterprise with four employees would need three skilled Ghanaian employees. Measured in real terms, the reduction is also smaller than the headline dollar figures suggest: the US$1,000,000 threshold set in 2013 has been eroded by thirteen years of cedi depreciation and inflation, so part of the apparent 50% cut in the dollar threshold reflects the currency's decline over the period rather than a proportionate easing of the real barrier to entry.

Section 35(3) appropriately seeks to prevent fronting by ensuring that enterprises claiming to be wholly Ghanaian owned cannot circumvent the foreign investor regime through concealed foreign beneficial ownership. However, the inclusion of a non-Ghanaian director alongside a non-Ghanaian beneficial owner raises a separate concern. Directorship and ownership are legally distinct concepts. While beneficial ownership is directly relevant in determining the true ownership and control of an enterprise, the appointment of a foreign director does not, by itself, alter the ownership structure or establish foreign control. A wholly Ghanaian-owned enterprise may legitimately appoint foreign directors for their technical expertise, international experience or managerial competence. The rationale for treating the nationality of a director as equivalent to foreign ownership is therefore unclear and would benefit from clarification through regulations or future legislative amendment.

— A Narrower Reserved List for Ghanaian-Owned Businesses

A second entry-conditions change sits alongside the capital-threshold story and has had even less attention. Act 865 reserved eight categories of activity for citizens and wholly Ghanaian-owned enterprises, including market trading, beauty salons, small-fleet taxis, exercise-book production, pharmaceutical retail, sachet water, and, notably, the printing of recharge scratch cards and pool betting and lotteries. Section 32 of Act 1173 carries forward only six of those eight categories: recharge-card printing and pool betting and lotteries are both dropped, with gaming and lottery eligibility now left to industry-specific laws and regulators instead. Precise figures on how many Ghanaian-owned businesses currently operate in these two spaces were not available at the time of writing and should be sourced from the relevant sector regulators before this point is used to estimate distributional impact. But the direction is clear: two categories of activity that were previously reserved for Ghanaian ownership are no longer automatically protected by this Act, and the practical consequence for the Ghanaians currently earning a living in them is a legitimate question for the Authority, and for Parliament, to answer directly rather than leave to a change in a schedule that most readers of the Act will not compare line by line against its predecessor.

— How Ghana's New Threshold Compares Regionally

Act 1173 is not a first mover on capital-floor removal; it is catching up to a field that has already moved. Nigeria's Investment Promotion Commission Act has carried no general minimum capital requirement since 1995, permitting 100% foreign ownership outside a short negative list (arms, narcotics, and military and paramilitary wear), and Nigeria remained Sub-Saharan Africa's largest FDI recipient by value in 2024. Rwanda's Investment Code of 2021 goes further still: there is no capital floor at all for registering an enterprise, foreign or domestic, at the Rwanda Development Board's One Stop Centre. Rwanda instead uses investment size only to calibrate incentives after entry, so a US$250,000 investment unlocks an automatic three-person expatriate quota, while a US$50 million investment with at least 30% equity unlocks a seven-year corporate tax holiday. Kenya's Business Laws (Amendment) Act, 2024 moves in the same direction, setting a US$100,000 threshold for incentive eligibility rather than for market entry, alongside its own one-stop-shop initiative moving through Parliament on a timeline similar to Act 1173's. Set against this field, Act 1173's retained US$500,000 threshold for trading enterprises is the most conservative capital floor among the four, and the removal of the general minimums brings Ghana into closer alignment with regional practice rather than ahead of it. The distinguishing question for investors choosing between these markets is therefore less about the number on the entry form and more about execution: registration speed, grievance resolution and incentive discipline are where Act 1173 will have to compete.

> **3 of 4** Regional peers reviewed here (Nigeria, Rwanda, Kenya) that already carry no general capital floor at all.

Registration, Annual Renewal and the National Investment Registry

Act 1173 retains mandatory registration for enterprises with foreign ownership before they begin operations. It also reduces the statutory registration period from five working days to five days and changes renewal from once every two years to every year (Act 1173, section 34). Wholly Ghanaian-owned enterprises may register voluntarily, but once registered they must also renew annually if they wish to continue accessing applicable benefits. Registered enterprises must obtain approval before establishing a branch at a new location.

> **Every year** New registration renewal cycle under Act 1173, up from every two years under Act 865.

The case for annual renewal is stronger data and more regular compliance monitoring. The Act requires the Authority to establish a national investment registry and reporting system to track local and foreign investment performance, undertake annual compliance reviews and support surveys on FDI and reinvestment. If properly digitised, this could address an important weakness in Ghana's investment statistics: the gap between announced investment, registered investment, initial capital transfers and investment that is actually implemented.

Annual renewal can also become an unnecessary compliance tax if businesses are repeatedly asked to submit information already held by government. A genuine one-stop shop should allow the Authority to obtain verified information from the Office of the Registrar of Companies, Ghana Revenue Authority, Immigration Service and sector regulators through secure data exchange. Renewal should be risk-based and largely automatic for compliant enterprises, with enhanced review reserved for firms with material changes or identified risks.

This is important because the penalties are substantial. Failure to renew can attract an administrative penalty of 7,000 penalty units, with additional monthly penalties for continued non-renewal. Breaches involving reserved activities, misuse of incentives, unapproved branches and technology-transfer payments also attract significant administrative penalties. Strong enforcement can improve credibility, but the Authority must publish clear procedures for compliance notices, representations, proportionality and appeals. Administrative efficiency should not come at the expense of due process.

— Existing Investors Are Better Protected in the Transition Than the Public Guidance Suggests

Public commentary accompanying Act 1173's commencement has mainly told existing GIPC-registered enterprises to "familiarise themselves" with the new requirements and monitor GIPA's communications, without explaining what the transitional rules actually provide. Sections 60 and 61 of the Act are considerably more specific, and more generous to existing investors, than that guidance implies. No enterprise registered under Act 865 needs to re-register: an existing registration, including a joint venture's status as such, continues in force as if registered under Act 1173, and any application still pending with GIPC at commencement is simply deemed pending before GIPA. Existing incentive packages are not displaced by the new framework; section 60(5) provides that a continuing enterprise keeps its pre-existing benefits in addition to whatever it becomes entitled to under Act 1173, rather than having to choose between the two. Expatriate quotas and work permits continue at their Act 865 levels until they next expire or are renewed, at which point the higher Act 1173 bands apply. Technology transfer agreements already registered with GIPC carry over automatically, and the 1992 Technology Transfer Regulations (L.I. 1547) remain in force. The Act is also not retrospective in its penalties: offences, penalties and proceedings arising under Act 865 before commencement are unaffected.

One change does arrive immediately, without any action required of the investor, and it is not obvious from the transitional provisions read on their own. Because a continuing enterprise is treated in law as "registered under this Act", its very next renewal falls under Act 1173's annual cycle rather than Act 865's two-year cycle, regardless of how much time remained on its original registration. An enterprise that renewed under Act 865 eighteen months before Act 1173 commenced, expecting a further six months before its next renewal was due, may in practice face that renewal much sooner once the annual clock under the new Act applies to it. The Authority should communicate this compressed timeline directly to existing registrants rather than leaving it to be discovered by cross-reading sections 34 and 60 together.

A More Disciplined but Still Sensitive Incentive Regime

The old GIPC Act (Act 865) gave registered enterprises access to incentives under the tax and customs laws and allowed the Board, with presidential approval, to negotiate additional packages for strategic investments. It also required the publication of the criteria for strategic investments and the details of special incentives awarded.

This new GIPA Act (Act 1173) restructures this framework. Industry-specific or programme-specific tax incentives may be introduced by legislative instrument by the Minister for Finance, in consultation with the Authority and subject to the Exemptions Act, 2022 (Act 1083). For strategic investments, Cabinet determines the priority areas, while the Authority must publish those areas and the criteria for determining a strategic investment. An investor may then apply for the required exemptions, and the Chief Executive Officer must determine within 30 days whether the investment falls within a priority area.

This is a positive attempt to align investment incentives with Ghana's broader exemptions law. It reduces the risk that tax concessions will be negotiated outside the fiscal framework and recognises that an incentive is indirectly a form of public expenditure. The Ministry of Finance reported total tax exemptions of approximately GH¢4.80 billion in 2024, equivalent to about 3.18% of total revenue. This figure includes many categories beyond investment incentives under Act 1173, but it demonstrates why exemptions must be treated as real fiscal costs rather than free policy tools.

3.18% Share of 2024 government revenue represented by total tax expenditure (Ministry of Finance / GRA).

The new framework can improve fiscal discipline if every incentive is assessed based on additional investment, jobs, exports, technology transfer and local procurement that would not have occurred without the concession. Incentives should also contain measurable performance conditions, expiry dates and recovery provisions where an investor fails to deliver agreed outcomes.

There is, however, a transparency concern. Act 1173 expressly requires publication of priority areas and qualification criteria, but it does not repeat in the same direct terms the requirement in Act 865 to publish the details of special incentives awarded through negotiation. The Exemptions Act and parliamentary approval process provide important safeguards, but the Authority should still maintain a public register of strategic incentive packages, their estimated fiscal cost, performance obligations and implementation status. Commercially sensitive information can be protected without concealing the public cost of an incentive.

The fiscal question is therefore not whether Ghana should offer incentives. Most competing investment destinations do. The question is whether an incentive changes an investment decision and produces benefits greater than its cost. A tax holiday granted to an investment that would have occurred anyway is simply a transfer from the public to the investor.

Investor Protection, Grievances and Dispute Resolution

Investor confidence depends not only on entry conditions but also on what happens when a government institution delays a permit, changes an interpretation or fails to honour an administrative decision. Act 1173 addresses this by creating a formal investor grievance mechanism. The Authority must acknowledge a grievance within five days, facilitate its resolution within three months and communicate its decision or recommendation within ten days after reaching it. Relevant government institutions are required to cooperate and implement the Authority's decision in a timely manner. The Authority must also submit quarterly reports on grievances and their status to the sector minister and relevant government institutions (section 43(10)). A grievance must also be submitted within six months of the incident giving rise to it (section 43(4)), and it is excluded from the mechanism altogether where it is already the subject of a court process, an alternative dispute resolution process, a government institution's own formal internal process, or where it relates to actual or alleged criminal activity (section 43(11)-(12)).

This is one of the strongest institutional innovations in the Act. An effective early-warning and grievance system can resolve problems before they become expensive court cases or international investment disputes. It can also reveal recurring administrative obstacles across government.

The mechanism nevertheless has limits. A grievance cannot already be the subject of a court process, alternative dispute resolution or a formal internal process of another government institution. The Authority is also part of the executive branch and is not a court or independent tribunal. The Act says a government institution must implement the Authority's decision, but it does not provide a detailed enforcement process where that institution refuses or delays. The credibility of the mechanism will depend on transparent procedures, published anonymised outcomes and an effective escalation route to the responsible Minister or Cabinet.

The new law also changes the statutory dispute-settlement language. Act 865 expressly allowed an unresolved investor-state dispute to be submitted, at the option of the aggrieved party, to arbitration under the rules of the United Nations Commission on International Trade Law (UNCITRAL), through an applicable investment treaty, or through another agreed national or international mechanism. Act 1173 removes the express standalone reference to UNCITRAL arbitration. It retains treaty-based procedures and other national or international machinery agreed by the parties in writing. Where the parties disagree over the method, and there is no contrary arbitration agreement, mediation under Ghana's Alternative Dispute Resolution Act remains the default.

This does not eliminate arbitration rights arising from a contract or an investment treaty. It does, however, mean that the new Act itself no longer appears to provide the same express route to UNCITRAL arbitration. The Government may view this as a way of controlling exposure to investor-state claims, while some investors may see it as a narrowing of statutory protection. Ghana should communicate this change clearly and ensure that investment contracts and applicable treaties state dispute-resolution choices precisely.

This is not only a drafting nuance; it is a live issue for anyone negotiating a Ghana entry structure today. Where an investment is not covered by a bilateral or multilateral treaty that carries its own arbitration clause, Act 1173 no longer supplies a default route to UNCITRAL arbitration, and the fallback is domestic mediation under the Alternative Dispute Resolution Act, 2010. Investors and their counsel should treat an explicit, freestanding arbitration clause as a standard requirement in shareholder agreements, joint-venture contracts and other Ghana-facing transaction documents going forward, rather than assuming the statute will supply one by default.

The protection against expropriation is also reformulated. This new GIPA Act (Act 1173) protects property, interests and rights against nationalisation, expropriation and measures with equivalent effect, except for public interest or public purpose under a law that provides prompt, fair and adequate compensation and access to the High Court. This modernises the language by recognising measures equivalent to direct expropriation. However, Act 865 expressly referred to authorisation for repatriating compensation in convertible currency. Although transferability protections and the Constitution remain relevant, investors may seek clarification on why that specific wording was not repeated.

This GIPA Act (Act 1173) also provides national-treatment protection where an investor suffers a loss connected with war, armed conflict, insurrection, riot or a similar event and the loss results directly from the government's failure to comply with its legal obligations. In such circumstances, the investor must receive treatment no less favourable than that given to comparable Ghanaian-owned enterprises or other registered foreign investors. This is a useful addition, although its practical reach will depend on establishing both the government's legal failure and the direct connection to the loss.

Investor Obligations and Sustainable Development

Act 1173 does not treat investor protection as a one-way relationship. Section 45 requires enterprises to comply with domestic law, human rights, business ethics, environmental, safety and labour standards. Investors must promote human-capital development, gender equity, training, knowledge transfer, community development, environmental protection and the employment and development of local talent.

This reflects a global shift in investment policy. Countries increasingly want investment agreements and domestic laws to protect investors while also preserving the right to regulate and requiring responsible business conduct. For Ghana, the provision creates a legal foundation for evaluating investment according to its wider social and environmental impact.

The difficulty lies in converting broad obligations into fair and enforceable standards. Phrases such as "highest possible level of contribution" and "to the extent possible" are appropriate as policy objectives but may be too open-ended for penalties. Since the Act also creates general offences for contraventions and allows the Authority to issue guidelines, the guidelines must clearly distinguish binding requirements from aspirational standards. Investors should know in advance what will be measured, how compliance will be assessed and what corrective process will apply before a sanction is imposed.

The Authority should use these obligations to build an investment-quality scorecard rather than relying solely on punishment. The scorecard could track factors such as the proportion of Ghanaians employed, wages, worker training, local procurement, export earnings, research and development, technology transferred, energy use, environmental compliance and investment outside Greater Accra. This would allow Ghana to reward high-impact investors and identify those whose contribution is limited to market access.

Whether Ghana can currently supply the workforce this framework assumes is a separate, practical question that deserves its own attention. The trading-enterprise rule requires at least 75% of employees to be skilled Ghanaians, and section 45's broader obligations expect enterprises to invest in training and knowledge transfer more generally. Both provisions assume a pipeline of technical and vocational graduates that can be absorbed at the pace new registrations occur. Whether Ghana's TVET institutions and universities currently produce that pipeline at the relevant scale, sector by sector, is a question the Authority's promised guidelines should address directly, rather than leaving individual employers to discover any gap through their own recruitment difficulty.

Expatriate Labour: Greater Flexibility, Greater Responsibility

Act 1173 substantially expands the expatriate quota structure. Under Act 865, qualifying enterprises were entitled to between one and four automatic expatriate positions depending on paid-up capital. Under the new Act, the quota ranges from two positions for investments between US$50,000 and US$500,000 to 12 positions for investments above US$10 million. Quotas are valid for five years and may be renewed. The Act also creates a clearer work-permit process through the Authority and the Immigration Service.

> **2 – 12** Automatic expatriate quota positions under Act 1173, up from 1 – 4 positions under Act 865.

The expanded quotas may make Ghana more attractive for technically complex projects that require specialised management during establishment. They may also support knowledge transfer where expatriate staff train

Ghanaian employees. The Authority should therefore connect quota renewal to evidence of succession planning and skills transfer. A company seeking renewal after five years should demonstrate which positions have been localised, what training has been provided and why the remaining expatriate roles cannot reasonably be filled locally. Ghana's objective should not be to exclude global expertise. It should be to ensure that global expertise builds Ghanaian capability.

Technology Transfer and the Protection of the Tax Base

Technology transfer receives much stronger treatment under Act 1173. Registered agreements are valid for five years and are renewable. A licensed bank cannot remit payments under an agreement unless the required registration certificate and certified agreement are presented. Fees under an unregistered agreement are not deductible for income-tax purposes, and the agreement is not legally enforceable. Renewal takes place in consultation with the regulator of the relevant sector to which the agreement relates (section 52(7)-(8)). The 1992 Technology Transfer Regulations (L.I. 1547) remain in force alongside the Act, and any technology transfer agreement already registered with the former Centre before commencement is deemed to be registered with the Authority without any need for re-registration (section 60(8)-(9)).

These provisions can protect Ghana against disguised profit shifting, excessive management fees and unverified royalty payments. They also allow the Authority to determine whether technology agreements deliver genuine knowledge, intellectual property or technical services to the Ghanaian enterprise.

Despite these, the rules must be administered quickly and consistently. Delayed registration could prevent legitimate payments, create foreign-exchange exposure and disrupt access to essential technology. The Authority, Ghana Revenue Authority and Bank of Ghana should publish a common digital process, standard documentation requirements and clear review timelines. The objective should be to prevent abuse without making legitimate technology acquisition unnecessarily difficult.

Citizenship by Investment: A Direction, Not Yet a Programme

Section 39 has attracted considerable attention because it directs the Ministry of the Interior, in consultation with the Authority, to enact legislation relating to citizenship by investment. The section does not itself establish a citizenship-by-investment programme, set an investment amount or grant an investor a right to citizenship. Any such programme will require separate legislation consistent with the Constitution and other applicable laws.

This distinction matters. Citizenship is not an ordinary investment incentive. If Ghana proceeds with a programme, it will need strict source-of-funds checks, beneficial-ownership disclosure, anti-money-laundering controls, security screening, independent approval, transparent reporting and a clear explanation of the national benefit. The fiscal attraction of application fees or investment inflows should not override reputational, security and governance considerations.

A citizenship programme should also be kept separate from normal investment approval. Investors should choose Ghana because the economy offers credible opportunities, not because citizenship becomes the principal product being sold.

The Wider Economic Impact

Economically, Act 1173 has the potential to improve the composition of investment in Ghana. Removing general capital floors can support digital services, creative industries, research, logistics, professional services and other sectors where knowledge and networks matter more than heavy initial assets. The one-stop-shop mandate and grievance mechanism can reduce the hidden cost of delays. Outward-investment promotion can help Ghanaian firms use the AfCFTA to expand beyond a relatively small domestic market.

The law may also improve employment outcomes through the trading-sector ratio, investor obligations and expanded monitoring. Yet job numbers alone are not sufficient. Ghana needs productive jobs with training, career progression and wages that reflect the value created. It also needs stronger links between foreign investors and Ghanaian suppliers so that investment expenditure circulates within the domestic economy.

The geographic concentration of investment remains a major weakness. When 115 of 140 GIPC-registered projects in 2024 were located in Greater Accra, the problem was not simply investor preference. It reflected differences in infrastructure, logistics, access to markets, skilled labour and administrative services across regions. The new Authority's power to establish branch offices is useful, but regional offices cannot compensate for unreliable roads, electricity, water and digital connectivity. Investment policy must be linked to spatial development and infrastructure planning.

115 of 140 2024 GIPC-registered projects located in the Greater Accra Region.

The macroeconomic environment will also remain decisive. In July 2026, the IMF Executive Board completed the sixth and final review of Ghana's Extended Credit Facility arrangement, concluded the 2026 Article IV consultation, and approved a new 36-month Policy Coordination Instrument, a signal that Ghana has moved from IMF financial support to a non-financing reform partnership. The Fund's own figures describe a materially stronger starting point than at any point since the 2022 debt crisis: real GDP grew 6% in 2025 and accelerated to 6.4% year-on-year in the first quarter of 2026; headline inflation fell to 5.3% by June 2026; gross international reserves nearly doubled to US$11.9 billion by end-2025, equivalent to about four months of import cover; the primary fiscal balance moved to a surplus of 2.1% of GDP; and Ghana's risk of debt distress was upgraded from high to moderate. No investment law can substitute for this kind of stabilisation, but Act 1173 arrives at a moment when the macroeconomic backdrop is doing more, not less, to support the case it is trying to make. No investment law can offset persistent exchange-rate instability, delayed government payments, unreliable power or sudden changes in taxation.

The Fiscal Implications

The fiscal effect of Act 1173 will operate through several channels. Lower entry barriers may increase the number of firms, expand the tax base and generate employment and consumption. Annual registration renewal and administrative fees may provide additional revenue to the Authority, and moving from a two-year to a one-year renewal cycle roughly doubles the Authority's own fee-collection touchpoints across both foreign and voluntarily registered Ghanaian enterprises, a secondary but genuine fiscal upside for GIPA's self-financing. Stronger controls over technology-transfer payments may protect corporate income tax and foreign-exchange resources.

At the same time, strategic and industry-specific incentives create revenue risks. The 2024 tax-expenditure report shows that tax concessions already represent a material fiscal cost. Ghana must therefore avoid measuring the success of the Act by the value of incentives announced or the number of companies registered. The appropriate measure is the net public benefit after accounting for revenue forgone, infrastructure provided, environmental costs and any profits transferred abroad.

Every major incentive should be accompanied by a published fiscal-impact assessment. The assessment should state the expected investment, jobs, exports, local purchases and tax revenue over the life of the project. Actual performance should then be reported annually. Where targets are not met, incentives should be reduced, suspended or recovered in accordance with clear contractual and legal provisions.

This approach would protect Ghana from a race to the bottom in which countries compete mainly by giving away revenue. Investors value stable rules, functioning infrastructure, skilled workers and efficient administration. Tax incentives can influence a marginal decision, but they cannot sustainably compensate for a weak business environment.

Does Act 1173 Position Ghana for the Next Generation of Investment?

The answer is cautiously positive. Act 1173 is more responsive to the changing nature of global investment than Act 865. It recognises outward investment, AfCFTA integration, technology transfer, investor grievances, sustainability, local skills and the need for a national investment-data system. The removal of broad minimum capital requirements can open Ghana to smaller but productive knowledge-based investors. The stronger connection to the Exemptions Act can improve fiscal control, while the grievance mechanism can help retain investors already operating in the country.

However, the Act also contains tensions. It promotes investment while giving the Authority wider regulatory and punitive powers. It lowers entry barriers while increasing annual compliance requirements for foreign and domestic registration alike. It expands expatriate quotas while seeking stronger localisation. It promotes strategic incentives but is less explicit than Act 865 about publishing the details of individual packages. It introduces broad investor obligations that may be difficult to enforce consistently without detailed guidelines. It also narrows the express statutory dispute-resolution options by removing the direct UNCITRAL arbitration route contained in the old Act, and it quietly narrows two protections that existed under Act 865: the minimum-capital exemption for the foreign spouse of a Ghanaian citizen, and the exemption for enterprises established solely for export trading and manufacturing.

These tensions do not make the law defective. They show that modern investment policy requires balance. Ghana must remain open to capital and expertise while protecting domestic enterprise, public revenue, labour standards, the environment and the right of government to regulate in the public interest.

A Practical Agenda for Implementation

— Publish the operational rules quickly

The Authority should issue clear regulations and administrative rules on registration, annual renewal, beneficial ownership, fronting, branch approval, the trading employment ratio, investor obligations, technology-transfer review and administrative penalties. Areas of ambiguity should not be left to informal interpretation.

— Build a genuine digital one-stop shop

The one-stop shop should be a shared digital system linking the Authority with the Office of the Registrar of Companies, Ghana Revenue Authority, Immigration Service, Environmental Protection Authority, Bank of Ghana and sector regulators. Investors should submit common information once, track applications online and receive reasons for delays or refusals.

— Make incentives measurable and transparent

Priority sectors and qualification criteria should be published together with the details and estimated fiscal cost of incentives granted. Every strategic package should have performance targets, sunset clauses, periodic review and recovery provisions. Parliament and the public should be able to assess whether the benefits justify the revenue forgone.

— Protect the independence and credibility of grievance resolution

The Authority should publish procedures, anonymised case outcomes and quarterly performance data for the investor grievance mechanism. Unresolved cases involving government institutions should have a defined escalation process. The Authority’s promotional role should not prevent it from treating grievances objectively.

— Measure realised investment rather than announcements

The national investment registry should distinguish proposed investment, approved investment, capital actually transferred, reinvested earnings and completed capital expenditure. Employment data should distinguish projected jobs from jobs actually created and retained. This will make investment policy more credible and reduce the tendency to celebrate figures that may never materialise.

— Build stronger domestic linkages

The Authority should run supplier development programmes that connect investors with Ghanaian SMEs. Incentives should reward local procurement, worker training, research partnerships and export development. Domestic firms should receive support to meet the quality and certification standards required by multinational companies.

— Address regional concentration

Investment promotion should be coordinated with infrastructure and regional-development policy. Region-specific project pipelines, serviced industrial land, reliable utilities and faster local permitting will be more effective than promotional campaigns alone.

— Treat citizenship by investment as a separate governance decision

Any future programme should be created only after public consultation and a full assessment of legal, fiscal, security and reputational risks. The legislation should contain strong due-diligence standards, transparent reporting and independent oversight.

— Communicate the transition clearly to existing registrants

The Authority should proactively notify enterprises registered under Act 865 of the practical effect of sections 60 and 61: their registration, incentive packages, expatriate quotas and technology transfer agreements carry over automatically, but their next renewal falls due within one year rather than two. Leaving existing investors to discover this compressed timeline on their own risks avoidable non-compliance in the first year of the new regime.

Conclusion

Ghana's new Investment Promotion Authority Act is an important modernisation of the country's investment framework. It moves beyond the traditional idea that investment policy is mainly about marketing Ghana and granting incentives. The Act gives greater attention to facilitation, regulation, technology, investor aftercare, sustainable development, outward investment and institutional coordination.

Its most important economic reform is the removal of general minimum foreign-capital thresholds, which can make Ghana more accessible to the smaller, technology-driven and service-oriented investors shaping the modern global economy, even if, regionally, this brings Ghana to where Nigeria has stood for three decades rather than ahead of the field. Its most important legal reform is the investor grievance mechanism, which can resolve administrative issues before they escalate into major disputes. Its most important fiscal reform is the connection of investment incentives to the Exemptions Act, which can subject concessions to greater discipline and scrutiny, a discipline the Ministry of Finance's own data shows was already taking hold before the Act's commencement.

Yet the legislation alone will not position Ghana for the next generation of global investment. That will depend on whether the Authority reduces delays rather than adding procedures, whether incentives produce measurable public value, whether investor obligations are enforced fairly, whether local firms participate in investment supply chains and whether macroeconomic stability is sustained.

The central challenge is therefore not simply to attract more capital. It is to attract investment that raises productivity, develops Ghanaian skills, expands exports, supports regional development and strengthens the domestic tax base. If Act 1173 is implemented with transparency, coordination and discipline, it can become a strong foundation for that transition. If implementation becomes discretionary, slow or focused on headline investment announcements, the transformation from Centre to Authority will remain largely symbolic.

Key Contacts

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