

LEX MUNDI
PUBLICATION



ISSUES RELATING TO FOREIGN INVESTMENT

GHANA

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1) Is national governmental permission required for foreign investors to acquire real estate? If so, please identify.

No governmental permission is required for foreign investors to acquire real estate. However there are constitutional limitations on the interest that can be acquired.

The 1992 Constitution of Ghana imposes limitations on the acquisition of land by non-citizens. Article 266(1) of the Constitution provides that no interest in, or right over, any land in Ghana shall be created which vests in a person who is not a citizen of Ghana a freehold interest in any land in Ghana.

Article 266(4) provides that no interest in, or right over, any land in Ghana shall be created which vests in a person who is not a citizen of Ghana a leasehold for a term of more than fifty years at any one time.

Therefore a foreign investor in real estate can only obtain a leasehold interest of fifty-(50) years at any one time whether it is bare land or real estate.

2) Are there other national restrictions imposed on ownership of real estate by foreign investors? To acquire interests in entities which own real estate? If so, please identify.

We are not aware of any other restrictions imposed on ownership of real estate by foreign investors. Neither are we aware of any restrictions on foreign investors acquiring interests in entities which own real estate.

3) Are foreign investors required to invest with a local partner? If not, is investment with a local partner advisable?

There is no such requirement under the Ghana Investment Promotion Centre Act. Real estate is not one of the enterprises reserved for Ghanaians under the Act. Some foreign investors have invested with local real

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estate companies in Ghana. Investment with a local partner is advisable since local partners are more conversant with the terrain in terms of land acquisition regulatory and other requisite frameworks.

4) What national taxes are levied solely on foreign individuals or entities acquiring or transferring real estate or interests in entities which acquire real estate?

There are no taxes levied exclusively on foreign individuals or entities acquiring real estate or interests in entities which acquire real estate.

Section 11(5) of the Internal Revenue Act, 2000 (Act 592) exempts from tax for a period of five years the income of a company from a business of construction for letting of residential premises. This provision does not make a distinction with regards to foreign individuals or entities.

5) Describe reporting requirements for reporting the acquisition, ownership or disposition of real estate which relate solely to foreign direct or indirect owners of real estate.

There are no specific reporting requirements relating solely to foreign direct or indirect owners of real estate.