

ARRANGEMENT OF SECTION

Section

Section 17 of Act 25 amended

Act 1114



REPUBLIC OF GHANA

THE ONE THOUSAND ONE HUNDRED AND FOURTEENTH

ACT

**OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED**

CONTRACTS (AMENDMENT) ACT, 2023

AN ACT to amend the Contracts Act, 1960 (Act 25) to provide for the type of interest to be paid on a sum of money due to a party to a contract or transaction entered into on behalf of the Republic.

DATE OF ASSENT: *1st March, 2024.*

PASSED by Parliament and assented to by the President

Section 17 of Act 25 amended

The Contracts Act, 1960 (Act 25) is amended by the substitution for section 17, of

"Contracts of the Republic

17. (1) This Act applies to a contract or a transaction entered into on behalf of the Republic as it applies to any other contract or transaction.

(2) The following persons are authorised to enter into a contract or transaction on behalf of the Republic:

- (a) a Minister responsible for a subject or department on a matter falling within the portfolio of the Minister;
- (b) a person authorised by the Minister; or
- (c) any other person authorised by law.

(3) Where a person specified under subsection (2) enters into a contract or transaction on behalf of the Republic, the payment of interest on any sum of money due under the contract or transaction shall be calculated at simple interest.

(4) A person shall not enter into a contract or a transaction on behalf of the Republic in which the payment of interest on a sum of money due to a party to the contract or transaction is calculated at compound interest.

(5) A contract entered into contrary to subsection (4) is null and void.

(6) A person who wilfully enters into a contract contrary to this section commits an offence and is liable on summary conviction to a fine of not less than five thousand penalty units and not more than ten thousand penalty units or to a term of imprisonment of not less than ten years and not more than fifteen years or to both."

Act 1114

Contracts (Amendment) Act, 2023

Date of *Gazette* notification: 1st March, 2024.