



REPUBLIC OF GHANA

**GHANA INVESTMENT FUND ACT, 2002 (ACT 616)**

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**THE SIX HUNDRED AND SIXTEENTH  
ACT  
OF THE PARLIAMENT OF THE REPUBLIC OF GHANA  
ENTITLED  
GHANA INVESTMENT FUND ACT, 2002.**

**AN ACT** to establish a Fund to be known as the Ghana Investment Fund; to provide financial resources for the grant of credit facilities by designated financial institutions to investors; to provide for management of the Fund and to provide for related matters.

**DATE OF ASSENT:** 8th April, 2002

**BE IT ENACTED** by Parliament as follows:

**PART I—ESTABLISHMENT, BOARD AND MANAGEMENT OF THE GHANA INVESTMENT FUND.**

**Section 1—Establishment of the Fund.**

There is established by this Act a Ghana Investment Fund.

**Section 2—Object of the Fund.**

(1) The object of the Fund is to provide financial resources for the grant of medium and long term credit facilities to investors through designated financial institutions.

(2) For the purpose of achieving the object of the Fund, monies from the Fund shall be applied for such relevant investment activities as the Board of the Fund may determine including in particular the following:

- (a) manufacturing;
- (b) medical technology;
- (c) electronics;
- (d) computer technology;

- (e) software development;
  - (f) plant assembly;
  - (g) real estate development;
  - (h) environmental technology;
  - (i) tourism, including eco-tourism;
  - (j) agro-processing; and
  - (k) the development of small, medium and large scale enterprises.
- (3) Without prejudice to subsection (2) monies from the Fund may be applied to fund viable enterprises at advanced stages and to a limited extent at primary stages.

#### Section 3—Sources of Money for the Fund

The monies for the Fund shall consist of

- (a) the amount of money constituting the Business Assistant Fund;
- (b) future repayments of any loans previously drawn on the Business Assistance Fund;
- (c) grants and loans obtained from banks and financial institutions;
- (d) grants and loans obtained from bilateral and multilateral sources;
- (e) voluntary contributions to the Fund from the private sector including individuals; and
- (f) such other monies as may be allocated by Parliament for the Fund.

#### Section 4—Bank Account of the Fund.

Monies for the Fund shall be paid into a bank account opened by the Board established under section 10 for the Fund with the approval by the Accountant General.

#### Section 5—Disbursement of the Fund

The monies assigned to the Fund shall be disbursed by the Board to designated financial institutions or other institutions for the provision of credit facilities.

#### Section 6—Eligibility for Credit Facility

Any person or enterprise may apply to a designated financial institution or other institution for a credit facility if that person or enterprise

- (a) has a business to expand or start;
- (b) is registered in Ghana under the Companies Code, 1963 (Act 179), the Incorporated Private Partnerships Act, 1962 (Act 179), the Incorporated Private Partnerships Act, 1962 (Act 152) or any other enactment for the registration of business; and
- (c) is wholly owned by a Ghanaian or partly owned by a Ghanaian with majority Ghanaian shareholding.

#### Section 7—Application for Credit Facility

(1) An application for a credit facility shall be made to a designated financial institution or any such approved institution by the applicant in such a form and accompanied with such information and fee as the Board established under section 10 shall determine.

(2) On receipt of an application, made under subsection (1), the institution shall

(a) respond to the application within seven days from the date of receipt; and

(b) appraise and evaluate the application; and inform the applicant within a period not exceeding thirty days of its approval or otherwise of the application.

#### Section 8—Period of Credit Facility.

A credit facility granted by a financial institution shall be in respect of—

(a) long term financing for a period exceeding five years;

(b) medium term financing for a period not exceeding five years; or

(c) short term financing for a period not exceeding twelve months.

#### Section 9—Administrative Expenses of the Fund

The administrative and other expenses related to the management of the Fund shall be charged on the Fund.

#### Section 10—Appointment of a Board for the Fund

(1) There is established by this Act a Board for the Fund which shall consist of

(a) a Chairperson;

(b) one representative of the Ministry of Trade and Industry;

(c) one representative of the Bank of Ghana;

(d) one representative of the Association of Ghana Industries;

(e) one representative of the Ghana Chamber of Commerce;

(f) one representative of the Ministry of Finance;

(g) one representative of the Ghana Investment Promotion Centre;

(h) the Chief Executive of the Fund;

(i) the Controller and Accountant-General or a representative of the Controller and Accountant General; and

(j) four other persons representing the private sector.

(2) The members of the Board shall be appointed by the President acting in consultation with the Council of State.

(3) The President shall in appointing the chairperson and the other members of the Board have regard to the integrity, knowledge, expertise and experience of the persons and in particular their knowledge in matters relevant to the functions of the Board.

## Section 11—Functions of the Board

- (1) The Board shall manage and administer the Fund.
- (2) For the purposes of subsection (1) the Board shall
  - (a) pursue policies to ensure the achievement of the object of the Fund;
  - (b) collect or arrange for the collection of monies assigned to the Fund;
  - (c) account for money in the Fund by defining appropriate procedures for the management of the Fund;
  - (d) in consultation with the Minister formulate policies to determine among others;
    - (i) the level of interest rate chargeable on any credit facility granted under this Act; and
    - (ii) the maximum credit facility that may be granted to an applicant;
  - (e) appoint designated financial and other institutions which shall grant credit facilities;
  - (f) receive and examine reports from designated financial institutions and other institutions in respect of credit facilities granted by them;
  - (g) with the approval of the Minister prepare and publish criteria for the disbursement of moneys from the Fund to designated financial institutions and other institutions;
  - (h) monitor the progress of successful applicants granted credit facilities under this Act, through agents assigned for the purpose; and
  - (i) perform any other functions conferred on it under this Act or incidental to the achievement of the object of the Fund.

## Section 12—Tenure of Office Members

- (1) The chairperson and any other member of the Board other than an ex officio member shall hold office for a period not exceeding four years and are on the expiration of that period eligible for re-appointment for another term only.
- (2) A member of the Board other than an ex-officio member may at any time by letter addressed to the President through the Minister resign from office.
- (3) A member who is absent from four consecutive meetings of the Board without sufficient cause ceases to be a member of the Board.
- (4) The chairperson or any other member of the Board may be removed from office by the President for inability to perform the functions of the office, for stated misbehaviour or for any other just cause.
- (5) The chairperson of the Board shall notify the Minister of vacancies that occur in the membership of the Board within one month of the occurrence of the vacancy.
- (6) A person appointed to fill a vacancy shall hold office for the remainder of the term of the previous member and shall subject to the provisions of this Act be eligible for re-appointment.

### Section 13—Meetings of the Board

- (1) The Board shall meet for the despatch of business at times and in places that the Board may determine but shall meet at least once every two months.
- (2) The Chairperson shall upon the request of not less than one third of the membership of the Board convene a special meeting of the Board.
- (3) The quorum at a meeting of the Board shall be six members.
- (4) The chairperson shall preside at every meeting at which the chairperson is present and in the absence of the chairperson a member of the Board elected by the members present from among their number shall preside.
- (5) Questions before the Board shall be decided by a majority of the members present and voting.
- (6) The chairperson or the person presiding at a meeting of the Board shall in the event of equality of votes have a second or casting vote.
- (7) The Board may co-opt any person to act as an adviser at its meetings but no co-opted person is entitled to vote at the meeting.
- (8) The validity of the proceedings of the Board shall not be affected by a vacancy among its members or by a defect in the appointment or qualification of a member.
- (9) Except as otherwise provided under this section, the Board shall determine and regulate the procedure for its meetings.

### Section 14—Committees of the Board.

The Board may for purposes of achieving the object of the Fund appoint committees of the Board comprising members of the Board or non members or both and may assign to them such functions as the Board may determine except that a committee composed entirely of non members may only advise the Board.

### Section 15—Disclosure of Interest

- (1) A member of the Board who has an interest in any matter being considered or dealt with by the Board shall disclose the nature of that interest at a meeting of the Board and shall not take part in any deliberation or decision of the Board with respect to the matter.
- (2) A member who has an interest but who fails to disclose that interest under subsection (1) shall be removed from the Board.

### Section 16—Allowances for Members of the Board.

The chairperson and other members of the Board shall be paid such allowances as the Minister in consultation with the Minister responsible for Finance may determine.

## PART II—ADMINISTRATIVE, FINANCIAL AND MISCELLANEOUS PROVISIONS

### Section 17—Chief Executive.

- (1) There shall be appointed by the President in accordance with the advice of the Board given in consultation with the Public Services Commission a Chief Executive.
- (2) The Chief Executive shall hold office on the terms and conditions specified in the letter of appointment.
- (3) The Chief Executive shall be the secretary to the Board.
- (4) Subject to the directives of the Board and the Chief Executive shall be responsible for the day to day administration of the affairs of the Board and shall ensure the implementation of the decisions of the Board.

#### Section 18—Appointment of other Staff.

- (1) The President acting in accordance with the advice of the Board given in consultation with the Public Services Commission shall appoint other offices or employees necessary for the effective performance of the functions of the Board.
- (2) The President may delegate the power of appointment of public officers under this Act in accordance with article 195 (2) of the Constitution.
- (3) The Board may on the recommendations of the Chief Executive engage the services of experts and consultants as the Board may determine.

#### Section 19—Borrowing Powers

Subject to Article 181 of the Constitution and any other enactment, the Board may obtain loans and other credit facilities on the guarantee of the government from banks and other financial institutions that the Minister in consultation with the Minister for Finance may determine.

#### Section 20—Accounts and Audit.

- (1) The Board shall keep books of accounts and proper records in relation to them and the books of account and records shall be in such form as the Auditor-General may approve.
- (2) The books of account kept for the Fund by the Board shall be audited by the Auditor-General or by an auditor appointed by the Auditor-General on the recommendation of the Board.

#### Section 21—Annual Report.

- (1) The Board shall submit to the Minister as soon as practicable and in any event not more than four months after the end of each financial year a report dealing generally with the activities and operation of the Fund during the year to which the report relates and shall include
  - (a) the audited accounts of the Fund and the Auditor-General's report on the accounts of the Fund; and
  - (b) other information that the Board considers necessary.
- (2) The Minister shall within two months after the receipt of the annual report submit the report to Parliament with any statement that the Minister considers necessary.

#### Section 22—Financial Year

The financial year for the Fund shall be the same as the financial year of the Government.

#### Section 23—Regulations

The Minister on the advice of the Board may by legislative instrument make regulations for the effective implementation of the provisions and object of this Act.

#### Section 24—Transfer of Money

The total sum of money constituting the Business Assistance Fund and any interest on that money located in any bank account for the Business subject to any payment required from the Business Assistance Fund on the date of the coming into force of this Act.

#### Section 25—Interpretation

In this Act, unless the context otherwise requires.

"applicant" means a person who applies to a designated financial institution or any such approved institution for a credit facility;

"Board" means the Board established for the Fund under section 10;

"Credit facility" means any facility designated by the Board to serve as means of financial assistance or relief for an applicant under this Act;

"enterprise" means an industry, project, undertaking or economic activity to which this Act applies or an expansion of that industry, undertaking project or economic activity;

"financial institution" means an institution incorporated under the laws of Ghana and recognised by the Bank of Ghana as carrying on the business of banking or providing credit and approved and designated by the Board to transact business for purposes of this Act;

"Fund" means the Ghana Investment Fund established under section 1;

"institution" means a body corporate that is approved and designated by the Board to transact business for the purposes of this Act;

"Minister" means the Minister responsible for Trade and Industry;

"Ministry" means the Ministry of Trade and Industry.

**Date of Gazette Notification: 12th April, 2002.**