

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

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**ACT 616**  
**GHANA INVESTMENT FUND ACT, 20021(1)**

**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 for related matters.**

*Establishment and Management of the Ghana Investment Fund*

**1. Establishment of the Fund**

There is established by this Act a Ghana Investment Fund.

**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 purposes of achieving the object of the Fund, moneys from the Fund shall be applied for the relevant investment activities determined by the Board of the Fund including in particular,

- (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 of subsection (2), moneys from the fund may be applied to fund viable enterprises at advanced stages and to a limited extent at primary stages.

**3. Sources of money for the Fund**

The moneys for the Fund consist of

- (a) the amount of money constituting the Business Assistance Fund,
- (b) future repayments of 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) any other moneys allocated by Parliament for the Fund.

#### **4. Bank account of the Fund**

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

#### **5. Disbursement of the Fund**

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

#### **6. Eligibility for a credit facility**

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

- (a) has a business to expand or to start,
- (b) is registered in the Republic under the Companies Act, 1963 (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.

#### **7. Application for a credit facility**

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

(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
- (c) inform the applicant within a period not exceeding thirty days of its approval or otherwise of the application.

#### **8. Period of a 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.

#### **9. Administrative expenses of the Fund**

The administrative and any other expenses related to the management of the Fund are charged on the Fund.

## *Administration*

### **10. Appointment of a Board for the Fund**

(1) The governing body for the Fund is a Board for the Fund consisting of

- (a) the 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 in accordance with article 70 of the Constitution.

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

### **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 moneys 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 a credit facility granted under this Act, and
  - (ii) the maximum credit facility that may be granted to an applicant;
- (e) appoint designated financial and any other institutions which shall grant credit facilities;
- (f) receive and examine reports from designated financial institutions and any 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 any 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 function conferred on it under this Act or incidental to the achievement of the object of the Fund.

## **12. Tenure of office of members**

(1) The chairperson and any other member of the Board shall hold office for a period not exceeding four years and are 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 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 is, subject to this Act eligible for re-appointment.

## **13. Meetings of the Board**

(1) The Board shall meet at least once every two months for the dispatch of business at the times and in the places determined by the Board.

(2) The chairperson shall on 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 is six members.

(4) The chairperson shall preside at the meetings of the Board 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 casting vote.

(7) The Board may co-opt a person to act as an adviser at any of its meetings but a co-opted person shall not 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.

## **14. Committees of the Board**

The Board may for purposes of achieving the object of the Fund appoint committees of the Board comprising of members of the Board or non-members or both and may assign to them a function as

determined by the Board but a committee composed entirely of non-members may only advise the Board.

### **15. Disclosure of interest**

(1) A member of the Board who has an interest in a 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 the deliberation or decision of the Board with respect to that matter.

(2) A member who has an interest but who fails to disclose that interest under subsection (1) ceases to be a member of the Board.

### **16. Allowances for members of the Board**

The chairperson and the other members of the Board shall be paid the allowances determined by the Minister in consultation with the Minister responsible for Finance.

### **17. Chief Executive**

(1) The President in accordance with article 195 of the Constitution shall appoint the Chief Executive.

(2) The Chief Executive shall hold office on the terms and conditions specified in the letter of appointment.

(3) The Chief Executive is the secretary to the Board.

(4) Subject to the directives of the Board, the Chief Executive is responsible for the day-to-day administration of the affairs of the Fund and shall ensure the implementation of the decisions of the Board.

### **18. Appointment of other staff**

(1) The President acting in accordance with article 195 of the Constitution shall appoint the other officers 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 determined by the Board.

## *Financial and Miscellaneous Provisions*

### **19. Borrowing powers**

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

### **20. Accounts and audit**

(1) The Board shall keep books of accounts and proper records in relation to them in the form approved by the Auditor-General.

(2) The books of account kept for the Fund by the Board shall be audited by the Auditor-General.<sup>2(2)</sup>

## **21. Annual report**

(1) The Board shall submit to the Minister as soon as practicable, but 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.

(2) The report shall include

- (a) the audited accounts of the Fund and the Auditor-General's report on the accounts of the Fund, and
- (b) any other information that the Board considers necessary.

(3) The Minister shall, within two months after the receipt of the annual report, submit the report to Parliament with a statement that the Minister considers necessary.

## **22. Financial year**

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

## **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.

## **24. Transfer of money**

The total sum of money constituting the Business Assistance Fund and the interest on that money located in a bank account for the Business Assistance Fund is hereby transferred into the Fund established under section 1 subject to the payments required from the Business Assistance Fund on the date of the coming into force of this Act.

## **25. Interpretation**

In this Act, unless the context otherwise requires,

“**applicant**” means a person who applies to a designated financial institution or an approved institution for a credit facility;

“**Auditor-General**” includes an auditor appointed by the Auditor-General;

“**Board**” means the Board established for the Fund under section 10;

“**credit facility**” means a facility designated by the Board to serve as a means of financial assistance or relief for an applicant under this Act;

“**enterprise**” means an industry, a project, an undertaking or economic activity to which this Act applies or an expansion of that industry, undertaking, project or economic activity, or a part 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 the purposes of this Act;

“**Fund**” means the Ghana Investment Fund established under section 1;

**“institution”** means a body corporate which 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.

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## Endnotes

### 1 (Popup - Footnote)

1. The Act was assented to on 8 April, 2002 and notified in the *Gazette* on 12th April, 2002.

### 2 (Popup - Footnote)

2. The words “on the recommendation of the Board” have been omitted in view of [clause \(2\)](#) of [article 187](#) of [the Constitution](#).