



# GHANA

Ghana - Mixed (Common and religious law)

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## Incorporating a company in Ghana

# Ghana taxes

If you want to do business in Ghana, reading this will help you becoming knowledgeable on the specific tax laws and rates for a LLC which is the most common company structure in Ghana.

Ghana taxes corporate income made internationally in the same way that earned inside the country. The prevailing tax rate for offshore income, from our research, but seek professional advice, is 25%. The country does not have known exemptions to transfer in foreign earned profits. The headline corp. tax rate is 25%. This ranks Ghana as 103th overall with regards to corp. taxation rate internationally.

The valued added tax rate in GH is 15.00%, which ranks Ghana as 98th overall in terms of VAT taxation rate internationally. In terms of other taxation, an employer will contribute 13.00% to the equivalent of a social security fund and an employee will contribute 5.50%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 88hours. Contributing to this is the number of yearly labor tax payments, which is 14 in GH.

Thin capitalization standards are in effect. Thin capitalisation refers to any type of requirements on companies' debt-to-asset ratios. Dividends paid by a resident company to another resident entity are subject to 8% withholding tax. However, there are certain exemptions if the company owns at least 25% of the voting power of the payer company. Dividends are payments of earnings of the business, established by the board, to a class of its shareholders. Dividends can be issued as stock, cash, or property. Capital Gains are considered business income and taxed at CIT standard rate. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 8%. Which means that the taxman expects LLC's to pay tax on at least 8% of money remitted abroad on interest payments. The dividends withholding tax rate is 8% This means that the tax authorities expects relevant legal entities to automatically withhold 8% of dividend payments to non-residents. Royalties are subject to a withholding tax of 15%. This means that payments on royalties made by a resident entity to a non-resident entity may be taxed at 15%.

There is no known tax on wealth in Ghana. There are no known inheritance and transfer taxes in GH. There is a property tax. There are no widely used R&D initiatives that provide breaks on taxation here.

The above is not tax or legal advice for your company's situation. Incorporations.io can to reference you to a lawyer in Ghana who can give you the proper advice and help you need. Want to work together? Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Ghana is 15% which ranks 78 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ☑ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 13 Tax treaties
- 25% Offshore Tax
- 25% Corp rate
- Loss carryback years
- 40 Corporate time
- 15% VAT rate
- 25% Capital gains
- 2018 A EOI planned

# Ghana Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Ghana is mixed (common and religious law) law. You will want to get some local advice as to how to best structure a company in Ghana. Electronic signatures are permitted.

The abbreviation GH is for Ghana and the most common company type type in Ghana is a LLC.

The amount you'll have to wait is about 3 weeks to put together the paperwork and file a LLC in GH. The types of consideration you can use to capitalize your company is often GHS and USD legal currency.

Yes, one is allowed to re-domicile a LLC from GH. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least This means it is not possible for you to own a LLC in Ghana as a sole shareholder. You must have other shareholders, they can be nominees or de facto shareholders. Corporate Shareholders are are cannot be utilized Foreign ownership is tolerated, up to 60% of the total equity of the company.

There is a requirement to have at least 2 directors. Speaking of shareholders, corporate directors are not permitted. Directors are disclosed publicly. There is a requirement to have annual meetings of shareholders.

A registered office is a requirement, whom the company will pay yearly, for an address which can receive litigation or other legal process on behalf of the business. Furthermore, a corporate secretary is another cost you will need to incur.

There is a requirement to file accounts to relevant authorities. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Ghana is a ok option and have given it a score of 45 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✓ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✓ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 2 Shareholders required**
- 2 Directors required**
- 3 weeks to form**



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## Country Info



🏳️ National Flag of

**Republic of Ghana (eng)**

\$ Currency

**GHS**

☎ Area Code

**+233**

🏛️ Capital

**Accra**

📍 Region

**Western Africa**

🗣️ Native Languages

**English**