

BUSINESS ADVISORY

THE LAW DIGEST

TOPIC: HOW TO OBTAIN A GAMING LICENCE (SPORTS BETTING)
IN GHANA

Contributor

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INTRODUCTION

To obtain a Gaming License in Ghana, one has to go through a three-pronged process. The applicant, with the assistance of Legalstone Solicitors LLP, would have to ensure that the regulatory regime in 3 key government of Ghana agencies is adhered to. These are as follows:

1. Registrar General's Department of Ghana
2. Gaming Commission of Ghana
3. Ghana Investment Promotion Centre

REGISTRATION WITH REGISTRAR GENERAL'S DEPARTMENT

To operate a "game of chance" business in Ghana, one of the conditions that the Gaming Act provides is that an entity must be a Limited Liability Company. The Companies Act, 2019 (Act 992), governs the organization of companies in Ghana. Companies in Ghana may be either public or private (not more than 50 members or debenture holders) and unlimited, limited by shares or limited by guarantee.

To secure a license for the business of sports betting (gaming), the particular purpose vehicle shall be a private limited liability company.

Company Limited by Shares- an incorporated company with share capital that cannot offer its shares to the public. This is the most popular company structure in Ghana. Generally, a member's liability is limited to the amount unpaid, if any, on the shares they hold. The Company's board of directors manages its day-to-day activities.

To incorporate a private limited liability company limited by shares with the business of operating microfinance in Ghana, you must:

Decide who will act as the Company's first directors. A company incorporated and registered in Ghana must have a minimum of two directors, both natural persons over 21 years, one of whom must be a permanent resident of Ghana.

The directors also appoint the company secretary, who may be a natural person or a body corporate. As part of the new prescription by the companies act, among the persons qualified to be appointed a company secretary is a barrister or solicitor in good standing in the Republic of Ghana.

The directors are also mandated to appoint the first auditors of the Company.

The Company must choose a business name and must confirm whether the business name is available for the use by the Company.

The Company must as well register with the Ghana Revenue Authority for the issuance of tax identification number (TIN)

The regulation of the Company must be prepared. The regulation must be signed by one or more of the initial subscribers in the presence of an independent adult witness and must state:

1. The name of the Company
2. The Company's objects or authorized business
3. That the Company can enter into a legally binding agreement

4. The name of the first directors of the Company
5. That the powers of the directors are limited in accordance with the law
6. The number of shares in which the Company is registered
7. The number of shares each subscriber will own on incorporation and the amount payable for the shares
8. A declaration that the liability of the members of the Company is limited

If the Registrar is satisfied that the information contained in the application and the supporting documents are accurate, a certificate of incorporation will be issued.

Legalstone Solicitors LLP would be responsible for ensuring that your organization meets the above-stated requirements for the registration of the Company at the Registrar General's Department. Kindly note that there are fees payable to the Registrar General's Department for administrative purposes.

REGISTRATION WITH THE GHANA INVESTMENT PROMOTION CENTRE (GIPC)

After the said certification from the Registrar General's Department, we will apply for a certificate of compliance from the Ghana Investment Promotion Centre (GIPC). The Ghana Investment Promotion Centre Act, 2013 (Act 865), requires all entities with foreign participation to register with the centre. Registration with the centre guarantees some benefits to the foreign shareholder, including guarantees against expropriation, investment guarantees, transfer of capital, profits, and personal remittances. This Act, more importantly, sets the minimum capital requirement for the entity as well as the benefits of an automatic work quota that comes with it.

The law requires that, where all the equity of the Company is wholly held by the foreign investor in a company incorporated to offer services, the investor must invest a minimum of not less than FIVE HUNDRED THOUSAND UNITED STATES DOLLARS (USD500,000.00). The minimum capital requirement for sports betting business under the GIPC Act shall be US\$500,000.00. This is because the sports betting business is classified as a service business in Ghana.

However, where the foreign investor intends to engage in the business of services and the said foreign investor has a Ghanaian partner, the foreign investor is required to invest an international capital of less than TWO HUNDRED THOUSAND UNITED STATES DOLLARS (USD200,000.00) in cash, or money useful relevant to the investment or a combination of both by way of equity participation and the person who is a citizen of Ghana must hold not less than 10% of the equity.

The Gaming Act of Ghana makes it mandatory for a Ghanaian to hold a minimum of at least 10% of the share capital of sports betting business. That means, the total shares of a sports betting company cannot be wholly owned by a foreigner.

For our work, the business shall be organized as a joint venture to enable us to meet the requirements of the law governing the organization of the sports betting industry in Ghana. To that extent, the minimum capital shall be US\$220,000.00. This, therefore, shall mean; the foreign entity be it a corporate body or an individual shall hold 90% equity shares while the local partner shall retain 10% equity shares.

Incentives and Benefits Under the GIPC Act

The GIPC Act provides for automatic incentives and benefits as follows:

1. Customs Import Duty Exemptions (There are custom duties exemption for plant, machinery, equipment, and parts thereof)
2. Various Tax benefits (Subject to some conditions)
3. Investment Guarantees (Free Transferability of Capital, Profits and Dividends and immigrant quotas depending on the amount of paid-up capital of the enterprise)

REGISTRATION WITH THE GAMING COMMISSION OF GHANA

Gaming in Ghana, including betting and bookmaking, is regulated by the Gaming Commission. This Commission is set up by the Gaming Act, 2006 (Act 721). The requirements to obtain a license at the Gaming Commission are as follows:

1. The organization must be a Limited Liability Company (as explained above)
2. Organizations must have an identifiable office.
3. Organizations must have a service mark or logo registered with the Registrar of Companies.

Organizations also must have the required minimum stated capital and must agree to maintain the amount of cash or cash equivalents as determined by the Commission. (The Minimum Capital requirement is provided for in the document attached to this email alongside this document. It must be noted that this amount SHALL NOT be paid to the Commission, but rather it is a condition precedent for the application of the Gaming Licence.) The minimum capital requirement is US\$2,000,000.00.

1. The organization must have a criminal clearance certificate in respect of all directors of the Company. (Practically this must be obtained from the Bureau of National Investigations (BNI) of Ghana)
2. The organization must submit a tax clearance certificate
3. Organizations must be partly or wholly Ghanaian owned.
4. Organizations must pay a Licence fee to the Gaming Commission. (The License fees for Casino is \$50,000.00, that of Sports Betting is \$40,000.00, and that of Route Operation is \$30,000.00) Legalstone Solicitors shall assist your outfit in obtaining the required license, be it Casino, Sports betting, and or Route Operations).

The conditions for granting of a Licence by the Gaming Commission of Ghana as stipulated states, “a person qualifies for a Licence if that person:

1. Has an identifiable office (The law offices of Legalstone shall be initially listed as the office of the Company until a suitable place is found)
2. Has a service mark logo registered with the Registrar of Companies.
3. Has the required minimum stated capital of US\$2,500,000 (Casinos), US\$ 2,000,000 (Sports Betting), US\$ 1,500,000 (Route Operation) and has agreed to maintain the amount of cash or cash equivalent determined by the Commission
4. Has submitted a tax clearance certificate, (proof of tax Registration) and
5. It is partly or wholly Ghanaian owned.

Upon meeting the conditions above, the applicant shall write officially to the Commission to apply for a License. Applicant must attach a copy of:

Business Proposal. Must include:

1. Address of registered office, proposed branches, and locations
2. Name and profile of directors
3. Tax clearance certificate of all Directors
4. Description of operations and management structure

5. Online sports betting industry analysis

Details of sports betting/online sports betting Must include:

1. Approximate odds to be used
2. Number and frequency of games/sports
3. Prize and prize structure
4. Operator game rules and participant code of practice

The following must also be included in the application;

- a. Evidence of financial capability to operate the business. Capital budgets. 5-year financial projection and the assumptions made in considering the figures
- b. Marketing and financial plan

Directors of the Company shall be required to complete Personality Note (PN) and Anti-Money Laundering (AML) forms, which shall be submitted to the Security Agencies for background checks and Vetting.

The Commission shall introduce applicants to the Bureau of National Investigations (BNI) and the Criminal Investigation Department (CID) for criminal checks to be conducted. In the case of foreign applicants/directors, an introduction shall be made to INTERPOL, Research Department of the Ministry of Foreign Affairs and Regional Integration, and the Financial Intelligence Centre (FIC).

The Commission may also carry out further due diligence beyond Ghana's borders on the foreign national applicant(s).

Based on the reports received from the Security Agencies and the Commission has satisfied itself with the fit and proper test, a Gaming License shall either be granted or refused.

APPROVED FEES

CASINOS, SPORTS BETTING, ROUTE OPERATING AND OTHER GAMES OF CHANCE	
TYPE OF FEES/LEVIES	AMOUNT IN USD
Gaming Licence (Casino)	50,000 or its cedi equivalent
Gaming Licence (Sports Betting) Gaming Licence (Route Operations)	40,000 or its cedi equivalent 30,000 or its cedi equivalent
Gaming Licence Renewal (Casino)	25,000 or its cedi equivalent
Gaming Licence Renewal (Sports Betting) Gaming Licence Renewal (Route Operations)	20,000 or its cedi equivalent 15,000 or its cedi equivalent
Annual Operational Fee (Casino)	60,000 or its cedi equivalent
Annual Operational Fee (Sports Betting) Annual Operational Fee (Route Operations)	50,000 or its cedi equivalent 5,000 or its cedi equivalent
Installation/Registration of Roulette Machine	1,000 or its cedi equivalent
Installation/Registration of Tables in A Casino	1,000 or its cedi equivalent
Installation/Registration of Slot Machine Fee	500 or its cedi equivalent

Annual Renewal Fee for Roulette	5,000 or its cedi equivalent 1000 or its cedi equivalent
Annual Renewal Fee for Tables	500 or its cedi equivalent
Annual Renewal Fee for Slot Machines	
Permit Fee for Importation of Gambling Machine	500 or its cedi equivalent
Registration Fee for Key Employee/s	500 or its cedi equivalent 1000 or its cedi equivalent
Annual Operational Fee for Key Employee/s	
Registration Fee for Support Employees	100 or its cedi equivalent 50 or its cedi equivalent
Annual Operational Fee for Support Employees	
New Branch Opening Fee	1000 or its cedi equivalent 1,000 or its cedi equivalent
Annual Branch Operational Fee	

RESTRICTING ELIGIBILITY TO LICENSED CORPORATE BODIES

1. No person other than a body corporate incorporated in Ghana shall be eligible to apply for a Licence to carry on the business of sports betting in Ghana.
2. No person shall carry on the business of sports betting unless the Gaming Commission licenses it.

DOMESTIC PARTNER REQUIREMENT

The Gaming Act of Ghana demands that an outside party (foreign equity holder) should have a domestic partner whose equity holdings in the Company shall not be less than 10% before the grant of a license to offer sports betting business in Ghana shall be considered.

NOTES ON CONTRIBUTOR



Mr David Yaw Danquah is the founder and Managing Partner of Legalstone Solicitors LLP, a boutique law firm in Ghana with a concentration on Corporate and Commercial, Mining and Infrastructure, Debt Recovery and Restructuring, Real Estate and Construction Law, and Commercial Arbitration.

He heads the firm's practice areas of focusing are Corporate and Commercial, Mining and Infrastructure, Debt Recovery and Restructuring, and Commercial Arbitration.

David has advised on numerous investment and mining-related transactions. He also has assisted countless international entities in establishing their operations in Ghana, and through his firms, offers support services to those entities. He has an impeccable record of providing technical savvy and exceptional client services.

David is a graduate of Kwame Nkrumah University of Science and Technology (KNUST), Kumasi, where he received his Bachelor's Degree in Law (LL. B) and the Ghana School of Law, where he studied and received a Post Graduate Qualifying Certificate in Law (PQCL). He holds a Certificate in Negotiation Mastery from Harvard University. Presently, he is pursuing an LL.M Degree in International Dispute Resolution at the prestigious Queen Mary University of London, United Kingdom.

David is a member of the Ghana Bar Association, Association of International Petroleum Negotiators (AIPN) and Institute of Energy Law (IEL) based in Houston, U.S.

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