
CHAMBERS GLOBAL PRACTICE GUIDES

Gaming Law 2023

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Ghana: Law & Practice

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GHANA



Law and Practice

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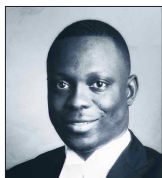
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1. Introduction

1.1 Current Outlook and Recent Changes

Current Outlook

Sports betting and casino businesses are significant players in Ghana's games-of-chance industry, with sports betting (both online and land-based) dominating the pack. In Ghana, 31 sports betting companies are licensed by the Gaming Commission – a number that has increased in just a few years from 12 licensed companies. This includes global giants such as Betway, 1xBet, BamBet, MyBet Africa, SportyBet, MelBet and SuperBet offering various forms of online and land-based services to customers.

The industry surge, coupled with advanced technology penetration, makes Ghana a destination for investment in Africa's games-of-chance industry. The industry has become an essential source of revenue for the government of Ghana. In its quest to acquire the needed revenues, in April 2023 the government passed the Income Tax Amendment Act 2023 (Act 1094). Among others, the Act introduced a gross gaming revenue (GGR) tax of 20%. It also introduced a 10% tax on winnings from the gaming industry.

The growth can be attributed to the youthful population, the love of sports by the youth and intense internet penetration within the Republic. The industry's popularity is attributed to the popularity of many European football leagues such as the English Premier League, which is popular among football lovers and the youthful population. The above, coupled with massive industry advertisements, has exponentially impacted on the industry's growth.

The availability of many payment service providers and growth in the fintech space within the Republic has positively affected the indus-

try. The timely processing of payments without associated delays and risk of not receiving funds (which was hitherto the case) has led many, especially the youthful population, to take to games of chance as a source of livelihood.

It is expected that the industry will increase threefold in the coming years.

In light of the changing scene, the regulator has taken practical steps, including know-your-customer (KYC), to ensure responsible gaming in Ghana.

Recent Changes

The year 2023 marked a significant point for the gaming industry in Ghana with the passing of the Income Tax (Amendment) Act 2023 (Act 1094). The Act introduced two new taxes to the gaming industry in Ghana.

The first of these two taxes was the introduction of GGR to the business of a licensed operator at the rate of 20%. Significantly, the Act introduces a withholding tax of 10% on all winnings.

Thus, every legal punter in Ghana shall be subject to a 10% withholding tax on winnings, which applies at the point of withdrawal. It is significant to point out that before the passage of the Act, authorities had, in the previous Value Added Tax (Amendment) (No 2) Act 2022 (Act 1087), exempted the gaming industry from VAT computation or its application.

The new Income Tax Amendment Act 2023 (Act 1094) applies to Ghana's sports betting (land-based and online) and casino business operations.

2. Jurisdictional Overview

2.1 Online

The Gaming Act, 2006 (Act 721) does not mention online gaming. However, a company licensed to operate a game of chance has the right to establish an online gaming and land-based operation within the jurisdiction of Ghana.

Under the Act, a game of chance includes a game (other than a lottery) in which participants, in anticipation of winning a reward on the results of the game, which depends on luck and which cannot be determined before the end of the game, pay money for the right to participate in the game.

Essentially, a licensed operator for a game of chance can operate online in Ghana.

2.2 Land-Based

The commercial operation of a game of chance (sports betting, route operations and casino) can be undertaken via land-based means. A licence granted by the board of the Gaming Commission of Ghana allows an operator to operate its betting activity, utilising an immovable fixture or place (ie, physical presence).

Sports Betting

Ghanaian laws allow the placing of bets in sports competitions. Aside from casinos, sports betting is predominantly the major game of chance operated in Ghana. Currently, about 31 licensed sports betting companies are legally operating in Ghana.

The following games of chance fall under the jurisdiction of the Gaming Commission:

- casinos;
- sports betting;

- route operation (slot machines);
- importation and installation of gaming equipment;
- promotional gaming (games of chance);
- horse-race betting;
- scratch cards; and
- bingo.

Casinos

A casino is classified as a game of chance and is licensed under Section 16 of Act 721. A licensed casino shall operate as a club to the exclusion of certain persons, including the following:

- a child;
- a member of the judiciary, including a person in any way serving in a judicial capacity;
- a member of the armed forces; and
- a member of the public service, including the police service and a service with a regional administration or district assembly.

Under Act 721, the board of the Gaming Commission is mandated to impose additional terms and conditions regarding the application for the granting of licences for a casino.

Gambling Machines

Act 721 does not define what constitutes a gambling machine. However, it grants permission to a person other than the National Lottery Authority with the prior consent of the Gaming Commission's board to import a gambling machine into the jurisdiction of Ghana for games of chance.

A licence issued by the Gaming Commission's board shall allow a person to operate a gambling machine for a game of chance in Ghana. An issued permit is valid for 12 months from the date of issue, and may be renewed on payment of an annual fee determined by the board.

Lotteries

The operation of a lottery in Ghana is regulated under a separate enactment. The National Lotto Act, 2006 (Act 722) governs Ghana's national lottery. Act 722 establishes the National Lottery Authority, responsible for regulating, supervising, conducting and managing the national lottery.

3. Legislative Framework

3.1 Key Legislation

Key Legislation

The principal legislation governing and regulating games of chance in Ghana is the Gaming Act, 2006 (Act 721). This law sets out the legal framework for operating games of chance in Ghana (other than lotteries) and provides for ancillary matters concerning the gaming industry.

Other relevant legislation applicable to games of chance in Ghana includes the following:

- the Companies Act, 2019 (Act 992);
- the Ghana Investment Promotion Centre Act, 2013 (Act 865);
- the Anti-Money Laundering Act, 2020 (Act 1044);
- the Labour Act, 2003 (Act 651);
- the Gaming Commission Guideline; and
- the Data Protection Act, 2012 (Act 843).

Even with the above substantive legislation regulating the industry, the Gaming Commission is also mandated to issue guidelines for the conducting of games of chance in Ghana. The most recent are the guidelines on advertisements.

These guidelines have the binding force of law, and industry players are obliged by the law to enforce them regarding their operations.

3.2 Definition of Gambling

Gambling generally encapsulates all games of chance. Under Act 721, a game of chance includes a game (other than a lottery) in which participants, in anticipation of a win, receive a reward on the game's results, which depends on luck and cannot be determined before the end of the game.

Act 721 contains the following specific definitions for components of games of chance:

- betting – this means an arrangement to risk money or another valuable thing on an event with a doubtful result;
- casino – this means a building or part of a building to which members of the public authorised by the licensee have access for the purpose of (among other things) playing specified games of chance;
- banker – in relation to a game, this means the banker or other person by whom the game is managed or against whom players stake, play or bet; and
- horse race – this means a horse race held on a racecourse or track, for which the Gaming Commission's board has given authority by notice published in the Gazette for the conducting of horse racing.

3.3 Definition of Land-Based Gambling

There is no legislative definition for land-based gambling in Ghana. Act 721 makes no specific reference to land-based gambling. Generally speaking, a licensed operator for a game of chance can establish a physical presence (ie, betting shops) without any jurisdictional limitations.

3.4 Definition of Online Gambling

Act 721, which establishes the Gaming Commission, make no reference to online gambling

in Ghana. That notwithstanding, many operators within the casino and sports betting space operate via online mechanisms, allowing players to participate through internet connectivity, with payments made via online payment platforms in Ghana (MTN Mobile Money being predominant among these).

3.5 Key Offences

Act 721 establishes general offences and penalties in relation to a licence, and prohibits the operation of a game of chance without a licence. It states that (among others) a person who operates a game of chance at a club which is not a casino without a valid licence to do so commits an offence, and is liable on summary conviction to a fine of not less than one thousand penalty units or to imprisonment for a term of not less than three years, or to both.

In essence, unlicensed entities do not have the right under the law to offer games-of-chance services in Ghana.

3.6 Penalties for Unlawful Gambling

Depending on the offence committed, penalties imposed by Act 721 range from fines to imprisonment. Additionally, the Gaming Commission has the right to revoke granted licences. For instance, where an unlicensed operator operates a casino within the jurisdiction of Ghana, each director of the company is liable to the penalty provided in the Act (refer to **3.5 Key Offences**), unless the director proves that the offence was committed without the director's consent or connivance, and that the director exercised due diligence to prevent the commission of the offence as the director ought to have exercised, having regard to the nature of the function of the director and the circumstances.

3.7 Recent or Forthcoming Legislative Changes

The most recent changes to the gaming industry in Ghana fall predominantly within the scope and application of the tax laws. The recent modifications abolished corporate income tax and value added tax for the gaming industry. In their place, the authority introduced GGR and withholding tax on winnings, at 10%.

4. Licensing and Regulatory Framework

4.1 Regulatory Authority

The Gaming Commission is the key regulatory authority vested with the power to regulate, control, monitor and supervise the operations of games of chance in Ghana.

The Gaming Commission was established by the Gaming Act, 2006 (Act 721), which empowers it to undertake the following (among others):

- to make proposals for the formulation of policies on games of chance in Ghana;
- to license companies that want to operate casinos and other games of chance in Ghana;
- to serve as an advisory body to the government on betting activities in Ghana; and
- to determine the minimum bankroll and ensure that licence holders keep and maintain the minimum bankroll provided under the Act.

Under Act 721, a governing body of the Gaming Commission is established with one representative from the following institutions:

- the Ministry of Finance and Economic Planning;
- the police service, not below the rank of Assistant Commissioner;

- the Ministry of Local Government and Rural Development;
- the Ministry of Interior;
- the Ministry of Tourism; and
- the Revenue Agencies Governing Board.

Among the members are the Games Commissioner, appointed under Section 65 of Act 721, and three other persons nominated by the President of the Republic of Ghana.

The Gaming Commission is a corporate body with perpetual succession and a common seal, and may sue and be sued in its corporate name. In essence, it is a legal personality created by Act 721.

4.2 Regulatory Approach

In seeking to regulate the gaming industry, the regulator's general approach is to ensure that games-of-chance operations are conducted responsibly, and to minimise exposure to minors where applicable. Therefore, the intention is to ensure that operators operate the business in full compliance with the established laws in Ghana. In accordance with the regulator's general approach, it is empowered to formulate policies on games of chance in Ghana, considering evolving trends globally.

4.3 Recent or Forthcoming Changes

Refer to 3.7 Recent or Forthcoming Legislative Changes.

4.4 Types of Licences

Under its circular on requirements for a gaming licence, the Gaming Commission identifies five classes of permits in Ghana, as follows:

- class one licence – casino;
- class two licence – sports betting (land-based, online, and both);

- class three licence – route operations;
- class four licence – promotional gaming and remote gaming (for example, bingo); and
- class five licence – mobile or interactive gaming.

4.5 Availability of Licences

A licence is readily available upon application and the fulfilment of all conditions set out by the Gaming Commission. Once an entity incorporated in Ghana meets the stated requirements under the laws of Ghana, the licence process shall be approved and issuance effected by the Gaming Commission's governing board.

The licence approval process may take two to three months as the company directors are required to subject themselves to a criminal background check. Additionally, the company is required to meet other institutional requirements for the granting of the licence. These include registering and obtaining the GIPC and data protection certificates, among others.

There are no limits to the number of licences required by the Gaming Commission of Ghana. However, due to established protocols and the prevailing circumstances, the Gaming Commission may decide to temporarily freeze the granting of licences, though this is rare under the prevailing regime.

4.6 Duration of Licences

A game-of-chance licence issued under the Gaming Act, 2006 (Act 721) is valid for 12 months, and may be renewed on payment of annual renewal fees approved by the board of the Gaming Commission.

More specifically, Section 44 of Act 721 establishes that a licence for all categories of games

of chance shall be valid for 12 months, subject to the established renewal processes.

4.7 Application Requirements

The requirement for granting a game-of-chance licence is established under Section 14 of Act 721. Among others, a person qualifies for the granting of a licence if they satisfy the following conditions:

- has an identifiable office;
- has a service mark logo registered with the Registrar of Companies;
- has the required minimum stated capital under Section 22 of Act 721, and has agreed to maintain the amount of cash or cash equivalent determined by the Gaming Commission under Section 23 of the Act;
- has submitted a criminal clearance certificate in respect of all directors of the company;
- agrees to allow the Gaming Commission access to their bank account records and other financial records;
- has submitted a tax clearance certificate;
- is partly or wholly Ghanaian owned; and
- agrees to provide any other information that the Gaming Commission may require.

Upon considering the above, the Gaming Commission may grant an applicant a licence for the operation of a game of chance in Ghana. However, the Gaming Commission may decide to not grant a licence if any of the directors of the applicant have:

- been adjudged insolvent or bankrupt and have not been discharged;
- made an assessment, arrangement or composition with creditors which has not been rescinded or set aside; or
- have been convicted by a court or tribunal of an offence involving fraud or dishonesty, and

an appeal against conviction has not been brought or, having been brought, was withdrawn or dismissed.

There is no regulatory difference between Ghana's licence application process for online and for land-based operations. The applicants are expected to follow the set formula established by Act 721, and to meet any requirements put forward by the Gaming Commission from time to time.

Further, directors of an applicant are expected to provide the Gaming Commission with their curriculum vitae (CV) as part of the licence process.

A careful consideration or reading of Act 721 and the GIPC Act concludes that a prospective licence operator must have a local partner, who should hold at least 10% of the company's issued shares at any time.

The law mandates the Gaming Commission, within 12 months after receipt of the application, to grant a licence to the applicant if it is satisfied that the applicant has met the following:

- the condition required for a licence; and
- payment of the licence fee.

However, where the board of the Gaming Commission refuses to grant a licence to the applicant, the board is mandated to inform the applicant in writing of its decision and reasons within seven days after making that decision. An applicant who is refused a licence by the board may petition the Minister of Interior for redress. If the applicant is not satisfied with the decision of the Minister, the applicant may decide to seek redress in a court of competent jurisdiction in Ghana.

4.8 Application Timing

Section 16, Act 721 mandates the Gaming Commission to determine the applicant's outcome regarding the granting of a licence within 12 months after receipt of the application. In practice, licence applications should take two to three months to complete in Ghana, depending on the total fulfilment of all the established conditions and standards stipulated by Act 721.

Upon meeting the required set of conditions, an applicant is expected to formally apply to the Gaming Commission for the consideration of its licence.

4.9 Application Fees

The Gaming Act, 2006 (Act 721) determines the licence fees for applicants of games of chance in Ghana. It states that the licence fee is 2% of the minimum stated capital of the company, determined for each of the categories of games of chance in Ghana.

Recently, the Fees and Charges (Miscellaneous Provisions) Act, 2022 (Act 1080) fixed the fees for games of chance in Ghana above the rate determined by the substantive Act (ie, Act 721). There is an apparent conflict regarding the fees for the industry.

The Gaming Commission, notwithstanding the passing of Act 1080 and pursuant to its regulatory role, has since maintained the fees approved by the substantive Act (Act 721). It is safe to conclude that the fees fixed by Act 721 determine the approved licence fees for games of chance in Ghana.

4.10 Ongoing Annual Fees

The annual fees for games of chance in Ghana vary. The fees are contained in a circular issued by the Gaming Commission, which details the

process for acquiring a licence and for renewal in Ghana.

5. Land-Based Gambling

5.1 Premises Licensing

In Ghana, the Gaming Commission frowns on the indiscriminate establishment of betting shops. As a result, it has set out a procedure for licensing land-based premises. The critical consideration for such licensing is that the company provides the Gaming Commission with the location of the premises and inventory, which includes the number of fixed-odds betting terminals at the premises. On receipt of the inventory, the Gaming Commission evaluates, inspects and confirms the suitability of the premises before granting or issuance of a licence for operating on such premises.

The Gaming Commission requires licence operators to submit betting site details for approval and licensing.

5.2 Recent or Forthcoming Changes

Not many recent changes have been happening as regards land-based gambling in Ghana. Implementing the newly introduced taxes on gambling remains the only recent change to Ghana's games-of-chance industry.

It is expected that in the near future the Fees and Charges (Miscellaneous Provisions) Act, 2022 (Act 1080) shall be amended to bring the fees into alignment with the substantive Act (Act 721).

6. Online Gambling

6.1 B2C Licences

As stated previously, Ghana's legal regime for the games-of-chance industry does not reference B2C licences. The prevailing circumstances are that as long as an applicant meets the satisfactory requirements for a licence, it shall be granted a licence to provide games of chance (be they online, land-based or casino) to customers in Ghana.

6.2 B2B Licences (Suppliers, Software, Etc)

The Gaming Act, 2006 (Act 721) determines the scope of transferability of a granted licence – specifically, Section 19 provides for the non-transferability of licences in Ghana. It states that a person granted a licence may not transfer the licence granted by the Gaming Commission to any other person.

A person who transfers a licence or breaches the clear stipulation of the Act commits an offence, and is liable on summary conviction to a fine of not less than five hundred penalty units or to a term of imprisonment of not less than two years, or to both. Additionally, the applicant's licence may be revoked for a breach of the non-transferability condition.

As such, there is no room for the B2B licences regime in Ghana.

6.3 Affiliates

The concept of affiliates is not recognised in the Ghanaian jurisdiction. As a result, there is no regulatory requirement for using affiliates in Ghana.

However, it is worth noting that the advertising guidelines established by the Gaming Commission require a licence operator to seek approval

for all advertising materials before commencing an advert. As such, the actions of an affiliate that undertakes advertising fall within the purview of the regulatory arm of the Gaming Commission. Nevertheless, it is the legal obligation of a licence operator to ensure that the action of an affiliated person, who is an agent to the licensee, is regulated and in conformity with the established laws and regulations.

The actions of an affiliate can be attributed to a licence operator; as such, a licence operator could bear the consequences thereof.

6.4 White Labels

There is no specific requirement under gaming laws for the licensing of white-label providers within the jurisdiction of Ghana.

However, a person seeking a licence to provide games-of-chance services is not estopped from utilising the services of a white-label platform within the Ghanaian jurisdiction. The relationship between a licensee and a white label could be privately arranged. Subsequently, the arrangement could become a basis for registering a technology transfer agreement (TTA) with the Ghana Investment Promotion Centre (GIPC).

6.5 Recent or Forthcoming Changes

Not many recent changes have been happening as regards the operation of online gambling in Ghana. The most significant recent change was the introduction of gross gaming revenue (GGR) at the rate of 20%, and of withholding tax on winnings at the rate of 10%.

6.6 Technical Measures

Currently, there are no technical measures for protecting customers from unlicensed operators. On becoming aware of such occurrences, licensed local operators usually notify the Gam-

ing Commission to take the appropriate steps and to direct that an unlicensed operator not operate within the jurisdiction of Ghana.

In the exercise of its regulatory role, the Gaming Commission may consider several means, including the use of IP blocking and cease-and-desist notices for such unscrupulous entities. They may also notify the National Communication Authority (NCA) to take the appropriate measures for blocking unlicensed operators from operating in Ghana.

7. Responsible Gambling (RG), Also Known as Safer Gambling (SG)

7.1 RG Requirements

One of the fundamental safeguards for responsible gaming is the introduction of the know-your-customer (KYC) policy by the Gaming Commission. The Gaming Commission demands that licence operators configure their platform to incorporate the standard KYC tool. Therefore, customers seeking to establish a betting account must provide their National ID and basic information, including birth date and mobile network number.

The ID must include the name and date of birth of the consumer. Implementing the KYC policy has significantly prevented minors from betting and has consequently promoted responsible gaming in Ghana.

Additionally, the advertising guidelines prohibit operators from using celebrities to promote their gambling business in Ghana. They also mandate companies to inscribe warnings such as “Gamble Responsibly”, “Only 18+ Years”, “Gambling is Addictive” and other warnings as may, from

time to time, be prescribed by the Gaming Commission.

7.2 Recent or Forthcoming Changes

The most recent change to responsible gambling was the introduction of KYC and advertising guidelines, which have a consequential bearing on responsible gaming.

7.3 Gambling Management Tools

Licensees are mandated to showcase the adverse effects of gaming on their betting sites and all advertising materials within the jurisdiction of Ghana. Companies must also inscribe warnings such as “Gamble Responsibly”, “Only 18+ Years”, “Gambling is Addictive” and other warnings as may, from time to time, be prescribed by the Gaming Commission (see **7.1 RG Requirements**).

Licensees are mandated to adhere to directives on self-banning issued by the Gaming Commission, which stipulate that companies should prevent the relevant individuals from operating within a specified timeframe.

8. Anti-money Laundering (AML)

8.1 AML Legislation

The substantive law on AML in Ghana is the Anti-Money Laundering Act, 2020 (Act 1044), supplemented by the Anti-Money Laundering Regulations, 2011 (LI 1987).

The Act sets out the finer details on money laundering in Ghana, and provides for the establishment of a Financial Intelligence Centre (FIC).

Licensees are considered accountable institutions under the Act. They are subject to the regulatory requirements of the Bank of Ghana

on money laundering and of the FIC. Every licensee is mandated to comply with the specific demands of the Act on money laundering in Ghana.

8.2 Recent or Forthcoming Changes

The Anti-Money Laundering Act, 2020 (Act 1044) is a recent Act that repealed the previous legislation, namely the Anti-Money Laundering Act, 2008 (Act 749) and the Anti-Money Laundering (Amendment) Act, 2014 (Act 874).

The Act mandates operators of games of chance to declare:

- the lawful origin of the capital for the intended operation in the case of an application for a licence; or
- the origin of additional funds or capital in the case of an application for a licence renewal.

The Act further mandates a licensee to identify players' identities on their betting sites, and to request their authentic ID documents bearing their names and addresses.

Licensees are mandated to keep records of players for a specified period and to produce those reports on request. Further, they must report suspicious transactions on their betting sites to the appropriate authorities.

8.3 AML Requirements

The Anti-Money Laundering Act 2020 (Act 1044) and policies require an accountable institution to keep books and records concerning games-of-chance customers, and to ensure that those records and underlying information are available on a timely basis to the FIC and other competent authorities.

In furtherance to that responsibility, games-of-chance companies may appoint a person to keep records on their behalf. However, notwithstanding the appointment of such a person, the accountable institution shall not be relieved of the ultimate responsibility to comply with that requirement fixed to it under the law.

See also **8.2 Recent or Forthcoming Changes** as regards what games-of-chance operators must declare under the Act.

9. Advertising

9.1 Regulatory/Supervisory Agency

The Gaming Commission of Ghana is the regulatory/supervisory authority with regard to advertising.

9.2 Definition of Advertising

The Gaming Act, 2006 (Act 721) and the advertising guidelines do not define advertising within the meaning of games-of-chance business. However, in general, advertising within the gaming industry in Ghana is intended to mean any form of communication designed to promote, either directly or indirectly, the license operator's business activity within Ghana's jurisdiction.

The advertising may be in the form of billboards, video recordings or audio jingles that promote the business of a licensee in Ghana to customers.

9.3 Key Legal, Regulatory and Licensing Provisions

The Gaming Commission demands that all licence operators submit their advertisement material for vetting and approval, in order to better regulate the advertising industry. With the requisite approval notices from the Gaming

Commission, a licensee can undertake an advertisement within the jurisdiction of Ghana.

9.4 Restrictions on Advertising

Essential restrictions are enumerated in the advertising guidelines for regulation and implementation by licence operators. Among these is the exclusion of celebrities in their advertising. Further, advertisements must not contain misleading claims or unsubstantiated claims, and must also avoid putting out inappropriate content against competitors. Operators are also mandated to clearly declare warnings such as “Gamble Responsibly”, “Only 18+ Years”, “Gambling is Addictive”, among others.

9.5 Sanctions/Penalties

Failure to adhere to the advertising guidelines shall affect the licence renewal process of the operator in the jurisdiction of Ghana, or shall result in the imposition of fines by the Gaming Commission.

9.6 Recent or Forthcoming Changes

There have been no recent changes to the advertising guidelines, nor are there any anticipated forthcoming changes.

10. Acquisitions and Changes of Control

10.1 Disclosure Requirements

Disclosure requirements for acquiring a stake or interest in a licensed operator must be made to the Gaming Commission, as per the Gaming Act, 2006 (Act 721). Under Section 14 of the Act, a person qualifies for a game-of-chance licence if that person is partly or wholly Ghanaian-owned and has agreed to provide any information demanded by the Gaming Commission. As such, a corporate structure change requires

the licence operator to make the necessary disclosures.

It is imperative for such changes to be brought to the attention of the Gaming Commission, especially in situations where a new director or shareholder is appointed to the company. The notification of such occurrences allows the Gaming Commission to subject such persons to background checks in accordance with gaming laws. It is essential to underscore that a person issued with a licence cannot transfer that licence to another person under any circumstances. The non-transferability of a licence under Act 721 is non-negotiable.

10.2 Change of Corporate Control Triggers

Generally speaking, specific transactions will inevitably affect the company’s corporate structure. Such occurrences include the following.

- mergers and acquisitions – these could have implications for the company’s corporate structure to the extent that it is diametrically different from the initial disclosures for the licence grant;
- changes in the shareholding structure of the company;
- where the shareholding structure of a licensee changes through share acquisitions and transfers – such an occurrence is a significant corporate control trigger; and
- changes in the software or the underlying trading name – a change in trading name is a significant corporate trigger.

Such changes require the approval of the Gaming Commission. In essence, any changes that affect a licence operator’s control require the regulator’s approval. It must, however, be emphasised that a change in control that makes

an operator a wholly owned foreign entity is void, and shall automatically lead to the revocation of the licence issued by the Gaming Commission of Ghana.

10.3 Passive Investors Requirements

Act 721 makes no provision for passive investors in the acquisitions of or investment in games of chance in Ghana; however, when a passive investor's investment results in the appointment of a new director, a licensee is reasonably expected to notify the regulator for a fit and proper test to be conducted on such director.

11. Enforcement

11.1 Powers

The Gaming Commission of Ghana has broad supervisory authority and enforcement powers under Act 721, including powers for:

- revocation of a licence;
- suspension of a gaming licence;
- imposition of monetary fines or penalties as determined under the Act;
- forfeiture;
- seizure;
- referring a person in breach of Act 721, where appropriate, for investigation and prosecution, which could lead to the imposition of a fine, imprisonment or both;
- issuing formal warnings; and
- issuing infringement notices.

11.2 Sanctions

The Gaming Commission is prompt in ensuring that the strict requirements of the laws on games of chance are adhered to at all material times. It takes appropriate and corrective actions against licensees who act contrary to the stipulations of Act 721. Notably, the Gaming Commission

considers the severity of a breach before prescribing a sanction for a licence operator. It also considers the administrative and regulatory tools at its disposal.

Sanctions range from an administrative imposition of fines and suspension of a licence to criminal prosecution for serious breaches. It is common practice for the Gaming Commission to issue a warning letter requesting an end to a violation by an operator within a stipulated time – failing which, specific administrative sanctions incidental to the breach are applied.

11.3 Financial Penalties

Under Act 721, the Gaming Commission is empowered to impose a pecuniary penalty for breach of the Act. Specifically, under Section 24, financial liability is determined at a rate not exceeding the Cedis equivalent of USD20,000.

Financial penalties could also arise from criminal prosecution of a breach of the Act by the licensee. In such a situation, on summary conviction a person shall be liable to pay a fine of not more than five hundred penalty units or as may be determined by the court, considering the ends of justice in the case. A penalty unit is GHC12.

11.4 Personal Sanctions

The law provides for the imposition of personal sanctions against officers (directors) of a licensee. Specifically, a criminal or civil penalty can be enforced against individual directors for a breach of the law. In a situation where a person operates a game of chance with the approval of the board of the Gaming Commission, directors of the licensee could be held accountable and liable for such a blatant breach.

12. Tax

12.1 Tax Rate by Sector

The rate of taxes concerning a game of chance is determined and fixed (from time to time) by regulatory authorities. Once determined, it applies uniformly to all operators without discrimination.

The Ghana Revenue Authority, through the Income Tax Amended Act, has established a new tax regime for the gaming industry in Ghana. The new tax regime introduces a 10% withholding tax to games of chance and lottery winnings, and a 20% GGR tax to the revenues of licence operators.

More specifically, the amended Act provides that winnings from betting and lottery businesses shall be subject to a 10% withholding tax and become deductible at the payout point. This means that every punter in Ghana shall be subject to a 10% withholding tax on winnings.

Additionally, the amended Act imposes a 20% tax on the GGR of betting and lottery operators in Ghana. The GGR shall be the total amount staked, bet or wagered minus the total gross winnings paid or payable at the end of the period within one month of the transaction.

Besides the 10% withholding tax and the 20% GGR tax, other taxes applicable to the games-of-chance industry include the Pay As You Earn (PAYE) tax deducted from an employee's income. The tax is charged on all of an individual's income in employment, whether received in cash or in kind. Other forms of withholding taxes also apply in the industry.

It is worth noting that VAT and corporate income tax are no longer applicable in Ghana's games-of-chance industry due to the introduction of the amended Act.

13. Anticipated Reform

13.1 Anticipated Reform

The gaming industry in Ghana is growing at an exponential rate as it leverages technology and the skill sets of Ghanaians. As a result, it is expected that Ghana will strive to position games of chance as a lucrative industry for foreign direct investment. With this in mind, the authors anticipate further reforms in the tax space to encourage such investment.

Ghana will likely also revisit the laws on games of chance, and enact a new law that considers international best practices. Furthermore, since blockchain technology (more precisely, cryptocurrency) is an indispensable tool for online gaming, Ghana will likely gravitate towards the point where cryptocurrency is regulated as a lawful medium of exchange – thus allowing the games-of-chance industry to leverage cryptocurrency in the processing of payments for customers. Cryptocurrency is currently prohibited as a medium for transactions in Ghana, especially in the gaming industry.

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