

# THE GOLD BOARD ACT

IS ALL THAT GLITTERS GOLD?

Wednesday, May 21st, 2025



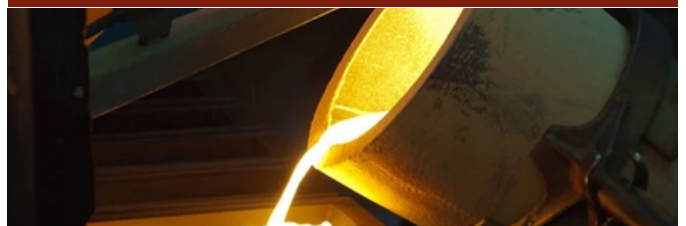
## Proposed Ammendments

The establishment of the Gold Board will require amendments to key sections of the following legislation:

- Minerals and Mining Act, 2006 (Act 703) and;
- The Minerals and Mining (General) Regulations, 2012 (L.I. 2173).

## Introduction

Ghana, according to a 2025 Business Insider Africa report is the leading gold exporter in Africa, has just crossed the threshold of a major transformation in its gold industry. With the introduction of the Ghana Gold Board Act (Act 1140), 2025, the government has established a centralized authority to regulate the country's gold trade, attempting to bring order to a fragmented, informal system and maximizing the economic value of one of its most valuable natural resources.



## Rationale

As highlighted in the memorandum of the bill, Ghana earned over \$11.5 billion in gold exports in 2024, with small-scale mining contributing 40%. Despite this, the country sees limited returns due to tax evasion, illegal exports, smuggling, and poor oversight. The memorandum describes the current ecosystem as one marked by overlapping mandates of multiple state agencies and minimal supervision of private entities.



The new law has allowed the creation of the Ghana Gold Board—a regulatory body that will take over from the Precious Minerals Marketing Company (PMMC) and aimed at streamlining the trade of gold and other precious minerals, enhancing foreign exchange retention, and supporting gold reserve accumulation by the Bank of Ghana.

# Key Sections of the Act

## Establishment and Objectives of the Gold Board

The Gold Board is a statutory body corporate tasked with:

- Purchasing, refining, and exporting gold.
- Promoting value addition by minting coins, producing jewellery.
- Supporting environmentally sustainable and traceable gold sourcing.
- Assaying and grading all gold for quality control.
- Assisting small-scale miners with tools, financing, and geological support.
- Responsible for marketing the gold resources of the country.

# Key Sections of the Act

## Governance and Oversight

The Board is governed by a 13-member Board of Directors appointed by the President under Article 70 of the Constitution. Every member of the board except the Chief Executive officer may hold tenure for not more than 4 years and may be reappointed for only one more term. The Board consists of a:

- Chairperson,
- A CEO,
- The Minister of Mines or a representative,
- The Minister responsible for finance or a representative not below the rank of a director,
- The Governor of the Bank of Ghana or a representative not below the rank of a director,
- A Representative from the Minerals Commission not below the rank of a director,
- A representative from large and small-scale mining firms, gold service providers nominated by the Ghana Chamber of Mines.

- Four other persons with specialised knowledge and experience relevant to functions of the Goldboard. At least one of these persons should be a woman.

The mandate of the Board of Directors includes setting strategic direction, ensuring compliance, and maintaining transparency. The Board of Directors must meet at least once every three months as determined by the Chairperson.

Directors must adhere to fiduciary duties to act in good faith and loyalty in the same manner as is required by a director of a company incorporated under the Companies Act (Act 992), with penalties for misconduct or conflict of interest.

# Key Sections of the Act

## Financial Provisions and Support for Small-Scale Miners

The Gold Board will be funded through:

- Parliamentary appropriations
- Fees, penalties, and gold export proceeds
- Donations, loans, and investor partnerships.

Such funds will be paid into a bank account with the approval of the controller and Accountant-General. The Goldbod will be exempt from payment of taxes that the Minister may determine with approval from parliament in line with the Constitution and the Exemptions Act 2022 (Act 1083).

Furthermore, the Board of Directors after receiving the audit report every year must compile an annual report to the Minister to be submitted to parliament.

Importantly, Clause 25 mandates an earmarked fund to be derived from 30% of the surplus funds of the Gold Board from the preceding year to support small-scale miners through:

- Grants and concessional loans.
- Equipment financing.
- Capacity building and training.
- Establishing local refineries
- Research into sustainable mining technologies.

This aims to formalize and uplift small-scale mining, which remains informal and under-supported.



# Key Sections of the Act

## Licensing and Compliance Framework

Entities and Individuals seeking to operate in the gold trade must obtain licenses from the Gold Board. License categories include:

- Aggregation licence
- Buying licence
- Export licence
- Fabrication licence
- Refining licence
- Export Partnership licence
- Storage licence
- Importation licence
- Transshipment licence
- Smelting licence

Applicants must meet local content requirements including being

- 18 years and above,
- a citizen or
- a company, partnership, association whether incorporated or not incorporated wholly owned by a citizen and with the prescribed documentation and
- at a fee.

Once a board is satisfied that an application has met the requirements for the grant of a licence, it must issue the licence and communicate the approval within 60 days.

The GoldBoard may refuse an application for a licence if it is found to be against public interest, public safety, or public security or fails to comply with a directive from the GoldBoard.

Where there is a refusal, the Gold board must communicate such to the applicant with reasons.

The Gold Board will be required to maintain a register of gold service providers who have been issued with licences, the category of licence, and any other important information. This register is to be updated every six months.

# Key Sections of the Act

## Licensing and Compliance Framework

Licenses issued under the Act are granted for a defined duration and are subject to strict rules regarding renewal and potential suspension or cancellation. The Gold Board may deny, suspend, or terminate a license or shut down the operations of a gold service provider under several conditions, including:

- Failure to adhere to the terms and conditions attached to the license.
- Non-payment of renewal fees as prescribed.
- Failure to commence the licensed activity within one year of issuance.
- Submission of false or misleading documents during the application process.
- Breach of provisions or regulations under the Gold Board Act, or being under investigation for an offence related to the Act.

- If the continuation of the business or its activities poses a threat to public health, safety, or security, or if service standards fall below acceptable levels.
- Furthermore, a license may be temporarily suspended through a formal notice if the provider is declared insolvent or bankrupt, enters into a composition or restructuring arrangement with creditors, or seeks to exploit insolvency proceedings for undue advantage.

Non-compliance or misrepresentation results in steep penalties, including fines up to 200,000 penalty units and 5 -10 years imprisonment.

# Key Sections of the Act

## Enforcement & Anti-smuggling measures

The Act introduces robust enforcement tools, including:

- Inspections which may be conducted by a designated inspector who can enter a premises if there is reason to believe that the premises or facility is being used for an unlicensed business or related activity in the gold trading and marketing industry.
- Inspectors are allowed to search for evidence of illegal gold transactions
- Seizure of illegal gold and equipment which may be done in the company of a police officer.
- Use of AI-driven surveillance, drones, and establishment of checkpoints at borders.

Inspectors and officers are empowered to search facilities, vehicles, and documentation. Offenders can face confiscation, closure of operations, or prosecution.

## Transparency and Reporting Requirements

The Gold board is mandated to set performance standards in the gold trading and marketing industry as well as specifications for gold mining products which are to be published in the gazette.

Additionally, the Gold Board is mandated to publish a quarterly report on its website on its operations, revenue, contracts, expenditure, responsible sourcing and traceability. This should be widely accessible, individuals are allowed to submit recommendations to the minister and the board based on the reports. Gold Service Providers are also required to submit quarterly reports to the Gold board on their business and related activities.

To improve public accountability, the Gold Board must publish quarterly reports on revenues, contracts, and operations. Likewise, licensed gold service providers are required to submit detailed quarterly activity reports.



# Key Sections of the Act

## Dispute Resolution and Appeals

The Act establishes a two-tier mechanism for resolving disputes:

1. Complainants can approach the Dispute Resolution Committee (DRC) for resolving matters between service providers if negotiation fails.
2. Gold Board Tribunal, chaired by a retired judge or legal expert, two other members with expertise in minerals and mining or law or commerce to hear appeals from decisions made by the Board or the Committee.

A decision by the Tribunal will have the same effect as a judgement of the High Court. The Tribunal can overturn the decision being appealed, partially allow the appeal; dismiss the appeal and uphold DRC's decision.

Parties can further appeal to the Court of Appeal on points of law if unhappy with a decision by the Tribunal.

## Offences and Penalties

Offences under the Act include:

- Submitting fraudulent documents; offering a bribe to an officer of the Gold Board;
- conniving with a foreign company to bypass the Act.
- Smuggling or facilitating the smuggling of gold.
- Transporting and purchasing gold without authorization.
- Hoarding gold without a license.
- Embezzling funds meant for the Gold Board or the Republic.

Penalties include 200 000 penalty units and not more than 500 000 penalty units and imprisonment between 5 to 20 yrs.

Offending companies may have their operations shut down, and directors held personally liable.

Administrative penalties range from 20 000 penalty units and 50 000 penalty units.

# Is all that glitters Gold? A critical look at the Act.



The Act is expected to streamline gold trade, curb illegal mining, and boost local beneficiation but it also presents some challenges. Some of these have been expanded below:

## **Overcentralization of Gold Trade**

The Gold Board is granted exclusive authority over all aspects of gold trade, including buying, assaying, refining, and exporting. This centralization may create bottlenecks, stifle competition, and discourage innovation, especially among existing private licensed exporters and refiners who now must operate under stricter constraints. Additionally, the Gold Board will hold a multi-dimensional role as licensor, regulator, enforcer, and operator in the gold market. This combination of roles increases the risk of conflicts of interest, where the Board may unfairly penalize private competitors to favor its own trading activities.

## **Ambiguity in terminology**

Ambiguity in the wording of the Act may lead to inconsistent application of the law. Section 31 imposes discretionary refusal based on vague terms such as “public interest.” License suspension or revocation can occur under broad conditions such as where continued operation is deemed a “risk to public health, safety or security”. These vague terms may result in arbitrary enforcement.

Additionally, The Act gives the Gold Board exclusive control over buying and setting quality standards but does not explicitly mandate transparent or competitive pricing mechanisms. This raises concerns about price manipulation or unfair valuation practices.

# Is all that glitters Gold?



## **Overly Intrusive Enforcement Powers**

Inspectors acting under Section 44 of the Act may enter, search, seize, and detain without a warrant in some instances. These powers, if unchecked, could lead to abuse and harassment, especially in remote mining communities where legal literacy is low.

## **Tax Exemption Without Clear Limits**

The Gold Board is exempt from taxes, as determined by the Minister with Parliament's approval. This clause lacks clarity on duration and scope, raising concerns about potential revenue loss and preferential treatment.

## **Limited Judicial Oversight of Dispute Mechanisms**


The establishment of a Dispute Resolution Committee and Tribunal under the Board's control may limit impartiality. Essentially, the Gold Board will be serving as rulemaker and adjudicator in the same breadth, raising concerns with impartiality of the dispute resolution mechanisms it offers. Although appeals may go to the Court of Appeal, the initial process may lack adequate checks and balances.

## **Operational Capacity and Resource Requirements**

The ambitious goals of the Board including buying all small-scale gold, enforcing compliance, operating refineries, and maintaining a dispute system require substantial funding and technical expertise. Incompetency and delays in resource mobilization may cripple its functions.



## Final word



The Ghana Gold Board Act, 2025, is an ambitious legal framework designed to bring order to Ghana's disjointed gold industry. If implemented effectively, the law will ensure:

- Higher foreign exchange retention.
- Better record keeping and traceability.
- Improved global credibility.
- Direct support for small-scale miners.

While the regulatory tightening could increase tax compliance and revenue collection, concerns remain regarding market restrictions and enforcement mechanisms. As operations begin, stakeholders, including mining firms, traders, civil society, and regulators will need to prepare for tighter controls and new standards. With gold remaining a cornerstone of Ghana's economy, it is hoped that the glittering monument of the Gold Board is found to be gold indeed!

**MERTON POLICY INSIGHTS****MAY 2025****Author:****Paulina Quarthey**

Legal fellow

**At Merton & Everett LLP, our Policy Research and Analysis practice is dedicated to providing in-depth, evidence-based insights that guide effective decision-making for governments, organizations, and stakeholders. We combine legal expertise with strategic research methodologies to deliver actionable solutions that shape public policy and drive systemic change.**

Paulina Quarthey is a developing legal professional with a strong foundation in research, advocacy, and education-centered initiatives. She holds an LLB from Rhodes University, South Africa where she actively contributed to legal scholarship and student governance, serving as InCamera Editor of the prominent Rhodes University Law Society, a Legal Theory Tutor and a mentor at the Rhodes Law Clinic.

At Merton & Everett LLP, Paulina plays a key role in legal research, content creation for legal education, and community engagement. She has facilitated training sessions for local communities on environmental rights and for paralegals in understanding the criminal justice system.



Merton&amp;Everett LLP



secretariat@mertoneverett.com



+233342295174