

**Ghana Integrated Iron and Steel
Development Corporation Act, 2019**

Act 988

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THE NINE HUNDRED AND EIGHTY-EIGHTH

ACT

OF THE PARLIAMENT OF THE REPUBLIC OF GHANA
ENTITLED

GHANA INTEGRATED IRON AND STEEL DEVELOPMENT CORPORATION ACT, 2019

AN ACT to establish the Ghana Integrated Iron and Steel Development Corporation to promote and develop an integrated iron and steel industry and to provide for related matters.

DATE OF ASSENT: *13th May, 2019*

PASSED by Parliament and assented to by the President:

Ghana Integrated Iron and Steel Development Corporation

Establishment of the Corporation

1. (1) There is established by this Act, the Ghana Integrated Iron and Steel Development Corporation as a body corporate with perpetual succession.

(2) For the performance of its functions, the Corporation may, acquire and hold property, dispose of property and enter into a contract or any other related transaction.

(3) Where there is a hindrance to the acquisition of property, the property may be acquired for the Corporation under the State Lands Act, 1962 (Act 125) and the cost shall be borne by the Corporation.

Object of the Corporation

2. The object of the Corporation is to promote and develop an integrated iron and steel industry.

Functions of the Corporation

3. To achieve the object under section 2, the Corporation shall

- (a) undertake the preparatory work for the promotion and development of the integrated iron and steel industry;
- (b) collaborate with investors for the sustainable development of the integrated iron and steel industry;
- (c) make recommendations to the Minister on the nature and scope of State participation in the development of the integrated iron and steel industry;
- (d) ensure the development and implementation of a local content policy across the value chain in the integrated iron and steel industry;
- (e) ensure the participation and integration of Ghanaians in technical and managerial functions of the integrated iron and steel industry;
- (f) ensure that the minimum total equity held by the State and the Ghanaian private sector in any joint venture in the integrated iron and steel industry is not less than thirty percent of the total equity;
- (g) ensure that benchmarks for determining the debt to equity ratio are fixed in accordance with law and government policy;
- (h) ensure that, in respect of the carried interest of the State, indices are provided in the joint venture agreement for guaranteed annual payments where dividends are not declared;
- (i) maintain and preserve the records of the Corporation and publish the records in the manner and medium as the Board may determine; and
- (j) perform any other functions that are ancillary to the object of the Corporation.

Powers of the Corporation

4. (1) For the purpose of achieving the object under section 2, the Corporation shall

- (a) enter into joint venture operations;
- (b) promote the economy and efficiency of the integrated iron and steel industry;
- (c) ensure that a minimum part of the equity as may be determined by law is held by the Ghanaian private sector;
- (d) in collaboration with relevant government agencies, establish a mechanism to ensure the requisite transfer of skills and know-how to Ghanaians in the integrated iron and steel industry value chain; and
- (e) facilitate the establishment of industrial parks to promote the
 - (i) manufacture of iron and steel, alloys and other related products, and
 - (ii) provision of services in the integrated iron and steel industry.

(2) Without limiting subsection (1), the Corporation may

- (a) capitalise other contributions made by the State or the Corporation to equity which shall be additional to the carried interest required under paragraph (a) of subsection (1); and
- (b) engage in any other activity to promote the development of infrastructure for the integrated iron and steel industry.

Governance of the Corporation

Governing body of the Corporation

5. (1) The governing body of the Corporation is a Board consisting of

- (a) a chairperson;
- (b) a representative each of the Ministries responsible for
 - (i) National Resources,
 - (ii) Trade and Industry, and
 - (iii) Finance

not below the rank of a Director

- (c) the Chief Executive Officer;
- (d) the Chief Executive Officer of the Minerals Commission or the representative not below the rank of a Director; and
- (e) three other persons with demonstrable competence in the industry nominated by the President, at least one of whom is a woman.

(2) The members of the Board shall be appointed by the President in accordance with article 70 of the Constitution.

Functions of the Board

6. The Board shall

- (a) ensure the proper and effective performance of the functions of the Corporation;
- (b) ensure that the Corporation conducts its affairs on prudent commercial lines and in accordance with sound business principles and industry best practices;
- (c) have general control and management of the funds and investments of the Corporation;
- (d) formulate policies for the achievement of the object of the Corporation; and
- (e) oversee the sound and proper management of the integrated iron and steel industry.

Tenure of office of members of the Board

7. (1) A member of the Board shall hold office for a period of four years and is eligible for re-appointment, but a member shall not be appointed for more than two terms.

(2) Subsection (1) does not apply to the Chief Executive Officer.

(3) A member of the Board may, at any time, resign from office in writing addressed to the President through the Minister.

(4) A member of the Board who is absent from three consecutive meetings of the Board without sufficient cause, ceases to be a member of the Board.

(5) The President may, by letter addressed to a member, revoke the appointment of that member.

(6) Where a member of the Board is, for sufficient reason, unable to function as a member, the Minister shall determine whether the inability of the member to act would result in the declaration of a vacancy.

(7) Where there is a vacancy

(a) under subsection (3), (4) or (5) or subsection (2) of section 9,

(b) as a result of a declaration under subsection (6), or

(c) by reason of the death of a member,

the Minister shall notify the President of the vacancy and the President shall appoint a person to fill the vacancy.

Meetings of members of the Board

8. (1) The Board shall meet at least four times in a year for the despatch of business at the time and in the place determined by the chairperson.

(2) The chairperson shall, within fourteen days upon receipt of the request of not less than one-third of the membership of the Board, convene an extra-ordinary meeting of the Board, at the time and in the place determined by the chairperson.

(3) The chairperson shall preside at meetings of the Board and in the absence of the chairperson, a member of the Board, other than the Chief Executive Officer, elected by the members present from among their number shall preside.

(4) The quorum for a meeting of the Board is seven members.

(5) Matters before the Board shall be decided by a simple majority of the members present and voting and in the event of an equality of votes, the person presiding shall have a casting vote.

(6) The Board may co-opt a person to attend a Board meeting but that person shall not vote on a matter for decision at the meeting.

(7) Except as otherwise provided by this Act, the Board shall determine the procedure for its meetings.

(8) The proceedings of the Board shall not be invalidated by reason of a vacancy among the members or a defect in the appointment or qualification of a member.

Disclosure of interest

9. (1) A member of the Board who has an interest in a matter for consideration by the Board shall disclose in writing the nature of the interest and is disqualified from participating in the deliberations of the Board in respect of that matter.

(2) Where a member contravenes subsection (1), the chairperson shall notify the Minister who shall inform the President in writing and the President shall revoke the appointment of that member.

(3) Without limiting any further cause of action that may be instituted against a member, the Board shall recover the benefit derived by the member who contravenes subsection (1) in addition to the revocation of the appointment of the member.

Establishment of committees

10. (1) The Board may establish committees consisting of members of the Board or non-members to perform specified duties for the Board.

(2) Section 9 applies to a member of a committee of the Board.

(3) A non-member of the Board who is appointed to a committee of the Board shall depose to an Oath of Secrecy.

Allowances

11. Members of the Board and members of a committee of the Board shall be paid the allowances determined by the Minister in consultation with the Minister responsible for Finance.

Policy directives

12. The Minister may give directives on matters of general Government policy to the Board and the Board shall comply.

Administrative Provisions

Chief Executive Officer

13. (1) The President shall, in accordance with article 195 of the Constitution, appoint a Chief Executive Officer for the Corporation.

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

(3) The President shall, in appointing the Chief Executive Officer, have regard to the competence, knowledge and expertise of the person being appointed.

Functions of the Chief Executive Officer

14. (1) The Chief Executive Officer is

(a) responsible for the day-to-day efficient and effective administration of the Corporation; and

(b) answerable to the Board in the performance of the functions of the office.

(2) The Chief Executive Officer shall ensure the implementation of the decisions of the Board and perform any other functions determined by the Board.

(3) The Chief Executive Officer may delegate a function to an officer of the Corporation but shall not be relieved of the ultimate responsibility for the performance of the delegated function.

Secretary to the Board

15. (1) The Board shall, appoint a Secretary who shall be responsible to the Board through the Chief Executive Officer.

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

- (3) The Secretary shall, subject to the directions of the Board,
- (a) arrange the business of meetings of members of the Board;
 - (b) keep a record of minutes of the proceedings of the Board; and
 - (c) perform any other functions that the Board may in writing direct.

Appointment of other staff

16. The President shall, in accordance with article 195 of the Constitution, appoint other staff of the Corporation that are necessary for the effective performance of the functions of the Corporation.

Internal Audit Unit

17. (1) The Corporation shall have an Internal Audit Unit in accordance with section 83 of the Public Financial Management Act, 2016 (Act 921).

(2) The Internal Audit Unit shall be headed by an Internal Auditor who shall be appointed in accordance with the Internal Audit Agency Act, 2003 (Act 658).

(3) The Internal Auditor is responsible for the internal audit of the Corporation.

(4) The Internal Auditor shall, subject to subsections (3) and (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), at intervals of three months,

- (a) prepare and submit to the Board, a report on the internal audit carried out during the period of three months immediately preceding the preparation of the report; and

(b) make recommendations in each report with respect to matters which appear to the Internal Auditor as necessary for the conduct of the affairs of the Corporation.

(5) The Internal Auditor shall, in accordance with subsection (4) of section 16 of the Internal Audit Agency Act, 2003 (Act 658), submit a copy of each report prepared under this section to the

- (a) Minister;
- (b) Auditor-General; and
- (c) Board.

Financial Provisions

Funds of the Corporation

18. The funds of the Corporation include

- (a) moneys approved by Parliament;
- (b) grants and loans; and
- (c) any other moneys approved by the Minister responsible for Finance.

Bank account for the Corporation

19. The moneys for the Corporation shall be paid into a bank account opened for the purpose by the Board with the approval of the Controller and Accountant-General.

Administrative expenses of the Corporation

20. The administrative expenses of the Corporation shall be paid from moneys provided for the Corporation under section 18.

Borrowing powers

21. Subject to the Constitution and section 76 of the Public Financial Management Act, 2016 (Act 921), the Corporation may, on the terms and conditions that may be agreed between the Corporation and the lender, borrow money to meet an expenditure of a capital nature including provision for working capital for the performance of the functions of the Corporation.

Special power purchase rates

22. (1) The State shall guarantee the availability of power to the integrated iron and steel industry.

(2) The power to be supplied to the integrated iron and steel industry shall be provided at a rate that shall render the Corporation globally competitive.

Annual dividend payments

23. Dividends may be declared annually and paid to the parties in the Joint Venture.

Prohibition of export of iron ore

24. The Corporation shall ensure that there is no export of iron ore unless it is processed and value added as prescribed in the Regulations.

Accounts and audit

25. (1) The Board shall keep books of account, records, returns and other documents relevant to the accounts in the form approved by the Auditor-General.

(2) The Board shall submit the accounts of the Corporation to the Auditor-General for audit at the end of the financial year.

(3) The Auditor-General shall, within six months after the end of the immediately preceding financial year, audit the accounts, submit the report to Parliament and forward a copy each of the audit report to the Minister and the Board.

(4) The financial year of the Corporation is the same as the financial year of Government.

Annual report and other reports

26. (1) The Board shall, within thirty days after the receipt of the audit report, submit an annual report to the Minister covering the activities and operations of the Corporation for the year to which the annual report relates.

(2) The annual report shall include the report of the Auditor-General.

(3) The Minister shall, within thirty days after the receipt of the annual report, submit the report to Parliament with a statement that the Minister considers relevant.

(4) The Board shall submit to the Minister any other report which the Minister may require in writing.

(5) The Board shall publish the reports of the Corporation in a medium of communication that the Board considers appropriate.

Waiver or variation of tax

27. Subject to article 174 of the Constitution, the Minister responsible for Finance may, with the prior approval of Parliament, grant a waiver or variation of tax to the Corporation.

*Miscellaneous Provisions***Intellectual property**

28. (1) Subject to subsections (6) and (7), the intellectual property rights in any work made by

- (a) an employee of the Corporation or other persons employed by the Republic who have been placed at the disposal of the Corporation,
- (b) a person assisting the Corporation with an investigation or research, or
- (c) other intellectual enterprise funded or otherwise undertaken with resources of the Corporation

shall vest in the Corporation, unless otherwise agreed by the parties concerned.

(2) A person who intends to use data produced by the Corporation for scientific publication or modification of maps for sale or display or for mineral exploration and other geo-scientific operations, shall obtain the prior written approval of the Corporation.

(3) The Board may make the work referred to in subsection (1) and the rights which are vested in the Corporation, available for use in the public interest subject to the conditions and the payment of fees as the Board may determine.

(4) Where the rights in any work are vested in the Corporation in terms of subsection (1), the Board may

- (a) award the person responsible for the discovery, invention or improvement, a bonus that the Board may consider appropriate, and
- (b) make provision for financial participation by the person in the profits derived from the discovery, invention or improvement to the extent that the Corporation may determine, with the approval of the Minister responsible for Finance.

(5) The Corporation shall, on the recommendation of the Board, apply for a patent in respect of any work contemplated in subsection (1) and the Corporation shall, for the purpose of the Patents Act, 2003 (Act 657) be regarded as the assignee of the discoverer or inventor in question.

(6) The intellectual property right in any work made by an employee of the Corporation in the course of an investigation for or on behalf of another person, Government or administration shall vest in the Corporation unless otherwise agreed by the parties concerned.

(7) The provisions of this section do not apply in respect of a work referred to in subsection (1) if, in the opinion of the Board, the work was made by the person concerned other than

- (a) in the course of the employment of that person as an employee of the Corporation;
- (b) during the performance of functions as an advisor or consultant to the Corporation;
- (c) in the course of an investigation or research conducted by the Corporation with the assistance of that person; or
- (d) in the course of research funded by the Corporation or conducted with resources of the Corporation and which is not connected to the employment, investigation or research.

Collaboration with relevant public institutions

29. The Corporation shall collaborate with the Minerals Commission, Ghana Geological Survey Authority, the Environmental Protection Agency and any other relevant public institution to develop the integrated iron and steel industry.

Regulations

30. (1) The Minister may, by legislative instrument, make Regulations to

- (a) ensure that iron ore shall not be exported, sold or otherwise disposed of after five years from the coming into force of this Act; and
- (b) generally provide for the effective implementation of this Act.

(2) The Minister shall submit the legislative instrument to Parliament within one year after the coming into force of this Act.

Interpretation

31. In this Act, unless the context otherwise requires,

“Board” means the governing body of the Corporation established under section 5;

“Chief Executive Officer” means the person appointed under section 13;

- “company” means a limited liability company within the meaning under the Companies Act, 1963 (Act 179);
- “Corporation” means the Ghana Intergrated Iron and Steel Development Corporation established under section 1;
- “Environmental Protection Agency” means the Environmental Protection Agency established under section 1 of the Environmental Protection Agency Act, 1994 (Act 490);
- “integrated iron and steel industry” means mining of iron ore, the processing or smelting of iron ore and industrial processes in the value chain;
- “Guaranted Annual Payments” means annual payments made to the State where dividends are not declared and paid to the shareholders;
- “iron ore” is the ferrous or iron chemical compound contained in rocks and minerals which can be extracted for economic value;
- “local authority” means a local authority established pursuant to article 240 of the Constitution;
- “Minerals Commission” means the Minerals Commission established under section 1 of the Minerals Commission Act, 1993 (Act 450);
- “Minister” means the Minister responsible for Natural Resources; and
- “public institution” includes a private institution or a private organisation that receives public resources or provides a public function.

Date of *Gazette* notification: 14th May, 2019