Legal Commentary: Evolution of Mining Law and Regulation in Ghana

By the Mining & Natural Resources Practice Group – Excel Legal consultancy (ELC)

Introduction

Ghana's mining sector continues to be a critical pillar of its economy and global identity. Formerly the Gold Coast, Ghana has evolved from a colonial outpost of resource extraction to a modern regulatory jurisdiction with one of Africa's most sophisticated mining legal regimes. This legal commentary by ELC offers insights into the historical trajectory, key legislative milestones, institutional frameworks, and recent regulatory reforms most notably, the Ghana Gold Board Act, 2025.

Historical Perspective: From Crown Ownership to Sovereign Control

The legal framework for mining in Ghana began under British rule with the Minerals Ordinance of 1905, consolidating all mineral rights in the Crown. The Mines and Minerals Ordinance of 1952 reinforced centralized management. Following independence, the 1992 Constitution enshrined state ownership of all minerals (Article 257(6)), establishing a legal foundation that underpins contemporary mining law.

Legislative Milestones in Ghana's Mining Sector

Investor Liberalization and ASM Recognition

- Minerals and Mining Law, 1986 (PNDC Law 153) – A landmark statute that liberalized the sector and attracted global investors.
- Small-Scale Gold Mining Law, 1989 (PNDC Law 218) – Legally recognized artisanal and small-scale mining (ASM), formalizing a key segment of the sector.

Comprehensive Mining Regulation: Act 703 and Its Amendments

- Minerals and Mining Act, 2006 (Act 703) – A cornerstone law governing licensing, operations, environmental controls, and fiscal matters.
  - Act 794 (2010) – Introduced stability agreements and local content mandates.
  - Act 900 (2015) – Emphasized transparency, royalty distribution, and community benefit.

Environmental and Governance Integration

- EPA Act, 1994 (Act 490) – Empowered the EPA to regulate environmental aspects of mining.
- Minerals Commission Act, 1993 (Act 450) – Established the Minerals Commission as the central regulatory body.

- Local Governance Act, 2016 (Act 936) – Brought local assemblies into mining oversight, particularly for community and small-scale mining.

Promoting Transparency and Local Participation

- GHEITI Regulations, 2011 (L.I. 2184) – Integrated Ghana into the global extractive transparency initiative.
- Local Content and Participation Regulations, 2020 (L.I. 2431) – Bolstered Ghanaian employment and ownership in the mining value chain.

Regulatory Institutions: Framework for Governance

Ghana's mining sector is regulated by a multi-institutional framework, including:

- Minerals Commission – Primary regulator of mineral rights and licensing.
- Ministry of Lands and Natural Resources – Oversees national policy and sector governance.
- Environmental Protection Agency (EPA) – Reviews EIAs and ensures environmental compliance.
- Geological Survey Department – Provides critical geological data.
- Ghana Revenue Authority (GRA) – Administers mining taxation and royalties.
- District Assemblies – Supervise local mining compliance.
- Water Resources Commission – Manages water usage and mining-related pollution.
- Lands Commission, Ghana Chamber of Mines, Standards Authority, and Security Task Forces complement regulatory enforcement and stakeholder coordination.

Gold Marketing Reform: The Rise of GoldBod

From PMMC to a Centralized Model

Previously regulated by the Precious Minerals Marketing Company (PMMC), Ghana's ASM gold trade faced major challenges—informality, smuggling, and revenue loss. In response, Parliament enacted the Ghana Gold Board Act, 2025 (Act 1140), creating the Ghana Gold Board (GoldBod).

GoldBod's Core Mandate and Legal Impact

GoldBod now holds exclusive legal authority over the buying, assaying, refining, and exporting of gold from the ASM sector. Notable features include:

- Mandatory Licensing: All actors in ASM gold trading must register with GoldBod (effective May 1, 2025).
- Exclusion of Foreign Traders: Non-Ghanaians cannot participate in local gold purchases but may acquire gold through GoldBod.
- License Revocation: All legacy licenses from PMMC and the Ministry (except for largescale firms) are void.

- Governance Structure: A multi-stakeholder Board with representation from government, regulators, ASM groups, and the Bank of Ghana.

This bold reform aims to enhance traceability, boost foreign exchange reserves, and formalize small-scale operations for better regulatory oversight.
ELC's Insight: What This Means for Clients

As Ghana transitions into a more centralized and compliance-driven regulatory environment, stakeholders across the mining value chain must proactively adapt. The shift toward mandatory licensing, stronger enforcement, and restricted market access for non-compliant actors poses both challenges and opportunities.

At ELC, we assist clients with:

- Regulatory compliance and permitting
- Structuring mining ventures and joint operations
- Land use and compensation negotiations
- Environmental and social due diligence
- Interface with GoldBod, EPA, Minerals Commission, and other agencies
- Gold export and assay arrangements under the new regime

Contact Our Mining & Natural Resources Team

Whether you are an investor, operator, or local stakeholder, ELC offers the insight, agility, and legal depth to help you thrive in Ghana's evolving mining landscape.

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