

MINISTRY OF LANDS AND NATURAL RESOURCES

(GHANA LANDSCAPE RESTORATION AND SMALL-SCALE MINING
PROJECT-GLRSSMP)

ASSESSMENT OF ILLICIT FINANCIAL FLOWS RISKS IN GHANA'S ASM SECTOR.

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ABBREVIATIONS

ASM	Artisanal and Small-Scale Mining
BOD	Beneficial Ownership Disclosure
CDD	Customer Due Diligence
DDA	Double Taxation Agreement
EITI	Extractive Industries Transparency Initiative
EPA	Environmental Protection Agency
ERP	Enterprise Resource Planning
FATF	Financial Action Task Force
FC	Forestry Commission
FIC	Financial Intelligent Centre
GCM	Ghana Chamber of Mines
GHEITI	Ghana Extractive Industry Transparency Initiative
GLRSSMP	Ghana Landscape Restoration and Small-Scale Mining Project
GNASSM	Ghana National Association of Small-Scale Miners
GoG	Government of Ghana
IFFs	Illicit Financial Flows
LGBC	Licensed Gold Buying Company
LGEC	Licensed Gold Exporting Company
MDAs	Ministries, Departments, and Agencies
M&E	Monitoring and Evaluation
Mincom	Mineral Commission
MLNR	Ministry of Lands and Natural Resources
MSG	Multi-Stakeholder Group
PMMC	Precious Minerals Marketing Company
RFP	Request for Proposal
SOP	Standard Operating Procedure
WHT	Withholding Tax
XRF	X-Ray Fluorescence

1 EXECUTIVE SUMMARY

1.1 Introduction

The IMF defines Illicit Financial Flows (IFFs) as the movement of money across borders, which is either illegal or inappropriate in its source (example, corruption, fraud, counterfeiting, smuggling), its transfer (example, tax evasion, tax avoidance) or its use (example terrorist financing, money laundering). The enabling factors of IFFs include Transfer Pricing, Base Erosion and Profit Shifting (BEPS), and other tax avoidance schemes, fronting, opaque licensing and its associated rent seeking opportunities, and smuggling.

The debilitating effect of IFFs on domestic revenue mobilisation efforts of developing countries has in recent years taken a front stage in global discourses around development financing, and in particular, the Sustainable Development Goals (SDGs).

According to the Economic Development in Africa Report (2020) published by the UN Conference on Trade and Development (UNCTAD), Africa loses about US\$88.6 billion, equivalent to 3.7 percent of its Gross Domestic Product (GDP) annually to IFFs. The Africa Union's High-Level Panel, chaired by former South African President, Thabo Mbeki, puts Africa's IFFs at over US\$50 billion. Substantial portion of these outflows are believed to occur in the extractive sector. To stem the tide, several extractive sector reforms have been carried out by African countries in the last two decades, including the development of a blueprint, the Africa Mining Vision (2009), to help Africans improve on the development outcomes of their resource extraction.

This report has been prepared to respond directly to the scope of work for the Request for Proposal received from the Project Coordinating Unit of the Ghana Landscape Restoration and Small-Scale Mining Project (PCU-GLRRSMP) to assess the risk of IFF in Ghana's ASM sector. The main objectives of this study are to Identify gaps, and weaknesses in the country's legal and regulatory regime that facilitate leakages of potential revenue in the ASM sub-sector and make recommend reforms, including relevant policy and regulatory action to block these leakages.

The assignment was generally participatory and had three key phases;

1. Initial phase which involved preliminary information gathering, documents review, general sector review and inception phase activities and reporting.
2. The second phase involved stakeholder identification, engagement and field data collection.
3. The third phase was used to analyse the field data and compile the draft report.

The assignment was conducted using interview sessions, small groups interviews and focus group discussions as well as individual experience sharing session for anecdotal data collection. In developing the methodology and field work, the team was guided by the Gold Supply Chain Model which provides an in-depth overview of sector players to be engaged for the data collection. Desk

based document reviews and analysis, structured and semi structured interview sessions with key actors in the ASM space, Key Personnel Interviews with ASM institutions and individuals such as Traditional Leaders, Journalists, Landowners were conducted. The data collected was then cleaned to ensure high quality analysis and accurate interpretations. Opine analytics software was used to thoroughly analyse the cleaned data. Descriptive and inferential statistical techniques quantified ASM activities and mapped revenue flows. Sentiment analysis of open-ended responses extracted key themes and opinions, which were triangulated against closed-ended data for a comprehensive perspective.

Secondary data from GHEITI and other EITI documents were extensively relied on in presenting the overview of Ghana's mining industry, and an analysis of the existing legal, regulatory, and institutional framework for the ASM sector.

1.2 Key Findings

Policy and Practice

- i. The Minerals and Mining policy of the country is not completely aligned with the Minerals and Mining Act, a disconnect arising largely from the irregular sequencing of the two instruments.
- ii. The absence, or where they exist, lack of awareness of incentives and state support for ASM in the way envisaged by the Minerals and Mining Policy, has not encouraged formalisation, making it difficult to identify and monitor the activities of operators for environmental and tax compliance.
- iii. The Minerals and Mining Act does not require a competitive process in the award of ASM concessions. The award is exclusively on a first-come-first serve basis, and entirely at the pleasure of the Minister for Lands and Natural Resources, though with technical advice from the Minerals Commission. Possible risks associated with such a regime include conflict of interest, abuse of discretionary power for private gain, rent-seeking, influence peddling, and inefficient allocation of licenses
- iv. Misalignment between the Minerals and Mining Act and the Minerals and Mining Policy, especially with respect to pledges of technical and financial support to ASM operators creates opportunities for foreigners to indirectly participate in ASM activities. In some instances, lack of access to finance leads to situations where Ghanaians front for their foreign sponsors, and through those types of arrangement, very little value from the activities is retained within the national economy.
- v. It has always been assumed that since specific sections of the Minerals and Mining Act, 2006 (Act 703) are devoted exclusively to ASM, the general provisions outside these sections are not applicable to ASM. For this reason, ASM operators in Ghana do not pay

- mineral royalties and other fiscal imposts that large scale operators have to comply with. This has deprived the state of a share of the value generated by ASM operators.
- vi. The powers of discretion granted the Minister for Lands and Natural Resources in the allocation of licences, poses a substantial risk of corruption, as the reasons for the exercise of his discretion in one way or the other is often undisclosed. This portends the risk of arbitrariness, corruption, party political capture of the licensing regime, and inefficient license allocation, culminating in the haemorrhage of revenues that otherwise should have accrued to the state.

Licensing

- i. The licensing process excludes critical state investigative bodies who could assist the Minerals Commission in its customer due diligence activities, if it was minded to do so. For example, the Financial Intelligent Centre (FIC) with the mandate to ensure compliance with anti-money laundering and counter terrorism rules in Ghana is not involved in the licensing awards process even though the ASM sector has been identified by the intergovernmental agency against money laundering and terrorism financing in West Africa (GIABA) as a sector prone to money laundering and related illicit activities.
- ii. The law does not mandate or prescribe any due diligence process in the award of licenses. It also does not require the disclosure of any conflict of interest that may arise in the course of the award of license. Again, disclosure of Beneficial Ownership information is not mandated by the Minerals and Mining Act. These gaps give rise to the risk of fronting, as well as the risk of allocating mineral rights to Politically Exposed Persons (PEPs), and in the worse-case scenario to criminal gangs, who may obtain licenses with the sole aim of raising funds to finance their criminal or de-stabilising activities in the country or across the sub-region.
- iii. All ASM licensing processes from mining, through trading, to export, do not entail proper customer due diligence processes.
- iv. It appears officers who process these licenses do so without established procedures for detecting conflict of interest, the true identity of beneficial owners, the tax compliance history of applicants etc.
- v. The license acquisition process is largely viewed by miners as time-consuming, and expensive.

Tax Compliance

- i. GRA's data on WHT collections when the rate was fixed at 3 percent, and when it was reduced to 1.5 percent, suggest that low tax rates encourage compliance.
- ii. Most ASM operators view tax levels as excessive, but 60 percent are unaware of Withholding taxes, a situation which points to compliance gaps.

- iii. Sale of gold occur between miners, local buyers, dealers, exporters in complex arrangements. Key risks are under-declaration of exports, smuggling across borders, and vertical integration that allows criminal actors to control the full supply chain

Gold Accounting and Exports

- i. Unlike the large-scale sub-sector, where customs officers are stationed at the mine to observe and record the amount of gold produced, there are no such supervisory arrangements to help account for ASM production.
- ii. Miners smuggle gold out of mining sites without the knowledge of the mine owner. This means that the actual volume and value of gold mined and reported from the mine will obviously be mis-stated. This singular act implies that there might be no taxes paid on the smuggled gold, the buyer of such gold may not even be a licensed trader and therefore such gold is likely to end up in the black-market.
- iii. There is also the deliberate smuggling of gold by the mine owner or entrepreneur themselves out of the shores of the country without paying the requires taxes. It is assessed that a significant amount of gold mined by the ASM actors are smuggled out of the country. Most miners interviewed alluded to the fact that they sell their wares across the borders.
- iv. Under-invoicing of sales/purchases and use of unconventional methods of payment that eludes the regulators of the country's financial system and revenue authorities lead to loss of revenue to the state. Estimates suggest only 11 percent of total gold purchases are declared to the state (OECD 2016).
- v. The multitude of undocumented transactions and cash exchanges provide opportunities for trade-based money laundering and mispricing. These pose terrorism financing risk.

Regulatory Compliance

- i. Inadequate staffing of the Minerals Commission's district offices undermines compliance monitoring and enforcement of licensing conditions.
- ii. Weak regulatory monitoring and enforcement inhibit the potential detection of activities that facilitate smuggling and tax avoidance in the ASM sub-sector.

Institutional Collaboration

- i. The absence of automatic exchange of information between the Minerals Commission and the Ghana Revenue Authority on asset transfers affords the opportunity to avoid the payment of capital gained tax.
- ii. There is very little collaboration among key state institutions in the ASM sector and consequently, customer due diligence in the licensing process is further weakened by the non-involvement of key state institutions such as FIC, GRA, and EOCO.

- iii. Haulage and transportation service providers also portends some IFF risks. These are organised networks that move gold from mining towns to the point of export. Most of the gold, according to some interview respondents, do not reach the point of export (the airport). Some of these networks facilitate the smuggling of the gold out of the country. Togo and Cote d'Ivoire were cited as frequently used hubs for illicit shipment of gold from Ghana.
- iv. Nearly 50 percent of District Mining Committees (DMCs) report limited inter-agency cooperation, while 85 percent of them lack access to ASM records, constraining data collection and analysis.
- v. Over 75 percent of DMCs rarely or never receive reports on ASM activities, indicative of lax monitoring and reporting.

Gold for Oil Programme

- i. The Ministerial directive which made the PMMC the sole buyer of ASM gold output, under the government's Gold4Oil programme has disrupted the ASM transaction chain without clear direction on the fate of dislocated actors. Some ASM operators said they feared they will lose the opportunity of selling their gold at a competitive market price, as the policy places PMMC in a monopsony situation. They were worried they were not going to be able to negotiate their prices as they did with the bush buyers and agents. Some operators say, they continued to sell to the bush buyers, who devised their own means of exporting their gold purchases out of the country, mostly through unapproved channels. The situation poses a high risk of black-market trading of the country's ASM gold, with its attendant risk of smuggling through unapproved channels.

Benefit Sharing with Host Communities

- ii. Although the Office of the Administrator of Stool Lands (OASL) was established by the Office of Administrator of Stool Lands Act, 1994 (Act 481) to collect stool land revenue (ground rent, dues, royalties, and other revenues), and to disburse same to beneficiaries (Metropolitan, Municipal and District Assemblies, Traditional Authorities and Stools), currently, ASM operators do not pay royalties and so host communities do not benefit from any accrued revenues from ASM activities. The OASL however, collects ground rent on behalf of landowners for distribution to prescribed beneficiaries. The IFF risk here is that, to the extent that communities do not benefit from the revenues generated by ASM operators, they are likely to condone and even facilitate the smuggling of ASM gold output out of the country. They simply have no interest in reporting such activities, because they do not benefit by way of a share of the revenues.

Cross-border Collaboration among States

- i. Ghana has no Memorandum of Understanding or standing protocol with its neighbours to require proof of payment of applicable taxes to the Ghanaian government for the transshipment of gold through their airports.
- ii. Porous borders and differing tax rates between countries facilitate smuggling.
- iii. Key destination points are Dubai and Switzerland, where because of their tax haven status oversight is limited.

Foreign Participation in ASM

- i. Participation of foreigners in ASM activities under the guise of providing mining support services facilitated fronting by Ghanaians and led to revenue loss to the state
- ii. Foreign nationals, especially from China and India, play a major role as miners, buyers, exporters.

Role of the Military

- i. The presence of the military and their actions also make the ASM operators feel there's no need to obtain a license. Most military operations do not differentiate between licensed ASM operators and unlicensed ones, creating the impression that, obtaining a license is simply not a useful venture.
- ii. About 35 percent of the miners feel pressured to make unofficial payments to members of the security services while 25 percent claimed they make such payments to government agencies, including members of the District Mining Committee. Land Guards are the least mentioned group, with only 1.6 percent of miners indicating such pressure to make unofficial payments.

Lack of Capital

- i. Lack of access to capital provides opportunities for the participation of foreigners in ASM activities, through financing arrangements, which investments are redeemed through gold output.
- ii. The financing arrangements in the ASM sector are done informally, making it difficult to track the amounts involved.
- iii. Pre-financing of mining operations is a major area of concern, with miners often entering into unfair agreements with financiers who may later be involved in illicit exports.

Lack of Understanding of Mining Laws

- i. High levels of illiteracy and low knowledge of the laws governing the ASM subsector affects regulatory and tax compliance. It was clear from interviews with ASM field operators that

miners lack knowledge of the legal, regulatory, and fiscal requirements of their operations. An interview with some ASM actors revealed that they do not know about the 1.5 percent WHT they are required to pay on their gold output. This is however, not surprising, as the miners are not required to pay the tax themselves but rather the buyer is required to withhold the tax and pay to GRA at the point of export. Over 60 percent of respondents stated that they are not aware of the existence of the WHT.

Vested Interest / Political Influencing

- i. Collusion between miners, local authorities, security officials, regulators, and politicians continue to undermine ASM formalisation efforts. Unofficial payments offer protection from prosecution. This view, gathered from focus group discussions with some ASM operators and some “galamseyers”, is corroborated by the end-of-project-review report of the Natural Resource Governance (NREG) programme implemented by the government of Ghana, between 2009 and 2013. The report concluded that the inability of the government to stem illegality in the forestry and mining sectors over the project period was vested interest and political influencing.

1.3 Recommendations

IFF RISK	RECOMMENDED MITIGATION	RESPONSIBILITY
Inadequate Formalisation	Develop a comprehensive strategy encompassing incentives such as access to geological data, affordable finance, and equipment hire purchase, to encourage ASM formalisation, while reducing opportunities for foreign financing and equipment supply. Operators should then be sensitised on the benefits of formalising.	Ministry of Lands and Natural Resources, Minerals Commission, Ministry of Finance.
Misalignment between Policy and Law	Take advantage of the ongoing revision of the Minerals and Mining Act, to align the Act with the Minerals and Mining Policy	Ministry of Lands and Natural Resources / Minerals Commission
Information Asymmetry between the Regulator and the Tax Authorities	Develop and deploy an automatic information exchange portal for key institutional stakeholders in the mining sector, to enable the tracking of changes in asset ownership, and to monitor other taxable transactions in the mining sector. Furthermore, promote information disclosure in the ASM sector by mainstreaming ASM activities into EITI reporting.	Minerals Commission / GRA / GHEITI
Non-prohibition of Indirect Participation	Amend the Minerals and Mining Act to prohibit indirect participation in ASM activities through any financing arrangement.	Ministry of Lands and Natural Resources / Minerals Commission.

IFF RISK	RECOMMENDED MITIGATION	RESPONSIBILITY
of Foreigners in ASM Activities		
Absence of a-fit-for-purpose Customer Due Diligence in Licensing	Review and amend the Minerals and Mining Act to mandate compliance with FATF standards on Customer Due Diligence, Beneficial Ownership Disclosure, and suspicious transaction reporting. Furthermore, include FIC and GRA in the licensing processing, for both large- and small-scale mining.	Ministry of Finance / Ministry of Lands and Natural Resources.
Non-applicability of Royalty Provisions in the Minerals and Mining Act to ASM	Re-classify ASM Withholding Tax as Mineral Royalty, to enable communities to also benefit from it, and to provide incentive for communities to support government's efforts at combating smuggling and other tax avoidance practices.	Ministry of Finance / Ministry of Lands and Natural Resources.
Policy Changes in respect of Domestic Gold Trading	Provide directives on the role of licensed buyers and exporters under the Gold4Oil policy. It is proposed that, they are deployed as agents of PMMC, such that, they would be required to surrender their gold purchases to PMMC for export, similar to the arrangement in the cocoa sector.	Ministry of Lands and Natural Resources / PMMC.
Weak Monitoring and Data Collection	Introduce tamper-proof tracking from mine to export, using technology like GPS, QR codes, and molecular tagging.	Minerals Commission / GRA Mining Desk / PMMC
Corruption Risk Associated with the Exercise of Discretion in the Award of Licenses	Require disclosure of rationale for the exercise of discretion in one way or the other, as part of licensing information captured on mining cadastre.	Ministry of Lands and Natural Resources / Minerals Commission
Vested Interest	The way to deal with vested interest, is to set example of public office holders who blatantly flout the rules governing ASM activities and trade in gold.	Office of the President / Office of the Special Prosecutor / Attorney General.
Information Asymmetry between Miners and the Regulators	Mainstream ASM into the EITI to provide information on policy, legal, and regulatory changes to ASM stakeholders on routine basis. Sensitise ASM operators on where they can access relevant information and assistance.	Minerals Commission / PMMC / GHEITI
Poverty & Unemployment	Provide opportunities for beneficiation to create more jobs for the youth in mining communities. This could be encouraged through incentives and support for setting up jewellery industries.	Ministry of Lands and Natural Resources, Ministry of Trade and

IFF RISK	RECOMMENDED MITIGATION	RESPONSIBILITY
		Industry, and Local authorities.
Corruption	Enforce sanctions for corrupt practices and give them greater visibility.	All players in the sector
Illicit trans-shipment of gold	Collaborate with neighbouring countries to ensure that gold that is shipped through their ports are duly certified by Ghanaian authorities. Again, work with ECOWAS, GIABA and UNECA to identify regional solutions and harmonise regulations on gold trade across West Africa.	GRA (Customs) / FIC
Mandatory Customer Due Diligence (CDD) by Bullion Operators	Due diligence is an ongoing process through which parties in a gold supply chain reasonably ensure that the gold sourced by them do not constitute conflict gold. Bullion operators should be made to undertake Customer Due Diligence (CDD) measures to verify the identity of the sources of all gold purchased by their agents and the risks associated with transacting with miners that engage in unfair practices in their operations. These Bullion Operators should take appropriate steps to mitigate the identified risks using an effective framework including internal policies, controls and procedures that are commensurate with international guidelines and AML/CFT legislations to enable them to mitigate the risks. These efforts and their associated results must be monitored on a regular basis and reviewed.	Bullion Operators/ Minerals Commission
Institutional Coordination & Data	State actors must ensure that all ASM actors adopt a documented gold supply chain policy that incorporates risks and risk mitigation measures. The policy and any operational procedures should include details on the gold supply chain due diligence which the company followed and the activities and relationships of suppliers. The policy should at least contain elements, which are consistent with OECD model Supply Chain policy as listed in Annex II of OECD Guidance. These policy documents should be included in the list of documents that need to be reviewed even before licenses are given or renewed.	All state actors

2 INTRODUCTION

2.1 Background

The Government of Ghana approved the Ghana Landscape Restoration and Small-Scale Mining Project (GLRSSMP) with the objective of strengthening the integrated natural resource management and for increasing the benefits to communities in targeted savannah and cocoa forest landscapes. The project's core interventions focus on:

- land-use planning for integrated landscape management to optimize land use,
- formalization of ASM for sustainable mining,
- restoration of degraded lands for agricultural productivity, and
- strengthening of sustainable management of forest landscapes for biodiversity conservation and ecosystem services.

To enhance integrated management, the project aims to place landscape and mining sector management on a trajectory that would transition from degraded landscapes, poverty, and low productivity toward one with high-productivity and resilient landscapes, livelihoods, and high economic returns. The GLRSSMP has five components as follows:

Component 1. *Institutional Strengthening for Participatory Landscape Management*

This component aims to strengthen the planning and policy framework by conducting spatial planning and implementation at the sub-basin level, policy support, and capacity building, working with administrative and technical agencies located within the regions and districts that are within the 13 target sub-basins in the project area.

Component 2. *Enhanced Governance in support of sustainable ASM*

This component aims to strengthen the regulatory framework for ASM, focusing on modernizing regulatory instruments and building the capacity of key government agencies involved in ASM regulation and compliance monitoring (such as Minerals Commission (Mincom), Forestry Commission (FC), and Environmental Protection Agency (EPA) as well as district management committees. It will also support ASM formalization, improve the capacity of ASM operators, support enterprise skills, establish cooperatives, and promote market links for ASM gold miners. Component 2 will also support the mainstreaming of ASM into EITI reporting in Ghana to advance the sector formalization and provide public insight into revenues from the country's mineral resources by ensuring accountability.

Component 3: *Sustainable Crop and Forest Landscape Management*

This component aims to link improved food production and ecological integrity through investments in production and forest landscapes by promoting climate-smart agriculture, conservation, and restoration activities.

Component 4: *Project Monitoring and Knowledge Management*

This component aims to support robust project management and implementation (including financial, internal audit, and procurement management; monitoring and evaluation [M&E]; environmental and social [E&S] risk management; supervision, implementation, and monitoring of the grievance redress mechanism [GRM]; monitoring the implementation of the Gender Action Plan; and so on); better communication outreach and dissemination; appropriate stakeholder engagement; and adequate knowledge management.

Component 5. *Contingent Emergency Response Component*

A Contingent Emergency Response Component (CERC) with zero allocation will be created and made implementation-ready to allow the GoG to respond quickly in case of an eligible emergency.

As part of efforts to support ASM formalization under Component 2, the GLRSSMP needed an institutional needs assessment of illicit financial flows risks in Ghana's ASM sector. This report contains the findings and recommendations of a study undertaken for the Ghana Extractive Industry Transparency Initiative (GHEITI), under Component 2 of the GLRSSMP

2.2 Objectives of the Assessment

The overall objective of this assignment is to assess illicit financial flows risks in Ghana's ASM sector. Specifically, the objectives of the assignment include:

- identifying gaps, and weaknesses in the country's legal and regulatory regime that facilitate leakages of potential revenue in the ASM sub-sector
- recommending reforms, including relevant policy and regulatory action to block the leakages.

2.3 Assignment Scope

The Consultant is currently carrying out the assignment through an extensive review of existing documents, reports, and data collection from the various state actors and other actors in the ASM sector. The scope of the assignment requires the Consultants to undertake the following:

- a. Presentation of an overview of Ghana's mining industry, and an analysis of the existing legal, regulatory, and institutional framework for the ASM sector.

- b. Assessment of the extent to which the implementation of existing legislations in the mining sector, especially those related to small-scale mining, take into account the Financial Action Task Force (FATF) requirements on customer due diligence, including BO disclosure, and global transparency standards on resource governance (such as the EITI Standard) and on trade in minerals.
- c. Review of the extent to which the authorities, especially, the Minerals Commission, PMMC, the GRA, the Financial Intelligence Centre (FIC), and the Bank of Ghana are involved in international cooperation to stem IFF in Ghana's mining sector.
- d. Undertaking a comprehensive mapping and analysis of the linkages between the ASM transactional chain and their potential IFF risks;
- e. Review of available data and collection of necessary quantitative and qualitative information to estimate inwards and outwards illicit financial flows related to illegal/unregulated ASM.
- f. Using anecdotal evidence where available, to demonstrate how IFF or tax avoidance risks actually manifest themselves in the mining sector, identify the actors involved and the methods and techniques they used.
- g. Analysis of the main policy and non-policy drivers that facilitate IFFs in the ASM sector and the factors that undermine efforts against illicit practices in the sector; and
- h. Provision of policy and operational recommendations for effective actions against the criminal and illicit financial activities in the mining sector as a whole, and the ASM in particular. This will include specific areas (and data) where the MSG's transparency reporting should cover and actionable plans for relevant government stakeholders.

3 APPROACH AND METHODOLOGY

3.1 Approach

The assignment approach was generally participatory. The scope, plans, milestones, deliverables, and list of stakeholders to engage were agreed on between the Consultants, the PCU and the GHEITI Secretariat. The Consultants proceeded to coordinate activities, built relationships with all stakeholders of the assignment, and acted as the assignment focal point. This enabled quick and candid responses from most of the participants during the data collection phase.

In assignments of this nature, stakeholder engagement and effective coordination is key to successful delivery. To achieve this, steps were taken to engender effective participation of all stakeholders in the assignment. This was done to generate interest and to ensure the buy-in and ownership of the assignment findings and recommendations.

3.2 Methodology

The assessment relies heavily on qualitative methods, deploying tools such as literature review, media content analysis, stakeholder engagement, and key informant interviews. It however endeavours to incorporate some quantitative data / analysis where this is necessary to present a better appreciation of situations or scenarios. The field data gathering was preceded by a stakeholder mapping, which identified the Ministry of Lands and Natural Resources, the Minerals Commission, Precious Minerals Marketing Company (PMMC), the Ghana Revenue Authority (GRA), the Financial Intelligence Centre (FIC), the Bank of Ghana, MMDAs and GHEITI as the key institutions for data collection at the level of state actors. At the level of non-state actors, the key stakeholders were Civil Society Organisations (CSOs) and Community-Based Organisations (CBOs) working in the mining sector, Ghana National Association of Small Scale Miners (GNASSM), Licensed Gold Buying Companies (LGBCs), opinion leaders, traditional authority, and informal or unlicensed miners.

3.3 Data Collection

Data collection for the assignment was undertaken using qualitative and quantitative tools. Primary and secondary sources were relied upon for the data collection and analysis. The consultants developed tailored data tools for each of the identified stakeholders from the stakeholder mapping exercise.

3.3.1 Sources of Data

Primary data was collected from the following sources:

- State actors, comprising Ministries, Departments and Agencies (MDAs) and oversight bodies in the mining sector.
- Members of the Ghana National Association of Small Scale Miners (GNASSM)
- CSOs and CBOs

Secondary data was collected from the following sources:

- Reports from EITI, FATF and other websites.
- Documents from FIC
- Reports from GHEITI
- Standard Operating Procedures (SOP) (For various types of licensing at Minerals Commission)
- Assaying, Processing and Procedure Guide (For assaying service at Diamond House Lab)
- Standard Operating Procedures (SOP) (For Licensing at PMMC)
- Standard Operating Procedures (For small Scale gold exports)
- Template for filing of returns

3.3.2 Data Analysis Process

The quantitative and qualitative data collected through the ASM survey first underwent meticulous cleaning and preparation to ensure high quality analysis and accurate interpretations.

Opine analytics software was then used to thoroughly analyse the cleaned data. Descriptive and inferential statistical techniques quantified ASM activities and mapped revenue flows. Sentiment analysis of open-ended responses extracted key themes and opinions, which were triangulated against closed-ended data for a comprehensive perspective.

The extensive analysis uncovered correlations, patterns, and trends in artisanal and small-scale mining (ASM) activities, revenue generation, leakages and linkages across different regions. All data variables had been carefully mapped to the specific objectives and scope items outlined earlier. The key findings on ASM practices, earnings, livelihood dependence, licensing, taxation, supply chain flows, and leakage hotspots were captured.

Ultimately, the integrated analysis provided a robust evidence base to directly inform policy and regulatory interventions around ASM governance, formalisation, and supply chain monitoring.

4 CHALLENGES

The assignment was not without unexpected challenges. The following challenges were encountered during the various phases of the assignment:

4.1 Inception Phase Challenges

- Delay in the receipt of introductory letters from the PCU. These introductory letters were needed to aid the booking of appointments with stakeholders that the consultants needed to engage.
- Officials of some state agencies could not honour the consultant's appointments. It appears they were equally busy with other pressing issues. In some cases, they couldn't offer the help needed as they did not think the issues presented for discussion fell under their jurisdiction. Some were new to their post and therefore unable to speak on the issues.

4.2 Challenges on the Field

- The heavy rains experienced this year and the resultant flooding of some locations made field data collection quite challenging.
- Internet accessibility challenges were also encountered in some areas, causing the App used in data collection to go offline. The team however used the App in the offline mode and supplemented that with some paper-based data collection tools.
- The Vice President, was in the Ashanti Region on a campaign tour at the time the team arrived in the region. Due to his presence in the region, some state officials had to accompany him on his tour of the region and therefore were not available to meet with the study team. This resulted in delays in granting interviews and in some cases, cancellation of appointments altogether.
- Some ASM actors, especially miners and gold traders were not willing to speak to the team. They claimed they had participated in similar engagements in the past that yielded no result. Some also boycotted planned meetings in protest against the presence of the military in their community. Most of them claimed they had licenses, but the military had seized their equipment.
- Some respondents demanded financial compensation for partaking in the data collection exercise. In some instances, the respondents walked out of the meeting when they realised they weren't going to be paid any allowance for partaking in the exercise.
- Some ASM actors believed that the data collection exercise was a strategy employed by central government to collect data on them, which will eventually be used against them.

- In Obuasi, the team encountered outright hostility, to the point that the members were advised to suspend interviews due to the gathering of a crowd around them. This was after news had gone round that some government officials from Accra were in town asking about illegal miners.

4.3 Reporting-related Challenges

During the post-field reviews, some discrepancies were observed in the data collected. Some of the data collected from even state agencies were conflicting. Issues related to the accuracy and completeness of some responses were also identified. In certain cases, it appeared that respondents told the team what they thought the team wanted to hear, rather than sharing information on the actual situation. The validation workshop was therefore useful in confirming or disproving some of the responses from the field. In cases where the data obtained from state agencies were conflicting, the team relied upon the data from the agency that has mandate and primary responsibility for that data and have source documents to validate the data provided.

5 OVERVIEW OF GHANA'S MINING INDUSTRY AND THE EXISTING REGULATORY AND INSTITUTIONAL FRAMEWORK FOR ASM

5.1 Country Context

Ghana, like most African countries, is blessed with enormous mineral resources. These include gold, diamond, manganese, bauxite, oil and gas, and lately, lithium (a rare earth mineral) discovered in commercial quantities in 2020 in Ewoyaa, near Mankessim, in the Central Region of Ghana. There are also less explored industrial minerals such as iron ore, limestone, salt, silica sand, graphite, and quarry stones.

According to the 2020 Ghana Extractive Industry Transparency (GHEITI) report, published on 31st December 2022, the real value added by the mining and quarrying sector to the country's Gross Domestic Product (GDP) was GHS11.449 billion in 2020, contributing 7.6 percent of the country's GDP for that year.

On the whole, the mining and quarrying sector's fiscal contributions represented 18.1 percent of direct domestic tax revenue, 8.2 percent of domestic revenue and 8.0 percent of total government revenue and grants in 2020, according to the report (GHEITI, 2022).

Again, according to Bank of Ghana's data, proceeds from the export of minerals in 2020 represented 48.4 percent of the country's total merchandise export revenue in that year, which was more than the combined sum of the contributions of crude oil (20.1 percent) and cocoa (16.1 percent) in the same year.

In terms of employment, the large-scale mines are said to employ a total number of 34,363 people as at 2020. This comprised 8,760 direct employees and 25,603 contractors. The proportion of Ghanaians in the workforce was 98.7 percent (33,919) while the corresponding outturn for expatriates was 1.3 percent.

The number of Ghanaians engaged in the value chain of the small-scale mining industry is said to be in excess of a million. Up until 2019, the Minerals Commission estimated the contribution of the ASM sub-sector to total gold production at 35.93 percent. In 2020 the sub-sector's contribution declined marginally to 30.87 percent. And then in 2021 we saw a steep decline to 3 percent of total national gold production. This does not necessarily imply a low level of output, as the methodology for estimating ASM production in Ghana has been the use of export data, an approach, which GHEITI has flagged as problematic and therefore needs to be reviewed.

GHEITI ascribes the steep decline in the composition of ASM production of the total national production from 31 percent in 2020 to 3 percent in 2021 to government's decision to implement a three percent withholding tax on ASM production, in a bid to get the ASM sub-sector to contribute to domestic revenue mobilisation.

The decline in gold exports has a history. In 2016, government introduced a 10% Withholding tax (WHT) on the sale of all minerals by the small-scale gold producers. The said tax wasn't implemented until 2021 when it was reduced to 3% and further to 1.5% in the 2022 budget statement. This was to ensure that, the ASM sub-sector also contributed to domestic revenue mobilisation, given their growing importance. An attempt to implement the tax in 2020 led to widespread resistance, and GHEITI believes this led to smuggling and other forms of avoidance, resulting in the low figures recorded at the point of export by the government's assayer, the Precious Minerals Marketing Company (PMMC).

Data gathered from the GRA in respect of WHT collections from the ASM sector for the periods 2021 and 2022, shows substantial improvement in the compliance levels. Total collections for 2021 was GHC22,634,721.37, while collections for 2022 amounted to GHC107,313,002.54, representing 374.1 percentage increase.

Table 5-1 WHT Collections, 2021

MONTH/YEAR	PAYMENTS RECEIVED	CUMULATIVE RECEIPTS	PERCENTAGE INCREASE
JANUARY, 2021	6,849,747.04	6,849,747.04	100%
FEBRUARY, 2021	5,131,444.45	11,981,191.49	-25%
MARCH, 2021	4,090,189.39	16,071,380.88	-20%
APRIL, 2021	2,737,556.80	18,808,937.68	-33%
MAY, 2021	1,023,438.10	19,832,375.78	-63%
JUNE, 2021	-	19,832,375.78	-100%
JULY, 2021	-	19,832,375.78	0%
AUGUST, 2021	-	19,832,375.78	0%
SEPTEMBER, 2021	280,269.75	20,112,645.53	0%
OCTOBER, 2021	930,269.77	21,042,915.30	232%
NOVEMBER, 2021	947,431.53	21,990,346.83	2%
DECEMBER, 2021	644,374.54	22,634,721.37	-32%
GRAND TOTAL	22,634,721.37		

Source: GRA

Table 5-2 WHT Collections, 2022

MONTH/YEAR	PAYMENTS RECEIVED	CUMULATIVE RECEIPTS	PERCENTAGE INCREASE
JANUARY, 2022	1,876,302.84	1,876,302.84	191%
FEBRUARY, 2022	7,334,059.64	9,210,362.48	291%
MARCH, 2022	6,572,605.51	15,782,967.99	-10%
APRIL, 2022	7,787,291.55	23,570,259.54	18%
MAY, 2022	11,242,349.96	34,812,609.50	44%
JUNE, 2022	12,769,948.43	47,582,557.93	14%
JULY, 2022	11,806,472.89	59,389,030.82	-8%
AUGUST, 2022	16,339,923.14	75,728,953.96	38%
SEPTEMBER, 2022	19,080,796.53	94,809,750.49	17%
OCTOBER, 2022	12,503,252.05	107,313,002.54	-34%
NOVEMBER, 2022	-	107,313,002.54	0%
DECEMBER, 2022	-	107,313,002.54	0%
GRAND TOTAL	107,313,002.54		

Source: GRA

6 THE PROBLEM IN PERSPECTIVE

Historically, the growing share of ASM production has not translated into a commensurate share of total sectoral revenues. In fact, ASM operators have operated for years without the payment of royalties, corporate income tax, and other statutory imposts that large scale operators pay.

It is also important to note, that, substantial portion of ASM production in Ghana comes from unlicensed (illegal) and unregulated sources. Although the law prohibits the trade in illegally produced gold, the actual practice by licensed buyers points to a lack of enforcement. These licensed buyers buy gold from whatever source and however it is produced. This informality and weak regulatory compliance associated with small scale mining in Ghana makes the sub-sector vulnerable to Illicit Financial Flows (IFFs). This is also compounded by the poorly manned national borders, which make it nearly impossible to control the outflow of these minerals. National customs agencies are fragile, corruption is oftentimes rampant at all levels, and uncontrolled migration across national borders, all contribute to the ineffectiveness of measures to halt mineral smuggling, tax avoidance, corruption and other forms of IFFs.

The assessment of Illicit Financial Flows in terms of the value or quantum of flows is one that is onerous and require a lot of effort and real-time data, considering the complex web that characterises the activities in the ASM sector. In 2018 Ghana's president, Nana Addo Dankwa Akufo Addo alleged that, about US\$5billion worth of Ghana's gold exports could not be accounted for. His statement was premised on the revelation that, while the UAE recorded US\$7 billion worth of gold imports from Ghana in 2016, however the Bank of Ghana recorded a mere US\$2billion worth of gold as the country's export value of the mineral (Africa Report, May 25, 2023).

Analysis by Corruption Watch, a Ghanaian anti-corruption body, estimates Illicit Financial Flows from Ghana's gold sector, arising out of unaccounted gold exports, at a staggering US\$6.3 billion. Another study carried out by OECD, puts the value of IFFs in Ghana's ASM sector at USD 1.7 billion per year as of 2013 (OECD, 2020).

The Financial Action Task Force estimates that, 80-95 percent of ASM gold production is smuggled out illegally (FATF 2013). The International Peace Information Service (IPIS), an independent research institute, puts the figure at 90 percent of ASM gold outflows (IPIS 2018).

According to a report presented at a business forum organised by the Africa Continental Free Trade Area (ce) in Cape Town, South Africa in April 2023, illicit annual exports from extractive industries in Africa account for at least, between US\$31 billion and US\$98 billion (World Economic Forum, 2023). The report suggests that "much of the illicit trade is

opportunistic and thrives on gaps in capacity and vulnerabilities in policy regimes across countries and regions”.

This report therefore explores the gaps and weaknesses in the ASM transactional chain, which makes ASM gold production and export susceptible to IFFs and makes recommendations for their strengthening.

For GHEITI, identifying the IFF risks in the poorly regulated ASM sub-sector, and supporting the institution of the needed reforms to curb them, will not only improve governance of the sector, but will also conserve revenue for the country's development financing.

The overall purpose of the exercise, therefore, is to provide empirical and anecdotal evidence that illustrate the typology and nature of IFF vulnerability in the ASM sub-sector for better policy formulation and coordination to counter the menace.

6.1 Conceptual Definitions

Illicit Financial Flow (IFF) risk assessment in Ghana's Artisanal and Small-Scale Mining (ASM) sector is a specialised area of study, where the use of some basic concepts may deviate from the meaning of their everyday use, and therefore requires definition and some discussion, in order to avert any ambiguity or misunderstanding. The key words or phrases in this report that ought to be defined for better appreciation of the analysis and discussions are: Artisanal and Small-Scale Mining (ASM), Illicit and Informal Mining, Galamsey, Illicit Financial Flow (IFF), and IFF risk assessment.

6.1.1 Artisanal and Small-Scale Mining

As the description suggests, Artisanal and Small-Scale Mining are two distinct forms of mining, which for policy and regulatory purposes are often bound together. Artisanal is largely informal. It reflects a subsistent way of life for individuals, families or a communal society. Instruments used are rudimentary (Inter-Governmental Forum, 2017). Overtime, and with the introduction of sophisticated heavy-duty equipment in this type of mining activities, artisanal mining has given way to Small Scale Mining, a situation which has exacted a heavy toll on the environment, particularly, biodiversity and water bodies. This has warranted the regulation of Small-Scale Mining activities mostly from a health, safety and environmental sustainability perspectives, and recently from the perspective of revenue mobilisation.

In Ghana, the definition of Artisanal and Small-Scale Mining is properly instituted in law. The Regulations 204(d) of the Minerals and Mining Regulations 2012 (L.I. 2176) stipulates that a Small-Scale Mining operation covers an area of 12 small scale cadastral units, or 10.2 hectares, or 25.2 acres of land.

6.1.2 Illicit and Informal Mining

Differentiating between “illicit” and “informal” mining depends upon the domestic legislation in place. ASM is illicit where it is (explicitly) prohibited by domestic legislation. When laws and regulations require certain conditions and procedures to be followed, any mineral extraction without corresponding authorisation is then understood as “illicit”.¹ When mineral extraction without formal authorisation is not explicitly prohibited “informal” ASM comprises of all operations that do not have an explicit written authorisation to extract the minerals, all permits obtained and all required documents approved. If there is no specific legislation regulating ASM (which allows or prohibits it) ASM is not “illegal”, but rather “unregulated” (Hruschka, 2013).

6.1.3 “Galamsey”

“Galamsey” simply refers to unlicensed or illegal mining. The phrase is said to have historical roots in the period of early European trade on the West Coast, where indigenes will virtually gather alluvial gold exposed by erosion, and sell them, mostly to European traders. Those were the years preceding the formation of the nation-state called Ghana, and when no state asserted ownership of minerals found within its territory but rather the mineralized lands were owned by families, and subsequently vested in chiefs of the land. Today, even though purveyors of “galamsey” operate as small-scale miners, the phrase is used to distinguish them from licensed and regulated miners.

6.1.4 Illicit Financial Flows

The IMF defines Illicit Financial Flows (IFFs) as the movement of money across borders, which is either illegal or inappropriate in its source (example, corruption, fraud, counterfeiting, smuggling), its transfer (example, tax evasion, tax avoidance) or its use (example terrorist financing, money laundering). The enabling factors of IFFs include Transfer Pricing, Base Erosion and Profit Shifting (BEPS), and other tax avoidance schemes, fronting, opaque licensing and its associated rent seeking opportunities, and smuggling.

The debilitating effect of IFFs on domestic revenue mobilisation efforts of developing countries has in recent years taken a front stage in global discourses around development financing, and in particular, the Sustainable Development Goals (SDGs).

According to the Economic Development in Africa Report (2020) published by the UN Conference on Trade and Development (UNCTAD), Africa loses about US\$88.6 billion, equivalent to 3.7 percent of its Gross Domestic Product (GDP) annually to IFFs. The Africa Union’s High-Level Panel, chaired by former South African President, Thabo Mbeki, puts

¹ Hunter, M. (2019), “*Illicit financial flows: artisanal and small-scale gold mining in Ghana and Liberia*”, OECD Development Co-operation Working Papers, No 72 OECD Publishing, Paris

Africa's IFFs at over US\$50 billion. Substantial portion of these outflows are believed to occur in the extractive sector. To stem the tide, several extractive sector reforms have been carried out by African countries in the last two decades, including the development of a blueprint, the Africa Mining Vision (2009), to help Africans improve on the development outcomes of their resource extraction.

In Ghana, reforms aimed at curbing IFFs in the mining sector have focused on the large-scale mines, and have involved changes to the fiscal regime, rules on thin Capitalization, Ring-fencing, and Transfer Pricing regulations. The ASM sub-sector has not received much attention in this regard.

6.1.5 Risk Assessment

Risk assessment is a term generally used to describe the process or method of identifying hazards or factors that have the potential to cause harm. It also includes an analysis and evaluation of the extent of the hazard in question. For the purpose of this study, risk is used and understood as vulnerability, arising mostly from gaps in policy and regulatory frameworks, as well as practices that make IFFs fester in the ASM sub-sector.

7 GHANA'S MINERALS AND MINING POLICY

A reason often cited for the relatively low value retention in Ghana's mining industry is lack of visioning and irregular sequencing of the governance framework for the sector. For instance, the Minerals and Mining Act, 2006 (Act 703) was enacted ahead of the Minerals and Mining Policy, 2014, raising fundamental questions about the policy objectives that have provided guidance for the law. Furthermore, regulations that will give proper effect to the law were not developed until 2012; creating undue opportunities for varied interpretations of aspects of the law (UNDP, 2017). It is therefore appropriate, that the country's Minerals and Mining Policy is currently under review, alongside the Minerals and Mining Act, 2006 (Act 703), at least to align the two governance instruments, and to address emerging issues, such as energy transition and the scramble for green or rare earth minerals.

That notwithstanding, the 2014 Minerals and Mining Policy appears to raise some of the major challenges associated with natural resource governance in Ghana. It presents a framework of principles and policies that will guide Government in the management of the mining and minerals sector, with key objectives outlined to support the sustainable development of the national economy. The document takes inspiration from:

- a) Article 36, Section 5 of the Constitution of Ghana;
- b) The Guidelines and Policies prepared under the Natural Resources and Environmental Governance (NREG) Programme which relates to social & environment issues and sustainability of mining communities after mine closure;
- c) The African Mining Vision and Action Plan;
- d) The ECOWAS Mineral Development Policy and
- e) The ECOWAS Directive on the Harmonisation of Guiding Principles and Policies in the Mining Sector.

It again takes into account the outcome of the Rio+20 Summit, which emphasised a development approach, involving prudent and strategic use of natural resources, respect for the environment and equitable distribution of resources.

With respect to the ASM sector, the policy commits to generating detailed geological information in designated areas for demarcation to artisanal and small-scale miners; and to provide opportunities for ASM operators to access credit to upscale their activities. It again commits to enhance the capacity of state institutions, and perhaps most crucial of all, strengthen inter-agency collaboration in the management and development of mineral resources.

GHEITI reports have however uncovered how the lack of inter-agency collaboration has provided opportunities for companies to perpetuate their tax avoidance schemes. GHEITI

cites in particular, the absence of automatic exchange of information between the regulator and the tax authorities as facilitating the non-payment of capital gained tax by companies who trade their assets to third parties for profit. Even though the anomaly has been somewhat addressed administratively, by requiring the Minerals Commission to exchange assets transfer information with the Ghana Revenue Authority on routine basis, the information exchange is not automated and so leaves a lot to the discretion of the scheduled officers as to what files to share and when.

Government Measures to Support ASMs

Government recognizes that artisanal and small-scale mining operations undertaken by Ghanaians offer opportunities to support rural livelihoods, develop entrepreneurship, and provide a source of industrial raw materials. However, small-scale miners must be assisted in their efforts to operate in a technically, economically and environmentally sustainable manner.

In this regard, Government has implemented a range of measures relating to the regulation and promotion of small-scale mining with some positive results. These include (a) the establishment of District Offices manned by Minerals Commission personnel to give technical assistance to small-scale miners, (b) the geological investigation and demarcation of areas suitable for small-scale mining, (c) provision of finance to small-scale miners to improve their operations, and (d) education, training and provision of logistics to enhance the corporate governance, efficiency, and safety of their operations. Government's intention is to build upon these achievements to implement further initiatives to enhance the development of an efficient, modern, and sustainable small-scale mining sector, involving both precious and industrial minerals.

Box 1: Current Government Initiatives to Combat Illegal ASM

The GoG has attempted on multiple occasions to regularize ASM and enhance law enforcement in the sector. In early 2017, GoG imposed a moratorium on both ASM licensing and operations. The moratorium was lifted in December 2018. Two government initiatives were undertaken; the Inter-Ministerial Committee on Illegal Mining (IMCIM) in March 2017 to combat illegal ASM operators and the Multi-Sectoral Mining Integrated Project (MMIP) in June 2017 to build a comprehensive strategy for sustainable small-scale mining in conjunction with other livelihood options.

8 LEGAL FRAMEWORK FOR THE ARTISANAL AND SMALL-SCALE MINING SECTOR (ASM)

Ghana does not have a stand-alone law for the ASM sub-sector. ASM activities are subject to the following laws, which also regulate the large scale sector:

- The 1992 Constitution of the Republic of Ghana;
- The Minerals Commission Act, 1993 (Act 450); and
- Minerals and Mining Act, 2006 (Act 703) as amended by Act 794 of 2010, Act 900 of 2015, and Act 995 of 2019.

Sections 81 – 99 of the Minerals and Mining Act, 2006 (Act 703), with its various amendments, deal exclusively with small-scale mining activities. The amendments of 2015 and 2019 responded in part to the growing illegality in the ASM sector, which was not only destroying the environment and endangering the country's food security, but also facilitating loss of potential revenue to the state, mostly through arrangements that facilitate IFFs in the sector.

The 2015 Amendment in part, provided for the confiscation and allocation of seized equipment or products of illegal mining to an appropriate State institution, subject to legal processes. It also introduced stiffer sanctions for illegal mining; while the 2019 Amendment further increased the sanctions for illegal mining and prohibited the provisioning of mining support services by foreigners in the small-scale sub-sector. This was to be reinforced in 2020 by the Minerals and Mining (Local Content and Local Participation) Regulations, 2020 (L.I. 2431), which reserved contract mining and mining support services for Ghanaians.

From key informant interviews with officers of the Minerals Commission and some CSO actors in the northern part of the country, it is apparent that, while Section 83(a) makes ASM activities the exclusive preserve of Ghanaians, the provisioning of support services had served as a decoy for foreigners to engage in small-scale mining, while using Ghanaians to front as owners. Shanxi was cited as a typical example of such arrangements; but the Minerals Commission maintains the company acted within the law as they were not prohibited from providing support services at the time.

In August 2021 the Minerals Commission withdrew Shanxi's mine support service authorisation and ordered it to leave the Yenyeya Mining Company, and Pubortaaba Mining Group's mine sites in the Talensi district, where it was engaged in contract mining and mining support services.

The company has since registered as a large-scale mine, trading under a new name, Earl International Group Ghana Gold Limited. Though the revocation of Shanxi's authorisation had a lot to do with non-compliance with sustainable mining practices, the takeover of

concessions supposedly belonging to Yenyeya Mining Company, which culminated in a legal tussle between the parties, and later settled out of court, seem to confirm the suspicion of fronting by Yenyeya in their previous relationship.

8.1 Other Applicable Laws in Ghana's Mining Sector (ASM inclusive):

The following laws complement the mining sector's primary legal instrument (Act 703), for effective management of mining activities in Ghana:

Legal Instrument	Purpose	Applicability
Environmental Protection Agency Act, 1994 (Act 490)	Manage the environmental fallout of mining and other human activities to ensure environmental sustainability.	All mining activities (All minerals).
Forestry Commission Act, 1999 (Act 571)	Maintain the integrity of forest reserves and to coordinate policies on conservation, management, and development of forests.	All mining activities (All minerals).
Water Resources Commission Act, 1996 (Act 522)	Regulates and manages Ghana's water resources, and co-ordinates government's policies in relation to them.	All mining activities (All minerals)
Ghana Geological Survey Authority Act, 2016 (Act 928)	To advise, promote, and undertake geo-scientific research into Ghana's geological resources, including minerals, and to serve as a national repository for such data.	All mining activities (All minerals)
Land Act, 2020 (Act 1036)	To consolidate all existing laws on land and land administration into a single Act to ensure efficient and effective land administration.	All mining activities (All minerals)
Lands Commission Act, 2008 (Act 767)	To regulate all transactions relative to land, and to maintain a comprehensive land administration database.	All mining activities (All minerals)
Office of the Administrator of Stool Lands Act, 1994 (Act 481)	To manage stool lands for present and future generations, and to mobilise stool land revenue for distribution according to the prescribed formula.	Large-scale mining only (All minerals except bauxite).
Minerals Income Investment Fund Act, 2018 (Act 978)	To manage the equity interest and receive mineral royalties and income on behalf of the state, for investment.	Large-scale mining activities only (All)

Legal Instrument	Purpose	Applicability
		minerals, except bauxite)
Minerals Development Fund Act, 2016 (Act 912)	To receive and disburse 20 percent of mineral royalties paid by large-scale mines to prescribed beneficiaries.	Large-scale mining activities only (All minerals except bauxite).
Local Governance Act, 2016 (Act 936)	Decentralises governance to the local level, and grants local communities the authority to promote their economic, social, environmental, and cultural wellbeing.	All mining activities. (All minerals)
Land Use and Spatial Planning Act, 2016 (Act 925)	To ensure the orderly development, and efficient use of land for sustainable development.	All mining activities (All minerals)

The Minerals and Mining Act is operationalised by nine regulations, each covering specific activity in the mining value chain. These are: licensing, compensation and resettlement, health and safety, explosive, mine support services, general, tracking of mining equipment, payment of ground rent and local content and participation (<http://www.mincom.gov.gh/regulations>).

For the purpose of managing the environmental fallout of mining (including ASM activities) the Environmental Assessment Regulations, 1999 (L.I. 1652) is relied upon.

9 ALIGNMENT BETWEEN THE POLICY AND LEGAL FRAMEWORK

The primary law governing the mining sector, including the Artisanal and Small-scale Mining is the Minerals and Mining Act, 2006 (Act 703). Regrettably, several of the sound propositions in the Minerals and Mining Policy do not find expression in the Minerals and Mining Act. This is because of irregular sequencing of the policy and the law. The framers of the law could not have envisaged the policy objectives ahead of their formulation and so did not provide for them in the law.

For instance, the law is not explicit on the supply of geological data to miners, as part of the licensing process, even though it can be inferred that some geological studies would have preceded the demarcation of an area for artisanal and small-scale mining. Again, the law is not explicit on how the state will provide opportunities for ASM operators to access credit to upscale their activities, whether through the establishment of a venture capital fund or through any other government-facilitated financial intermediation. The lack of explicit legal backing for these policy commitments have created opportunities for the involvement of foreigners in the ASM sub-sector. The foreigners come in with finance and equipment to aid exploration and production activities in exchange for minerals. Many small-scale operators front for their financiers, an arrangement that fuels the outflows of substantial value from the ASM sector, as export proceeds are retained outside the Ghanaian economy.

While Sect. 28 and 29 lists the incentives accessible to large scale mines, including capital cost recovery; exemption from the payment of customs import duty in respect of plant, machinery, equipment, and accessories imported for mineral operations; exemption of staff from the payment of income tax on furnished accommodation at mine site, and entitlement to stability agreement (Sect. 48), Sections 82 – 99, which deals exclusively with small scale mining failed to list what incentives are provided for small scale operators. The Minerals Commission and GRA contend that, the incentive regime outlined in sections 28 and 29 of the mining code are also applicable to ASM operators. However, responses from ASM operators on the question of incentives, suggest a lack of awareness of the applicability of the incentives in question to the ASM subsector.

9.1 ASM Licensing Regime

Sections 82 – 88 sets the conditions, qualifications and related matters, for the grant of an ASM license. These are summarised in the following table:

Table 9-1 Conditions and qualifications for the grant of an ASM license

Criteria	Requirement
Eligibility	An individual or corporate entity, must be Ghanaian, 18 years and above, and must be registered with the Minerals Commission.
Mode of Application	On a prescribed form, addressed to the Minister, and submitted at the Minerals Commission with the prescribed fee.
License Duration	5 years in the first instance. Renewable upon expiry for a further period to be determined by the Minister.
Grounds for Revocation of License	(a) Where licensee contravenes or fails to comply with a term or condition of the license or a requirement applicable to the licensee, (b) Where the licensee is convicted of any offence relating to the smuggling or illegal sale or dealing in minerals, or (c) the Minister is satisfied that it is in the public interest to do so.
Transferability of a License	A license can be transferred only to a Ghanaian, and with the consent of the Minister.

9.2 Implementation of existing legislations and standards

This section of the report assesses existing legislations in the ASM sector taking into account the Financial Action Task Force (FATF) requirements on Customer Due Diligence, including Beneficiary Owner (BO) Disclosure, and Global Transparency Standards on resource governance (such as the EITI Standard) and on trade in minerals.

It is observed that, just like in the large-scale sector, the law does not require a competitive process in the award of ASM concessions. The award is exclusively on a first-come-first serve basis, and entirely at the discretion of the Minister. Possible risks associated with such a regime include: conflict of interest, abuse of discretionary power for private gain, rent-seeking, influence peddling, and inefficient allocation of licenses.

Again, the law does not mandate or prescribe any due diligence process in the award of licenses. It also does not require the disclosure of any conflict of interest that may arise in the course of the award of license. Disclosure of Beneficial Ownership information is also not mandated. These gaps give rise to the risk of fronting, as well as the risk of allocating mineral rights to politically exposed persons, and in the worse- case scenario criminal gangs, who may obtain licenses with the sole aim of raising funds to finance their criminal or destabilizing activities in the country or across the sub-region.

From key informant interviews with the staff of some state investigative agencies, it was observed that, the licensing process excludes critical state investigative bodies who could assist the Minerals Commission in its customer due diligence, if it was minded to do so. The Financial Intelligence Centre (FIC) for instance, with a mandate to ensure compliance with anti-money laundering and counter terrorism rules in Ghana is not involved in the licensing award process, even though the ASM sector has been identified by the inter-governmental agency against money laundering and terrorism financing in West Africa (GIABA) as a sector prone to such illicit activity.

Meanwhile, the extractive sector in general has been classified by GIABA as highly prone to illicit financial flows, money laundering, and terrorism financing, under the initial national risk assessment undertaken in 2014. Though there is an ongoing process to review the risk matrix, coordination between FIC and other regulators categorised under Designated Non-Financial Business continue to be weak. In addition, mining sector regulators are not privy to the relevant money laundering and counter financing of terrorism (ML/CFT) guidelines and recommendations to help them identify any red flags necessary for further investigations by the FIC. Hence, unlike in the banking institutions, proper due diligence of customers (investors) is not done to help prevent or deter IFFs and money Laundering and terrorism financing (ML/TF) activities in the sector (GIABA, 2019).

Several of the FATF regulations being enforced by GIABA are directly applicable to the mining sector including the ASM sub-sector. It is understood that regulators of Designated Non-Financial Businesses (DNFBs) have not been well educated on the necessary AML/CTF measures and policies.

Regulation 1 require countries to adopt a risk-based approach to assessing the vulnerability of the various sectors of the economy to ML/TF and IFFs.

Regulation 22 requires precious minerals dealers to implement Customer Due Diligence (CDD) measures. For transactions in cash which are equal to, or above the applicable designated threshold of US\$/EUR 15,000, precious minerals dealers are required to know their customers and to collect enough information to be satisfied that the transaction is legitimate.

Regulation 23 requires, in particular that, precious minerals dealers send suspicious transaction reports (STRs) to the authorities, in this case the FIC. Whenever the dealer suspects or has reasonable grounds to suspect that funds are tainted or are proceeds of a criminal activity, or are related to terrorist financing he or she is required to report this information to the financial intelligence unit (FIU) for further investigation.

Regulations 28 mandates that dealers in precious minerals to be regulated and monitored for compliance with the Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) requirements, namely Customer Due Diligence (CDD), record keeping, and

reporting. Furthermore, criminals or their associates should be prevented from being accredited, licensed, or being the beneficial owners of a significant or controlling interest in, or holding a management function in a precious mineral dealership, e.g., by evaluating persons on the basis of a “fit and proper” test.

Regulation 32 requires measures to be in place to detect the cross-border transportation of cash and bearer negotiable instruments. Countries may specify that precious minerals are to be considered as bearer negotiable instruments, hence persons carrying precious minerals would be subject to a declaration or disclosure requirement.

These are country level obligations whose non-compliance will have consequences for the country if they are not internalised or mainstreamed into the industry laws. Regrettably these regulations and their associated protocols have not gained recognition, and therefore have not received mention in the new Minerals and Mining Bill being developed by the Minerals Commission. The only Customer Due Diligence requirement that has received some attention in recent years is Beneficial Ownership Disclosure. This received legal backing in the Companies Act 2019, Act 992 which mandates the Office of the Registrar of Companies to maintain a central register of Beneficial Ownership information. This register is to be made accessible to all competent authorities (including regulators) to aid their Customer Due Diligence processes.

9.3 ASM Fiscal Regime

It has always been assumed that since specific sections of the Minerals and Mining Act, 2006 (Act 703) are devoted exclusively to ASM, the general provisions outside these sections are not applicable to ASM. For this reason, ASM operators in Ghana do not pay mineral royalties. This has deprived the state of a share of the financial inflows from the ASM sub-sector. Again, even though as business operators, ASM actors are required by the Income Tax law to pay taxes, checks with the Ghana Revenue Authority reveals a rather low level of compliance.

In 2016, government introduced a 10% withholding tax (WHT) on the sale of all minerals by ASM operators. The said tax wasn't implemented until 2021 when it was reduced to 3% and further to 1.5% in the 2022 budget statement. The non-implementation of the 10 percent imposed was as a result of a push back from ASM operators. An attempt to implement the reduced rate of 3 percent in 2020 also led to widespread avoidance which resulted in a huge decline in export volumes in 2021. It was only the further reduction to 1.5% that saw some increase in compliance level by the ASM actors. The effect of the reduction on compliance is deemed to be encouraging, as presented in Table 5.1 and 5.2 above.

9.4 Institutional Framework

A plethora of institutions operate in Ghana's mining sector but only few bear relevance to the ASM sub-sector. The relevant institutions are: Ministry of Lands and Natural Resources, Minerals Commission, the Geological Survey Authority, Lands Commission, Land Use and Spatial Planning Authority, Environmental Protection Agency (EPA), Water Resources Commission, Precious Minerals Marketing Company (PMMC), Office of the Administrator of Stool Lands (OASL), Ghana Revenue Authority (GRA), Bank of Ghana, Metropolitan, Municipal, and District Assemblies (MMDAs) (GHEITI 2020).

9.4.1 Ministry of Lands and Natural Resources

The Ministry of Lands and Natural Resources has management responsibility for the mining sector, including policy formulation, drafting laws and regulations, and general supervision of mining sector agencies. He has a mandate to negotiate, grant, revoke, suspend or renew mineral rights, for both Large-scale and ASM sectors. <http://www.mlnr.gov.gh>

9.4.2 Minerals Commission

The Minerals Commission was established under the Minerals Commission Act, 1993 (Act 450) to regulate mining activities in Ghana, and to provide technical advice to the Minister on mineral rights allocation, and on major policy decisions. (<http://www.mincom.gov.gh/acts/>).

9.4.3 The Environmental Protection Agency (EPA)

The EPA was established by the Environmental Protection Agency Act of 1994 (Act 490) to oversee, coordinate and regulate all issues regarding the environment in Ghana. Subsequently, the promulgation of the Environmental Assessment Regulations, 1999 (LI 1652) provided the necessary legal backing for the Environmental Impact Assessment (EIA) procedure/system in Ghana. The National Environmental Policy of Ghana, is complemented by the Environmental Protection Agency Act, 1994 (Act 490) and Environmental Assessment Regulations, 1999 (L.I. 1652) ("Environmental Regulations") and other guideline documents. Environmental Regulations on mining by the EPA is to ensure mining is carried out in a modern, safe and environmentally sound manner. Within the EPA, the SSM sub-sector is regulated by the Mining Department, with the objective to promote and facilitate the application of best practice environmental management throughout Ghana's mining industry.

9.4.4 Ghana Geological Survey Authority

The Ghana Geological Survey Authority (GGSA) was established under Ghana Geological Survey Authority Act, 2016 (Act 928) to collect geo-scientific data, and to serve as a national repository for the data generated by public and private entities, including mining and mineral exploration companies (<https://ggsa.gov.gh>).

9.4.5 Lands Commission

The Lands Commission was established by the Lands Commission Act, 2008 (Act 767) as the entity responsible for land administration in Ghana. It manages land use, land tenure as well as certifies and registers lands under mining operations, values mining area lands for compensation purposes and also assists in land dispute resolution (<http://www.lc.gov.gh>).

9.4.6 Land Use and Spatial Planning Authority (LUSPA)

The Land Use and Spatial Planning Authority was established under the Land Use and Spatial Planning Authority Act, 2016 (Act 925). It is responsible for ensuring the sustainable development of land and human settlements, through a decentralised planning system, ensuring the judicious use of land, and creating an enabling environment for District Assemblies to better perform the spatial planning and human settlement management functions, including delineating or zoning land for various uses. (<https://www.luspa.gov.gh>).

9.4.7 Water Resources Commission

The Water Resources Commission (WRC) was established by an Act of Parliament (ACT 522 of 1996), which stipulates that ownership and control of all water resources are vested in the President on behalf of the people. The WRC Act clearly defines the WRC as the overall responsible body for water resources management in Ghana. The Commission also collaborates with the Minerals Commission, the EPA and other stakeholders to regulate mining operations along water bodies.

9.4.8 Precious Minerals Marketing Company

The Precious Minerals Marketing Company (PMMC) was established in 1989 by PNDC Law 219 to purchase and export gold and diamond from small scale miners.

It has since November 2016, assumed the role of Government Assayer of all gold exports, under a Ministerial directive. The directive is in line with sections 6(1) & (3) of the Minerals and Mining Act, 2006 (Act 703) and Regulations 3(3) and 4(4) of L.I. 2173.

A further directive issued by the Minister for Lands and Natural Resources on 23rd November 2022, made PMMC the sole buyer of all gold output of the small-scale subsector, including the output of the Community Mining Scheme (CMS), under the government's Gold4Oil programme. The Gold4Oil programme is a barter arrangement where government trades its gold purchases for petroleum products to ease the demand pressure on the dollar and other trading currencies. It took effect on 1st January 2023. (<http://www.mlnc.gov.gh/index.php/pmmc/>).

Even though there have several media reports suggesting that the Republic of Togo is serving as a transit point for illicit gold from Ghana, the institution is yet to initiate discussions with the authorities in Togo on possible collaboration to stem the tide.

9.4.9 Office of the Administrator of Stool Lands

The Office of the Administrator of Stool Lands (OASL) was established by the Office of the Administrator of Stool Lands Act, 1994 (Act 481) to collect stool land revenue (ground rent, dues, royalties and other revenues), and to disburse same to beneficiaries (Metropolitan, Municipal and District Assemblies, Traditional Authorities and Stools). Currently, ASM operators do not pay royalties and so the OASL is not entitled to such collections. It is however, entitled to ground rent. (<http://www.oasl.gov.gh>).

9.4.10 Ghana Revenue Authority (GRA)

The GRA was established in 2009. It is an amalgamation of the former Internal Revenue Service, Customs, Excise and Preventive (CEPS); and the Value Added Tax Service. Its mandate is to ensure compliance with all relevant tax laws in order to guarantee a sustainable revenue for government, promote trade facilitation, including a controlled and safe flow of goods across the country's borders. The Authority is made up of two operational divisions: Domestic Tax Revenue Division (DTRD), and Customs Division (CD), with assistance from the Support Services Division and the Commissioner General's Secretariat.

The GRA's mandate is to implement to the letter the provisions of the Income Tax Act that requires the payment of 1.5 WHT on unprocessed mineral resources. The GRA collaborates with PMMC in this regard. Most gold exporters who assay their gold at the assay labs of PMMC are first required to pay the said tax before their gold is released to them for export.

9.4.11 Bank of Ghana

The Bank of Ghana was formally established by the Bank of Ghana Ordinance (No. 34) of 1957. The laws governing the bank underwent several amendments till date. The current law under which the Bank operates is the Bank of Ghana Act, 2002 (Act 612). The bank is responsible among other things; for formulating and implementing monetary policies, promoting the stabilisation of the cedi, regulating, supervising and directing the banking and credit system of the country and ensuring the smooth operation of the financial sector.

The Bank of Ghana in recent time has started buying gold from local producers in the ASM sector to shore up its reserve. The bank was also a key player in the implementation of government's gold for oil policy that directed all ASM produced gold to be sold to PMMC.

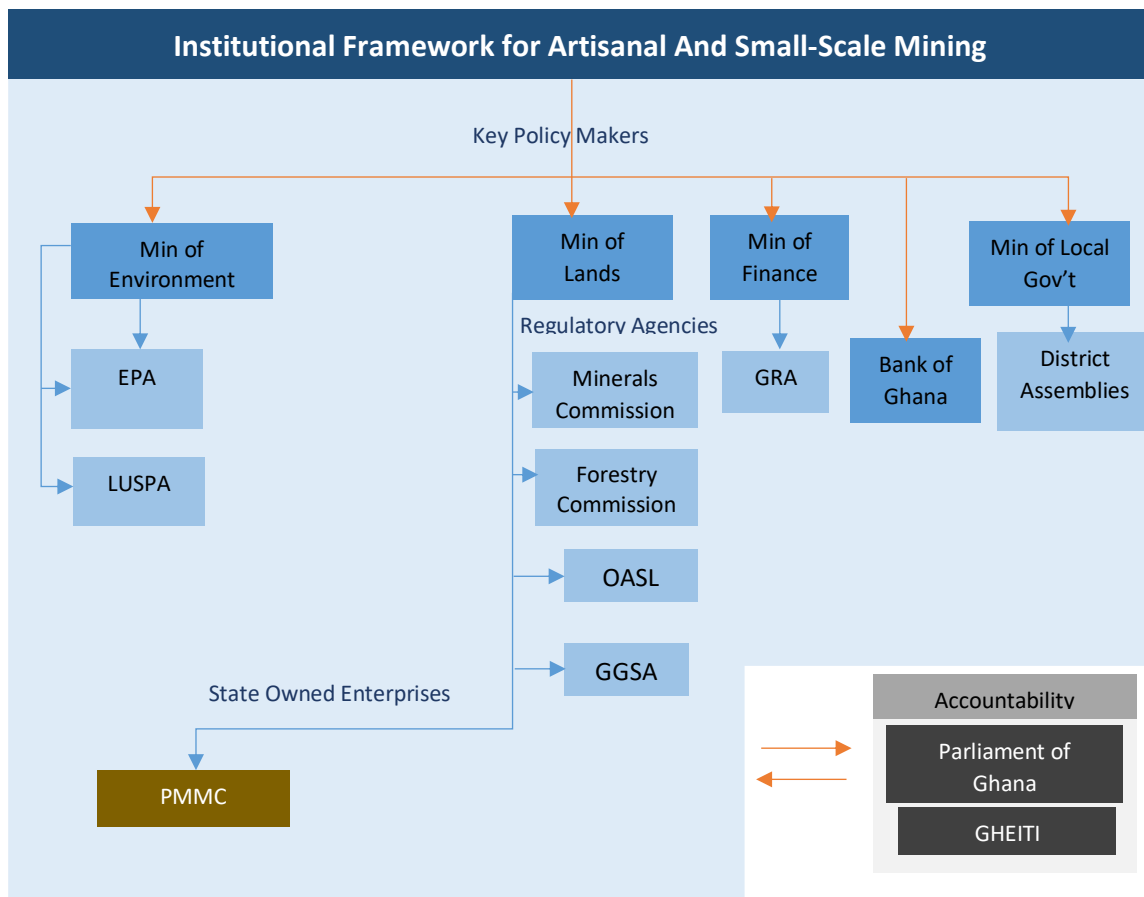


Figure 9-1 Institutional Outlay for ASM Sector Management. Source: GHEITI

9.5 Findings From the Review of Policy, Legal, Regulatory, and Institutional Arrangements in the ASM Sub-sector and the IFF Risks they Pose:

- The Minerals and Mining policy of the country is not completely aligned with the Minerals and Mining Act, a disconnect arising largely from the irregular sequencing of the two instruments,
- In the past, participation of foreigners in ASM activities under the guise of providing mining support services facilitated fronting by Ghanaians and led to revenue loss to the state.
- The absence of incentives and state support for ASM in the way envisaged by the Minerals and Mining Policy, has not encouraged formalisation, making it difficult to identify and monitor the activities of operators for environmental and tax

compliance. Although some level of support in the areas of geological investigations, training workshops in sustainable mining practices and provision of mercury free processors have been undertaken, the actors in the sector still see state support as inadequate.

- d. GRA's data on WHT collections suggest that low tax rates encourage compliance.
- e. The Minerals and Mining Act does not require a competitive process in the award of ASM concessions. The award is exclusively on a first-come-first serve basis, and entirely at the pleasure of the Minister for Lands and Natural Resources, though with technical advice from the Minerals Commission. Possible risks associated with such a regime include conflict of interest, abuse of discretionary power for private gain, rent-seeking, influence peddling, and inefficient allocation of licenses.
- f. The licensing process excludes critical state investigative bodies who could assist the Minerals Commission in its customer due diligence activities, if it was minded to do so. For example, the Financial Intelligence Centre (FIC) with the mandate to ensure compliance with anti-money laundering and counter terrorism rules in Ghana is not involved in the licensing awards process even though the ASM sector has been identified by the intergovernmental agency against money laundering and terrorism financing in West Africa (GIABA) as a sector prone to such illicit activity.
- g. The law does not mandate or prescribe any due diligence process in the award of licenses. It also does not require the disclosure of any conflict of interest that may arise in the course of the award of license. Again, disclosure of Beneficial Ownership information is not mandated by the Minerals and Mining Act. These gaps give rise to the risk of fronting, as well as the risk of allocating mineral rights to Politically Exposed Persons (PEPs), and in the worse- case scenario to criminal gangs, who may obtain licenses with the sole aim of raising funds to finance their criminal or destabilising activities in the country or across the sub-region.
- h. Ghana has no Memorandum of Understanding or standing protocol with its neighbours to require proof of payment of applicable taxes to the Ghanaian government for the transshipment of gold through their airports.
- i. The absence of automatic exchange of information between the Minerals Commission and the Ghana Revenue Authority on asset transfers affords the opportunity to avoid the payment of capital gains tax.

10 INTERNATIONAL CO-OPERATION AND EFFORTS TO STEM IFF IN GHANA'S MINING SECTOR.

10.1 International Co-operations

The issue of Illicit Financial Flows (IFFs) in the mining sector is not peculiar to Ghana. Nations across the globe are engaged in frantic efforts to curb the menace in high risk sectors of their economy, such as mining, real estate and the gaming (i.e. the casinos). The challenge with the Ghanaian story however is that, while nations are making the efforts to combat the situation, our institutions are failing to collaborate both internally and internationally by way of information sharing, regular reporting, risk assessment and experience sharing. Our institutions are virtually working in silos.

Checks from the Financial Intelligence Centre (FIC) revealed that while it has done some extensive work in the banking sector, in relation to money laundering and IFFs, it has not really done much in the ASM sector. Other state actors such as the GRA and EOCO seem to be more focused on the large-scale sector rather than the ASM sector. Therefore, collaboration with international institutions in respect of the ASM sector is limited.

Below are the various state actors identified and their efforts in international collaboration:

Minerals Commission

The Minerals Commission has taken some steps to improve transparency and data sharing with other international bodies. For example, the Commission publishes mineral production data and mining licenses on its website for public access. The Commission is also a member of the Extractive Industries Transparency Initiative (EITI), which promotes revenue transparency through standardized reporting. However, more could be done to systematically share data with other relevant international such as the Financial Action Task Force (FATF) to help detect suspicious transactions and trade discrepancies indicative of IFFs.

Precious Minerals Marketing Company (PMMC)

The Precious Minerals Marketing Company (PMMC) plays a central role in monitoring gold exports, which is a major channel for IFFs in Ghana. PMMC cooperates with the Kimberly Process Certification Scheme to ensure conflict-free sourcing of diamonds. Greater cross-border cooperation and intelligence sharing with agencies like INTERPOL could help PMMC better detect and stem illegal gold trade and illicit financial flows.

Though Ghana's has not been actively involved in the OECD discourse on responsible mineral sourcing, the application of the guiding principles on responsible mineral sourcing by other countries could impact negatively on gold exports from Ghana. Steps need to be taken to ensure that Ghana's gold is produced ethically and in an environmentally sustainable manner. As part of its efforts to sanitise gold trading in Ghana and internationally, PMMC is contemplating a gold traceability project to ensure that gold that is produced and exported from Ghana can be certified as coming from a verifiable, conflict-free source, ethically extracted, without compromising environmental sustainability. Solidaridad Ghana, is known to be currently implementing a gold traceability module that PMMC can understudy to develop their own unique module.

Ghana Revenue Authority (GRA)

The Ghana Revenue Authority (GRA) has taken steps to exchange tax information with other revenue authorities through Double Taxation Agreements (DTA) and the OECD's tax information exchange arrangements. However, the GRA could undertake more proactive cooperation with organisations like the African Tax Administration Forum (ATAF) to access data and tools to identify potential IFF channels involving trade mis-invoicing, abusive transfer pricing, and disguised capital flight. The GRA itself is yet to understand fully the ASM sector and its transactional value chain in order to know the value-added opportunities that need to be assessed and taxed. The GRA plans to set up an Extractive Sector Unit to broaden its activities and engagements in the ASM sector and the mining sector as a whole.

Ghana Extractive Industry Transparency Initiative (GHEITI)

The Ghana Extractive Industry Transparency Initiative is a member of the Extractive Industry Transparency Initiative (EITI). It is the Ghana subset of the global initiative aimed at following due process and achieving transparency in payments by Extractive Industry companies to governments and government linked entities.

GHEITI collaborates with the EITI and its affiliated organisations on varied levels. In Ghana, the work of GHEITI helps in the improvement of revenue mobilisation, addressing corruption and maximising the benefits of extractive projects. GHEITI also contributes to policy formulation in the extractive industry.

GHEITI has played a key role in reforming the mining sector fiscal regime. With 10% of mining royalties allocated to local governments, Ghana EITI (GHEITI) is working to improve accountability of these transfers. Stakeholders are also using the EITI to explore opportunities to manage risks and opportunities related to the energy transition. (<https://eiti.org/countries/ghana>)

Office of the Registrar of Companies (ORC)

The ORC is the Government of Ghana's agency established by the Companies Act, 2019 (Act 992) with the purpose of facilitating orderly conduct of business and provision of business registration, insolvency, and regulatory services and in the process, to create an attractive business environment in the country.

As part of the requirements in establishing or registering businesses in Ghana, the ORC requires applicants to fill Beneficial Ownership forms declaring their interest in all other entities in the country. It is however not clear whether the ORC collaborates with other entities both locally and internationally to ascertain the accuracy of the disclosures made by applicants.

Financial Intelligence Centre (FIC)

The Financial Intelligence Centre (FIC) is mandated to coordinate domestically and internationally on anti-money laundering and counter terrorist financing. The FIC has signed MOUs to share financial intelligence with several countries including the UK, Nigeria, India and Belgium. However, its information sharing primarily focuses on money laundering risks, with less emphasis on detecting IFFs specifically related to the mining sector. More targeted cooperation on mining sector financial flows could help the FIC improve monitoring and combating of IFFs.

Bank of Ghana

Lastly, the Bank of Ghana maintains extensive international cooperation on issues like anti-money laundering compliance. However, there remains room for the central bank to more proactively share data with organisations focused on detecting IFFs, including the United Nations Conference on Trade and Development, the United Nations Office on Drugs and Crime, and the Africa Progress Panel.

While these state actors engage in some international cooperation, there remain gaps in systematic data sharing, joint analysis, and proactive intelligence exchange specifically aimed at detecting and combating illicit financial flows in the ASM sector. Strengthening partnerships with international organisations, financial intelligence units, and tax authorities in major mineral trading hubs could help Ghana stem mining-related IFFs and retain wealth within the country. The government may consider developing a national strategy for improving targeted international cooperation on mineral-related IFFs.

10.2 International Protocols signed by Ghana

Ghana has signed up to a number of international protocols to combat illicit financial flows (IFFs), including:

- **The United Nations Convention against Corruption (UNCAC):** UNCAC is the most comprehensive international convention on corruption. It covers a wide range of corruption-related offences, including bribery, money laundering, and embezzlement. UNCAC also includes provisions on international cooperation to combat corruption, including asset recovery and extradition.
- **The United Nations Convention on Transnational Organized Crime (UNTOC):** UNTOC is a comprehensive convention that addresses a wide range of transnational organized crime, including trafficking in persons, smuggling of migrants, and corruption. UNTOC includes provisions on international cooperation to combat transnational organized crime, including asset recovery and extradition.
- **The Financial Action Task Force (FATF) Recommendations:** The FATF is an intergovernmental organization that develops and promotes policies to combat money laundering, terrorist financing, and the proliferation of weapons of mass destruction. The FATF Recommendations are a set of international standards that countries can implement to strengthen their anti-money laundering and counter-terrorist financing regimes.
- **The Extractive Industries Transparency Initiative (EITI):** The EITI is a global standard that promotes the open and accountable management of revenues from natural resources. The EITI requires countries to publish information on their extractives sectors, including payments to governments from companies, revenues collected by governments from the extractives sector, and how these revenues are used.
- **The Inter-Governmental Action Group against Money Laundering in West Africa (GIABA):** GIABA was established by the Economic Community of West African States (ECOWAS) Authority of Heads of State and Government in the year 2000. The creation of GIABA is a major response and contribution of the ECOWAS to the fight against money laundering. GIABA is a specialized institution of ECOWAS that is responsible for strengthening the capacity of member states towards the prevention and control of money laundering and terrorist financing in the region. Apart from member states, GIABA grants Observer Status to African and non-African States, as well as Inter-Governmental Organizations that support its objectives and actions and which have applied for observer status.

11 MAPPING AND ANALYSIS OF THE TRANSACTIONAL CHAIN

This section of the report seeks to characterise the ASM transactional chain using process maps and also perform some analysis of the potential IFF risks that exists within the chain. We sought to demonstrate the financial flows within the chain and their susceptibility to money laundering activities and tendencies.

The transactional chain within the ASM sector spans across the pre-licensing through to licensing, production, trading, and exporting. The study sought to follow the end-to-end processes, the workflows, as well as the financial flows within these processes. Each process documented involves the following:

- the activities undertaken within the processes;
- the people involved in the processes;
- the information required and the documents presented and issued in the processes;
- the technologies backing the processes; and
- the financial and non-financial (if any) considerations provided in the processes.

Below is a diagrammatical representation of the transactional value chain

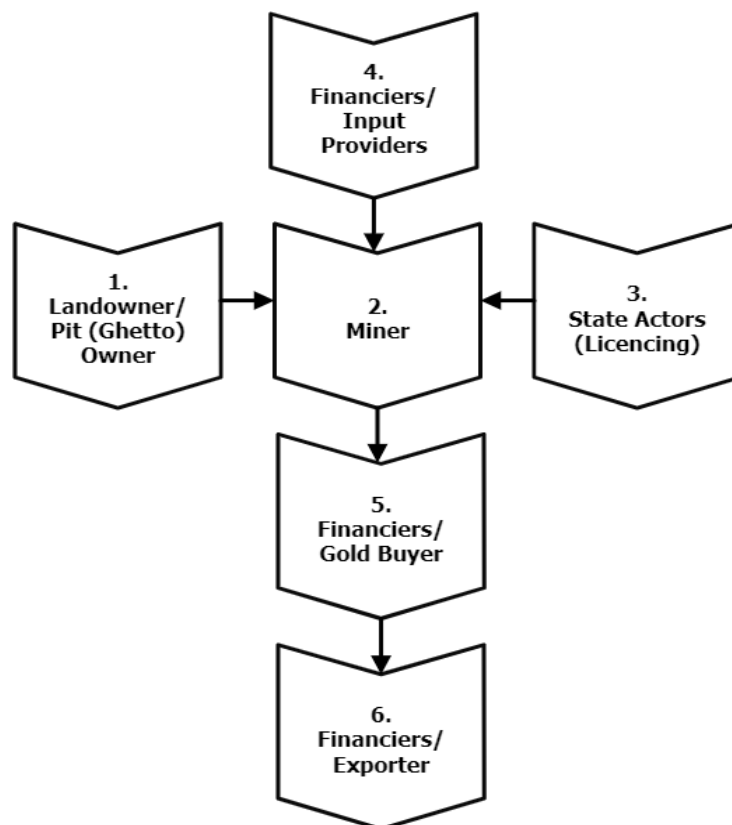


Figure 11-1 ASM Transactional value chain

The ASM transactional chain in Ghana begins with land identification and acquisition; through licensing; gold extraction and ore processing; gold trading; monitoring and evaluation; and ends with gold Export.

11.1 The Land Acquisition Process

The location and tenure of the land influences its transfer for use as a potential mining concession. Most ASM miners and mine owners acquire family lands and privately owned lands. Acquisition of stool lands, vested lands are very complex as the prospective investor may have to deal with a multiplicity of interests and rights on the land.

The process of land acquisition starts with a prospective investor or miner approaching a landowner and negotiating and compensating him/her for the use of the land. Where the land being acquired is a farming land or already has some cash crops on it, the value of the compensation is estimated to be the loss of potential earnings from alternative land use and crop life expectancy benefits. It is however interesting to note that most landowners or farmers who give out their lands for mining do not really take these calculations into consideration. They simply agree a lump sum they feel is juicy enough and then give out their land for mining.

The map below provides a step-by-step description of the land acquisition process:

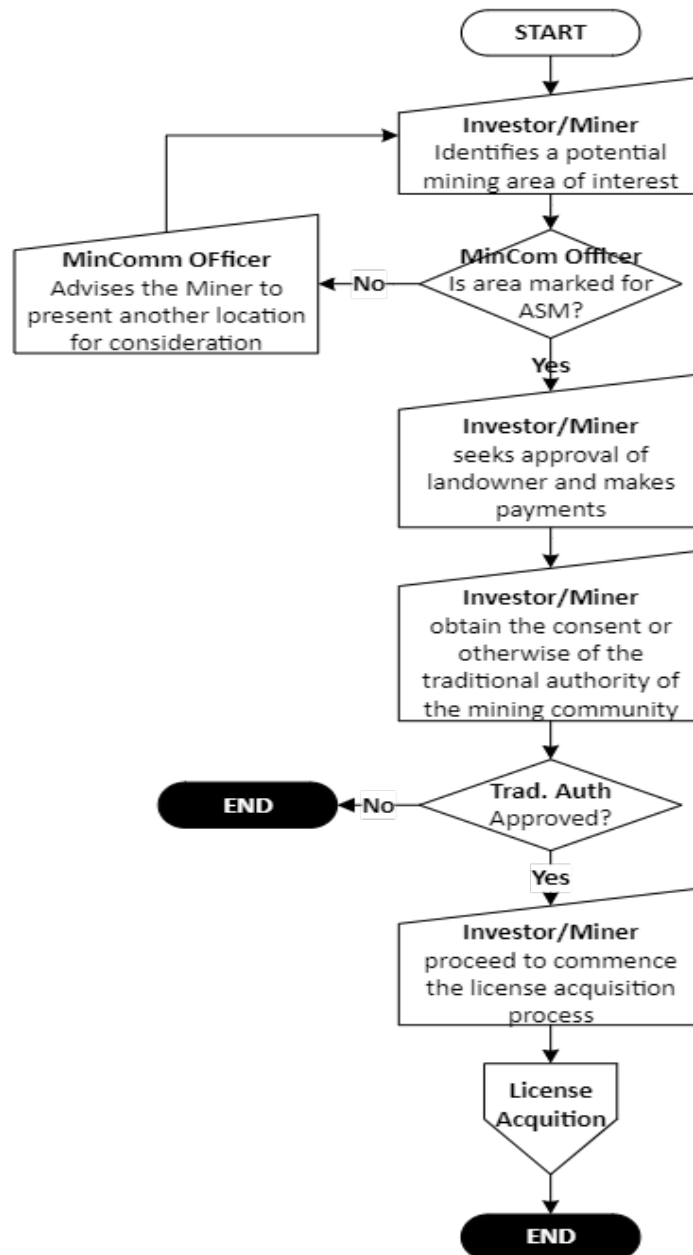


Figure 11-2 Land acquisition process

IFF Risks Associated with the Land Acquisition Process

The IFF risks associated with the land acquisition process is that most landowners do not really care about who they are selling the lands to. There is no due diligence process undertaken and the employees at the state agencies that facilitate the registration of these lands do not also ensure that those who acquire these lands are persons fit to hold such rights in the country. It is therefore possible for unscrupulous persons such as jihadists and

other terrorist organisations to acquire land for small scale mining in Ghana and using unapproved channels to export the dividends from their operations out of the country.

There is also underreported production risk due to unregulated land acquisition. Allowing limited-regulated mining on lands not designated for small-scale mining and granting chiefs and miners the power to choose lands, along with the absence of geo-data and ore deposit evaluation, significantly increases the likelihood of underreported production. This situation can enable the evasion of taxes, provide room for smuggling, and ultimately lead to revenue leakage.

11.2 License Acquisition

Prospective miners require authorisation in the form of licenses and permits from various institutions such as the Minerals Commission, EPA, Forestry Commission and other relevant regulatory agencies prior to commencing their operations.

Licensing in the ASM transactional chain takes place at three different levels. There is the mining licence from MinCom, the trading license from PMMC, and the export license from MinCom. The processes involved in acquiring the license are outlined below:

11.2.1 Mining License

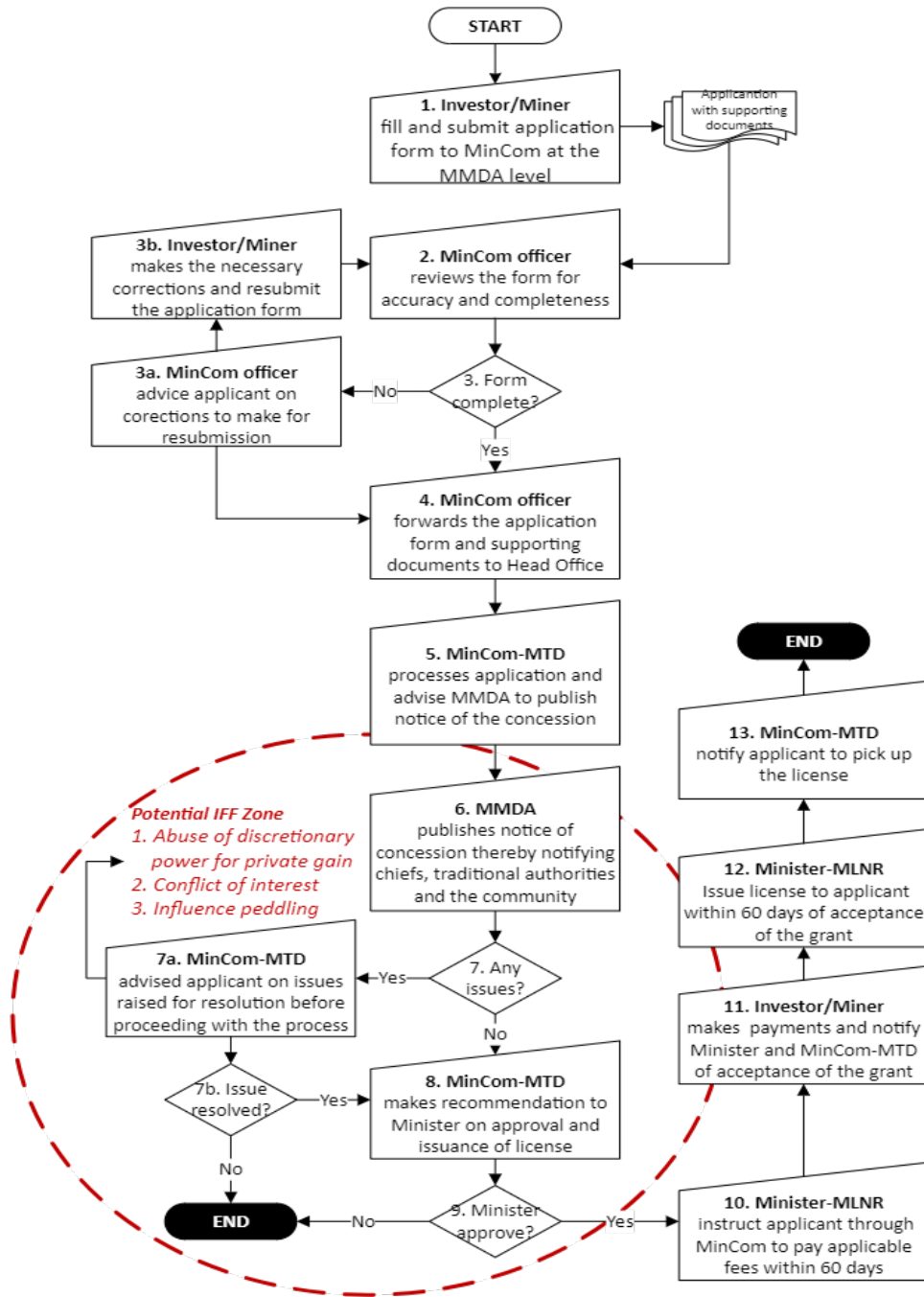


Figure 11-3 Mining License acquisition process

IFF Risks Associated with the Mining License Acquisition Process

The IFF risks associated with the process of acquiring a mining license arise out of weaknesses in the customer due diligence processes necessary for the grant of a license. As already noted, Beneficial Ownership Disclosure is not a prerequisite for the award of a license, for which reason the regulator cannot claim to know its customers. Again, the lack

of inter-agency collaboration, particularly the non-involvement of other relevant state agencies such as the FIC and GRA in the application review and recommendation for the award of license, affords the miner the opportunity to easily conceal information that would have helped in detecting any IFF vulnerability.

Another key factor is the interference of Politically Exposed Persons (PEPs) in the transactional value chain, influencing, the award of licenses and also twisting the hands of the various regulatory bodies involved in the sector.

11.2.2 Trading License

The trading license is issued by PMMC. The map below provides a step-by-step description of the trading license acquisition process:

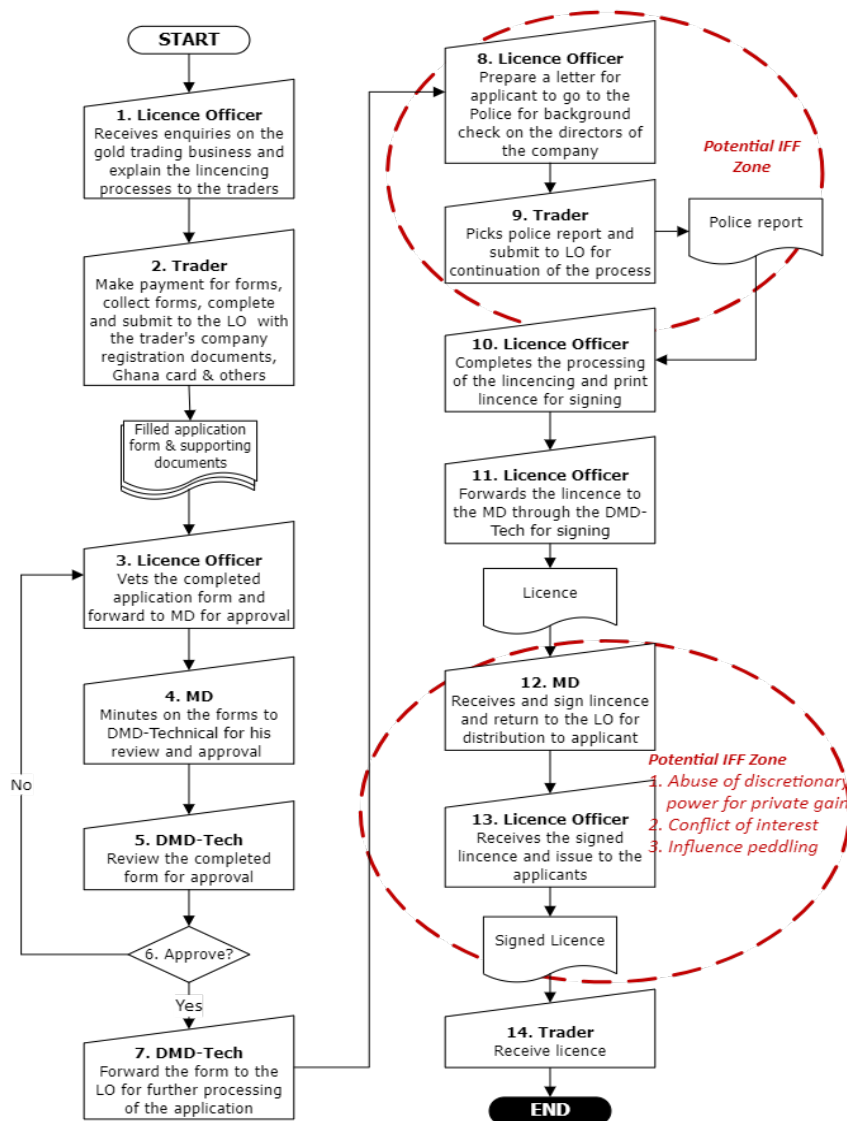


Figure 11-4 Trading License acquisition process

IFF Risks Associated with the Trading License Acquisition

The process for the award of gold trading license does not involve background checks, disclosure of beneficial owners of the firm, etc. It does not also involve relevant agencies such as FIC and the GRA and therefore reduces the likelihood of early detection of IFF vulnerability.

11.2.3 Export License

The export license is issued by the Minerals Commission. The process begins with the applicant completing and submitting an application form addressed to the CEO of the Commission together with the following supporting documents:

- Company's registration document
- Business plan,
- VAT, SSNIT, and Tax cert,
- Contract or MOU

The CEO receives the documents and refer to the director in charge. The director also refers to the schedule officer who reviews the documents and the content of the business plan. Where there are issues that need to be resolved the applicant is notified to effect the necessary corrections and revert. When the Commission is satisfied with the applicant's documents, a recommendation is made and an offer extended to the applicant with an instruction to make payment. After payment, the license agreement is prepared for the minister to sign. The map below provides a step-by-step description of the export license acquisition process:

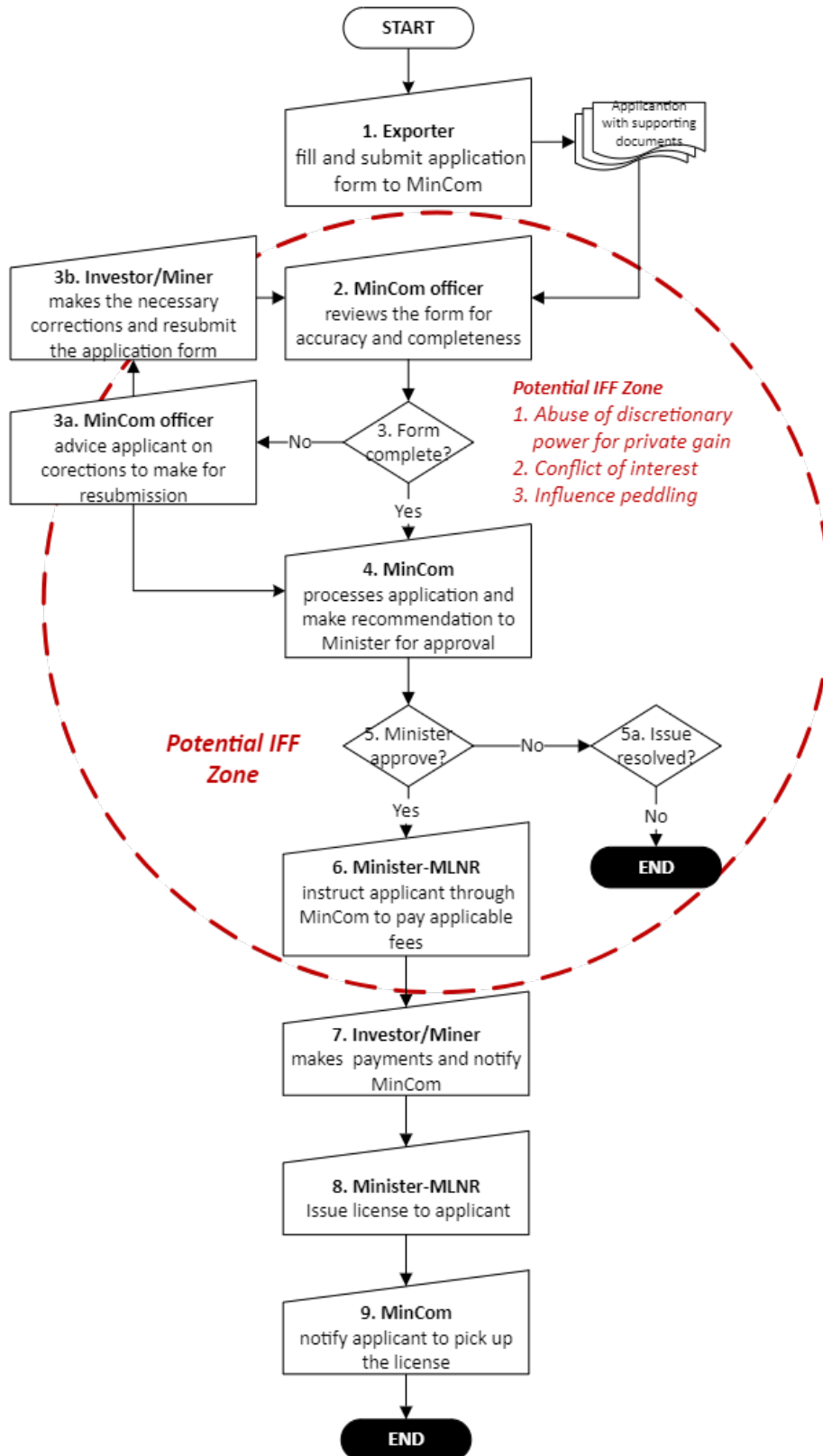


Figure 11-5 Export License acquisition process

IFF Risks Associated with the Export License Acquisition

The IFF risks associated with the export license acquisition process, like the other licensing processes arise out of the weak customer diligence processes and the non-involvement of key institutions such as FIC, GRA, and the Economic and Organise Crime Office (EOCO).

11.3 Challenges Expressed by ASM Actors in the Licencing Process

The following observations were made during interactions with ASM operators in the field:

- All ASM licensing processes from mining, through trading, to export, do not entail proper customer due diligence processes.
- It appears officers who process these licenses do so without established procedures for detecting conflict of interest, the true identity of beneficial owners, the tax compliance history of applicant etc.
- The customer due diligence is further weakened by the non-involvement of key state institutions such as FIC, GRA, and EOCO.
- The license acquisition process is largely viewed as time-consuming by 29.8% of miners. It's notable that only 11.3% of miners regard the process as transparent and simple, while a significant 23.4% consider it expensive.

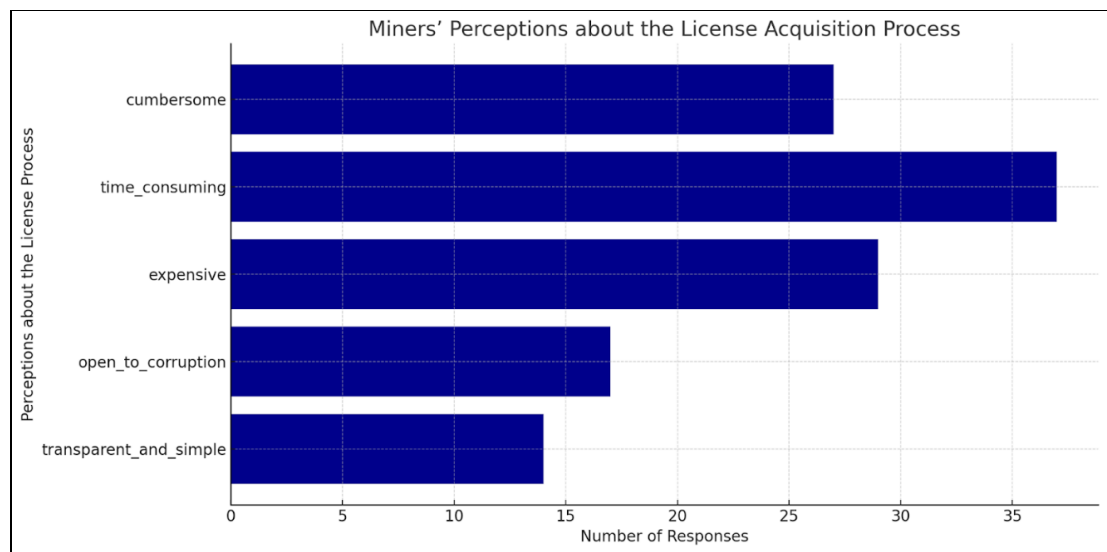


Figure 11-6 Miners' perception about license acquisition process

- Some miners were of the view that following due processes is not rewarding and that with or without license you can mine.
- The presence of the military and their actions also make the people feel there's no need to obtain a license. Most military operations do not differentiate between license ASM operators and unlicensed ones. Therefore, obtaining a license is simply not a useful venture.

11.4 The Gold Extraction Phase of ASM Operations

The actual mining requires some form of capital. Most of the miners especially the unlicensed ones do not have the required capital and therefore arrange for their operating capital from gold traders and other undisclosed sources. These funds are used to procure the inputs used in the gold extraction process.

The gold extraction process is semi-mechanised. The miner hires machinery employs unskilled labour from the host community and moves to site. The type of machinery to be hired depends largely on the type of mining the individual or firm is engaged in. Most alluvial miners basically hire an excavator while the pit miners do without mechanised equipment. The labourers earn daily or weekly wages. Some better organised mine sites employ regular staff (both technical and administrative) and remunerate them monthly.

When the gold is extracted, it is given to the mercury team that uses mercury to separate the first level or impurities from the gold. Most of this is done without any personal protective equipment.

The figure below depicts a general linear overview of the gold extraction and ore processing process:

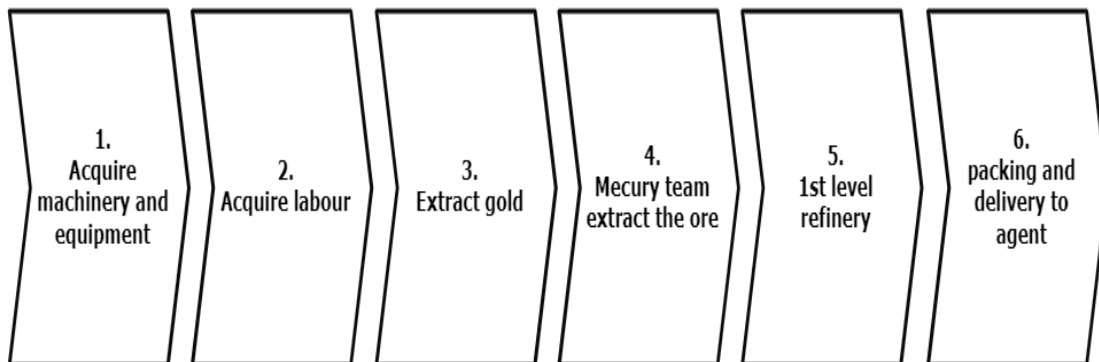


Figure 11-7 Gold extraction and ore processing process

IFF Risks Associated with the Production Phase of the ASM Transaction Chain

- a. Lack of access to capital provides opportunities for the participation of foreigners in ASM activities, through financing arrangements, which investments are redeemed through gold output.
- b. The financing arrangements are done informally, making it difficult to track the amounts involved.
- c. Unlike in the large scale sub-sector, where customs officers are stationed at the mine to observe and record the amount of gold produced, there are no such supervisory arrangements to help account for ASM production.

11.5 The Gold Trading Phase of ASM Operations

There are several actors in the trading process from the mine to the point of export. Below is the chain of actors as obtained from the field:



Figure 11-8 Actors in the gold trading process

Gold is often sold and traded through informal channels, with so many potential IFF occurrences. The trading usually entails pre-financing relationships between buyers and exporters, buyers and miners, and also miners and mine owners. Buyers and exporters finance mining operations and, in return, buy the gold at a discount. They also benefit from preferential purchasing rights. These pre-financing relationships exist partly because of the lack of access to finance in the formal banking sector, and partly because artisanal miners have very little financial resources of their own. The pre-financing relationship can sometimes cover the entire value chain. For example, buyers in the United Arab Emirates (UAE), may finance gold exporters based in Ghana, who may in turn finance gold buyers.

The financing schemes for these ASMs are widespread. Although these financing arrangements involving foreigners are a common knowledge, responses from the field suggest that foreigners are the least financing source for ASM operations. This is not surprising, as most miners do not directly encounter the foreigners so they may not know the source of funding for the 'bush buyers' (upstream traders) and the agents who buy from them (the bush buyers). Below is a chart showing responses in relation to how ASM operations are financed. Position 1 from the graph relate to the top funding source with Position 3 being the least of the sources as per the responses.

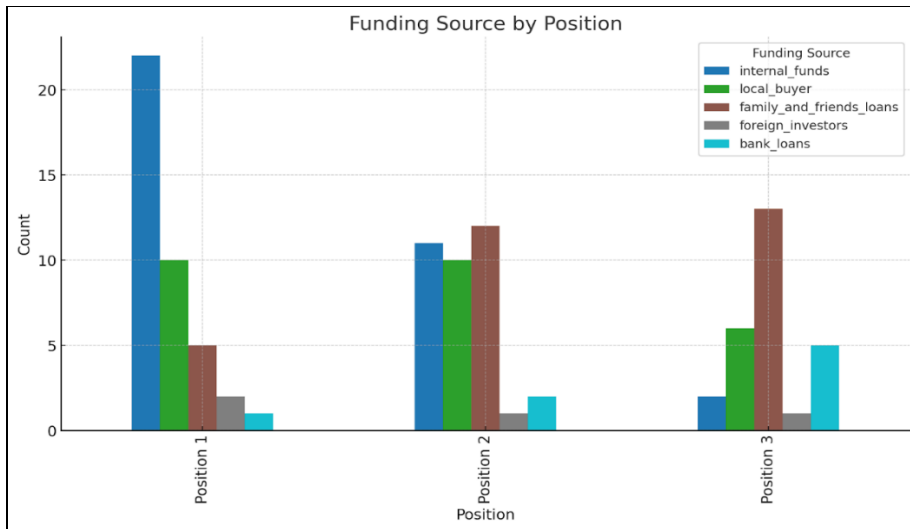


Figure 11-9 Funding sources

About 50% of the miners claimed they sell their wares to licensed buyers. When asked how sure they are that the buyers are licensed, they could not provide any tangible reason for their response. Some said they’ve known them for long, and so guessed they were licensed to buy gold. About 12.1 percent of respondents said they sell to foreign nationals. The chart below depicts the responses from the miners in respect of their buyers.

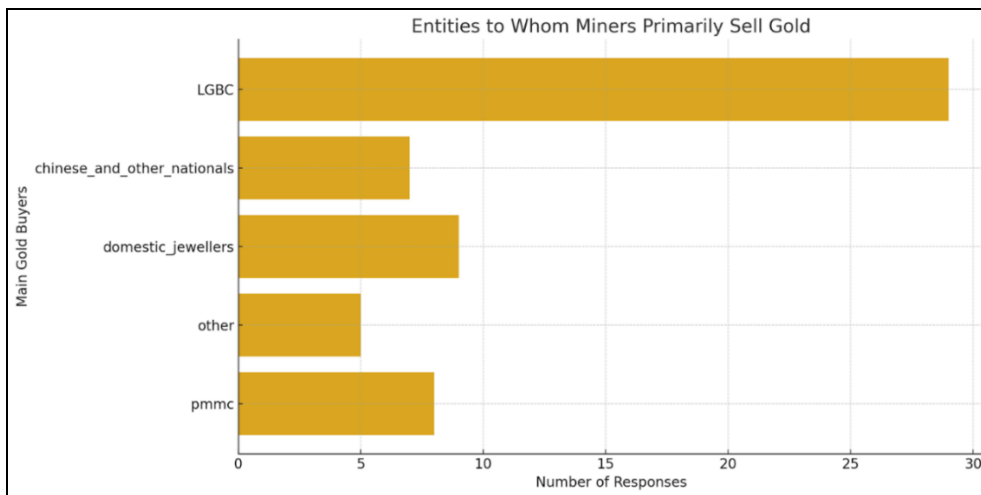


Figure 11-10 Gold buyers

IFF Risks Associated with Gold Trading

The IFF risks identified with the gold trading arrangements arise from foreign financing for gold purchases, and the non-verification of trading licenses by sellers. Again, the involvement of unlicensed buyers makes it difficult to track and record trade volumes. Another major IFF risk in this link of the transaction chain is smuggling, facilitated by agents who transport illicit gold across the country’s borders.

11.6 Monitoring And Evaluation Phase of ASM Operations

The minerals commission has two monitoring and evaluation units within the Inspectorate division and the Policy Planning division. The Inspectorate division simply monitors the compliance of the ASM in relation to the terms and conditions of their licenses. The Policy Planning, Monitoring and Evaluation unit basically tracks implementation of policies relating to the sector especially, issues relating to support services, local content, etc.

The actual monitoring and evaluation of the field operations of ASM is undertaken by the district offices of the Minerals Commission. Some officers of the Commission at the district level have complained of inadequate staffing, which make it difficult to monitor operations in real time over the vast expanse of ASM activities in the district. Though the district officers have monitoring plans that they execute, they tend to rely on tip-offs and formal complaints about the activities of ASM operators.

The officers also rely on the RD Quantum Mobile Application that was developed to enable officers to monitor and report on mining activities from the field. These apps were deployed on handheld devices that help access data from the Mining Cadastre System remotely. Officers are now able to lodge field assessment reports directly onto the device and it's received by their colleagues in Accra. It is not confirmed whether the application has the capacity to operate offline in areas where internet is a challenge.

IFF Risks Associated with the Monitoring and Evaluation Phase of ASM Operations

- a. Inadequate staffing of the Minerals Commission's district offices undermines compliance monitoring and enforcement of licensing conditions.
- b. Weak regulatory monitoring and enforcement inhibit the potential detection of activities that facilitate smuggling and tax avoidance in the ASM sub-sector.

11.7 The Export Phase of ASM Operations

Gold export is done by Licensed Gold Exporters (LGE). One cannot engage in the export of gold until he or she is licenced by MinCom. The process of exporting gold is as follows:

- a. The LGE informs PMMC at least 2 days before the export, of their intention to export gold.
- b. The LGE then submits the gold ore to be assayed by PMMC at a designated assay centre, together with all declaration documents, packing list, and invoice.
- c. The PMMC then determines the gold content of the gold ore presented for assaying.
- d. PMMC assays the gold and issue an assay report, analysing the gold ore presented by the LGE and determining the value of the gold based on the level of purity. Copies of these reports are shared with the Bank of Ghana (BOG), the Ghana Revenue Authority Custom Officer stationed at the Assay Centre and the Minerals Commission.

- e. PMMC then invoices the LGE in respect of the assay services and requires the later to make payment immediately.
- f. The LGE is also requested to pay the required WHT at the bank and show the pay-in-slip to GRA (Customs) Official as proof of payment before their gold can be released for export.
- g. The GRA (Customs) Official at the Assay Centre, together with other state agencies at the airport inspect and supervise the sealing of the assayed gold ore with the Customs Division's seal and endorses the Customs Declaration Form. The sealing of the assayed gold ore by the Customs official is done in the presence of an authorised representative of the Assay Centre, who also affix the seal of the PMMC Assay Centre at the same time.
- h. The LGE completes the required documentation at the airport before exporting the assayed gold. The gold export is either done via cargo or by a personal hand carriage.

All LGEs are required, as part of the terms and conditions of their license agreements, to submit monthly returns to the Minerals Commission.

In Ghana, gold ore cannot be exported without the seals of the Customs Division of the Ghana Revenue Authority and the Government designated laboratory, i.e., PMMC, and accompanied with full documentation. This is not always the case as most ASM actors admit that they smuggle the gold across the borders using different tactics.

The map below provides a step-by-step description of the gold export processes in Ghana.

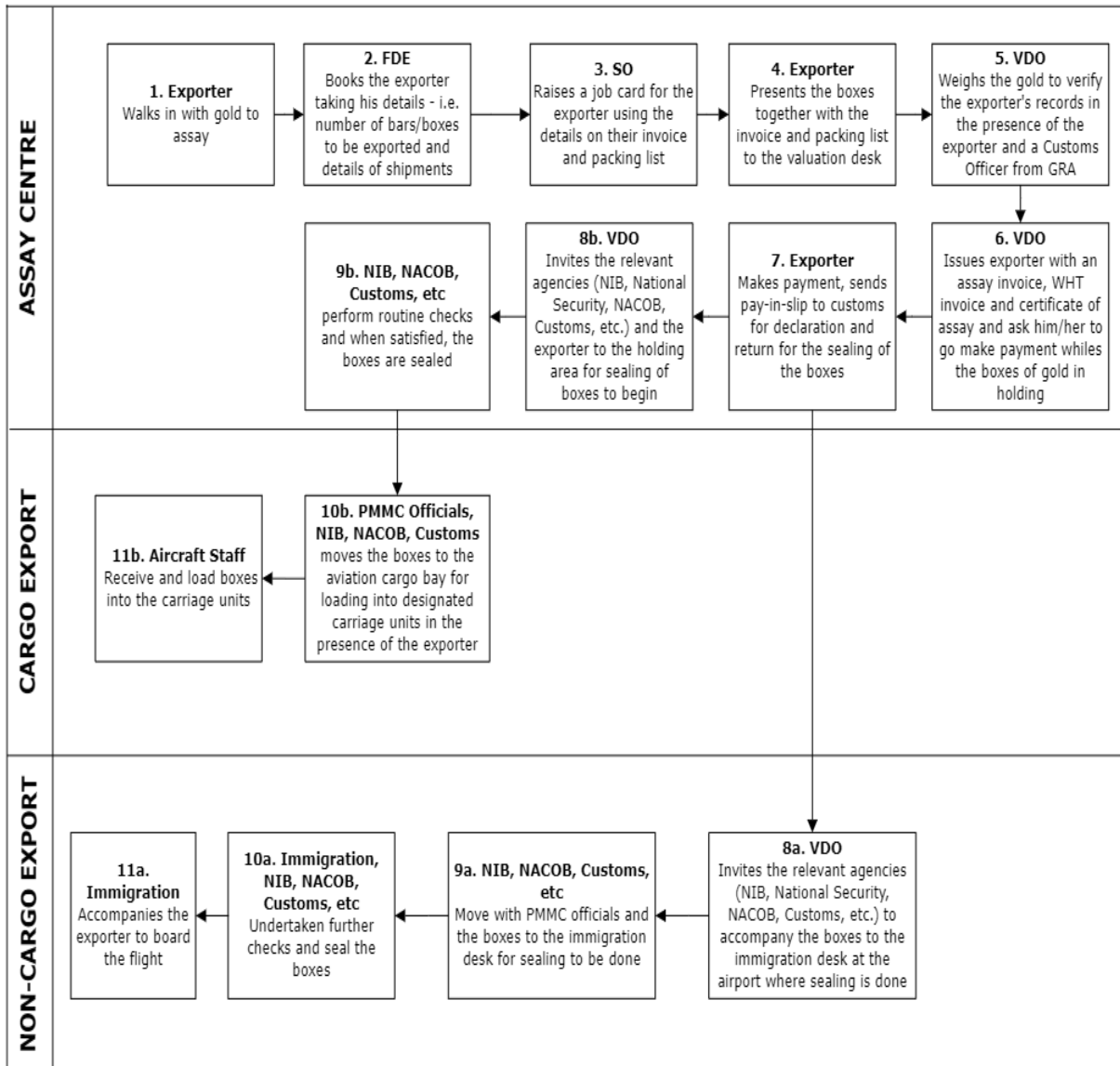


Figure 11-11 Gold export process

IFF Risks Associated with ASM Gold Export in Ghana:

- Pre-financing of mining operations is a major area of concern, with miners often entering into unfair agreements with financiers who may later be involved in illicit exports.
- Sale of gold occur between miners, local buyers, dealers, exporters in complex arrangements. Key risks are under-declaration of exports, smuggling across borders, and vertical integration that allows criminal actors to control the full supply chain.
- Foreign nationals, especially from China and India, play a major role as miners, buyers, exporters.
- Porous borders and differing royalty rates between countries facilitate smuggling.

- e. Key destination points are Dubai and Switzerland, where because of their tax haven status oversight is limited.
- f. Profits increase substantially from miners to dealers/exporters, indicating IFF risks grow towards the end of the chain.
- g. From the key informant interviews, it is apparent that, miners smuggle gold out of mining sites without the knowledge of the mine owner. This means that the actual volume and value of gold mined and reported from the mine will obviously be misstated. This singular act implies that there might be no taxes paid on the smuggled gold, the buyer of such gold may not even be a licensed trader therefore such gold products end up in the black-market.
- h. There is also the deliberate smuggling of gold by the mine owner or entrepreneur themselves out of the shores of the country without paying the requires taxes. It is estimated that 80-95% of gold mined by the ASM actors are smuggled out of the country.
- i. Under-invoicing of sales/purchases and use of unconventional methods of payment that eludes the regulators of the country's financial system and revenue authorities leading to loss of revenue to the state. Estimates suggest only 11% of total gold purchases are declared to the state (OECD 2016).
- j. Haulage and transportation service providers also portends some IFF risks. These are organised networks that move gold from mining towns to the point of export. Most of the gold, according to some interview respondents, do not reach the point of export (i.e., the airport). Some of these networks facilitate the smuggling of the gold out of the country. Togo and Cote d'Ivoire were cited as frequently used hubs for illicit shipment of gold from Ghana.
- k. The multitude of undocumented transactions and cash exchanges provide opportunities for trade-based money laundering and mispricing. These may lead to terrorism financing.
- l. Overall, Ghana's large and poorly regulated ASM sector coupled with spotty financial surveillance enables systematic leakage of gold revenues abroad or into offshore accounts. Conservative estimates place gold smuggling losses at \$2-3 billion annually (SARP 2019). Tightening regulation of the above nodes through increased formalisation, oversight, and international Customs cooperation is critical to tracing gold flows and reducing multi-faceted IFF risks. Also. strengthening reporting requirements and information exchange with foreign counterparts can help illuminate transnational ownership structures and reduce IFF risks.

12 ESTIMATION OF IFFS RELATED TO ILLEGAL/UNREGULATED ASM.

This section of the report aimed at obtaining and reviewing available data on activities of smugglers and to estimate inwards and outwards illicit financial flows related to both legal and illegal ASM.

12.1 Gold Smuggling

In Ghana gold smuggling is mainly through the Kotoka Airport and the three land borders, the Ghana-Togo, Ghana-Ivory Coast and Ghana-Burkina Faso borders. It is a generally accepted and known that it is easy to smuggle gold out of Ghana, and in fact, that large quantities of gold is smuggled annually. The Ghana-Togo border has been identified as the main port of choice of outflow of gold from Ghana. Many reasons can be deduced for the ease of outflow through the Togo border. The Togo border is just about two hours drive from Accra, the capital, there are numerous unmanned crossing points between Ghana and Togo. Togo is a free port country where it is easier to transact business of export and import. It is reportedly possible to “pay a small amount of money to customs or other officials to look the other way” when gold is taken out of the country in suitcases².

In Ghana, the main form of gold smuggling is under-declaring the amount or value of gold exported at the ports of departures. There were several reports of licensed buyers not declaring all the gold sold to exporters, or of dealers under-declaring exports to increase profit margins. Purported methods to under-declare gold exports include using false receipts and downplaying the quality of gold exported³.

12.2 Estimation of Inwards and Outwards Illicit Financial Flows

Interestingly, during the data collection phase of the assignment, the study team did not come across data on the estimated value of IFF in the ASM sector. What exists in the literature is a generic value for IFFs as a whole and some unconfirmed data from civil society groups. For example, IMANI in 2019 asserted that up to \$4.5 billion worth of gold leaves the unregulated ASM supply chain illicitly each year.

Some miners and ASM actors interviewed categorically stated that they do not make any illicit payments in the course of their operation. Others stated that they make payments to security agencies for which we cannot independently verify. Of course, nobody involved in

² Hunter, M. (2019), “*Illicit financial flows: artisanal and small-scale gold mining in Ghana and Liberia*”, OECD Development Co-operation Working Papers, No 72 OECD Publishing, Paris.

³ OECD (2018), *Illicit Financial Flows: The Economy of Illicit Trade in West Africa*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264268418-en>

smuggling, under-declaration, or any form of tax avoidance will provide evidence of their actions.

However, a comprehensive analysis of the data collected and revealed that miners most frequently feel pressured to make unofficial payments to Security Services (34.4%), followed by Other Government Agents (25%) and District Committee Members (23.4%). Land Guards are the least mentioned entity, with only 1.6% of miners indicating such pressure. Such unapproved payments compromise the monitoring and oversight roles of these entities, who are sometimes enlisted to facilitate the illicit shipment of gold out of Ghana.

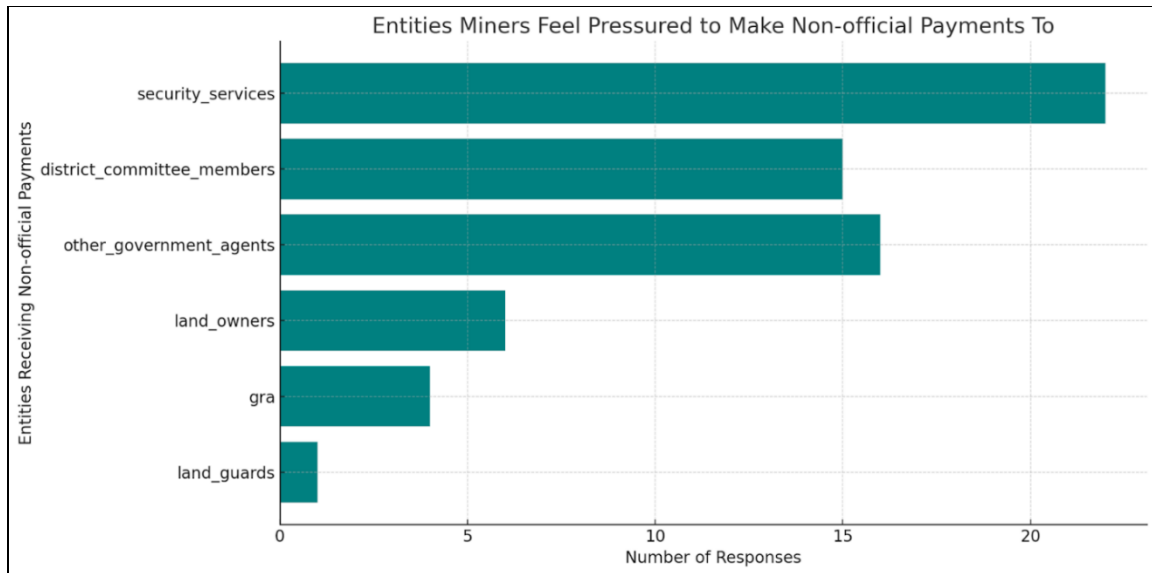


Figure 12-1 Entities receiving non-official payments from miners

- Nearly 50 percent of District Mining Committees (DMCs) report limited inter-agency cooperation, and 85 percent lack access to ASM records, constraining data collection and analysis.
- Over 75 percent of DMCs rarely or never receive reports on ASM activities, indicative of lax monitoring and reporting.
- Most ASMs view tax levels as excessive, but 60 percent are unaware of Withholding taxes, a situation which points to compliance gaps.

The above data aligns with other evidence, which reveal that Ghana's informal ASM sector remains largely outside state oversight, enabling illicit financial outflows. Given annual ASM production of around 2.5 million ounces (USGS 2023), if 80 percent is smuggled at a 10 percent under-valuation at \$1800/oz gold price, yearly losses would be around \$360 million. With the commensurate tax avoidance, total illicit outflows are likely to approach \$500 million annually.

Inward illicit flows from ASM are harder to isolate but likely substantial given links between illegal mining, organised crime, and money laundering. One estimate place over \$1 billion in criminal funds flowing into illegal mining activities in Ghana annually (GNASSM 2020).

In Ghana, IFFs from unregulated ASM were estimated at \$1.7 billion in 2013, based on estimates that only 30 percent of ASM gold is exported legally.

It is important to observe that, while formal statistics are limited, triangulation of available data sources suggests illicit outflows from Ghana's unregulated ASM sector is likely to fall in the range of \$500 million to \$1 billion annually.

13 IFF ACTORS – ANECDOTAL EVIDENCE

This section of the report attempts to demonstrate how IFF or tax avoidance risks actually manifest themselves in the mining sector. It presents anecdotal evidences through participant observations and enquiries to identify the actors involved and the methods and techniques used. From interactions with the ASM actors, some state officials, and individual community folks, the following modes of IFF in the ASM sector in Ghana were identified.

Trade Mis-Invoicing

This is the deliberate under- or over-invoicing of gold traded across borders, in order to avoid taxes, duties, and other government levies. Trade mis invoicing is a prominent channel for IFFs in Ghana (Ahene-Codjoe, Alu, & Mehrotra, 2020). Kar and LeBlanc (2013) argued based on estimates that trade mis invoicing accounts for over 80 percent of illicit outflows. One common technique involves gold exporters under-declaring volumes and value of gold shipped outside the country. For example, in 2019 a Ghanaian exporter was found to have exported over \$60 million worth of gold to South Africa and Dubai under the guise of exports of shea, cocoa and other goods (GN 2019). By disguising gold exports as lower-value goods, the company evaded royalties and taxes. More systematic under-invoicing accounts for up to \$4.7 billion in IFFs over the past decade (GFI 2020).

Undeclared Production

ASM miners frequently smuggle gold directly out of mining sites to neighbouring countries to evade WHT payments. One Ghanaian smuggler apprehended in 2019 was caught with over 11kgs of gold, destined for Togo with no declarations (Ghananews2019).

Non-Payment of Employee Taxes

Some large mines use employment agencies and labour brokers to hire contract workers, avoiding direct payroll taxes. Cases have been uncovered of mines providing incomplete data to agencies on wages and workers. By under-reporting numbers, companies reduce tax and social security contributions (Odamtten 2018).

Dividend Stripping

A company can minimize withholding taxes on dividend payments abroad by routing transfers through jurisdictions with more favourable tax treaties. For example, a major multinational reportedly channelled millions in dividend payments to its foreign parent company via Ireland and Mauritius, exploiting double taxation agreements and reducing Ghana tax exposure (GAT 2019).

A recent article in GhanaWeb reported that a group of Ghanaian gold exporters were involved in suspicious transactions worth US\$2.8 billion. These transactions were routed

through a network of shell companies in tax havens. The gold exporters used shell companies to evade taxes and launder money. The article identified the following actors involved in these IFFs and tax avoidance schemes: gold exporters, shell companies, and banks. The article also described the methods and techniques that were used to carry out the IFFs and tax avoidance schemes, such as the use of shell companies, tax havens, and laundered money.

Box 2: Anecdotal Story of a Miner

Kwaku (alias) has been involved in mining for the past 20 years (He started mining when he was 14 years old). He started as a mine labourer and rose through the ranks and now own his own mining area and mining equipment (i.e., excavator, crusher, pumping machine, etc.). He does alluvial mining with occasional stints at Pit mining. He's got a team of guys working for him who he pays on a weekly basis. Kwaku has no mining licence nor a registered concession with the Minerals Commission. He has no idea how the licence is obtained and what one needs to go through to obtain a licence.

The following is a conversation that ensued between the field team and Kwaku:

Consultant: Please give me an overview of your operations and how you run and finance your operations

Response: The concession was acquired through locals we know, and who were interested in giving us their land to work on. We paid these people cash before commencement of work, and some gold after work is done. I don't know whether these landowners have their concessions registered or not; and I haven't really enquired about it. Sometimes some individuals mine late in the night on concession they don't own and have no right to it. That's a very dangerous venture but the smart ones are able to make it. By morning they leave site without anybody catching them. A 25-acre land costs about GHS250,000 for the mining period (i.e., between 6 months to 1 year).

Most of the inputs used in the mining operations are taken on credit and paid for after mining operations. We buy fuel on credit and hire machines also on credit. But some excavator owners want their money upfront, so we pay before we take. An excavator goes for about GHS4,000 per session per day. Therefore, if you intend to use it for day and night, it will cost you GHS8,000. We normally rent it for a week. The fuel cost for that week is about GHS30,000 and other costs excluding labour is around GHS50,000. The labour alone cost us about 1,000 per person per week. In a good week we are able to mine about a kilo of gold.

Consultant: How do you sell your gold?

Response: Most of my customers are mainly gold dealers in town, who I know operate on behalf of other dealers. We also engage in cross-border sales depending on which of the countries offer the best price. For now, Burkina Faso is the place to go. Their prices are better than Ivory Coast and Togo. I have never sold to a foreigner except for the guys I bought my excavator from where I paid with gold.

Consultant: So how do you send the gold across the borders without being caught?

Response: Oh, that's easy. We just walk through the checkpoints. Sometimes the officers see us, and we bribe our way through. I know people who even make them into jewellery and travel with it. They can walk through the borders with their family and even go through the airport wearing these jewelleries and nobody ask them anything. I know a dealer who goes with his family abroad and the wife and the kids will wear gold beads on their waist and their anklet. Nobody questions that. There are easy ways to transport these things without being arrested.

Consultant: How do you finance your operations?

Response: I've been able to save some money from my operations, so I plough that back into my business. But we mostly get our inputs on credit and sometimes we get funds from the gold buyers who pre-finance our operations.

Consultant: Are these buyers locals or foreigners?

Response: No. These are local buyers. I have never dealt with any foreigner except for the excavator seller I bought my excavator from in Kumasi, which I paid for with gold.

Consultant: What about the Burkinabes?

Response: We don't see them as foreigners. These are our black brothers who come to work with us. They normally buy the waste product (tailings) of our operations to further extract any gold in there. When we wash the rocks, the waste that goes below the cleaning machine contains about 70 percent of the total gold mined and these Burkinabe have a chemical they use to extract the gold from the waste. That type of chemical is very dangerous, so we don't attempt it.

Comments on the Anecdotal Story

The story of this miner simply tells us that the ASM sector is still largely informal and the effort to regulate their operations is still not enough. This informality and weak regulatory compliance and our poorly manned national borders, makes it nearly impossible to control the outflow of these minerals. National customs agencies are fragile, corruption is oftentimes rampant at all levels, and uncontrolled migration across national borders, all contribute to the ineffectiveness of measures to halt mineral smuggling, tax avoidance, corruption and other forms of IFFs. The central government is losing a lot of revenue as a result of the activities of these smugglers.

14 POLICY AND NON-POLICY DRIVERS THAT FACILITATE IFFS IN THE ASM SECTOR

This section of the report analyses the main policy and non-policy drivers that facilitate IFFs in the ASM sector. The policy drivers relate to gaps and weaknesses in the policy, legal and regulatory arrangements which are exploited by ASM operators, buyers and exporters to avoid the payment of taxes. Non-policy drivers on the other hand, relate to political economy factors such as corruption, influence peddling, fronting, conflict of interest etc. that predicate tax avoidance and other forms of illicit financial flows.

14.1 Policy, Legislative, and Regulatory Drivers

14.1.1 Inadequate Formalisation

The ASM subsector in Ghana is prone to excessive bureaucracy, especially in its license acquisition processes. This poses a major hindrance to ASM formalisation. Traditionally seen as an indigenous activity, the sector usually provides a livelihood strategy for relatively poor rural groups who are known to use rudimentary tools. Highly centralized bureaucratic licensing structures mean that miners must go through lengthy, demanding and expensive processes before formalizing their operations which creates a disincentive for most of them registering their businesses. These failures of the part of the state encouraged an informal ASM sector, which attracts opportunistic but well-resourced foreign and local entrepreneurs who usually operate using heavy earth moving machinery with devastating environmental impacts.

Box 3: ASM Non-Compliance with Requirements

Checks at the Minerals Commission revealed that only 300 ASM licenses were issued nationwide despite over 1 million miners (ILO). Currently, government has ceased the issuance of small scale mining licenses, but the mining is still ongoing. Government's own initiative, Community Mining is in violation of the Mining Act. Most of these Community Mining sites do not have licenses from the Minerals Commission to operate. Requirements like environmental management plans, business plan development and other bureaucratic and administrative requirements are prohibitive for small operators. This pushes them into illegal mining, and informal trading activities.

The graph below shows the responses of the miners in respect of their acquisition of mining licenses. Evidently, 47.5 percent of respondents stated that they have an active license while 25 percent said they have an expired license. About a third (27.5%) of them did not

have a license at all and they did not see the need to acquire any. The data therefore mean that 52.5 percent of them were operating illegally.



Figure 14-1 License status of ASM operators

14.1.2 Misalignment between Policy and Law

Misalignment between the Minerals and Mining Policy and the Minerals and Mining Law that govern the ASM sector, especially with respect to pledges of technical and financial support to ASM operators creates opportunities for foreigners to indirectly participate in ASM activities. In some instances, lack of access to finance leads to situations where Ghanaians front for their foreign sponsors. Through those types of arrangements very little value from these small scale miners activities is retained within the national economy.

14.1.3 Information Asymmetry between the Regulator and the Tax Authorities

Information asymmetry between the Minerals Commission and the GRA is a major driver of tax avoidance, particularly the non-payment of Capital Gained Tax, when assets change hands.

14.1.4 Information Dissemination to ASM Actors

We understand from our interactions with the regulator that they provide information on policy, legal, and regulatory changes using the mainstream media by going on Breakfast show on radio and television. We also understand that these information can be found on <https://www.mincom.gov.gh/>. However, our interactions with the actors on the ground suggest that these information do not really reach them. Most of these players are outside the capital city. Therefore, going on TV and radio in Accra may not yield the needed results.

14.1.5 Non-prohibition of Indirect Participation of Foreigners in ASM Activities

Until 2019, when the Minerals and Mining Act, 2006 (Act 703) was amended to prohibit the provisioning of mining support services by foreigners in the small-scale sector, some Ghanaian ASM operators fronted for foreign interests in the ASM sector, using the provisioning of support services as a decoy. Though clear IFF risk has been addressed through the amendment, the fact that the law does not prohibit foreign financing of ASM activities, still affords opportunity for foreigners to participate indirectly in ASM activities.

14.1.6 Absence of a-fit-for-purpose Customer Due Diligence in Licensing

As evidenced by the insurgency and jihadist activities in the Sahel region of West Africa, gold mines have become a major financing source for terrorism and other subversive activities. It is therefore worrying that, this is not given the attention it deserves in policy, legislation, and Standard Operating Procedures (SOPs) in the award of licenses. The exclusion of the FIC and GRA from the licensing processes remains a cause for concern. Failure to adopt the Customer Due Diligence and BO disclosure requirements continue a high risk of IFFs in Ghana's ASM sector. From the key informant interviews, many Burkinabe's are already operating in the mining regions, claiming special expertise in the sector. Some come in as specialist resources, where in actual fact, they are financiers and mine owners.

14.1.7 Non-applicability of Royalty Provisions in the Minerals and Mining Act to ASM

It has always been assumed that since specific sections of the Minerals and Mining Act, 2006 (Act 703) are devoted exclusively to ASM, the general provisions outside these sections are not applicable to ASM. For this reason, ASM operators in Ghana do not pay mineral royalties and other fiscal imposts that large scale operators have to comply with. This has deprived the state of a share of the value generated by ASM operators.

14.1.8 Policy Changes in respect of Domestic Gold Trading

The Ministerial directive which made the PMMC the sole buyer of ASM gold output, under the government's Gold4Oil programme has disrupted the ASM transaction chain without clear direction on the fate of dislocated actors.

Again, some ASM operators said they feared they will lose the opportunity of selling their gold at a competitive market price, as the policy places PMMC in a monopsony situation. They were worried they were not going to be able to negotiate their prices as they did with the bush buyers and agents. Some operators say, they continued to sell to the bush buyers, who devised their own means of exporting their gold purchases out of the country, mostly through unapproved channels.

The situation poses a high risk of black-market trading of the country's ASM gold, with its attendant risk of smuggling through unapproved channels.

14.1.9 Absence of Community Incentive in the Minerals and Mining Act to Curb Smuggling

Although the Office of the Administrator of Stool Lands (OASL) was established by the Office of Administrator of Stool Lands Act, 1994 (Act 481) to collect stool land revenue (ground rent, dues, royalties, and other revenues), and to disburse same to beneficiaries (Metropolitan, Municipal and District Assemblies, Traditional Authorities and Stools), currently, ASM operators do not pay royalties and so host communities do not benefit from any accrued revenues from ASM activities. The OASL however, collects ground rent on behalf of landowners for distribution to prescribed beneficiaries. The IFF risk here is that, to the extent that communities do not benefit from the revenues generated by ASM operators, they are likely to condone and even facilitate the smuggling of ASM gold output out of the country. They simply have no interest in reporting such activities, because they do not benefit by way of a share of the revenues.

14.1.10 Weak Monitoring and Data Collection

Data collection remains piecemeal despite the country's implementation of EITI in the past two decades. The Minerals Commission and revenue agencies lack granular reporting on output, mine ownership, mineral flows, and tax payments specific to ASM. This obscures policymakers' view of revenue leakage points along the supply chain.

14.1.11 Non-Policy and Regulatory Drivers

These are purely factors that either undermine tax compliance or facilitate smuggling and tax avoidance. They include:

14.1.12 Corruption Risk Associated with the Exercise of Discretion in the Award of Licenses

The powers of discretion granted the Minister for Lands and Natural Resources in the allocation of licences, poses a substantial risk of corruption, as the reasons for the exercise of his discretion in one way or the other is often undisclosed. This portends the risk of arbitrariness, corruption, party political capture of the licensing regime, and inefficient license allocation, culminating in the haemorrhage of revenues that otherwise should have accrued to the state.

Again, the fact that the licensing process itself lacks customer due diligence as required by the Financial Action Task Force (FATF) requirements on Customer Due Diligence and Beneficiary Owner (BO) Disclosure, poses a risk of allocation to politically exposed persons, and dubious characters whose sole purpose of acquiring the license may be anything but legitimate and responsible business activity.

14.1.13 Vested Interest

Collusion on the part of public officers clothed with the power to stem illegality in the ASM subsector in order to stem environmental degradation and IFFs is the reason for the failure

of the state to fully formalise ASM operations. This view, gathered from focus group discussions with some ASM operators, is corroborated by the end-of-project-review report of the Natural Resource Governance (NREG) programme implemented by the government of Ghana, between 2009 and ... The report concluded that the inability of the government to stem illegality in the forestry and mining sectors over the project period was vested interest.

According to informants within the fold of ASM operators intimated that, the state has on several occasions taken what were considered urgent steps to clamp down on illegal mining. However, those militarised interventions did not differentiate between licensed and unlicensed miners. All small-scale miners were chased, and their machines confiscated. Indeed, the CEO of the Minerals Commission is on record as having accused the Prof. Frimpong Boateng-led Inter-Ministerial Taskforce against Illegal Mining of exceeding its jurisdiction by independently launching Community Mining sites without proper authorisation or the involvement of the Minerals Commission. This has created a challenging situation that the Mineral Commission has to grapple with. The ASM actors complained of extortion from these law enforcers especially the police and the military. It was alleged that owners of excavators that were seized were required to pay about GHS 50,000 before getting their excavators released to them. About 35 percent of the miners feel pressured to make unofficial payments to members of the security services while 25 percent claimed they make such payments to government agencies including members of the District Mining Committee. Land Guards are the least mentioned group, with only 1.6% of miners indicating such pressure to make unofficial payments.

It is apparent, that all these state actors are not working collaboratively in regulating and managing the sector. The enforcement problem is deepened by the limited financial, personnel and logistical capacity of state regulators. Although the current state of these institutions is much better than it used to be, more can be done to bring them to a best practice status.

14.1.14 Information Asymmetry between Miners and the Regulators

High levels of illiteracy and low knowledge of the laws governing the ASM subsector affects regulatory and tax compliance. It was clear from interviews with ASM field operators that miners lack knowledge of the legal, regulatory, and fiscal requirements of their operations.

An interview with some ASM actors revealed that they do not know about the 1.5 percent WHT they are required to pay on their gold output. This is however, not surprising, as the miners are not required to pay the tax themselves but rather the buyer is required to withhold the tax and pay to GRA at the point of export.

Over 60 percent of respondents stated that they are not aware of the existence of the WHT as depicted in the diagram below:

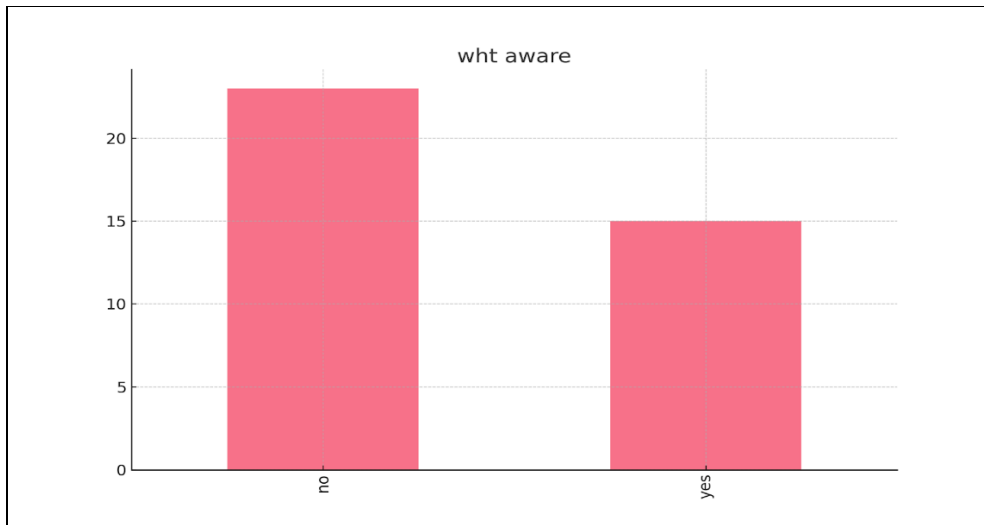


Figure 14-2 WHT awareness by miners

14.1.15 Poverty & Unemployment

ASM provides subsistence income for many rural households lacking alternative livelihoods. Poverty and joblessness make ASM an economic necessity rather than a choice. People are drawn into illegality not because they want to evade taxes but to survive (Judges presentation). Tackling these root causes is key.

14.1.16 Corruption

Collusion between miners, local authorities, security officials, regulators, and politicians continue to undermine ASM formalisation efforts. Unofficial payments offer protection from prosecution. It will even become more difficult to rid the ASM subsector of illegalities, when miners begin to fund political parties, and through that, begin to control political decision making.

In summary, a combination of policy, legal, and regulatory gaps, limited formalisation, poor data collection, weak enforcement, poverty, and corruption drive IFF risks in the ASM subsector.

15 Policy and Operational Recommendations for Combating IFF in the ASM Subsector

Gold is an extremely attractive vehicle for Money Laundering and Terrorism Financing. It provides a mechanism for organised crime groups to convert illicit funds into easily exchangeable assets to realise or reinvest the profits of their criminal activities. As volumes of gold bearing high value can easily be moved, it's frequently used as a Money Laundering vehicle by armed groups, criminal networks, and corrupt actors. These factors make gold highly attractive to criminal syndicates wishing to hide, move, or invest their illicit proceeds.

Ghana has taken steps towards improving its AML/CFT regime in all sectors of the economy, including the ratification of the UN Convention on Transnational Organised Crime; and issuing CDD guidelines for all financial sector institutions.

However, despite the country's political commitment to address the deficiencies in managing the ASM subsector and its associated IFF challenges, the progress of work leaves a lot to be desired.

This section of the report provides both policy and operational recommendations for effective actions against the criminal and illicit financial activities in the mining sector as a whole, and the ASM subsector in particular, with emphasis on the specific areas where the MSG's transparency reporting requirements are paramount.

Specific recommendations to strengthen action against criminal and illicit financial flows in Ghana's ASM subsector are summarised in the table below:

Table 15-1 Policy and operational recommendations

IFF RISK	RECOMMENDED MITIGATION	RESPONSIBILITY
Inadequate Formalisation	Develop a comprehensive strategy encompassing incentives such as access to geological data, affordable finance, and equipment hire purchase, to encourage ASM formalisation, while reducing opportunities for foreign financing and equipment supply. Operators should then be sensitised on the benefits of formalising.	Ministry of Lands and Natural Resources
Misalignment between Policy and Law	Take advantage of the ongoing revision of the Minerals and Mining Act, to align the Act with the Minerals and Mining Policy	Ministry of Lands and Natural Resources / Minerals Commission
Information Asymmetry between the	Develop and deploy an automatic information exchange portal for key institutional stakeholders in the mining sector, to enable the tracking of changes in	Minerals Commission / GRA / GHEITI

IFF RISK	RECOMMENDED MITIGATION	RESPONSIBILITY
Regulator and the Tax Authorities	asset ownership, and to monitor other taxable transactions in the mining sector. Furthermore, promote information disclosure in the ASM sector by mainstreaming ASM activities into EITI reporting.	
Non-prohibition of Indirect Participation of Foreigners in ASM Activities	Amend the Minerals and Mining Act to prohibit indirect participation in ASM activities through any financing arrangement.	Ministry of Lands and Natural Resources / Minerals Commission.
Absence of a-fit-for-purpose Customer Due Diligence in Licensing	Review and amend the Minerals and Mining Act to mandate compliance with FATF standards on Customer Due Diligence, Beneficial Ownership Disclosure, and suspicious transaction reporting. Furthermore, include FIC and GRA in the licensing processing, for both large- and small-scale mining.	Ministry of Finance / Ministry of Lands and Natural Resources.
Non-applicability of Royalty Provisions in the Minerals and Mining Act to ASM	Re-classify ASM Withholding Tax as Mineral Royalty, to enable communities to also benefit from it, and to provide incentive for communities to support government's efforts at combating smuggling and other tax avoidance practices.	Ministry of Finance / Ministry of Lands and Natural Resources.
Policy Changes in respect of Domestic Gold Trading	Provide directives on the role of Licensed buyers and exporters under the Gold4Oil policy. It is proposed that, they are deployed as agents of PMMC, such that, they would be required to surrender their gold purchases to PMMC for export.	Ministry of Lands and Natural Resources / PMMC.
Weak Monitoring and Data Collection	Introduce tamper-proof tracking from mine to export, using technology like GPS, QR codes, and molecular tagging.	Minerals Commission / GRA Mining Desk
Corruption Risk Associated with the Exercise of Discretion in the Award of Licenses	Require disclosure of rationale for the exercise of discretion in one way or the other, as part of licensing information captured on mining cadastre.	Ministry of Lands and Natural Resources / Minerals Commission

IFF RISK	RECOMMENDED MITIGATION	RESPONSIBILITY
Vested Interest	The way to deal with vested interest, is to set example of public office holders who blatantly flout the rules governing ASM activities and trade in gold.	Office of the President / Office of the Special Prosecutor / the Judiciary.
Information Asymmetry between Miners and the Regulators	Mainstream ASM into the EITI to provide information on policy, legal, and regulatory changes to ASM stakeholders on routine basis. Sensitise ASM operators on where they can access relevant information and assistance.	Minerals Commission / PMMC
Poverty & Unemployment	Provide opportunities for beneficiation to create more jobs for the youth in mining communities. This could be encouraged through incentives and support for setting up jewellery industries.	Central Government and the Local authorities
Corruption	Enforce sanctions for corrupt practices and give them greater visibility.	All players in the sector
Illicit trans-shipment of gold	Collaborate with neighbouring countries to ensure that gold that is shipped their ports are duly certified by Ghanaian authorities. Again, work with ECOWAS and UNECA to identify regional solutions and harmonise regulations on gold trade across West Africa.	GRA (Customs) / FIC

16 CONCLUSION

As evidenced by the insurgency and jihadist activities in the Sahel region of West Africa, gold mining has become a major financing source for terrorism and other subversive activities. It is therefore worrying that, this is not given the attention it deserves in policy, legislation, and Standard Operating Procedures in the award of licenses.

There is already the presence of foreign nationals in Ghana operating in the mining regions, claiming special expertise in the sector. Some come in as specialist resources, where in actual fact, they are financiers and mine owners.

Addressing the challenge of IFFs in ASM in Ghana requires a multi-faceted approach, involving legal, regulatory, technological, and collaborative efforts summarised below. By implementing these measures, the Government of Ghana can make significant progress in curbing illicit financial flows in the ASM sector, thereby contributing to the country's economic development and stability.

Legal Reforms: Implementing and enforcing legal reforms that strengthen the regulatory framework for ASM, making it more difficult for illegal activities to thrive. This includes stringent licensing procedures, clear land tenure systems, and strict penalties for illegal mining.

Transparency Initiatives: Promoting transparency in the sector through initiatives such as the Extractive Industries Transparency Initiative (EITI), which encourages disclosure of payments and revenues in the mining industry, ensuring that funds are accounted for.

Data Sharing: Encouraging data sharing among relevant government agencies, mining companies, and civil society organizations to monitor and track ASM operations and financial transactions. This can help identify discrepancies and potential IFFs.

Digitalized Supply Chain Tracking: Implementing digital systems to track the entire supply chain of minerals, from extraction to export, to minimize opportunities for smuggling and undervaluation.

Increased Formalization: Encouraging and supporting the formalization of ASM activities, which can make it easier to regulate and monitor the sector, reduce illicit activities, and ensure that revenues flow to the government.

Regional Collaboration: Collaborating with neighbouring countries and regional organizations to share information, intelligence, and best practices for combating illicit financial activities in the ASM sector, as cross-border smuggling can be a significant challenge.

Strengthening Licensing Procedures: Rigorously vetting individuals and entities seeking licenses for mining operations, verifying their expertise and financial capabilities to prevent financiers and mine owners disguising themselves as specialists.

Capacity Building: Enhancing the capacity of relevant government agencies to effectively monitor and regulate the ASM sector, as well as educating miners and stakeholders about the risks and consequences of IFFs.

Community Engagement: Involving local communities in the decision-making process and revenue-sharing mechanisms to ensure that the benefits of ASM are distributed more equitably.

Law Enforcement: Strengthening law enforcement efforts to combat illegal mining and smuggling, including conducting investigations and prosecuting those involved in IFFs.

Public Awareness and Advocacy: Raising awareness among the public and civil society about the negative impacts of IFFs in ASM and advocating for stronger measures to combat this issue.

If efforts are focused along these lines, Ghana can make significant strides in controlling IFFs in its ASM subsector. Of course, sustained political will and multi-stakeholder collaboration will be critical to translating the policy and operation recommendations into tangible results. The momentum towards improving extractives governance more broadly through the EITI can be leveraged upon to also tackle the specific policy gaps enabling IFFs.

If efforts are focused along these lines, Ghana can make significant strides in controlling IFFs in its ASM subsector. Of course, sustained political will and multi-stakeholder collaboration will be critical to translating the policy and operation recommendations into tangible results. The momentum towards improving extractives governance more broadly through the EITI can be leveraged upon to also tackle the specific policy gaps enabling IFFs.

17 APPENDICES

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17.2 List of Stakeholders Engaged

The following stakeholders were discussed and agreed with GHEITI MSG.

- Ministry of Lands and Natural Resources (MLNR)
- Precious Minerals Marketing Company (PMMC)
- District Assemblies
- Traditional Authorities
- District Mining Committees
- Minerals Commission (Mincom)
- Environmental Protection Agency (EPA)
- Financial Intelligence Centre (FIC)
- Bank of Ghana (BoG)
- Ghana National Association of Small-Scale Miners (GNASSM)
- Association of Bullion Operators, Ghana (ABOG)
- Ghana Revenue Authority (GRA)
- Ministry of Finance/ Ghana Extractive Industry Transparency Initiative (GHEITI)
- NGOs in Mining
- Gold Dealers
- Ghana Chamber of Mines

17.3 Persons Interviewed

No	Persons Interviewed	Stakeholder Group	Location
1	Hon. Micheal Bow	DMC	Wassa Amenfi East
2	Ama Aurthur	DMC	Elembelle
3	Lord Nana Tandoh	DMC	Wassa Amenfi West
4	Ishmael Anaman	DMC	Wassa Amenfi East
5	Kojo Fletcher	DMC	Prestea Huni Valley
6	King Boakye Danquah	DMC	Elembelle
7	Cynthia Dansoa	DMC	Abubakwa South Municipal
8	Isaacs Ayamga	DMC	Abubakwa South Municipal
9	Hon. Osei Edward	DMC	Abubakwa South Municipal
10	Benjamin Boateng	DMC	Abubakwa South Municipal
11	Akosua Asabea Annoh	DMC	Abubakwa South Municipal
12	Mr. Francis Asokwa Sarpong	DMC	Asante Akyem Central
13	Mr Addo Okyire	DMC	Abubakwa South Municipal
14	Hon. Kwao Mensah	DMC	Elembelle
15	Benjamin Nkansah Wallis	DMC	Atiwa East
16	Hon Emmanuel Baah	DMC	Atiwa East
17	Joseph Fei Ofori	DMC	Atiwa East
18	Vidal Appiah	DMC	Atiwa East
19	Maame Gyaaba Taylor	DMC	Atiwa East
20	Joseph Bekwai	DMC	Amensie East
21	Anokye Frimpong Philip	DMC	Atiwa East
22	Francis Owusu-Ansah	DMC	Amensie East
23	Anthony Brako	DMC	Amansie Central
24	Steven Tecku	DMC	Obuasi Municipal
25	Malik Bin Ibrahim	DMC	Obuasi Municipal
26	Nana Ampomsah Antwiwaa	DMC	Atiwa East
27	Dominic Owusu	DMC	Atiwa East
28	Victor Atsu Amekor	DMC	Obuasi Municipal
29	BOFFOUR AHMED HARUNA	DMC	Tarkwa Nsuaem Municipal
30	Hen. Michael Obeng	DMC	Kwahu West Municipal
31	Joseph Hagan	DMC	Kwahu West Municipal
32	Emmanuel Boansi Darkwa	DMC	Kwahu West Municipal
33	Hon Joseph Frimpong	DMC	Kwahu West Municipal
34	Hon Lawyer Yaw Owusu Addo	DMC	Kwahu West Municipal
35	Honorable Juliana Osei	DMC	Birim North
36	Mr. Ofori	DMC	Prestea Huni Valley

37	David Ofori Ackaah	DMC	Prestea Huni Valley
38	Mr Abieku Nyankah	DMC	Prestea Huni Valley
39	BENJAMIN KASSE	DMC	Tarkwa Nsuaem Municipal
40	Nana Premabg Debrah	DMC	Birim North
41	Hon Danso Forster	DMC	Birim North
42	Alhaji Azure Sulemana	DMC	Wassa Amenfi West
43	Albert Kobina Mensah	DMC	Birim North
44	Stephen Yaw Kyei	DMC	Birim North
45	Audrey Arkoh	DMC	Birim North
46	Faulting Tackie	DMC	Birim North
47	Yaw Gyamfi	DMC	Birim North
48	Nana Amanie Ankaah II	DMC	Birim North
49	Patrick Pinamang Amankwah	DMC	Birim North
50	ASP Edmund Agyekum	DMC	Birim North
51	Grace Ivy Dokua	DMC	Birim North
52	Dawood Abbas	DMC	Asante Akyem Central
53	Osei George	DMC	Asante Akyem Central
54	Frederick Korankye	DMC	Wassa Amenfi East
55	Hon. Atigoglo Daniel	DMC	Denkyembour
56	Hon. Peter Korsah	DMC	Wassa Amenfi East
57	Stephen Adjei	DMC	Denkyembour
58	Mohammed Baba Abdulai	DMC	Denkyembour
59	Appiah Kubi	DMC	Denkyembour
60	Hon Ofori Dei	DMC	Denkyembour
61	Osabirima Owusu Nketia II	DMC	Denkyembour
62	Samuel Kwoffie	DMC	Prestea Huni Valley
63	Kwadjo Owusu	DMC	Denkyembour
64	Anarfi Samuel	DMC	Denkyembour
65	Shaibu Dimbie	DMC	Prestea Huni Valley
66	Nana Kwame Ofori	DMC	Wassa Amenfi West
67	Hon. Lord Nana Tandoh	DMC	Wassa Amenfi West
68	Agyei Boadi	DMC	Asante Akyem Central
69	Nana Kwakye Gyimah Yeboah II	DMC	Amansie South
70	Opoku GYAMFI Clement	DMC	Amansie South
71	Isaac Anning	DMC	Amansie South
72	Evans Agyeman	DMC	Amensie East
73	Francis Obeng	DMC	Amensie East
74	Maxwell Bioh	DMC	Amensie East
75	KwakuKyei Baffour	DMC	Amensie East

76	Asamoah Sackey	ASM	Elembelle
77	Kofi Owusu Dwubeng	ASM	Abubakwa South Municipal
78	Isaac lamptey	ASM	Abubakwa South Municipal
79	Benjamin Appiah	ASM	Abubakwa South Municipal
80	Yaw Frempong	ASM	Abubakwa South Municipal
81	Mr. Joseph Cobbinah (aka Kapito)	ASM	Elembelle
82	George Asampong	ASM	Atiwa East
83	Moses Boosaa	ASM	Atiwa East
84	Acquah Prince	ASM	Atiwa East
85	David Ansah Israel	ASM	Atiwa East
86	Solomon Obour	ASM	Kwahu West Municipal
87	Christians Menu	ASM	Kwahu West Municipal
88	Patrick Gyan Mensah	ASM	Kwahu West Municipal
89	RICHARD KWEKU ESSOUN	ASM	Tarkwa Nsuaem Municipal
90	Eric Q	ASM	Prestea Huni Valley
91	Kwabena Twum	ASM	Kwahu West Municipal
92	EMMANUEL OWUSU	ASM	Tarkwa Nsuaem Municipal
93	Mohammed	ASM	Prestea Huni Valley
94	Issa Ibrahim	COM	Prestea Huni Valley
95	Kwame Pee	COM	Prestea Huni Valley
96	John Quansah	COM	Prestea Huni Valley
97	Richard Nzegzi	COM	Prestea Huni Valley
98	Kwame Dovulo	COM	Prestea Huni Valley
99	Samuel Quashie	COM	Prestea Huni Valley
100	Mike Frimpong	ASM	Prestea Huni Valley
101	Nana Baako	ASM	Prestea Huni Valley
102	Francis Adokoh	ASM	Prestea Huni Valley
103	Eric Quarshie	ASM	Prestea Huni Valley
104	Alfred Ohene	ASM	Prestea Huni Valley
105	Nana Nteboah	ASM	Prestea Huni Valley
106	Kwasi Oscar	ASM	Prestea Huni Valley
107	Nana Abakah	ASM	Prestea Huni Valley
108	MENSAH WOODE	ASM	Tarkwa Nsuaem Municipal
109	PETER KOOMSON	ASM	Tarkwa Nsuaem Municipal
110	MICHAEL CUDJOE	ASM	Tarkwa Nsuaem Municipal
111	APPIAH MENSAH	ASM	Tarkwa Nsuaem Municipal
112	Isaac Bosompem	ASM	Amansie South
113	Alex Bomso	ASM	Prestea Huni Valley
114	Thomas Kyei	ASM	Amansie South

115	Andrew Ntiamoah	Community Miner	Birim North
116	Paul Eric Seffah	Community Miner	Birim North
117	Osei Philip	Community Miner	Birim North
118	Kwasi Darkwa	Community Miner	Birim North
119	Kwame Adom	Community Miner	Amansie South
120	Ansanti Antwi	Community Miner	Prestea Huni Valley
121	Jackson Minta	Community Miner	Prestea Huni Valley
122	Razark Mohammed	Community Miner	Prestea Huni Valley
123	Augustine Doodu	ASM	Wassa Amenfi East
124	Amed Yusif Yonah	ASM	Denkyembour
125	kwodjo Nyarko	ASM	Denkyembour
126	David Amah	ASM	Wassa Amenfi East
127	Prince	ASM	Wassa Amenfi East
128	Favour Mesah	ASM	Wassa Amenfi East
129	Bashiru	ASM	Wassa Amenfi East
130	Samuel Dickson	ASM	Wassa Amenfi East
131	Appiah Boadi Michael	ASM	Asante Akyem Central
132	Ernest Agyei	ASM	Asante Akyem Central
133	Emmanuel Sekyim	ASM	Wassa Amenfi East
134	Mabel Twumwaa	ASM	Denkyembour
135	kwadjo Nyarko	ASM	Denkyembour
136	Justice Anneh	ASM	Denkyembour
137	Yaw Mensah	ASM	Denkyembour
138	Isaac Idrisu	ASM	Wassa Amenfi West
139	Yakubu Nzoghi	ASM	Prestea Huni Valley
140	Amed Mohammed	ASM	Tarkwa Nsuaem Municipal
141	Prince Ofori	ASM	Wassa Amenfi West
142	Yaw Buadu	ASM	Wassa Amenfi West
143	Evans Kwakye	ASM	Wassa Amenfi West
144	Nana Yaw	ASM	Wassa Amenfi West
145	Yakubu Nzoghi	ASM	Wassa Amenfi West
146	Mabel Afia Pokuaah	ASM	Amansie South
147	Daniel Frimpong	ASM	Amansie South
148	Albert Nyarko	ASM	Amansie South
149	Francis Obeng	ASM	Amensie East
150	Yaw Oppong	ASM	Amensie East
151	Agyeman Evans	ASM	Amensie East
152	Michael Acheampong	ASM	Amensie East
153	Kwabena Agyapong	ASM	Amensie East

154	Cobbina Mensah	ASM	Amensie East
155	Adams Bonsu	ASM	Tarkwa Nsuaem Municipal
156	Benike Azuku	ASM	Tarkwa Nsuaem Municipal
157	Kwame Edu	ASM	Tarkwa Nsuaem Municipal
158	Alex Benson	ASM	Prestea Huni Valley
159	Joseph Bonsu	ASM	Prestea Huni Valley
160	Benard Komsoon	ASM	Prestea Huni Valley
161	John Quashiga	ASM	Prestea Huni Valley
162	Alfred Sam	ASM	Wassa Amenfi East
163	Yaw Oduro	ASM	Wassa Amenfi East
164	Prince Mensah	ASM	Wassa Amenfi East
165	Tsineke Ojugu	ASM	Wassa Amenfi East
166	John Frimpong	ASM	Wassa Amenfi East
167	Getrude Emisah	ASM	Elembelle
168	William Mensah	ASM	Abubakwa South Municipal
169	Alhaji Mahadi Abdulai	ASM	Atiwa East
170	Apau Kwaku	ASM	Atiwa East
171	Monica Mireku	ASM	Kwahu West Municipal
172	Nana Osei Ajdei	ASM	Kwahu West Municipal
173	MASTER BUAH FRANK	ASM	Tarkwa Nsuaem Municipal
174	SAMPSON KWOFIE	ASM	Tarkwa Nsuaem Municipal
175	Frank Korankye	ASM	Birim North
176	Moses Oduro	ASM	Birim North
177	Abongo Morris	ASM	Amansie South
178	Arafat Sulemana	ASM	Obuasi Municipal
179	Frank Korankye	ASM	Birim North
180	Amos Assuah	ASM	Elembelle
181	David Osei Bonsu	ASM	Amansie South
182	Kwasi Sakyi Senior	ASM	Denkyem bour
183	Michael Amoako	ASM	Denkyem bour
184	Kadri Abdulai	ASM	Asante Akyem Central
185	Prince Atta Sakyi	ASM	Asante Akyem Central
186	Issah Alhassan	ASM	Asante Akyem Central
187	John Cudjoe	ASM	Amansie South
188	John Henry Damah	ASM	Amansie South
189	Ibrahim Boateng	ASM	Amansie South
190	Kwaku Abone	ASM	Amansie South
191	Peter Awere	ASM	Amansie South
192	Charles Obeng	ASM	Amensie East

193	Robert Bannor	ASM	Amensie East
194	Emmanuel Abgeko	ASM	Amensie East
195	Yaw Okyere	ASM	Amensie East
196	Selorm Afenu	MinCom	Abubakwa South Municipal
197	Louis Dabuo	MinCom	Elembelle
198	EMMANUEL OPPONG ARTHUR	MinCom	Tarkwa Nsuaem Municipal
199	PETER N. SAGPIO	GRA	Tarkwa Nsuaem Municipal
200	ING. MOSES KPEBU	GRA	Tarkwa Nsuaem Municipal
201	Lawrence Hayford	MinCom	Tarkwa Nsuaem Municipal
202	Emmanuel Inkum	MinCom	Tarkwa Nsuaem Municipal
203	Justice S Inkoom	Journalist	Tarkwa Nsuaem Municipal
204	Max Tandoh	Journalist	Tarkwa Nsuaem Municipal
205	Daniel Boateng	GRA	Tarkwa Nsuaem Municipal
206	Francis Manu	MinCom	Asante Akyem Central
207	Anthony Worlali	MinCom	Asante Akyem Central
208	Ernest Tsikata	GRA	Asante Akyem Central
209	Victor Atsu Amekor	MinCom	Obuasi Municipal
210	Charles Agyei Yeboah	GRA	Amensie East