



Republic of Ghana

**MICRO, SMALL AND MEDIUM
ENTERPRISES CLASSIFICATION
REGULATIONS, 2021**

MICRO, SMALL AND MEDIUM ENTERPRISES CLASSIFICATION REGULATIONS, 2021

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**MICRO, SMALL AND MEDIUM ENTERPRISES CLASSIFICATION
REGULATIONS, 2021**

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Criteria for Classification of Micro, Small and Medium Enterprises
in the Republic of Ghana

MICRO, SMALL AND MEDIUM ENTERPRISES CLASSIFICATION REGULATIONS, 2021

In exercise of the power conferred on the Minister responsible for Trade and Industry by Paragraphs (c), (h) and (m) of Section 3 of the Ghana Enterprises Agency Act, 2020 (Act 1043), these Regulations are made this day of, 2021.

Preliminary Provisions

Purpose of Regulations

1. The purpose of these Regulations is to
 - a) Determine the criteria for the classification of Micro, Small and Medium enterprises in the Republic of Ghana;
 - b) Provide a national definition for research activities and data collection relating to Micro, Small and Medium enterprises; and
 - c) Facilitate compilation of a national register of Micro, Small and Medium enterprises.

Application of Regulations

2. These Regulations apply to all enterprises operating in the Republic of Ghana that fall within the thresholds defined in these Regulations for Micro, Small and Medium enterprises.

Duration of Regulations

3. The classification prescribed in these Regulations may be amended by the Minister for Trade and Industry on behalf of the Ghana Enterprises Agency (GEA), in line with paragraph (c) of Section 3, of the GEA Act, 2020, Act 1043.

General Provisions

Criteria for Classification of Micro, Small and Medium Enterprises in Ghana

4. (1) A Micro enterprise shall be an enterprise that has
 - a) permanent employees of one up to five (1-5) persons,
and
 - b) turnover of an amount less or equal to one hundred and fifty thousand Ghana Cedis (GH¢ 150, 000),
or
assets of an amount less or equal to one hundred and fifty thousand Ghana Cedis (GH¢ 150, 000).

- (2) A Small enterprise shall be an enterprise that has
- a) permanent employees of six up to thirty (6-30) persons, and
 - b) turnover of a fixed amount of one hundred and fifty thousand and six Ghana Cedis up to six million Ghana Cedis (GH¢ 150, 006 - GH¢ 6,000,000), or assets of a fixed amount of one hundred and fifty thousand and six Ghana Cedis up to six million Ghana Cedis (GH¢ 150, 006 - GH¢ 6,000,000).
- (3) A Medium enterprise shall be an enterprise that has
- a) permanent employees of thirty-one up to one hundred (31-100) persons, and
 - b) turnover of a fixed amount of six million and six Ghana Cedis up to eighteen million Ghana Cedis (GH¢ 6,000,006 - GH¢ 18,000,000), or assets of a fixed amount of six million and six Ghana Cedis up to eighteen million Ghana Cedis (GH¢ 6,000,006 - GH¢ 18,000,000).

Miscellaneous Provisions

Interpretation

5. In these Regulations, unless the content otherwise requires, an

“Asset” means fixed asset or property which cannot easily be converted into cash, such as land, buildings and machinery;

“Enterprise” means

- a) an industry, a project, an undertaking or a business;
- or
- b) an expansion or a part of an industry, a project, an undertaking or a business;

“Medium enterprise” means an enterprise with a structure and threshold determined by the classification criteria made under these Regulations;

“Micro enterprise” means an enterprise with a structure and threshold determined by the classification criteria made under these Regulations;

“Minister” means the Minister responsible for Trade and Industry;

“Permanent employee” means a person working for an employer and directly paid by that employer, with no predetermined end date to employment;

“Small enterprise” means an enterprise with a structure and threshold determined by the classification criteria made under these Regulations; and

“Turnover” means the value of sales transacted in a given year.

**MICRO, SMALL AND MEDIUM ENTERPRISES CLASSIFICATION
REGULATIONS, 2021**

FIRST SCHEDULE

**(Criteria for Classification of Micro, Small and Medium Enterprises in the Republic
of Ghana)**

In accordance to the powers granted under the Ghana Enterprises Agency Act 2020, Act 1043, and as categorized in the National MSME and Entrepreneurship Policy; the following classification criteria defines what constitute a Micro, Small and Medium enterprises (MSMEs) in the Republic of Ghana:

Enterprise Category	Employment Size (Permanent Staff)	Turnover	Assets
Micro	1-5	≤ GH¢ 150, 000	≤ GH¢ 150, 000
Small	6-30	GH¢ 150, 006 – GH¢ 6,000,000	GH¢ 150, 006 – GH¢ 6,000,000
Medium	31-100	GH¢ 6,000,006 – GH¢ 18,000,000	GH¢ 6,000,006 – GH¢ 18,000,000

(An enterprise will be classified as a Micro, Small and Medium enterprises based on employment size and any other variable, (either, turnover or assets.)

These thresholds are in line with the National MSME and Entrepreneurship Policy approved by Cabinet in September, 2019 and officially launched by the President, Nana Addo-Dankwa Akuffo-Addo on 9th June, 2021.