



OFFICE
OF
THE ATTORNEY-GENERAL
AND MINISTRY OF JUSTICE

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Kindly quote this number and date on all correspondence

My Ref. No. D57/SF.134 _____

Your Ref. No. GTPCWC/P.4/VOL/275 _____

Date. 15th November, 2023 _____

MR. FUSEINI IDDRISU
THE GENERAL SECRETARY
GENERAL TRANSPORT,
PETROLEUM AND CHEMICAL
WORKERS' UNION OF TUC
GHANA.

G.T.P.C.W.U. OF TUC
RECEIVED
Date: 24-11-2023

RE: REQUEST FOR A RE-ASSESSMENT OF "TORRENTCO'S CREDIBILITY AS A LESSEE OF TOR'S ASSETS.

Reference is made to the above subject matter. We refer also to your letter referenced GTPCWU/G.16/VOL 4/307 and dated 5th July 2023 with the attached Due Diligence Report (DDR) on Torrentco, (code name "Black Gold Project").

By the above-mentioned letter, your office acknowledged receipt of our letter dated 29th June 2023 which requested for a copy of the DDR to enable this Office respond to your initial request for an opinion on the credibility of Torrentco as a lessee of TOR's assets.

We have studied the DDR, and advise as follows:

Observations

We note the following from the DDR:

1. The DDR notes that the identity of the proposed Lessee (Torrentco Asset Management Ltd) has changed twice during the due diligence process. Initially it was Decimal Company Limited (DCL), then Baybridge Asset Management (BAML) and now Torrentco Asset Management Limited (TAML). The report is limited to TAML. However, the history has been taken into consideration for the sake of completeness.
2. The key issue identified in the DDR relates primarily to the Lessee's financial and technical capacity, inadequate corporate governance structure, resources and poor corporate housekeeping.

The major concern with respect to the Lessee's capacity is that, it is a newly incorporated company with a stated capital of GHS 500,000.00, without any documentation to show that it has the capacity to undertake the proposed

transaction or that it has any agreement with a financial or technical partner or evidence showing its fundraising plans or capabilities.

There is therefore a significant risk that TAML may not be capable of fulfilling its obligations under the proposed transaction.

3. The report also raised concerns on the Lessee's technical capacities and the lack of documentation indicating any affiliation, relationship or other support arrangement between TAML and Vitol to provide funding and technical support to the Lessee. In the previous transaction in which the company was BAML/DCL, it was stated that the company had the provision of technical support from Vitol, which is a renowned Swiss- based Dutch multinational energy and commodity trading company. This was an added advantage to BAML/DCL during the selection process but TAML is a different legal entity from BAML/DCL and has not shown any evidence of technical support from Vitol or any other recognized company in that industry.
4. Another concern is in relation to corporate governance structure and resources. The presence of two directors who hold numerous directorships in other entities, may limit the capacity of the directors to adequately focus on the corporate governance structure of TAML. In addition, a review of TAML Company Profile reveals that a George Antwi, one of the directors of TAML also serves as the company secretary. Regard must be had to the provisions in Section 213 of the Companies Act,2019(Act 992).

Section 213 states as follows: **“where a person acts as both director and Company Secretary, a provision requiring or authorizing an act to be done by or to a director and a Company Secretary shall not be considered as done if the act is done by or to that person acting in both capacities.**

Furthermore, TAML have failed to provide records of minutes, statutory registers and annual returns. These shortcomings taken together indicate a failure to remain up to date and comply with corporate legal requirements. These lapses are an indication of DCL's approach to compliance and this may adversely affect the Proposed Transaction.

This Office carried out checks at the Registrar General's Department (RGD) on the date of incorporation of TAML and the results indicate that TAML was incorporated in 1st January, 2023. The date of incorporation may be indicative of an irregularity since 1st January, 2023 was a public holiday and RGD does not fall within the class of entities which provide “essential public services” as stated under section 4(3) of the Holidays Act 2001 (Act 601).

The DDR also indicates that TAML is legally required to possess certain authorizations to carry out its business, in relation to the proposed transaction.

The needed authorizations and permits include the following:

1. National Petroleum Authority (NPA) License,
2. National Petroleum Authority (NPA) written authorization for construction of petroleum storage depots etc.
3. Environmental Protection Agency (EPA) Permit
4. Data Protection Commission Registration
5. Ghana National Fire Service- Fire Certificate
6. Ghana Revenue Authority Registration
7. Metropolitan District Assembly Business Operating Permit
8. SSNIT Registration

TOR is a prominent national asset and therefore it is important that the capacity and status of companies with which it carries out proposed investments are fully established.

Our enquiries from some governmental agencies including the Environmental Protection Agency, National Petroleum Authority, Data Protection Commission, Ghana National Fire Service, Metropolitan District Assembly, SSNIT and Ghana Revenue Authority revealed that TAML has not obtained the required authorizations needed to carry out this project. This aligns with the DDR submitted to this Office.

The DDR is therefore consistent with this Office's findings at the Office of the Registrar of Companies and the above-mentioned state agencies.

Opinion

Based on the DDR submitted to our Office, our enquiries and the above observations our Office is not in the position to vouch for the credibility of TAML as a lessee in the Proposed Lease Transaction with TOR for the following reasons:

1. From the DDR, TAML has no financial and technical capacity to undertake the proposed transaction.
2. TAML has no established affiliation with Vitol or with any other company, which has the needed funds and technical capacity to undertake the Proposed Lease Transaction and without whose support TAML lacks the financial and technical capacity to undertake its obligation under the Proposed Lease Transaction.

3. TAML lacks the requisite licenses and documentations to undertake the proposed lease transaction, proceeding with the project will therefore be contrary to the law.

You may revert to us should you require any further clarification on the matter.



**GODFRED YEBOAH DAME
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MINISTER FOR JUSTICE**

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