



Business Start Up Guide

Seven Steps to Setting Up in Vanuatu

1 Obtain a Foreign Investment Approval Certificate (FIAC)



It is legal obligation for any interested foreign investors to register with the Vanuatu Foreign Investment Promotion Agency.

This process also requires that any interested foreign investor must have done prior research on Vanuatu and in the sector they wish to invest in. Additional information and advice will be provided by VFIPA and other relevant authorities if need be.

Applying to VFIPA will require you to provide the following information and supporting documents:

- Fully completed application form and statutory declaration.
- Photo-copy of business name reservation.
- Business Plan (VFIPA template).
- Photo-copy of bank statements for each investor.
- Photo-copy(s) of passport ID pages for each

investor.

- Photo-copy of original Police Clearance Certificate(s) for each investor intending to reside in Vanuatu.
- Photo-copy of purchase and sale agreement for investments involving acquisition or taking over of another business.
- Photo-copy of land documents for investments requiring access to land.
- Photo-copy of preliminary environment impact assessment (EIA) report for investment projects that have impact to environment.
- Photo-copy of partnership documents for investment projects comprising partnership with the Government.

New Application Fee: VT120,000

Processing Time: 2 days application review, 13 day processing. Overall 15 days processing. This timeframe can be shortened when all documents are provided with the initial submission.



Office Location: Tamarama Building, Lini Hghwy.
Telephone: (678) 24441/24096.

First Vetting Officer: Lashie Tom
Email: ltom@vipa.org.vu
Processing Officer: Gelpen Silas
Email: gsilas@vipa.org.vu
Website: www.investvanuatu.org

2 Register your company with the Vanuatu Financial Services Commission (VFSC)



All companies setting up in Vanuatu must register their company with the Vanuatu Financial Services Commission (VFSC). This process ensures that your company is recognized as a legal entity in Vanuatu. The process can be done online however the office also accepts applications manually.

When applying for company registration you are required to submit the following supporting documents:

- Notarized Police Clearance from area of jurisdiction for all foreign passport holders being Directors and Shareholders.
- ID of Directors, Owners & Committee Members.
- Source of funds.
- Declaration of interests in any other entity.

It is important that you understand what forms of

business entity that you will be registering as. The three common types of entities registered in Vanuatu are:

- The Sole Trader.
- The Partnership
- The Company

The sole trader is personally liable for debts she or he incurs. There is no legal separation between the person and the business. A partnership is where two or more people contribute their own resources- cash, or property, or even their time. They then have an agreement about how they share the profits between them. A company is a separate legal entity from the owners, who are called shareholders.

Registration Fee:

Company: Online-VT30,000 Manual-VT35,000
 Business: Online-VT10,000 Manual-VT12,000
 Processing Time: 3-5 days.



Office Location: Companies Hse, Rue de Bougainville.

Telephone: (678) 22247

Registration Officers: Willie Vuti Andre

Email: wwandre@vfsc.vu

Rachel Leo

Email: rleo@vfsc.vu

Website: www.vfsc.vu

3 Apply for a Business Licence with the Department of Customs and Inland Revenue (DCIR)



A business licence is essential for opening up your business operations in Vanuatu. The Department of Customs and Inland Revenue is the licensing authority responsible for issuing business licences.

As a foreign investor applying for a business licence you are required to submit along with your application the following documents:

- Vanuatu Investment Promotion Authority (VIPA) FIAC Certificate.
- Certificate of Business Name or Certificate of Incorporation from Vanuatu Financial Service Commission (VFSC).

It is also important to remember that should you wish to add an additional activity later on in the course of implementing your investment, you will need to apply to VFIPA for a Variation in your initial business activity and will also need to apply for a variation for your Business Licence.

The DCIR explains business licence fees as follows:

Business License fees are charged according to the type of business activity carried out and the category it may fall under. The fees vary depending on the turnover of each business activities under each category. For every new business, the fee would fall under the first class of <VT10m turnover. Under the Business License Act, business licenses are valid for one year and are subject to renewal on or before 31 January of the New licensing Year. For any business commencing later during the year, the business license fee will be charged on a pro-rata basis.

Requesting a refund of the Business License Fee can apply for the following reasons;

Business closure

Change of ownership

Or for any other reasons

Refund fee: VT 5,000.

Processing Time: 2 weeks



Office Location: Rue Camot.
Telephone: (678) 33010.

Email: customsrevenue@vanuatu.gov.vu

Email: irtps@vanuatu.gov.vu

Website: <https://customsinlandrevenu.gov.vu>

4 Apply for a Residency VISA with the Department of Immigration and Passport Services



As a foreign investor who will be managing their company/business in Vanuatu, you are expected to apply for a Residency VISA with the Department of Immigration and Passport Services.

The following documents are a key supporting documents to be submitted with your application:

- If you are outside Vanuatu: certified copy of bio-data page and all used passport pages of you and each person included in the application Note: Passport must be the one you will use on entry to Vanuatu.
- 2 recent passport sized photographs of you and each visa applicant included in your application with names of the person on the back of their photograph.
- Deposit of a Security – equivalent to the cost of an air ticket from Vanuatu to your country of nationality or another country that you are permitted to reside in, including airport taxes. A Security is required for each person included in the application.
- If a person included in your application is aged under 18 years: certified copy of birth certificate.
- If you or a person included in your application is married: certified copy of marriage certificate.
- the original or certified copy of your approval certificate as a foreign investor issued by VIPA;
- the original or certified copy of your business licence issued by the relevant official body if VIPA certificate indicates a business licence is required.
- Medical check form for each applicant over 18 years of age completed and signed by the applicant and the registered medical practitioner who undertook the health examination.
- Police clearance certificate(s) for each applicant over 18 years of age. A police clearance certificate must be provided for each country the applicant has lived in for 12 months or more in the past 5 years.

Fee: VT57,600

Processing Time: 2 weeks.



Office Location: Tamarama Bldg, Lini Highway.
Telephone: (+678)22354

Email: visqueries@vanuatu.gov.vu

Website: <https://immigration.gov.vu>

5 Applying for a Work Permit with the Department of Labour



The Vanuatu Government allows for foreign employees by any company however this is limited to technical positions otherwise not available in Vanuatu and any application for a work permit for any foreign employee must be submitted with proof of local advertisements that could not source the skills domestically.

The Department of Labour requests for the following documents to be submitted with the application:

- Cover Letter explanation for post.
- Advertisement for the Position.
- 2 passport sized photographs.
- Copies of Qualifications and references.
- Copies of written contract.
- Letter of Job Description.
- Identification of Local Counterpart.
- Counterpart's training plan.
- Qualifications & references of the local counterpart.
- Local counterpart's national ID photo.

- Copies of all applicants applying for the position.
- Interview report provided.
- Copy of residence permit approved.
- Copy of passport provided.
- Copy of police clearance.

A permanent work permit is valid for one year and subject to renewal. It can be renewed each year for up to 4 years only.

Fee:

Application fee: VT20,000

Work Permit Tax: VT330,000

Processing Time: 2 weeks.



Office Location: Tamarama Building, Lini Highway
Telephone: (678) 33130.

Website: <https://dol.gov.vu>



Register with the Vanuatu National Provident Fund (VNPF)

Vanuatu National Provident Fund Caisse Nationale De Prevoyance De Vanuatu

It is a legal obligation to register your company with the Vanuatu National Provident Fund as an employer.

VNPF spells out the following obligations an employer is expected to undertake:

An Employer employing any person(s) earning 3,000 Vatu per month or more is required to apply for registration with the Fund within seven (7) days of starting a business. To register, the Employer must use Form E that can be obtained from VNPF.

When the Employer registers with the Fund, a registration number is given to the Employer and the Employer is issued a Certificate of Registration. The registration number must be used by the Employer on all correspondence with the Fund and in documents related to the payment of contributions.

Every Employer must ensure that all Employees apply to register with the Fund within fourteen

(14) days of employment by filling out an Employee Registration Form for Membership.

Contributions

Effective from 2004, the rate of contribution to be paid to the Fund is 4% by the employee and 4% by the employer, making a total of 8%.

Both contributions must be sent to the VNPF before the last day of the following month, although the 4% contribution must be deducted from the employee's salary each time the employee is paid.

Fee: Employer and employee registration is free.
Processing Time: 3 to 5 working days.



Office Location: Cnr Pierre Lamy & Andre Bal-
lande Street

Telephone: (+678) 23808

Email: Enquiry@vnpf.com.vu

Website: www.vnpf.com.vu

7 Registering for VAT with the Department of Customs and Inland Revenue



The Department of Customs and Inland Revenue summarizes VAT registration as follows:

VAT is an indirect consumption tax imposed at the rate of 12.5% on most goods and services supplied in Vanuatu by registered persons in the course of a taxable activity. It is also imposed on most goods imported into Vanuatu. Some supplies are specifically exempted from VAT, while others are zero-rated (i.e. treated as taxable supplies but at a rate of 0%).

A VAT registered person (whether they be an importer, manufacturer, wholesaler or retailer) is required to account for VAT on the value of each taxable supply they make, however they are entitled to recover this amount from the consumer as part of the cost of the goods or services supplied. In addition, the registered person is entitled to deduct any tax paid on supplies made to them by another registered person.

VAT is charged only on supplies made by



registered persons. A person must be registered for VAT if they carry on a taxable activity and their total taxable supplies in any 12-month period exceeds, or is expected to exceed, VT4 million.

There are two ways in which registered persons can account for VAT - on the invoice (accruals) basis or the payments (cash) basis. Accounting on the invoice basis means that both output tax (tax on sales, or outputs) and input tax (tax on supplies received, or inputs) must be accounted for in the taxable period in which the supply is made (i.e. accordingly to the "time of supply" rules"). Under the payments basis, VAT is accounted for in the taxable period in which the person receives payment in respect of taxable supplies made, and makes payment in respect of taxable supplies received.

Registering for VAT is free and it usually takes up to 5 days processing your registration.

Office Location: Rue Camot.
Telephone: (678) 33010.

Email: customsrevenue@vanuatu.gov.vu

Email: irtps@vanuatu.gov.vu

Website: <https://customsinlandrevenu.gov.vu>

For further advice on any of the information provided
in this Business Guide please contact us on:

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Lini Highway
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