

Step 3 Business license

Who to contact?

The Rates and Taxes Office under the Department of Customs and Inland Revenue is responsible for issuing business licenses in the municipalities of Port Vila and Luganville.

Provincial Councils are responsible for issuing business licenses to businesses operating in areas outside of these two municipalities. There are six provinces, each of which includes several islands:

Shefa province – Shepherds group, Efate

Sanma province – Santo, Malo

Malampa province – Malakula, Ambrym, Paama

Penama province – Pentecost, Ambae, Maewo

Tafea province – Tanna, Aniwa, Futuna, Erromango, Aneityum

Torba province – Torres islands, Banks islands

Within each province, foreign owned businesses must obtain their business licenses directly from the Provincial Council head office.

Contact details for the Rates and Taxes Office in Port Vila and Luganville, including the six Provincial Councils head offices are as follows:

Port Vila

Mailing address: Private Mail Bag 9012
Port Vila, Vanuatu

Physical location: Adjacent to the downtown police station
Central business district, Port Vila

Telephone: +678 24 969

E-mail: Mr. Melton Aru, Manager Rates and Taxes Office:
meltonaru@vanuatu.gov.vu

Website: <http://customsinlandrevenue.gov.vu>
Note, the business license section is found by selecting ‘Rates and Taxes’ within the ‘Revenue and Tax Management’ option in the main menu.

Luganville

Mailing address: Private Mail Bag 9668
Luganville, Santo, Vanuatu

Telephone: +678 36 383

Email: Nicholas Godden (Manager)
ngodden@vanuatu.gov.vu

Shefa Provincial Council

Mailing address: Private Mail Bag 9078
Port Vila, Vanuatu
Telephone: +678 22 752
E-mail: shefaprovincegovt@vanuatu.com.vu

Sanma Provincial Council

Mailing address: P O Box 239
Luganville, Santo, Vanuatu
Telephone: +678 36712 / 36308
E-mail: sanma@vanuatu.com.vu

Malampa Provincial Council

Mailing address: P O Box 22
Lakatoro, Malekula, Vanuatu
Telephone: +678 48491 / 48442
E-mail: malpc@vanuatu.com.vu

Penama Provincial Council

Mailing address: Private Mail Bag NA
Saratamata, Ambae, Vanuatu
Telephone: +678 38348 / 38415
E-mail: NA

Tafea Provincial Council

Mailing address: P O Box 28
Isangel, Tanna, Vanuatu
Telephone: +678 88664
E-mail: NA

Torba Provincial Council

Mailing address: Private Mail Bag NA
Sola, Vanualava, Vanuatu
Telephone: +678 38550
E-mail: NA

What is the purpose of the requirement and its legal basis?

The *Business License Act* (Cap 249) regulates the issuing of businesses licenses throughout the country. Section 2 stipulates that no person shall carry on a business without a license.

An exemption from paying business license fees is available to the following professions with turnover below VT 10 million per annum, i.e. artists and sculptors, farmers, dairymen, market gardeners, stock breeders, vegetable and fruit hawkers, and fishermen. Income generated by export activities is also exempted in the calculation of the business license fee.

NB - Businesses that import goods for the purpose of re-export (without any alteration to the good's content apart from packaging) are subject to business license like the rest of the categories. Such businesses are categorized under category D1 – refer to business license (amendment) No. 34 of 2010.

A separate business license is required for each physical premises operated by a business. Once obtained, the license must be displayed in a prominent place on the premises to which it relates. Licenses are issued for a maximum period of 12 months and must be renewed annually at the start of each calendar year.

Annual business license fees comprise two elements:

Business activity fee – This fee is associated with each of the business' physical premises and is calculated according to the number of business categories identified on the foreign investment approval certificate and its annual turnover (estimated in the first year and then based thereafter on the previous year's turnover declared on the business' VAT return).

Note, foreign investors must obtain a business license once they have obtained a foreign investment approval certificate regardless of whether they are operational or not. Businesses still in the process of establishing their operations are charged the minimum license fee applicable to the business categories they are operating within.

How does the application process for obtaining a business license work?

Obtaining a business license involves the following steps:

Complete the prescribed application form available from the Rates and Taxes Office or Provincial Council and compile the following supporting documents: foreign investment approval certificate (copy), residence permits for foreign owners (copies) and certificate of incorporation or business name registration certificate (copy).

Submit the completed application and supporting documents to the appropriate licensing authority.

Receive the business license by visiting the licensing authority.

Note, applications to renew a business license must be submitted to the appropriate licensing authority in January of each year.

For more detailed information about the business license requirements including a copy of the application form please consult the Rates and Taxes section of the Department of Customs and Inland Revenue website.

How are decisions made?

Business licenses are issued if the application is complete and the supporting documents are in order.

How long does it take?

Obtaining a business license for the first time takes 1 to 2 working days.

Renewal of a business license takes between 5 and 10 working days because all renewals are processed at the same time and annual turnover data must be verified against VAT Office records.

How much will it cost?

The business activity component of the license fee depends on a business' number of locations, business categories it operates within and its annual turnover. The minimum license fee rates are VT 20,000 per business category for businesses earning less than VT 10 million per annum. The license fee schedule is available at the Rates and Taxes section of the Department of Customs and Inland Revenue website.