

Step 1 Foreign investment approval

Who to contact?

Responsibility for foreign investment approval rests with the Vanuatu Investment Promotion Authority (VIPA).

VIPA's office is located in the capital city of Port Vila. Contact details are as follows:

Mailing address: Private Mail Bag 9011
Port Vila, Vanuatu
Physical location: Tamarama Building
(Former French EM
Port Vila
Telephone: +678 24 096 or 24 441
E-mail: investment@vipa.org.vu
Website: www.InvestVanuatu.org

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

The *Vanuatu Foreign Investment Promotion Act* (Cap 248) regulates foreign investment into the country. Section 5 of the Act requires all foreign investors to obtain a foreign investment approval certificate as the first step in the investment process. A foreign investor includes any person who is not a Vanuatu citizen, as well as any corporate entity that is not a 100% owned or controlled by Vanuatu citizens.

The purpose of the requirement is to restrict access into selected sectors of the economy (defined in the Act as 'reserved activities'), and ensure prospective foreign investors are bone fide and possess sufficient financial means to establish and operate their planned investments.

Foreign investment approval certificates are issued for a period of one year and must be renewed annually. Each certificate is issued under the registered name of the foreign investor and specifies all business activities the enterprise may undertake within the country, along with the geographic location of these activities.

How does the application process work?

VIPA maintains three application processes:

New investment – required when a foreign investor first establishes a new business venture in the country;

Variation – required when a foreign investor wishes to change any aspect of their existing certificate;

Renewal – required to annually renew an existing certificate.

Each type of application process requires the foreign investor to follow the same basic steps:

Consult with other government agencies (i.e. departments with sector responsibilities and local government authorities) to identify any possible constraints on implementing the proposed business activities.

Complete a prescribed application form, complete the VIPA Business Plan template and then submit the application to VIPA, along with the required application fee. Please note VIPA reviews each application prior to acceptance in order to ensure it is complete. Incomplete applications will not be processed until all information requirements have been met.

If approved, receive the certificate which can either be picked up from the VIPA office or received via the mail. If rejected, the applicant may appeal the decision to the VIPA Board.

Note, submitting an application for a new investment requires reserving a business name at the Vanuatu Financial Services Commission (VFSC). This is the name under which the foreign investment approval certificate will be issued. You will be required later (step 3) to register this name with the VFSC as part of the company incorporation process.

How are decisions made?

Applications for new investments and variations to existing certificates are approved if they meet the following criteria:

Application is complete;

- Proposed business activity is not prohibited within the country, or contravene any reserved list requirements;
- If the sector is of National Interest/Priority.
- If the investment create foreign capital inflow.
- That the investor shows demonstrated need for FDI and proof of source of funds.
- The investor has provided a clear long term plan on employment creation for Ni Vanuatu.

In the case of renewals, applications are approved as long as they are complete.

A detailed application guide explaining all three application processes, along with associated application forms, are available via the VIPA website.

How long does it take?

VIPA is committed to providing a response within 15 working days of receiving a complete application.

How much will it cost?

The fee for lodging an application for a new investment is VT 120,000. The fee must be paid to VIPA at the time the application is lodged.

A fee of VT 30,000 is charged annually to renew an existing certificate. The same fee is charged to foreign investors who wish to vary any of the conditions of an existing certificate.