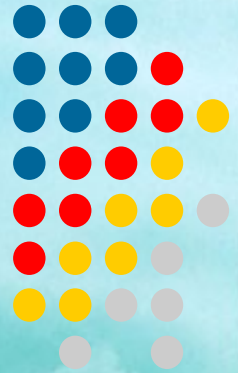




VANUATU
INVESTMENT PROMOTION
AUTHORITY 



*Thinking Investment?
Choose Vanuatu*

FOREIGN DIRECT INVESTMENT GUIDELINE

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Priority is on Foreign Direct Investment



Vanuatu Investment Promotion

Vanuatu Investment Promotion Authority (VIPA) is a Statutory Body under the Ministry of Industry, Trade, Tourism, Commerce and Ni-Vanuatu business (MITTCINVB). VIPA work in accordance with the Vanuatu Investment Act (CAP 248) of 1998. Its main mandate is to attract foreign investors or FDI for better sustainable economic development in the country.

To provide facilitation and implementation of new and existing investments in terms of promoting Vanuatu as an ideal location for foreign investment. VIPA's key functions are conducted within three division's focusing on customer satisfaction and improving the doing business environment of Vanuatu. VIPA stands as the key contact point of FDI inflow into Vanuatu with a vision to be the region's best investment promotion agency.

VIPA One Stop Shop is intended to serve as a gateway for new foreign companies looking to set up business in Vanuatu. Currently, VIPA brings together under one roof few government representatives of key line agencies that foreign investors need to deal with when setting up a business in Vanuatu.



Seven Steps in Setting Up Your Investment in Vanuatu

1. Vanuatu Investment Promotion Authority

Foreign Investors must complete a New Foreign Investment Certificate Application Form which must be in line with the VIPA Business Plan Template in order to meet full requirement to conduct business in Vanuatu. Business plan is very important as it will determine the nature of the business activity.

All application form must be forwarded and supported with relevant documents to the Vanuatu Investment Promotion Authority (VIPA) for processing.

Cost: 120,000 VT

Duration: 15 Days

Website: www.investvanuatu.org

2. Vanuatu Financial Service Commission (VFSC)

The agency is responsible for processing company incorporation and registering business names in Vanuatu.

Cost: VT 12,000

Duration: 2-3 Working Days

Website: <https://www.vfsc.vu/>

3. Department of Customs and Inland Revenue

Foreign Investors or companies that intends to carry out any business activity for the sole purpose of making profit must obtain a Business License (BL). Business License is administered under the Business License Act No.19 of 1998.

Cost: VT 10,000 -VT 20,000

Duration: 1-2 Working Days

Website: customsinlandrevenue.gov.vu/index.php/en/

4. Department of Immigration

The responsive department process application forms for residency permit and must be fill by Foreign Investors. It is important that Foreign Investors must compiles in accordance with the Immigration Act No. 17 of 2017.

Cost: VT 57,600
Duration : 5 Working Days
Website:<https://immigration.gov.vu/>

5. Department of Labour and Employment Service

Vanuatu Department of Labour process application forms for work permit and must be fill by foreign investors. It is important that Foreign Investors must compiles with the Work Permit Act (CAP 187) which stipulates the types of work permit issued by the Department of Labour. Any holder of a work permit for the employer mentioned in the work permit application form must be process accordingly.

Cost: VT 210,000 per year
Duration: 5 Working Days
Website: <https://dol.gov.vu/index.php>

6. Department of Customs and Inland Revenue

Taxable activity is any activity conducted regularly or continuously. It must be supply or intend to supply, goods or services to someone else for consideration in forms of money transaction or compensation but not necessarily for profit. Taxable activity includes activity conducted by a business, trade organization, manufacturer, professional, association or related club in forms of business.

All applications form must be forwarded and supported with relevant documents to the Vanuatu Department of Customs and Inland Revenue for processing.

Cost: VT 10,000 -VT 20,000
Duration: 1-2 Working Days
Website: customsinlandrevenue.gov.vu/index.php/en/

7. Vanuatu National Provident Fund (VNPF)

Employer is required to apply for registration with the Vanuatu National Provident Fund (VNPF) within seven (7) days of starting business. It is the requirement for employer to carry out necessary responsibilities including registering of employees.

All applications form must be forwarded and supported with relevant documents to the Vanuatu National Provident Fund (VNPF) for processing.

No Applicable Fee
Duration: 2-3 Working Days
Website:<https://www.vnpf.com.vu/>



Types of Application Forms

VIPA provides services to both new and existed foreign investors in Vanuatu. There are currently three types of application forms issued by VIPA. For new and existed foreign investors and they can be classified as;

1. New Foreign Investor Approval Certificate. Foreign Investors intend to invest in Vanuatu.

Fees: VT 120,000

2. Variation Application Form. To change business ownership, location and business name.

Fees: VT 30,000

3. Renewal Application Form. VIPA Certificate to be renewed annually.

Fees: VT 30,000

Vanuatu

With a population of about 270, 000 people, the 83 beautiful Islands of Vanuatu offer a diverse range of scenery, from towering volcanic cones and coastal plains, to raised coral atolls, wide beaches and deep natural harbours.



Champagne Beach, Espiritu Santo

The Islands of Vanuatu sit within the Pacific 'Ring of Fire', characterised by its currently 3 active volcanoes. Voted twice as the Happiest Place on Earth, the Vanuatu people earn this right of recognition through their warm and open character.

Vanuatu really needs foreign direct investment, not just for upgrading existing investment but to be considered the best way of modernizing the resources and finding effective collaborative approaches for investment opportunities.

Investing in Vanuatu is a massive opportunity. With its undiscoverable sites destined for an investment opportunity, we invite you first hand to come and what the country has to offer. It is amazing to see many existing foreign investors who consider the best Vanuatu's high quality sites as an incredible investment opportunity.

Potential Sites for Investment

Acquiring land for investment in Vanuatu is often priced very reasonably. VIPA encourages investors to seek advice from Real Estate agencies before acquiring land and to undertake all necessary steps possible through the Department of Lands. The VIPA Investment Promotion Team will walk investors through this process to ensure a smooth transition for the investor is achieved.



Priority Sectors

Vanuatu's economy is founded largely on agriculture and services. The services sector relates primarily to tourism which continuously dominates the list of sectors in terms of contributing to the economic growth of Vanuatu. The Government of Vanuatu encourages other sectors to contribute to the wealth of the economic. Other sectors for investment opportunity includes Agriculture, Fisheries, Forestry, Internet and Communication Technology (ICT) and Manufacturing. There are untapped and potential investment yet to be discover within this sectors. Therefore, VIPA strongly encourages new foreign investors take this initiative into consideration for any future investment opportunity.

Today, agriculture is the world's biggest employer and largest economic sector for many countries. This includes advancing from translating the Sustainable Development Goals (SDGs) to national plans to implementation, determining how best to commit national efforts to produce transformational change based on own priorities, needs and capacity development.

Vanuatu's agriculture sector key crops include kava, coconut oil, coffee, copra,

beef, cocoa, coconut meal, noni juice, tamaru oil and citrus fruits. Most of the kava is exported to New Caledonia, United States of America, Kiribati and Fiji .Meanwhile, beef is exported to Japan. However, all products are contributing considerably to Vanuatu's GDP. Around 80% of the population reside in Vanuatu's rural areas highly depend on agriculture for their livelihood and productivity. VIPA encourages Joint Venture, meaning new foreign investor in partnership with either another foreign investors or local SMEs.



Farmers in Vanuatu (Ministry of Agriculture)

Food security has brought greater attention and action for all growing sectors of Vanuatu's. There are local food manufacturing companies in Vanuatu and they are processing local nutritious ingredients. There is need for expansion within this sector in order to make local foods more competitive



with imported goods. Today, most farmers sell crops at the Port Vila Market.



Tanna Coffee

Doing Business in Vanuatu

According to Asia Development Bank, Vanuatu GDP is expected to grow by 3.2% in 2018. This clearly indicates a major improvement towards the economic growth despite the past events. Infrastructure plays an important role towards the economy of the country. There is a huge transformation especially in the capital city but also extending to other Islands of Vanuatu, namely, Santo Island, Malekula Island and Tanna Island.

Major infrastructure development includes;

- ◆ Lapetasi International Multi-Purpose Wharf Development Project
- ◆ Vanuatu Tourism Infrastructure Project
- ◆ Vanuatu Inter-Island Shipping Support Project
- ◆ Pacific Aviation Investment Project
- ◆ Cyclone Pam Road Reconstruction Project
- ◆ Port Vila Urban Development Project

These projects will contribute a lot towards the economy of Vanuatu and will support investment in terms of improving logistic services both air and shipping transportation. Easy road access and development has transformed the image of the country and that is one of the advantages for foreign investors to come and invest in Vanuatu.

Infrastructure is vital for economic and social development as it provides the foundation for developing urban and rural areas. Operating business companies will deliver services to the community and this is a priority for the Government of Vanuatu. The country

has progressed in improving its infrastructure and planning for other investment opportunity in individual subsectors. With this investment opportunity, grass roots level can benefit from such rewarding developments.



Newly Built Lapetasi Wharf 2018

Why Invest in Vanuatu?

Vanuatu is a beautiful remote and tax free tropical paradise. It is known not only for its great location and climate in the South Pacific region, but also a great destination for new foreign investors to own and operate business in the country.

Vanuatu has zero percentage in this following categorized:

- ◆ Corporate Tax
- ◆ Income Tax
- ◆ Capital Gains Tax
- ◆ Withholding Tax
- ◆ Gift Tax
- ◆ Personal Income Tax

Aside from the locally applied 15% VAT, many of the major tax initiatives are not applied in Vanuatu.

With such taxation regime in place for international companies and businesses Vanuatu should be considered the next investment opportunity that any investor should look for.

Improving Service Sectors

Vanuatu's population is young and youth unemployment is a growing problem. The Government of Vanuatu is considering professional training, agricultural support services and to increase access to education, health, justice, sports. Infrastructure development can help most by supporting good climate resilient transport and communications (supporting market development), water supply and sanitation (supporting health), least-cost electrification (improving productivity), and other facilities supporting productive youth activities. This is very important in the government agenda in supporting all sectors for better access to services.

Investment Network

Vanuatu is a member to the regional and international organizations. The main purpose of Vanuatu establishing such Trade and Investment Network is for better sustainable development towards the economic growth. To enhance the capacity development for trade and investment is also considered important for better facilitation between member countries. Promoting investment within individual sectors and identifying regional and international markets is one main key aspect.

Vanuatu is a member of the Pacific Island Forum Secretariat (PIFS), Melanesia Spearhead Group (MSG) Secretariat, Pacific Island Private Sector (PIPSO), and the Pacific Community (SPC). Pacific Islands Center in collaboration with Pacific Trade & Invest for better sus-

tainable economic development and aim in promoting and facilitating trade, investment, business companies exporting abroad and tourism into Forum Island Countries. Within this regional and international organizations, Vanuatu has established trade and investment network. Providing sustainable development and increasing economic growth is the genuine priority. This depends entirely on the cooperation and collective support between member countries.

With this Trade and Investment network, it contributes and promotes direct cooperation between Vanuatu and other member countries, exchange of information relating to Trade and Investment and better advancement and collective efforts to achieve sustainable equitable, social and economic development in consistent with the goals of the Pacific Island Countries.

Environment Friendly Invest

The environment is a national priority and every person has a duty to protect the Republic of Vanuatu. To safeguard the national wealth, resources, food security and environment in the interests of the present generation and of future generations. Environment is an essential pillar of economic and social development plan. Vanuatu is a small developing state and climate change remains in fact the most significant threat to sustainable development. VIPA encourages New Foreign Investors to consider friendly investment in Vanuatu without harming the environment. Seeking support from relevant sectors and accept responsibility by adopting policies objectives and measures with a view to safeguard the environment. This is clearly highlighted and supported by the Government of Vanuatu "People's Plan 2016-2030" and Vanuatu National Environment Policy and Implementation Plan 2016-2030".

For more Information



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Vanuatu Investment Promotion Authority

Your Investment Is Everyone's Business