

# OPTIONS FOR REGISTERING A FARMER ORGANISATION IN FIJI

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This leaflet is supported by the Farmer Organisations for Africa, Caribbean and Pacific (FO4ACP) program, which aims to improve incomes and livelihoods of family farmers in the Africa, Caribbean and Pacific countries and enhance their food and nutrition security and safety. The program is a partnership between the European Union, the African, Caribbean and Pacific Group of States, the International Fund for Agricultural Development and the Pacific Island Farmers Organisation Network.



This leaflet summarises the options for registering different types of farmer groups. It aims to help farmers decide which option is the most appropriate for their organisation. Please note, it is a general guide only, and specific legal and tax advice should be taken before registering your organisation (see back of leaflet).

## WHY REGISTER A FARMER GROUP?

Farmers can work together informally, without registering the group. However, many groups choose to register themselves so that they are legally recognised. Benefits of formalising a farmer organisation include:

- easier access to government and non-government assistance, such as grants or training
- able to open a bank account, and hold assets such as property, in the name of the group
- a registered organisation has more status, giving farmers a stronger voice on industry platforms
- protects the members from certain kinds of legal and financial liability.

## HOW DO WE DECIDE THE BEST OPTION FOR REGISTERING OUR FARMER GROUP?

The best registration option for a group is usually driven by the purpose of the group, and its activities.

Purposes and activities might include:

- working together to increase trade and profits for the individual members
- working together to support development of the industry, following shared ideals and values
- working together to strengthen knowledge on good practices, through training and information sharing
- working together to advance the shared interests of the group members within the wider industry.

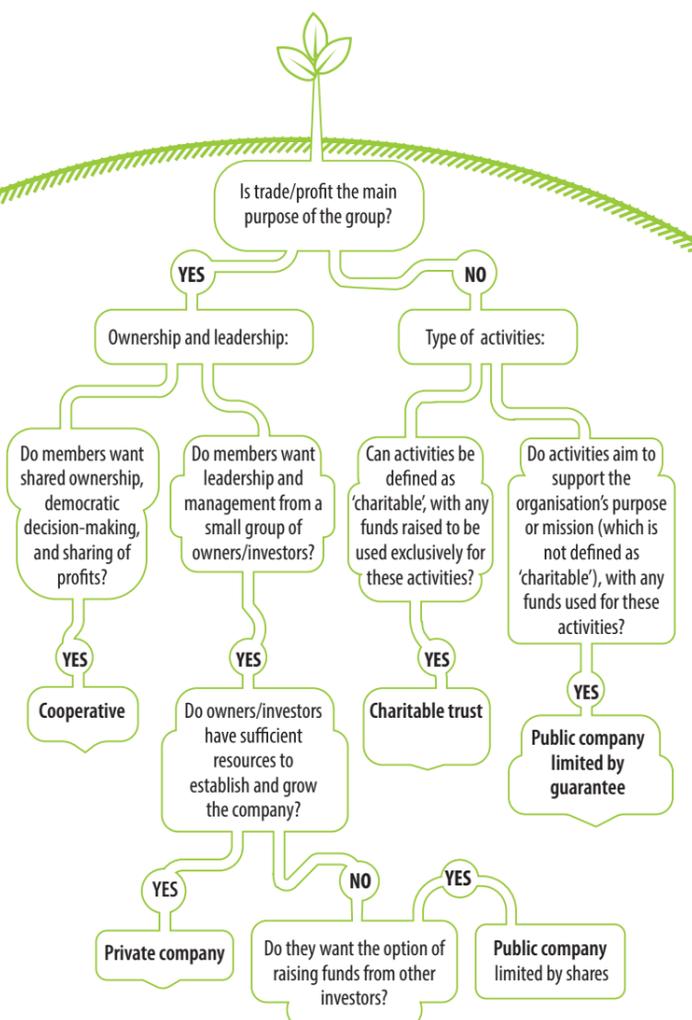
This table outlines some of the characteristics of the five main registration options, to help guide the decision on which might be the preferred option for a farmer group. The full requirements for each type of organisation are given in detail in the relevant legislation. The information below is an interpretation of the legislation, and its accuracy cannot be guaranteed. You should obtain legal advice before making a decision on which registration option to take.

	PRIVATE COMPANY	PUBLIC COMPANY LIMITED BY SHARES	PUBLIC COMPANY LIMITED BY GUARANTEE	COOPERATIVE	CHARITABLE TRUST
<b>Profit or non-profit?</b>	Profit	Profit	Non-profit	Profit	Non-profit
<b>Legal framework</b>	Companies Act 2015 Legislation is available at: <a href="http://www.pacii.org/countries/fj.html">http://www.pacii.org/countries/fj.html</a>			Co-operatives Act 1996	Charitable Trusts Act 1978
<b>Main features</b>	A company is the most common form of registration where business and profit are the primary motivation. It has the most detailed regulatory laws, and therefore the clearest status, especially for tax.  A private company is the most common legal entity for carrying out a small business. A private company can be set up by individuals or groups (of up to 50 members), who hold the shares between them. Shares cannot be sold to the public (in contrast to a public company).			A cooperative is a democratic organisation, owned and controlled by its members for a common benefit. Members pool their resources together to produce and market their goods and services, and share the profits.	A charitable trust is an organisation devoted to charitable activities (relief of poverty or distress of the public), including fund raising for defined charitable purposes. Charitable activities are defined in the Charitable Trust Act (and its amendments). The Act is much less detailed than the Companies Act, with fewer requirements to fulfil, but also less clarity.
<b>Trade freedom/restrictions</b>	As long as a company is in compliance with the Companies Act, it is free to trade without restriction.			As long as a cooperative society is in compliance with the Co-operatives Act and its own constitution, it is free to trade without restriction.	Activities must be principally in support of the charitable purpose for which the trust is registered.
<b>Income tax</b> Rates, incentives, exemptions etc. can change subject to the annual national budget. Consult FRCS for the latest information.	Income is taxed at 20% (2021). Companies are required to pay their income tax as 'Advance Tax'. This is paid as nine payments through the year, which are based on the previous year's profits. Tax exemptions are often given as incentives for commercial agriculture. These are announced each year in the annual budget. As a non-profit, a public company limited by guarantee is eligible for income tax exemptions.			Income is taxed on the same basis as companies, i.e. at 20%. Exemptions may be available.	A registered charitable organisation is normally exempt from income tax. To qualify for the exemption, application in writing must be made to FRCS.
<b>Reporting requirements</b>	Companies are required to keep complete records as set out in the Companies Act. Small private companies (annual revenue less than F\$5 million) have fewer reporting requirements than large private companies.  It is recommended that all farmer organisations keep at least basic records, including: details of members, details of staff, finances (accounts), and minutes of any meetings and decisions.			Less reporting requirements than companies; detailed in the Co-operatives Act.	Less reporting requirements than companies; detailed in the Charitable Trusts Act.

## The main options for registering a farmer organisation in Fiji are:

- Private company
- Public company limited by shares
- Public company limited by guarantee
- Cooperative
- Charitable trust

This decision plant helps identify the best registration option for a farmer organisation, based on its purpose and activities.



## FURTHER INFORMATION

### Legal advice



Several law firms in Fiji specialise in commercial and company law – see for example this useful list:

<https://www.hg.org/lawyers/fiji>

### Tax advice

Fiji Revenue and Customs Service (FRCS) has information and advice on tax issues for businesses on its website: go to <https://www.frcs.org.fj> – then select **Our Services/Taxation**, then **Business**



You can also visit a FRCS office for face-to-face advice.

Or consult an independent tax agent (approved by FRCS): go to <https://www.frcs.org.fj> – then select **Our Services/Taxation**, then **Tax Agents**

### Government support

MSME Fiji (within the Ministry of Commerce, Trade, Tourism and Transport) supports the development of micro, small and medium enterprises (MSMEs), particularly through business training, mentoring, advisory, incubation services and access to finance: go to <https://www.mcttt.gov.fj> then select **Divisions/MSME Fiji**



The Department of Co-operative Business (within the Ministry of Commerce, Trade, Tourism and Transport) offers advice on setting up and running a cooperative, and also facilitates training for members: go to <https://www.mcttt.gov.fj> then select **Divisions/Department of Co-operative Business**



### PIFON

Pacific Island Farmers Organisation Network (PIFON) provides services and networking for farmer groups in Fiji and other Pacific Island countries: <https://pacificfarmers.com>

The information in this leaflet is correct to the best of our knowledge. However, this is a complex area, and things change over time. If you have any additional information, or update, please share it with us – email: [info@pacificfarmers.com](mailto:info@pacificfarmers.com)