

OPTIONS FOR REGISTERING A FARMER ORGANISATION IN SAMOA

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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.

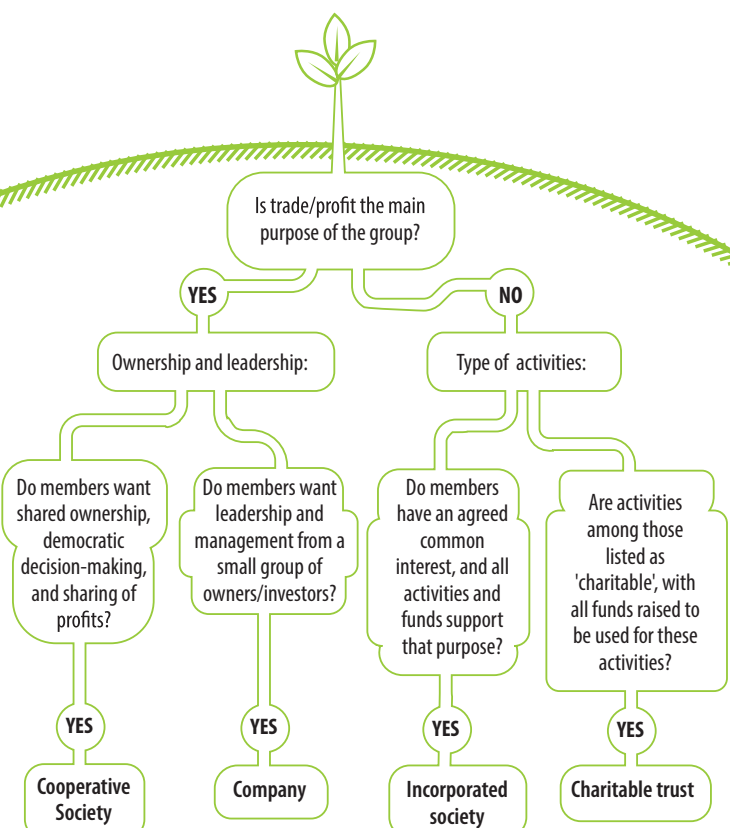
This table outlines some of the characteristics of the four main registration options, to help guide the decision on which might be the preferred option for a farmer group. The full requirements for each type of organisation are given in detail in the relevant legislation. The information below is an 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.

| | COMPANY | COOPERATIVE SOCIETY | INCORPORATED SOCIETY | CHARITABLE TRUST |
|--|---|---|--|---|
| Profit or non-profit? | Profit | Profit | Non-profit | Non-profit |
| Legal framework | Companies Act 2001 | Co-operative Societies Ordinance 1952 | Incorporated Societies Ordinance 1952, and Incorporated Societies Amendment Act 2012 | Charitable Trusts Act 1965 |
| | Legislation is available at http://www.pacilii.org/countries/ws.html | | | |
| Main features | 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. | A cooperative society 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 cooperative society needs a minimum of 10 members. | An incorporated society is an option where members are joining together under a common interest, and not seeking individual profit. Any funds raised are used to pursue the purpose of the society. An incorporated society needs a minimum of 15 members. | A charitable trust is an organisation devoted to charitable purposes, which must be for public benefit. |
| Trade freedom/restrictions | As long as the company is in compliance with the Companies Act, it is free to trade without restrictions. | A cooperative society is broadly free to trade within general laws, in compliance with the Co-operative Societies Ordinance and its own by-laws. | An incorporated society is restricted to activities that contribute to the purpose of the society as stated in the registration documents. | Activities should principally support the charitable purpose as stated in the registration documents. |
| Income tax (at 2021 – note rates can change, subject to the annual national budget) | Income is taxed at 27%. | Income is taxed on the same basis as companies, i.e. at 27%. | Income is taxed on the same basis as companies, i.e. at 27%. | Income is taxed on the same basis as companies, i.e. at 27%. |
| | Consult the Ministry of Customs and Revenue or a tax agent for advice on any benefits, incentives or exemptions that may apply. | | | |
| Reporting requirements | All companies are required to keep complete records as set out in the Companies Act. All companies must file an annual return for each financial year. | For registration, the group must draw up a list of officers (Chairman, Secretary, Committee members), a list of members, and by-laws for the society. Annual reporting requirements are minimal, but include an annual financial statement. | An incorporated society must draw up a constitution which outlines the Society's purpose and objectives. Reporting requirements include annual filing of audited financial statements to the Registrar of Incorporated Societies; and a report of resolutions from the annual general meeting. | A charitable trust must develop rules or a constitution before it can be registered. Once registered, reporting requirements are minimal. |
| | 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. | | | |

The main options for registering a farmer organisation in Samoa are:

- Company
- Cooperative society
- Incorporated society
- 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 Samoa specialise in commercial and company law – for a useful list go to <https://www.investsamoa.ws> then select PROFESSIONALS/Law Firms

Tax advice

The Ministry of Customs and Revenue has information on tax issues for businesses on its website – go to <https://www.revenue.gov.ws> then select **Our Services/Inland Revenue Services** then select **Taxes**



You can also visit the Inland Revenue Services office in Apia (on the 4th and 5th floor of the Development Bank of Samoa Building) or in Salelologa, Savai'i

Or you can consult an independent tax agent – for a useful list go to <https://www.investsamoa.ws> then select PROFESSIONALS/Accounting Firms

Business registration



The Ministry of Commerce, Industry and Labour is responsible for business registration, and has useful information for the different types of registration on its website – go to <https://www.mcil.gov.ws> then select **Our Services/Business Registration/Companies**



PIFON

Pacific Island Farmers Organisation Network (PIFON) provides services and networking for farmer groups in Samoa 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