

# OPTIONS FOR REGISTERING A FARMER ORGANISATION IN VANUATU

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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.

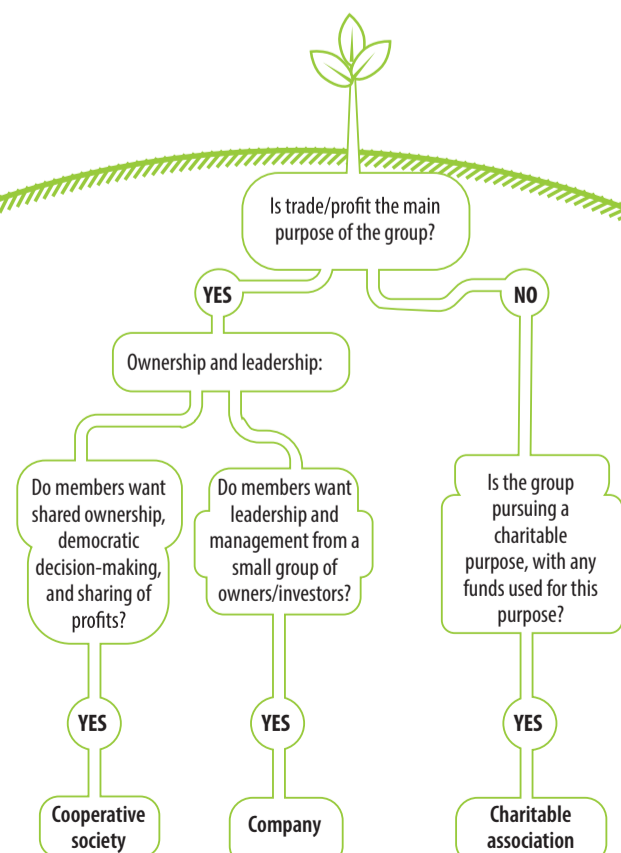
This table outlines some of the characteristics of the three main registration options, to help guide the decision on which might be the preferred option for a farmer group. The full requirements for each type of organisation are given in detail in the relevant legislation. The information below is an 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	CHARITABLE ASSOCIATION
<b>Profit or non-profit?</b>	Profit	Profit	Non-profit
<b>Legal framework</b>	Companies Act	Co-operative Societies Act	Charitable Associations (Incorporation) Act
	Legislation is available at <a href="http://www.paclii.org/vu/legis/consol_/_/">http://www.paclii.org/vu/legis/consol_/_/</a>		
<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.	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 association is a non-profit association that works for a charitable purpose, which can be 'religious, educational, cultural, scientific or sporting nature or for general social welfare'.
<b>Trade freedom/restrictions</b>	As long as a 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 Act and its own by-laws.	Activities should support the charitable purpose, as defined in the Act and specified in the registration documents.
<b>Tax/licensing</b>	There is no tax on profits or income. Taxes or fees that may be payable by companies include: Value Added Tax, Land Tax, Excise Tax, Rent Tax, Business Licensing, and Customs. Consult the Vanuatu Customs and Inland Revenue Department.	There is no tax on profits or income. Taxes or fees that may be payable by cooperative societies include: Value Added Tax, Land Tax, Excise Tax, Rent Tax, Business Licensing, and Customs. Consult the Vanuatu Customs and Inland Revenue Department.	Taxes or fees that may be payable include: Value Added Tax, Land Tax, Excise Tax, Rent Tax, Business Licensing, and Customs. Charitable associations may be exempt from some of these. Consult the Vanuatu Customs and Inland Revenue Department.
<b>Record keeping and reporting requirements</b>	Companies are required to keep complete records as set out in the Companies Act. Annual reporting requirements are detailed in the Companies Act.	Cooperatives must keep basic records, including by-laws, list of members, and financial transactions. An annual financial report should be submitted to the Registrar.	Reporting is 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 Vanuatu are:

- Company
- Cooperative society
- Charitable association

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 Vanuatu specialise in commercial and company law – for a useful list go to <https://www.investvanuatu.vu> then select Setting Up/Our Service Providers

### Tax advice



The Vanuatu Customs and Inland Revenue Department has information on its website – go to <https://customsinlandrevenue.gov.vu>

Or visit one of their offices, which are located in Port Vila and Luganville and the provincial centres at Lenakel, Lakatoro, Saratamata and Sola.

### Government support



The Office of the Registrar of Cooperatives and Business Development Services provides support and services for cooperatives and small businesses, including advice on set-up and training – go to <https://cooperative.gov.vu>

The Vanuatu Financial Services Commission is responsible for registration of companies, cooperatives and charitable associations – go to <https://www.vfsc.vu>

### Private sector

The Vanuatu Chamber of Commerce and Industry provides information and advice for businesses, and offers business training – go to <https://vcci.vu>

### PIFON



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