

INVESTING IN VANUATU INFORMATION SHEET

Property Tenure

Land tenure in Vanuatu is regulated under Chapter 12 of the Constitution, the Land Reform Act [Cap. 123] 1980 and Land Leases Act [CAP 163] 1984.

All rural land in Vanuatu belongs to the indigenous custom owners.

Urban land belongs to the Government.

Non indigenous people can acquire land in the form of a Leasehold registered title whereby the Lessor is the custom owner or the Government and the Lessee is the investor.

Such form of tenure is not new to common law systems like the British Grant from the Crown, and it is a common practice in the Pacific to guarantee a modest but steady income to the indigenous people while foreign investors enjoy and develop real estate.

Normally leases are for a period of 75 years or 50 years in urban areas.

You can find a complete list of Vanuatu Laws at www.paclii.org/countries/vu.html

Security of Title

The registration of a Lease or Transfer of Lease at the Land Records Office guarantees the acquisition of the Title for the purchaser of real estate.

However it is important to verify the validity and standing of the title before the purchase.

Only real estate agents with professional legal experience like Waterfront Real Estate or a recommended Vanuatu Lawyer are able to offer such service for your complete peace of mind.

Purchase Costs

The costs involved in the purchase of a property in Vanuatu are:

- Stamp Duty and Registration: 7% of purchase price
- Land rent (and body corporate) pro-rata adjustment
- Legal / conveyancing

Waterfront Real Estate offers a professional conveyancing service at a flat fee and if the transaction requires legal assistance can recommend local Lawyers.

Other Costs

Regular outgoings include:

- Yearly land rent the amount of which varies depending on the zoning (residential, commercial, etc.) and on the location of the property
- In urban areas only there are municipal charges (rates)
- The cost of services like electricity, gas, water, etc. varies depending on urban or rural location

At Waterfront Real Estate we understand the importance for you to know all the above costs and we make sure we can provide satisfactory figures on demand.

Ability to Purchase Real Estate

In Vanuatu there are no restrictions for foreign investors to purchase real estate and local banks can receive the necessary funds from overseas without limitations, provided necessary disclosures for AML & CTF Act are submitted.

Loans

There are several banks in Vanuatu that can offer Loans to purchase property both residential and commercial.

They include BSP, ANZ, BRED, WANFUTENG and NBV.

Interest rates and amount of equity required may vary from each bank and depending on the specific circumstances of the investor.

Residency Permit

The purchase of real estate for a value of 10,000,000 Vatu or more allows obtaining residency permit as property investor for an individual or a couple and dependent children. An income of 250,000 Vatu per month per person also needs to be certified by a local bank.

The permit is valid for 1 year renewable and the fee is 57,600 Vatu.

Investing in Vanuatu

The investment of capital for commercial purposes by foreign investors is subject to approval by the Vanuatu Investment Promotion Authority.

That includes the purchase of an existing business and/or land for the purpose of development.

The application for approval is straight forward and requires:

- Business name reservation
- Copy of Passport
- Police clearance certificate
- Business plan

The VIPA approval provides the investors with a residency permit and work permit can be requested for foreign employees in the same application. The applicable fee is 120,000 Vatu

For further information you can visit the VIPA website at www.investinvanuatu.com

At Waterfront Real Estate we can assist you with your VIPA application or direct you to local professional firms for the purpose.

Tax in Vanuatu

Investing in Vanuatu offers the advantage of a friendly tax environment where there are:

- No income or company tax
- No capital gains tax
- No succession and gift tax
- No double taxation agreements
- No withholding taxes

The Vanuatu Government charges VAT (equivalent of GST) at 15%, import duty and stamp duty.

Personal effects are exempt from import duty for the first six months of residency in Vanuatu if owned for more than 1 year.

Waterfront Real Estate can assist you to find a local accountant firm for all your tax enquiries and other related matters.

Vanuatu Company

Foreign investors can incorporate a Vanuatu Company limited by shares at any time.

Such company can hold properties, conduct business, open bank accounts and act as an entity.

The VFSC cost to incorporate a Vanuatu Company is 30,000 Vatu plus annual fee of 30,000 Vatu before professional fees.

International Company

Incorporating an International Company in Vanuatu offers the advantage of complete privacy of information regarding shareholders.

An International Company cannot conduct business or hold properties in Vanuatu, however it can hold shares of a Vanuatu Company that does so.

The VFSC cost to incorporate an International Company is USD 150 plus annual fee of USD 300 before professional fees.

For further information please contact us and we will assist you with our professional knowledge and expertise and where necessary advice you about local accounting and legal firms that can look after all your specific needs.