

Incorporation and legal obligations for Charitable Associations in Vanuatu



AJC

CHARTERED
PROFESSIONAL
ACCOUNTANTS
& BUSINESS
ADVISORS

Table of Content

- 2 AJC
- 3 Introduction
- 3 Incorporation process
- 4 Legal obligations for Charitable Associations
- 5 Sanctions
- 5 Fees & Fines

AJC

AJC is an advisory and accounting firm established in Vanuatu since 2003. We offer a wide range of company services such as Audit and Accounting services, incorporation of local, offshore companies and charitable associations, corporate secretariat and support to investors seeking to obtain different kinds of licences issued by Vanuatu administration.

AJC has a team of fully English/French bilingual lawyers and accountants able to assist you in all the steps of your citizenship application in Vanuatu. We uniquely combine professionals from the legal side to professionals from accounting and finance side in order to provide our customers relevant advice and useful professional services.

We are a fully recognised company and trust service provider by the Vanuatu Financial Services Commission and AJC is also one of the only 12 approved auditors in the country. We have clients all over the world including China, Hong Kong, Israel, Singapore, the United States, Australia, the UK, Russia and Europe.



AJC Vanuatu

1276 Kumul Hwy, 1st Flr Govant Bldg,
Port Vila, Vanuatu

contact@ajc-vanuatu.com

Business hours (GMT+11)

Monday to Friday **7:30AM** to **5:30PM**
Saturday, Sunday **Closed**

ajc-vanuatu.com

Introduction

Charitable Associations are established for the benefits of the community. Such associations must be set up for “charitable purposes”. These include the following purposes:

- Religious
- Educational
- Cultural
- Scientific
- Sports
- General social welfare or
- Another non-profit purpose declared by Minister.

In order to obtain the status of a corporate body and thus obtain all the rights and privileges attached to the status of a legal entity, an association must have its committee incorporated by the Vanuatu Financial Service Commission (VFSC).

Incorporating committees provides charities with many of the same benefits enjoyed by companies. In particular, when a committee is incorporated, the committee may:

- Hold assets (e.g. equipment or land)
- Hold and incur liabilities
- Enter into contracts (subject to certain restrictions).

Incorporation process

Incorporating a Charitable Association with the VFSC is a fairly simple and straight forward process which can even be done online on the VFSC website. In order to do it, the prescribed form should be used and the following information given:

- The name of the committee
- The names, addresses and occupations of the committee members
- The registered office of the committee
- The objects of the association
- Certified copy of the articles, rules, constitution of association, and
- a statement of assets and liabilities.

IMPORTANT A charitable association is considered as a reporting entity by the Vanuatu Financial Intelligence Unit. As such, it should comply with all the requirements of the Anti-Money Laundering and Counter-Terrorism Financing Act of 2018. In particular, all members of the Association will be required to submit to the VFIU a set of notarised key identification documents (for more information contact AJC or the VFIU directly).



AJC

CHARTERED
PROFESSIONAL
ACCOUNTANTS
& BUSINESS
ADVISORS

Legal obligations for Charitable Associations

Governance

The only requirement pertaining to governance for an association to be incorporated is not to have fewer than six members.

Registered office

A committee incorporated shall have a registered office at which any legal process may be served.

Reporting obligations

Annual reports

A committee must provide to the registrar within 3 months after the anniversary of the incorporation of the Committee, a report in the prescribed form on the operations of the Committee.

An annual report filling fee should be paid upon submission of the annual report (see after)

The annual report outlines the activities and other details of the charitable association over the previous 12 months including details of whether it had operations only in Vanuatu, or in Vanuatu or in Vanuatu and other countries, and whether it undertook activities in all or any of the following sectors:

- Religious
- Educational

- Cultural
- Scientific
- Sports
- General social welfare and community development
- Political Party
- Financial details, including income and expenses.
- On request of the Registrar, documentation supporting the above details



Marc-Antoine Morel
Manager Corporate Services

Reports in case of changes

A committee must give the registrar written notice of a change in any or all of the following within 30 days after the change occurs:

- The registered office of the committee;
- the articles, rules or constitution of the association;
- A key person¹;
- The circumstances of a key person that may affect whether he or she meets fit and proper criteria;
- The rules or policies relating to the source of funds of the committee.

¹ Key person means a member of a committee, or a beneficial owner of a member of a committee

Specific reporting: in case of transfer of lands

A committee incorporated hereunder shall lodge with the Minister not less than 15 days before the transfer, details of any transfer of any interest in land that it intends to make.

Sanctions

The law foresees a number of sanctions in case of non-respect of the provisions and requirements mentioned above.

These sanctions can range from removal of the Association from the register to financial fines (see below).

Fees & Fines

Matters incurring a fee payable to Registrar	Amount payable if the task is administered by the user through the online registry	Amount payable if the task is administered outside of the online registry (paper/email)
Application for incorporation	10,000 VT	12,000 VT
Certification of documents	No fee	500 VT
Inspection of register and documents filed with Registrar	No fee	500 VT
Change of Name	1,000 VT	1,500 VT
Filing of Annual Report	5,000 VT	5,000 VT
Fine for failure to file Annual Report within 3 months of the anniversary of incorporation of the Committee	5,000 VT	5,000 VT

AJC Vanuatu

1276 Kumul Hwy, 1st Flr Govant Bldg,
Port Vila, Vanuatu

contact@ajc-vanuatu.com

Business hours (GMT+11)

Monday to Friday **7:30AM** to **5:30PM**
Saturday, Sunday **Closed**

ajc-vanuatu.com

23/08/2018