

**REPUBLIC OF VANUATU**  
**BILL FOR THE**  
**BUSINESS LICENCE (AMENDMENT)**  
**ACT NO. OF 2026**

**Explanatory Note**

This Bill amends the Business Licence Act [CAP 249] (“the Act”).

In 2006, the Act was amended to include a 5% turnover fee to business licence categories that were exempted and zero-rated other than the F categories. This amendment has potential impacts on government projects by imposing substantial costs on Government Aid Funded Projects and exports as the 5% turnover fee is being charged on business licence categories that were supposed to be exempted.

Therefore, this amendment will restore the original policy intention, ensuring that the 5% turnover tax applies to only F categories (financial institutions) and not broadly to all exempted and zero-rated supplies. The commencement date for this amendment is retrospective to 1 January 2007 to avoid any civil suit that may arise following the amendment of the Act in 2006.

**Minister of Finance and Economic Management**



**REPUBLIC OF VANUATU**

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BUSINESS LICENCE (AMENDMENT)  
ACT NO.            OF 2026**

**Arrangement of Sections**

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# REPUBLIC OF VANUATU

## **BILL FOR THE BUSINESS LICENCE (AMENDMENT) ACT NO.            OF 2026**

An Act to amend the Business Licence Act [CAP 249].

Be it enacted by the President and Parliament as follows-

### **1        Amendment**

The Business Licence Act [CAP 249] is amended as set out in the Schedule.

### **2        Commencement**

This Act is taken to have commenced on 1 January 2007.

## **SCHEDULE**

### **AMENDMENTS OF THE BUSINESS LICENCE ACT [CAP 249]**

**1 Schedule 1- Class A, Class B, Class C, Class D, Class G, Class I, Class J, Class K and Class L**

Delete "5% applies on zero-rated supplies and exempt supplies;  
For taxable supplies-" (wherever occurring)