

**REPUBLIC OF VANUATU**

**BILL FOR THE**  
**COMMERCIAL GOVERNMENT BUSINESS**  
**ENTERPRISE (AMENDMENT)**  
**ACT NO. OF 2026**

**Explanatory Note**

This Bill amends the Commercial Government Business Enterprise Act No. 22 of 2024 (“the Act”) to strengthen governance arrangements, and to amend selected sections to allow for the practical and effective implementation of the Act.

The amendment includes the following:

- (a) correcting grammatical and spelling errors; and
- (b) provisions of the Act to prevail over any inconsistency between the Act and the Constitution of a subsidiary of an Enterprise; and
- (c) the term of the Chief Executive Officer; and
- (d) criteria for the appointment of a Director of an Enterprise; and
- (e) staff to be contracted by the Chief Executive Officer and terms to be in the Office;  
and
- (f) provisions on the penalty notice.

These amendments will strengthen the work of the Commercial Investment Unit to effectively implement the provisions of the Act.

**Minister of Finance and Economic Management**



**REPUBLIC OF VANUATU**

**BILL FOR THE  
COMMERCIAL GOVERNMENT BUSINESS  
ENTERPRISE (AMENDMENT)  
ACT NO.            OF 2026**

**Arrangement of Sections**

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# REPUBLIC OF VANUATU

## **BILL FOR THE COMMERCIAL GOVERNMENT BUSINESS ENTERPRISE (AMENDMENT) ACT NO. OF 2026**

An Act to amend the Commercial Government Business Enterprise Act No. 22 of 2024.

Be it enacted by the President and Parliament as follows-

### **1 Amendment**

The Commercial Government Business Enterprise Act No. 22 of 2024 is amended as set out in the Schedule.

### **2 Commencement**

This Act commences on the day on which it is published in the Gazette.

## SCHEDULE

### AMENDMENTS OF THE COMMERCIAL GOVERNMENT BUSINESS ENTERPRISE ACT NO. 22 OF 2024

**1 Section 1 (Definition of “weighted average cost of capital”)**

Delete “7(7)”, substitute “7(6)”

**2 Paragraph 8(2)(c)**

Delete “advices”, substitute “advises”

**3 Subsection 9(7)**

Delete “advice”, substitute “advise”

**4 After subsection 12(1)**

Insert

“(1A) If there is any inconsistency that exists in the constitution of a subsidiary of an Enterprise and the provisions of this Act, the provision of this Act prevails.”

**5 After subsection 16(2)**

Insert

“(2A) A person must not be appointed as a Director unless he or she meets the following criteria:

- (a) is a person who has the skills, knowledge and experience required to assist the Enterprise achieve the primary objective and commercial objectives contained in the Enterprise’s business plan; and
- (b) must not be a person appointed under subsections 16(5), (6) or (7) of the Commercial Government Business Enterprise Act No. 22 of 2024; and
- (c) must not be a person who is undischarged bankrupt; and

- (d) must have at least 4 of the following minimum qualifications and experience:
  - (i) diploma qualification awarded by an internationally recognized institution; or
  - (ii) business experience exceeding 5 years at a senior management level; or
  - (iii) community leadership experience exceeding 5 years; or
  - (iv) at least 5 years' experience at the Director level, or senior management level within government; or
  - (v) prior appointment as a Director on an Enterprise board or private sector company with at least three years of continuous service; or
  - (vi) possess relevant technical skills such as a qualified lawyer, accountant, engineer, communications specialist, or auditor; or
  - (vii) possess relevant industry skills, knowledge and experience.”

**6 Subsection 23(3)**

Delete “of”, insert “not exceeding”

**7 Paragraph 23(6)(c)**

After “sentence”, insert “and whether or not a pardon is received on serving out the full or partial sentence”

**8 Subsection 33(3)**

Delete “3 months”, substitute “4 months and 20 days”

**9 Paragraph 36(2)(b)**

Delete “.”, substitute “; and

- (c) such other persons that are contracted by the Chief Executive Officer for a term not exceeding 3 years.”

**10 Paragraph 37(2)(ab)**

Delete “advice”, substitute “advise”

**11 Subsection 37(3)**

Delete “3 months”, substitute “5 months”

**12 Subsection 37(5)**

Delete “3 months”, substitute “5 months”

**13 After section 39A**

Insert

**“39B Penalty notice**

- (1) The Chief Executive Officer may serve a penalty notice on a person if it appears to the Chief Executive Officer that the person has committed an offence under any provision of this Act or its Regulations.
- (2) A penalty notice is a notice to the effect that if the person served does not wish to have the matter determined by a Court, the person may pay within a time and to a person specified in the notice, the amount of penalty stated in the penalty notice.
- (3) A penalty notice may be served personally or by post.
- (4) If the amount of penalty prescribed for the purposes of this section for an alleged offence is paid under this section, no person is liable to any further proceedings for the alleged offence.
- (5) Payment under this section is not to be regarded as an admission of liability for the purpose of, nor in any way affect or prejudice, any civil proceeding arising out of the same occurrence.
- (6) The Regulations may:
  - (a) prescribe the amount of penalty payable for the offence if dealt with under this section; and
  - (b) prescribe different amounts of penalties for different offences or classes of offences.

SCHEDULE  
AMENDMENTS OF THE COMMERCIAL GOVERNMENT BUSINESS ENTERPRISE  
ACT NO. 22 OF 2024

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- (7) The amount of a penalty prescribed under this section for an offence must not exceed the maximum amount of penalty which could be imposed for the offence by a Court.
- (8) This section does not limit the operation of any other provision of, or made under, this or any other Act relating to proceedings that may be taken in respect of offences.”