

REPUBLIC OF VANUATU

BILL FOR THE CHARITABLE ASSOCIATIONS (INCORPORATION) (AMENDMENT) ACT NO. OF 2018

Explanatory Note

This Bill amends the Charitable Associations (Incorporation) [CAP 140].

Since being removed from the Financial Action Task Force (“FATF”) Grey list, it is essential that Vanuatu makes necessary amendments to strengthen the enforcement of its laws so that we remain on the FATF white list.

Charitable Associations are viewed as potential risks for money laundering and terrorist financing and it is important that all Charitable Associations receiving funding from abroad or locally must be registered with the Vanuatu Financial Service Commission (“VFSC”).

The current provisions do not impose mandatory registration requirements for Charitable Associations. It remains an option to register and as such, there is potential risks that monies being injected into such loose organisations are funds from money laundering and other criminal activities. It is important that Charitable Associations are compulsory registered by the VFSC, so that they can file their Annual Reports to the VFSC and declare their source of funds as is the current requirement.

The proposed amendments provide for a mandatory requirement for registration of all charitable associations, and compulsory requirement for audit of the financial statements of Charitable Associations with an annual turnover of VT 5 million..

Minister of Finance and Economic Management



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CHARITABLE ASSOCIATIONS (INCORPORATION)
(AMENDMENT)
ACT NO. OF 2018**

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REPUBLIC OF VANUATU

**BILL FOR THE
CHARITABLE ASSOCIATIONS (INCORPORATION)
(AMENDMENT)
ACT NO. OF 2018**

An Act to amend the Charitable Associations (Incorporation) Act [CAP 140].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Charitable Associations (Incorporation) Act [CAP 140] 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 CHARITABLE ASSOCIATIONS (INCORPORATION) ACT [CAP 140]

1 Subsection 2(1)

Delete “may”, substitute “must”

2 After section 8A

Insert

“8B Audit Report

A committee incorporated under this Act with funds exceeding VT 5 million, must provide an audit report to the Registrar within 6 months after providing the annual report to the Registrar.”

3 After section 15AC

Insert

“15AD Register of committees

The Registrar is to keep and maintain an up to date register of committees incorporated under this Act.”