

The background features a teal color with a repeating geometric pattern of interlocking lines forming a grid-like structure. A dark teal horizontal band is positioned in the middle, containing the title text. On the right side of this band, there is a faint, stylized illustration of a traditional wooden water container, possibly a 'kudam' or 'kudam', with intricate carvings and a handle.

# **Company and Employers' Obligations**

# 7: Company and Employers' Obligations

Here comes some more of the mundane stuff! Once you've set up the business, it's worth familiarising yourself with your ongoing legal responsibilities.<sup>49</sup>

The legal requirements for employers and reporting obligations of companies can seem overwhelming at first – but it is better to be fully aware of all of these requirements at the outset and understand which of them you'll have to comply with, than be faced with non-compliance penalties later! The VFSC<sup>50</sup> and VCCI<sup>51</sup> have many helpful resources online that provide guidance.

Remember, as complicated as some of this seem, all businesses are in the same canoe and can often provide you with advice about how to navigate your way through. If you need advice, contact a friend or a mentor with a business, or seek the professional advice of a business consultant, chartered accountant, or lawyer. Professional business networks provide a useful forum for learning from other businesses.

## Ongoing reporting

Companies are required to file annual returns. This can be done online via the VFSC website or in person.<sup>52</sup>

If you or your company's details change before the annual return period, you should update your details online or in person at a VFSC kiosk. Failure to submit an annual return on time will incur late fees. If you fail to submit an annual return for six months, your company will be removed from the register.

There are no annual return filing dates in December or January due to the holiday season. If your company is incorporated in December, the annual return filing date will be November. If your company is incorporated in January, your annual return filing date will be in February.

Your company incorporation documents will outline other rules and obligations for directors and shareholders. Further guidance is available on the VFSC website.<sup>53</sup>

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49 This section is based on information from: Vanuatu Financial Services Commission, <https://www.vfsc.vu/>; and Vanuatu Chamber of Commerce and Industry, "Employer Guidebook," <http://www.vcci.com.vu/resources/employer-guidebook/>.

50 Vanuatu Financial Services Commission, <https://www.vfsc.vu/>.

51 Vanuatu Chamber of Commerce and Industry, <http://www.vcci.com.vu/>.

52 Vanuatu Financial Services Commission, "Company Annual Returns," <http://www.vfsc.vu/78-2/annual-return/>.

53 Vanuatu Financial Services Commission, "What are company rules?" <https://www.vfsc.vu/how-to-register-a-company/learn-what-a-company-is/what-are-company-rules/>.



## Your legal obligations as an employer

VCCI has an employer guidebook available online<sup>54</sup> that helps employers understand their legal obligations. The guidebook is filled with many useful resources for employers, including templates that can be used to meet various requirements. The guidebook also provides advice in the areas of employment contracts, hours of work, payment, leave, and termination. VCCI emphasises that this guidebook is not designed to replace legal advice, and encourages employers to consult with the Department of Labour for advice.

The Employment Act<sup>55</sup> only applies to employees. VCCI provides a useful reference on the difference between an employee and a contractor.<sup>56</sup>

It is compulsory for all employers to register with the Vanuatu National Provident Fund. An employer employing any person(s) earning VUV 3,000 or more per month is required to register with the fund within seven days of starting a business. To register, the employers must fill in Form E, which can be obtained from the Vanuatu National Provident Fund Office or online at [https://www.vnpf.com.vu/vnpf\\_forms&publication/Form%20E.pdf](https://www.vnpf.com.vu/vnpf_forms&publication/Form%20E.pdf).<sup>57</sup>

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54 Vanuatu Chamber of Commerce and Industry, "Employer Guidebook," <http://www.vcci.com.vu/resources/employer-guidebook/>.

55 Available at: Vanuatu Chamber of Commerce and Industry, "Employer Guidebook," <http://www.vcci.com.vu/resources/employer-guidebook/>.

56 Vanuatu Chamber of Commerce and Industry, "Factsheet 1.4: What is an Employee?" <http://www.vcci.com.vu/wp-content/uploads/2014/02/1.4-factsheet-employee-independent-contractor.pdf>.

57 Find out more at: Vanuatu National Provident Fund, "Employers and their Responsibilities," [https://www.vnpf.com.vu/employer\\_resp](https://www.vnpf.com.vu/employer_resp).