

Setting Up a Business in Fiji

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This section provides guidance about setting up a business in Fiji.⁴² At each step you will be directed to the websites of various organisations that can provide further advice. Note that rules and regulations can change, and you should check for the latest information with the relevant authorities highlighted below. This section is written with reference to Suva-based organisations – please check with their head offices in Suva for details of offices based in other urban centres.

Once you've decided to open a business you'll need to decide what type of business to set up. This process can seem confusing. Don't worry if you don't understand all of the options right away. Law firms can often provide some advice for free to help decide whether you need their services. Most companies use lawyers to draft their company documents.



: Seek advice from other business owners or a mentor to see what process they followed. Don't get disheartened! As a business owner, being resilient is a key skill that you'll learn from the outset. Remember, be resilient to small setbacks and celebrate milestones!

Business structures in Fiji

Under the Partnership Act⁴³ (Ed. 1978) and the Companies Act (2015)⁴⁴ there are several possible types of legal entity that you can establish.

The simplest type of business is a sole trader in which there is only one owner of the business. The owner is solely liable for any debts or liabilities incurred by the business. A company has a separate legal entity from the owners of the company and any shareholders or members, and can therefore limit their liability and be protected from liability incurred by the company. You may want to incorporate a company and restrict the liability that you will personally face in the event that your company goes bankrupt or a client tries to sue the company for damages. Box 7 provides more information about the different business structures in Fiji.

⁴² This section draws heavily from: Investment Fiji, <http://www.investmentfiji.org.fj/>; and World Bank, *Doing Business 2018: Reforming to Create Jobs – Fiji* (Washington, D.C., 2018), <https://investinfiji.today/wp-content/uploads/2018/01/Fiji-Doing-Business-2018-World-Bank-Group-Report.pdf>. Siwatibau and Sloan (<http://www.sas.com.fj/>) also provided legal advice for this section. Note that this guide only covers the registration process for Fiji citizens. There are additional requirements for non-Fiji citizens and Investment Fiji can assist with any queries.

⁴³ Republic of Fiji Partnership Act [Cap 248], http://www.paclici.org/fj/legis/consol_act_OK/pa154/.

⁴⁴ Republic of Fiji Companies Act 2015, <http://www.parliament.gov.fj/wp-content/uploads/2017/03/Act-No-3-Companies.pdf>.



Box 7: Business Structures in Fiji⁴⁵

For profit

- Sole trader – A person trading as an individual and is legally responsible for all aspects of the business and is personally liable for all liabilities and debts associated with the business.
- Partnership – A single business where two or more people share ownership. Each partner contributes to all aspects of the business, shares in the profits and losses of the business, and assumes unlimited liability for all debts and liabilities incurred by the partnership.
- Private limited liability company (LLC) – A corporate structure whereby the members of the company cannot be held personally liable for the company's debts or liabilities. A private company must have a minimum of one director who normally resides in Fiji. There are restrictions on the ability of shareholders to transfer their shares (as distinct to public companies where shares are publicly tradeable).
- Public company – A company that offers its shares for sale to the public. This is normally applicable only for large companies that wish to raise capital through public investment in the company.

Non-profit

Social enterprises that are non-profit and that exist to provide a service to members may wish to also consider the following business structure options:

- Company limited by guarantee (also a public company) – May be used by a non-profit company requiring company status. There is no share capital and members can be protected from personal liability up to the extent of their contribution as members. It prohibits the payment of dividends to members. This structure is often used by sports, science, and religious organisations.
- Cooperative – The main purpose of a cooperative is not to maximise profit but to provide a service to its members. A minimum of 10 people is required to start a cooperative and it is considered a corporate body after registration. A committee within the cooperative needs to draft by-laws to manage governance arrangements.

⁴⁵ Adapted from information provided by the then Fiji Revenue and Customs Authority as part of an article: Fiji Times, "Types of businesses," 12 July 2017, <https://www.fijitimes.com.fj/types-of-businesses/>; and information provided by Siwatibau and Sloan.

If you are setting up a social enterprise you may want to look at non-profit options, such as a company limited by guarantee that prohibits the application of profit and payment of dividends to members. Members still have limited liability and therefore a degree of protection. Cooperatives have also been used historically for many community-based enterprises.

Once you've decided to start a business there are a number of steps you'll need to take.

- Step 1: Check the uniqueness of the proposed company name and reserve the name
- Step 2: Prepare company documents
- Step 3: Register the company
- Step 4: Register for a Tax Identification Number (TIN) and register for relevant taxes
- Step 5: Submit TIN to Office of the Registrar of Companies
- Step 6: Receive inspection by Fiji Revenue and Customs Service (FRCS)
- Step 7: Obtain the National Fire Authority Certificate
- Step 8: Register for statutory training tax
- Step 9: Obtain a compliance letter from the Minister of Employment, Productivity and Industrial Relations after inspection
- Step 10: Apply for a business license from the relevant licensing authority
- Step 11: Register as an employer with the Fiji National Provident Fund

Step 1: Check the uniqueness of the proposed company name and reserve the name

Agency: Office of the Registrar of Companies (<https://www.egov.gov.fj>)

Address: Level 2, Suva House, Victoria Parade, Suva. Telephone: (679) 331 2981

Once you've decided on a name for your business, you must register it with the Office of the Registrar of Companies.

The office will conduct a search in its database to ensure that the name is not confusingly similar to one already registered. The office will also check that the name does not contravene any restrictions placed on company names. For example, you are not allowed to use the words "Fiji" or "Viti" as part of your company name.

A name is available to a company except where it is:

- Identical to a name that is reserved as a company name or business name, or registered under the Companies Act (2015) or a repealed act for another body
- Unacceptable for registration under the Act or its regulations
- In the opinion of the Registrar, undesirable, having applied the company name availability rules set out in Schedule 1 of the Act

A company name must include one of the following words at the end of its name:

- Limited Public Company – "Limited" or the abbreviation "Ltd"
- Limited Private Company – "Pte Limited" or the abbreviation "Pte Ltd"
- Unlimited Liability Company

Application fees⁴⁶ for name reservation can be paid in person at the Office of the Registrar of Companies. If approved, the company name will be reserved for 30 days (with a one-time extension). Company incorporation documents (Step 2 below) must be lodged with the Registrar within this time. A detailed overview of the process can be found on the Investment Fiji website.⁴⁷

46 Munro Leys, "The Companies Act – Annual Registration Fees," 22 June 2016, <http://www.munroleyslaw.com/the-companies-act-annual-registration-fees/>.

47 Investment Fiji, "Registrar of Companies," <http://www.investmentfiji.org.fj/resources/uploads/embeds/file/Registrar%20of%20Companies.pdf>.



Step 2: Prepare company documents

New businesses must draft Articles of Association that describe the internal governance structure of the company, shareholder, and share structure details.

The Companies Act (2015)⁴⁸ contains standard articles that can be used. However, most companies use the services of a lawyer to do this to ensure that the articles are prepared properly and that you understand their content. The average cost of engaging a lawyer to prepare company documents is around FJD \$1,500 - \$2,500.

Step 3: Register the company

Agency: Office of the Registrar of Companies (<https://www.egov.gov.fj>)

Address: Level 2, Suva House, Victoria Parade, Suva. Telephone: (679) 331 2981

Once the relevant company documents are complete, the company is required by the Companies Act (2015) to submit the documents together with an application form and the required fee to the Office of the Registrar of Companies.

The application form requires the company to provide details of the company, governance of the company, registered office, principal place of business, shareholder details, share structure details, and details of its members.

Step 4: Register for Tax Identification Number and register for relevant taxes

Agency: Fiji Revenue and Customs Service (<https://www.frccs.org.fj/>)

After you have submitted the documents to the Office of the Registrar of Companies, you must obtain a Tax Identification Number (TIN) from the Fiji Revenue and Customs Service (FRCS).⁴⁹ A TIN registration form must be completed and submitted to FRCS along with the relevant stamped forms from the Office of the Registrar of Companies.⁵⁰ FRCS will issue a standard TIN letter confirming the TIN. You will also need to register for other taxes depending on the type and scale of your business (see Section 7 and Annex 2).

Step 5: Submit Tax Identification Number to Office of the Registrar of Companies

Agency: Office of the Registrar of Companies (<https://www.egov.gov.fj>)

The TIN letter must be submitted to the Office of the Registrar of Companies to facilitate the issuance of the Certificate of Registration. The Registrar of Companies will send a copy of the Certificate of Registration to the FRCS to update their taxpayer records.

Step 6: Receive inspection by Fiji Revenue and Customs Service

Agency: Fiji Revenue and Customs Service (<https://www.frccs.org.fj/>)

Businesses with turnover above \$100,000 must register for value-added tax (VAT), and their business premises need to be inspected by FRCS. This can happen simultaneously with the other inspections required (described below).

48 Republic of Fiji Companies Act 2015, <http://www.parliament.gov.fj/wp-content/uploads/2017/03/Act-No-3-Companies.pdf>.

49 Fiji Revenue and Customs Service, "Registration," <https://www.frccs.org.fj/our-services/taxation/individuals/registration/>.

50 Fiji Revenue and Customs Service, "Registration Requirements for a Tax Identification Number (TIN)," <https://www.frccs.org.fj/wp-content/uploads/2012/09/TIN-Registration-Brochure-Final.pdf>.

Step 7: Obtain the National Fire Authority Certificate

Agency: National Fire Authority (NFA) (<http://www.nfa.com.fj>. Telephone: 3312877)

Businesses must request (by phone or email) the National Fire Authority's inspection of their premises. Once the request has been made, NFA officials will inspect the premises during the opening hours of the business. If NFA is satisfied with the results of the inspection, it will issue a compliance certificate to the business. Upon receipt of the compliance certificate, the business must conduct a fire safety briefing for its staff.

Step 8: Register for statutory training tax

Agency: Fiji National University (FNU) (<https://www.fnu.ac.fj>)

Employers must register for statutory training tax (FNU levy),⁵¹ which is 1% of the total salaries paid to staff, or if no salaries are paid, the director's fees. FNU can send the registration form by mail to the office of the new business. Once completed, the form should be mailed back to FNU. The registration form is also available online at:

- https://www.fnu.ac.fj/new/images/levy/2018/2018_Central_Assessment_Form.pdf
- https://www.fnu.ac.fj/new/images/levy/2018/2018_Western_Assesment_form.pdf

Step 9: Obtain compliance letter from the Minister of Employment, Productivity and Industrial Relations after inspection

Agency: Ministry of Employment, Productivity and Industrial Relations (<http://www.employment.gov.fj/>)

The Ministry of Employment, Productivity and Industrial Relations must inspect all workers in the workplace. The Office of Occupational Health and Safety (OHS) will issue a letter of compliance to businesses after satisfactory inspection of workers at the workplace. In order to obtain this letter, the company needs to submit in person to the nearest OHS the completed application form (available at <http://www.employment.gov.fj/images/Forms/OHSF3.pdf>) together with the following:

- National Fire Authority Certificate
- Business Registration Certificate
- TIN letter

Three days after submitting the documents, the OHS will inspect the business premise and when all the compliance requirements are met, the compliance letter will be issued. The compliance letter then needs to be submitted in person to the Suva City Council (or relevant licensing municipal body) in order to obtain a business license.

Step 10: Apply for a business license from the relevant licensing authority

Agency: Suva City Council⁵² (or relevant licensing municipal body)

<http://suvacity.org/normal-business/>

The company must obtain a business license from the relevant licensing authority for each location it conducts business. This license needs to be renewed annually. Depending on the business activity, the fees range from \$100 to \$5,000.⁵³ For Suva City Council, the business license application form is available online at <http://suvacity.org/wp-content/uploads/2012/09/BL-Application-Form.pdf>.

51 Fiji National University, "Levy Order (as amended by the Fiji National University Amendment Decree No. 58 of 2010)," https://www.fnu.ac.fj/ntpc/images/Forms/Levy_Order_Brochure_-FNU.PDF.

52 Suva City Council, "Normal Business," <http://suvacity.org/normal-business/>.

53 Suva City Council, "Business License Types and Charges," http://suvacity.org/pdfs/Business_License/Checklist/Business_License_Types_%20Charges.pdf.



Step 11: Register as an employer with the Fiji National Provident Fund

Agency: Fiji National Provident Fund (<https://myfnpf.com.fj/>)

All new businesses must register as an employer with the Fiji National Provident Fund and pay its contributions. Find out more at <https://myfnpf.com.fj/index.php/employers/become-an-employer>. You can download the registration form at

https://myfnpf.com.fj/images/FORMS/EMPLOYERS/1_REGISTRATION_OF_EMPLOYER_new.pdf.

Business advisory services

There are many business advisory services around to help you through the startup phase and beyond. Below is a summary of the types of services you are likely to need as a new business – but because things change quickly you should do your own research to determine the service providers that are right for you.

Banking

All businesses will need a business bank account. Even as a sole trader, it's advisable to have separate bank accounts for your business and your personal use.

When you open your account, talk to your account manager about online banking facilities, transaction limits for bill payments and transfers (this can save you a lot of time!), bank charges, whether they will provide a dedicated account manager to act as a liaison point, and mobile payment machines if you know that you'll need one.

If you need a loan to start your business, discuss this early with various banks to understand your options.

Legal advice

Law firms, chartered accountants, and business consultants can help register your business name, write your articles of association, and provide other support to set up your business. Using the services of a lawyer to set up your business can save a lot of time and effort, and help you understand the legal documents you are required to sign.

Accounting

You may decide that you are able to manage the day-to-day bookkeeping for the business, at least initially. Financial statements are likely to require the support of an accountant – unless you are one yourself! But don't confuse the day-to-day tracking of your income and expenditures with the preparation of financial statements.

The day-to-day bookkeeping will allow you to know whether you can pay your bills, yourself, and your staff. For this, you may want to use an accounting software. There are a number of free and paid accounting software programs available – ask other small businesses what they use and if they have any recommendations.

If you need the advice of an accountant for bookkeeping and in preparing annual financial statements, the Fiji Institute of Accountants has a list of accountancy firms on their website.⁵⁴

Temp services

As a small business with a crazy number of small things to manage (e.g., paying bills, entering receipts, replying to emails), but without the resources to contract long-term support, you may consider hiring someone on a temporary basis to run errands for you.

54 Fiji Institute of Accountants, <http://www.fia.org.fj>.

Runners!⁵⁵ is a small agency that can provide errand-running services to help with the small jobs that are straightforward but time consuming, freeing your time up to do other things.

Website creation, design, and maintenance

There are many easy-to-use, do-it-yourself platforms for creating websites (such as WordPress), but since your website will be with you for a number of years, you want to get it right, and it can be worth spending a bit of money for a professional and effective website for your business. Make sure that website providers develop a solution that is low-maintenance and does not rely on their ongoing support for every update. Don't think of a website as a one-off task. You'll need to keep it updated with fresh content and ensure that it is secure.

Employer bodies/associations

When you are starting out as a business you may not know many people in the industry. Joining an industry association can be a good way to network with other business owners, receive ongoing advice, and promote your business. Annex 1 lists some options, but you can also ask around to learn about other associations.

Further training and advice

The Ministry of Industry, Trade and Tourism (MITT) runs a variety of training courses, including courses certified by the International Labour Organization (ILO) such as "Generate your Business Idea"⁵⁶ and "Start and Improve Your Business".⁵⁷ MITT's Young Entrepreneurship Scheme⁵⁸ provides training, guidance, and grants to youth applicants with new business ideas.

The National Centre for Small and Micro Enterprises Development (NCSMED)⁵⁹ has training courses and an incubation centre with access to free internet and phone calls for new businesses.

The Fiji Commerce and Employers' Federation (FCEF)⁶⁰ has several partnerships⁶¹ that provide business incubation services and business resilience advice, and they also manage subsidy schemes for business advisory services.

You may also consider contacting Pacific Trade and Invest,⁶² an organisation that supports businesses in the Pacific in exporting products, digital marketing, and trade show attendance.

55 Runners! <http://runnersfiji.com/>.

56 International Labour Organization, Generate Your Business Idea (Geneva, 2015), https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/instructionalmaterial/wcms_436192.pdf.

57 International Labour Organization, "Start and Improve Your Business Programme," <https://www.ilo.org/empent/areas/start-and-improve-your-business/lang--en/index.htm>.

58 Young Entrepreneurship Scheme, <http://yes.gov.fj/>.

59 National Centre for Small and Micro Enterprises Development, <http://www.ncsmed.org.fj/>.

60 Fiji Commerce and Employers' Federation, <https://www.fcef.com.fj>.

61 With the Market Development Facility, United Nations Development Programme, and Business Link Pacific.

62 Pacific Trade Invest, <https://pacifictradeinvest.com/>.