REPUBLIC OF VANUATU

CONSOLIDATION OF THE FRENCH AND ENGLISH TEXTS OF THE LAWS OF VANUATU ACT [CAP 295]

Approval of the English Text of the Incorporated Cell Companies Edition 2026 Order No. 179 of 2026

In exercise of the powers conferred on me by subsection 9(1) of the Consolidation of the French and English Texts of the Laws of Vanuatu Act [CAP 295], I, the Honourable JOB SAM ANDY, Minister of Youth, Justice and Community Services, make the following Order:

1 Approval of the English Text of the Incorporated Cell Companies Consolidation Edition 2026

The English Text of the Incorporated Cell Companies Consolidation Edition 2026 is approved.

2 Appointed day

The appointed day for the coming into operation of the Incorporated Cell Companies Consolidation Edition 2026 is the day on which this Order is made.

3 Commencement

This Order commences on the day on which it is made.

Made at Port Vila this 15th **day of** September**, 2026.**

Honourable JOB SAM ANDY
Minister of Youth, Justice and Community Services

REPUBLIC OF VANUATU
Ministry of Youth, Justice & Community Services
MINISTER
Ministère de la Jeunesse, de la Justice et des Services Communautaires
RÉPUBLIQUE DE VANUATU

Commencement: 16 November 2009

INCORPORATED CELL COMPANIES ACT NO. 25 OF 2009

Act 25 of 2009
Act 19 of 2013
Act 42 of 2014

Arrangement of Sections

INCORPORATED CELL COMPANIES ACT NO. 25 OF 2009

An Act to provide for the formation, operation and regulation of incorporated cell companies and incorporated cells and for related matters

PART 1 – PRELIMINARY

1. Interpretation

(1) In this Act unless the contrary intention appears:

"administration order" means an administration order made by the Court in respect of an incorporated cell company or an incorporated cell under section 34;

"administrator" means a person appointed by the Court to manage the affairs, business and property of an incorporated cell company or an incorporated cell under an administration order;

"cell resolution" means a special resolution of an incorporated cell company that complies with the requirements of section 8 to create an incorporated cell;

"certificate of conversion" from protected cell company into incorporated cell company means a certificate issued under section 52;

"certificate" of conversion into incorporated cell means a certificate issued under section 55;

certificate of conversion into incorporated cell company means a certificate issued under section 51;

certificate of conversion of incorporated cell into company means a certificate issued under section 53;

certificate of transfer of incorporated cells means a certificate issued under section 54;

Commission means the Vanuatu Financial Services Commission established under the Vanuatu Financial Services Commission Act [CAP 229];

"Companies Act" means the Companies Act No. 25 of 2012

default fine has the same meaning as in the Companies Act [CAP 191];

incorporated cell means a cell of an incorporated cell company;

incorporated cell company means a company incorporated as, or converted into, an incorporated cell company under this Act;

non-cellular company means a company which is neither an incorporated cell company nor a protected cell company;

prescribed means prescribed by regulations made under this Act;

protected cell company has the same meaning as in the Protected Cell Companies Act No. 37 of 2005;

registrar of companies or registrar has the same meaning as in the Companies Act No. 25 of 2012 regulations means regulations made by the Minister under this Act;

"security in relation to security interest" means any mortgage, charge, hypotheque, lien or other security, and secured interest must be read accordingly;

special resolution has the same meaning as in the Companies Act No. 25 of 2012;

"transfer agreement" means an agreement between:

(a) two incorporated cell companies setting out the terms of the transfer of an incorporated cell between them in accordance with section 54; or

(b) an incorporated cell company and a non-cellular company setting out the terms of the transfer of the non-cellular company as an incorporated cell to the incorporated cell company, in accordance with section 55;

"treasury shares" means the shares of a company that were previously issued but were repurchased or otherwise acquired by the company and not cancelled.

(2) An expression used in this Act that is used in the Companies Act No. 25 of 2012 has the same meaning as in the Companies Act No. 25 of 2012

PART 2 – FORMATION AND NATURE OF INCORPORATED CELL COMPANY

2. Incorporation of incorporated cell company

(1) A company may be incorporated as an incorporated cell company.

(2) Subject to the provisions of this Act, the Companies Act applies to the incorporation of a company as an incorporated cell company.

(3) To avoid doubt, an Incorporated Cell Company may be operated:

(a) within Vanuatu; or

(b) outside Vanuatu; or

(c) both within and outside Vanuatu.

3. Consent of Commission required for incorporation of incorporated cell company

(1) Subject to subsection (2):

(a) a company may not be incorporated as an incorporated cell company; and

(b) an existing company may not be converted into an incorporated cell company,

except under the authority of, and in accordance with, the terms and conditions of the written consent of the Commission.

(2) The Commission must not give its consent unless the company is or becomes:

(a) a captive insurance company within the meaning of the Insurance Act No. 54 of 2005; or

(b) a mutual fund within the meaning of the Mutual Funds Act No. 38 of 2005; or

(c) a unit trust scheme within the meaning of the Unit Trust Act No. 36 of 2005; or

(d) a company which is of any other prescribed class or description.

4. Application for consent of Commission

(1) An application for the consent of the Commission for the incorporation of a company as an incorporated cell company, or for the conversion of an existing company into an incorporated cell company must:

(a) be made in writing to the Commission; and

(b) be in the form approved by the Commission; and

(c) be accompanied by:

(i) such documents and information as the Commission may require to determine the application; and

(ii) the prescribed fee.

(2) Before making a decision on an application, the Commission may request the applicant to give the Commission any additional information and documents to assist the Commission to make a decision on the application.

(3) If a request has been made under subsection (2), the applicant must provide the additional documents and information to the Commission within the time as may be specified by the Commission.

(4) The Commission must, on receipt of an application under subsection (1), and all other information and documents requested by the Commission under subsection (2):

(a) grant the consent subject to any terms or conditions as it thinks fit; or

(b) refuse the application.

(5) If the Commission refuses the application, the Commission must:

(a) inform the applicant that its application is refused; and

(b) give the applicant reasons as to why the Commission has refused its application.

(6) The Commission may:

(a) vary or revoke a term or condition of its consent; or

(b) impose further conditions in relation to its consent.

5. Filing of memorandum with copy of Commission's consent

(1) The memorandum of an incorporated cell company must:

(a) state that the company is an incorporated cell company; and

(b) be submitted for filing with the registrar of companies, with a copy of the consent of the Commission granted under paragraph 4(4)(a).

(2) The registrar must not file the memorandum unless he or she is satisfied that the memorandum complies with the requirements of this Act.

6. Name of incorporated cell company

Subject to Division 2 of Part 2 of the Companies Act, the name of an incorporated cell company must, include the expression "Incorporated Cell Company", "ICC" or any cognate expression as may be approved by the Commission.

7. Application of Companies Act

Subject to the provisions of this Act, the provisions of the Companies Act apply to an incorporated cell company.

PART 3 – FORMATION AND NATURE OF INCORPORATED CELL

8. Incorporation of incorporated cell

(1) Subject to subsection (2), an incorporated cell company may, by cell resolution, create one or more incorporated cells.

(2) The cell resolution must:

(a) assign a name to the incorporated cell; and

(b) specify the rules of the incorporated cell setting out the matters as provided under the Companies Act.

(3) The Directors of the incorporated cell company must submit to the registrar for filing, the rules or model rules of the incorporated cell within14 days after the date on which the cell resolution is passed.

(4) The filing of a rules or model rules under subsection (3) is taken to be the filing of a rules or model rules under the Companies Act.

(5) The Registrar must not file the rules or model rules and articles of the incorporated cell unless he or she is satisfied that such documents comply with the requirements of this Act.

(6) The Registrar must as soon as practicable after he or she files the rules or model rules:

(a) register:

(i) the rules or model rules; and

(ii) the name of the incorporated cell; and

(iii) the articles, stating that the incorporated cell, is registered as a company; and

(b) issue to the Incorporated Cell, a certificate of incorporation, the date of registration, status and a copy of the rules or model rules.

9. Permit of Minister not required for registration of an incorporated cell

To avoid doubt, the permit of the Minister is not a requirement for the registration of an incorporated cell under subsection 8(6).

10. Constitution of incorporated cell

(1) The cell resolution must provide that the incorporated cell it creates may:

(a) be wound up and dissolved upon:

(i) the bankruptcy, death, dissolution, expulsion, insolvency, legal incapacity, resignation or retirement of any member of the incorporated cell; or

(ii) the expiration of a fixed period of time; or

(iii) the occurrence of any other event; and

(b) issue shares with or without par value; and

(c) be :

(i) a company limited by guarantee; or

(ii) a company limited by shares; or

(iii) a company limited both by shares and by guarantee; and

(d) purchase its own share; and

(e) provide financial assistance for the acquisition of its shares; and

(f) hold its shares as treasury shares.

(2) The memorandum or articles of an incorporated cell must specify:

(a) that the incorporated cell may not own shares in its incorporated cell company; and

(b) subject to any provision to the contrary in the memorandum or articles, the incorporated cell may own shares in any other incorporated cell of its incorporated cell company.

11. Name of incorporated cell

The name of an incorporated cell must, subject to Division 2 of Part 2 of the Companies Act, include the expression "Incorporated Cell", "IC" or any cognate expression as may be approved by the Commission.

12. Status of incorporated cell

(1) To avoid doubt, an incorporated cell is a company.

(2) Despite the provisions of any other Act, an incorporated cell is not a subsidiary of its incorporated cell company solely by virtue of the fact of it being an incorporated cell of its incorporated cell company.

(3) An incorporated cell may not in itself be an incorporated cell company or a protected cell company.

(4) An incorporated cell must have the same registered office as its incorporated cell company.

(5) To avoid doubt, an incorporated cell and its incorporated cell company are not required to have the same persons as directors.

PART 4 – SEPARATE NATURE OF INCORPORATED CELL COMPANY AND ITS INCORPORATED CELLS

13. Separation of assets and liabilities

(1) The Directors of an incorporated cell company and its incorporated cells must:

(a) keep the assets and liabilities of the incorporated cell company separate and identifiable from the assets and liabilities of its incorporated cells; and

(b) keep the assets and liabilities of each incorporated cell separate and identifiable from the assets and liabilities of the other incorporated cells of the incorporated cell company.

(2) For the purpose of this section, subsection (1) is not contravened by reason only that directors cause or permit assets of the incorporated cell company or any of its incorporated cells to be collectively invested, or collectively managed by an

investment manager, as long as the assets in question remain separately identifiable under subsection (1).

14. Transactions

(1) An incorporated cell company has no power, by virtue of its position as an incorporated cell company, to enter into transactions on behalf of any of its incorporated cells.

(2) The incorporated cell has no power, by virtue of its position as an incorporated cell to enter into transactions on behalf of its incorporated cell company.

(3) The directors and officers of an incorporated cell company or an incorporated cell must in respect of every transaction that the incorporated cell company or the incorporated cell enters into, specify:

(a) whether the transaction is being entered into by the incorporated cell company or by the incorporated cell; and

(b) if it is by an incorporated cell- the incorporated cell that entered into the transaction.

(4) If an incorporated cell company or an incorporated cell fails to comply with subsection (3), its directors and officers are personally liable to the person with whom it transacts (despite any provision to the contrary in the articles of the incorporated cell company or as the case may be the incorporated cell or in any contract with the company or cell).

PART 5 – APPLICATION OF COMPANIES ACT TO INCORPORATED CELLS

15. General application of Companies Act to incorporated cells

Subject to the provisions of this Act and any other Act, the provisions of the Companies Act apply to an incorporated cell as if a reference in the Companies Act:

(a) to a company were a reference to an incorporated cell; and

(b) to the directors of a company were a reference to the directors of the incorporated cell; and

(c) to the memorandum or articles of a company were a reference to the memorandum or articles of the incorporated cell; and

(d) to the members of a company were a reference to the members of the incorporated cell; and

(e) to shares in a company were a reference to shares in the incorporated cell; and

(f) to assets and liabilities of a company were a reference to the assets and liabilities of the incorporated cell; and

(g) to the share capital of a company were a reference to the share capital of the incorporated cell.

16. Annual return of incorporated cells

(1) Section 119 of the Companies Act does not apply to an incorporated cell.

(2) Despite subsection (1) an incorporated cell company must include in its annual return the information required by subsection 119(1) of the Companies Act in respect of each of its incorporated cells.

(3) An incorporated cell company that contravenes subsection (2), is liable:

(a) to a default fine; and

(b) together with its incorporated cells, to be struck off the register of Companies.

17. Minute books of incorporated cells

(1) The duties imposed on a company under the Companies Act must, in the case of an incorporated cell, be performed by its incorporated cell company.

(2) An incorporated cell company that contravenes subsection (1) is liable to a default fine.

18. Register of directors and secretaries of incorporated cells

(1) The duties imposed on a company under the Companies Act must, in the case of an incorporated cell, be performed by its incorporated cell company.

(2) An incorporated cell company must, in addition to keeping a register of its directors and secretaries keep in accordance with the Companies Act, separate registers of the Directors and Secretaries of each of its incorporated cells.

(3) An incorporated cell company that contravenes subsections (1) and (2) is liable to a default fine.

19. Register of members of incorporated cells

(1) The duties imposed on a company under the Companies Act on share register must, in the case of an incorporated cell, be performed by its incorporated cell company.

(2) An incorporated cell company must, in addition to keeping a register of its members, keep, in accordance with the Companies Act separate registers of the members of each of its incorporated cells.

(3) An incorporated cell company that contravenes subsections (1) and (2) is liable to a default fine.

20. Index of members of incorporated cells

(1) The duties imposed on a company under the Companies Act on share register must, in the case of an incorporated cell, be performed by its incorporated cell company.

(2) An incorporated cell company that fails to comply with subsection (1) is liable to a default fine.

21. Inspection of registers, index and minute books of incorporated cells

(1) The duties imposed on a company under the Companies Act on inspections of company records must, in the case of an incorporated cell, be performed by its incorporated cell company.

(2) An incorporated cell company that fails to comply with subsection (1) is liable to a default fine.

22. Books of account of incorporated cells

(1) section 124 of the Companies Act does not apply to an incorporated cell.

(2) Despite subsection (1) an incorporated cell company must keep proper books of account in respect of each of its incorporated cells that comply with the requirements of section 124 of the Companies Act.

(3) The books of accounts of an incorporated cell company kept in respect of itself under section 124 of the Companies Act may contain matters in any accounting records in respect of its incorporated cells under subsection (2).

(4) An incorporated cell company that fails to comply with subsection (2) is liable to a default fine.

23. Profit and loss account and balance sheet

(1) section 125 of the Companies Act does not apply to an incorporated cell in respect of the preparation for each financial year of a profit and loss account and balance sheet.

(2) Despite subsection (1) an incorporated cell company must prepare a separate profit and loss account and balance sheet in respect of each of its incorporated cells, in compliance with the requirements of section 125 of the Companies Act.

(3) The profit and loss account and balance sheet prepared under subsection (2) are taken to be the profit and loss account and balance sheet of the incorporated cell for the purposes of the Companies Act.

(4) The requirement in subsection (2) is taken to be complied with if an incorporated cell, with the agreement of the directors of its incorporated cell company elects:

(a) in its memorandum or articles; or

(b) by a special resolution,

that the preparation of its profit and loss account and balance sheet may be combined with the preparation of the profit and loss account and balance sheet of:

(i) its incorporated cell company; or

(ii) another incorporated cell of its incorporated cell company which also so elects.

(5) If no election has been made under subsection (4), the profit and loss account and balance sheet of an incorporated cell company prepared under section 125 of the Companies Act must not include matters that are included in the profit and loss account and balance sheet of an incorporated cell prepared under subsection (2).

(6) Subject to any provision in the memorandum or articles of an incorporated cell or its incorporated cell company to the contrary:

(a) a member of the incorporated cell company who is not a member of the incorporated cell is only entitled to be provided with the profit and loss account and balance sheet of the incorporated cell company as is prepared under section 125 of the Companies Act; and

(b) a member of an incorporated cell is only entitled to be provided with the profit and loss account and balance sheet as is mentioned in subsection (2) as relates to the incorporated cell of which he or she is a member.

24. Annual general meetings of incorporated cells

An incorporated cell must not hold an annual general meeting under the Companies Act unless required by:

(a) its memorandum or articles; or

(b) a special resolution; or

(c) the Court, under section 136 of the Companies Act.

25. Directors' report where no annual general meeting held

(1) If an incorporated cell under section 24 does not hold an annual general meeting, its directors must:

(a) within 18 months beginning on the date on which the incorporated cell is entitled to commence business; and

(b) thereafter, at least once in every calendar year,

send a copy of the directors report referred to under the Companies Act to every member of the incorporated cell.

(2) Not more than 15 months must elapse between the sending of successive directors reports under paragraph 1(b).

(3) If an incorporated cell fails to comply with subsection (1) or (2), the incorporated cell is liable to a default fine.

26. Auditors where no annual general meeting held

If, under section 24, and subject to section 27, an incorporated cell does not hold an annual general meeting:

(a) the obligation of the members of the incorporated cell, at each annual general meeting to appoint auditors under the Companies Act must be complied with by the directors of the incorporated cell:

(i) within a period of 18 months beginning on the date on which the incorporated cell is entitled to commence business; and

(ii) thereafter, at least once in every calendar year;

(b) Not more than 15 months must lapse between successive appointments of auditors under subparagraph (a) (ii);

(c) The directors of the incorporated cell must determine the remuneration of the auditors appointed under paragraph (a);

(d) The auditors' report referred to in section 133 of the Companies Act must be made by reference to the profit and loss account and balance sheet contained in the directors report;

(e) The auditor's report is not required to be laid before the company in a general meeting under section 133 of the Companies Act;

(f) Despite paragraph (e), the directors of the incorporated cell must include a copy of the auditor's report in each directors report sent out to members under section 25.

27. Incorporated cell company responsibility for audit of its incorporated cells

(1) The appointment and remuneration of auditors under the Companies Act apply to an incorporated cell unless, with the agreement of the directors of its incorporated cell company, the incorporated cell has elected:

(a) in its memorandum or articles; or

(b) by a special resolution,

that the incorporated cell is not subject to the provisions of that section.

(2) If an incorporated cell makes an election under subsection (1), the directors of the incorporated cell company must comply with the Companies Act in respect of that incorporated cell.

28. Combining audit of incorporated cells with their incorporated cell company

(1) The requirement under the Companies Act to have an audit is taken to be complied with if an incorporated cell, with the agreement of the directors of its incorporated cell company, elects:

(a) in its memorandum or articles; or

(b) by a special resolution,

that its audit be combined with the audit of:

(i) its incorporated cell company; or

(ii) another incorporated cell of its incorporated cell company which has made a similar election,

and those audits are combined as elected.

(2) Subject to any provisions to the contrary in the memorandum or articles of an incorporated cell or its incorporated cell company:

(a) a member of the incorporated cell company who is not a member of the incorporated cell is only entitled to be provided with so much of the auditors' report of the incorporated cell company as relates to that company; and

(b) a member of an incorporated cell is only entitled to be provided with so much of the auditors' report of the incorporated cell company as relates to that incorporated cell of which he or she is a member.

29. Relief for members of incorporated cell unfairly prejudiced by incorporated cell company

(1) A member of an incorporated cell may apply to the Court for an order under this section in respect of the incorporated cell company of the incorporated cell, of which he or she is a member, on the ground that:

(a) the affairs of the incorporated cell company are or have been conducted in a manner which is unfairly prejudicial to the interest of some part of the members (including at least that member); or

(b) any act or proposed act, or omission of the incorporated cell company (including an act or omission on its behalf) is or would be unfairly prejudicial to the interest of some part of the members (including that member).

(2) The Court must not hear an application made under subsection (1) unless it is satisfied that the incorporated cell company of the incorporated cell has been notified of the date, time, and place of the hearing.

(3) The Court may, if it is satisfied that the application under subsection (1) is well founded, make an order as it thinks fit for giving relief in respect of the matters complained of.

(4) Without limiting subsection (3), an order of the Court under this section may:

(a) regulate the conduct of the affairs of the incorporated cell company in the future; or

(b) require the incorporated cell company:

(i) to refrain from doing or continuing to do an act complained of by the applicant; or

(ii) to do any act which the applicant has complained it has omitted to do: or

(c) authorise civil proceedings to be brought in the name and on behalf of the incorporated cell company by the persons and on the terms as the Court may direct; or

(d) provide for the purchase of shares of any member of the incorporated cell company by other members or by the company it self.

(5) Without limiting subsection (3), an order of the Court under this section may make such consequential alterations to the incorporated cell company's memorandum and articles as the Court thinks fit.

(6) Despite any provision of the Companies Act, if an order under this section requires an incorporated cell company not to make any alteration, or any specified alteration, to its memorandum or articles, the incorporated cell company must not, without leave of the Court, make such alterations, in contravention of any provisions of the order.

(7) An alteration to the memorandum or articles of an incorporated cell company made by an order under this section has the same effect as if made by special resolution of that company, and the provisions of the Companies Act apply to the memorandum and articles, as altered.

(8) Nothing in this section affects or extinguishes any other right or remedy.

30. Striking off incorporated cells when their incorporated cell company is struck off

(1) If an incorporated cell company is struck off the register under the provisions of the Companies Act, the provisions in relation to striking a company off the register applies in respect of the incorporated cells of that company, and the incorporated cells also become liable to be struck off.

(2) The incorporated cell may only be restored in the register if its incorporated cell company has been restored in the register.

(3) An application to restore an incorporated cell company under section 150 of the Companies Act may also include an application to restore one or more of its incorporated cells.

PART 6 – WINDING UP

31. Winding up of incorporated cell company not to prejudice its incorporated cells

(1) An incorporated cell company must wind up its business in such a way as not to prejudice the affairs, business and property of any of its incorporated cells.

(2) The incorporated cell company must continue to carry on business to the extent necessary for the continuance of business of its incorporated cells during the process of winding up.

32. Directors of incorporated cell on winding up of its incorporated cell company

(1) The appointment of a liquidator for an incorporated cell company must not affect the position of the directors of its incorporated cells, unless in the course of the winding up, a direction to the contrary has been given, by:

(a) the liquidator; or

(b) the incorporated cell in a general meeting; or

(c) the Court.

(2) The Commission may make an application to the Court for a direction referred to in paragraph (1)(c).

33. No dissolution of incorporated cell company until position of its incorporated cells resolved

(1) An incorporated cell company that has wound up must not be dissolved until each of its incorporated cells are:

(a) converted into a company independent of its incorporated cell company under section 53; or

(b) transferred to another incorporated cell company under section 54; or

(c) expelled from its incorporated cell company under section 56; or

(d) continued as a body corporate under the law of another jurisdiction; or

(e) wound up.

(2) The Court may stay the dissolution of an incorporated cell company subject to any terms as it thinks fit.

PART 7 – ADMINISTRATION ORDERS

34. Court to make administration orders

(1) The court may make an administration order for an incorporated cell company or an incorporated cell if it:

(a) is satisfied that:

(i) an incorporated cell company; or

(ii) an incorporated cell;

is unable to pay its debts; and

(b) considers that the making of an order under this section may achieve one or both purposes set out in subparagraphs (3)(a)(i) and (ii).

(2) For the purpose of this section, an administration order is an order directing that, during the period for which the order is in force, the affairs, business and property of the incorporated cell company or the incorporated cell be managed by an administrator who is appointed by the Court.

(3) An administration order:

(a) may be made for the purpose of:

(i) the survival of the incorporated cell company or incorporated cell, and the whole or any part of its undertaking as a going concern; or

(ii) a more advantageous realization of the incorporated cell company or incorporated cell's assets than would be effected on a winding up; and

(b) must specify the purpose for which it is made.

(4) An administration order may be made despite:

(a) an order for the winding up of the incorporated cell company or incorporated cell made by the Court; or

(b) a resolution passed by the incorporated cell company or the incorporated cell for its voluntary winding up.

(5) If an administration order is made under subsection (4):

(i) the order for the winding up of the incorporated cell company or incorporated cell must be discharged or suspended; or

(ii) the resolution for voluntary winding up must cease to have effect or must be suspended,

subject to any terms and conditions as the Court thinks fit.

35. Administration of incorporated cell company not to prejudice its incorporated cells

(1) The administration of an incorporated cell company must not be carried out in a way as to prejudice the affairs, business and property of any of its incorporated cells.

(2) The incorporated cell company must during its administration, continue to carry on business to the extent necessary for the continuance of business of its incorporated cells.

36. Application for administration order

(1) An application for an administration order in respect of an incorporated cell company may be made together or separately by all or any of the following persons:

(a) the incorporated cell company;

(b) an incorporated cell of the incorporated cell company;

(c) the directors of the incorporated cell company;

(d) a shareholder of the incorporated cell company;

(e) a creditor or a prospective creditor of the incorporated cell company;

(f) the Commission;

(g) the liquidator, if:

(i) the Court has made an order for the winding up of the incorporated cell company; or

(ii) the incorporated cell company has passed a resolution for its voluntary winding up.

(2) An application for an administration order in respect of an incorporated cell may be made together or separately by all or any of the following persons:

(a) the incorporated cell;

(b) the incorporated cell company of the incorporated cell;

(c) the directors of the incorporated cell;

(d) a shareholder of the incorporated cell;

(e) a creditor or a prospective creditor of the incorporated cell;

(f) the Commission;

(g) the liquidator, if:

(i) the Court has made an order for the winding up of the incorporated cell; or

(ii) the incorporated cell has passed a resolution for voluntary winding up.

(3) The Court may, after hearing an application for an administration order, subject to any terms and conditions as it considers fit:

(a) grant or dismiss the application; or

(b) adjourn the hearing conditionally or unconditionally; or

(c) make an interim order or any other order it considers fit.

(4) An interim order under paragraph (3)(c) may, without limitation restrict the performance of any functions of the directors or of the incorporated cell company or the incorporated cell.

(5) Notice of an application to the Court for an administration order for an incorporated cell company must, unless the Court orders otherwise, be served on:

(a) the incorporated cell company; and

(b) each incorporated cell of the incorporated cell company; and

(c) the Commission; and

(d) any other persons, as the Court may direct, including (without limitation) any creditor.

(6) A person who is served with a notice under subsection (5) may make representations to the Court before the order is made.

(7) Notice of an application to the Court for an administration order for an incorporated cell must, unless the Court orders otherwise, be served on:

(a) the incorporated cell; and

(b) its incorporated cell company; and

(c) the Commission; and

(d) any other persons, as the Court may direct, including (without limitation) any creditor.

(8) A person who is served with a notice under subsection (7) may make representation to the court before the order is made.

37. Effect of application for administration order

(1) During the period beginning from the making of an application for an administration order and ending on the making of the order or the dismissal of the application:

(a) no resolution may be passed or order made for the winding up of:

(i) the incorporated cell company; or

(ii) the incorporated cell,

to which the application relates;

(b) no proceedings may be commenced or continued against the incorporated cell company or incorporated cell except with the leave of the Court and subject to the terms and conditions as the Court may impose.

(2) To avoid doubt, paragraph (1)(b) does not affect the rights of set-off and secured interests, including security interests, and their rights of enforcement.

(3) Nothing in subsection (1) requires the leave of the Court for the presentation of an application for the winding up of the incorporated cell company or as the case may be the incorporated cell.

38. Effect of administration order

(1) If the Court grants an administration order under section 36, any application for the winding up of:

(a) the incorporated cell company; or

(b) the incorporated cell,

to which the order relates must be dismissed.

(2) If an administration order is in force:

(a) no resolution may be passed or order made for the incorporated cell company or incorporated cell's winding up; and

(b) no proceedings may be commenced or continued against the incorporated cell company or the incorporated cell unless by:

(i) prior consent of the administrator; or

(ii) the leave of the Court, subject to the terms and conditions as the Court may impose.

(3) To avoid doubt, paragraph (b) does not affect the rights of set-off and secured interests, including security interests, and their rights of enforcement.

39. Notification of administration order

(1) Every invoice, order for goods, business letter or other document in relation to an incorporated cell company or an incorporated cell, issued while an administration order is in force, by or on its behalf or by the administrator, must contain in addition to the name of the incorporated cell company or incorporated cell:

(a) the name of the administrator; and

(b) a statement that the affairs, business and property of the incorporated cell company or as the case may be the incorporated cell are being managed by the administrator.

(2) An incorporated cell company or incorporated cell that contravenes subsection (1) is liable to a default fine.

(3) The administrator or an officer of the incorporated cell company or incorporated cell who without reasonable excuse authorises or permits the contravention of subsection (1) is liable to a default fine.

40. General powers and functions of administrator

(1) The administrator of:

(a) an incorporated cell company, or

(b) an incorporated cell,

may do all things necessary or expedient for the management of the affairs, business and property of the incorporated cell company or as the case may be the incorporated cell.

(2) Without limiting subsection (1), and unless the Court orders otherwise, the administrator of an incorporated cell company or incorporated cell may exercise the powers and functions of the administrator as are specified in the Schedule.

(3) The administrator may apply to the Court for directions in relation to:

(a) the extent or performance of his or her functions under this Act; or

(b) any other matter arising in the performance of his or her functions under this Act.

(4) On hearing an application under subsection (3), the Court may make an order, subject to any terms and conditions, as it thinks fit.

(5) The administrator is in exercising his or her powers or functions under this Act, taken to act as the agent of the incorporated cell company or as the case may be the incorporated cell and is not personally liable for any omissions incurred in the performance of his or her functions except to the extent that he or she acts fraudulently, recklessly or negligently or in bad faith.

(6) The administrator may:

(a) remove any director of the incorporated cell company or as the case may be the incorporated cell and appoint another person to be a director, to fill a vacancy or otherwise; or

(b) call a meeting of members or creditors of the incorporated cell company or as the case may be the incorporated cell.

(7) An administrator appointed for an incorporated cell company may:

(a) remove any director of any of its incorporated cells and appoint any person to be a director to fill a vacancy or otherwise; or

(b) call any meeting of members or creditors of any of its incorporated cells.

(8) For the purposes of the Companies Act, an administrator of an incorporated cell company or an incorporated cell is taken to be an officer of the incorporated cell company or as the case may be the incorporated cell.

41. General duties of administrator

(1) The administrator must, on his or her appointment, take custody or control of the properties of the incorporated cell company or as the case may be the incorporated cell.

(2) The administrator must manage the affairs, business and property of the incorporated cell company or as the case may be the incorporated cell in accordance with any specific directions given by the Court.

42. Co-operation with, and by, administrator

(1) Any function conferred on:

(a) the incorporated cell company; or

(b) the incorporated cell; or

(c) the directors and officers of the incorporated cell company or the incorporated cell,

under the Companies Act or by the memorandum or articles or otherwise, which could be performed during the administration of the incorporated cell company or the incorporated cell, in such a way as to interfere with the performance of functions of the administrator, must not be performed unless with the prior consent of the administrator, which may be given either generally or in relation to a particular matter.

(2) The administrator of an incorporated cell company must co-operate in managing the affairs, business and property of the incorporated cells of the incorporated cell company, with:

(a) the incorporated cells; and

(b) the directors and officers of the incorporated cells,

to the extent that such co-operation must not interfere with the performance of his or her functions as the administrator.

(3) The administrator of an incorporated cell must co-operate, in managing the affairs, business and property of the incorporated cell company with:

(a) the incorporated cell company; and

(b) the directors and officers of the incorporated cell company,

to the extent that such co-operation must not interfere with the performance of his or her functions as the administrator.

43. Discharge or variation of administration order

(1) The administrator may apply to the Court at any time for a variation or discharge of an administration order if it appears to him or her that:

(a) the purpose or each of the purposes specified in the order has been achieved or is unable to be achieved; or

(b) it would otherwise be desirable or expedient to discharge or vary the order.

(2) The Court may on hearing an application under this section for the discharge or variation of an administration order, subject to any terms and conditions as it considers fit:

(a) grant or dismiss the application; or

(b) adjourn the hearing, conditionally or unconditionally; or

(c) make an interim order or any other order as it thinks fit.

(3) If an administration order is discharged or varied under this section:

(a) the registrar must enter a copy of the order effecting the discharge or variation in the register of companies; and

(b) the administrator must within such time as the Court may direct, send a copy of the order to persons as the Court may direct.

44. Remuneration and swearing in, of administrator

(1) The remuneration of an administrator and any costs, charges and expenses properly incurred in the administration of:

(a) an incorporated cell company; or

(b) an incorporated cell,

are payable from the incorporated cell company and incorporated cell assets in priority to all other claims.

(2) The administrator's fees are to be determined by the Court.

(3) The administrator must be sworn before the Court when the Court makes the administration order or at any other time as may be directed by the Court.

45. Vacation of office

(1) The administrator must vacate office if:

(a) he or she is removed by order of the Court; or

(b) he or she resigns by giving 3 months notice of resignation to the Court; or

(c) the administration order is discharged by the Court.

(2) The Court may, on the application of an interested party, appoint another person to be an administrator, if there is a vacancy in the office of the administrator.

46. Release of administrator

(1) A person who has ceased to be the administrator of an incorporated cell company or an incorporated cell is released with effect from:

(a) in the case of death - the time at which notice is given to the Court that he or she has ceased to hold office; or

(b) in any other case- the time as the Court may determine.

(2) A person who is released under this section, with effect from the time of release, is discharged from all liability in respect of his or her acts and omissions in the administration and otherwise in relation to his or her conduct as administrator, except to the extent that he or she has acted fraudulently, recklessly, negligently or in bad faith.

47. Information to be given by administrator

(1) If an administration order has been made, the administrator must:

(a) as soon as practicable, send the notice of the order to:

(i) the incorporated cell company; or

(ii) the incorporated cell,

in respect of which the order is made and publish the notice in the Gazette; and

(b) within 28 days after the date in which the order is made-send the notice of the order to the Commission and:

(i) subject to any directions of the Court -to all creditors of the incorporated cell company or as the case may be the incorporated cell; or

(ii) if the order is for an incorporated cell company- to its incorporated cells; or

(iii) if the order is for an incorporated cell- to its incorporated cell company.

(2) If an administration order has been made, the registrar must enter a copy of the order in the register to be maintained by him or her under the Companies Act.

48. Statement of affairs to be submitted to administrator

(1) If an administration order has been made, the administrator may require all or any of the persons referred to in subsection (3) to submit to him or her a statement in the form as he or she may require, in relation to the affairs of:

(a) the incorporated cell company; or

(b) the incorporated cell,

in respect of which the order was made.

(2) The statement referred to in subsection (1) must be verified by affidavits of the persons required to submit it or in such other manner as the administrator may require and must set out:

(a) particulars of the assets, debts and liabilities of the incorporated cell company or as the case may be the incorporated cell; and

(b) the name and addresses of its creditors; and

(c) any securities held by any of its creditors; and

(d) the dates on which those securities were given; and

(e) any other information as the administrator may require.

(3) The persons referred to in subsection (1) are persons:

(a) who are or have been officers of the incorporated cell company or as the case may be the incorporated cell; and

(b) who have taken part in the formation of the incorporated cell company or as the case may be the incorporated cell at any time within the period of one year before the date on which the administration order was made; and

(c) who are in the employment with the incorporated cell company or as the case may be the incorporated cell or have been in its employment within the period of one year before the date on which the administration order was made, and in the opinion of the administrator, capable of giving the information that is so required.

(4) For the purpose of this section "employment" in paragraph (3) (c) includes employment under a contract for services.

(5) Subject to paragraph (6)(b), a person must submit the statement of affairs to the administrator within 21 days from the date on which he or she receives a written notice from the administrator to submit such statement.

(6) The administrator may:

(a) at any time release a person from an obligation imposed on him or her under subsection (1) or (2); or

(b) at the time of giving notice under subsection (5) or subsequently, extend the period mentioned in that subsection.

(7) The Court may exercise the powers under subsection (6) if the administrator has refused to exercise such powers without a reasonable excuse.

(8) A person who without reasonable excuse fails to comply with any obligation imposed under this section, is liable to a default fine.

(9) A requirement imposed by an administrator under this section has effect despite any obligation as to confidentiality or other restriction on the disclosure of information imposed by any Act, contract or otherwise.

(10) An obligation or restriction referred to in subsection (9) is not contravened by making of a disclosure pursuant to a requirement imposed by an administrator under this section.

49. Protection of interests of creditors and members

(1) At any time that an administration order is in force, the Commission, a creditor or member of the incorporated cell company or the incorporated cell to which the order relates, may apply to the Court for an order under this section on the ground that:

(a) the affairs, business and property of the incorporated cell company or as the case may be the incorporated cell are managed by the administrator in a manner which is unfairly prejudicial to the interests of its creditors or members generally, or of some part of its creditors or members (including, except where the applicant is the Commission, at least the applicant himself or herself); or

(b) any actual or proposed act or omission of the administrator is or would be so prejudicial; or

(c) that it would otherwise be desirable or expedient for an order under this section to be made.

(2) In hearing an application for an order under subsection (1), the Court may subject to the terms and conditions as it thinks fit:

(a) dismiss the application, or make an order for giving relief in respect of the matters complained of; or

(b) adjourn the hearing, conditionally or unconditionally; or

(c) make an interim order.

(3) An order under this section may:

(a) regulate future management by the administrator of the affairs, business and property of the incorporated cell company or incorporated cell; or

(b) require the administrator to refrain from doing or continuing an act complained of by the applicant, or to do an act which the administrator has omitted to do; or

(c) require the summoning of a meeting of members for the purpose of considering any matters as the Court may direct; or

(d) discharge the administration order and make any consequential provision as the Court thinks fit.

(4) The registrar must enter a copy of the order that directs the discharge of the administration order in the register.

(5) The administrator must send a copy of the order that directs the discharge of the administration order to any person as the court may direct.

(6) An application for an order under this section may also be made with leave of the Court, by a person other than a person referred to in subsection (1).

PART 8 – ALTERATIONS

50. Amendment of articles of incorporated cells

The articles of an incorporated cell may be amended:

(a) in the manner set out in the articles; or

(b) if the manner is not set out in the articles - by a special resolution of the incorporated cell and of its incorporated cell company.

51. Conversion of company into incorporated cell company

(1) A company may be converted as an incorporated cell company.

(2) The company must:

- (a) subject to subsection 3(2), have the consent of the Commission for conversion; and
- (b) pass a special resolution to authorise the conversion and to alter its memorandum to state that it is an incorporated cell company; and
- (c) change its name, to comply with section 6.

(3) Each of the directors who has authorised the conversion must sign a declaration that he or she believes, on reasonable grounds, that the conversion complies with the requirements of this section.

(4) The fees in respect of an application for consent of the Commission for the conversion of a company under this section may be prescribed.

(5) The company must submit to the registrar:

- (a) a copy of the approval of the Commission; and
- (b) a copy of the special resolution altering its memorandum; and
- (c) a copy of its amended memorandum; and
- (d) a copy of the special resolution authorising its change of name; and
- (e) the declaration of the directors under subsection (3); and
- (f) the prescribed fee.

(6) The registrar must issue a certificate of conversion into incorporated cell company to the company after receiving the documents and the fees prescribed in subsection (5).

(7) The certificate issued under subsection (6) must state the date on which it comes into effect.

52. Conversion of protected cell company into incorporated cell company

(1) A protected cell company may be converted into an incorporated cell company.

(2) The protected cell company must not be converted into an incorporated cell company unless it has:

- (a) the consent of the Commission for conversion; and

(b) passed a special resolution authorising the conversion and alteration of its memorandum and articles; and

(c) changed its name, in order to comply with section 6.

(3) Without limiting subsection (2), the holders of the cell shares of each cell of the protected cell company must pass a special resolution:

(a) authorising its conversion into an incorporated cell of the incorporated cell company; and

(b) specifying its new name which must comply with the requirements of section 11; and

(c) specifying its memorandum and articles.

(4) Each of the directors of the company who has authorised the conversion must sign a declaration in accordance with subsection (6).

(5) The fees in respect of an application for consent of the Commission for the conversion may be prescribed.

(6) The declaration must state that each director believes on reasonable grounds that:

(a) the protected cell company is able to discharge its liabilities as they fall due: and

(b) that there are no creditors of the protected cell company whose interests will be unfairly prejudiced by the conversion; and

(c) that the requirements of this section have been complied with.

(7) The protected cell company must submit to the registrar:

(a) a copy of the approval of the Commission; and

(b) a copy of the special resolution of the protected cell company; and

(c) a copy of the special resolution passed by the holders of cell shares of each of its cells; and

(d) a copy of the amended memorandum and articles; and

(e) a copy of the memorandum and articles of its cells; and

(f) a copy of the special resolution authorising its change of name; and

(g) the declaration of the directors under subsection (6); and

(h) the prescribed fee.

(8) The special resolution passed by the holders of cell shares of each cell of the protected cell company must be treated as a cell resolution under section 8 of this Act.

(9) The registrar must on receiving the documents and the fees specified in subsection (7):

(a) in respect of a protected cell company:

(i) issue to it a certificate of conversion from protected cell company into incorporated cell company; and

(ii) register its conversion into an incorporated cell company; and

(iii) register its amended memorandum and articles; and

(b) in respect of each cell of the protected cell company:

(i) register the conversion of the cell into an incorporated cell of the incorporated cell company; and

(ii) register the memorandum and articles; and

(iii) issue a certificate of registration; and

(iv) allocate a registration number to the incorporated cell.

(10) The certificate of registration issued under this section is the conclusive evidence that an incorporated cell is registered under this Act.

(11) If a protected cell company is converted into a incorporated cell company under this section:

(a) all property and rights to which the core of the protected cell company was entitled immediately before its conversion remain the property and rights of the incorporated cell company; and

(b) the incorporated cell company remains subject to all criminal and civil liabilities, and all contracts, debts and other obligations to which the core of the protected cell company was subject immediately before its conversion; and

(c) all actions and other legal proceedings which, immediately before the conversion, were pending by or against the core of the protected cell company may be continued by or against the incorporated cell company; and

(d) all property and rights attributable to a cell of the protected cell company immediately before its conversion become the property and rights of the incorporated cell which it has become; and

(e) an incorporated cell becomes subject to all criminal and civil liabilities, and all contracts, debts and other obligations, which immediately before the conversion were attributable to the cell of the protected cell company which it was; and

(f) all actions and other legal proceedings which, immediately before the conversion, were pending by or against the protected cell company in respect of any of its cells, may be continued by or against the incorporated cell which that cell has become.

(12) In subsection (9) "core" has the same meaning as in the Protected Cell Companies Act No. 37 of 2005.

(13) A creditor or member of the protected cell company (including a creditor or member of its cells) may apply to the Court, within the period of 30 days from the date upon which the certificate issued under this section comes into effect, to set aside the conversion on the grounds that it, or its terms, will unfairly prejudice his or her interests.

(14) The Court may on hearing an application under subsection (13) make an order, subject to any terms and conditions that it thinks fit.

53. Conversion of incorporated cell into independent company

(1) An incorporated cell may be converted into a company independent of its incorporated cell company.

(2) The incorporated cell must:

(a) pass a special resolution authorising the conversion; and

(b) change its name in order to remove from its name the expression required by section 11 of this Act.

(3) Each of the directors of the incorporated cell who has authorised the conversion must sign a declaration that he or she believes, on reasonable grounds, that the requirements of this section have been complied with.

(4) The incorporated cell must submit to the registrar:

(a) a copy of the special resolution referred to in paragraph (2)(a); and

(b) a copy of the special resolution authorising its change of name; and

(c) a copy of its amended memorandum; and

(d) the declaration of the directors under subsection (3); and

(e) the prescribed fee.

(5) The registrar must issue a certificate of conversion of incorporated cell into company if he or she receives the documents listed in paragraphs (4) (a), (b), (c), and (d) and the prescribed fee.

(6) The certificate issued under subsection (5) must state the date on which it comes into effect.

(7) If an incorporated cell is converted into a company under this section :

(a) all property and rights to which it was entitled immediately before its conversion remain its property and rights; and

(b) it remains subject to all criminal and civil liabilities and all contracts, debts and other obligations to which it was subject immediately before its conversion; and

(c) all actions and other legal proceedings which, immediately before its conversion, were pending by or against it may be continued by or against it.

(8) A member of the incorporated cell who objects to its conversion may apply to the Court for an order under section 29, to set aside the conversion on the grounds that the conversion or the terms of the conversion unfairly prejudice his or her interests.

(9) An application under subsection (8) must not be made after 30 days from the date on which the certificate comes into effect.

54. Transfer of incorporated cells between incorporated cell companies

(1) An incorporated cell of an incorporated cell company may be transferred to another incorporated cell company.

(2) The incorporated cell company must enter into a written agreement with another incorporated cell company setting out the terms of the transfer.

(3) A transfer of an incorporated cell is approved when:

(a) the directors of each incorporated cell company have approved the transfer agreement; and

(b) the transfer agreement is approved by a special resolution of:

(i) the incorporated cell company to which the incorporated cell is being transferred; and

(ii) the incorporated cell which is being transferred.

(4) Within 21 days of the approval of a transfer agreement, the incorporated cell company to which the incorporated cell is being transferred must submit to the registrar:

(a) a copy of the special resolution of the incorporated cell company approving the transfer agreement; and

(b) a copy of the special resolution of the incorporated cell that is being transferred, approving the transfer agreement; and

(c) a copy of the transfer agreement; and

(d) a copy of any amended memorandum and articles of the incorporated cell that is being transferred; and

(e) a declaration made under subsection (5), signed by each director of the incorporated cell company transferring the incorporated cell, who authorised the transfer; and

(f) the prescribed fee.

(5) The declaration referred to in paragraph (4)(e) must state that each director believes on reasonable grounds that:

(a) the incorporated cell that is being transferred is able to discharge its liabilities as they fall due; and

(b) the transfer agreement has been approved under this section; and

(c) the requirements of this section have been complied with.

(6) The registrar must, on receiving the documents listed in paragraphs (4) (a)to (e) and the prescribed fee:

(a) issue to the incorporated cell a certificate of transfer of the incorporated cell; and

(b) register the transfer of the incorporated cell and any amended memorandum and articles of the incorporated cell; and

(c) record that the incorporated cell has ceased to be an incorporated cell of the incorporated cell company that transferred it.

(7) The certificate issued under paragraph (6)(a) must state the date on which it comes into effect.

(8) If an incorporated cell is transferred under this section:

(a) the incorporated cell ceases to be an incorporated cell of the incorporated cell company that transferred it; and

(b) the incorporated cell becomes an incorporated cell of the incorporated cell company to which it has been transferred; and

(c) the memorandum and articles of the incorporated cell must be as provided for in the transfer agreement; and

(d) all property and rights to which the incorporated cell was entitled immediately before its transfer remain the property and rights of the incorporated cell; and

(e) all civil and criminal liabilities and all contracts, debts and other obligations to which the incorporated cell was subject immediately before its transfer remain the liabilities, contracts, debts and other obligations of the incorporated cell; and

(f) all actions and other legal proceedings which, immediately before its transfer were pending by or against the incorporated cell may be continued by or against the incorporated cell.

55. Conversion of company into incorporated cell and transfer to incorporated cell company

(1) A company that is a non-cellular company may transfer into an incorporated cell of an incorporated cell company.

(2) The non-cellular company and the incorporated cell company must enter into a written agreement that sets out the terms of the transfer.

(3) The non-cellular company must change its name to comply with section 11 if it transfers into an incorporated cell of an incorporated cell company.

(4) A transfer of a non-cellular company is approved if:

(a) the directors of the non-cellular company and the incorporated cell company have approved the transfer agreement; and

(b) the transfer agreement is approved by a special resolution of the non-cellular company and the incorporated cell company.

(5) The incorporated cell company must submit to the registrar within 21 days of the approval of the transfer agreement:

(a) a copy of the special resolution of the non-cellular company; and

(b) a copy of the special resolution of the incorporated cell company; and

(c) a copy of the transfer agreement; and

(d) a copy of the amended memorandum and articles of the non-cellular company; and

(e) a declaration made under subsection (6), signed by each director of the non-cellular company and the incorporated cell company who authorised the transfer: and

(f) the prescribed fee.

(6) The declaration referred to in paragraph (5)(e) must state that each of the director believes on reasonable grounds that;

(a) the non-cellular company is able to discharge its liabilities as they fall due; and

(b) the transfer agreement has been approved under this section; and

(c) the requirements of this section have been complied with.

(7) The incorporated cell company that fails to deliver the documents and prescribed fee under subsection (5) within the specified period is liable to a default fine.

(8) Upon receiving the documents specified in subsection (5), and the prescribed fee, the registrar may, if he or she is satisfied that the requirements of section 11 are complied with:

(a) issue to the non-cellular company a certificate of conversion into incorporated cell; and

(b) register the conversion of the non-cellular company and its transfer as an incorporated cell to the incorporated cell company: and

(c) register any amended memorandum and articles of the non-cellular company.

(9) The certificate issued under paragraph(8) (a) must state the date on which it comes into effect.

(10) If a non-cellular company becomes an incorporated cell of an incorporated cell company under this section:

(a) its memorandum and articles must be as provided for in the transfer agreement; and

(b) all property and rights to which it was entitled immediately before its conversion remain its property and rights; and

(c) all civil and criminal liabilities and all contracts, debts and other obligations to which it was subject immediately before its conversion remain its liabilities, contracts, debts and other obligations; and

(d) all actions and other legal proceedings which, immediately before its conversion, were pending by or against it may be continued by or against it.

56. Expulsion of incorporated cell from its incorporated cell company

(1) A person referred to subsection (2) may apply to the Court to expel an incorporated cell from its incorporated cell company, on the grounds set out in subsection (3).

(2) The persons are:

(a) the Commission; or

(b) the incorporated cell company; or

(c) the administrator of the incorporated cell company; or

(d) the liquidator of the incorporated cell company.

(3) The grounds for expulsion are:

(a) that the affairs of the incorporated cell are being or have been conducted in a manner which is unfairly prejudicial to:

(i) its incorporated cell company; or

(ii) any incorporated cell of that company; or

(iii) to the members of that company or its incorporated cells; and

(b) that the incorporated cell is or has been used for fraudulent purposes; and

(c) that to fail to do so would jeopardize the reputation of Vanuatu as a finance centre; and

(d) that it would be just and equitable to do so.

(4) The Court after receiving an application under this section may make an order including an order requiring the incorporated cell to convert into a company, subject to the terms and conditions as it thinks fit.

57. Directors' declarations

(1) The registrar may in performing his or her functions under section 51, 52, 53, 54 or 55:

(a) rely in all respects upon the documents given to him or her under these sections by the directors of the incorporated cell company or as the case may be an incorporated cell; and

(b) not be bound to enquire further as to whether or not the companies or cells have complied with the provisions of this Act.

(2) A director who makes a declaration under section 51, 52, 53, 54 or 55 without satisfying the grounds for making the declarations under those sections is liable to a default fine.

58. Conversions, transfers or expulsions not a default

The operation of sections 51 to 55 must not be regarded as:

(a) a breach of contract or confidence or otherwise as a civil wrong; or

(b) a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of rights or liabilities; or

(c) giving rise to any remedy by a party to a contract or other instrument, as an event of default under any contract or other instrument or as causing or permitting the termination of any contract or other instrument, or of any obligation or relationship.

PART 9 – GENERAL PROVISIONS

59. Offences

(1) A person commits an offence if the person in connection with any application, declaration, return, report, certificate or other document required by or for the purposes of this Act:

(a) makes a statement that he or she knows or has reasonable causeto believe is false, deceptive or misleading in a material particular; or

(b) recklessly makes a statement, dishonestly or otherwise, which is false, deceptive or misleading in a material particular; or

(c) produces or furnishes or causes or permits to be produced or furnished any information or document that he or she knows or has reasonable cause to believe is false, deceptive or misleading in a material particular; or

(d) recklessly produces or furnishes or recklessly causes or permits to be produced or furnished, dishonestly or otherwise, any information or document which is false, deceptive or misleading in a material particular.

(2) A person who commits an offence under subsection (1) is liable on conviction:

(a) in the case of an individual- to a fine not exceeding VT 500,000 or imprisonment for a term not exceeding 2 years or both;

(b) in the case of a company-to a fine not exceeding VT 1,000,000.

60. Criminal liability of officers, etc.

(1) If an offence under this Act committed by an incorporated cell company or an incorporated cell is:

(a) proved to have been committed with the consent or connivance of; or

(b) to be attributable to any neglect on the part of;

any officer of the incorporated cell company or any person purporting to act in any such capacity, he or she as well as the incorporated cell company is guilty of the offence punishable on conviction:

(i) in the case of an individual- to a fine not exceeding VT 500,000 or imprisonment for a term not exceeding 2 years or both;

(ii) in the case of an incorporated cell company - to a fine not exceeding VT 1,000,000.

(2) If the affairs of an incorporated cell company are managed by its members, subsection (1) applies to a member in connection with his or her functions of management as if he or she were an officer.

(3) For the purposes of this section, a person in accordance with whose directions or instructions any officer of an incorporated cell company acts, is taken to be an officer of the incorporated cell company.

61. Applications for directions

(1) A director of an incorporated cell company or incorporated cell may apply to the Court for directions in managing any of the affairs of the incorporated cell company or incorporated cell.

(2) The Court may on hearing an application under subsection (1) make an order as it thinks fit.

(3) An application under subsection (1) may be made ex parte.

(4) The court hearing an application under this section may direct that the whole or any part of the application may be heard in camera.

62. Power of Court to grant relief in certain cases

(1) If in proceedings for negligence, default or breach of duty or trust against an officer of an incorporated cell company or an incorporated cell, and it appears to the Court hearing the case that the officer is or may be liable but that:

(a) he or she acted honestly and reasonably; and

(b) having regard to all the circumstances of the case (including those connected with the officer's appointment) he or she ought fairly to be excused,

the Court may relieve him or her, either wholly or in part, from his or her liability, subject to any terms as the court thinks fit.

(2) If an officer of a company has reasons to believe that a claim will or might be made against him or her in respect of negligence, default, breach of duty or breach of trust:

(a) the officer may apply to court for relief; and

(b) the Court has the same power to relieve him or her as it would have had if it had been a court before which proceedings against him or her for negligence, default, breach of duty or breach of trust had been brought.

(3) In this section "officer" includes "administrator".

63. Appeals against decisions of the Commission

(1) A person aggrieved by a decision of the Commission may appeal to the Supreme Court.

(2) An appeal must be made within 28 days after the date of the notice of the Commission's decision.

(3) The Supreme Court may:

(a) set aside the decision of the Commission and if the Supreme Court considers it appropriate to do so, refer the matter back to the Commission with any directions the Supreme Court thinks appropriate; or

(b) confirm the decision in whole or in part.

64. Regulations

(1) The Minister, may on the advice of the Commission make regulations, not inconsistent with this Act, prescribing matters:

(a) required or permitted by this Act to be prescribed; or

(b) necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) Without limiting subsection (1), the regulations may make provisions in respect of all or any of the following matters:

(a) the conduct of the business of incorporated cell companies and incorporated cells;

(b) the manner in which incorporated cell companies and incorporated cells may carry on, or hold themselves out as carrying on business;

(c) the form and content of the accounts of incorporated cell companies and incorporated cells;

(d) the winding up or administration of incorporated cell companies and incorporated cells;

(e) generally for the implementation of this Act.

SCHEDULE

Subsection-40(2)

POWERS AND FUNCTIONS OF ADMINISTRATOR

1 To take possession of, collect and get in the property of an incorporated cell company or incorporated cell and, for that purpose, to take such proceedings as may seem expedient.

2 To sell or otherwise dispose of the property of an incorporated cell company by public auction or private contract.

3 To raise or borrow money; and grant security for that purpose over the property of the incorporated cell company or incorporated cell.

4 To appoint a lawyer or an accountant or other professionally qualified person to assist him or her in the performance of the functions under the Act.

5 To bring or defend any action or other legal proceedings in the name and on behalf of an incorporated cell company.

6 To refer to arbitration any question affecting an incorporated cell company.

7 To effect and maintain insurances in respect of the business and property of an incorporated cell company.

8 To use an incorporated cell company's seal.

9 To do all acts and execute in the name and on behalf of an incorporated cell company any receipt or other document.

10 To draw, accept, make and endorse any bill or exchange or promissory note in the name and on behalf of an incorporated cell company.

11 To appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and power to employ and dismiss employees.

12 To do all such things (including the carrying out of works) as may be necessary for the realisation of the property of an incorporated cell company.

13 To make any payment which is necessary or incidental to the performance of the function.

14 To carry on the business of an incorporated cell company.

15 To establish subsidiaries of an incorporated cell company.

16 To transfer to subsidiaries of an incorporated cell company, the whole or any part of the business and property of the incorporated cell company.

17 To grant or accept surrender of a lease or tenancy of any of the property of the company, and to take a lease or tenancy of any property required or convenient for the business of an incorporated cell company.

18 To make any arrangement or compromise on behalf of an incorporated cell company.

19 To call up any uncalled capital of an incorporated cell company.

20 To rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to an incorporated cell company, and to receive dividends, and to accede to trust deeds for the creditors of any such person.

21 To present or defend an application for the winding up of an incorporated cell company.

22 To change the situation of an incorporated cell company's registered office.

23 To do all other things incidental to the exercise of the above powers and functions.

Table of Amendments

1(1)	*Amended by Act 19 of 2013*	*18(1)*	*Amended by Act 19 of 2013*
1(2)	*Amended by Act 19 of 2013*	*18(2)*	*Amended by Act 19 of 2013*
2(3)	*Inserted by Act 42 of 2014*	*19(1)*	*Substituted by Act 19 of 2013*
6	*Amended by Act 19 of 2013*	*19(2)*	*Amended by Act 19 of 2013*
8(2)(b)	*Amended by Act 19 of 2013*	*20(1)*	*Substituted by Act 19 of 2013*
8(3)	*Amended by Act 19 of 2013*	*21(1)*	*Substituted by Act 19 of 2013*
8(4)	*Amended by Act 19 of 2013*	*22(1)(2),(3)*	*Amended by Act 19 of 2013*
8(5)	*Amended by Act 19 of 2013*	*23(1),(2)(5)*	*Amended by Act 19 of 2013*
8(6)	*Amended by Act 19 of 2013*	*23(6)(a)*	*Amended by Act 19 of 2013*
11	*Amended by Act 19 of 2013*	*24*	*Amended by Act 19 of 2013*
12(4)	*substituted by Act 42 of 2014*	*25(1)*	*Amended by Act 19 of 2013*
12(5)	*Inserted by Act 42 of 2014*	*26(a)*	*Amended by Act 19 of 2013*
16(1)	*Amended by Act 19 of 2013*	*26(d)&(e)*	*Amended by Act 19 of 2013*
16(2)	*Amended by Act 19 of 2013*	*27(1),(2)*	*Amended by Act 19 of 2013*
17(1)	*Amended by Act 19 of 2013*	*30(3)*	*Amended by Act 19 of 2013*

REPUBLIC OF VANUATU

CONSOLIDATION OF THE FRENCH AND ENGLISH TEXTS OF THE LAWS OF VANUATU ACT [CAP 295]

Approval of the English Text of the Financial Dealers Licensing Edition 2026 Order No. 180 of 2026

In exercise of the powers conferred on me by subsection 9(1) of the Consolidation of the French and English Texts of the Laws of Vanuatu Act [CAP 295], I, the Honourable JOB SAM ANDY, Minister of Youth, Justice and Community Services, make the following Order:

1 Approval of the English Text of the Financial Dealers Licensing Consolidation Edition 2026

The English Text of the Financial Dealers Licensing Consolidation Edition 2026 is approved.

2 Appointed day

The appointed day for the coming into operation of the Financial Dealers Licensing Consolidation Edition 2026 is the day on which this Order is made.

3 Commencement

This Order commences on the day on which it is made.

Made at Port Vila this 16th **day of** September**, 2026.**

REPUBLIC OF VANUATU
Ministry of Youth, Justice & Community Services
MINISTER
Ministere de la Jeunesse, de la Justice et des Services Communautaires
REPUBLIQUE DE VANUATU

Honourable JOB SAM ANDY
Minister of Youth, Justice and Community Services

Commencement: 31 May 1971

CHAPTER 70

FINANCIAL DEALERS LICENSING ACT

QR 9 of 1971
QR 3 of 1978
Act 10 of 1988
Act 39 of 2005
Act 7 of 2012
Act 11 of 2017
Act 35 of 2017
Act 31 of 2018
Act 9 of 2021
Act 10 of 2023
Act 5 of 2024
Act 2 of 2025
Act 46 of 2025

ARRANGEMENT OF SECTIONS

FINANCIAL DEALERS LICENSING ACT

To make provision for regulating the business of dealing in securities, the protection of the public by creating penalties for fraudulently inducing persons to invest money and other matters incidental thereto.

PART 1 – PRELIMINARY PROVISIONS

1. Interpretation

(1) In this Act and in any rules made thereunder, unless the context otherwise requires, the following expressions shall have the meanings hereby assigned to them respectively, that is to say –

"approved association of dealers in securities" means a body of persons declared by an order made by the Commissioner to be an approved association of dealers in securities for the purposes of this Act;

"approved bank" means a bank declared by an order made by the Commissioner to be an approved bank for the purposes of this Act;

"approved building society" means a building society declared by an order made by the Commissioner to be an approved building society for the purposes of this Act;

"approved industrial and provident society" means an industrial and provident society declared by an order made by the Commissioner to be an approved industrial and provident society for the purposes of this Act;

"approved stock exchange" means a stock exchange declared by an order made by the Commissioner to be an approved stock exchange for the purposes of this Act;

"beneficial owner" means a natural person who ultimately owns or ultimately controls an applicant for a licence or a licensee;

"building society" means a society, corporate or unincorporate, formed in any country for the purpose of raising a fund out of which advances may be made to members by way of mortgage upon the security of any estate in land, the primary object whereof or one of the primary objects whereof is to assist the members to acquire real property;

"Class A Principal's Licence" means a licence issued under section 4;

"Class B Principal's Licence" means a licence issued under section 4;

"Class C Principal's licence" means a licence issued under section 4;

"Class D Principal's Licence" means a licence issued under section 4;

"Commissioner" means the Commissioner of the Vanuatu Financial Services Commission appointed under section 9 of the Vanuatu Financial Services Commission Act [CAP 229];

"controller" of an applicant for a licence or a licensee means a person who exercises influence, authority or power over decisions about the applicant's or licensee's financial or operating policies, including as a result of, or by means of, a trust, agreement, arrangement, understanding or practice, and "control" has a corresponding meaning;

"corporation" means any body corporate, whether incorporated in Vanuatu or elsewhere;

"Court" means the Supreme Court of Vanuatu;

"dealing in securities" means doing any of the following things (whether as a principal or an agent), that is to say, making or offering to make with any person, or inducing or attempting to induce any person to enter into or offer to enter into –

(a) any agreement for or with a view to acquiring, disposing of, subscribing for or underwriting securities or lending or depositing money to or with any industrial or provident society or building society; or

(b) any agreement the purpose or pretended purpose of which is to:

   (i) secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities; or

   (ii) provide service of distribution, secondary trading, custodial storage, provision of investment advice or other services in relation to digital assets,

and "deal in securities" shall be construed accordingly;

"debentures" means any debentures, debenture stock, or bonds of a corporation, whether constituting a charge on the assets of the corporation or not;

"depositary receipt" means a certificate or a written record of a document that:

(a) is issued by or on behalf of a person who holds any relevant securities of a particular issuer; and

(b) acknowledges that another person is entitled to the rights in relation to the relevant securities of the same kind;

"digital asset" means an immaterial asset in digital form stored on a distributed ledger technology (such as blockchain) and representing a set of rights or values;

"domestic regulatory authority" means a body or agency established by or under a law of Vanuatu that:

(a) grants or issues under that law or any other law licences, permits, certificates, registrations or other equivalent permissions; and

(b) performs any other regulatory function related to a matter referred to in paragraph (a), including developing, monitoring or enforcing compliance with standards or obligations prescribed by or under that law or any other law;

"exempted dealer" means any person declared by an order of the Commissioner for the time being in force to be an exempted dealer for the purposes of this Act;

"Financial Intelligence Unit" means the Financial Intelligence Unit established under section 4 of the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014;

"foreign government agency" means:

(a) a body or agency established by or under a law of a foreign country; or

(b) an arm, ministry, department, or instrumentality of the government of a foreign country; or

(c) a body or agency of a foreign country set up by administrative act for governmental purposes;

"foreign serious offence" means:

(a) an offence against a law of another country that, if the relevant act or omission had occurred in Vanuatu, would be an offence against the laws of Vanuatu, for which the maximum penalty is imprisonment for at least 12 months; or

(b) an offence prescribed by the rules;

"foreign tax evasion" offence means conduct that:

(a) amounts to an offence against a law of a foreign country; and

(b) relates to a breach of a duty relating to a tax imposed under the law of the foreign country (whether or not that tax is imposed under a law of Vanuatu); and

(c) would be regarded by the courts of Vanuatu as an offence of fraudulent evasion of tax for which the maximum penalty is imprisonment for at least 12 months, had the conduct occurred in Vanuatu;

"guidelines" means guidelines made under section 19A;

"industrial and provident society" means a society, corporate or unincorporate, formed in any country, of the nature of a co-operative society or the main purpose of the business whereof is the improvement of the living conditions or social wellbeing of its members or otherwise for the benefit of the community;

"key person" of an applicant for a licence or a licensee means a beneficial owner, owner, controller, alternate compliance officer, chief executive officer, chief financial officer, chief technology officer, compliance officer, shareholder, director or manager of the applicant or licensee;

"law enforcement agency" means:

(a) the Vanuatu Police Force; or

(b) the Office of the Public Prosecutor; or

(c) the department responsible for customs and inland revenue; or

(d) the department responsible for immigration; or

(e) such other persons prescribed for the purposes of this definition;

"licence" means a licence under this Act;

"licenced manager" means a person issued with a licence under section 4AC;

"licensee":

(a) when used in relation to a Class A, Class B, Class C or Class D Principal's Licence – means the holder of the Class A, Class B, Class C or Class D Principal's Licence; or

(b) when used in relation to a representative's licence – means the holder of the representative's licence;

"manager" of an applicant for a licence or a licensee means:

(a) an individual who occupies the position of the chief executive officer (however described) of the applicant or licensee; or

(b) an individual who under the immediate authority of the chief executive officer or a director of the applicant or licensee, exercises the management functions of the applicant or licensee;

"Minister" means the Minister responsible for Finance and Economic Management;

"owner" of an applicant for a licence or a licensee means a person who has a legal entitlement of 25% or more of the applicant or licensee by way of ownership of shares or otherwise, and "own" and "ownership" have a corresponding meaning;

"prospectus" means any prospectus, notice, circular, advertisement or other invitation, offering to the public for subscription or purchase any shares or debentures of a company;

"regulatory law" means a law that provides for:

(a) the grant or issue of licences, permits, certificates, registrations or other equivalent permissions; and

(b) other regulatory functions related to a matter referred to in paragraph (a), including monitoring or enforcing compliance with standards or obligations prescribed by that law;

"representative's licence" means a licence authorising the holder thereof to deal in securities as a servant or agent of any holder of a Class A, Class B, Class C or Class D Principal's Licence for the time being in force;

"rules" means the rules made under section 19;

"Sanctions Secretariat" means the Sanctions Secretariat established under section 17 of the United Nations Financial Sanctions Act No. 6 of 2017;"

"securities" means:

(a) shares in the share capital of a corporation; or

(b) an instrument that creates and acknowledges the indebt securities that is issued by a corporation or a public office including:

 (i) debentures; or

 (ii) debenture stock; or

 (iii) loan stock; or

 (iv) bonds; or

 (v) certifications of deposit; or

(c) a right, despite whether or not conferred by warrant, to subscribe for shares or debt securities; or

(d) a right under a depositary receipt; or

(e) an option to acquire or dispose of any security falling within any other provision of this Act; or

(f) a right under a contract for the acquisition or disposal of the relevant securities under which the delivery is to be made at a future date and at a price agreed when the contract is made in accordance with the terms of that contract; or

(g) the proceeds of Foreign Exchange or FOREX; or

(h) the proceeds of precious metals; or

(i) the proceeds of commodities; or

(j) future contracts and derivative products, but not limited to futures and options;

"shares" means shares in the share capital of a corporation or stock of a corporation;

"statutory corporation" means any corporation established by any law in force in Vanuatu being a corporation to which functions in respect of the carrying on of an undertaking are entrusted by, or pursuant to, such a law;

"subsidiary company" has the meaning given thereto by section 158 of the Companies Act [CAP. 191];

"unit trust scheme" has the meaning given to it by the Unit Trusts Act No. 36 of 2005.

(1A) For the purpose of the definition of a beneficial owner, ultimately owns and ultimately controls include circumstances where ownership or control is exercised:

(a) through a chain of ownership; or

(b) by a means of indirect control that may not have legal or equitable force, or be based on legal or equitable rights.

(2) *(Repealed)*

(3) Any reference in this Act to the holder of a licence shall, in relation to a Class A, Class B, Class C or Class D Principal's Licence, be construed as a reference to the person named in the licence as being thereby authorised to carry on the business of dealing in securities, and, in relation to a representative's licence, be construed as a reference to the person named in the licence as being thereby authorised to deal in securities as a servant or agent of any holder of a Class A, Class B, Class C or Class D Principal's Licence.

(4) Any reference in this Act to a servant of, or to a person employed by, any person shall, in relation to a corporation, be construed as including a reference to any director or officer of the corporation; and any reference in this Act to leaving or entering the service of a person shall be construed accordingly.

(5) For the purposes of this Act, a person shall be deemed to be a director of a corporation if he occupies in relation thereto the position of a director, by whatever name called, or is a person in accordance with whose directions or instructions the directors of the corporation or any of them act:

Provided that a person shall not, by reason only that the directors of a corporation act on advice given by him in a professional capacity, be taken to be a person in accordance with whose directions or instructions those directors act.

PART 2 – PROVISIONS FOR REGULATING THE BUSINESS OF DEALING IN SECURITIES

2. Licensing of dealers in securities

(1) Subject to the provisions of this section and of section 3, no person shall –

(a) carry on or purport to carry on the business of dealing in any of the following securities, unless issued with a Class A Principal Licence:

(i) debenture stocks; or

(ii) loan stock, bonds; or

(iii) certificate of deposit; or

(iv) proceeds of Foreign Exchange: or

(aa) carry on or purport to carry on the business of dealing in any of the following securities, unless issued with a Class B Principal's Licence:

(i) shares in share capital of a corporation; or

(ii) proceeds of precious metals; or

(iii) proceeds of commodities; or

(iv) a right whether or not conferred by warrant, subscribed for shares or debt securities; or

(v) a right under depository receipt; or

(ab) carry on or purport to carry on the business of dealing in any of the following securities, unless issued with a Class C Principal's Licence:

(i) future contracts and derivative products but not limited to futures and options; or

(ii) an option to acquire or dispose of any security falling within any other provision of the Act; or

(iii) a right under a contract for the acquisition or disposal of the relevant securities under which the delivery is to be made at a future date and at a price agreed when the contract is made in accordance with the terms of that contract; or

(ac) carry on or purport to carry on the business of dealing in digital assets, unless issued with a Class D Principal's Licence; or

(b) in the capacity of a servant or agent of any person carrying on or purporting to carry on that business, deal or purport to deal in securities except under the authority of a representative's licence, that is to say, a licence under this Act authorising him to deal in securities as a servant or agent of any holder of a Class A, Class B, Class C or Class D Principal's Licence for the time being in force.

(2) If a person contravenes this section, the person is guilty an offence punishable upon conviction by:

(a) if the person is a natural person - a fine not exceeding VT 25 million or imprisonment not exceeding 15 years, or both; or

(b) if the person is a body corporate - a fine not exceeding VT 125 million.

(3) Proceedings for an offence under this section shall not be instituted except by or with the consent of the Attorney General:

Provided that this subsection shall not prevent the arrest, or the issue or execution of a warrant for the arrest, of any person in respect of such an offence, or the remanding, in custody or on bail, of any person charged with such an offence, notwithstanding that the necessary consent to the institution of proceedings for the offence has not been obtained.

(4) Notwithstanding the foregoing provisions of this section, the Minister may on the advice of the Commissioner by order declare any person to be an exempted dealer for the purposes of this Act, and may make such declaration subject to the fulfilment of such conditions as he may think fit so long as the order is in force.

(5) If, with respect to any exempted dealer, the Minister considers that the order declaring him to be an exempted dealer ought to be revoked on either of the following grounds, that is to say –

(a) that the conditions subject to which the order was made have not been fulfilled in his case; or

(b) that the circumstances relevant to the making of the order have materially changed since the making thereof;

the Minister shall give the exempted dealer concerned notice in writing of his intention so to do specifying therein the grounds on which he proposes to revoke the order declaring such person to be an exempted dealer and shall afford the exempted dealer an opportunity of submitting to him a written statement of representations against or objections to the proposed revocation, within such time as may be specified by the Minister not being in any case less than 1 month, and thereafter the Minister shall advise the exempted dealer of his decision in the matter and that decision shall be made on the advice of the Commissioner .

(6) The Minister shall cause to be published, at such times and in such manner as he shall think proper, the names and addresses of all persons who are for the time being exempted dealers so, however, that the said information shall be published not less often than once a year.

3. Saving for certain transactions

(1) The restrictions imposed by section 2 in relation to dealing in securities shall not apply to the doing of anything by, or on behalf of –

(a) a member of any approved stock exchange or approved association of dealers in securities; or

(b) any approved bank, any statutory corporation, any exempted dealer or any approved industrial and provident society or approved building society; or

(c) any person acting in the capacity of manager or trustee under an authorised unit trust scheme.

(2) For the purpose of determining whether or not a person has contravened any of the restrictions imposed by section 2, no account shall be taken of his having done any of the following things (whether as a principal or as an agent), that is to say–

(a) effecting transactions with, or through the agency of –

(i) such a person as is mentioned in subsection (1)(a), (b) or (c), or a person acting on behalf of such a person as is so mentioned; or

(ii) the holder of a licence;

(b) issuing any prospectus to which –

(i) section 52 of the Companies Act [CAP. 191] applies or would apply if not excluded by paragraph (b) of subsection (5) of that section or by section 53 of that Act; or

(ii) section 367 of that Act applies or would apply if not excluded by paragraph (b) of subsection (5) of that section or by section 368 of that Act;

(c) issuing any document relating to securities of a corporation incorporated in Vanuatu which is not a registered company, being a document which –

(i) would, if the corporation were a registered company, be a prospectus to which section 52 of the Companies Act [CAP. 191] applies or would apply if not excluded by paragraph (b) of subsection (5) of that section or by section 53 of that Act; and

(ii) contains all the matters and is issued with the consents which, by virtue of sections 367 and 369 of that Act, it would have to contain and be issued with if the corporation were a company incorporated outside Vanuatu and the document were a prospectus issued by that company; and

(d) issuing any form of application for shares in, or debentures of, a corporation together with –

(i) a prospectus which complies with the requirements of section 52 of the Companies Act [CAP. 191] or is not required to comply therewith because excluded by paragraph (b) of subsection (5) of that section or by section 53 of that Act, or complies with the requirements of Part 9 of that Act relating to prospectuses and is not issued in contravention of section 369 of that Act; or

(ii) in the case of a corporation incorporated in Vanuatu which is not a registered company, a document containing all the matters and issued with the consents mentioned in sub-paragraph (ii) of paragraph (c) of this subsection;

or of his having, as a principal, acquired, subscribed for or underwritten securities, or effected transactions with a person whose business involves the acquisition and disposal, or the holding, of securities (whether as a principal or as an agent).

Nothing in this subsection shall be construed as authorising any person to hold himself out as carrying on the business of dealing in securities.

(3) It shall be the duty of every approved stock exchange or approved association of dealers in securities to furnish to the Commissioner, so often as he may require, and in any case not less often than once a year, a list showing with respect to each person who, at the date on which the list is furnished, is a member of the stock exchange or of the association, as the case may be, his name and business address and the style under which he carries on business, and, if the member is a corporation the name of each of the directors thereof; and as soon as may be after receiving any list furnished to him under this subsection, the Commissioner shall cause the list to be published in such manner as he may think proper.

(4) It shall be the duty of every approved stock exchange or approved association of dealers in securities whenever required by the Commissioner so to do to furnish to the Commissioner, with respect to any specified member of the stock exchange or association, as the case may be, a list of the persons who are for the time being authorised by that member to deal in securities on his behalf.

4. Application for a Class A, Class B, Class C or Class D Principal's Licence

(1) An application for a Class A, Class B, Class C or Class D Principal's Licence must be made to the Commissioner in the prescribed form and be accompanied by an application fee of VT50,000 or such higher amount prescribed by the rules, and must have with it:

(a) details of each key person of the applicant; and

(b) details as required by the Commissioner on whether a beneficial owner of the applicant is a beneficial owner, owner or controller of an entity licensed or registered under a regulatory law of Vanuatu or a foreign jurisdiction; and

(c) details of the source of funds used to pay the capital of the applicant; and

(d) details of the applicant's business plan; and

(e) such other information as the Commissioner may require from time to time.

(2) If an applicant for a Class A, Class B, Class C or Class D Principal's Licence is a natural person, the application must also have with it:

(a) a notarised copy of the passport of the applicant; and

(b) a police clearance for the applicant with a certified translation where necessary.

(3) If an applicant for a Class A, Class B, Class C or Class D Principal's Licence is a body corporate, the application must also have with it the following information about the body corporate:

(a) its name;

(b) proof of its incorporation;

(c) its registered business address;

(d) any other information prescribed by the rules.

(3A) The Commission may:

(a) subject to subsection (4), grant a licence with or without conditions; or

(b) refuse to grant a licence.

(4) The Commissioner must not grant a Class A, Class B, Class C or Class D Principal's Licence to a person unless the person has paid a Class A, Class B, Class C or Class D Principal's Licence fee of VT100,000 or such higher amount prescribed by the Rules.

(5) A Class D Principal's Licence may only be issued to the licence holders of Class A, B and C Principal's Licences.

(6) A Class B Principal's Licence may only be issued to the licence holders of Class A Principal's Licence.

(7) A Class C Principal's Licence may only be issued to the licence holders of Class A and B Principal's Licences.

(8) A licensee must pay an annual licence fee of VT 500,000 on or before the anniversary date of its incorporation.

4A. Application for a representative's licence

(1) An application for a representative's licence must be made to the Commissioner in the prescribed form and be accompanied by an application fee of VT50,000 or such higher amount prescribed by the rules, and must have with it:

(a) details of each key person of the applicant; and

(b) details as required by the Commissioner on whether a beneficial owner of the applicant is a beneficial owner, owner or controller of an entity licensed or registered under a regulatory law of Vanuatu or a foreign jurisdiction; and

(c) details of the source of funds used to pay the capital of the applicant.

(2) If an applicant for a representative's licence is a natural person, the application must also have with it:

(a) a notarised copy of the passport of the applicant; and

(b) a police clearance for the applicant with a certified translation where necessary; and

(c) a letter of appointment from the proposed holder or holder of the Class A, Class B, Class C or Class D Principal's Licence.

(3) If an applicant for a representative's licence is a body corporate, the application must also have with it the following information about the body corporate:

(a) its name;

(b) proof of its incorporation;

(c) its registered business address;

(d) any other information prescribed by the rules.

(3A) The Commission may:

(a) subject to subsection (4), grant a licence with or without conditions; or

(b) refuse to grant a licence.

(4) The Commissioner must not grant a representative's licence to a person unless the person has paid a representative's licence fee of VT100,000 or such higher amount prescribed by the Rules.

(5) A licensee must pay an annual licence fee of VT 500,000 on or before the anniversary date of its incorporation.

4AA. Licenced manager
A person must not act as a licenced manager unless he or she is granted a licence under section 4AC.

4AB. Application for a licenced manager
An application for a licenced manager must be made to the Commissioner:

(a) in the form approved by the Commission; and

(b) accompanied with the application fee of VT50,000.

4AC. Issuing of licence for a licenced manager
The Commissioner must not grant a licence for a licenced manager to the applicant unless the application complies with the requirements in section 4AB and the Commissioner is satisfied that the applicant:

(a) is a natural person; and

(b) has met the fit and proper criteria as required under section 5A; and

(c) has qualification and experiences in managerial services of a financial dealer security; and

(d) has appropriate staffing; and

(e) has a physical office in Vanuatu; and

(f) has resided in Vanuatu for 6 months in a year; and

(g) has paid the licence fee of VT100, 000; and

(h) such other requirements as the Commissioner may determine.

4AD. Licensees to be managed by licenced Manager
A licenced manager may manage more than 1 licensee.

4AE Annual fee for a licenced manager
A licenced manager must pay an annual licence fee of VT 500,000 on or before the date specified in the licence.

4B. Term of licence
A licence under this Act remains in force until it is revoked under this Act.

4BA. Prohibition of assignment or transfer of a licence
A licensee must not assign or transfer a licence.

4BB. Annual fee

A person who fails to pay an annual licence fee under this Act is liable to a penalty of 10% of the licence fee for each month during which the failure continues, up to a maximum of 50% of the licence fee.

4C. Register of licensees

(1) The Commissioner must establish a register of licensees and keep up to date and accurate details on licensees, including the directors and disqualified directors of any licensee that is a body corporate.

(2) The register may be kept by electronic means or in any other manner that the Commissioner thinks fit.

(3) In addition to subsection (1), the register may include any other information which the Commissioner considers necessary to be included in the register.

(4) For the purposes of subsection (1), "disqualified director" means a person who:

(a) has been found by the Commissioner not to be a fit and proper person to fulfil the responsibilities of his or her position as a director having regard to the matters referred to in section 5A; or

(b) has been a director or directly concerned with the management of a company which has been removed from the Register in Vanuatu within the meaning of the Companies Act No. 25 of 2012; or

(c) has been convicted of an offence involving dishonesty; or

(d) is or becomes bankrupt; or

(e) has applied to take the benefit of a law for the relief of bankrupt or insolvent debtors; or

(f) has compounded with his or her creditors.

5. Deposits or guarantees required in connection with applications for Class A, Class B, Class C or Class D Principal's Licences

(1) Subject to the provisions of this section, the Commissioner shall not grant a Class A, Class B, Class C or Class D Principal's Licence unless the sum of VT 5,000,000 has been, and remains, deposited by the applicant for the licence with the Commissioner.

(2) Where any sum has been deposited under this section, then –

(a) in the event of the depositor becoming bankrupt, the amount of the deposit shall be paid to the trustee in bankruptcy; or

(b) if, in a case where the depositor is a corporation, the corporation is ordered to be wound-up by the court, the amount of the deposit shall be repaid to the corporation,

and the Commissioner may by rules determine the circumstances in which, apart from the preceding provisions of this subsection, a sum deposited under this section may be withdrawn; but, save as aforesaid, no person shall be entitled to withdraw or transfer any deposit made under this section.

(3) The Commissioner may make such rules as appear to him to be necessary with respect to the investment of sums deposited under this section, the deposit of securities in lieu of money, the payment to the depositor of the interest or dividends from time to time accruing due on any securities in which a deposit under this section is for the time being invested, or on any securities deposited under this section in lieu of money, and the realisation of such securities as aforesaid in specified circumstances.

(4) To avoid doubt, any interest accrued from the money deposited under this section is deemed to be the property of the State.

5A. Fit and proper criteria

For the purposes of section 6 and any other provision of this Act, the Commissioner must have regard to the following when deciding whether a person is a fit and proper person:

(a) whether the person has been convicted of an offence or is subject to any criminal proceedings;

(b) whether the person is listed on a United Nations financial sanctions list, a financial sanctions list under the United Nations Financial Sanctions Act No. 6 of 2017 or a financial sanctions list under the law of any jurisdiction;

(c) any fit and proper criteria in the guidelines.

6. Refusal to grant and revocation of a licence

(1) The Commissioner may refuse to grant an application for a licence if:

- (a) the applicant has not, on the date of the application, provided the Commissioner with such information as required by the Commissioner under paragraph 4(2)(e); or
- (b) the Commissioner is not satisfied of the source of funds used to pay the capital of the applicant; or
- (c) the Commissioner is satisfied that:
  - (i) the applicant has contravened the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014 and that contravention has resulted in the use of an enforcement measure under Part 10AA of that Act; or
  - (ii) a key person of the applicant is not a fit and proper person to fulfil the responsibilities of his or her position having regard to the matters referred to in section 5A; or
  - (iii) a manager or director of the applicant:
    - (A) is not a natural person; or
    - (B) does not have at least 5 years' experience dealing in securities and is incompetent to meet the obligation of a licensee required under the Act; or
  - (iv) the licensee has not:
    - (A) engaged a licenced manager; or
    - (B) set up its office in Vanuatu with a manager or director who normally resides in Vanuatu for 6 months within each year; or
  - (v) the applicant has not met the requirements set out in the guidelines issued by the Commissioner under section 19A; or
- (d) it appears to the Commissioner that:
  - (i) the applicant or any person employed by, or associated with, the applicant for the purposes of the applicant's business:
    - (A) has been convicted in Vanuatu of an offence involving fraud or dishonesty; or
    - (B) has been convicted of an offence under this Act; or

(C) has breached of any rules made by the Minister under this Act; or

(ii) there exists other circumstances that are likely to:

(A) lead to the improper conduct of the business by the applicant or any person employ by or associated with the applicant for the purposes of the applicant's business; or

(B) reflect discredit on the method of conducting the business by, the applicant or any person employed by or associated with the applicant for the purposes of the applicant's business; or

(C) indicate that the applicant is not a fit and proper person to hold a licence.

(2) Subject to the provisions of this section and section 7, the Commissioner may revoke a licence if:

(a) the licensee has not provided to the Commissioner with such information as the Commissioner may require from time to time; or

(b) the Commissioner is not satisfied of the source of funds used to pay the capital of the licensee; or

(c) the Commissioner is satisfied that:

(i) the licensee has contravened the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014 and that contravention has resulted in the use of an enforcement measure under Part 10AA of that Act; or

(ii) a key person of the licensee is not a fit and proper person to fulfil the responsibilities of his or her position having regard to the matters referred to in section 5A; or

(iii) a manager or director of the licence:

(A) is not a natural person; or

(B) does not have at least 5 years' experience dealing in securities and is incompetent to meet the obligation of a licensee required under the Act; or

(iv) the managers or directors of the licensee do not normally reside for 6 months within each year in Vanuatu; or

(v) the licensee has not met the requirements set out in the guidelines issued by the Commissioner under section 19A; or

(vi) the licensee does not operate from an office which maintains the following systems:

(A) a filing system; or

(B) a management and accounting system; or

(C) a business continuity system; or

(d) it appears to the Commissioner that:

(i) the licensee or any person employed by, or associated with, the licensee for the purposes of the licensee's business:

(A) has been convicted in Vanuatu of an offence involving fraud or dishonesty; or

(B) has been convicted of an offence under this Act; or

(C) has breached of any rules made by the Minister under this Act; or

(ii) there exists other circumstances that are likely to:

(A) lead to the improper conduct of the business by the licensee or any person employ by or associated with the licensee for the purposes of the licensee's business; or

(B) reflect discredit on the method of conducting the business by, the licensee or any person employed by or associated with the licensee for the purposes of the licensee's business; or

(C) indicate that the licensee is not a fit and proper person to hold a licence.

(e) it appears to the Commissioner that on reasonable grounds that:

(i) the licensee has carried on its activities in a manner that brings Vanuatu into disrepute as an international financial centre; or

(ii) the licensee is not a fit and proper person to carry on business as a service provider; or

(iii) a majority of the controllers, directors or managers of the licensee are not fit and proper persons for the purposes of section 5A to fulfil the responsibilities of their positions; or

(f) the licensee:

(i) has contravened this Act or the rules; or

(ii) is or is likely to become insolvent or bankrupt; or

(iii) has failed to comply with a condition given by the Commissioner;

(iv) is in contravention of a condition of the licence; or

(v) has given the Commissioner false, inaccurate or misleading information; or

(vi) is compulsorily or voluntarily wound up; or

(vii) has been dissolved; or

(viii) has failed to provide services within 6 months of being granted a licence; or

(ix) has ceased to provide services within a period of 6 months; or

(g) the licensee or an officer, shareholder or controller of the licensee is convicted of an offence involving dishonesty or fraud by a Court in Vanuatu or elsewhere; or

(h) a receiver or manager has been appointed for the licensee's business; or

(i) the licensee has refused or failed to cooperate with the Commissioner in an inspection or investigation conducted by the Commissioner under this Act; or

(j) for a group licence- the licence of a group member would be liable to be revoke; or

(k) the Commissioner is satisfied in the case of a Class A, Class B or a Class C Principal's Licence, the holder of the licence is not carrying on in Vanuatu the business of dealing in securities.

(3) In determining whether a ground for revocation set out in paragraph (2)(e) or subparagraph (2)(f)(vii) exists, the Commissioner must have regard to the guidelines made under section 19A.

6A. Date revocation takes effect

(1) If the Commissioner intends to revoke a licence, the Commissioner must give notice in writing to the licensee stating:

(a) his or her intention to revoke the licence; and

(b) the grounds for which he or she intends to revoke the licence; and

(c) that the licensee may within 14 days from the date of the notice give the Commissioner written reasons why the licence should not be revoked.

(2) The Commissioner may revoke the licence:

(a) if the licensee does not give reasons under subsection (1); or

(b) if having taken into account the licensee's reasons, the Commissioner is of the opinion that the licensee has failed to show good cause as to why the licence should not be revoked.

(3) Despite subsection (1), if the Commissioner is of the opinion that a revocation should take effect on the date of the notice, a notice of revocation must:

(a) state that the revocation takes effect on the date of the notice; and

(b) set out the reasons for the Commissioner's opinion.

(4) As soon as practicable after a licence has been revoked, the Commissioner must cause notice of the revocation to be published:

(a) in a newspaper circulating in Vanuatu; and

(b) in any other manner the Commissioner considers appropriate.

7. Notice for revocation of licence

(1) The Commissioner must, prior to revoking a licence under section 6, provide a written notice to inform the licence holder of the following:

(a) the reasons for revoking the licence; and

(b) that the licence holder has 30 days in which to respond to the notice.

(2) To avoid doubt, the 30 days commences on the day the licence holder receives the notice.

7A. Licensee to give notice of certain changes to Commissioner

(1) A licensee must give the Commissioner written notice of a change in:

(a) a key person of the licensee; or

(b) the circumstances of a key person of the licensee that may affect whether he or she meets fit and proper criteria; or

(c) the source of funds used to pay the capital of the licensee;

within 14 days after the change occurs.

(1A) For the purpose of paragraph (1)(a), the written notice must be accompanied with the prescribed fee.

(2) If a licensee fails to comply with subsection (1), the licensee commits an offence punishable upon conviction by:

(a) if the licensee is a natural person - a fine not exceeding VT 25 million or imprisonment not exceeding 15 years, or both; or

(b) if the licensee is a body corporate - a fine not exceeding VT 125 million.

(3) If a licensee fails to comply with subsection (1), the Commissioner may by notice in writing to the licensee revoke the licensee's licence.

(4) If a licensee does provide the information as required under subsection (1), but the Commissioner is not satisfied:

(a) that the key persons of the licensee are fit and proper persons to fulfil the responsibilities of their positions having regard to the matters referred to in section 5A; or

(b) as to the source of funds used to pay the capital of the licensee;

the Commissioner may by notice in writing to the licensee revoke the licensee's licence.

(5) Before revoking a licence under subsection (3) or (4), the Commissioner must give written notice to the licensee that it proposes to revoke the licence and the reasons for the revocation.

(6) The licensee may within 14 days after receiving a notice under subsection (5) give the Commissioner written reasons why the licence should not be revoked.

(7) The Commissioner may revoke a licensee's licence if:

(a) the licensee does not give the Commissioner reasons under subsection (6); or

(b) having taken in to account the licensee's reasons, the Commissioner is of the opinion that the licensee has failed to show good cause why the licence should not be revoked.

8. Rules with respect to conduct of business of licensed dealers

(1) The Minister may make rules for regulating the conduct of business by holders of licences, and in particular, but without prejudice to the generality of the foregoing, such rules may make provision for all or any of the following matters, that is to say –

(a) for determining the class of persons in relation to whom, and the manner and circumstances in which, any holder of a licence may deal in securities;

(b) for prescribing forms of contracts which may be used in making contracts under the authority of a licence, and directing that where any contract is made under the authority of a licence otherwise than in the appropriate form prescribed by the rules, the holder of the licence shall, for the purposes of the preceding provisions of this Act relating to the refusal and revocation of licences, be deemed to have committed a breach of the rules;

(c) for prescribing the books, accounts and other documents which must be kept by the holder of a Class A, Class B, Class C or Class D Principal's Licence in relation to any dealing in securities under the authority of such a licence;

(d) for requiring the holder of a Class A, Class B, Class C or Class D Principal's Licence to produce, for inspection by, or by an agent of, the person with whom he has made any agreement by way of a dealing in securities under the authority of such a licence as aforesaid, such contract notes and vouchers as may be prescribed by the rules, and to furnish to that person, on demand and on payment of the prescribed fee, copies of entries in books kept by the holder which relate to the transaction.

(2) A person shall not be guilty of an offence by reason only of a breach of rules made under this section.

9. Information to be furnished to Commissioner of holders of licences

(1) The holder of any Class A, Class B, Class C or Class D Principal's Licence shall forthwith notify in writing to the Commissioner any change which, while the licence is in force, may occur in the address in Vanuatu at which he carries on the business of dealing in securities, and, on ceasing to carry on that business in Vanuatu, shall forthwith notify that fact in writing to the Commissioner.

(2) If, at any time while a Class A, Class B, Class C or Class D Principal's Licence granted to a corporation is in force, any person becomes a director of the corporation, the corporation shall forthwith notify in writing to the Commissioner the name and address and nationality of that person.

(3) If, at any time while a representative's licence is in force, the holder of the licence leaves or enters the service of, or becomes or ceases to be an agent of, any person, he shall forthwith notify the name and address of that person in writing to the Commissioner.

(4) If a person fails to comply with any provision of this section, the person is guilty of an offence punishable upon conviction by:

(a) if the person is a natural person - a fine not exceeding VT 25 million or imprisonment not exceeding 15 years, or both; or

(b) if the person is a body corporate - a fine not exceeding VT 125 million.

10. Publication of names of holders of Class A, Class B, Class C or Class D Principal's Licences

The Commissioner shall cause to be published, at such times and in such manner as he shall think proper, the names and addresses of all holders of Class A, Class B, Class C or Class D Principal's Licences for the time being in force, and also –

(a) in relation to any holder of a Class A, Class B, Class C or Class D Principal's Licence who is not a corporation, his nationality;

(b) in relation to any holder of a Class A, Class B, Class C or Class D Principal's Licence who is a corporation, the country under the law of which the corporation is incorporated;

so however that the said information shall be published not less often than once a year.

10A. Audited accounts

(1) A licensee must provide financial audited statements prepared by an independent auditor to the Commissioner 3 months after the anniversary date.

(2) Audited statements must be prepared in accordance with the International Accounting Standards or other standard approved by the Commissioner.

(3) The licensee must obtain the approval of the Commissioner prior to engaging an independent auditor under this section.

(4) The Commissioner may object to any engagement of an independent auditor if the Commissioner is satisfied that the proposed auditor is not suitable having regards to:

(a) the nature of the business carried on by the licensee; and

(b) the qualification, competence and integrity of the auditor.

10B. Insurance

(1) A licensee must have adequate insurance cover, including professional indemnity insurance including indemnity for partners and employees, former partners and employees, and consultants.

(2) The minimum insurance cover for each licensee must be VT5,000,000 for each claim, with an aggregate cover of not less than VT50,000,000 and a maximum deductible amount of VT10,000,000.

PART 3 – GENERAL PROVISIONS FOR THE PREVENTION OF FRAUD

11. Penalty for fraudulently inducing persons to invest money

(1) Any person who, by any statement, promise or forecast which he knows to be misleading, false or deceptive, or by any dishonest concealment of material facts, or by the reckless making, dishonestly or otherwise, of any statement, promise or forecast which is misleading, false or deceptive, induces or attempts to induce another person –

(a) to enter into or offer to enter into –

(i) any agreement for, or with a view to, acquiring, disposing of, subscribing for or underwriting securities or lending or depositing money to or with any industrial and provident society or building society; or

(ii) any agreement the purpose or pretended purpose of which is to secure a profit to any of the parties from the yield of securities or by reference to fluctuations in the value of securities; or

(b) to take part or offer to take part in any arrangements with respect to property other than securities, being arrangements the purpose or effect, or pretended purpose or effect, of which is to enable persons taking part in the arrangements (whether by becoming owners of the property or any part of the property or otherwise) to participate in or receive profits or income alleged to arise or to be likely to arise from the acquisition, holding, management or disposal of such property, or sums to be paid or alleged to be likely to be paid out of profits or income; or

(c) to enter into or offer to enter into an agreement the purpose or pretended purpose of which is to secure a profit to any of the parties by reference to fluctuations in the value of any property other than securities;

is guilty of an offence punishable upon conviction by the penalty set out in subsection (1A).

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(1A) The penalty is:

(a) if the person is a natural person - a fine not exceeding VT 25 million or imprisonment not exceeding 15 years, or both; or

(b) if the person is a body corporate - a fine not exceeding VT 125 million.

(2) Any person guilty of conspiracy to commit an offence under subsection (1) shall be punishable as if he had committed such offence.

11A. Penalty Notice

(1) The Commissioner may serve a penalty notice if it appears to the Commissioner that a person has committed an offence under any provision of this Act.

(2) A penalty notice may be served personally or by post.

(3) The penalty notice must require the person to pay a penalty not exceeding:

(a) VT2 million for an individual; or

(b) VT10 million for a body corporate;

as stated in the notice within 30 days after the date the notice was served.

(4) If the amount of penalty referred to in subsection (3) for an alleged offence is paid, that person is not liable to any further proceedings for the alleged offence.

(5) Payment made 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 proceeding arising out of the same occurrence.

(6) The Commissioner may publish a penalty notice issued to a person in such manner as the Commissioner determines.

(7) If a penalty notice has been served on a person, a prosecution in respect of the alleged offence may only be commenced if the penalty remains unpaid 30 days after the penalty was due, and the Court may take account of any unpaid penalty when imposing a penalty in respect of the offence.

(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.

12. Restriction on distribution of circulars relating to investment

(1) Subject to the provisions of this section, no person shall –

(a) distribute or cause to be distributed any documents which, to his knowledge, are circulars containing –

(i) any invitation to persons to do any of the acts specified in section 11(1)(a), (b) or (c); or

(ii) any information calculated to lead directly or indirectly to the doing of any of those acts by the recipient of the information; or

(b) have in his possession for the purpose of distribution any documents which, to his knowledge, are such circulars as aforesaid, being documents of such a nature as to show that the object or principal object of distributing them would be to communicate such an invitation or such information as aforesaid.

(2) The provisions of subsection (1) shall not apply –

(a) in relation to any distribution of a prospectus to which section 52 of the Companies Act [CAP. 191] applies or would apply if not excluded by subsection (5)(b) of that section or by section 53 of that Act or section 367 of that Act applies or would apply if not excluded by subsection (5)(b) of that section or by section 368 of that Act, or in relation to any distribution of a document relating to securities of a corporation incorporated in Vanuatu which is not a registered company, being a document which –

(i) would, if the corporation were a registered company, be a prospectus to which the said section 52 applies or would apply if not excluded as aforesaid; and

(ii) contains all the matters and is issued with the consents which, by virtue of sections 367 and 369 of that Act it would have to contain and be issued with if the corporation were a company incorporated outside Vanuatu and the document were a prospectus issued by that company;

(b) in relation to any issue of a form of application for shares in, or debentures of, a corporation, together with –

(i) a prospectus which complies with the requirements of section 52 of the Companies Act [CAP. 191] or is not required to comply therewith because excluded by subsection (5)(b) of that section or by section 53 of that Act, or complies with the requirements of Part IX of that Act relating to prospectuses and is not issued in contravention of section 369 of that Act; or

(ii) in the case of a corporation incorporated in Vanuatu which is not a registered company, a document containing all the matters and issued with the consents mentioned in paragraph (a)(ii) of this subsection;

or in connection with a *bona fide* invitation to a person to enter into an underwriting agreement with respect to the shares or debentures; or

(c) in relation to any distribution of documents which is required or authorised by or under any Act other than this Act;

and shall not apply in relation to any distribution of documents which is permitted by the Commissioner.

(3) The provisions of this section shall not prohibit the distribution or possession of any document by reason only –

(a) that it contains an invitation or information –

(i) made or given with respect to any securities by or on behalf of any approved stock exchange, or approved association of dealers in securities, or by or on behalf of the holder of a Class A, Class B, Class C or Class D Principal's Licence; or

(ii) made or given with respect to any securities by or on behalf of an approved bank or any exempted dealer; or

(iii) made or given by or on behalf of a corporation to holders of securities of, or to persons employed by, or to creditors of, that corporation or any other corporation which, in relation to the first-mentioned corporation, is a subsidiary company, with respect to securities of the first-mentioned corporation or of any such other corporation as aforesaid; or

(iv) made or given by or on behalf of the manager under an authorised unit trust scheme with respect to any securities created in pursuance of that scheme; or

(v) made or given by or on behalf of the Government of Vanuatu or the government of any other country or territory outside Vanuatu, or by or on behalf of any statutory corporation, with respect to securities of the government of that other country or territory or corporation; or

(vi) made or given by or on behalf of any approved industrial and provident society or approved building society with respect to shares of the society, or loans or deposits which may be made to or with the society; or

(vii) made or given to beneficiaries under a trust by or on behalf of a person acting in the capacity of a trustee of that trust; or

(viii) made or given with respect to any securities in connection only with a sale or proposed sale of these securities by auction; or

(b) that it contains an invitation or information which a person whose ordinary business or part of whose ordinary business it is to buy and sell any property other than securities (whether as a principal or as an agent) may make or give in the course of business of buying and selling such property:

Provided that nothing in paragraph (a) shall authorise the doing of anything in respect of securities created in pursuance of any unit trust scheme which is neither an authorised unit trust scheme nor a unit trust scheme which is permitted by the Commissioner to be advertised in Vanuatu and nothing in paragraph (b) shall authorise any person to do anything in pursuance of, or for the purpose of, any arrangements as are mentioned in section 11(1)(b).

(4) For the purposes of this section, documents shall not be deemed not to be circulars by reason only that they are in the form of a newspaper, journal, magazine or other periodical publication and a person who arranges for the insertion of an advertisement in any newspaper, journal, magazine or other periodical publication shall be deemed to cause a circular containing that advertisement to be distributed; but a person shall not be taken to contravene this section by reason only that he distributes, or causes to be distributed, to purchasers thereof, or has in his possession for the purpose of distribution to purchasers thereof, copies of any newspaper, journal, magazine or other periodical publication.

(5) A person shall not be taken to contravene this section by reason only that he distributes documents to persons whose business involves the acquisition and disposal, or the holding, of securities (whether as principal or agent), or causes documents to be distributed to such persons, or has documents in his possession for the purpose of distribution to such persons.

(6) If a person contravenes this section, the person is guilty of an offence punishable upon conviction by:

(a) if the person is a natural person - a fine not exceeding VT 25 million or imprisonment not exceeding 15 years, or both; or

(b) if the person is a body corporate - a fine not exceeding VT 125 million.

(7) Proceedings for an offence under this section shall not be instituted except by, or with the consent of, the Attorney General:

Provided that this subsection shall not prevent the arrest, or the issue or execution of a warrant for the arrest, of any person in respect of such an offence, or the remanding in custody or on bail, of any person charged with such an offence, notwithstanding that the necessary consent to the institution of proceedings for the offence has not been obtained.

(8) If a magistrate is satisfied by information on oath that there is reasonable ground for suspecting that, at any such premises as may be specified in the information, a person has any documents in his possession in contravention of this section, the magistrate may grant a warrant under his hand empowering any constable to enter the premises, if necessary by force, at any time or times within 1 month from the date of the warrant, and to search for, and seize and remove, any documents found therein which he has reasonable ground for believing to be in the possession of a person in contravention of this section.

(9) Any document seized under this section may be retained for a period of 1 month or, if within that period there are commenced any proceedings for an offence under this section to which the document is relevant, until the conclusion of those proceedings. If such proceedings shall result in an acquittal of the person or persons charged, the said document shall be released to the person from whom it was seized.

(10) Where any person is convicted of an offence under this section, the court may make an order authorising the destruction, or the disposal in any other specified manner, of any documents produced to the court which are shown to its satisfaction to be documents in respect of which the offence was committed:

Provided that an order under this subsection shall not authorise the destruction of a document, or the disposal of a document in any other manner, until the conclusion of the proceedings in the course of which the order is made.

PART 3A – MONITORING AND ENFORCEMENT

12A. Commissioner may require information and documents relating to licensee

(1) Subject to subsection (2), the Commissioner may, by notice in writing to a licensee, require the licensee to provide the Commissioner with information or documents, or both, specified in the notice within the period set out in the notice.

(2) The information or documents must relate to:

(a) the licensee's integrity, competence, financial standing or organisation; or

(b) the licensee's compliance with this Act or the rules.

(3) If the licensee:

(a) refuses or fails to give the Commissioner the information or documents required by the Commissioner; or

(b) knowingly or recklessly gives the Commissioner information or documents that are false or misleading;

the licensee commits an offence punishable upon conviction by:

(a) if the licensee is a natural person - a fine not exceeding VT 15 million or imprisonment not exceeding 5 years, or both; or

(b) if the licensee is a body corporate - a fine not exceeding VT 75 million.

12B. Commissioner may request information and documents

For the purpose of discharging a duty, performing a function or exercising a power under this Act, the Commissioner may request information or documents, or both, from any or all of the following:

(a) the Financial Intelligence Unit;

(b) a supervisor within the meaning of the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014;

(c) the Sanctions Secretariat;

(d) a law enforcement agency;

(e) a domestic regulatory authority;

(f) a foreign government agency that carries out functions corresponding or similar to the functions carried out by a body or agency referred to in paragraph (a), (b), (c), (d) or (e).

12C. On site inspections

(1) The Commissioner may conduct on-site inspections at the business premises occupied by a licensee at any time during normal business hours.

(2) The Commissioner may for the purposes of subsection (1):

(a) enter the business premises of the licensee during ordinary business hours; and

(b) inspect and take copies of any books, accounts and documents of the licensee that relate to:

(i) the licensee's integrity, competence, financial standing or organisation; or

(ii) the licensee's compliance with this Act or the rules.

(3) The licensee must cooperate fully with the Commissioner by:

(a) giving the Commissioner all the information, and making available the documents it requires; and

(b) if necessary, giving the Commissioner appropriate workspace and reasonable access to office services, during the inspection.

(4) If a person intentionally obstructs the Commissioner in the exercise of the Commissioner's powers under this section, the person commits an offence punishable upon conviction by:

(a) in the case of a natural person - a fine not exceeding VT 15 million or imprisonment not exceeding 5 years, or both; or

(b) in the case of a body corporate - a fine not exceeding VT 75 million.

(5) In this section, a reference to the Commissioner includes a person appointed by the Commissioner in writing as an authorised officer for the purposes of this section.

(6) An authorised officer must produce written evidence of his or her appointment if required to do so while carrying out on-site inspections.

PART 3B – INFORMATION SHARING

12D. Meaning of confidential information

For the purposes of this Part, "confidential information" is information supplied to or obtained by the Commissioner in the performance of the Commissioner's functions or the exercise of the Commissioner's powers under this Act, but does not include information that:

(a) can be disclosed under any provision of this Act; or

(b) is already in the public domain; or

(c) consists of aggregate data from which no information about a specific person or business can be identified.

12E. Disclosure of confidential information

(1) The Commissioner may disclose confidential information if the disclosure:

(a) is required or authorised by the Court; or

(b) is made for the purpose of discharging a duty, performing a function or exercising a power under this Act; or

(c) is made to the Financial Intelligence Unit for the purpose of discharging a duty, performing a function or exercising a power under the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014; or

(d) is made to a supervisor within the meaning of the Anti-Money Laundering and Counter-Terrorism Financing Act No. 13 of 2014 for the purposes of discharging a duty, performing a function or exercising a power under that Act; or

(e) is made to a law enforcement agency for the purpose of investigating or prosecuting an offence against a law of Vanuatu for which the maximum penalty is a fine of at least VT 1 million or imprisonment for at least 12 months; or

(f) is made to a law enforcement agency for the purpose of investigating or taking action under the Proceeds of Crime Act [CAP 284]; or

(g) is made to a to domestic regulatory authority for the purpose of carrying out its regulatory functions; or

(h) is made to the Sanctions Secretariat for the purpose of discharging a duty, performing a function or exercising a power under the United Nations Financial Sanctions Act No. 6 of 2017; or

(i) is made to a foreign government agency in accordance with section 12F.

(2) A person who contravenes subsection (1) commits an offence punishable upon conviction by:

(a) for an individual-a fine not exceeding VT 15 million or imprisonment for a term of 5 years, or both; and

(b) for a body corporate- a fine not exceeding VT 75 million.

12F. Disclosure to foreign government agency

The Commissioner may disclose confidential information about a licensee to a foreign government agency if:

(a) the Commissioner is satisfied that the disclosure is for the purpose of:

(i) discharging a duty, performing a function or exercising a power under the foreign government agency's own regulatory legislation (if any), including investigating a breach of that legislation; or

(ii) discharging a duty, performing a function or exercising a power under the foreign jurisdiction's anti-money laundering and counter-terrorism financing regulation and supervision laws; or

(iii) discharging a duty, performing a function or exercising a power under the foreign jurisdiction's financial sanctions laws; or

(iv) investigating or prosecuting a foreign serious offence or a foreign tax evasion offence; or

(v) investigating or taking action under the foreign jurisdiction's proceeds of crime laws; and

(b) the Commissioner is satisfied that:

(i) the information will be used for a proper regulatory, supervisory or law enforcement purpose; and

(ii) the agency is subject to adequate restrictions on further disclosure.

PART 4 – (*Repealed*)

13. (*Repealed)*
14. (*Repealed)*
15. (Repealed)

PART 4A – INSIDER TRADING

15A. Interpretation
(1) In this Part:

"inside information", in relation to any securities, means information that is not generally available but, if it were generally available, would be expected by a reasonable person to have a material effect on the price or value of the securities;

"insider" in relation to any securities, means a person who possesses inside information and who knows, or ought reasonably to know, that:

(a) the information is not generally available; and

(b) if the information were generally available, it might have a material effect on the price or value of those securities.

(2) For the purposes of this Part, information is generally available if:

(a) it consists of readily observable matter; or

(b) without limiting paragraph (a):

(i) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind the price or value of which might be affected by the information; and

(ii) since it was so made known, a reasonable period for it to be disseminated among such persons has elapsed; or

(c) it consists of deductions, conclusions or inferences made or drawn from either or both of the following:

(i) information referred to in paragraph (a);

(ii) information made known as provided in subparagraph (b)(i).

(3) For the purposes of this Part, a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the first-mentioned securities.

(4) For the purposes of this Part, trading in securities that is ordinarily permitted on a stock market is deemed to be permitted on that stock market, even though trading in any such securities on that stock market is suspended or prohibited.

(5) For the purposes of this Part:

(a) a body corporate is taken to possess any information which an officer of the body corporate possesses and which came into his or her possession in the course of the performance of his or her duties as an officer of that body corporate; and

(b) if an officer of a body corporate knows or ought reasonably to know any matter or thing because he or she is an officer of the body corporate, it is to be presumed that the body corporate knows or ought reasonably to know that matter or thing.

(6) For the purposes of this Part:

(a) a partner of a partnership is taken to possess any information:

(i) which another partner possesses and which came into his or her possession in his or her capacity as a partner of the partnership; or

(ii) which an employee of the partnership possesses and which came into his or her possession in the course of the performance of his or her duties as an employee; and

(b) if a partner or employee of a partnership knows or ought reasonably to know any matter or thing because the partner or employee is such a partner or employee, it is to be presumed that every partner of the partnership knows or ought reasonably to know that matter or thing.

15B. Prohibited conduct by insiders

(1) An insider must not (whether as principal or agent):

(a) subscribe for, purchase, or sell, or enter into an agreement to subscribe for, purchase, or sell, any securities in respect of which he or she is an insider; or

(b) procure another person to subscribe for, purchase, or sell, or to enter into an agreement to subscribe for, purchase, or sell, any such securities.

(2) If trading in securities is permitted on a stock market of an approved stock exchange, an insider in respect of those securities must not, directly or indirectly, communicate any inside information that he or she has, or cause the inside information to be communicated, to another person if the insider knows, or ought reasonable to know, that the other person will or will be likely to:

(a) subscribe for, purchase, or sell, or enter into an agreement to subscribe for, purchase, or sell, any of the securities; or

(b) procure a third person to subscribe for, purchase, or sell, or to enter into an agreement to subscribe for, purchase, or sell, any of the securities.

(3) If a person contravenes subsection (1) or (2), the person commits an offence punishable upon conviction by:

(a) in the case of a natural person - a fine not exceeding VT 25 million or imprisonment for a term not exceeding 15 years, or both; or

(b) in the case of a body corporate – a fine not exceeding VT 125 million.

15C. Exception for underwriters

(1) Subsection 15B(1) does not apply in respect of:

(a) subscribing for securities under an underwriting agreement or a sub-underwriting agreement; or

(b) entering into an agreement referred to in paragraph (a); or

(c) selling securities subscribed for under an agreement referred to in paragraph (a).

(2) Subsection 15B(2) does not apply in respect of the communication of information in relation to securities:

(a) to a person solely for the purpose of procuring the person to enter into an underwriting agreement in relation to any such securities; or

(b) by a person who may be required under an underwriting agreement to subscribe for any such securities if the communication is made to another person solely for the purpose of procuring the other person to:

(i) enter into a sub-underwriting agreement in relation to any such securities; or

(ii) subscribe for any such securities.

15D. Exceptions when acting under a legal requirement

(1) Subsection 15B(1) does not apply in respect of the purchase of securities under a requirement imposed by law.

(2) Subsection 15B(2) does not apply in respect of the communication of information under a requirement imposed by law.

15E. Certain arrangements exempted

(1) A body corporate does not contravene subsection 15B(1) by entering into a transaction or agreement merely because of information in the possession of an officer of the body corporate if:

(a) the decision to enter into the transaction or agreement was taken on its behalf by a person or persons other than the officer; and

(b) it had in operation at the time the decision was made arrangements that could reasonably be expected to ensure that:

(i) the information was not communicated to the person or persons who made the decision; and

(ii) no advice with respect to the transaction or agreement was given to that person or any of those persons by the officer; and

(c) the information was not so communicated and no such advice was so given.

(2) The partners of a partnership do not contravene subsection 15B(1) by entering into a transaction or agreement merely because of information in the possession of one or more (but not all) of the partners, or an employee or employees of the partnership, if:

(a) the decision to enter into the transaction or agreement was taken on behalf of the partnership by any one or more of the following persons:

(i) a partner or partners who are taken to have possessed the information merely because another partner or partners, or an employee or employees of the partnership, was or were in possession of the information;

(ii) an employee or employees of the partnership who was not or were not in possession of the information; and

(b) the partnership had in operation at that time arrangements that could reasonably be expected to ensure that the information was not communicated to the person or persons who made the decision and that no advice with respect to the transaction or agreement was given to that person or any of those persons by a person in possession of the information; and

(c) the information was not so communicated and no such advice was so given.

15F. Powers of Court

If, in a proceeding instituted under this Act, the Court finds that a contravention of subsection 15B(1) or (2) has occurred, the Court may, in addition to imposing a penalty, make such order or orders as it thinks just, including, any one or more of the following orders:

(a) an order restraining the exercise of any voting or other rights attached to securities;

(b) an order restraining the issue or allotment, or the acquisition or disposal, of securities;

(c) an order directing the disposal of securities;

(d) an order vesting securities in the Commissioner;

(e) an order cancelling an agreement for the acquisition or disposal of securities;

(f) an order cancelling a person's membership of an approved stock exchange;

(g) for the purpose of securing compliance with any other order made under this section, an order directing a person to do or refrain from doing a specified act.

15G. Civil liability for contravention of this Part

(1) A person who suffers loss or damage by the conduct of another person that was in contravention of a provision of this Part may recover the amount of the loss or damage by action against that other person or against any person involved in the contravention, whether or not that other person or any person involved in the contravention has been convicted of an offence in respect of the contravention.

(2) This section does not affect any liability that a person has under any other law.

PART 4B – SECURITIES MARKET PRACTICES

15H. Market manipulation

(1) A person must not take part in, or carry out (whether directly or indirectly and whether in Vanuatu or elsewhere) a transaction, or 2 or more transactions, that have or are likely to have the effect of:

(a) creating an artificial price for trading in securities in Vanuatu; or

(b) maintaining at a level that is artificial (whether or not it was previously artificial) a price for trading in securities in Vanuatu.

(2) A person must not do, or omit to do, an act (whether in Vanuatu or elsewhere) if that act or omission has or is likely to have the effect of creating, or causing the creation of, a false or misleading appearance:

(a) of active trading in securities in Vanuatu; or

(b) with respect to the market for, or the price for trading in, securities in Vanuatu.

(3) A person must not (whether in Vanuatu or elsewhere) enter into, or engage in, a fictitious or artificial transaction or device if that transaction or device results in:

(a) the price for trading in securities in Vanuatu being maintained, inflated or depressed; or

(b) fluctuations in the price for trading in securities in Vanuatu.

(4) If a person contravenes subsection (1), (2) or (3), the person commits an offence punishable on conviction by:

(a) in the case of a natural person - a fine not exceeding VT 25 million or imprisonment for a term not exceeding 15 years, or both; or

(b) in the case of a body corporate – a fine not exceeding VT 125 million.

PART 5 – SUPPLEMENTARY PROVISIONS

16. False statements

Any person who, in furnishing any information for any of the purposes of this Act or rules or orders made thereunder, makes any statement which, to his knowledge, is false in a material particular, shall be guilty of an offence and liable on conviction to a fine not exceeding VT 100,000 or to imprisonment for a term not exceeding 6 months, or to both such fine and imprisonment.

16A. Forfeiture of Bond

The bond deposit is to be forfeited to the Commission if a licence is revoked as a result of dishonest or fraudulent business practice.

17. Offences committed by corporations

Where any offence under this Act committed by a corporation is proved to have been committed with the consent or connivance of any director, manager, secretary or other officer of the corporation, he, as well as the corporation, shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

18. Services of notices

Any notice to be served under this Act on any person may be served by post, and a letter containing the notice shall be deemed to be properly addressed if it is addressed to that person at his last known residence or last known place of business in Vanuatu.

19. Power to make rules

The Minister may make rules or orders for prescribing or declaring anything which by this Act is required or authorised to be prescribed or declared and, in particular but without prejudice to the generality of the foregoing, may make rules for prescribing the duties of the trustee of any authorised unit trust scheme as to the issue of unit certificates, the form and numbering thereof, the keeping of a register of unit-holders and the particulars to be entered therein including the particulars to be entered in the case of any unit certificates issued in bearer form and generally for the keeping of records by the trustee and manager of any authorised unit trust scheme.

19A. Guidelines

For the purposes of this Act, the Commissioner may make written guidelines, including setting out the criteria for determining whether a person is a fit and proper person.

19B. Indemnity from liability

No person is subject to any civil or criminal liability, action, claim or demand for anything done or omitted to be done in good faith under or for the purposes of this Act.

20. Commissioner may delegate powers

The Commissioner may delegate the exercise of the several powers vested in him by this Act (other than the power to make rules), or such of them as he may deem expedient, to a public officer.

Table of Amendments (since the Revised Edition 1988)

Part 1 (Title)	*Amended by Act 25 of 2010*
Title of Act	*Amended by Act 7 of 2012* *Amended by Act 11 of 2017*
1	*Amended by Acts 39 of 2005; Act 7 of 2012; 11 of 2017; 31 of 2018; 9 of 2021,2 of 2025*
1(1A)	*Inserted by Act 11 of 2017*
1(2)	*Repealed by Act 39 of 2005*
2(1)(a)	*Substituted by Act 31 of 2018*
2(1)(aa) - (ac)	*Substituted by Act 9 of 2021*
2(2)	*Substituted by Act 11 of 2017*
2(4)	*Amended by Act 11 of 2017*
2(5)	*Amended by Act 11 of 2017*
4	*Substituted by Act 11 of 2017*
4(1)	*Amended by Act 31 of 2018*
4(1)(e)	*Inserted by Act 31 of 2018*
4(3A)	*Inserted by Act 5 of 2024*
4(4)	*Inserted by Act 35 of 2017* *Amended by Act 31 of 2018*
4(5)	*Inserted by Act 31 of 2018* *Substituted by Act 5 of 2024*
4(6) – (8)	*Inserted by Act 5 of 2024*
4A, 4B and 4C	*Inserted by Act 11 of 2017*
4A(1)	*Amended by Act 31 of 2018*
4A(3A)	*Inserted by Act 5 of 2024*
4A(4)	*Inserted by Act 35 of 2017* *Amended by Act 31 of 2018*
4(5)	*Inserted by Act 5 of 2024*
4(6)	*Inserted by Act 9 of 2021*
4AA – 4AD	*Inserted by Act 9 of 2021*
4AE	*Inserted by Act 5 of 2024*
4B	*Substituted by Act 9 of 2021*
4BA	*Inserted by Act 9 of 2021*
4BB	*Inserted by Act 5 of 2024*
5(1)	*Amended by Act 11 of 2017*
5(4)	*Substituted by Act 11 of 2017*
5(5)	*Repealed by Act 11 of 2017*
5A	*Inserted by Act 11 of 2017*
6	*Substituted by Act 31 of 2018*
6(b)(i)(a),(b) and (c)	*Amended by Act 11 of 2017*
6(aa) and (ab)	*Inserted by Act 11 of 2017*
6(1)	*Amended by Act 10 of 2023*
6(1)(c)(iv)	*Substituted by Act 9 of 2021*
6(2)(c)(vi)	*Substituted by Act 9 of 2021*
6A	*Inserted by Act 31 of 2018*
7A	*Inserted by Act 11 of 2017*
7A(1A)	*Inserted by Act 46 of 2025*
9(4)	*Substituted by Act 11 of 2017*
10A	*Inserted by Act 31 of 2018*
10B	*Inserted by Act 31 of 2018*

	Amended by Act 9 of 2021
11(1)	*Amended by Act 11 of 2017*
11(1A)	*Inserted by Act 11 of 2017*
11A	*Inserted by Act 11 of 2017*
11A(3)(a), (b)	*Amended by Act 9 of 2021*
12(6)	*Substituted by Act 11 of 2017*
12A – 12F	*Inserted by Act 11 of 2017*
Part IV	*Repealed by Act 39 of 2005*
15A – 15H	*Inserted by Act 11 of 2017*
16A	*Inserted by Act 9 of 2021*
19A	*Inserted by Act 11 of 2017*
19B	*Inserted by Act 11 of 2017*
Schedule	*Repealed by Act 39 of 2005*
Whole of the Act	*Amended by Act 31 of 2018 principal's licence replaced with ClassA, Class B or Class C Principal's Licence. Amended by Act 9 of 2021 or Class C Principal's Licence Replaced with Class C or Class D Principal's Licence*

Transitional Provisions

Act 31 of 2018 (1) *A person issued with a principal's licence immediately before the commencement of this Act, must apply within 6 months from the commencement of this Act for a Class A, Class B or Class C Principal's Licence.*

(2) *If a person fails to make an application under subsection (1), the principal's licence issued to that person expires after 6 months from the commencement of this Act.*

Act 9 of 2021 (1) *A person issued with a Class A, Class B, Class C or Class D Principal's Licence immediately before the commencement of this Act, must apply within 12 months from the commencement of this Act for a Class A, Class B, Class C or Class D Principal's Licence.*

(2) *If a person fails to make an application under subsection (1), the Class A, Class B, Class C or Class D Principal's Licence issued to that person expires after 12 months from the commencement of this Act.*