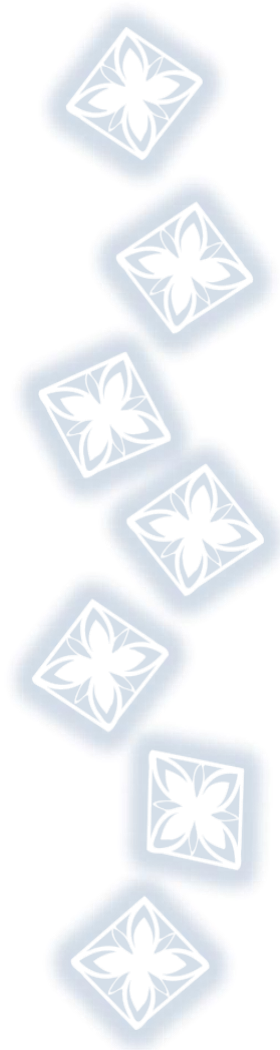




**SAMOA
NATIONAL
INVESTMENT
POLICY
STATEMENT**



**SAMOA
NATIONAL INVESTMENT POLICY
STATEMENT**





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ACRONYMS

ASYCUDA	Automated System for Customs Data
CBS	Central Bank of Samoa
EIA	Environment Impact Assessment
EPC	Electric Power Corporation
HIPA	Head of Investment Promotion Agency
ILO	International Labour Organisation
MCIL	Ministry of Commerce, Industry and Labour
MFAT	Ministry of Foreign Affairs and Trade
MNRE	Ministry of Natural Resources and Environment
NZ	New Zealand
ODS	Ozone Depleting Substances
PUMA	Planning Urban Management Agency
RCIP	Registries of Companies and Intellectual Property
SAT	Samoa Tala
SWA	Samoa Water Authority
USA	United States of America
VAGST	Value Added Goods & Services Tax
WAIPA	World Association of Investment Promotion Agency
WTO	World Trade Organization



Mailelani
Samoa



INTRODUCTION

The Government of Samoa is committed to strengthening a positive enabling environment for private sector development which will overall contribute to the vision of the Pathway for the Development of Samoa (PDS), **“Fostering Social Harmony, safety and freedom for all”**. The promotion of private sector investment is well aligned with Key Strategic Outcome 2 of the PDS which focuses on Diversified and Sustainable Economy.

The private sector is expected to lead development by investing in the production of goods and services to meet domestic demand and contribute to export earnings. The Government acknowledges that the domestic private sector cannot do this alone. It therefore works to actively seek foreign direct investment to strengthen the economy through the inflow of new capital, technology and skills. Foreign investors are invited to invest in various business activities without limitations, except for a few activities reserved for locals and restricted as stipulated under the Foreign Investment Act 2000.

The Government has streamlined legislations and procedures to encourage the establishment and expansion of enterprises capable of providing increased employment opportunities and contributing substantially to wider economic base for the country. The establishment of the Foreign Investment Advisory Committee to speed up the facilitation of major investment activities is a reflection of this commitment by Government.

The National Investment Policy Statement sets out the various Government policies for promoting and facilitating foreign and private sector investments. The Government is committed to these policies and continues to review them in an endeavour to further improve the environment for private sector development.

As the policies outlined herein may change, investors are advised to contact the Ministry of Commerce, Industry and Labour from time to time for any updates.

INVESTMENT GUARANTEE

The provisions of **Article 14 of the Constitution (Rights regarding property)** shall apply to all foreign investment in Samoa, with the following guarantees also provided:

INTELLECTUAL PROPERTY

To protect and safeguard intellectual property in Samoa, the Government has passed the following laws. This protection also enables people to earn recognition or financial benefit from what they invent/create:

- i. Copyrights Act 1998 – works covered by copyright range from books, music, paintings sculpture, and films, to computer programs, databases, advertisements, maps and technical drawings.
- ii. Intellectual Property Act 2011 - for the registration and enforcement of rights of owners of Patents, industrial designs, Trade Marks and Collective Marks, Geographical Indicators and Plant varieties.

MCIL is responsible for the registration of intellectual properties and the management of the intellectual property registers: such as Patents register; Innovation Patents register; Registered Designs register; Trade Marks register; Plant Breeder's Rights register; Geographical Indications register; and Layout-Designs of Integrated Circuits register.

CONCILIATION OF INDUSTRIAL DISPUTES

The provisions of the Labour and Employment Relations Act 2013 shall have full effect in relation to disputes that involve foreign investors in Samoa. The Alternative Dispute Resolution Act 2007 also provides alternative dispute resolution procedures where civil or criminal cases may arise.

WTO MEMBERSHIP

Legislative reforms were undertaken to ensure compliance with WTO objectives. Samoa's main objective of becoming a member of the WTO is to obtain the security offered by these rules and principles such as its non-discriminatory objective. Samoa has already graduated from its Least Developing Countries status in recognizing as a Developing Country under the WTO and the United Nations.

STABILITY OF THE INVESTMENT CLIMATE

Specific reform efforts and initiatives targeting the facilitation of Investment commenced in 1997 with focus on improving market access and research; review of tax and tariffs structure; arrangements to ensure the availability of Land for business development on a lease basis, and the privatization of State Owned Enterprises.

NON-COMMERCIAL RISK

Government appreciates that Foreign Investors uncertainty in investing in a new country can be partly alleviated if they have access to some form of internationally recognized investment protection. Consequently, Samoa is a member of the World Association of Investment Promotion Agency (WAIPA).

PROCEDURES OF ESTABLISHING A BUSINESS

Procedures of establishing all businesses are provided under existing legislations such as that of the Companies Act 2001, Foreign Investment Act 2000, the Business License Act 1998 and the Labour and Employment Relations Act 2013.

COMPANY NAMES

Company names and registered trademarks can be protected in Samoa by submitting an application to the Registrar of Companies within the Ministry of Commerce, Industry and Labour.

THE REGISTRIES OF COMPANIES AND INTELLECTUAL PROPERTIES (RCIP)

The Registries of Companies and Intellectual Property (RCIP) is a Division of the Ministry of Commerce, Industry and Labour that is responsible for the registration and the management of the following company registers: Private Limited companies, public limited companies, overseas companies (doing business in Samoa), incorporated societies, co-operative societies, charitable trusts, credit unions, Personal properties and securities.

Private limited, public limited companies and overseas companies can now be registered online on www.companies.gov.ws

Companies.

Acts of Parliament: *Companies Act 2001, Charitable Trusts Act 1965, Cooperative Societies Ordinance 1952, Credit Union Ordinance 1960, Incorporated Societies Ordinance 1952, Personal Property Security Act 2013, Receiverships Act 2006, Securities Act 2006, Copyright Act 1998; Intellectual Properties Act 2011*

Regulations: *Companies Regulations 2008, Incorporated Societies Regulations 1953, Cooperative Societies Regulations 1954, Credit Unions Standard By-Laws 1969, Intellectual Properties Regulations 2015*

For more information for the registration of Companies and Intellectual Properties please visit the MCIL website: www.mcil.gov.ws

INVESTMENT POLICY

FACILITATION & PROMOTION OF FOREIGN INVESTMENTS

The Industry Development and Investment Promotion Division within the Ministry of Commerce Industry and Labour is responsible for facilitating the registration and monitoring of foreign investments in Samoa. Investors intending to establish a business in Samoa with foreign shareholding should consider it their first stop to obtain information on investment as well as various assistance programs that the Ministry administers.

FOREIGN INVESTMENT REGISTRATION

The Foreign Investment Act 2000 and its Regulations 2011 require businesses with foreign shareholding to obtain a Foreign Investment Certificate from the Ministry of Commerce, Industry and Labour prior to obtaining a business license from the Ministry of Customs and Revenue. The Foreign Investment Certificate is valid for a period of 12 months and must be renewed annually.

FOREIGN INVESTMENT SHAREHOLDING

For the purpose of registering Foreign Investments as referred to above, is the involvement of any non-citizen, or any company in which a non-citizen holds a shareholding in any business or economic activity in Samoa for which a business license is required by the Business License Act 1998.

OPERATING A FRANCHISE

Any business which is owned entirely by a citizen(s), but which operates under a **franchise agreement** with a non-citizen or citizen, who does not reside in Samoa, shall not be regarded a foreign investment.

RESERVED LIST OF ACTIVITIES

The Government of Samoa has reserved some investment activities for local citizens only, these activities are currently listed in schedule 1 as referred to in section 3(1) of the Foreign Investment Act 2000 and Amendment Act 2011 as follows:

- Bus transport services for the general public,
- Taxi transport services for the general public,
- Rental Vehicles,
- Retailing,
- Saw milling, and
- Traditional elei garment designing and printing.

RESTRICTED LIST OF ACTIVITIES

The investment environment in Samoa is relatively open with only a handful of regulated sectors. The following economic sectors are restricted as listed in schedule 2 as referred to in section 4(1) of the Foreign Investment Act 2000 as follows:

Economic Sector	Economic Sub-sector	Conditions
Fishing	Commercial fishing vessels – vessels categories A ($\leq 11\text{m}$ in length), B ($11\text{m} \leq 12.5\text{m}$ in length), C ($12.5\text{m} \leq 15\text{m}$ in length), D ($15\text{m} \leq 20.5\text{m}$ in length) & E ($\geq 20.5\text{m}$ in length) categorized by the Ministry responsible.	A foreign investor must have a maximum 40% equity. A license issued for commercial fishing vessels is limited in different categories listed by the Ministry responsible for fisheries, except for Category A with no limit.
Manufacturing	Nonu (known scientifically as <i>Morinda citrifolia</i> , is a tropical fruit processed as juice for many folk remedy uses).	A foreign investor must establish a joint venture with a local partner.
	Coconut Virgin Oil (oil from the coconut that is in its unrefined and natural form (without fragrance and other added preservatives etc.)).	A foreign investor must establish a joint venture with a local partner.
Services	Architectural	A foreign investor providing an architectural service must establish a joint venture with a local partner.
	Professional engineering General construction	A foreign investor providing an engineering service must be incorporated in Samoa. Only through incorporation in Samoa.
	Sewage	A foreign investor providing a sewage service must establish a joint venture with a local partner.
	Refuse disposal	A foreign investor providing a refuse disposal service must establish a joint venture with a local partner.

	Sanitation and similar services	A foreign investor providing a sanitation and similar service must establish a joint venture with a local partner.
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PROHIBITED LIST

The Business License Act 1998 prohibits the following activities to be operated either by foreign investors or locals:

- Nuclear and toxic waste disposal or storage,
- Export of products that are prohibited under any law,
- Prostitution,
- Processing and export of endangered species,
- Production of weapons of warfare.

BUSINESS LICENSE

Under the Business License Act 1998, all entities engaged in business activities must have a valid business license. Applications are submitted to the Ministry of Customs and Revenue.

An Annual business license fee is charged as follows:

Sole Traders and Partnership \$282	Commercial Travellers \$640
Not for Profit Organisation \$282	Company/Trust \$640

Temporary business licenses are also available at a fee of SAT\$50.00 per day.

(Note: Fees may be subject to change in FY24/25)

VAGST REGISTRATION

Businesses with an annual total assessable income of SAT\$130,000 or more are required to register with the Ministry of Customs and Revenue for VAGST (Value Added Goods & Services Tax). A self-assessment system exists similar to that of other countries.

INFRASTRUCTURE & UTILITIES

ELECTRICITY

The Electricity supplier in Samoa is the Electric Power Corporation (EPC) as mandated under the EPC Act 1980. The EPC is the sole distributor of electricity in Samoa under this Act, and its core functions are the generation, distribution and selling of the electricity. Parliament enacted the Electricity Act 2010, which came into effect on 1st December 2011. This Act provides for a new legislative framework for regulating the electricity sector, the establishment of the post of the Electricity Regulator and the Office of the Regulator, and for related matters. One of the main features of this Act is the ability for independent power producers to contribute in electricity generation.

WATER

Samoa Water Authority (SWA) is a public trading body operating under the Samoa Water Authority Act 2003 with performance and accountability monitored under the Public Bodies (Performance & Accountability) Act 2001. Under the oversight of an independently selected Board of Directors, the SWA is responsible for the provision of water services to its service areas covering approximately 81% of Samoa's total population. The Authority also provides wastewater treatment services within designated areas in the Central Business District (CBD) of Apia.

BUILDING PERMIT

Any person including businesses, intending to construct a building requires a Building Permit from the Ministry of Work Transport & Infrastructure. The owner or approved agent must submit a Building Permit application in the prescribed format and must submit the following: (1) Approved Development Consent, (2) Proof of ownership, (3) site plans identifying roads, legal boundaries and setbacks, existing structures, (4) Floor plans, (5) Elevations, (6) Cross sections, (7) Structural details and certificate of design (if required), (8) Plumbing and Drainage plan, (9) Electrical, (10) Structural Calculations, (11) Compliancy Confirmation from affected utilities providers, (12) Estimated Cost of Construction and (13) At the time of lodgment a Building Permit fees payable based on the Cost of Construction.

ACCESS TO LAND

LEASING OF LAND

The Alienation of Customary Land Act 1965 was amended by the Leasing & Licensing of Customary Land Amendment Act 2019 ("the Amendment Act"), and since the Amendment Act became effective (commenced) in July 2019, the correct title is now referred to as Leasing and Licensing of Customary Land Act 1965 ("the Principal Act"). Under the Act, the authorized purpose for leasing of customary lands that carries a term of 30 years is either hotel or industrial purpose. Other authorized purposes such as public, commercial, business and religious carry a term of 20 years.

LAND HOLDINGS AND OWNERSHIP IN SAMOA FALL INTO THREE (3) CATEGORIES

CUSTOMARY LAND

Customary lands under the Leasing and Licensing of Customary Land Act 1965 can only be licensed or leased out for above mentioned authorized purposes. Customary lands cannot be alienated or disposed by way of sale, mortgage or otherwise as this is prohibited by Article 102 of the Constitution. The Lands and Titles Court was established to hear disputes on title and authorities (i.e. pule) over customary lands, however any disputes regarding leases or licensed over customary lands are matters that will be determined in

the Supreme Court.

GOVERNMENT LAND

The Ministry of Environment and Natural Resources (MNRE) alongside with Samoa Land Corporation (SLC) and Samoa Trust Estate Corporation (STEC) are the bodies that administer Government lands in Samoa.

FREEHOLD LAND

Freehold land cannot be sold or leased for a term of 20 years to non-resident citizen, unless proper consent is obtained from the Head of State of Samoa as per Alienation of Freehold Land Act 1972.

ENVIRONMENTAL PROTECTION

“The Land, Survey and Environment Act 1989 provides for the conservation and protection of the environment and the establishment of National Parks and other forms of protected areas.”

WATER RESOURCE MANAGEMENT

MNRE through its Water Resources Division, is mandated under the Water Resources Management (WRM) Act 2008 to manage water resources on a sustainable basis through application of the sustainable development principles such as to formulate, approve and apply policies and programs, and to apply effective management measures for (and declare) protected and closed areas, watershed management areas and water reserves and easements. The existence of the Water Abstraction Licensing Scheme also allows the government to allocate water rights among users to ensure all drilling and abstraction activities are controlled and managed in a sustainable manner.

a) Water Resources Management Regulations 2013

Investors are encouraged to take into account protected water reserves as identified on survey plans to avoid flooding impacts on developments, or vice versa.

b) Water Licensing Regulations 2013

There is a great need to ensure all water resources are safeguarded and that abstractions do not degrade the environment. Unregulated abstractions can lead to water supply shortages increased river pollution, damage to wildlife habitats, and ultimately the loss of rivers and other water sources for everyone to use and enjoy. Licensing water abstractions from both surface and groundwater sources/reserves will allow the Ministry to control and monitor the level of abstractions to protect both water supplies and the environment.

c) National Upland Watershed Conservation Policy

The policy provides the framework to protect and conserve upland watershed areas. Investors are required to take note of restrictions on upland developments. For example, the policy identifies critical areas at above 600m elevation as critical areas limiting development opportunities to recreational and relevant eco-friendly investments.

The Upland Watershed Protection Regulations are currently in DRAFT form for the implementation of this policy document.

OZONE REGULATION

a) National Ozone Unit/Ozone Unit/Ozone Section

The National Ozone Unit/Ozone Section under the Meteorology Division of MNRE is responsible for managing programs to comply with the Montreal Protocol on substances that deplete the Ozone Layer. The Ozone Section has wide-ranging responsibilities including overseeing the national compliance strategy, collecting and reporting data, monitoring and facilitating national projects approved by the Multilateral Fund, developing and enforcing policies and regulations, coordinating with other government ministries as well as the implementing agencies, interacting with industry and civil society and undertaking public awareness activities.

b) Licensing System

The OLPR mandated the control of Ozone-depleting substances import and export through a quota and licensing system since the enforcement of the regulation in 2006. The quota and the licensing system are implemented and managed by the NOU/Ozone Section.

All imports and handlers of controlled substances are required to apply for a license as per Part 3, Section 8 of the OLPR. The CEO of MNRE, under the OLPR has the sole authority to grant, vary, revoke or renew a license subject to conditions taking into consideration the protection of human health and the environment from adverse effects likely to affect human activities. Also, the CEO before granting or renewing a license, be satisfied that the applicant has adequate resources, equipment, systems, and mechanisms to comply with these Regulations and any applicable codes of practice.

Application forms are available to be uplifted from the Ozone Section at the Meteorology Division at Mulinu or sent via e-mail upon request.

Other Legal Framework for Environmental Protection:

- Planning and Urban Management Act 2004
- Ozone Layer Protection Regulations 2006
- Water Resources Management Act 2008
- Fisheries Management Act 2016
- Marine Pollution Prevention Act 2008
- Maritime Zones Act 1999
- Quarantine (Biosecurity) Act 2005
- Survey Act 2010
- Water Licensing Regulations 2011
- Waste Management (Importation of Waste for Electricity and Energy Recovery) Regulations 2015
- Marine Wildlife Protection Regulations 2009 and Amendment Regulations 2018
- Planning and Urban Management (Environment Impact Assessment) Regulations 2007
- Protection of Wildlife Regulations 2004
- Waste (Plastic Bag) Management Regulations 2018

FORESTRY MANAGEMENT ACT 2011

The purpose of the Forestry Management Act 2011 is to achieve the effective and sustainable management of Samoa's forestry resources. The Act revoked the Forestry Act 1967 with its aim to give landowners more control over forestry operations on their land and more control over the profits from those operations. Unsustainable logging of indigenous forests for commercial purposes through native forest conservation initiatives and incentives are appropriately addressed with forestry royalties' system being replaced with natural resource fees including clarifications on how the fees operate. The establishment of commercial plantation and agroforestry enterprise to provide opportunities for employment and investment as well as sustainable rural income generations is well promoted. Foremost the Act promotes the protection of the remaining indigenous forest and encourages land use that will ensure the protection of Samoa's biodiversity, endangered species and scarce water resources.

License/Permit for harvesting of forestry resources:

The FM Act 2011 enforces compliance for forestry operations ensuring the sustainable management of forest resources. The license/permit provisions regulate issuing of;

- License for harvesting of native forests; and
- Permit for harvesting of planted forests.

All applications for commercial or personal use purposes are assessed and approved before issuing of license/permit hence natural resource fee is paid based on the volume cut calculated for 1. Thereafter, the harvested area is monitored for a sound and safe environment with conditions to replant with trees to rehabilitate the degraded site.

The following list provides relevant environmental legislations and national policies that support protection of the environment and biodiversity conservation.

Waste management and pollution control

1) Marine Pollution Prevention Act 2008

This Act provide for the prevention of pollution to the marine environment and for responses to marine pollution incidents emanating from vessels, and other matters related to the implementation of international marine pollution conventions.

2) Waste (Plastic Bag) Management Regulations 2018

The Regulation provide to prohibit the importation into Samoa, the manufactured, further exportation, and must not be sold or distributed in Samoa of plastic as described in the legislation as a bag made in whole or partly of thin plastic film and contains starch (such as biodegradable bags) or full petroleum, additives used as shopping bags, packing bags with the exception to plastic bag used exclusively to pack or re-pack frozen goods sold at a retailer outlet such as refrigerated meat, frozen ice cream and ice cubes, or such good as listed in Schedule 1 of the Regulation. The Regulations also provide to repeal the "Plastic Bag Prohibition on Importation Regulations 2006"

3) National Chemical & Hazardous Waste Management 2012

Policy emphasized the need to manage hazardous waste, it reflects Samoa's obligation to Stockholm Convention, Rotterdam Convention, Montreal Protocol and Basal Convention.

4) National Waste Management Act 2010

Act to provide for the collection and disposal of solid wastes and the management of all wastes in Samoa, and for the related purposes.

EMPLOYMENT POLICY

One of Samoa's main assets in the world is its human resources. The Ministry of Commerce, Industry and Labour under the Labour and Employment Relations Act 2013 'Act' promotes decent work and employment for the private sector while ensuring fair and transparent working terms and conditions of employment for both employers and employees. As a member of the International Labour Organization 'ILO', Samoa has integrated the ILO standards into the existing Labour laws to fulfill its international obligations. The Act provides reasonable terms and conditions of employment regarding the minimum wage, leave entitlements, contract of service, working on public holidays, payment of hours of work and overtime hours, shift work, foreign employee's employment permit and other related labour matters.

LABOUR INTENSIVE ACTIVITIES

Although the Government encourages all economic activities, it particularly welcomes labor-intensive activities that generate employment opportunities for Samoa.

WAGE RATE

Employers in the private sector have the discretion to classify jobs with suitable remuneration which is above the minimum wage of SAT\$3.00 per hour. Minimum Wage will be reviewed in every two years as effective since the commencement date of the Labour and Employment Relations Amendment Act 2023 on 5th February 2024.

SOCIAL SECURITY

Both employees and employers pay a 1% payroll levy to the Accident Compensation Corporation (ACC). The employer is also required to pay a 10% payroll levy in addition to the 10% contribution paid by the employee to the Samoa National Provident Fund (SNPF).

EMPLOYMENT PERMITS

The sourcing of labour market shortages and skills within the labour workforce is subject to a screening process. An employer must obtain a Foreign Employee Employment Permit (FEEP) to enable a non-citizen to undertake employment in Samoa. All applications for FEEPs are lodged at the Samoa Immigration Office. Spouses and dependents are required to have valid visitors' permits and are not permitted to work in Samoa while holding a

dependent status. At the completion of the expatriate's employment term, he/she is expected to leave the country. The non-citizen employee is to enable knowledge transfer and train local employees at the end of his/her work arrangement to enable local employees to fill the role. It is highly recommended for all non-citizens who have been offered employment in Samoa to acquire an employment permit before travelling to Samoa.

HOURS OF WORK

Subject to section 47 of the Act, an employee must not be required to work:

- i. For more than 40 hours (excluding meal times) in any one week; or
- ii. For more than 8 hours (excluding meal times) on any one day; or
- iii. For more than 4 and one-quarter hours continuously without an interval of one hour for meal.

However, the hours of work may be extended to at least five hours where the employer allows rest interval of at least 15 minutes in any working period of at least three hours. An employee must have at least 36 consecutive hours of rest from within any seven days; and an employer must not require an employee to work for a period of 12 consecutive hours in any day. Any extra hours worked aside from the required hours should be paid at the rate of at least one and a half times an employee's ordinary rate of pay.

LEAVE ENTITLEMENT

In accordance with Part VII of the Act, an employee is entitled to the leave entitlements listed below after working for a consecutive period of 12 months for an employee:

- i. Annual Leave: an employee is entitled to 10 days leave entitlement after providing employment service to the same employer for 12 consecutive months including probation period. An employee also entitles to take leave on a pro rata basis within the current year. Unutilized annual leave can be carried forwards to that next 12 months with the maximum of 20 days and may be extended by an agreement made between the employer and employee. However, a payment in lieu of annual leave option is made available to the employee and employer.
- ii. Sick Leave: An employee is entitled to paid 10 days and where an employee is absent from work due to sickness. Medical certificate is required if an employee is sick for at least 3 days.. Additionally, an employee may carry forward unused sick leave that must not exceed 20 days in a given year.
- iii. Maternity Leave: A female employee is entitled to maternity leave of 6 weeks with two options on how it is supposed to be paid: i. 4 weeks full pay and 2 unpaid weeks ii. 2/3 of the wage to be paid out in 6 full weeks It is unlawful for an employer to terminate a female employee during her pregnancy except on a ground unrelated to pregnancy or birth of child.
- iv. Paternity Leave: A male is entitled to 5 days paid paternity leave if it is confirmed through a letter from the partner or birth certificate that he is the father of the new born baby.

CONTRACT OF SERVICE

It is an obligation for an employer to have a signed contract with an employee to outline

the terms and conditions of employment and is utilized as means of protection for both sides.

OCCUPATIONAL HEALTH & SAFETY

The Occupational Safety & Health Act 2002 provides provision for the safety, health and welfare of people at work in Samoa and to establish procedures for the administration of these matters. The Legislation applies across the Public and Private Sector. In addition, the National Occupational Safety and Health Framework 2018 provides guidance on the role of government, legislation, standards, processes and effective OSH Management System to enhance safety and health of workers. An employer must take necessary steps to educate, promote and implement safety and health practices to ensure safety, health and welfare of employees at work, and to provide and maintain a safe and healthy working environment in which work takes place.

FISCAL POLICY

TAXATION AGREEMENTS

Schedule 1 under the Tax Information Exchange Act 2012:

SCHEDULE 1 - AGREEMENTS	
Country	Date of Execution
San Marino	1 September 2009
Principality of Monaco	7 September 2009
Kingdom of the Netherlands	14 September 2009
Ireland	8 December 2009
Australia	16 December 2009
Sweden	16 December 2009
Finland	16 December 2009
Greenland	16 December 2009
Iceland	16 December 2009
Norway	16 December 2009
Faroese	16 December 2009

Denmark	16 December 2009
New Zealand	16 December 2009
Mexico	30 November 2011
Japan	4 June 2013
South Africa	26 July 2013
Republic of Korea	15 May 2015
New Zealand Double Tax Agreement	8 July 2015

TAXES ON NET INCOME AND/OR PROFITS

- Annual tax is levied on (worldwide) taxable income including the balancing charge (or balancing allowance) arising from the sale of business assets as well as inter-corporate dividends.
- Non-residents companies having assets or business in Samoa are taxed on Samoa-source income only.
- Insurance companies are taxed on different bases and at different rates.
- Losses can be carried forward indefinitely but are not deductible against salary and wage income.

INCOME TAX

Income tax is imposed under Section 9 of the Income Tax Act 2012 for taxpayers on the taxable income for a tax year. It is assessed on the preceding calendar year income and business pay estimated provisional tax based on the previous year's taxable income.

COMPANY TAX:

Both resident and non-resident is charged at the rate of 27%. All companies are required under Section 30 of the Income Tax Administration Act 2012 to lodge annual income tax returns in the prescribed form (IR4).

INDIVIDUAL SALARY AND WAGE TAX

Taxpayer is assessed according to the level of income earned, at a progressive rate minimum of 20% to a maximum scale of 27%. The threshold amount of non-taxable income is SAT\$15,000.

OTHER TAXES

- Payments to non-residents which are included in taxable income by virtue of Section 10 (overseas freight & passage money) of the Income Tax Act 2012 are subject to a 15% withholding tax.
- The Trust's taxable income of the trust shall be deemed to be derived by the trustee(s) of the trust and the trustee shall be assessable and liable for income tax as he/she was beneficially entitled to the taxable income of the trust.

VALUE ADDED GOODS AND SERVICES TAX (VAGST)

- A tax on consumption charged and accounted for at the rate of 15%.
- Exceptions apply in the case of exempt supplies and supplies charged at the rate of 0%.
- Threshold Amount: SAT\$130,000

EXEMPT SUPPLIES

- Financial Services
- Donated Goods and Services sold by non-profit bodies
- Bus and Taxi fares
- Departure Tax
- Passenger fares on inter island ferries in Samoa
- Overseas funded aid projects

ZERO RATED SUPPLIES

- Exported goods
- Electricity
- Duty free goods and the sealed bag system
- Certain ‘exported’ services
- Goods not in Samoa at the time of supply
- Educational services provided by approved situations
- Medical goods and services supplied by the hospital
- Sale of a “going concern”
- Supply of water by the Water Authority
- Supply of totalizator betting facilities on races, conducting the game of lotto or another similar services provided by the Gambling Control Authority

ARRANGEMENT FOR SETTLEMENT OF ARREARS

A tax payer may apply in writing, to the Commissioner for an extension of time to pay tax due. Instalment Arrangement (IA) could be offered by the Ministry of Customs and Revenue depending on the total debt outstanding.

MONETARY POLICY

EXCHANGE CONTROL

The exchange rate is linked to a trade weighted basket of currencies of Samoa’s main trading partners (namely USA, New Zealand, Australia and the European Euro) based on merchandise trade and travel receipts.

There are no restrictions on foreign exchange for most current transactions while prior approval from the Central Bank of Samoa (CBS) is required for all capital account transactions under the Exchange Control Regulations 1999. Those classified as non-

residents under the Exchange Control policies are free to apply for an external or foreign currency account with a licensed commercial bank, subject to the bank's customer due diligence processes. However, those classified as residents under the Exchange Control policies require prior approval for the establishment of foreign currency accounts from CBS. Investments outside of Samoa and private sector external borrowings continue to be subject to exchange control regulations. All foreign exchange transactions are monitored by the CBS for statistical and policy purposes.

FOREIGN EXCHANGE TRANSACTIONS

Under the prevailing CBS legislation, a foreign investor can undertake foreign exchange transactions as follows:

- a. Repatriation of capital and profit remittances in foreign capital is permitted, although it must be approved by CBS based on submission of necessary documents.
- b. Repayments of principal & interest on foreign loans raised specifically for the purposes of the investment in Samoa is permitted, subject to submission of necessary documents for a prior CBS approval.
- c. Payment of fees to foreign parties, particularly for the use of intellectual property rights is permitted and can be processed at any of the licensed commercial banks and money transfer operator businesses. This is with the exception of the payment of management fees including for professional services where prevailing Exchange Control policies require submission of necessary documents for a prior CBS approval.
- d. Expatriate workers with local contracts of one year or longer are considered residents and therefore need prior CBS approval only for any capital account payments to be remitted abroad.

For further information on the Exchange Control, please refer to the CBS Exchange Control Information Booklet available on the CBS website (www.cbs.gov.ws).

LOCAL BORROWING

The policies on local borrowing by foreign controlled companies reflect national Interest considerations as determined by the CBS. Investors are encouraged to acquire capital funds from overseas. Nevertheless, local borrowing is generally flexible but is subject to commercial banks' terms and conditions and any prudential requirements set by CBS.

INTEREST RATES

Interest rates for borrowing and deposits are not regulated. Commercial Banks are free to determine the level of interest rate on deposits and loans based on market forces affecting demand and supply of money.

TRADE POLICY

IMPORTS

LICENSES

Commercial importers are required to hold a Business License to engage in importing.

TARIFFS

- Harmonized System (HS) effective as from 1 July 1996 Import duty is assessed on cost-insurance freight (cif) basis.
- Excise tax is applied on meat products, tobacco, soft drinks and alcoholic products, petroleum and on motor vehicles.
- Tariffs have been substantially reduced in light of government's reforms. Capital items and bulk of raw materials at 8% duty respectively plus VAGST.

PROCEDURES

Importers are required to submit import entries to the Ministry of Customs and Revenue for appropriate assessment and are also required to pay full duty based on the Ministry's assessment.

All goods imported into Samoa for commercial use requires the following minimum documents: Bill of Lading/ Airway bill; and Commercial Invoices. Other documents that are required by customs are dependent on the type of goods to be imported. For example phyto-sanitary certificates of biosecurity goods and permits for restricted goods.

For goods imported into Samoa for personal use, proof of value and Bill of Lading must be submitted to Customs upon importation. To benefit from preferential import duties under trade agreements that Samoa is a party to, a certificate/ declaration of origin is required.

Samoa uses the Automated System for Customs Data (ASYCUDA) World (version 4.3.1) which facilitates trade through modernized customs operations, reduction in transaction time and costs: improved security by streamlining procedures for cargo control and clearance.

EXPORTS

There are no government fees or levies charged on exports. Exporters are required to complete the Central Bank Export Form E, Customs Services Administrative Document (SAD) form, and Ministry of Agriculture and Fisheries (MAF) Provisional (Fish Export) form for the export of fish only. Exporters must complete the MAF and CBS form before the Customs SAD form before any shipment is approved for departure.

Under the Exchange Control Regulations 1999, all export revenue from goods shipped to countries other than American Samoa must be surrendered to an authorized bank no later than two months from the date of shipment. Proceeds of goods shipped to American

Samoa must be surrendered to an authorized Bank within four weeks from date of shipment.

In the event that there is a shortage from the declared amount, the Central Bank will require documentation from the exporter to satisfactorily clarify the shortfall.

PROHIBITED EXPORTS

- Raw logs of timber (Order Prohibiting the Export of Logs, 1990)
- Live coral (The Land, Surveys and Environment Act, 1989)
- Species of the sea cucumber (Order issued in 2010 under Customs Act 1977).
- Antiquities (Samoa Antiquities Ordinance, 1954)
- Birds (Restricted under Wild Animals Regulations, 1993)

TRADE POLICY AND PROMOTION STRATEGIES

The Ministry of Foreign Affairs and Trade (MFAT) facilitates exporters in promoting their goods and services overseas. Securing market access opportunities and integrating Samoa into the multilateral trading system as well as the provision of advice to Samoan exporters remain the important functions of the Ministry. Central to these are the formulation and development of appropriate policies and strategies, in consultation with stakeholders, on trade policy and promotion strategies. MFAT also coordinates Samoa's participation at international expositions to expand trade networks and export markets.

TRADE AGREEMENTS

Trade is a viable option for Samoa's economic development with the potential to contribute to greater economic activity and job creation. Through trade agreements, market access of exports are secured; trade cooperation with key trading partners are strengthened to develop and expand trade and investment opportunities for Samoa; as well as trade impediments and challenges being addressed including supply side constraints and raising awareness of all stakeholders.

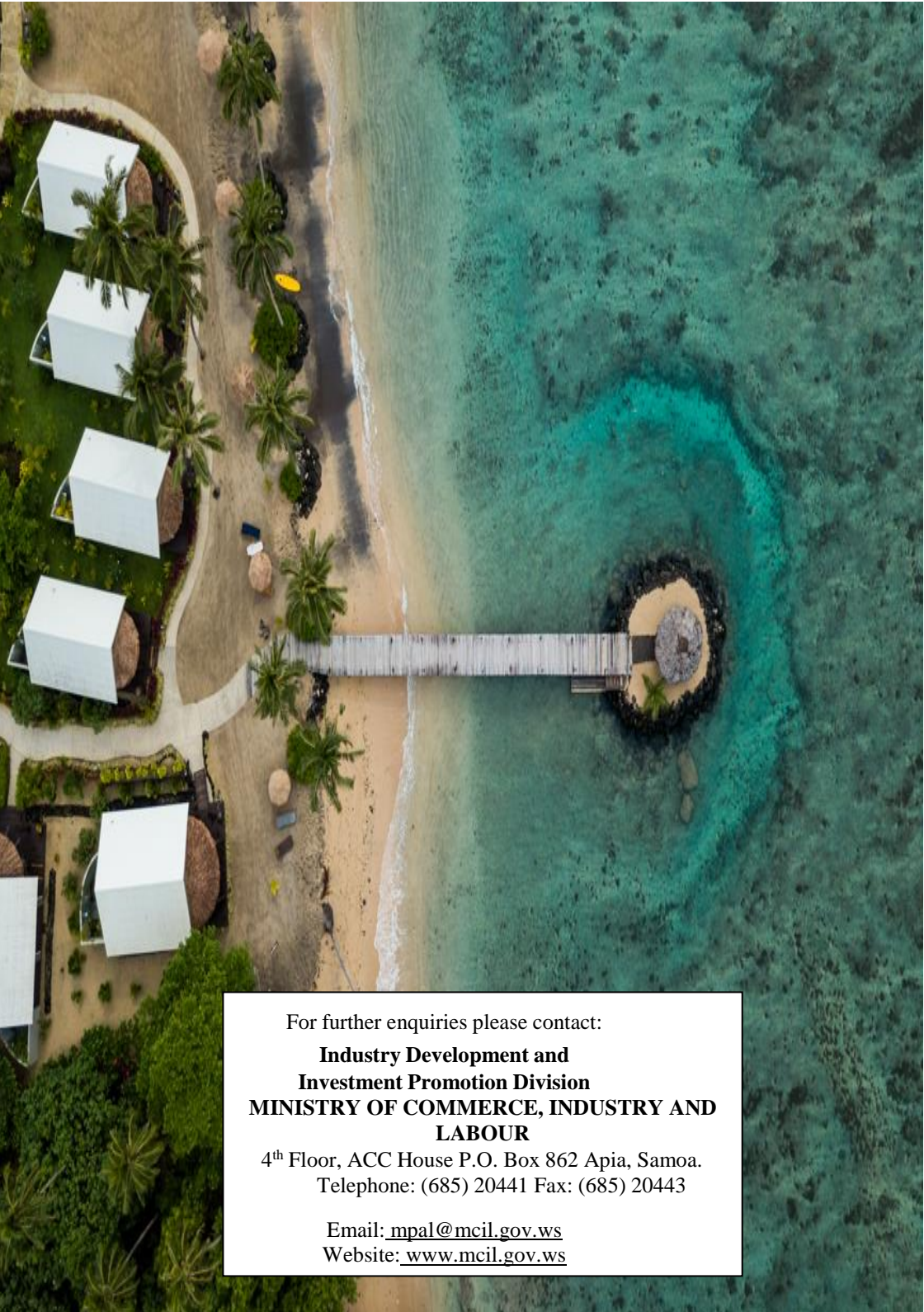
The World Trade Organization has a total of 166 Members and Samoa has been a member since 2012. As a member, Samoa is obligated to adhere to the key principles of the multilateral rules based organization such as the Most Favored Nation, the National Treatment as well as the Transparency principles. These rules work to ensure that Samoa implements its commitments, as contained in its Working Party Report, to provide a stable macroeconomic environment to facilitate/encourage foreign investment and improve private sector development domestically and abroad.

In addition, Samoa has preferential market access to the EU market under the EU-Pacific Interim Economic Partnership Agreement since 2018. Products from Samoa can enter the EU market at preferential rates on the condition that those products meet the eligibility criteria or the Rules of Origin. Further, preferential market access of Samoa products to the UK market under the UK-Pacific Interim Economic Partnership Agreement has also been made possible.

At the regional level, Samoa has been a member of the Pacific Island Countries Agreement (PICTA) since 2003. It is the first; and remains the only Free Trade Agreement between the 14 Forum Island Countries (excludes Australia and New Zealand).

Samoa is also a member of Pacific Agreement on Closer Economic Relations (PACER) Plus which entered into force in December 2020. It is a trade and development agreement amongst the Forum Island Countries and Australia and New Zealand and has wider benefits than the non-reciprocal arrangement SPARTECA (1981). Parties to the PACER Plus are Australia, Cook Islands, Kiribati, New Zealand, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. Nauru has signed the agreement but has not yet ratified.

The PACER Plus Implementation Unit was established in Samoa in July 2021 to assist Pacific PACER Plus members to strengthen their capacity to benefit from regional and international trade and contribute to achieving economic growth and sustainable development.



For further enquiries please contact:

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