

Investment Guide – Samoa

A. Encouraged Investment Sectors for the Chinese Market

This investment guide is intended to provide basic information that investors need to know about the investment environment of Samoa. The Government of Samoa welcomes investment from China particularly in the areas listed below:

- Tourism (Hotel and Resort Development)
- Fisheries (Loining and canning factories, trans-shipment facilities etc)
- Food Processing (Taro, Noni Juice/Fruit, Cocoa)
- Coconut Industries (Coconut Milk, Coconut Oil)
- Agriculture Farming and Aquaculture

B. Taxes and Duties

1. Company Tax: A Resident Company is charged 27% in its global taxable income while non-resident is taxed 27% taxable income derived from operation in Samoa.
2. Small Business Tax: Taxable income of a Sole Trader is as follows:
Over SAT\$25,000 (US\$9600) (27%)
3. VAGST Tax: 15% of consumption tax is levied on the supply of most goods and services in Samoa and on imports.
4. Customs Duties: Duty is applied to all imported products. Tariff rates are clustered into 4 categories – 0%, 5%, 8% and 20% being the highest rate of duty. Excise duty is also imposed on alcohol, soft drinks, tobacco products and some vehicles.

C. Government of Samoa Assistance towards Duties and Taxes

1. Import Duty Concession Scheme: Duty Exemption for Tourism Manufacturing and Aviation. Duty exemption can be applied to building materials, machinery, furniture and fittings, raw materials from overseas suppliers for the use of the business in Samoa.
2. Code 121: Assistance for domestic businesses such as commercial poultry, agricultural manufacturing, handicraft and garment manufacturing. Refers to the reduction of import duty from 8% to 0% for imported raw materials and other particular materials from overseas suppliers.
3. Code 113: Assistance for the development of the Fisheries Industry. Refers to import duty exemption for imported products to be used as baits and equipment.
4. Tax Incentives: Tourism Sector
 - a) Hotel Income Tax Holidays: Hotel Income Tax Exemptions may be granted on taxable income (after deduction of losses carried forward) derived from the operations of the Hotel as follows:
 - Category 1: First Class Hotel with a capital investment of SAT\$1-SAT\$3 million is exempted for 5 years.
 - Category 2: First Class Hotel with a capital investment of SAT\$3-SAT\$20 million shall be exempted for 10 years.
 - Category 3: First Class Hotel with a capital investment of more than SAT\$20 million is exempted for 15 years.

5. Duty Drawback: Duty drawback is an incentive whereby duty paid on goods that are imported to be used in the manufacture or repair of other goods and later re-exported may be refunded to the importer at the time of exportation.

D. Land for Lease

1. Government Land for Lease: the Government has available land within/around the main town area consisting of 1/4 acres with rental rates depending on the market value for a lease term of 10+10 years. Other lands that are 25-30km outside of the main town area have a lease term of 20+20 years.
2. Customary Land for Lease: Customary land can be leased to investors for hotels and tourism projects for an initial term of 60 years. For all other forms of development projects lease can be granted at a term of 20+20 years. The rental rates will depend on the value of the land and agreement between the parties.

E. Statutory Contributions

1. Accident Compensation Corporation: 1% payroll tax (levy) must be paid by Employer. Workers are compensated under this scheme for injuries resulting in the workplace.
2. Samoa National Provident Fund: A minimum contribution of 7% of an employees salary must be paid by the Employer to the National Provident Fund. (7% Employer, 7% Employee)

F. Commercial Banks

- ANZ Bank (Australia & NZ bank)
- National Bank of Samoa
- Samoa Commercial Bank
- Bank of the South Pacific
- Development Bank of Samoa

G. Air and Sea Services

1. Air Access
 - Samoa Airways (From Auckland & Sydney) Samoa Airways intends to develop direct routes to China in the future.
 - Fiji Airways (From Nadi, Hawaii)
 - Air New Zealand (From Auckland)
2. Sea Access
 - Forum Samoa, Captine Tasman, Forum Pacific (Australia)
 - Forum Fiji, Forum Rarotonga, Southern Cross, Sofrana, Southern Lily (New Zealand)

H. Citizenship by Investment

Citizenship by investment is the granting of citizenship status to an individual (including immediate family members) contingent upon a specified and quantifiable investment in Samoa. This Scheme is administered by the Ministry of Commerce, Industry and Labor (MCIL).

This program will enable individuals and immediate family members an additional option to obtain Samoan Citizenship by Investment. Existing options to obtain Samoan citizenship include permanent residency, descent, marriage and birth.

a) General Requirements

1. Qualifying investment areas
 - Leasing and developing Government Lands
 - Processing or manufacturing of agricultural produce
 - Processing or manufacturing of Fisheries products
 - Tourism Development
 - Information and communication technology development
 - Electricity generation through bio-fuel, solar, water or wind
 - Investment in a Government development fund for the purpose of national development or investment a prescribed charitable trust
 - Any services other than any of the services listed in the Reserved List under the Foreign Investment Act 2000.
2. Minimum Investment of SAT\$4 million (approximately US\$1.6 million)
3. Minimum net worth of SAT\$2.5 million (approximately US\$1 million)

b) Procedures

Application:

1. Application must be submitted to the citizenship Investment Committee
2. Inclusive Information
 - An Incentive plan
 - Names of family members including birth certificates/documents
 - Proof of net worth and current business and assets
 - Audited financial statements for the last 3 financial years for any business in which the investor held directorship, a senior management role or proprietary interest
 - Police clearance of the investor and any family members
 - Doctor's report of full medical examinations of the investor and any family members

c) Permits

Step 1: Temporary Resident Permit

This is issued to the investor and family members when the applications lodge

Step 2: Permanent Resident Permit

This is issued to the investor and any family member when the application is granted however this permit is subject to the following conditions;

- a) Maintain at least 15% of the original sum deposited;
- b) The Committee may, during the 3 year period of permanent residence of the investor continue to review and monitor the progress of the qualifying investment pursuant to the investment plan or guidelines or as the Committee considers fit.

Step 3: Samoan Citizenship

The investor and any family members can apply within 3 months before the expiry of the permanent Resident Permit, if the investor (including family members) has resided in Samoa for at least 15 year a year during the 3 year period of PR; and has complied with the investment plan.

*Visitors to Samoa can stay up to 60 days visa free.

*Samoa has visa free arrangements with the United Kingdom and the Schengen Region (26 European countries)

Important Websites to Visit

Ministry of Commerce Industry and Labor

www.mcil.gov.ws

Labour Laws

Work Permits

Foreign Investment Registration

Government Assistance Schemes

Samoa Tourism Authority

www.samoa.travel

Ministry for Revenue

www.revenue.gov.ws

Customs (Taxes and Duties)

Business License

Quarantine

Ministry of Works, Transport and Infrastructure

www.mwti.gov.ws

Building License

Ministry of Natural Resources and Environment

www.mnre.gov.ws

Lease of Land

Development Consent

For more information, please contact:

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