

THE FOREIGN INVESTMENT REGULATIONS 2006

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THE FOREIGN INVESTMENT ACT 2006
(Act No. 7 of 2005)

THE FOREIGN INVESTMENT REGULATIONS 2006

I, FRANCIS BILLY HILLY, the Minister for Commerce, Industries and Employment, in exercising the powers conferred on me by sections 26 and 36 of the Foreign Investment Act 2005, make the following regulations.

Dated the day of 2006.

Minister for Department of Commerce, Industries and Employment

FOREIGN INVESTMENT REGULATIONS

PART 1 – PRELIMINARY

Citation and commencement

1. (1) These regulations may be cited as the Foreign Investment Regulations 2006.

(2) These regulations come into operation on the commencement of the Foreign Investment Act 2005.

Reference to forms

2. A reference to a form by number is a reference to a form so numbered set out in Schedule 1.

PART 2 – MATTERS RELATING TO REGISTRATION OF INVESTMENT ACTIVITIES

Information to be recorded in Register: sections 6 and 20

3. The following information shall be recorded in the Register in respect of each investment activity registered in the Register:

- (a) a description of the investment activity;
- (b) the name of the foreign investor conducting the investment activity;
- (c) the business name (if any) under which the foreign investor conducts or will conduct the investment activity;

- (d) the address of each premises where the foreign investor conducts or will conduct the investment activity;
- (e) the date the Registrar registers the investment activity and the reference number of the certificate of registration issued in respect of the investment activity;
- (f) the details of any amendments to the certificate of registration and the date of the amendments;
- (g) whether the certificate of registration is cancelled and the date of the cancellation;
- (h) the surrender of the certificate of registration (if any) and the date the certificate is surrendered.

**Registrar to notify
Minister of new
registrations**

4. At the end of each month, the Registrar must, in writing, notify the Minister of each investment activity registered in the Register during the month.

PART 3 – FORMS

**Form of annual
survey: section 7**

5. An annual survey under section 7 of the Act shall be in accordance with Form 1.

**Application for
certificate of
registration:
sections 15 and 16**

6. An application under section 15 of the Act for a certificate of registration shall be in accordance with Form 2 and shall set out the matters specified in section 16(2) of the Act.

**Form of certificate
of registration:
section 21**

7. A certificate of registration shall be in accordance with Form 3 and shall set out the matters specified in section 21(2) of the Act.

**Form of
notification of
change to
registration
details: section 22**

8. A foreign investor shall notify the Registrar of a change in a detail referred to in section 22(3) of the Act in accordance with Form 4.

**Form of
application for
review: section 27**

9. An application for review under section 27 of the Act shall be in accordance with Form 5.

PART 4 – INVESTMENT FACILITATION COMMITTEE: SECTION 26

**Membership of
Committee**

- 10.** (1) The members of the Committee are –
- (a) the Minister for Commerce, Industries and Employment;
 - (b) the Minister for Finance and Treasury;
 - (c) the Governor of the Central Bank of Solomon Islands; and
 - (d) the Permanent Secretary of the Department responsible for administering this Act.

(2) The Minister for Commerce, Industries and Employment is the Chairman of the Committee.

(3) The Permanent Secretary of the Department responsible for administering this Act shall be the Secretary of the Committee.

**Application to
Committee for
assistance**

11. (1) A foreign investor who holds a certificate of registration may, after 60 days after receiving the certificate of registration, apply to the Committee for assistance that will facilitate conducting his investment in Solomon Islands to which the certificate of registration relates.

- (2) The application shall –
- (a) be in a written form approved by the Committee; and
 - (b) specify the reason the foreign investor wants assistance.

**Manner in which
Committee to
consider and
determine
application**

12. (1) When the Committee receives an application for assistance under regulation 11, the Committee shall –

- (a) consider the application;
- (b) determine whether to assist the foreign investor; and
- (c) if it determines to assist the foreign investor –
 - (i) determine which action specified in regulation 13 it shall take to assist the foreign investor; and

- (ii) arrange for the assistance to be given to the foreign investor.

(2) The Committee shall notify the foreign investor of its decision in writing.

**Manner in which
Committee may
assist foreign
investor**

13. The Committee may take any of the following actions to assist a foreign investor who has made an application under regulation 11:

- (a) make inquiries as to the status of any Government process relating to the conduct of the foreign investor's investment;
- (b) liaise with a Government department, agency or officer to resolve issues or disputes relating to conducting the investment; and
- (c) make recommendations regarding the manner in which to undertake and complete procedures and processes on which conducting the investment relies.

**Procedures of
committee**

14. The Committee shall –

- (a) determine its own procedures; and
- (b) keep a written record of all of its procedures.

PART 5 – MISCELLANEOUS

**Reserved list:
section 9**

15. The reserved list is set out in Schedule 2.

Fees

16. A fee specified in column 2 in Schedule 3 is the fee payable in relation to the matter under the Act specified opposite the fee in column 1 in that Schedule.

SCHEDULE 1

FORMS

Regulation 2

FORM 1

Foreign Investment Act 2005
Foreign Investment Regulations 2006

(Section 7, regulation 5)

ANNUAL SURVEY

Name and contact address, fax, email and telephone:

Financial year annual survey relates to: 1 January to 31 December

1. Reference number of certificate(s) of registration held at the end of the financial year:
2. Investment activities authorized by certificate(s) of registration holding at the end of financial year:
3. Status of investment activities:
 - Were any applications for registration of investment activities pending at end of financial year? If so please identify them.
 - Were any investment activities for which a certificate of registration was issued during the financial year not commenced by the end of financial year? If so please identify them.
 - Did you cease conducting any investment activities during the financial year but certificate of registration has not yet been surrendered or amended to reflect cessation? If so please identify them.
4. Structure of business operations involving conduct of investment activities as at the end of the financial year:
 - Type of business entity or operation (e.g. sole proprietorship, partnership, company, joint venture):
 - Total value in \$SI of capital sourced from within Solomon Islands:

Foreign Investment Regulations 2006

- Total value in \$SI of capital sourced from outside Solomon Islands:
 - Countries from which capital is derived and approximate share of capital provided from each country:
 - Total value in \$SI of debt sourced from within Solomon Islands:
 - Total value in \$SI of debt sourced from outside Solomon Islands:
5. Total capital in \$SI invested in business operations that involve the conduct of investment activities in Solomon Islands as at end of the financial year:
6. Of the total capital in \$SI invested in business operations that involve the conduct of investment activities, total invested as at end of the financial year in:
- land and buildings:
 - other fixed assets:
7. Location in each Province of premises where conducted investment activities during financial year:
8. Employment in business operations that involve the conduct of investment activities during the financial year:
- number of employees who were not citizens of Solomon Islands:
 - proportion of non-citizen employees who were permanent full time employees:
 - total wages in \$SI paid to non-citizen employees:
 - number of employees who were citizens of Solomon Islands:
 - proportion of citizen employees who were permanent full time employees:
 - total wages in \$SI paid to citizen employees:
9. Earnings from business operations that involve the conduct of investment activities during the financial year:
- value of total sales in \$SI:
 - value of total export earnings in \$SI:
 - proportion of sales that were derived from export:

10. Future plans for reinvestment in Solomon Islands:

- Will you re-invest in existing business operations that involve the conduct of investment activities? *(specify reasons and, if re-investing, specify approximate amount in \$SI)*
- If so, when?
- Will you diversify into other sectors and activities? *(specify reasons and approximate amount in \$SI)*
- If so, when?
- Are you planning to wind down existing investment in business operations that involve the conduct of investment activities? *(specify reasons and approximate amount in \$SI)*
- If so, when?
- Are you planning to divest? *(specify reasons and approximate amount in \$SI)*
- If so, when?

Customer satisfaction survey:

- list services you received from Investment Division during financial year and please rate (a) excellent, (b) good, (c) average or (d) below average:
- list suggestions for improvement:

Signed:

Date:

FORM 2

Foreign Investment Act 2005
Foreign Investment Regulations 2006

(Section 16, regulation 6)

APPLICATION FOR CERTIFICATE OF REGISTRATION

Name of foreign investor applying for certificate of registration:

Postal address:

Address for service of notices and other documents:

Contact telephone number, fax number etc.:

Name of applicant's representative (if any):

Description of investment activity/ies to be registered:

Business name(s) under which investment activity/ies intended to be conducted:

(if more than one investment activity and more than one business name, indicate which investment activity will be conducted under each business name)

Address of premises in Solomon Islands where investment activity/ies intended to be conducted:

(if more than one investment activity and more than one premises, indicate which investment activity will be conducted at which premises)

Description of proposed investment and business operations relating to investment activity/ies:

(specify: (a) nature of business entity and operation, country of establishment, registration, incorporation etc. and members and directors of entity; (b) business activities proposing to undertake; (c) number of citizen employees and number of non-citizen employees likely to engage and type of work will offer them. Additional information that may be included for statistical purposes only is: (a) anticipated value of investment in \$SI; (b) anticipated export opportunities and sales)

Foreign Investment Regulations 2006

I
of
.....

state that –

- (1) I am not bankrupt under the law of any country, have not applied to take relief under a law of any country for the relief of bankrupt or insolvent debtors or have not compounded my debts or entered into an arrangement with creditors in any country;
- (2) I have not, within the immediately preceding 15 year period, been convicted of an offence for which the maximum penalty is imprisonment for 12 months by a court in the Solomon Islands or any other country;
- (3) there are no criminal proceedings pending or being brought against the foreign investor in Solomon Islands or any other country for an offence referred to in clause (2); and
- (4) the information contained in this application is true, correct and accurate.

Signed:

at

on

NOTE: Inclusion of a false statement in your application could lead to prosecution for an offence of using false pretences. Under section 311 of the Penal Code, it is an offence to willfully procure or attempt to procure any registration under an Act by false representation made by words, writing or conduct of a matter of fact which the person making it knows it to be false or does not believe it to be true. The maximum penalty for committing the offence is 2 years imprisonment.

FORM 3

Foreign Investment Act 2005
Foreign Investment Regulations

(Section 21, regulation 7)

CERTIFICATE OF REGISTRATION

Certificate number:

Certificate of registration for the following investment activity/ies:

(specify each investment activity for which certificate issued)

Issued to *(specify name of foreign investor)*

of *(specify address for service of foreign investor)*

Business name(s) under which investment activity/ies conducted:

(if more than one investment activity and more than one business name, indicate which investment activity is conducted under each business name)

Address of premises in Solomon Islands where investment activity/ies conducted:

(if certificate issued for more than one investment activity, indicate which investment activity is conducted at which premises)

Signed:

Registrar

Date:

FORM 4

Foreign Investment Act 2005
Foreign Investment Regulations

(Section 22, regulation 8)

NOTIFICATION OF CHANGE OF REGISTRATION DETAILS

Name of foreign investor:

Reference number of certificate of registration:

Change to be made:

Signed:

Name:

Date:

FORM 5

Foreign Investment Act 2005
Foreign Investment Regulations

(Section 27, regulation 9)

APPLICATION FOR REVIEW

TO: The Investment Facilitation Committee

(Name) applies for review of the decision of the Registrar under section
(insert section reference) of the Foreign Investment Act 2005 that.....

.....
.....
.....
.....

The grounds of the application for review are

.....
.....
.....
.....
.....
.....

Dated:

Applicant:

SCHEDULE 2

RESERVED LIST

(Section 9, regulation 15)

1. Cultivating plant crops exclusively for sale on the domestic market.
 2. Timber milling operations producing not more than 2,500 m³ sawn timber per year.
 3. Retail trading of household goods and services on premises with an area of less than 200 m².
 4. Producing handicrafts and cultural artifacts.
 5. Operating buses, taxis and hire car services.
 6. Farming of livestock for sale exclusively for domestic market.
 7. Gathering of wild forest products for sale exclusively for domestic market.
 8. Laundry services not part of hotels.
 9. Restaurants, cafes and other eating and drinking business other than specialty Business, and operating within an area of less than 25m².
 10. Market vending and roadside stalls.
 11. Domestic help services.
 12. Static guarding services for offices and domestic dwellings with an employment of less than 20 employees.
 13. Office and lawn cleaning services not associated with hotels.
 14. Customs clearing agent.
-

SCHEDULE 3

FEES

(Regulation 16)

(Column 1)
Matter under Act

(Column 2)
Fee

- | | | |
|----|---|------------------|
| 1. | Fee for copy of, or extract from, information recorded in Register. | \$10.00 per page |
| 2. | Application under section 15 of the Act to register investment activity or investment activities. | \$200.00 |
| 3. | Application under section 27 of the Act to review a decision of the Registrar. | \$200.00 |
| 4. | Fee for issue under section 31 of duplicate certificate of registration. | \$100.00 |