

**WRITTEN QUESTION**  
**MONDAY, 13 MAY 2019**

**Written Question 94/2019:**

Hon. Ro Filipe Tuisawau to ask the Hon. Minister for Industry, Trade, Tourism, Housing and Local Development –

**Can the Minister explain the legal and compliance requirements for SMEs?**

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- I thank the Honorable Member for the question.
- For a local entrepreneur intending to start a Micro, Small or Medium Enterprise (MSME), the following regulatory approvals need to be met:
  - Business Registration Certificate – provided by the Registrar of Companies (under the Ministry of Justice);
  - TIN Registration – provided by the Fiji Revenue and Customs Service; and
  - Business License – Urban based MSMEs can obtain their business licenses from municipal councils whilst those based outside municipal jurisdictions will obtain their business licenses from their District Offices.
- These regulatory approvals are the basic compliance requirements that any MSME will need to fulfill prior to starting their business.
- For MSMEs that operate from a shop and whose main business activity involves food handling, such as a small restaurants and canteens, need to comply with additional requirements. These are:
  - Occupational Health and Safety Certificate – provided by the Ministry of Employment; and
  - Health Certificate – provided to ventures that handle food and needs to be obtained from the Ministry of Health.
- As part of my contribution towards the debate on Investment Fiji's Standing Committee Report earlier this week, I had alluded to the fact that Cabinet has mandated the formation of the Ease of Doing Business Taskforce. This Taskforce will lead the reforms which will make the process of Doing Business in Fiji better.

- Through the Ministry of Industry, Trade and Tourism's role, and our wider business efforts, I would like to reiterate that my Ministries will continue to support the development of our MSME's.
- Currently, under the Business Licensing Act (Cap 204 1977), the business license fees for a business within Towns and Cities are paid to the respective Municipal Council. For those outside Town areas, business license is paid to the District Commissioners office. Business Licenses are issued annually, however, effective 2014, license holders within Municipal Councils can obtain licenses for a maximum of three years.
- The purpose of the license is to support the local authority in carrying out management and enforcement of licensing functions. Recently, Towns and Cities have established timelines and application forms. It is important to note that the annual business license fees charged in rural areas is kept to a minimal amount to ensure that rural economic growth is promoted.
- The scale of fees charged to business houses was structured to suit historical business operations where small and medium business operation was evitable.
- Over the years, we have seen business operation significantly change with large trading shops evitable and various scales of business activities in towns and cities occurring. However, the scale of business license fees charged to business houses did not keep pace with these changes and the inclusion of different types of products within one business entity now sees a business license holder applying for various types of licenses.
- For instance, a large supermarket will pay butcher, refreshment bar, agent for gas cooking, shop and baker licenses.
- Therefore, we need to better streamline fees and this will be reviewed and become part of the Local Government Act review consideration. The Ministry of Local Government will work closely with the Ministry of Industry, Trade and Tourism and Reserve Bank of Fiji in this review exercise.
- Apart from local authority business licenses, other fees are charged to a small and medium enterprise. The aim is to always ensure business environments are conducive and compliant with regulations. These additional fees include:
  1. Fire Licenses under the National Fire Services Act\_The purpose of the license is to support the National Fire Authority to carry out annual fire inspections and support the overall functions of the National Fire Authority.
  2. Annual Occupational Health and Safety License to Ministry of Employment, Productivity and Industrial Relation. The purpose of this license is to assist the

respective Ministry in carrying out Occupation and Health Safety checks at all workplaces.

3. For food handling, an annual Food Handling License has to be obtained from the Ministry of Health and Medical Services. This is a pre-condition before Local Authorities shall issue an annual business license.

4. For air conditioning, coolers and refrigerators an annual license fee is to be paid to the Ministry of Waterways and Environment-ozone unit. Other forms of licenses charged for various other types of SMEs under the Environment Management Act include the Solid Waste Permit and Livestock Permit.

- In summary, before commencing a business, it must be registered and a tax registration certificate received. Each Small and Medium Enterprise will then pay the appropriate number of licenses that relates to their business operations.
- Thank You.