



## INVESTING IN TONGA

### PROCESS & PROCEDURES GUIDELINE

#### 1. SETTING UP A BUSINESS IN TONGA

Prior to commencement of a business in Tonga, a foreign investor is expected to apply and obtain approval from the following agencies:

- Ministry of Trade and Economic Development for a;
  - ✓ [Foreign Investment Certificate \(FIC\)](#)
  - ✓ [Business Licenses](#)
  - ✓ [Company Registration](#)
- Ministry of Revenue & Customs for registration of;
  - ✓ [Tax Identification Number \(TIN\)](#)
- Ministry of Foreign Affairs for an;
  - ✓ [Employment Permit](#)

The foreign investor may also require approvals/permits/licenses from other relevant Government Agencies depending on the scope of business and pre-requisite requirements of other Government Agencies.

#### NOTE:

- i) \*If Foreign Investor has arrived in the Kingdom on a Visitors' Visa. He can submit his application while in the Kingdom and return to his country awaiting the approval of his FIC and/or a Tongan Affiliate to launch the application for foreign investment on their behalf.
- ii) If Foreign Investor are applying from the outer islands; a letter of support is also needed from the Officer in Charge (OIC) in the outer island as supporting reference to the application.
- iii) Foreign Investors ARE NOT permitted to operate business activities under the Reserved List given it is reserved for Tongan nationals only.



## 2. FOREIGN INVESTMENT REGISTRATION

### Application for a Foreign Investment Registration Certificate (FIRC)

An application form can be obtained from the web-link:

[https://tonga.tradeportal.org/media/FIRC\\_ApplicationForm.pdf](https://tonga.tradeportal.org/media/FIRC_ApplicationForm.pdf). An application fee of TOP\$115.00 (CT inclusive) enclosed. The following documents must accompany the FIRC application form:

- A certified copy of a valid passport or valid national identification if applying from overseas attached
- A certified copy of a valid passport and visa status if applying locally attached
- A business plan indicating the cost of investment and employment opportunities
- Recent confirmations from banks of financial status
- For Partnerships(s) a Partnership Agreement to be attached
- Line Ministries' endorsement enclosed (Example: Project that deals with Finance, Farming, Forestry, Fishing, Environment, Port Authority, Health and Tourism)
- Technical Projects is being supported with technical skills acquired viz, curriculum vitae, qualification and skills related to the project.
- Any other prescribed information upon request.

***5 working days to process the application provided all relevant documents are submitted at the time of the application and that application forms are correctly and completely filled out.***

### Investor request transfer of certificate

An application form can be obtained from the following web-link:

[https://tonga.tradeportal.org/media/FIRC\\_Application\\_Amendment.pdf](https://tonga.tradeportal.org/media/FIRC_Application_Amendment.pdf). An application fee of TOP\$57.50 (CT inclusive) enclosed. The following documents must accompany the Foreign Investment (Amendment) application form requesting the transfer:

- A cover letter requesting the transfer and explaining the reasons for transfer;
- A certified copy of a valid passport or valid national identification of the transferee;
- Any other prescribed information upon request.

***5 days to process the application provided all relevant documents are submitted at the time of the submission and that application forms are correctly and completely filled out.***

### Amendment/change of business name/change of location/change of address for service

An application form can be obtained from the following web-link:

[https://tonga.tradeportal.org/media/FIRC\\_Application\\_Amendment.pdf](https://tonga.tradeportal.org/media/FIRC_Application_Amendment.pdf). An application fee of TOP\$17.25 (CT inclusive) enclosed. Filed within 20 working days of the change. The following documents must accompany the Foreign Investment (Amendment) application form:

- A cover letter notifying the change of business/company information;
- Return original FIC that was issued to the business/company;
- Any other prescribed information upon request.

***5 working days to process the application provided all supporting documents are submitted at the time of application***



## Reserved Activities

The following activities are prescribed for Tongan Citizens only. Foreign investors are not permitted to operate any business under these activities. For the purpose of Section 5 of the Act, the following Activities are prescribed;

### RESERVED LIST

1. Taxi
2. Passenger vehicles for hire
3. Used motor vehicle dealers
4. Retailing activity which consist of the distribution of grocery products (food & household provisions) for final consumption
5. Wholesaling activity
6. Baking of white loaf bread
7. Tongan cultural activities including;
  - Folktales, folk poetry, and folk riddles
  - Folk songs and instrumental folk music
  - Folk dances, and folk plays
  - Production of folk arts in particular, drawings, paintings, carvings, sculptures, woodwork, jewelry, handicrafts, costumes, and indigenous textile
8. Raising of chicken for the production of eggs
9. Security business
10. Export of green and mature coconuts
11. Wiring and installation of residential and commercial building with capital investment of less than \$500,000
12. Production/ Farming of;
  - Root crops (yams, taro, sweet potato, cassava);
  - Squash
  - Paper mulberry
  - Pandanus and
  - Kava
13. Fishing activities comprising;
  - Reef fishing
  - Inshore fishing within 12 nm (Zone C) in water less than 1000 meters
  - Bottom fishing in water depth less than 500m



## Restricted Activities

The following list of activities, have conditions which must be met by foreign investors who wish to pursue them:

No.	Business Activity	Conditions
1.	Commercial fishing comprising; <ul style="list-style-type: none"> <li>• Tuna fishing</li> <li>• Bottom fishing in water deep than 500m</li> <li>• Other deep-water fishing not less than 100m</li> <li>• Aquaculture</li> </ul>	➤ Subject to their respective Resource Management Plan (administered by the Ministry of Fisheries)
2.	Agricultural supply store distributing seeds, fertilizers, chemicals	➤ Subject to the requirements of the Pesticide Act 2002
3.	Education facility	➤ Subject to the requirements of the Education Act (Cap.86)
4.	Medical or Health activity	➤ Subject to the requirements of the Public Health Act 1999; Therapeutic Goods Act 2001; Nursing Act 2001; Medical and Dental Practices Act 2001; Pharmacy Act 2001; Health Practitioners Review Act 2001.

Apart from the activities listed under the Reserved and Restricted List all activities that fall under the UNSPECIFIED ACTIVITIES.

## 3. BUSINESS LICENSES REGISTRATION

Upon approval of the FIC, the foreign investor is then required to apply for a business license before operating in Tonga. The following procedures must be met before a Business License is granted:

### Application for a Business License

A business license can be applied via paper or online. An application form can be obtained from the web-link: <https://www.businessregistries.gov.to/business-licence/> . To apply via online service, please visit the following web-link: <https://www.businessregistries.gov.to/tonga-security/viewInstance/view.html?id=477d62cf3b2a4058a8889045af66997a696407fca82ca9be&timestamp=2298647767202954>. Application fee of TOP\$115.00 (CT inclusive) if submitted via paper or TOP\$57.50 (CT inclusive) if submitted via on-line services. The following documents must accompany the business licenses application form:

- A certified copy of a valid passport or valid national identification of shareholders, directors, partners, trustees where applicable;
- Proof of FIC;
- Evidence of capital or funding;
- Partnership agreement;
- Site map of business location;
- Any other prescribed information upon request.

**3working days to process the application provided all relevant documents are submitted at the time of the application and that application forms are correctly and completely filled out.**





## 4. COMPANY REGISTRATION

### Application for registration of a company in Tonga

To register your company, it can be applied for via paper or online. An application form can be obtained from the web-link: <https://www.businessregistries.gov.to/companies-2/>. To apply via online, please visit: [www.businessregistries.gov.to](http://www.businessregistries.gov.to) The following documents must accompany the application form:

- The notice of name reservation form or registration number of a previously filed name reservation. The application of a company name can be obtained from the weblink: [www.businessregistries.gov.to](http://www.businessregistries.gov.to) Fee of TOP\$92 (15%CT inclusive) must accompany the application if submitted on paper or TOP\$69 (15% CT inclusive) via online services. *(It should be noted that the reservation of name is valid for 20 working days. That is, the application for registration of companies should be made within 20 working days from the date of name reservation)*
- The prescribed fee of TOP\$460 (15% CT inclusive) must accompany the application if submitted via paper or TOP\$345 (15% CT inclusive) via online services  
Please make cheques payable to "Ministry of Trade & Economic Development"

### Application for a registration of overseas company on the Tongan register

To register your company, it can be applied for via paper or online. An application form can be obtained from the web-link: [https://www.businessregistries.gov.to/wp-content/uploads/2020/03/Form17\\_Registration-Overseas-Company.pdf](https://www.businessregistries.gov.to/wp-content/uploads/2020/03/Form17_Registration-Overseas-Company.pdf). The following documents must accompany the application form:

- The notice of name reservation form or registration number of a previously filed name reservation. The application for reservation of company name can be obtained from the weblink: - [http://www.businessregistries.gov.to/wp-content/uploads/2014/11/Form02\\_Name-Reservation.pdf](http://www.businessregistries.gov.to/wp-content/uploads/2014/11/Form02_Name-Reservation.pdf). And a fee of TOP\$80.00 plus 15% consumption tax must accompany this application if submitted on paper and TOP\$69 (15%CT inclusive) via online services. Please make cheques payable to 'Ministry of Trade & Economic Development.
- A certified copy of the certificate of incorporation of the company or any other document that evidences its incorporation.
- A copy of the instrument constitution or defining the constitution of the company.  
*NOTE: If this document is not in English or Tongan include a translation of the document, certified in accordance with the Companies Regulations 1999.*
- The prescribed fee of TOP\$800 PLUS 15% tax must accompany this form or TOP\$700 plus 15% consumption tax via online services. Please make cheques payable to 'Ministry of Trade & Economic Development.

**3 working days to process the application provided all relevant documents are submitted at the time of the application and that application forms are correctly and completely filled out.**



## 5. TAX IDENTIFICATION NUMBER (TIN)

To apply for a TIN, you will need to fill in Form 3B – for Individuals/Sole trader or Form 4 for Companies. An application form can be obtained from the following web-link:

<http://www.revenue.gov.to/Article.aspx?ID=1869>. No fee is required for the registration of a TIN. The following documents must accompany the application form:

- Certified copy of valid Birth certificate/Tongan passport/International Passport;
- Certified copy of visa page;
- Business License from the Ministry of Trade and Economic Development.

***3-7 working days to process the application provided all relevant documents are submitted at the time of the application and that application forms are correctly and completely filled out.***

## 6. EMPLOYMENT PERMIT

Application must be lodged prior to arrival into Tonga or pay adjustment fee of TOP\$5750.00 (visitor to employment visa). Application fee of TOP\$230.00 and any other required fee(s). The following documents must accompany the application form:

- One (1) recent passport photo (for all applicants included in the application);
- Valid passport;
- Medical report issued within the past three (3) months by a medical practitioner;
- National police record issued in the past three (3) months from country of ordinary residence;
- Two (2) character reference letters;
- Support letter from employer;
- Support letter from Labour Division at the Ministry of Trade and Economic Development;
- Tax clearance;
- Certified copy of a valid Business License;
- An employment contract that includes;
  - ✓ Applicant's job specification
  - ✓ Period of employment
  - ✓ Repatriation clause for conclusion/termination of the contract by either party (which places the burden repatriation on employer)
- Any document(s) required by Immigration Tonga.

***3-4 weeks to process the application provided all relevant documents are submitted at the time of the application and that application forms are correctly and completely filled out and signed.***

For more information, please contact Pacific Trade Invest China on:

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