



SPECIAL ECONOMIC ZONES ACT 2025

(NO. 1 OF 2025)



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PASSED by the National Parliament this 26th day of May 2025.

(This printed impression has been carefully compared by me with the Bill passed by Parliament and found by me to be a true and correct copy of the Bill)

Jefferson Hallu
Clerk to National Parliament

ASSENTED to in His Majesty's name and on His Majesty's behalf this 12th day of June 2025.

Sir David Tiva Kapu
Governor-General

AN ACT TO PROVIDE FOR THE ESTABLISHMENT AND MANAGEMENT OF SPECIAL ECONOMIC ZONES IN SOLOMON ISLANDS, TO FACILITATE BUSINESS AND INVESTMENT IN A MANNER THAT CREATES ECONOMIC GROWTH AND EMPLOYMENT, AND CONTRIBUTES TO NATIONAL DEVELOPMENT, AND FOR RELATED PURPOSES.

ENACTED BY THE NATIONAL PARLIAMENT OF SOLOMON ISLANDS.

SPECIAL ECONOMIC ZONES ACT 2025

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SPECIAL ECONOMIC ZONES ACT 2025

PART 1 PRELIMINARY MATTERS

1 Short title

This Act may be cited as the *Special Economic Zones Act 2025*.

2 Commencement

This Act commences on the date appointed by the Minister by notice in the *Gazette*.

3 Interpretation

(1) In this Act, unless the context requires otherwise:

“Authority” means the Special Economic Zones Authority established by section 58;

“Board” means the Board of the Authority;

“business” means a business comprising one or more economic, industrial, commercial or professional activities undertaken to make a profit, that:

(a) is or will be:

(i) producing goods or services all of which are or will be for export; or

(ii) providing accounting, banking, cleaning, catering, security, maintenance and repairs, marketing and advertising, information and computer technology or other services that support a business referred to in subparagraph (i) in carrying out its activities for producing the goods or services; and

(b) is or will be located and carrying out its activities in and from a special economic zone;

“chief executive” means the chief executive of the Authority appointed under section 77;

“Commissioner of Lands” means the Commissioner of Lands referred to in section 3 of the *Land and Titles Act* (Cap. 133);

“Comptroller” means the Comptroller of Customs and Excise appointed under the *Customs and Excise Act* (Cap. 121);

“customs” means the Customs and Excise Division of the Ministry responsible for finance supervised by the Comptroller;

“customs territory” has the same meaning as **“customs area”** defined in section 2 of the *Customs and Excise Act* (Cap. 121);

“designation” means the designation under section 10 of a geographical area as a special economic zone;

“develop” a special economic zone, means to carry out works within the area comprising the zone to construct appropriate infrastructure and buildings to enable the conduct of the business, commerce or investment activities for which the SEZ is approved, and **“development”** has a corresponding meaning;

“developer” means the holder of a development zone licence;

“development plan” means the development plan in section 22;

“development zone licence” means a development zone licence to develop a special economic zone under section 15;

“foreign investor” means an investor who or which is:

- (a) a natural person who is not a citizen of Solomon Islands; or
- (b) a body corporate which is established, registered or incorporated in a country other than Solomon Islands; or
- (c) a body corporate which is established, registered or incorporated in Solomon Islands and in which a foreign investor is a member entitled to exercise at least half the total number of votes or is a shareholder holding at least half of the voting shares;

“function” includes duty and responsibility;

“investor” means a person investing or intending to invest (whether as a sole investor, as a member of a joint venture, as a partner in a partnership, as a trustee or otherwise) in:

- (a) the development or operation of a special economic zone; or
- (b) the conduct of a business activity that is being, or is intended to be, located and conducted in and from a special economic zone;

“land” means land that is registered under the *Land and Titles Act* (Cap. 133);

“landowner” means the person or persons who is or are registered as the owner or owners of an estate in land under the *Land and Titles Act* (Cap. 133);

“licence holder” means a developer or an operator;

“National SEZ Plan” means a detailed plan for developing and operating a special economic zone in Solomon Islands which:

- (a) is in accordance with, and facilitates the implementation of, national policies and strategies for business, commerce, investment, employment creation, land use and economic development in Solomon Islands; and
- (b) specifies the responsibilities of both the Government and provincial governments;

“national investor” means an investor who or which is:

- (a) a natural person who is a citizen of Solomon Islands; or
- (b) a body corporate which is established, registered or incorporated in Solomon Islands;

“operate” a special economic zone, means to control, manage (including by maintaining and improving infrastructure and buildings) and be responsible for the functioning of the special economic zone, and **“operation”** has a corresponding meaning;

“operating agreement” has the meaning given in section 36;

“operation zone licence” means a zone licence granted under section 28 to operate a special economic zone;

“operator” means the holder of an operation zone licence;

“permit holder” means the holder of a zone permit;

“person”:

(a) means:

- (i) a natural person; or
- (ii) a body corporate; or
- (iii) a body of unincorporated persons; and

(b) does not include the following:

- (i) the Government or a ministry, department, unit or undertaking of the Government;
- (ii) a provincial government or a department, unit or undertaking of a provincial government;
- (iii) the Honiara City Council or a department, unit or undertaking of the Honiara City Council;
- (iv) a body prescribed by the Minister by notice in the *Gazette*;

“Province” has the same meaning as it has in section 3 of the *Provincial Government Act 1997*;

“review panel” means the Special Economic Zones Review Panel established under section 82;

“special economic zone” or **“SEZ”** or **“zone”** means:

- (a) a geographical area designated as a special economic zone under section 10; or
- (b) part of the geographical area of a special economic zone;

“Special Economic Zone Fund” means the fund established by section 79;

“submit” a document, means to give, file or deposit the document or otherwise make the document available;

“tax law” has the same meaning as it has in section 3 of the *Tax Administration Act 2022*;

“tourism zone” means a special economic zone or part of a special economic zone:

- (a) which has historical and cultural significance or environmental beauty suitable for tourist activities; and
- (b) within which there is or will be developed infrastructure for recreational and tourist facilities and services; and
- (c) which is able to stimulate employment of members of nearby communities;

“working day” means a day that is not:

- (a) Saturday or Sunday; or
- (b) a day that is defined as, or declared to be, a public holiday under an Act;

“zone business” means a business which, in accordance with a zone permit, is located and conducted in and from a special economic zone;

“zone licence” means a development zone licence or an operation zone licence;

“zone permit” means a permit issued under section 47 entitling the holder of the permit to locate and conduct a business in and from a special economic zone.

Note to section 3(1).

- (a) the expressions “Cabinet”, “contravene”, “documents”, “High Court”, “Permanent Secretary” and “the Government” have the meanings given in section 16(1) of the *Interpretation and General Provisions Act (Cap. 85)*; and

- (b) *the expression “the Minister” has the meaning given in section 16(2) of the Interpretation and General Provisions Act (Cap. 85).*
- (2) A reference in this Act to developing or operating a special economic zone includes a reference to the conduct of activities for developing or operating the zone by:
 - (a) an employee of the developer or operator of the zone; or
 - (b) a contractor of the developer or operator or a sub-contractor of a contractor; or
 - (c) any other agent of the developer or operator.
- (3) A reference in this Act to the conduct of a business authorised by a zone permit includes a reference to the conduct of a business activity of the business by:
 - (a) an agent or employee of the owner of the business; or
 - (b) another business owned or conducted by the owner of the business.
- (4) A note to a provision of this Act:
 - (a) is set out at the foot of the provision to which it relates; and
 - (b) is explanatory in nature; and
 - (c) does not form part of this Act.

4 Objective of Act

- (1) The objective of this Act is to establish special economic zones to encourage, promote and enable the following in Solomon Islands:
 - (a) a strong and diversified economic base that fosters and generates economic development, including through private or public partnerships, is consistent with the Government’s development strategies and contributes to national development goals;
 - (b) a business environment that supports sustainable industrial and commercial development;

- (c) the development of infrastructure, utilities and technological capacity for establishing industrial and commercial businesses;
 - (d) development of manufacturing and processing industries;
 - (e) sustainable development in the provinces;
 - (f) investment in Solomon Islands;
 - (g) long term economic and social development that creates employment opportunities and other national and regional economic and social benefits;
 - (h) economic and business innovation;
 - (i) increased production for the export and local markets;
 - (j) increased trade and export;
 - (k) diversified sources of foreign earnings and increased export earnings.
- (2) The matters provided for in this Act to achieve its objective include the following:
- (a) the designation of geographical areas as special economic zones;
 - (b) the establishment of a regulator with functions for administering, supervising and regulating the development and operation of special economic zones and the conduct of business in special economic zones;
 - (c) the application for and grant of licences to entities to develop or operate special economic zones;
 - (d) operating agreements entered into between the regulator and licence holders for the operation of special economic zones;
 - (e) the application for and grant of permits entitling businesses to be located and conducted in and from, a special economic zone;

- (f) providing for exemptions for commercial advantages and incentives for licence and permit holders operating in a special economic zone.

5 Act binds Crown

This Act binds the Crown.

PART 2 SPECIAL ECONOMIC ZONES

Division 1 Meaning of special economic zone

6 Special Economic Zone

A special economic zone is a defined geographical area designated by the Authority under section 10 to be a special economic zone.

7 Purpose of special economic zones

- (1) A special economic zone may be developed and operated for one or more of the following purposes:
 - (a) producing agricultural products for export;
 - (b) producing fisheries products for export;
 - (c) conducting manufacturing and processing industries for export;
 - (d) producing science and technology sector products for export;
 - (e) providing tourist and recreational facilities and services;
 - (f) any other purpose prescribed by regulations on the advice of the Authority.
- (2) A special economic zone may comprise of areas for the following:
 - (a) producing products for export;
 - (b) storing and processing goods arriving into the zone by unloading, bulk breaking, sorting and otherwise handling the goods for collection and distribution;

- (c) storing and processing goods departing from the zone by unloading, bulk breaking, sorting, repacking and otherwise handling goods for loading, transloading, transportation or transshipment;
- (d) conducting businesses providing support services;
- (e) tourism and recreational related developments (which must not include casinos and other gaming and lottery establishments).

Division 2 Designation of special economic zone

8 Procedure for designating special economic zone

- (1) To designate an area as a special economic zone, the Authority:
 - (a) must carry out research and must make inquiries to establish whether or not an area is suitable to be a special economic zone for a purpose referred to in section 7; and
 - (b) having consulted with at least the Commissioner of Lands and the provincial government of the province where the area is located, identifies a geographical area that is suitable to be a special economic zone for a purpose referred to in section 7.
- (2) The Authority in writing advises the Minister that it intends to designate a special economic zone.
- (3) The written advice must contain the following:
 - (a) the name, geographical area and boundaries of the proposed special economic zone;
 - (b) a description of the purpose of the special economic zone and the development, business activities and investment to be carried out in the zone;
 - (c) a report of the Authority's findings and conclusions as to the matters it considered and took into account under section 9(2);
 - (d) any other information that will assist the Cabinet in determining whether to approve the designation of the area;

- (e) the Authority's recommendation to designate the area as a special economic zone.
- (4) The Minister must obtain the approval of Cabinet for the Authority to designate a special economic zone.
- (5) Where the Authority obtains approval, it makes the designation.

9 Authority identifies suitable area and consults

- (1) A geographical area is identified as a possible special economic zone:
 - (a) because of a proposal submitted to the Authority by landowners; or
 - (b) on the Authority's own initiative.
- (2) In establishing whether a geographical area is suitable to be a special economic zone, the Authority must take into account the following:
 - (a) any proposals for investing in and developing, operating or carrying out business activities that are suitable to be carried out in a special economic zone, and the nature of the proposed business activities;
 - (b) any proposal received by a landowner that the landowner's land be designated as a special economic zone;
 - (c) the factors specified in Schedule 1 (as appropriate) and whether the designation of the special economic zone substantially complies with the objectives of this Act set out in section 4;
 - (d) on its assessment of the financial resources and expertise required to develop and operate the special economic zone, and the nature of appropriate business activities to be carried out in the special economic zone, whether the development and operation of the special economic zone is feasible;
 - (e) the suitability of land to be a special economic zone, taking into account:
 - (i) the geographical location and topography; and

- (ii) the intended size and perimeter of a zone; and
 - (iii) the land use and zoning requirements; and
 - (iv) the environmental standards and requirements; and
 - (v) the requirements for infrastructure and utilities, including water, power, sewage, telecommunications, waste management, and the requirements of a National Building Code; and
 - (vi) the prescribed criteria or requirements;
- (f) whether the proposed special economic zone complies with the National SEZ Plan.
- (3) After completing its considerations under subsection (2) and identifying a possible geographical area to be designated a special economic zone, the Authority must:
- (a) consult about the designation of the area with the Commissioner of Lands and the provincial government of the province where the area is located; and
 - (b) if the area is not public land, identify the landowners of the area and negotiate and enter into an agreement with the landowners:
 - (i) by which the landowners acknowledge that the area will be designated as a special economic zone; and
 - (ii) under which the landowners agree to sell or lease the area to the Authority.
- (4) An agreement to lease referred to in subsection (3) must authorise the Authority to sublease the land to licence holders for the area.
- (5) Where it becomes apparent that it is not possible to reach an agreement to sell or lease land under subsection (3)(b)(ii), and the Minister responsible for land is satisfied that it is in the public interest that the area of land concerned be acquired for a public purpose, the land may be acquired for a public purpose under Part V, Division 2 of the *Land and Titles Act* (Cap. 133).

10 Authority designates special economic zone

- (1) The Authority may, by notice published in the *Gazette*, designate a geographical area of Solomon Islands to be a special economic zone.
- (2) The notice must:
 - (a) clearly define the boundaries of the zone; and
 - (b) specify the purpose of the zone; and
 - (c) advise that any person interested in developing or operating the special economic zone may apply to the Authority for a zone licence to do so.
- (3) The Authority must also publish the notice:
 - (a) in a newspaper circulating throughout Solomon Islands; and
 - (b) on the Authority's internet site to which there is free access.

11 Revocation of designation

- (1) The designation of a special economic zone may be revoked by the Authority with the approval of Cabinet.
- (2) The designation must not be revoked unless the Authority has:
 - (a) given notice of its intention to revoke the designation of a special economic zone; and
 - (b) allowed each licence holder, permit holder and any other interested person a reasonable opportunity to make submissions in response to the notice; and
 - (c) taken those submissions into account.
- (3) The notice under subsection (2)(a) must:
 - (a) be given not less than 30 working days before revocation; and
 - (b) state the reasons for the revocation; and
 - (c) be given:

- (i) in writing, to each licence holder and permit holder (if any); and
- (ii) generally, by a notice published in a newspaper circulating in Solomon Islands.

PART 3 DEVELOPMENT OF SPECIAL ECONOMIC ZONES

Division 1 Preliminary matters for Part 3

12 Definitions for Part 3

In this Part:

“applicant” means the person applying for a development zone licence;

“person”:

- (a) means one or more bodies corporate which are:
 - (i) established, registered or incorporated in Solomon Islands; or
 - (ii) foreign investors; and
- (b) does not include the Authority.

13 Authority may develop special economic zones

- (1) The Authority may develop special economic zones.
- (2) If the Authority decides to develop a special economic zone, Division 4 of this Part and Part 6 (other than section 52) and the Regulations and Rules apply to the Authority, with the necessary modifications, as if the Authority were the holder of a zone licence.

14 Development zone licence required

A person must not develop a special economic zone without a development zone licence.

Division 2 Development zone licence

15 Application for development zone licence

- (1) A person may apply to the Authority for a development zone licence to develop a special economic zone.
- (2) The application must:
 - (a) be in the prescribed form; and
 - (b) be accompanied by the prescribed fee; and
 - (c) contain the following:
 - (i) the name and business address of the applicant;
 - (ii) the full names, nationalities and addresses of the directors, officers and shareholders of each body corporate making the application;
 - (iii) if a shareholder of an applicant is a body corporate, the full names, nationalities and addresses of the directors, officers and shareholders of the body corporate;
 - (iv) whether the applicant is a partnership or joint venture;
 - (v) a description of the special economic zone the applicant wishes to develop;
 - (vi) a description of the way in which the zone will be developed, including the nature of the activities the applicant will undertake and the infrastructure facilities and utilities that the applicant will develop;
 - (vii) an outline of the applicant's proposed development plan; and
 - (d) contain any other information required by the prescribed form.
- (3) The Authority must, in considering each application for a development zone licence:
 - (a) assess the outline of the applicant's proposed development plan and be satisfied that:

- (i) the nature of the development fits in with the objective of this Act and the purpose of the special economic zone; and
 - (ii) the requirements and timetable outlined for the planning, construction and supply of infrastructure and utilities are suitable; and
- (b) be satisfied that the applicant has the financial resources and expertise required to develop the special economic zone; and
- (c) take account of the factors specified in Schedule 1 (as appropriate) and assess the financial viability, environmental and social impact of the proposed development and the general economic feasibility of the nature of the business activities that are likely to be carried out in the special economic zone, and be satisfied that:
 - (i) the proposed development is viable; and
 - (ii) the applicant has the capacity and means to carry out rectification and restoration for any impact by the development on the environment or communities of Solomon Islands.
- (4) The Authority may require the applicant to provide additional information or evidence for the purpose of its considerations under subsection (3).
- (5) The applicant must provide the information or evidence required by the Authority under subsection (4).

16 Grant of or refusal to grant development zone licence

- (1) Where the Authority is satisfied that the applicant is suitable to develop the special economic zone, the Authority:
 - (a) may grant the applicant a development zone licence; and
 - (b) may enter into a lease or sublease of the area of land comprising the special economic zone with the licence holder.
- (2) Where the Authority is not satisfied that the applicant is suitable to develop the special economic zone, the Authority may refuse to grant

a development zone licence, and the Authority must notify the applicant in writing of the Authority's decision.

- (3) The notice must set out the reasons for the refusal.
- (4) The applicant may apply for a review under Part 10.

17 Form of development zone licence

The development zone licence:

- (a) must be in the prescribed form; and
- (b) must specify the terms and conditions of the development zone licence; and
- (c) must describe the geographical area to which it applies; and
- (d) must specify the purpose of the special economic zone; and
- (e) must require the licence holder to comply with the terms and conditions of the licence and the lease or sublease of the area of land comprising the special economic zone; and
- (f) must provide for the prescribed matters; and
- (g) may provide for:
 - (i) the operation by the licence holder of a zone business in and from the zone; or
 - (ii) the operation by the licence holder of a zone business in and from the zone to the exclusion of other businesses; and
- (h) may provide for any other matter that the Authority considers necessary or expedient for inclusion in the development zone licence.

Division 3 Variation, transfer, suspension and cancellation of development zone licence

18 Variation of development zone licence

- (1) A developer may apply to the Authority to vary its licence.

- (2) The application must:
 - (a) be in the prescribed form; and
 - (b) be accompanied by the prescribed fee; and
 - (c) specify:
 - (i) the variation sought; and
 - (ii) how the variation will enhance the development of the special economic zone authorised by the licence; and
 - (d) contain any other information required by the prescribed form.
- (3) The Authority must, in considering each application to vary a development zone licence, assess the proposed variation under section 15(3), and that subsection applies with the necessary modifications for assessing the variation.
- (4) The Authority may require the applicant to provide additional information.
- (5) The Authority may decide to:
 - (a) vary the development zone licence; or
 - (b) refuse to vary the development zone licence.
- (6) Where the Authority refuses to vary the development zone licence, the Authority must notify the applicant in writing of the Authority's decision.
- (7) The notice must set out the reason for the refusal.
- (8) The applicant may apply for a review under Part 10.

19 Transfer of development zone licence

- (1) A developer may apply to the Authority for a transfer of licence.
- (2) The application must:
 - (a) be in the prescribed form; and

- (b) be accompanied by the prescribed fee; and
 - (c) specify the reason for the transfer; and
 - (d) specify the person to whom the developer proposes to transfer the development zone licence; and
 - (e) contain any other information required by the prescribed form.
- (3) The Authority must, in considering each application to transfer a development zone licence, assess the proposed transfer under section 15(3), and that section applies with the necessary modifications for assessing the transfer.
- (4) The Authority may require the applicant or the transferee to provide additional information.
- (5) The Authority may:
 - (a) transfer the development zone licence with or without additional terms and conditions; or
 - (b) refuse to transfer the development zone licence.
- (6) Where the Authority transfers the development zone licence, the Authority must as soon as practicable:
 - (a) terminate the lease or sublease of the area of land comprising the special economic zone to the former licence holder; and
 - (b) enter into a lease or sublease of the area of land comprising the special economic zone with the new licence holder.
- (7) If the Authority refuses to transfer the development zone licence, the Authority must notify the applicant in writing of the Authority's decision.
- (8) The notice must:
 - (a) set out the reason for the refusal; and
 - (b) inform the applicant that the applicant can apply for a review under Part 10.

20**Effect of variation and transfer of development zone licence**

Where the Authority varies or transfers a development zone licence:

- (a) for a variation:
 - (i) within 4 weeks after the decision for variation takes effect, the developer must vary the development plan for the special economic zone to the extent necessary for the development plan to be consistent with the variation; and
 - (ii) as soon as practicable after doing so, the developer must submit a copy of the varied development plan to the Authority; and
- (b) for a transfer:
 - (i) within 4 weeks after the decision to transfer takes effect, the person to whom the development zone licence is transferred must prepare a new development plan; and
 - (ii) as soon as practicable after preparing the new development plan, submit a copy of it to the Authority.

21**Suspension and cancellation of development zone licence**

- (1) The Authority may by notice to a developer suspend or cancel the developer's development zone licence if:
 - (a) the Authority has cancelled the zone designation; or
 - (b) there is a breach of a term or a condition of the licence; or
 - (c) the developer is in breach of this Act or any other written law in relation to their activities under the licence; or
 - (d) the developer requests the Authority to suspend or cancel the licence.
- (2) The Authority must notify a developer before issuing a notice under subsection (1) by:
 - (a) giving a written notice to the developer with the reasons for the suspension or cancellation; and

- (b) allowing the developer a reasonable opportunity to make submissions in response to the notice; and
 - (c) taking those submissions into account.
- (3) Where the Authority suspends or cancels a development zone licence, the Authority may refund to the developer a portion of any fee paid to the Authority by the developer in respect of the current year.
- (4) Where the Authority cancels a development zone licence, the lease or sublease of land where the special economic zone is located shall be terminated.
- (5) A person may apply for a review of a decision (to suspend or cancel a development zone licence), under Part 10.

Division 4 Development of special economic zone

22 Requirement for development plan

- (1) A developer may not commence developing the special economic zone unless the developer has prepared a development plan that complies with the National Special Economic Zones Policy and this section.
- (2) The developer must, within 90 days after the date the developer is granted the zone licence, prepare a development plan that:
 - (a) comprehensively outlines the design, scope and details of the buildings, infrastructure, utilities that will be constructed in or supplied to the zone, the provision for waste removal and the methodologies, activities, resources, participants, time schedules, and budget to do so; and
 - (b) details the agreements entered into for the supply of utilities to the zone and the services that will be provided to maintain that supply; and
 - (c) details the agreements entered into with contractors to develop the infrastructure or construct buildings in the zone; and
 - (d) details sub-contracting arrangements made or intended to be made by the contractors.

- (3) The developer must submit to the Authority and the Provincial Executive of the Province where the special economic zone is located:
- (a) a copy of the development plan; and
 - (b) copies of any approvals or permissions required before the developer may undertake the proposed development.

23 Regulations about developing special economic zones

The Regulations may:

- (a) prescribe terms and conditions that must be included in leases or subleases of the area of land comprising a special economic zone entered into between the Authority and a developer;
- (b) provide for the approval of contractors engaged by a developer for the development of a special economic zone and their sub-contractors or intended sub-contractors;
- (c) specify any other requirements relating to the contractors or sub-contractors;
- (d) prescribe the details of what goes into the development plan.

PART 4 OPERATION OF SPECIAL ECONOMIC ZONES

Division 1 Preliminary matters for Part 4

24 Definitions for Part 4

In this Part:

“applicant” means the person applying for an operation zone licence;

“person”:

- (a) means one or more bodies corporate which are:
 - (i) established, registered or incorporated in Solomon Islands; or

- (ii) foreign investors; and
- (b) does not include the Authority.

25 Authority may operate special economic zone

- (1) The Authority may operate a special economic zone.
- (2) If the Authority decides to operate a special economic zone, Division 4 of this Part and Part 6 (other than section 52) and the Regulations and Rules apply to the Authority, with the necessary modifications, as if the Authority were the holder of an operation zone licence.

26 Operation zone licence required

A person (whether a sole developer, a member of a joint venture, a partner in a partnership, a trustee or otherwise) must not operate a special economic zone unless the person is authorised to do so by an operation zone licence.

Division 2 Application for and grant of licence to operate special economic zone

27 Application for operation zone licence

- (1) A person may apply to the Authority for an operation zone licence to operate a special economic zone.
- (2) The application must:
 - (a) be in the prescribed form; and
 - (b) be accompanied by the prescribed fee; and
 - (c) contain the following:
 - (i) the name and business address of the applicant;

- (ii) the full names, nationalities and addresses of the directors, officers and shareholders of each body corporate making the application;
 - (iii) if a shareholder of the applicant is a body corporate, the full names, nationalities and addresses of the directors, officers and shareholders of the body corporate;
 - (iv) whether the applicant is a partnership or joint venture;
 - (v) a description of the special economic zone the applicant wishes to operate;
 - (vi) an outline of the applicant's proposed zone strategic plan and zone business plan; and
 - (d) contain any other prescribed information.
- (3) The Authority must, in considering each application assess the proposed operation of the zone and be satisfied that:
- (a) the functions of operation in relation to the zone specified in the application, and the manner in which it is proposed they be performed, are suitable; and
 - (b) the proposed zone strategic plan and zone business plan are suitable; and
 - (c) the applicant has the financial resources and expertise required to operate the special economic zone; and
 - (d) after taking account of the factors specified in Schedule 1 (as appropriate) and assessing the financial viability, environmental and social impact of the proposed operation of the zone and the general economic feasibility of the nature of the business activities that are likely to be carried out in the zone, that:
 - (i) the applicant's proposed operation of the zone is viable; and
 - (ii) the applicant has the capacity and means to carry out rectification and restoration for any impact by the operation of the zone on the environment or communities of Solomon Islands.

- (4) The Authority may require the applicant to provide additional information or evidence for the purpose of its considerations under subsection (3).
- (5) The applicant must provide the information or evidence required by the Authority under subsection (4).

28 Grant of or refusal to grant operation zone licence

- (1) Where the Authority is satisfied that the applicant is suitable to operate the special economic zone, the Authority:
 - (a) may grant the applicant an operation zone licence; and
 - (b) if the Authority grants the operation zone licence, must lease or sublease the area of land comprising the special economic zone to the licence holder.
- (2) If the Authority refuses to grant the operation zone licence, the Authority must notify the applicant in writing of the Authority's decision.
- (3) The notice must:
 - (a) set out the reason for the refusal; and
 - (b) inform the applicant that the applicant can apply for a review under Part 10.

29 Form of operation zone licence

The operation zone licence:

- (a) must be in the prescribed form; and
- (b) must be issued for a specified term; and
- (c) subject to section 31, may be transferred; and
- (d) must describe the geographical area to which it applies; and
- (e) must specify the purpose of the special economic zone; and

- (f) must require the licence holder to comply with the licence and the lease or sublease of the area of land comprising the special economic zone; and
- (g) must provide for the prescribed matters; and
- (h) must specify all the terms and conditions of the operation zone licence; and
- (i) may provide for:
 - (i) the operation by the licence holder of a zone business in and from the zone; or
 - (ii) the operation by the licence holder of a zone business in and from the zone to the exclusion of other businesses; and
- (j) may provide for any other matter that the Authority considers necessary or expedient for inclusion in the operation zone licence.

Division 3 Variation, transfer, suspension and cancellation of operation zone licence

30 Variation of operation zone licence

- (1) An operator may apply to the Authority to vary the operator's operation zone licence.
- (2) The application must:
 - (a) be in the prescribed form; and
 - (b) be accompanied by the prescribed fee; and
 - (c) specify the variation sought and how the variation will enhance the operation of the special economic zone authorised by the licence; and
 - (d) contain:
 - (i) any other information required by the prescribed form; and

- (ii) any other prescribed information.
- (3) The Authority must, in considering each application to vary an operation zone licence, assess the proposed variation under section 27(3), and that section applies with the necessary modifications for assessing the proposed variation.
- (4) The Authority may require the applicant to provide additional information or evidence for the purposes of its considerations under subsection (3).
- (5) The applicant must provide the information or evidence required by the Authority under subsection (4).
- (6) After complying with subsection (3), the Authority may decide to:
 - (a) vary the operation zone licence; or
 - (b) vary the operation zone licence subject to specified terms and conditions (in addition to the existing terms and conditions of the licence); or
 - (c) refuse to vary the operation zone licence.
- (7) If the Authority refuses to vary the operation zone licence, the Authority must notify the applicant in writing of the Authority's decision.
- (8) The notice must:
 - (a) set out the reason for the refusal; and
 - (b) inform the applicant that the applicant can apply for a review under Part 10.

31 Transfer of operation zone licence

- (1) An operator may apply to the Authority to transfer the operator's operation zone licence.
- (2) The application must:
 - (a) be in the prescribed form; and
 - (b) be accompanied by the prescribed fee; and

- (c) specify the reason for the transfer; and
- (d) specify the person to whom the operator proposes to transfer the operation zone licence; and
- (e) contain:
 - (i) any other information required by the Authority; and
 - (ii) any other prescribed information.
- (3) The Authority must, in considering each application to transfer an operation zone licence, assess whether the proposed transferee satisfies section 27(3), and that subsection applies with the necessary modifications for assessing the proposed transfer.
- (4) The Authority may require the applicant or the transferee to provide additional information or evidence for the purposes of its considerations under subsection (3).
- (5) The applicant or transferee must provide the information or evidence required by the Authority under subsection (4).
- (6) After complying with subsection (3), the Authority may decide to:
 - (a) transfer the operation zone licence; or
 - (b) transfer the operation zone licence subject to specified terms and conditions (in addition to the existing terms and conditions of the licence); or
 - (c) refuse to transfer the operation zone licence.
- (7) Where the Authority transfers the operation zone licence, the Authority must, as the case requires:
 - (a) terminate the lease or sublease of the area of land comprising the special economic zone to the former licence holder; and
 - (b) enter into a lease or sublease of that area of land with the new licence holder.
- (8) If the Authority refuses to transfer the operation zone licence, the Authority must notify the applicant in writing of the Authority's decision.

(9) The notice must:

- (a) set out the reason for the refusal; and
- (b) inform the applicant that the applicant can apply for a review under Part 10.

32 Effect of variation and transfer of operation zone licence

(1) Where the Authority varies or transfers an operation zone licence held by an operator:

- (a) for a variation, within 4 weeks after the decision for variation takes effect:
 - (i) the Authority must vary the operating agreement entered into with the operator to the extent necessary for consistency with the variation; and
 - (ii) the operator must vary the zone strategic plan and the zone business plan to the extent necessary for consistency with the variation; and
- (b) for a transfer:
 - (i) the operating agreement entered into between the Authority and the operator is terminated on the transfer of the licence taking effect; and
 - (ii) the lease or sublease of land comprised in the special economic zone entered into between the Authority and the operator is terminated on the transfer of the licence taking effect; and
 - (iii) before the transfer takes effect:
 - (A) the Authority and the person to whom the operation zone licence is transferred must enter into a new operating agreement that commences on the transfer taking effect; and
 - (B) the person to whom the operation zone licence is transferred must prepare and submit to the Authority

a zone strategic plan and a zone business plan that commences on the transfer taking effect; and

(C) the Authority and the person to whom the operation zone licence is transferred must enter into a new lease or sublease of the land that commences on the transfer taking effect.

- (2) The varied or new operating agreement must comply with sections 36 and 37.
- (3) The varied or new zone strategic plan must comply with section 38.
- (4) The varied or new zone business plan must comply with section 39.

33 Suspension and cancellation of operation zone licence

- (1) The Authority may by notice to an operator suspend or cancel the operator's operation zone licence if:
 - (a) the Authority intends to cancel, or has cancelled, the zone designation; or
 - (b) the operator is in breach of the terms of the licence; or
 - (c) the Authority is entitled to cancel, or has cancelled, the operating agreement relating to the special economic zone; or
 - (d) the operator is in breach of this Act or any other written law in relation to their activities under the licence; or
 - (e) the operator requests the Authority to suspend or cancel the licence.
- (2) If the Authority suspends or cancels an operation zone licence, the Authority may, but cannot be required to, refund to the operator a portion of any fee paid to the Authority by the operator in respect of the current year.
- (3) If the Authority cancels an operation zone licence, the lease or sublease of land comprised in the special economic zone entered into by the Authority and the operator is terminated.

- (4) The cancellation of an operation zone licence may be reviewed under Part 10.

34 Procedure for suspension and cancellation of operation zone licence

The Authority must not suspend or cancel an operation zone licence on a ground specified in section 33(1)(a) to (e) unless the Authority has first:

- (a) given the operator written notice of the suspension or cancellation and the reasons for it; and
- (b) allowed the operator a reasonable opportunity to make submissions in response to the notice; and
- (c) taken those submissions into account.

Division 4 Operation of Special Economic Zones

35 Requirements for operating special economic zone

An operator may not commence operating the special economic zone unless the operator is a party to an operating agreement with the Authority that complies with sections 36 and 37.

36 Nature of operating agreement

- (1) An operating agreement for a special economic zone is an agreement between the Authority and the operator of the zone for the zone's operation.
- (2) The operating agreement must adequately provide for the functions of the operator of the zone in undertaking the zone's operation.
- (3) The Authority must not enter into an operating agreement unless it is satisfied that the agreement complies with subsection (2).

37 Content of operating agreement

An operating agreement may provide for the following:

- (a) the requirements for the continuing development, expansion, improvement and maintenance of infrastructure and utilities of the special economic zone;
- (b) the facilities that the operator must provide in order to enable the Authority to exercise its functions within the zone;
- (c) the development, implementation and review of the zone strategic plan and zone business plan, including the timetable for submitting the zone strategic plan and zone business plan to the Authority;
- (d) the provision of adequate security for all facilities in the zone;
- (e) the adoption of rules for zone businesses operating in the zone in order to promote their safe and efficient operation;
- (f) the maintenance of adequate and proper financial accounts and other records for the purposes of reporting;
- (g) the promotion of the zone as a foreign and domestic investment destination;
- (h) any other activity or function within the scope of this Act that will promote the effective functioning of the zone;
- (i) the monitoring by the Authority of compliance by the operator with:
 - (i) this Act and the Regulations; and
 - (ii) the operating agreement;
- (j) the payment to the Authority of an annual fee or other fees;
- (k) the reimbursement to the Authority of the costs incurred by the Authority for performing its functions in relation to the zone;
- (l) any other terms and conditions prescribed by regulations.

38 Requirement for zone strategic plan

- (1) The operator must in accordance with a timetable contained in the operating agreement:

- (a) develop and submit to the Authority a strategic plan for the special economic zone; and
- (b) annually:
 - (i) review the plan; and
 - (ii) submit the plan as reviewed to the Authority.
- (2) The zone strategic plan must:
 - (a) be consistent with the National Special Economic Zones Policy and policies and strategies developed by the Authority; and
 - (b) comply with the Rules; and
 - (c) comply with any applicable provisions of the operating agreement; and
 - (d) include any other matter that the Authority considers necessary or expedient for inclusion in the zone strategic plan.

39 Requirement for zone business plan

- (1) The operator must, before the end of each financial year and in accordance with a timetable contained in the operating agreement, submit to the Authority a business plan.
- (2) The zone business plan must:
 - (a) contain a projection of the revenue and expenditure of the operator in respect of the special economic zone for the financial year immediately following Year 1 (Year 2); and
 - (b) cover the affairs of the licence holder in respect of the special economic zone for each of the 2 years immediately following Year 2 (Year 3 and Year 4); and
 - (c) comply with the Rules; and
 - (d) comply with any applicable provisions of the zone operating agreement; and
 - (e) include any other matter that the Authority considers necessary or expedient for inclusion in the zone business plan.

40 Variation of operating agreement

- (1) An operating agreement may be varied by the parties.
- (2) The varied operating agreement must comply with sections 36 and 37.
- (3) If an operating agreement is varied, the operator must vary the zone strategic plan and the zone business plan to the extent necessary for consistency with the variation.
- (4) The varied zone strategic plan must comply with section 38.
- (5) The varied zone business plan must comply with section 39.

41 Termination of operating agreement

- (1) The Authority may by notice to an operator terminate the operating agreement entered into with an operator if:
 - (a) the Authority intends to cancel, or has cancelled, the zone designation; or
 - (b) the Authority intends to cancel, or has cancelled, the operation zone licence; or
 - (c) the operator is in material breach of the agreement; or
 - (d) the operator has contravened this Act or any other written law in relation to its activities under the agreement; or
 - (e) the operator requests the Authority to cancel the operating agreement; or
 - (f) the operator transfers the zone licence to another operator and the Authority enters into a new operating agreement with that other operator.
- (2) This section:
 - (a) applies despite anything that the operating agreement says; and

- (b) does not limit the right of the Authority to terminate the agreement under the terms of the agreement or otherwise under the laws of Solomon Islands, including any written law.
- (3) The termination of an operating agreement may be reviewed under Part 10.

42 Procedure for termination of operating agreement

The Authority must not terminate an operating agreement on a ground specified in section 41(1)(a) to (f) unless the Authority has first:

- (a) given the operator written notice of the proposed termination and the reasons for it; and
- (b) allowed the operator a reasonable opportunity to make submissions in response to the notice; and
- (c) taken those submissions into account.

43 Regulations about operation of SEZ

The Regulations may:

- (a) prescribe terms and conditions that must be included in leases or subleases of the area of land comprising a special economic zone entered into between the Authority and an operator;
- (b) provide for the approval of contractors engaged by an operator for the operation of a special economic zone and their sub-contractors;
- (c) specify any other requirements relating to the contractors or sub-contractors.

PART 5 CONDUCTING BUSINESS IN SPECIAL ECONOMIC ZONES

44 Authority may conduct zone business

- (1) The Authority may (whether as a sole developer, as a member of a joint venture, as a partner in a partnership or otherwise) locate and conduct a zone business in and from a special economic zone.

- (2) If the Authority decides to locate and conduct a zone business in and from a special economic zone, the Regulations and Rules, with the necessary modifications, apply to the Authority as if the Authority were the holder of a zone permit.

45 Zone permit required for other zone businesses

A person must not locate and conduct a business in and from a special economic zone unless:

- (a) the person holds a zone permit for the business; and
- (b) the business is of a kind that is consistent with the purpose of the zone.

46 Nature of zone permit

- (1) A zone permit entitles the person to whom it is issued to locate and operate a zone business in and from the zone.
- (2) A zone permit must not be issued to locate and operate a zone business unless it is a business:
 - (a) producing goods or services solely for export to countries outside Solomon Islands or providing facilities and services for tourism or recreation; or
 - (b) providing accounting, banking, cleaning, catering, security, maintenance and repairs, marketing and advertising, information and computer technology or other services that support a business referred to in paragraph (a) in carrying out its activities for producing goods and services.
- (3) A zone permit is not transferable.

47 Issue of zone permit

- (1) The Authority issues zone permits.
- (2) Zone permits must be issued in accordance with the Rules.
- (3) A zone permit must be:
 - (a) in the prescribed form; and

- (b) subject to the prescribed conditions.

48 Variation of zone permit

- (1) The Authority may vary a zone permit if the operator and the holder of the zone permit have agreed in writing to the variation.
- (2) The zone permit, as varied, must comply with section 47.

49 Cancellation of zone permit

- (1) The Authority may cancel a zone permit issued for a zone business which produces goods and services for export if the Authority has reasonable grounds for believing that not all the goods or services produced by the zone business are being exported to countries outside Solomon Islands.
- (2) The Authority may also cancel the zone permit if:
 - (a) the zone designation for the special economic zone has been cancelled; or
 - (b) the operation zone licence has been cancelled or has expired; or
 - (c) the permit holder has contravened this Act or any other written law in relation to activities conducted under the zone permit; or
 - (d) the permit holder requests the Authority to cancel the zone permit; or
 - (e) the permit holder breaches a term or a condition.
- (3) The Authority must not cancel a zone permit unless the Authority has first:
 - (a) given the permit holder written notice of the cancellation and the reasons for it; and
 - (b) allowed the permit holder a reasonable opportunity to make submissions in response to the notice; and
 - (c) taken those submissions into account.

- (4) The Authority must give notice of the cancellation to the operator of the special economic zone where the business is located.

50 Forfeiture of property from Authority

The Authority may forfeit items that are left over from a previous operation.

PART 6 SUPERVISION

51 Supervision of entry and departure of persons, goods and services by Comptroller

- (1) The Comptroller supervises the entry into and departure from a special economic zone of persons, goods and services.
- (2) The *Customs and Excise Act* (Cap. 121) applies to the extent necessary, and with the necessary modifications, to the Comptroller's supervision under subsection (1).
- (3) The operation of a special economic zone, and the conduct of zone business activities in the special economic zone, must be conducted subject to the Comptroller's supervision of the entry and departure of persons, goods and services into and from the zone under subsection (1).

52 Authority may require licence holder to provide information

- (1) The Authority may, by notice in writing to a licence holder, require from the licence holder any information, data or forecasts about any matters relating to the development or operation of the zone.
- (2) The notice may require any or all of the information, data, or forecasts to:
 - (a) be in consolidated form; and
 - (b) be audited, or reviewed in a specified manner, by a person approved by the Authority; and
 - (c) relate to specified periods; and
 - (d) be provided by a specified time, or within a specified period; and

- (e) be provided in a specified form; and
- (f) be provided to a specified place.

53 Financial reporting by licence holder

A licence holder must:

- (a) prepare annual financial statements in accordance with section 125 of the *Companies Act 2009*; and
- (b) ensure that the annual financial statements are audited by an auditor who meets the qualifications under section 130 of the *Companies Act 2009* and is approved by the Authority; and
- (c) as soon as practicable after the financial statements have been audited, submit to the Authority:
 - (i) the audited financial statements; and
 - (ii) the auditor's report on those financial statements.

54 Annual report by licence holder

- (1) A licence holder must make an annual report to the Authority regarding the development or operation of the special economic zone during the financial year to which the report relates.
- (2) The report must:
 - (a) be in the prescribed form; and
 - (b) comply with the Rules; and
 - (c) contain the prescribed information; and
 - (d) be signed by each of the directors of the licence holder; and
 - (e) be submitted to the Authority within 20 working days after the licence holder is required to complete its annual financial statements in accordance with section 125 of the *Companies Act 2009*.

Appointment of interim administrator

- (1) On the application of the Authority or a licence holder of a special economic zone, the Court may appoint an interim administrator to take over the development or operation of the special economic zone if the Court is satisfied that:
 - (a) any of the following apply:
 - (i) the licence holder is in breach of this Act, the Regulations, the terms and conditions of the zone licence, or the operating agreement;
 - (ii) the licence holder is unable to perform the licence holder's functions in relation to the special economic zone;
 - (iii) the finances of the licence holder are being mismanaged;
 - (iv) the licence holder is insolvent or is subject to an insolvency proceeding; and
 - (b) the appointment of an interim administrator is necessary or expedient for any of the following:
 - (i) the continuing development or operation of the special economic zone;
 - (ii) the preservation of assets and infrastructure in the special economic zone;
 - (iii) the continuing supply of utilities;
 - (iv) the protection of the interests of the zone businesses operating in the special economic zone.
- (2) In making an order appointing an interim administrator, the Court must specify:
 - (a) the term of administration, which must not be longer than 6 months; and
 - (b) the powers of the interim administrator.
- (3) The Court:

- (a) may make such ancillary orders as it thinks fit for the efficient conduct of the interim administration, including orders as to:
 - (i) the preservation or disposal of assets; and
 - (ii) the effect on the development or operation of the zone of any insolvency proceedings against the licence holder; and
 - (iii) the costs of the administration; and
 - (iv) the remuneration of the interim administrator; and
 - (b) on the application of the interim administrator or the Authority, may give directions to the interim administrator regarding the conduct of the administration.
- (4) The Authority must give notice in the *Gazette* of the appointment of an interim administrator.

PART 7 INVESTMENT INCENTIVES

56 Application of this Part

- (1) This Part applies to zone businesses:
 - (a) that are or will involve business activities that are not carried out anywhere else in Solomon Islands; and
 - (b) if owned by a foreign investor, in which there is or will be a minimum capital investment of USD 5,000,000.
- (2) In subsection (1) “**capital investment**” does not include plant and machinery that is already being used or has already been used in Solomon Islands.

57 Specification of business incentives

Business incentives:

- (a) for the development of infrastructure are specified in Schedule 2; and
- (b) for producing for sale into the customs territory are specified in Schedule 3; and

- (c) for producing for export markets are specified in Schedule 4.

PART 8 SPECIAL ECONOMIC ZONES AUTHORITY

Division 1 The Authority

58 Establishment of Authority

- (1) There is the Special Economic Zones Authority.
- (2) The Authority is a body corporate with perpetual succession.

Note to section 58.

Part VII of the Interpretation and General Provisions Act (Cap. 85) provides for statutory corporations.

59 Authority's functions

- (1) The Authority has the following functions:
 - (a) administering this Act and subsidiary legislation made under this Act;
 - (b) overseeing the implementation of the National Special Economic Zones Policy;
 - (c) in accordance with that policy:
 - (i) developing (and as necessary reviewing and amending or replacing) policies and strategies for the identification, designation, establishment, development and operation of special economic zones that will best achieve the objectives of this Act;
 - (ii) developing or operating, or controlling and co-ordinating the development and operation of, special economic zones;
 - (d) granting zone licences and zone permits;
 - (e) carrying out, or supervising and coordinating, the following:
 - (i) the development of special economic zones;

- (ii) the operation of special economic zones;
 - (iii) the conduct of business activities within special economic zones;
 - (f) making rules;
 - (g) making an annual report under section 61;
 - (h) any other functions specified in, or under this or another Act.
- (2) The Authority has the powers that are necessary and convenient for performing its functions.

60 Composition of Authority

The Authority consists of the Board and the employees of the Authority.

61 Annual report

- (1) The Authority must:
- (a) for each year, make an annual report about the performance of its functions to the Minister; and
 - (b) submit the report to the Minister before 1 April of the immediately following year.
- (2) The report must detail the performance of the Board's functions during the year and contain the prescribed information.
- (3) The Minister must lay a copy of the report before Parliament within one month after receiving the report.

Division 2 The Board

Subdivision 1 Function of Board

62 Function of Board

- (1) It is the function of the Board to manage the affairs of the Authority and ensure the Authority performs its functions and fulfils its

responsibilities (including by entering into joint ventures, partnerships, contracts and leases and subleases).

(2) In performing its function, the Board:

- (a) acts in the name of the Authority; and
- (b) is responsible for the following:
 - (i) developing or operating special economic zones in accordance with the National Special Economic Zones Policy;
 - (ii) identifying and recommending land that is available and appropriate to be a special economic zone;
 - (iii) approving or supervising the development, construction, operation, or maintenance of infrastructure, utilities and other facilities necessary for a special economic zone;
 - (iv) developing, constructing, operating or maintaining, (whether solely, in partnership with or as a member of a joint venture), such infrastructure, utilities and facilities in subsection (2)(b)(iii);
 - (v) carrying out or supervising activities and operations undertaken within a special economic zone;
 - (vi) collaborating with Ministries and other public bodies about developing, implementing, monitoring and reviewing policies and strategies concerning special economic zones;
 - (vii) negotiating with landowners for acquiring fixed term estates or leasing of land, buildings or other infrastructure for developing or operating special economic zones; and
- (c) must perform any other functions assigned to it under this Act or any other Act; and
- (d) has the power that is necessary and convenient to perform its function.

Subdivision 2 Membership of Board

63 Board members

The members of the Board are:

- (a) the following 8 ex officio members:
 - (i) the Permanent Secretary of the Ministry responsible for commerce and industries;
 - (ii) the Permanent Secretary of the Ministry responsible for finance;
 - (iii) the Permanent Secretary of the Ministry responsible for lands;
 - (iv) the Attorney-General;
 - (v) the Governor of the Central Bank;
 - (vi) the Director of the division of the Ministry responsible for commerce and industries that deals with foreign investment;
 - (vii) the Chief Executive Officer of the Development Bank of Solomon Islands;
 - (viii) the chief executive of the Authority; and
- (b) the following representative members:
 - (i) a representative of the Chamber of Commerce and Industry;
 - (ii) a representative of the National Council of Women.

64 Appointment of representative members

- (1) The Minister must, by notice in the *Gazette*, appoint each member referred to in section 63(b), but may not appoint the member unless the body represented by the member recommends the appointment.
- (2) In appointing a member under subsection (1), the Minister must be satisfied that the person appointed is eligible under subsection (3)

and has knowledge, experience and expertise relevant to special economic zones.

- (3) A person is not eligible for membership of the Authority if the person is:
- (a) a member of Parliament or a Provincial Assembly; or
 - (b) a member of the Honiara City Council established by section 4 of the *Honiara City Act 1999*; or
 - (c) a member of the executive of a political party registered under section 25 of the *Political Parties Integrity Act 2014*; or
 - (d) a person who has been convicted:
 - (i) in Solomon Islands, of an offence punishable by 6 months or more; or
 - (ii) outside Solomon Islands, of an offence punishable by 6 months or more if committed in Solomon Islands; or
 - (e) a person who the Leadership Code Commission has determined has engaged in misconduct in office within the previous 5 years; or
 - (f) disqualified from being a director of a company under section 82(2)(a) to (d) of the *Companies Act 2009*.
- (4) A member appointed under subsection (1) holds office for 5 years.

65 Alternate members

- (1) In this section:
- “member”** means a member referred to in section 63(a)(i) to (viii).
- (2) A member may nominate an alternative member to attend a meeting on the member's behalf.
- (3) An alternate member:
- (a) must:

- (i) hold a sufficiently senior position that is suitable to represent the member on whose behalf the alternate member attends the meeting; and
- (ii) have appropriate technical competence and skills; and
- (iii) have appropriate experience of relevant decision-making; and
- (b) may not carry out the duties of the Chairperson; and
- (c) subject to paragraph (b), at a meeting, has all the rights, responsibilities and obligations of a member on whose behalf the alternate member attends the meeting (and a reference to the member in this Act includes a reference to the alternate member).

66 Chairperson, Deputy Chairperson and Secretary

- (1) The Permanent Secretary of the Ministry responsible for commerce is the Chairperson of the Board.
- (2) The Permanent Secretary of the Ministry responsible for finance is the Deputy Chairperson of the Board.
- (3) The chief executive of the Authority is the Secretary of the Board.
- (4) The Chairperson is the official representative of the Authority.
- (5) The Chairperson is responsible for:
 - (a) convening the meetings of the Board; and
 - (b) presiding at the meetings; and
 - (c) ensuring there is an appropriate level of confidentiality during the meetings.
- (6) The Secretary is responsible for:
 - (a) recording the resolutions of the Board; and
 - (b) recording the minutes of the Board meetings.

67 Disclosure of interests of members generally

- (1) There is a register of financial interests of members of the Board.
- (2) The Secretary must:
 - (a) keep the register in an appropriate form or combination of forms, including an electronic form; and
 - (b) on a member making a disclosure under subsection (3), record the interests disclosed in the register.
- (3) A member must, disclose to the Secretary all the disclosures made by the member to the Leadership Commission under Part II of the *Leadership Code (Further Provisions) Act 1999* by giving the Secretary a copy of those disclosures.

68 Disclosure of interest in matter being considered

- (1) This section applies if a member:
 - (a) has a direct or indirect financial interest in a matter being considered, or about to be considered, by the Board; or
 - (b) has a personal, professional, commercial or other relationship with a person and the nature of the relationship is likely to, or may reasonably be regarded as likely to, inhibit or prevent the member from exercising independent judgment about a matter being considered, or about to be considered, by the Board.
- (2) The member:
 - (a) must, as soon as practicable after becoming aware of the interest or relationship, disclose to the other members the nature and extent of the interest or relationship and how it relates to the matter; and
 - (b) must not take part in any deliberation or decision of the Board about the matter; and
 - (c) must be disregarded for the purpose of constituting the quorum of the Board for the deliberation or decision.

- (3) If the relevant facts come to the member's knowledge at a time when the Authority is not meeting, the member must:
 - (a) make the disclosure in subsection (2)(a) by written notice to all other members; and
 - (b) table a copy of the notice at the next meeting of the Authority.
- (4) The member does not need to disclose an interest if the interest is an interest shared in common with the public generally or a substantial section of the public.
- (5) The disclosure must be noted in the minutes of the meeting at, or before which the disclosure is made.
- (6) A failure by the member to disclose an interest in a matter does not, on its own, invalidate a decision of the Board about the matter.

69 Vacation of office and removal of representative member

- (1) In this section:

“member” means a member of the Board appointed by the Minister under section 64.

- (2) A member vacates office if the member:
 - (a) becomes ineligible for membership; or
 - (b) dies; or
 - (c) resigns by resignation in writing delivered to the Minister; or
 - (d) is removed from office by the Minister.
- (3) The Minister may remove a member from office if the Minister is satisfied on reasonable grounds that the member:
 - (a) is physically or mentally incapable of satisfactorily performing the duties of office; or
 - (b) has failed to make the disclosure as required under section 67 or 68; or

- (c) has been absent without leave from the Chairperson, from 3 or more consecutive meetings of the Board; or
- (d) has engaged in serious misconduct while in office; or
- (e) has become bankrupt and has applied to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounded with his or her creditors or has made an assignment of his or her remuneration for their benefit.

70 Validity of decisions of Board

- (1) The validity of an act or decision of the Board is not to be questioned in any proceedings on a ground arising from the fact that there was a vacancy in an office of a member of the Board or that a member was absent from a meeting.
- (2) An irregularity in the procedures of the Board does not, on its own, invalidate an act or decision of the Board.

71 Remuneration of members

A member of the Board is not entitled to remuneration but may receive a sitting allowance for attending meetings as determined by the Minister by notice published in the *Gazette*.

Subdivision 3 Board's procedures

72 General procedural matters

- (1) The Chairperson must convene the Board at least 4 times in each year, but may convene additional meetings during the year if it is necessary for the Board to perform its functions.
- (2) The Minister may at any time direct the Chairperson to convene a meeting of the Board, and the Chairperson must comply with the direction.
- (3) All members and their alternates must be given sufficient notice of the meetings of the Board and information to enable them to participate in the meetings.
- (4) The quorum for a meeting is one more than half the number of members then holding office.

- (5) A member may participate in a meeting, and is taken to be present at the meeting if participating, by:
 - (a) telephone; or
 - (b) exchange of emails; or
 - (c) online facilities; or
 - (d) any other means of electronic communication.
- (6) A decision of the Board must be in the form of a resolution signed by all members present, noting whether each member voted for or against the resolution.
- (7) In making the decisions:
 - (a) each member present has 1 vote; and
 - (b) in the event of an equality of votes, the Chairperson has a casting vote.
- (8) A member who dissents from the majority in a particular decision may require that the member's dissent be recorded in the minutes.
- (9) Unless at least one member requires that particular business of the Board be decided at a meeting, the Chairperson may arrange for urgent business of the Board to be decided by:
 - (a) a written proposed resolution and the necessary accompanying papers dealing with the business being circulated (by any means including by electronic communication) amongst all of the members; and
 - (b) the resolution being unanimously passed by all of the members entitled to vote on the resolution, by each of them:
 - (i) signing on the resolution that they are in favour of it; and
 - (ii) returning the resolution to the Chairperson; and
 - (c) noting the resolution at the next subsequent meeting of the Board and including it as part of the minutes of that meeting.

- (10) Subject to this Subdivision, the Board may determine its own procedures for convening its meetings and conducting its business.

73 Advisers and sub-committees of Board

- (1) The Board may:
- (a) establish sub-committees for carrying out its functions; and
 - (b) appoint advisers to review a matter relating to the functions of the Board and advise and make recommendations about the matter.
- (2) A sub-committee must comply with directions given to it by the Board relating to its mandate to perform functions of the Board and its procedures for doing so.
- (3) An adviser:
- (a) must make a written report to the Board on the conduct of the adviser's review and providing his or her advice and recommendations on the matter reviewed; and
 - (b) may attend the part of a meeting of the Board when the adviser's report is considered (but, for the avoidance of doubt, may not vote).

74 Performance of functions of Board by member or sub-committee

- (1) The Board may, by resolution, delegate any of its functions to:
- (a) a member; or
 - (b) a sub-committee.
- (2) The delegation:
- (a) must be in writing specifying:
 - (i) the function delegated; and
 - (ii) to whom the function is delegated; and
 - (iii) the conditions of the delegation (if any); and

- (b) may be varied or revoked; and
 - (c) does not prevent the Board performing the function.
- (3) If a sub-committee or a member performs a function delegated under this section, the performance of the function and the exercise of any powers, or the performance of any functions associated or incidental to performing the function, are taken to have been exercised or performed by the Board.

75 Transparency and accountability of Board

- (1) The Board must conduct all its proceedings in accordance with the principles of transparency and accountability.
- (2) Accordingly:
- (a) the Board must keep a record of all its procedures; and
 - (b) a decision of the Board is a public record.

Division 3 Employees of Authority

76 Authority's employees

- (1) The employees of the Authority are:
- (a) the chief executive; and
 - (b) such other suitably qualified persons necessary to enable the Authority to properly perform its functions.
- (2) The chief executive is subject to the directions of the Board.
- (3) The other employees are subject to the directions of the chief executive in the performance of their duties.
- (4) For the avoidance of doubt, a member of the Board has no direct authority over an employee referred to in subsection (3) with respect to the way in which the employee performs his or her functions.

77 Appointment of chief executive

- (1) The Board must appoint a person to be the chief executive of the Authority.

- (2) A person may not be appointed to be chief executive unless the person has sufficient experience in management to manage the operations of the Authority effectively.

78 Functions of chief executive

The chief executive:

- (a) manages the day to day operations of the Authority, including by:
- (i) managing its accounts and financial records, and preparing the budget of the Authority; and
 - (ii) organising meetings of the Authority; and
 - (iii) keeping proper records of the operations of the Authority; and
 - (iv) receiving applications, zone development plans and other documentation on behalf of the Authority and submitting them to the Board; and
 - (v) subject to the directions of the Board, overseeing the implementation of the decisions of the Authority; and
 - (vi) conducting on behalf of the Authority consultations and negotiations for acquiring land, and for other purposes, as authorised by the Authority; and
 - (vii) monitoring and evaluating the development and operation of special economic zones; and
- (b) performs the functions assigned to the chief executive under this Act, the Regulations and Rules or under any other Act.

PART 9 SPECIAL ECONOMIC ZONE FUND

79 Establishment of Fund

- (1) There is the Special Economic Zone Fund.
- (2) The Fund is not part of the Consolidated Fund.
- (3) The Fund is comprised of:

- (a) money appropriated for the Special Economic Zone Fund; and
- (b) fees, rents, charges and levies paid by developers under this Act; and
- (c) grants, donations and bequests made to the Special Economic Zone Fund; and
- (d) earnings from the investment of the money in the Fund; and
- (e) money borrowed by the Authority to perform its functions; and
- (f) any other money received by the Authority for performing its functions.

80 Purpose of Fund

The purpose of the Fund is to pay for the following:

- (a) the identification and designation of special economic zones;
- (b) the authorisation and supervision of the development and operation of special economic zones and conduct of zone businesses under this Act;
- (c) the provision of infrastructure and utilities in special economic zones, and repairing and maintaining the infrastructure and utilities as arranged by the Authority;
- (d) the conduct of activities by the Authority in developing and operating special economic zones and conducting zone businesses;
- (e) the administration of this Act, including paying salaries and allowances for members of the Board and its sub-committees, the Authority's staff and members of the review panel, and providing suitable office space, equipment and services for the members and Authority's staff to be able to carry out their functions and duties;
- (f) the liabilities and other financial obligations of the Authority.

81 Operation of Fund

- (1) The Authority:

- (a) has custody of the Fund; and
 - (b) is responsible for its use and safety, and must take necessary measures to prevent fraud, embezzlement, abuse or mismanagement of the Fund.
- (2) The Authority must operate the Fund in accordance with:
 - (a) the purpose of the Fund specified in section 80; and
 - (b) the system of accounting and the systems of control established by the Accountant General under the *Public Financial Management Act 2013*, and otherwise in accordance with that Act.
- (3) The Fund must be audited by the Auditor-General annually.

PART 10 REVIEW

82 Review panel

- (1) There is a Special Economic Zones Review Panel.
- (2) The review panel receives, reviews and determines applications for the review of decisions made under this Act, including the following:
 - (a) a decision to revoke the designation of an area as a special economic zone;
 - (b) a decision of the Authority to refuse to grant a zone licence or a zone permit or to refuse to enter into an operating agreement;
 - (c) a decision to cancel or suspend a zone licence, an operating agreement or a zone permit;
 - (d) a decision to impose conditions on a zone licence or zone permit;
 - (e) a decision to refuse to vary a zone licence or zone permit;
 - (f) a decision to refuse to transfer a zone licence.

83 Membership of the review panel

- (1) The members of the review panel are:

- (a) a representative of the Policy Implementation Monitoring Evaluation Unit (PIMEU), Office of the Prime Minister and Cabinet; and
 - (b) the Vice-Chancellor of the Solomon Islands National University or the Vice-Chancellor's representative; and
 - (c) the Director for Industry, in the Ministry responsible for commerce and industries; and
 - (d) subject to subsection (2), the Provincial Secretaries of 2 provinces.
- (2) The Minister must appoint 2 Provincial Secretaries to be members of the panel for 6 months.
- (3) The appointment in subsection (2) is made from amongst the Provincial Secretaries of all the provinces, in rotation.
- (4) The review panel, in consultation with the Board, may appoint a person to attend a meeting or part of a meeting of the review panel, and the person:
 - (a) must be suitably qualified to assist review a decision at the meeting; and
 - (b) must have no conflict of interest that may affect the person's independence in assisting review the decision; and
 - (c) may not vote at the meeting.
- (5) The representative of the PIMEU in subsection (1)(a) is the Chairperson of the panel.
- (6) The chief executive of the Authority is the Secretary of the review panel.
- (7) A member of the review panel is not entitled to remuneration but may receive a sitting allowance for attending meetings as determined by the Minister by notice published in the *Gazette*.

84 Application for review

- (1) A person who is adversely affected by a decision made under this Act may apply to the Chairperson of the panel for review of the decision.
- (2) For the avoidance of doubt, the right to apply for a review under subsection (1) is not a bar to judicial review of a decision under this Act or any other legal process or remedy that may be available.
- (3) The application must:
 - (a) be in the prescribed form; and
 - (b) describe how the applicant is adversely affected by the decision; and
 - (c) state the grounds for the review of the decision; and
 - (d) contain any other information required by the prescribed form and any other prescribed information; and
 - (e) be accompanied by the prescribed fee.

85 Conduct of review

- (1) Subject to this section, the review panel determines its procedure for the conduct of a review.
- (2) The review panel meets on an *ad hoc* basis to hear and determine an application for review, but it must meet within 30 days of receiving the application.
- (3) The applicant, the Authority and the decision-maker may:
 - (a) make written submissions; and
 - (b) exchange the written submissions made between themselves; and
 - (c) appear before the review panel and make oral submissions; and
 - (d) if the review panel allows the presentation of evidence by a witness, may cross-examine the witness.

- (4) The review panel must conduct a review:
 - (a) giving proper consideration in a speedy manner; and
 - (b) in accordance with the rules of natural justice.

86 Determination of review

- (1) To determine a review, the review panel may:
 - (a) confirm the decision reviewed; or
 - (b) revoke the decision reviewed and require the decision-maker to make a new decision on the matter; or
 - (c) revoke the decision reviewed and substitute the decision with a decision that the decision-maker could have made and which the review panel considers is appropriate.
- (2) The review panel must, as soon as practicable, give the applicant for review, the Authority and the decision-maker written notice of the review panel's determination, including the reasons for its determination.
- (3) An applicant who is dissatisfied with the review panel's determination may appeal to the High Court on the merits or on a point of law.
- (4) A decision under subsection (1):
 - (a) has effect as if it had been the original decision;
 - (b) takes effect on the date the review panel makes its determination.

PART 11 OFFENCES AND PENALTIES

87 Developer or operator must be authorised

- (1) A person who, in developing a special economic zone, contravenes section 14, commits an offence.

Maximum penalty: for a natural person, 1,000,000 penalty units
or imprisonment for 5 years, or both;

for a body corporate, 5,000,000 penalty units.

- (2) A person who, in operating a special economic zone, contravenes section 26, commits an offence.

Maximum penalty: for a natural person, 1,000,000 penalty units or imprisonment for 5 years, or both;

for a body corporate, 5,000,000 penalty units.

88 Person conducting zone business must hold zone permit

A person who, in locating or conducting a zone business in a special economic zone contravenes section 45, commits an offence.

Maximum penalty: for a natural person, 1,000,000 penalty units or imprisonment for 5 years, or both;

for a body corporate, 5,000,000 penalty units.

89 Deception for gaining trade advantage

A person commits an offence if the person exports or tranships products or services from Solomon Islands to another country and makes a statement, or makes, submits or supplies a document or information, that falsely represents that the products or services were produced in a special economic zone, for the purpose of gaining an advantage under a trade quota accorded to Solomon Islands by a bilateral, multilateral or regional agreement or protocol.

Maximum penalty: for a natural person, 1,000,000 penalty units or imprisonment for 5 years, or both;

for a body corporate, 5,000,000 penalty units.

90 Provision of false or misleading information

- (1) A person commits an offence if the person knowingly or recklessly:

- (a) makes a statement, or makes, submits or supplies a document or information, for a purpose under this Act to the Authority, Board, chief executive or other member of staff of the Authority, the Comptroller or a customs officer that is false or misleading in a material particular; or
- (b) omits from a statement made, or a document or other information submitted or supplied, for a purpose under this Act to the Authority, Board, chief executive or other members of staff, the Comptroller or a customs officer, anything without which the statement, document or information is false or misleading in a material particular; or
- (c) for the purpose of obtaining an investment incentive:
 - (i) makes a statement, or makes, submits or supplies a document or information that is false or misleading in a material particular; or
 - (ii) omits from a statement made or a document or other information submitted or supplied, anything without which the statement, document or information is false or misleading in a material particular.

Maximum penalty: for a natural person, 1,000,000 penalty units or imprisonment for 5 years, or both;

for a body corporate, 5,000,000 penalty units.

- (2) It is a defence to a prosecution of an offence under subsection (1) that, when making, giving or supplying the statement, document or other information, the person:
 - (a) drew the false or misleading aspect of the statement, document or other information to the attention of the Authority, Board or chief executive; and
 - (b) to the extent to which the person could reasonably do so, gave the Authority, Board or chief executive the information necessary to correct the statement, document or other information.

- (3) In this section:

“misleading in a material particular” includes misleading because of the omission of a material particular.

91 Failure to comply with direction or notice given by Authority or Comptroller

A licence holder or permit holder commits an offence if the licence holder or permit holder:

- (a) fails to comply with a notice given by the Authority under this Act; or
- (b) fails to comply with a notice or direction given by the Comptroller in supervising the entry and departure of persons, goods and services into and from a zone under section 51.

Maximum penalty: 500,000 penalty units.

92 Contravention of other provisions of Act

- (1) This section applies only if this Act does not specify an offence for the contravention of a provision of this Act, and imposes a penalty for the commission of the offence.
- (2) A person commits an offence if the person contravenes a provision of this Act.

Maximum penalty: for a natural person, 1,000,000 penalty units or imprisonment for 5 years, or both;

for a body corporate, 5,000,000 penalty units.

93 Confidentiality

- (1) A person commits an offence if:
 - (a) the person obtains information in the course of performing functions connected with the administration of this Act; and
 - (b) the person engages in conduct that results in the disclosure of the information.

Maximum penalty: 200,000 penalty units or imprisonment for 2 years, or both.

- (2) Subsection (1) does not apply if:
- (a) the person discloses the information:
 - (i) for the administration of this Act; or
 - (ii) with the consent of the person to whom the information relates; or
 - (iii) for legal proceedings arising out of the operation of this Act; or
 - (b) the information is otherwise available to the public.

94 Liability of officers of bodies corporate

- (1) In this section:

“officer of the body corporate” means:

- (a) a director, secretary, manager or other similar officer of a body corporate; or
 - (b) if the affairs of the body corporate are managed by the members of the body corporate, a member of the body corporate who performs a function in managing the affairs of the body corporate; or
 - (c) if an officer of a body corporate is another body corporate, an officer of that other body corporate; or
 - (d) a person in accordance with whose directions or instructions the officers of a body corporate are accustomed to act.
- (2) If a body corporate is convicted of an offence against this Act or the Regulations made under this Act, every officer of the body corporate is also guilty of the offence (and may be convicted and sentenced) if it is proved:
- (a) that the act that constituted the offence took place with the officer’s authority, permission or consent; or
 - (b) that the officer:

- (i) knew, or could reasonably be expected to have known, that the offence was to be or was being committed; and
 - (ii) failed to take reasonable steps to prevent or stop it.
- (3) If the officer is convicted, the maximum penalty to which the officer is liable is the maximum penalty specified for a natural person committing the offence.

PART 12 MISCELLANEOUS MATTERS

95 Regulations

- (1) The Minister, having consulted with the Minister responsible for finance, may make Regulations, not inconsistent with this Act, to prescribe matters that are necessary or expedient for carrying out or giving effect to this Act.
- (2) Without limiting subsection (1), the Regulations may:
 - (a) prescribe forms for the purposes of this Act; and
 - (b) prescribe the amounts of fees payable under this Act; and
 - (c) prescribe terms and conditions of zone licences or zone permits; and
 - (d) provide for any other matters for the efficient implementation of this Act.

96 Rules

- (1) The Authority may make Rules for ensuring the due performance of its functions under this Act or for achieving the purposes of this Act.
- (2) The Authority must not make a rule that is inconsistent with this Act or the regulations.
- (3) Without limiting subsection (1), the Rules may prescribe matters or requirements for:
 - (a) the designation of a special economic zone;
 - (b) granting, varying, transferring, suspending or cancelling zone licences and zone permits;

- (c) development plans;
 - (d) entering into a zone operating agreement;
 - (e) annual reports of licence holders;
 - (f) charging and collecting rents, fees and other money payable to the Authority;
 - (g) markings to be used to mark different zones within a special economic zone by developers, operators, persons conducting zone businesses or the Comptroller or another customs officer;
 - (h) the provision of facilities for examining, counting, packing, marking, weighing, storing and securing raw materials and goods entering or departing from a special economic zone;
 - (i) the records to be kept by the Authority.
- (4) The Authority must provide a copy of its Rules without charge to any person who requests a copy.

97 Registration of leases and subleases

All leases and subleases of land comprised in a special economic zone to which the Authority is a party must be registered under the *Land and Titles Act* (Cap. 133).

98 Notices

- (1) It is sufficient for the giving of a notice by the Authority to:
- (a) an applicant for designation, if it is posted or delivered to the address in Solomon Islands specified in the application; or
 - (b) a licence holder, if it is posted or delivered to the licence holder's registered address; or
 - (c) a zone permit holder, if it is posted or delivered to the permit holder's premises in the zone; or
 - (d) in the case of any other person who consents to the use of electronic mail, to the electronic mail address provided by that person to the Authority.

- (2) Nothing in subsection (1) precludes the Authority from giving effective notice by other means.

99 Internet publication

- (1) The Authority must, if practicable, publish on an internet site:
- (a) notices given under the following sections:
 - (i) section 11 (revocation of designation);
 - (ii) section 21 (suspension or cancellation of development zone licence);
 - (iii) section 33 (suspension and cancellation of operation zone licence);
 - (iv) section 41 (termination of operating agreement); and
 - (b) for the purposes of consultation, drafts of its policies, strategies and Rules; and
 - (c) in final form, its policies, strategies and Rules as amended from time to time; and
 - (d) its annual report to the Minister.
- (2) Failure to publish a notice, policy, strategy, rule or draft in subsection (1) does not affect the validity of the notice, policy, strategy or rule.

100 Protection from liability

- (1) This section applies to a person who is or was:
- (a) a member of the Authority; or
 - (b) the chief executive or other member of the staff of the Authority; or
 - (c) a member of the review panel; or
 - (d) an office holder or other person who performs or performed functions or duties for the administration of this Act.

- (2) A person to whom this section applies is not civilly or criminally liable for an action done or omitted to be done by the person in good faith in performing or purporting to perform a function under this Act.
- (3) Nothing in this section limits the liability of the Government.

101 Application of tax laws

- (1) Subject to this Act, the exemption from payment of a customs duty or excise, or any other tax that is an investment incentive under Part 7 is administered under the relevant tax law.
- (2) The Commissioner of Inland Revenue may disclose to the Authority any suspected breach of tax laws in force in Solomon Islands if the Commissioner believes on reasonable grounds that the suspected breach is related or connected to:
 - (a) the development or operation of a special economic zone; or
 - (b) a business located and conducted in or from a special economic zone.
- (3) In subsection (2):

“Commissioner of Inland Revenue” means the Commissioner of Inland Revenue holding office under section 6 of the *Tax Administration Act 2022*.

SCHEDULE 1

FACTORS FOR ASSESSING WHETHER DESIGNATION OF SPECIAL ECONOMIC ZONE OR GRANT OF ZONE LICENCE COMPLIES WITH OBJECTIVES OF ACT

(Sections 9, 15, 27)

The Authority must take into account the following factors (as appropriate) to establish under section 9(2) whether a geographical area is suitable to be a designated special economic zone for the financial viability, environmental and social impact of the proposed development and general economic feasibility under sections 15 and 27, to grant a zone licence under section 16 or section 28:

- (a) factors for assessing contribution to the national interest, including:
 - (i) contribution to economic growth, particularly in rural areas and by contributing to the export of goods or services produced in Solomon Islands;
 - (ii) contribution to the national development goals for Solomon Islands;
 - (iii) consistency with Government development and growth strategies;
 - (iv) employment opportunities by creating a substantial number of new jobs, particularly in rural areas, which contribute to diversity in the job market;
 - (v) contribution to infrastructure assets in Solomon Islands, particularly rural areas;
 - (vi) potential for increased collection of tax, duty, excise and other revenue for the Government and provincial governments in the short and medium-term and after 10 years;
 - (vii) potential for increased after-tax income being earned by persons living in Solomon Islands and wealth distribution within the rural areas;
 - (viii) contribution to the overall well-being of the citizens of Solomon Islands;
- (b) factors for assessing impairment to the national interest, including:
 - (i) the level of financial or other support by the Government or a provincial government required for the special economic zone to be viable;
 - (ii) the likelihood of distortion of prices or disadvantaging businesses that will be operating outside a special economic zone;

- (iii) the impact on Government revenue, particularly in the short-term and taking account of the concessionary tax or duty arrangements with other governments, regional and multilateral organisations and donor organisations;
 - (iv) the impact on the physical and social environment and the resultant costs for rectification and restoration of the environment or the effects on the communities of Solomon Islands;
- (c) factors for assessing the suitability of proposals for investing in and developing, operating or carrying out business activities in a special economic zone, and the nature of the proposed business activities, including:
 - (i) whether the proposed investment or development will contribute to the national interest;
 - (ii) whether the economic benefit of the proposed development will exceed the economic cost of it for the Solomon Islands, taking account of, but not limited to, the Government revenue not collected because of the investment or development taking place in a special economic zone;
 - (iii) the sustainability of the businesses and their business activities associated with the proposed investment or development.

SCHEDULE 2

INVESTMENT INCENTIVES FOR DEVELOPMENT OF INFRASTRUCTURE

(Section 57(a))

A Special Economic Zone is entitled to the following incentives:

- (a) exemption from payment of goods tax and duties upon imports of machinery, infrastructure equipment, heavy duty vehicles, building and construction materials and any other goods of capital nature to be used for the purposes of developing the special economic zone infrastructure;

- (b) exemption from payment of corporate tax for an initial period of 10 years and thereafter a corporate tax must be charged at the rate specified in the *Income Tax Act* (Cap. 123);
- (c) exemption from payment of withholding tax on rent of properties within the special economic zone and dividends for the first 10 years;
- (d) exemption from payment of stamp duties for the first 10 years;
- (e) remission of customs duty and goods tax payable in respect of importation of one administrative vehicle, ambulances, firefighting equipment and firefighting vehicles and up to 2 buses for employees' transportation to and from the special economic zone;
- (f) exemption from payment of stamp duty on any instrument executed in or outside the economic zone relating to transfer, lease or hypothecation of any moveable or immoveable property in or situated within the special economic zone or any document, certificate, instrument, report or record relating to any activity, action, operation, project, undertaking or venture in the special economic zone;
- (g) entitlement to an initial automatic work permit and immigrant visa of up to 5 persons during the start up or initial commencement period up to 4 years and thereafter any application for extra persons shall be submitted to the Authority which shall, in consultation with the Director of Immigration (within the meaning of section 83 of the *Immigration Act 2012*) and the Commissioner for Labour (within the meaning of section 6 of the *Labour Act* (Cap. 73)), authorise any additional persons deemed necessary, taking into consideration the availability of qualified Solomon Islanders, complexity of the technology employed by the investor and agreements reached with the investor;
- (h) exemption from payment of sales tax on utility charges.

SCHEDULE 3

INVESTMENT INCENTIVES FOR PRODUCING FOR SALE INTO THE CUSTOMS TERRITORY

(Section 57(b))

A Special Economic Zone is entitled to the following incentives:

- (a) remission of customs duty, sales tax and any other tax charged on raw materials and goods of a capital nature related to the production in the special economic zone;
- (b) exemption from payment of withholding tax on interest on foreign sourced loan;
- (c) remission of customs duty and goods tax payable in respect of importation of one administrative vehicle, one ambulance, firefighting equipment and firefighting vehicles and up to 2 buses for employees' transportation to and from the special economic zone;
- (d) provision of business visa at the point of entry to key technical, management and training staff for a maximum of 2 months, thereafter the requirements to obtain a long term visa under the *Immigration Act 2012* shall apply;
- (e) entitlement to an initial automatic work permit immigrant visa of up to 5 persons during the start up or initial commencement period up to 4 years and thereafter any application for an extra person shall be submitted to the Authority which shall, in consultation with the Director of Immigration (within the meaning of section 83 of the *Immigration Act 2012*) and the Commissioner for Labour (within the meaning of section 6 of the *Labour Act* (Cap. 73)), authorise any additional persons deemed necessary, taking into consideration the availability of qualified Solomon Islanders, complexity of the technology employed by the investor and agreements reached with the investor;
- (f) access to competitive, modern and reliable services available within the special economic zones;

- (g) unconditional transferability through any authorised dealer or bank in freely convertible currency of net profits or dividends attributable to the investment;
- (h) payments in respect of loan servicing where a foreign loan has been obtained;
- (i) exemption from withholding tax on royalties, fees and charges in respect of any technology transfer agreement for the first 10 years;
- (j) the remittance of proceeds (net of all taxes and other obligations) in the event of sale or liquidation of the licenced business or any interest attributable to the licenced business;
- (k) exemption from PAYE tax on payments of emoluments and other benefits to foreign personnel employed in Solomon Islands in connection with the licenced business for the first 10 years.

SCHEDULE 4

INVESTMENT INCENTIVES FOR PRODUCING FOR EXPORT MARKETS

(Section 57(c))

A Special Economic Zone is entitled to the following incentives:

- (a) subject to compliance with applicable conditions and procedures, accessing the export credit guarantee scheme;
- (b) remission of customs duty and goods tax charged on raw materials and goods of a capital nature related to the production in the special economic zone;
- (c) exemption from payment of corporate tax for an initial period of 10 years and thereafter a corporate tax shall be charged at the rate specified in the *Income Tax Act* (Cap. 123);
- (d) exemption from payment of withholding tax on rent of properties within the special economic zone, dividends for the first 10 years;

- (e) in consultation and approval from provincial government authorities, exemption from payment of levies imposed by the local government authorities for products produced in the special economic zones for a period of 10 years;
- (f) provision of business visa at the point of entry to key technical, management and training staff for a maximum of 3 months, thereafter the requirements to obtain a long term visa according to the *Immigration Act 2012* shall apply;
- (g) remission of customs duty and goods tax payable in respect of importation of one administrative vehicle, ambulances, firefighting equipment and firefighting vehicles and up to 2 buses for employees' transportation to and from the special economic zone;
- (h) entitlement to an initial automatic immigrant quota of up to 5 persons during the start up or initial commencement period and thereafter any application for an extra person shall be submitted to the Authority which shall in consultation with the Director of Immigration (within the meaning of section 83 of the *Immigration Act 2012*) and the Commissioner for Labour (within the meaning of section 6 of the *Labour Act* (Cap. 73)), authorise any additional persons deemed necessary, taking into consideration the availability of qualified Solomon Islanders, complexity of the technology employed by the investor and agreements reached with the investor;
- (i) access to competitive, modern and reliable services available within the special economic zones;
- (j) the remittance of proceeds (net of all taxes and other obligations) in the event of sale or liquidation of the business enterprises or any interest attributable to the investment;
- (k) exemption from PAYE tax on payments of emoluments and other benefits payable to foreign personnel in Solomon Islands in connection with the licenced enterprise.