



## REPUBLIC OF VANUATU

### TAX ADMINISTRATION ACT NO. 37 OF 2018

#### Vanuatu Sales Monitoring System Regulation Order No. 153 of 2025

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### Vanuatu Sales Monitoring System Regulation Order No. 153 of 2025

In exercise of the powers conferred on me by section 61 of the Tax Administration Act No. 37 of 2018, I, the Honourable JOHNNY KOANAPO RASOU, Deputy Prime Minister and Minister of Finance and Economic Management, make the following Regulation.

#### PART 1 PRELIMINARY

##### 1 Interpretation

In this Regulation, unless the contrary intention appears:

**Accreditation** means a POS or E-SDC accredited by the Director under clauses 9 and 10;

**Business** means a business supplying goods and services that is operated by a person who has a business licence issued under the Business Licence Act [CAP 249];

**Cashier** means a person handling payments and receipts of a business through a POS system;

**Department** means the Department of Customs and Inland Revenue;

**Director** means the Director of Customs and Inland Revenue;

**Digital Certificate** means a unique electronic document issued by the Director to the taxpayer for each EFD that authenticates the EFD, linking it with the Vanuatu Sales Monitoring System and contains public and private key for creating, producing and verifying the digital signature of the EFD;

**Digital signature** means an encrypted digital code that:

- (a) is created by an SDC using private key; and



- (b) is recorded on each fiscal invoice by the SDC; and
- (c) identifies the taxpayer; and
- (d) verifies the integrity of the SDC when it transmits fiscal data to the Vanuatu Sales Monitoring System;

**EFD** means Electronic Fiscal Device;

**E-SDC** means External Sales Data Controller;

**fiscal data** means the electronic transaction data produce from the POS;

**fiscal invoice** means a receipt or an invoice that:

- (a) is notifying an obligation to make a payment and includes a tax invoice; and
- (b) is issued from an EFD to acknowledge that a transaction has occurred between a business and a customer; and
- (c) has printed on it the fiscal data and other information relating to the transaction specified in subclause 17(2);

**POS** means Point of Sale;

**Secure element** means the software or hardware used by an EFD and the Department to prevent tampering and unauthorized use of fiscal data transmitted to the Vanuatu Sales Monitoring System;

**Supplier** means an EFD manufacturer who manufacturers an EFD or a component of an EFD and supplies to a business;

**taxpayer** means a person who is registered under the Value Added Tax Act [CAP 247] and is liable to pay value added tax or is required by the Director to issue a receipt or an invoice;

**transaction** means a transaction between the business of a taxpayer and a customer by which:



- (a) the business receives either full or partial payment, made by a customer in expectation of the future supply of goods or services;
- (b) the business supplies goods or services to the customer and the customer pays the price for the supply of the goods and services to the business; or
- (c) the business pays the customer a refund of the whole or a part of the price the customer has paid for goods or services previously supplied by the business to the customer;

**transaction data** means the data relating to a transaction entered into a POS by a cashier;

**V-SDC** means a virtual SDC that is software attached to the Vanuatu Sales Monitoring System;

**Vanuatu Sales Monitoring System** means the Sales Monitoring System established under clause 3.

## 2 Objective

The objective of this Regulation is to establish the Vanuatu Sales Monitoring System that enables the Department to securely, monitor and assess accurate fiscal data for calculating and imposing a tax that is required to be part a fiscal invoice.



## **PART 2 ESTABLISHMENT, COMPONENTS AND FUNCTIONS OF THE VANUATU SALES MONITORING SYSTEM**

### **3 Establishment of the Vanuatu Sales Monitoring System**

- (1) The Vanuatu Sales Monitoring System is established.
- (2) The Vanuatu Sales Monitoring System is composed of:
  - (a) an electronic System operated by the Department that monitors, receives, verifies, records, analyses, formats, stores and transmits fiscal data; and
  - (b) the EFD used by taxpayers in operating their businesses.

### **4 Components of Vanuatu Sales Monitoring System**

The Vanuatu Sales Monitoring System consists of the following components:

- (a) the POS; and
- (b) E-SDC and V-SDC; and
- (c) secure element.

### **5 Functions of POS**

The POS has the following functions:

- (a) receives transaction from E-SDC; and
- (b) transmits the transaction data under paragraph (a) for every transaction to back to the E-SDC; and
- (c) produces fiscal invoices.

### **6 Functions of the E-SDC and V-SDC**

The E-SDC and V-SDC have the following functions:

- (a) the E-SDC and V-SDC in receiving transactions data from the POS, format the data into fiscal data and fiscal invoices; and



- (b) transmit the fiscal data to the Vanuatu Sales Monitoring System; and
- (c) transmit the fiscal invoices to the POS; and
- (d) verify the fiscal data.

**7 Requirements and Functions of the Vanuatu Sales Monitoring System**

- (1) The Vanuatu Sales Monitoring System must have a hardware and a software programme.
- (2) The Vanuatu Sales and Monitoring System has the following functions:
  - (a) connects electronically with each person operating an EFD; and
  - (b) verifies fiscal data from E-SDC and V-SDC and transmits the fiscal data to the Vanuatu Sales Monitoring System; and
  - (c) receives, records, analyses and stores fiscal data transmitted by an E-SDC and V-SDC; and
  - (d) is secured and maintains the privacy and integrity of the secure elements, digital certificates, digital signatures and the fiscal data it receives, analyses, stores and transmits; and
  - (e) assist the auditing process, in particular for monitoring and supervising EFDs and fiscal data; and
  - (f) enables taxpayers and customers to access fiscal data stored on the Vanuatu Sales Monitoring System to verify the following in relation to either a single transaction or more than one transaction:
    - (i) that the Vanuatu Sales Monitoring System has received fiscal data transmitted to it; and
    - (ii) the accuracy of fiscal data stored on the Vanuatu Sales Monitoring System through a Quick Response code; and
- (3) The operations of the Vanuatu Sales Monitoring System must comply with the Guidelines set out in the Schedules.



**PART 3 ELECTRONIC FISCAL DEVICES,  
ACCREDITATION OF POS AND E-SDC, DIGITAL  
CERTIFICATE AND ENROLMENT**

**8 Electronic fiscal devices**

- (1) A taxpayer must operate an EFD for each business, in particular those businesses who have a business licence under the Business Licence Act [CAP 249].
- (2) An EFD must comply with the process below:
  - (a) the components of the EFD are one or more POS and one E-SDC and V-SDC and secure element; and
  - (b) the process of accreditation:
    - (i) of the POS under Schedule 1; and
    - (ii) of E-SDC and V-SD under Schedule 2; and
  - (c) the EFD must record electronic fiscal data from POS to E-SDC or V-SDC through the secure element; and
  - (d) from the secure element, the electronic fiscal data must be transmitted to Vanuatu Sales Monitoring System; and
  - (e) in receiving the fiscal data, the Vanuatu Sales Monitoring System verifies the fiscal data and transmits it back to the E-SDC and V-SDC; and
  - (f) the E-SDC and V-SDC formats a fiscal invoice for the transaction, records the digital signature on the fiscal invoice and transmits the fiscal invoice to the POS; and
  - (g) the POS produce a fiscal invoice for each transaction.
- (3) The operations of the EFD component must comply with the Guidelines set out in the Schedules.



**9 Accreditation of POS and E-SDC- applications by Businesses**

- (1) A business must apply to the Director for accreditation of a POS or E-SDC of a particular brand, model and specification if the brand, model and specification of POS or E-SDC is not yet accredited.
- (2) The Director, on receiving the application, must determine whether to accredit the brand, model and specification of the POS or E-SDC. In doing so, the Director must comply with the accreditation methodology set out in the Guideline in Schedule 4.
- (3) During the accreditation process, the business must provide the Director with additional information and equipment, if requested.
- (4) After completing the accreditation process, the Director:
  - (a) may accredits, or refuses to accredit, the brand, model and specification of the POS or E-SDC in accordance with the accreditation methodology set out in Schedule 4; and
  - (b) must, without delay give notice in writing to the business of the Director's decision to accredit or refuse to accredit.
- (5) The Director must, without delay after accrediting the POS or E-SDC, publish the details of the brand, model and specification of the POS or E-SDC, and the date it is accredited, on the Department's website.
- (6) The accreditation of the POS or E-SDC, in particular the details of brand, model and specifications of the POS or E-SDC and date of its accreditation must be published on the Department's website, otherwise it does not have effect.
- (7) A business may contact the Department to obtain an up-to-date list of accredited POS or E-SDC.
- (8) The operations of the accredited POS component must comply with the Guidelines set out in Schedule 1 and operations of the accredited E-SDC must comply with Guidelines in Schedule 2.



**10 Accreditation of POS and E-SDC- applications by a taxpayer**

- (1) A taxpayer must apply to the Director for accreditation of each POS and E-SDC of the EFD, if he or she wants to develop, install and implement an EFD for a business.
- (2) On receiving the application, the Director must determine whether to accredit each POS and E-SDC of the taxpayer. In doing so, the Director must comply with the process set out in the accreditation methodology in Schedule 4.
- (3) During the accreditation process, the taxpayer must provide the Director further information and equipment, if requested, that the Director reasonably requires for carrying out the process.
- (4) After completing the accreditation process, the Director:
  - (a) accredits, or refuses to accredit, each POS and E-SDC of the EFD in accordance with the accreditation methodology set out in Schedule 4; and
  - (b) must, without delay give notice in writing to the taxpayer of the Director's decision to accredit or refuse to accredit.
- (5) The Director must issue a notice under paragraph 4(b) to the taxpayer following the accreditation of POS or E-SDC, otherwise the accreditation is of no effect.

**11 Revocation of accreditation**

- (1) The Director must revoke the accreditation of a POS or E-SDC if the accreditation does not comply with the Guideline under Schedules 1 and 2.
- (2) If the Director revokes the accreditation of a POS or E-SDC that was accredited under clause 9, the Director must, without delay:
  - (a) remove the details of the POS or E-SDC from the Department's website; and
  - (b) give notice in writing of the revocation to the business and taxpayer.



- (3) If the Director revokes the accreditation of a POS or E-SDC that was accredited under clause 10, the Director must, without delay, give notice in writing of the revocation to the taxpayer operating the EFD.
- (4) A notice of revocation must specify the reasons for the decision to revoke.

## **12 Digital Certificates**

- (1) The Director must issue a digital certificate for an EFD to the taxpayer after accrediting the EFD.
- (2) The Digital certificate has the following functions:
  - (a) reproduces the taxpayer's digital signature for recording on each fiscal invoice issued by the taxpayer to a customer; and
  - (b) reproduces the protected password or PIN code of the taxpayer and securely delivers the password or PIN Code to the Vanuatu Sales Monitoring System to enable the EFD to link to the Vanuatu Sales Monitoring System and securely transmit the fiscal data to the Vanuatu Sales Monitoring System; and
  - (c) records the date on which the data is transmitted to the Vanuatu Sales Monitoring System.

## **13 Enrolment of Taxpayers**

- (1) A taxpayer who has been accredited and issued with a digital certificate and who intends to enrol to the Vanuatu Sales Monitoring System, must apply to the Director.
- (2) In reviewing the application, the Director may approve or refuse to approve the application.
- (3) The Director must inform the taxpayer in writing, on its decision to approve or refuse to approve the application.



## **PART 4      FUNCTIONS OF SUPPLIERS, TAXPAYER AND CUSTOMER AND FISCAL INVOICE**

### **14      Functions of suppliers**

- (1) A supplier may supply an accredited POS or E-SDC to a taxpayer or a business.
- (2) If a supplier or a taxpayer becomes aware of a defect in, or misuse of, an accredited POS or E-SDC, the supplier must report the defect and its cause, or the misuse, to the Director as soon as practicable.
- (3) A supplier, who has an agreement with a taxpayer to install and implement an EFD or component of an EFD in the taxpayer's business, may, for and on behalf of the taxpayer obtain the digital certificate of the EFD.
- (4) For purposes of subclause (2), defect includes failure to operate, incorrect labelling, damage or missing a part of the POS or E-SDC.

### **15      Functions of taxpayer**

- (1) A taxpayer is responsible for ensuring that:
  - (a) a fiscal invoice is issued to a customer for each transaction between the business and the customer, in all its business branches; and
  - (b) there is displayed, in each premises where the transactions of the business are conducted, on or beside each POS operated on the premises, a notice approved by the Director, in relation to fiscal invoices issued to customers.
- (2) The notice under paragraph(1)(b) must be displayed in the manner and position that ensures that its wording is clearly visible to the customers of the business.

### **16      Functions of customer**

- (1) A customer is responsible for checking each fiscal invoice issued to the customer and verifying the information recorded on the fiscal invoice.



- (2) A customer who has been issued a fiscal invoice may, scan the Quick Response Code recorded on the fiscal invoice issued by the EFD and can participate in a customer compliance awards programme.
- (3) A customer must report the following matters to the Director as soon as practicable:
  - (a) that the customer has not been issued a fiscal invoice for a transaction by the taxpayer or business;
  - (b) that fiscal data printed on a fiscal invoice issued to the customer is not an accurate record of the transaction it was issued for;
  - (c) that the customer is not able to verify, whether the Vanuatu Sales Monitoring System has received fiscal data recorded on a fiscal invoice issued to the customer.
- (4) If a customer enters a transaction and the taxpayer operating the business requests the customer to provide the customer's TIN, the customer must provide the TIN to the taxpayer so it may be entered into the taxpayer's POS as part of the transaction data for the transaction.

#### **17 Fiscal Invoices**

- (1) All businesses accredited to the POS or E-SDC must have a fiscal invoice for each transactions made.
- (2) The fiscal invoice must specify the following particulars:
  - (a) the type of receipt; and
  - (b) the type of transaction; and
  - (c) the method of payment; and
  - (d) the name or unique identification of the cashier and accredited POS identification; and
  - (e) the name or unit code of each good or service supplied; and
  - (f) the unit price and quantity of each good or service supplied; and



- (g) the total price of the goods or services supplied; and
  - (h) the taxes that are a part of the invoice and the tax rates applied; and
  - (i) the total amount payable by the customer; and
  - (j) if the customer is a taxpayer, the customer's TIN; and
  - (k) the name and TIN of the business, and the identification of the business premises where the transaction occurred; and
  - (l) the date and time the receipt is issued; and
  - (m) the sequential serial number of the receipt; and
  - (n) the serial number of the digital certificate of the business's EFD; and
  - (o) the digital signature of the EFD; and
  - (p) must be in English.
- (3) The type of receipt referred to in paragraph (2)(a) must be one of the following types:
- (a) a normal receipt, which is the receipt that is issued when a transaction occurs, and which affects tax liability; and
  - (b) a copy of a receipt, which is generated as a copy of a normal receipt when a transaction occurs and does not affect tax liability; and
  - (c) a training receipt that is used for training purposes only and does not affect tax liability; and
  - (d) pro-forma receipt, which has the characteristics of a normal receipt, but is not proof of a transaction and does not affect tax liability; and



- (e) an advanced receipt, issued when customer pays, either partially or completely, for the service or product before it is provided or delivered.
- (4) The type of transaction referred to in paragraph (2)(b) must be one of the following types:
  - (a) a supply of goods and services; and
  - (b) a refund of a payment or part of a payment made for a previous supply of goods or services.
- (5) The method of payment referred to in paragraph (2)(c) includes, and is not limited to, payment by cash, credit or debit card, cheque, voucher, promissory note, direct debit transfer and wire transfer.
- (6) A training or pro-forma receipt referred to in paragraph (3)(c) or (d) must be clearly distinguishable from a normal receipt by recording on the receipt the following text:
  - (a) Training or Pro-Forma, as the case requires, below the receipt header and above the item description section; and
  - (b) This is not a Fiscal Invoice below the total amount payable.
- (7) The text referred to in subclause (6) must be:
  - (a) recorded on the receipt in such a manner so that it may not be altered or erased; and
  - (b) in a font size that is at least twice the size of the text on the receipt that specifies the total amount payable.



## **PART 5 OFFENCES AND PENALTIES**

### **18 Offences and Penalties**

- (1) The taxpayer under clause 10 commits an offence if:
- (a) the taxpayer who offers for sale or supplies or resell or distribute any POS system or E-SDC device that is not accredited by the Director is liable upon conviction to a fine of VT1,000,000 or to imprisonment for a term not exceeding 12 months, or to both;
  - (b) the taxpayer or an employee who, upon becoming aware of any defect in or misuse of an accredited POS or E-SDC supplied by that taxpayer, fails to report the defect or misuse to the Director is liable upon conviction to a fine of VT1,000,000;
  - (c) a company under subclause 9 (1) or (2), each director of the company is liable upon conviction to a fine of VT1,000,000 and imprisonment not exceeding 12 months;
  - (d) the taxpayer fails to register the business for the use of an EFD with the Director in the prescribed manner and within the required timeframe, is liable to a fine of VT1,000,000 and imprisonment of not exceeding 12 months;
  - (e) the taxpayer who operates a business without installing and using:
    - (i) an accredited EFD for that business; and
    - (ii) any POS or E-SDC that has not been accredited by the Director,is liable to a fine of VT1,000,000 and imprisonment not exceeding 12 months;
  - (f) the taxpayer who operates an EFD in a manner that does not comply with the technical Guidelines prescribed under these Regulations, is liable to a fine of VT1,000,000 and imprisonment not exceeding 12 months;
  - (g) the taxpayer fails to issue a fiscal invoice to the customer for each transaction conducted by the business, is liable to a fine of VT1,000,000;



- (h) the taxpayer issues a fiscal invoice that does not contain all the information required by this Regulation or otherwise does not meet the standards for fiscal invoices set out in clause 17, is liable to a fine of VT1,000,000 or imprisonment not exceeding 12 months;
- (i) in the case of a business to business or business to government transaction, a person who fails to request the customer's Tax Identification Number or fails to record a provided Tax Identification Number in the POS, is liable to a fine of VT1,000,000 or imprisonment not exceeding 12 months;
- (j) a taxpayer fails to provide the Director with any information required under these Regulations about the taxpayer's business or EFD, including the following information:
  - (i) the name and address of the taxpayer; and
  - (ii) the addresses of all business premises; and
  - (iii) the names of all business premises; and
  - (iv) the make and model of each EFD component used; and
  - (v) the justification for each refund issued; and
  - (vi) any changes made to details from paragraphs (a) to (d),is liable to a fine of VT1,000,000 or imprisonment not exceeding 12 months;
- (k) a taxpayer, fails to notify the Director in the event that they are unable to verify the accuracy of data transmitted, is liable to a fine of VT1,000,000;
- (l) a taxpayer fails to issue a fiscal invoice to a customer at the POS, the customer is entitled to a refund. If the taxpayer fails to refund the customer, the person is liable to a fine of VT1,000,000;
- (m) a taxpayer refuses or fails to comply with any requirement, procedure or request of the Department or the Director during an audit or inspection of the taxpayer's EFD or fiscal data is liable



upon conviction to a fine of VT1,000,000 or to imprisonment for a term not exceeding 12 months, or to both.

- (2) For the purposes of clause 11, if the taxpayer is a company and commits an offence, each director of that company is liable upon conviction to a fine of VT1,000,000 or imprisonment not exceeding 12 months.
- (3) A cashier or employee or owner of a business commits an offence for fraudulent or dishonest manner with the intention of concealing sales or evading tax, including:
  - (a) entering false data into a POS; or
  - (b) tampering with, altering, or falsifying any data transmitted to or from, or recorded or stored by, the EFD or any of its components; or
  - (c) causing the EFD or any of its components to malfunction or cease to operate; or
  - (d) causing the EFD or any of its components to transmit incorrect or false fiscal data; or
  - (e) any other conduct for the purpose of avoiding or reducing tax liability,

is liable upon conviction to a fine of VT1,000,000 or to imprisonment for a term not exceeding 12 months, or to both.

- (4) A taxpayer who fails to comply with the grace period of 6 months under clause 22, is liable upon conviction to a fine of VT1,000,000 or imprisonment to a term not exceeding 12 months.



## **PART 6 MISCELLANEOUS**

### **19 Audits and investigations**

The Director must conduct audits and investigations at different levels to ensure that taxpayers must:

- (a) check if the taxpayer is issuing valid fiscal invoices; and
- (b) check if the POS and E-SDC for the taxpayer's business are accredited; and
- (c) check if the EFD complies with the Guidelines set out in the Schedules; and
- (d) check the operation of the protocols; and
- (e) requiring taxpayers to provide relevant information and documents as necessary.

### **20 Temporary closure of business**

- (1) A taxpayer or supplier who fails to comply with subclauses 18(1) and (3), the Director or taxation officer, authorized by the Director, in writing must first notify the taxpayer or supplier in writing of the intention to close part or the whole of the taxpayer's business.
- (2) If taxpayer or supplier fails to comply with the notice under subclause (1), the Director or taxation officer must issue an order from the Court, ordering the business or part of the business to close down within a period not exceeding 14 working days.
- (3) Subject to subclause (2), if the taxpayer or supplier comply with the notice under subclause (1), within 7 working days, the Director must revoke the notice.
- (4) The Director or taxation officer may, at any time, enter any premises described in the order issued under subclause (2), for the purposes of executing the order and may require a police officer to be present while the order is being executed.
- (5) The Director or taxation officer must affix, in a conspicuous place on the front of the premises of the business or part of the business which has been



closed under an order issued under subclause (2), a notice stating that the business is closed temporarily for not complying with the Court Order of the Director of Inland Revenue.

- (5) A person who enters any premises that is subject to a Court Order issued under subclause (2) without the permission of the Director or contravenes the order commits an offence punishable by up to 1 year imprisonment.

## **21 Probationary Monitoring Period for businesses**

- (1) The Director is to probationary monitor a business that is registered under the Business Licence Act [CAP 249] but is yet to be registered as a Taxpayer.
- (2) The business under subclause (1) has the turnover that is yet to reach the required threshold to register as taxpayer.
- (3) The Director may require a selected category of business as specify under the Business Licence Act [CAP 249] to register under the Vanuatu Sales Monitoring System.
- (4) The Director must issue a notice in writing, setting out the decision and the probationary monitoring period.
- (5) The probationary monitoring period must commence after the grace period under clause 22 has lapsed.

## **22 Transition**

- (1) The existing taxpayer must comply with the Regulations within 6 months grace period, from the date of the commencement of this Regulations.
- (2) The Director, upon his or her discretion, is to extend grace period under subclause (1) on a case-by-case basis after the 6 months grace period has lapsed.

## **23 Commencement**

This Regulation commences on the day on which it is made.



Made at Port Vila this 18<sup>th</sup> day of August, 2025.

  
Honourable JOHNNY KOANAPO RASOU  
Deputy Prime Minister and Minister of Finance and Economic Management





## **SCHEDULE 1 - ACCREDITED POS**

### **1 General Requirements**

- (1) A POS may consist of hardware or software based electronic solution designed to issue fiscal invoices.
- (2) POS model must be formally accredited by the Director before operational use.

### **2 Mandatory Functionalities**

- (1) Capability to process transaction data and submit it securely to the E-SDC.
- (2) Provision for generating standardized fiscal invoices inclusive of mandatory invoice elements.
- (3) Support for automatic retrieval and update of configuration parameters defined by the Vanuatu Sales Monitoring system.
- (4) Secure and reliable connectivity with an E-SDC or V-SDC, as defined by the Department.
- (5) Capability to issue, display, and distribute fiscal invoices including digital signature and QR code or verifiable URL for verification.

### **3 Technical Compliance**

- (1) Compliant with Technical Guideline published by the Department
- (2) Compliant with POS-to-E-SDC communication protocols published by the Department.



## **SCHEDULE 2 - ACCREDITED E-SDC AND V-SDC**

### **1 General Requirements**

- (1) Electronic Sales Data Controllers (E-SDCs) must be independently developed hardware or software component capable of focalizing sales data transmitted from accredited POS solutions.
- (2) The Director must accredit the E-SDC model before operational use.

### **2 Core Functionalities**

- (1) The receipt, validation, storage, and secure transmission of invoice data to the Vanuatu Sales Monitoring system.
- (2) Application of tax rates and calculation of fiscal data based on transaction details provided by POS.
- (3) Secure digital signing of fiscal invoices using a Secure Element.
- (4) Capability to store data locally and securely and facilitate batch submission to the Department in offline scenarios.

### **3 Security and Technical Standards**

- (1) Compliant with Technical Guideline published by the Department.
- (2) Compliance with all published specifications for the secure exchange of data between POS, Secure Element, and the Vanuatu Sales Monitoring System.
- (3) Encryption of stored data and adherence to specified security protocols to ensure confidentiality, integrity, and authenticity of fiscal data.
- (4) Built-in mechanisms to detect, log, and report security anomalies or errors.



## **SCHEDULE 3 - SECURE ELEMENT**

### **1 Definition and Usage**

- (1) A Secure Element is a cryptographic hardware or software module issued exclusively by the Department to authorized taxpayers for digital signing and validation of fiscal invoices.
- (2) Each taxpayer must use a Secure Element for creating and maintaining fiscal authenticity of invoices.

### **2 Functional Characteristics**

- (1) Generation of secure digital signatures for invoices ensuring invoice authenticity and taxpayer verification.
- (2) Secure storage of fiscal transaction counters and fiscal data, accessible only to the Department.
- (3) Automated suspension and reactivation capabilities governed by Department-controlled criteria.

### **3 Media and Form Factors**

May be issued as a smart card, USB token, software file with digital certificates, or comparable secure medium meeting published international standards

### **4 Security Protocols**

- (1) Mandatory adherence to established Public Key Infrastructure standards.
- (2) Mechanisms for secure initialization, management, revocation, and periodic audit by authorized officials of the Department.



## **SCHEDULE 4 - ACCREDITATION METHODOLOGY**

### **1 General Accreditation Process**

- (1) Any POS or E-SDC product must undergo a formal accreditation procedure administered by the Department.
- (2) Procedures for accreditation will be transparently published and accessible via the official portal.

### **2 Accreditation Procedure**

- (1) Accessing and registering to test environment provided by the Department
- (2) Submission of technical documentation, system specifications of the product that is subject of accreditation
- (3) Execution of standardized functional, security, interoperability, and performance tests as specified by the Department.

### **3 Compliance Assessment**

- (1) Evaluation of compliance through predefined test cases using an automated test environment provided by the Department.
- (2) Certification of successful completion of testing to be documented and officially communicated.

### **4 Publication and Registration**

- (1) Public disclosure of accredited POS and E-SDC solutions through the Department's online registry.
- (2) Periodic reviews and audits of accredited solutions, with procedures for revocation clearly documented and enforceable.

### **5 Continuous Monitoring and Revocation**

- (1) Authority reserved by the Department to periodically reassess accredited solutions for continued compliance.
- (2) Transparent procedures established for reporting non-compliance, revoking accreditation, and notifying stakeholders in the event of revocation.