

NAURU SMALL BUSINESS ENTERPRISES

Table of Contents

	<i>Page</i>
<i>Principal</i>	
Nauru Small Business Enterprises Act 2025	
Table of Provisions	830,201
Table of Amendments	830,401
Nauru Small Business Enterprises Act 2025	830,601

[The next page is 830,201]

Nauru Small Business Enterprises Act 2025

TABLE OF PROVISIONS

<i>Section</i>	<i>Title</i>
PART 1 — PRELIMINARY	
1	Short title
2	Commencement
3	Objectives of this Act
4	Interpretation
PART 2 — NATIONAL COORDINATING COMMITTEE FOR SMALL BUSINESS ENTERPRISES	
5	Establishment of the National Coordinating Committee for Small Business Enterprises
6	Functions of the Committee
7	Powers of the Committee
PART 3 — SMALL BUSINESS ENTERPRISES FUND	
8	Establishment and purpose
9	Withdrawal from the Fund
10	Eligibility for receiving assistance from the Fund
11	Requirement to account for funds
12	Secretary access records of expenditure
PART 4 — MISCELLANEOUS	
13	Offence provision
14	Regulations
SCHEDULE — SMALL BUSINESS ENTERPRISES	

[The next page is 830,401]

Nauru Small Business Enterprises Act 2025

TABLE OF AMENDMENTS

The Nauru Small Business Enterprises Act 2025 No 11 was certified and commenced on 9 April 2025.

Amending Legislation	Certified	Date of Commencement
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[The next page is 830,601]

An Act to establish the Small Business Enterprises framework and for other related purposes.

Enacted by the Parliament of Nauru as follows:

PART 1 — PRELIMINARY

1 Short title

This Act may be cited as the *Nauru Small Business Enterprises Act 2025*.

2 Commencement

This Act commences on the date it is certified by the Speaker.

3 Objectives of this Act

The objectives of this Act are to:

- (a) establish a Small Business Enterprise Framework;
- (b) establish the National Coordinating Committee for Small Business Enterprises;
- (c) establish the Small Business Enterprises Fund;
- (d) encourage Nauruans to engage in Small Business Enterprise for development of business skills and for alternative or supplementary source of income; and
- (e) create business activities to provide employment to Nauruans in Small Business Enterprises.

4 Interpretation

In this Act:

'Committee' means the National Coordinating Committee for Small Business Enterprises established under Part 2;

'Department' means the Department responsible for Commerce and Foreign Investment;

'Minister', means the Minister responsible for this Act;

'Secretary' means the Secretary for the Department responsible for this Act; and

'small business enterprise' means a separate and distinct business entity, including associations and non-governmental organisations, managed by one owner or more of a small business enterprise under the Schedule.

[The next page is 830,801]

**PART 2 — NATIONAL COORDINATING COMMITTEE FOR SMALL
BUSINESS ENTERPRISES**

5 Establishment of the National Coordinating Committee for Small Business Enterprises

- (1) There shall be a National Coordinating Committee for Small Business Enterprises.
- (2) The Committee shall comprise of:
 - (a) the Secretary who shall be the Chairperson;
 - (b) a representative of the Chamber of Commerce appointed by the Minister in consultation with the Chamber of Commerce;
 - (c) a representative from the land owners, appointed by the Minister with the approval of the Cabinet; and
 - (d) a Nauruan small business enterprises owner, appointed by the Minister with the approval of the Cabinet.
- (3) The Secretary shall appoint an employee of the Department to be the secretary of the Committee.

6 Functions of the Committee

- (1) The Committee shall:
 - (a) initiate and articulate policies for small business enterprises which meets the requirements of the objectives of this Act;
 - (b) serve as a vanguard agency and focal point for poverty alleviation and eradication, technology acquisition and adaptation, job creation and sustainable livelihood;
 - (c) promote and facilitate development programmes, instruments and support services to accelerate development, modernisation, networking and linkage of small business enterprises;
 - (d) mobilise internal and external resources, including technical assistance for small scale industries, their support institutions, and non-governmental organisation;
 - (e) oversee, co-ordinate and monitor development in small business enterprises;
 - (f) provide industrial extension services to small business enterprises, fabricators of machinery and beneficiaries of micro-credit loans;
 - (g) design, package and promote small scale commercial projects;
 - (h) establish liaison between Nauru Chamber of Commerce, local business community and proprietors of small business enterprises;
 - (i) link small business enterprises to sources of finance, technology, technical skill development and management;
 - (j) provide necessary assistance to small business enterprises in the marketing of their products;
 - (k) promote sub-contracting, clustering and networking relationship;
 - (l) encourage and promote strategic technical and business arrangements within small scale commercial enterprises;
 - (m) establish and co-ordinate the institutional development and activities of businesses in the Republic;

- (n) collaborate with the agricultural research and mechanisation centres and agro-industrial schemes in the Republic or the Pacific region;
- (o) liaise with external agencies for support and development of small business enterprises in the Republic;
- (p) list commercial activities or products that small business enterprises have substantial internal capacities to conduct, produce or provide as services;
- (q) recommend to the Government, in consultation with other relevant agencies and organisations, on applicable tariff regimes and other financial incentives for promoting the development of small business enterprises;
- (r) monitor the implementation of and compliance with Government directives, incentives and facilities for development in small business enterprises in order to promote government policies in or outside the Republic;
- (s) carry out such other activities connected with or incidental to the other functions of the Committee in order to promote Government policies in or outside the Republic;
- (t) provide and facilitate technical and managerial training to small business enterprises;
- (u) establish the eligibility criteria for accessing the Small Business Enterprises Fund; and
- (v) any other prescribed function.

7 Powers of the Committee

The Committee has the power to do all things necessary or convenient to be done for the performance of its functions under this Act or any other written law.

[The next page is 831,001]

PART 3 — SMALL BUSINESS ENTERPRISES FUND

8 Establishment and purpose

- (1) The Small Business Enterprises Fund is established for the purpose of facilitating the funding of small businesses by enabling:
 - (a) the payment of amounts under subsection (2) into the Fund; and
 - (b) the withdrawal of amounts under subsection (2) from the Fund.
- (2) The Fund consists of the following:
 - (a) any amount appropriated for the Fund from the Treasury Fund;
 - (b) any amount received by the Republic by way of donor grant or aid; and
 - (c) any other Funds paid into the account for meeting the objectives of this Act.

9 Withdrawal from the Fund

A withdrawal from the Fund may only be made where the requirements determined by the Committee are met.

10 Eligibility for receiving assistance from the Fund

- (1) A small business enterprise may be eligible to receive assistance from the Fund where such enterprise meets the following requirements:
 - (a) it is a corporation with 70% held or controlled by a Nauruan;
 - (b) it is a partnership where at least 70% of the partners are Nauruan;
 - (c) it is a sole trading business of a Nauruan;
 - (d) the nature of the proposed or existing small business enterprise which qualifies for funding under the Schedule;
 - (e) the gross projected income or the existing income of a small business enterprise shall not exceed \$75,000 per annum;
 - (f) shall provide a business plan clearly demonstrating the principal objectives, outcomes and sustainability of the business; and
 - (g) any such other requirements which the Committee or the Cabinet approves.
- (2) The procedure for making and consideration of applications for small business enterprise assistance shall be as prescribed.
- (3) The Committee may decline to provide any remaining or additional funds to a person who has been selected to receive assistance as a small business enterprise, where he or she fails to comply with the requirements of Section 11.

11 Requirement to account for funds

A person who is granted assistance by provision of funds to commence or carry on a small business enterprise shall:

- (a) expend the funds consistent with the purpose for which it was sought;
- (b) allow an authorised person to have access to the records of the expenditure if required by the Committee;
- (c) provide a 6-monthly report on the:
 - (i) utilisation of the funds; and
 - (ii) progress of the small business enterprise; and

- (d) seek from the Department financial or business advice if he or she so requires in the conduct of the business to ensure the business succeeds.

12 Secretary access records of expenditure

- (1) The Secretary or a person authorised by the Secretary may request access to the records of a small business enterprise.
- (2) The proprietor of a small business enterprise shall grant access where it is requested under subsection (1).
- (3) A proprietor who contravenes subsection (2) may be subject to a decision of the Committee declining further assistance under Section 10(3).

[The next page is 831,201]

PART 4 — MISCELLANEOUS

13 Offence provision

- (1) A person shall not in making an application under this Act provide false or misleading information.
- (2) A person who contravenes subsection (1) commits an offence and upon conviction is liable:
 - (a) in the case of an individual to a fine not exceeding \$1,000 or to a term of imprisonment not exceeding 6 months or both; or
 - (b) in the case of a body corporate, to a fine not exceeding \$5,000.
- (3) Where an offence has been committed by a body corporate, a person who at the time of the commission of the offence was a director, manager, secretary, officer or partner of a body corporate or was purporting to act in such capacity, commits an offence and is liable under subsection (2)(a) where the following is deemed to have occurred:
 - (a) the act or omission constituting the offence took place with the actual knowledge or reckless disregard of the director, manager, secretary, officer or partner; and
 - (b) the director, manager, secretary, officer or partner, by act or omission, gave his or her authority, permission or consent to the act or omission constituting the offence.

14 Regulations

- (1) The Cabinet may make regulations prescribing all matters necessary or convenient to be prescribed to give effect to this Act.
- (2) Without limiting subsection (1), the Cabinet may make regulations to:
 - (a) amend the Schedule; and
 - (b) provide for the procedure for making and consideration of applications.

[The next page is 831,401]

SCHEDULE

[Section 4]

SMALL BUSINESS ENTERPRISES

Item	Small Business Enterprise
1	Manufacturing or processing consumable products
2	Professional services tradesman including mechanical, electrical, civil, architectural, plumbing services, appliance repair, motorcycle and bicycle repair and maintenance,
3	Professional services including health, legal, accounting and private tutorial services
4	Wholesale and Retailing for all goods and services including franchise arrangements
5	General Services including motor vehicle rentals, motor vehicle cleaning and detailing, boat cleaning, securities, cleaning, cosmetics and hair and beauty salons, massage therapist,
6	Information technology including electronic repair, audio or video production, hire, or sale
7	Agriculture including piggery, poultry, hydroponic farming
8	Aquaculture
9	Tailoring and sewing services including laundry and dry cleaning
10	Day care services for children
11	Arts, entertainment and recreation including jewellery making and repair, event including wedding and birthday planning, café, bakeries or pastry shops, retail of traditional or cultural handicrafts and artefacts (including commercial reproductions)
12	Provision of accommodation such as Air BnB with or without breakfast, food and drink or catering services
13	Sports services including private coaching and personal trainer with own equipment
14	Travel agency and visa services

[The next page is 850,001]