



REPUBLIC OF VANUATU

**LAND LEASES (AMENDMENT)
ACT NO. 2 OF 2017**

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REPUBLIC OF VANUATU

Assent: 08/06/2017
Commencement: 30/06/2017

LAND LEASES (AMENDMENT) ACT NO. 2 OF 2017

An Act to amend the Land Lease Act [CAP 163].

Be it enacted by the President and Parliament as follows-

1 Amendment

The Land Leases Act [CAP 163] is amended as set out in the Schedule.

2 Commencement

This Act commences on the day on which it is published in the Gazette.

SCHEDULE

AMENDMENTS OF THE LAND LEASES ACT [CAP 163]

1 After section 7

Insert

“7A Power of Director to cancel lease relating to land acquired

- (1) Subject to subsection (2), the Director may cancel a lease from the register relating to a land which has been acquired for the purposes of the Land Acquisition Act [CAP 215].
- (2) The Director may only cancel a lease under subsection (1), on or after the date of commencement of an order made by the Minister under section 16 of the Land Acquisition Act [CAP 215].”

2 After subsection 12(2)

Insert

- “(3) A proprietor of a registered lease must not subdivide land comprised under that lease into more than 10 parcels unless it is done in accordance with the requirements under the Land Reform Act [CAP 123].”

3 After section 32D

Insert

“32E Effect of removal of a company from the register of companies

- (1) This section applies to a company that is a registered lessee and that has been removed from the register by the Registrar of companies under the Companies Act No. 25 of 2012.
- (2) The Director may cancel any lease that has been registered to a company that has been removed from the register of companies, 12 months after the date of the notice signed by the Registrar of companies under section 139 of the Companies Act No. 25 of 2012.
- (2A) Subsection (2) does not apply where a lease registered to a company under subsection (2) has an existing mortgage registered as an encumbrance over that lease at the time the company was removed from the register of companies.
- (3) If a company that has been removed from the register of companies is restored under section 150 of the Companies Act No. 25 of 2012, any

registered lease that has been cancelled by the Director under subsection (2) cannot be claimed by that company.”

4 Subsection 43(3)

Repeal the subsection, substitute

“(3) Subject to subsection (4), the right of forfeiture may not be exercised if:

- (a) the lessor has shown an intention to treat the lease as subsisting; and
- (b) the lessor is or should by reasonable diligence have become aware of the commission of the breach of the agreement or condition which entitled the lessor to forfeit the lease.

(4) The lessor’s right to forfeiture is not waived if the lessor accepts the rent associated with that lease.”

5 Subsections 48A(2)

Repeal the subsection, substitute

“(2) Subject to subsection (2A), if a proprietor of a registered lease sells that lease, the proprietor must pay to the lessor 10% of the difference in amount between:

- (a) the unimproved market value of the land at the time it was purchased or the purchase price at the time it was purchased, whichever is lower; and
- (b) the unimproved market value of the land at the time of the present sale or the sale price at the time of present sale, whichever is higher.

(2A) Subsection (2) does not apply where the lessor and lessee have entered into other arrangements.”

6 Subsection 48A(3)

After “unimproved market value of the land at the time of the sale” insert “or the sale price of the land at the time of sale, whichever is higher,”

7 Subsection 48B(2)

Repeal the subsection, substitute

- “(2) If a proprietor of an urban lease transfers that lease, the proprietor must pay to the lessor 5% of the difference in amount between:
- (a) the unimproved market value of the land at the time it was purchased or the purchase price at the time it was purchased, whichever is lower; and
 - (b) the unimproved market value of the land at the time of the present sale or the sale price at the time of present sale, whichever is higher.
- (3) Subject to subsection (4), subsection (2) does not apply where the lessor and lessee have entered into other arrangements.
- (4) The Minister must obtain the prior approval of the Council of Ministers before entering into any other arrangements under subsection (3).”

8 After subsection 99(3)

Insert

- “(4) In addition to subsection (3), where part of a registered lease has been acquired for the purpose of the Land Acquisition Act [CAP 215], the Director is to rectify that lease and its corresponding survey plan to give effect to that acquisition.
- (5) The Director must only rectify a lease under subsection (4), on or after the date of commencement of the order made by the Minister under section 16 of the Land Acquisition Act [CAP 215].”