

INVESTMENT PROMOTION AUTHORITY



ANNUAL REPORT

2015



INVESTMENT PROMOTION AUTHORITY
Papua New Guinea

www.ipa.gov.pg

**Your
business,
Your
investment,
Our
advice.**



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**Investment Promotion Authority
ANNUAL REPORT 2015**

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MINISTER'S FOREWORD



I am pleased to write the foreword for the 2015 Annual Report for the Investment Promotion Authority (IPA). The IPA is a Commercial Statutory Authority under the Ministry of Trade, Commerce and Industry. I want to deal only on key matters which I pursued with the IPA in 2015 and allow the rest of the report to deal with specific issues later.

I have been a staunch leader of the SME agenda. I believe that the growth of SMEs will drive the development of this country. We introduced the 12 point stimulus package for the SME sector in November 2012, under which two key components were the review of the Companies Act and the Business Names Act, and the development and deployment of an online lodgment registry system. The two laws have been fully reviewed, updated and the amended legislations including the regulations were completed by the end of 2015. This now makes it possible for a new set of fees to be rolled out in the New Year. The online lodgment project was launched in November 2014 and has seen a full year of implementation in 2015, where most of the outstanding technical and ICT issues were identified and resolved. The registry is now returning responses to lodgments as the clients wait. These two important developments will now complement the SME Policy and Master Plan, which we are gearing up to launch in early 2016.

When I first took office in 2012, I was concerned about the challenges facing the securities industry, and the robustness and flexibility of the regulatory regime to respond to the demands of the industry, and more importantly the regional and global trends. What I found was a piece of legislation which was obsolete and did not meet the current and emerging challenges and expectations of the market. I led a mission to New Zealand and focused specifically on the regulatory landscape, and how each stakeholder played his role in the de-

velopment of the securities market in that country. I took a decision to review the Securities Act 1997 and recommend legislative changes for the Government to consider and adopt with the objective of strengthening the regulatory environment and grow the securities market. In October 2015, Parliament enacted the Securities Commission Act 2015, Capital Market Act 2015, and the Central Depository Act 2015, capping off three years of hard work. These laws now provide the legal framework to completely revamp and modernize the securities markets and deal with critical regulatory issues that have not been addressed for almost twenty years since the Securities Act 1997 was first enacted in 1997. The associated regulation and the organizational structure will be ready by the end of 2016.

There are other complimentary legislative works in the personal properties, which were pursued through the Ministry of Treasury, in collaboration with the Asian Development Bank in 2014 and 2015. The focus of that legislation is to ensure that personal property can be registered and mortgaged for business loans. The bulk of the legislative work was completed and the registry was designed and developed externally but deployed within the IPA in 2015. The PPSA registry provides a further platform for SMEs to access finances for their business growth.

I would like to thank the Board, Management and Staff of the Investment Promotion Authority for another successful year in 2015. I look forward to continuing the good work in 2016 and beyond.

**HONORABLE RICHARD N. MARU, OBE, BTECH
(PNGUOT), MBA (Bath), MP
Minister for Trade, Commerce and Industry**

CHAIRMAN'S MESSAGE



I am delighted to write a short message for the 2015 IPA Annual Report. But first and foremost, I would like to thank the other Directors of the Board and the Management for working hard to achieve some critical outcomes for the year. I had a short recess in between directorship appointments but my fellow Directors and the Management worked very hard to ensure that the work program for the year was implemented.

Since 2014 the Board and the Management have worked very hard to develop the IPA Strategic Plan 2015-2017. This is an important planning document whose main objective is to focus the IPA to its core businesses, and to map out the important performance indicators for the next three years. The plan was formulated to respond strongly to very important operating conditions affecting the IPA's work, but also businesses in general domestically and globally. The IPA Strategic Plan 2015-2017 was launched in June 2015.

The Online registration project was an important one for the IPA for the last three years. It was deployed on 25 November 2014. This year is the full year of operation for the system. The Board has been very interested in ensuring that the system functioned efficiently and that the customers are satisfied with the turnaround times. The system generated untold levels of challenges and the management, together with the contractor, spent the better part of 2015 addressing these challenges, particularly at the technical level. However on 01 October 2015 new and upgraded operating software was deployed, which remarkably addressed a lot of the technical issues.

At the same time the Companies and Business Names Acts were gazette and important variations were installed into the system which allowed it to start delivering on the original expectations, as demonstrated by the marked improvement in turnaround times. This is a major achievement for the Board and Management in 2015, and sets the platform for improved overall registry operations for 2016 and beyond. The Board is excited about future prospects for further enhancement of the registry system, which will likely bring the IPA to a

truly world class registry system.

At the legislative front, three new pieces of legislation under the Securities Commission were enacted by Parliament. This together with the Companies Act 2014 and the Business Names 2014 brings to total five (5) new pieces of legislations which were reviewed and processed by the IPA for Parliament just in the last two years. This effort is highly commendable because processing and enacting large and complex legislation is not an easy task. The Board and the Management of the IPA have both demonstrated competency and expertise in ensuring that these tasks are processed to their final conclusions.

The Board of the IPA continues to advocate for transparency and good governance. As part of that effort, the Board established the Board Audit Committee, Chaired by Mr. David Conn, representing the Port Moresby Chamber of Commerce and Industry. Its mandate is to work with the management in ensuring that any risk factors pertaining to accountability and governance is clearly addressed, and that annual audit report recommendations are implemented. This will ensure that the Board and Management continue to uphold the principals of good governance, transparency and accountability.

The Board would like to thank the Minister for Trade, Commerce and Industry, Honorable Richard Maru, OBE for his continuous and undivided support to the Authority in 2015. We would also like to commend the Management for working hard to implement the programs under very difficult budgetary circumstances. I would like to also thank and commend my fellow Directors for their support and hard work with the Management in directing the implementation of the activities in 2015. I look forward for another productive year in 2016.

LEON BUSKENS
Chairman of the IPA Board

MANAGING DIRECTOR'S REPORT



On behalf of the Management Team I am delighted to write this report. I wish to state upfront my appreciations to the Minister for Trade, Commerce and Industry, and the Board of the Investment Promotion Authority for their support to the Management and Staff in 2015.

This year was a special year with the Pacific Games and the 40th Anniversary of our country's Independence. These highly successful events had the effect of bringing our country together. It also energized our staff and families and for the management team, it was an important opportunity to reset our thinking on why working for the Investment Promotion Authority is important. However, these national and international commitments also meant that resources usage must be prioritized at all levels of government. Like all government agencies, our budget appropriation was reviewed and reduced. Under the circumstance, we gave first priority to the statutory and legislative obligations. We ensured that the registry and certification services remained active and available.

The year 2015 is also the first full year of the operations of the online lodgment registry. There were important residual technical as well as legislative issues which needed to be sorted out before the registry was fully functional as intended. Most of these issues were sorted out by the end of October and the registry ended the year with much better performance than when the year started. We are aiming to reach and maintain instant turn around on a number of simple lodgments. We have given ourselves the priority to stabilize our processing system, consolidate all our revenue options, and then investigate a number of exciting product enhancements with our computer contractor, which will move registry services into a truly world class operation.

This year has also been a good year from the overall work point of view. Promotions have been rather hectic with visits and enquiries facilitated. Under our legislative review program we cleared three new pieces of legislation and got Parliament to enact on these laws.

These are the Securities Commission Act 2015, Central Depository Act 2015 and the Capital Markets Act 2015. We also cleaned out a lot of technical issues with the Companies Act and Business Names Act which allowed the National Executive Council to pass the Regulations.

The Board also approved the IPA Strategic Plan 2015-2017, which is our blue print for 2015 through to 2017. This marked the end of one year of hard work in reviewing, consultation and drafting of the new Strategic Plan which takes careful account of the operating environment for the business.

The Registrar of Companies was also appointed the Registrar of Personal Properties Securities Act. We now need to stabilize and consolidate the work on the new Personal Properties Securities Act and the Registry, which will be deployed in early 2016. It represents a further growth in our services, and a further recognition by an influential international partner that the IPA is able to house and deliver services under that legislation. The completion of work under PPSA now ensures that we pick up again on all the charges which we stopped handling at the time the PPSA was enacted.

At the intellectual property front, we deployed major upgrades on our intellectual property processing system, with major support from the World Intellectual Property Organisation. We also completed the Trade Marks renewal program in 2015, this year being the 10th Anniversary of all registered trademarks in Papua New Guinea.

The IPA continues to place its human resources at the fore front of our considerations. Our human resources development program continues to strengthen our capacities at various levels. A significant achievement for our training program is reflected in the fact that three of our five directors graduated in 2015 with postgraduate degrees at Master level, ensuring that our senior management team in its entirety is not only experienced but highly qualified academically.

We also achieved a milestone when our auditors turned around our Audit for 2014 in May 2015, ensuring that the IPA remains among a select group of government as well as semi government organizations to have up to date audits. It was our fourth unqualified audit.

I would like to thank my staff and management team for their support and loyalty over the last twelve months in making our work very successful. I also express gratitude to the Government for its support and for allowing me to write this, my 14th Annual Report, for the Investment Promotion Authority. I have thoroughly enjoyed this remarkable journey.

IVAN POMALEU, OBE
Managing Director

CORPORATE GOVERNANCE ISSUE

The IPA is overseen by a Board which comprises representatives from peak bodies and ex-officios from the key government departments of Treasury and Trade, Commerce and Industry. The composition of the Board is prescribed under the Investment Promotion Act 1992 which ensures a 70% private sector and 30% government representation. Each of the Board Members brings with them a wealth of experience and broad understanding of the business environment in the national and global economy.

The IPA Board

(a) *The Role and Responsibility of the Board*

The core responsibility of the Board is to provide policy and strategic guidance and oversight to the management in the running of the Authority.

(b) *Meetings of the Board*

The IPA Board meets every quarter to deliberate on the important issues concerning the Authority. As required under Section 15 of the IP Act 1992, a quorum of five (5) members is required for a Board Meeting to be conducted. All meetings convened in 2015 have been minuted, signed and sealed and are kept on record for future references.

(c) *Disclosure of Interest*

Under Section 16 of the IP Act 1992, all Board Members are required to disclose any direct or indirect interest in a matter being considered prior to deliberation and the disclosure is recorded in the Minutes of the Board. A complete interest register for all the Board Members is also updated, and the list as of 31 December 2015 is appended to this Annual Report.

EXECUTIVE SERVICES UNIT (ESU)

The ESU fosters and maintains executive leadership on the operations and management of the Authority. The ESU coordinates the implementation of the Strategic Plan, the Annual Operating Plan, the Budget and policy directives emanating from the Board, and from the Minister's Office, in consultation with the Board. The team consists of the Managing Director, Executive Officer, Economic Policy Officer, Executive Secretary and the Executive Driver.

IPA Strategic Plan 2015 – 2017

The IPA Strategic Plan 2015-2017 (the Strategic Plan) was developed, finalized and approved by the Board in 2015. The Strategic Plan guides and directs the main

functional roles and responsibilities of the Authority. The key responsibilities under the Strategic Plan for ESU are:

- Initiating and delivering key legislative changes, including the review of the Investment Promotion Act, to provide key oversights in investment policy, and foreign investment processes;
- Utilizing international leverage including APEC to undertake key regulatory reforms particularly in Ease of Doing Business (EoDB);
- Taking cognizance of emerging opportunities under the SME Master Plan and Policy to redefine how the IPA supports the growth of the SME sector in PNG; and
- Working with the Board to manage Board and Executive Management transitions during the tenure of the IPA SP 2015-17.

The ESU continues to facilitate appointments of new nominees to the Board of the IPA. This year Messrs Buskens and Mellam were reappointed to the Board of the IPA. The appointment of the representative from the Chamber of Mines and Petroleum remains pending for over a year now. There have been no major changes in the Management personnel in 2015.

National Investment Policy

Work on the National Investment Policy has commenced, and a draft framework is being reviewed. Conversations also commenced with the International Finance Corporation on how they could support this process. The Management is also investigating structural reform experts under the APEC configuration to come and assist us with this work.

APEC Engagements

The Managing Director was appointed as APEC Ambassador in 2015, and continues to juggle both the Managing Director's and the APEC responsibilities. The bulk of the engagement this year was in the Philippines who were hosts for APEC 2015.

SME Policy Support

In 2015, the IPA was slightly uncertain about the exact prescriptions of the SME Policy and Master Plan. But we have focused on ensuring that when required, our registry services will be able to support the growth in the SME registrations.

A. INVESTOR SERVICING AND PROMOTION DIVISION (ISPD)

A.1 Investment Promotion Unit

The Investment Promotion Unit is responsible for the effective facilitation and promotion of investment into the country including aftercare and policy advocacy.

A.1.1 Investment Promotion and Facilitation

The Authority through the Investment Unit facilitated over a hundred and fifty (150) genuine investment queries during the year 2015, different sectors as Gas chemical, Mining, Metal Refining, Construction, Tour-

ism, Agriculture, ICT, Power, Engineering, Sea ports and many others.

Inward Missions

There were total of Twenty (20) inward fact-finding missions from different countries from which five (5) companies registered businesses in the country as a direct result of our promotion and facilitation work.

A.1.2 Aftercare Program

The Investment Unit undertook the following Aftercare Program activities (with Awareness program activities) both domestically and abroad.

Domestic Aftercare Awareness			
No	Place	Province	Duration
1	Kavieng & Lihir island	New Ireland	27 - 30 April 2013
2	Moro, Kutubu	Southern Highlands	22 - 24 July 2015

International Aftercare Awareness				
No	Group	Delegation Size	Country/Event	Duration
1	PNG Private Sector/SME	5 Businesses	Indonesia Trade Expo and Trade, Tourism & Investment Forum	21-25 September
2			Noumea, New Caledonia-MSG Investment Roadshow and Trade Fair	18 - 20 November

We continue to facilitate and provide aftercare service to an increasing number of existing investors with business advisory and their queries on registration and certification/variation.

Aftercare Awareness at Lihir, New Ireland



A.1.3 Policy Advocacy

We continued to contribute to the APEC process, WTO Trade Related Technical Assistance process, the Eu-

ropean Union Trade Related Assistance Program Phase III, Pacer Plus, PNG-Fiji Senior Official Meeting, PNG-China FTA, PNG-Indonesia Business Council, PNG-Australia Business Council and the MSG process.

A.1.3.1 Investment Promotion & Protection Agreements

Joint efforts with the Department of Foreign Affairs on all IPPAs continued in 2015. PNG has draft IPPAs with Solomon Islands, South Korea, India, Malaysia, Philippines, Thailand, New Zealand and Fiji. Those are slow in progressing. The PNG-Japan Joint Committee held its second meeting in Tokyo in October 2015.

A.1.3.2 APEC and APEC Investment Expert Group

We continue to participate and contribute in the APEC process by attending APEC meetings, attending to APEC Secretariat matters/queries as well as PNG APEC Secretariat matters/queries.

The following meetings were attended:
(See table next page)

International Aftercare Awareness

No	Activity	Venue	Date	Attendees
1	APEC Informal Senior Official Meetings	Manila, Philippines	8-9 December 2014	MD & D/ISPD
2	APEC Senior Official Meetings (SOM 1) and Related Meetings, including Investment Expert Group (IEG 1)	Clark, Philippines	29-30 January	MD, D/ISPD, M/IP, EO
3	APEC Senior Official Meetings I and Related Meetings, including: <ol style="list-style-type: none"> 1. IEG Meeting 2. IEG Public Private Dialogue on Inclusive Business 3. Workshop on Preparation for the Second Ease of Doing Business (EoDB) Action Plan 	Cebu, Philippines	27-30 August	MD, D/ISPD & M/IP, EO & M/IP & SIO

The PNGIEG discussion and work on Ease of Doing Business, and the APEC Investment Facilitation Action Plan (IFAP) on reducing investor risk and business regulation is coordinated through the Division.

A.1.3.3 MSG

We attended the Melanesian Spearhead Group (MSG) Trade Meetings, and the Investment Roadshow and Trade Fair in Noumea, New Caledonia from 9-20 November 2015.

The Meetings discussed trade, investment, economic and private sector issues and reports including the following:

- The Technical Working Group Negotiations (TWGN) on Trade in Goods (TIG) and Trade in Services (TIS).
- The MSG Trade Agreement 3 (MSGTA3) in the areas of TIG and TIS.
- The Heads of Investment Promotion Agencies (HIPA) and Industry Officials Meeting (IOM).
- The 3rd MSG Investment Roadshow and Trade Fair, 18-20 November 2015 in Noumea, New Caledonia

The following PNG private sector organizations participated at the Trade Fair.

The participants were Vitis Industry, Paradise Food, PNG Forest Products, Papua New Guinea Cocoa and Coconut Institute (PNGCCI) and Win IT consultant.

A.1.4 Networking Partnerships

Networking partnership with the public and private sector organisations are ongoing throughout the year. These includes:- international and regional organisations, donor funding agencies, investment promotion agencies abroad, business council, chamber of commerce, government departments and agencies, PNG Foreign Mission abroad, the Diplomatic Corps in country.

The following are some additional networking partners:

- Asia Pacific Economic Cooperation
- Japan International Cooperation Agency
- Oxford Business Group
- International Finance Corporation
- US AID
- Melanesia Spearhead Group Secretariat
- Business Council of PNG
- Manufacturers Council of PNG
- PNG Chamber of Commerce & Industry
- Port Moresby Chamber of Commerce & Industry
- Lae Chamber of Commerce & Industry
- PNG-NZ Business Council
- Pacific Islands Trade & Invest

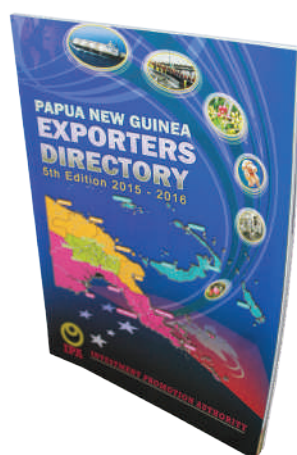
B. Marketing & Export Promotions Unit

1. BUSINESS DEVELOPMENT PROGRAM

1.1 5th Edition of the PNG Exporters Directory

The 2015 – 2016 Exporters' Directory project commenced in the last quarter of 2013. However due to implementation of other priority projects, this project was delayed. It was completed in the third quarter of 2015. The publication covers all economic sectors and provides listings of all export capable companies with their contact details for businesses to communicate for business.

PNG Exporters Directory 5th Edition



1.2 Business Development Assistance Program (BDAP)

First draft of this information pack was done with new programs established by relevant institutions, both domestically and regionally, during the course of the year. The information needs to be updated particularly to include new assistance programs for the SME sector in PNG. This information pack is expected to be completed in the first half of 2016.

1.3 Export Procedure Guide

Work is currently being done to update the previous version of the Guide. A new edition is anticipated to be completed in the second quarter of 2016.

2. EXPORT PROMOTION PROGRAM

2.1 Fine Food Fair Australia 2015

In partnership with the Pacific Islands Trade and Invest, Sydney Office, IPA sent invitations to the PNG Private sector to participate in this annual event in Australia. However unlike previous years, there was no favorable response from the private sector to participate.

2.2 Specialty Coffee Seminar in Japan

MEPU attended the Specialty Coffee Seminar in Japan

and had a PNG booth where PNG Coffee was promoted to potential buyers.

2.3 30th Indonesian Expo. Theme: Remarkable Indonesia

In collaboration with the Indonesian Embassy, the IPA facilitated a total of ten (10) PNG Private Sector representatives to attend this event. One IPA Officer accompanied the delegation. This has resulted in a PNG Company, Local Farmers Industries Limited entering into an agreement with two Indonesian Companies, Cans Agrinusa and PT Hakita Bharat Velvets Industry to supply coffee machines and train farmers and later buy coffee beans.

3. IN-BOUND AND OUT-BOUND TRADE / EXPORT RELATED MISSIONS

3.1 Facilitation of visit by Legal Counsel to the Penama Provincial Government of Vanuatu on prospect of Kava export to PNG

The IPA facilitated a visit of Mr. Bill Bani of Penama Provincial Government, Vanuatu. The objective of the visit was to meet with NCDC Authority and discuss the possibility of establishing a sister-city arrangement between NCD and Penama Province and furthermore to meet with relevant authorities to discuss the export of Vanuatu kava to PNG. Mr. Bani returned to Vanuatu with a set of recommendation or areas of opportunities for the Penama Provincial Government to consider from his visit.

4. NETWORKING PARTNERSHIPS

4.1 JICA Training Capacity Development for Export Investment Promotion (B)

Senior Marketing Officer-Promotions Ms. Daure Kiro-mat attended and completed the month long training in Osaka Japan from February to March 2015.

4.2 JICA Training Strengthening the Export Competitiveness of Small and Medium Sized Coffee Producers - Japan

The IPA continued facilitating the coffee industry's participation in the 2014 "Capacity Building Training Program" by JICA. For the year 2015, JICA specifically allowed for an officer from the Coffee Industry Corporation and one from the IPA to attend and benefit from this training.

4.3 JICA Training on Knowledge Co-creation Program on Development Oriented Export Promotion/ Marketing Strategy (4 Nov- 10 Dec 2015)

A Marketing Officer attended this training in Japan.

4.4 PIPSO Training for peak industry bodies and export sector of PNG

In conjunction with the Pacific Islands Private Sector Organization (PIPSO), a week-long workshop on Marketing, Quality Assurance and Rules of Origin was held in Port Moresby from the 4 – 8 May then in Lae from 11-14 May 2015. This capacity building training targeted peak industry bodies, export facilitation agencies, networking partners and the exporters to work in collaboration to enhance PNG's export sector.

4.5 Follow-Up Pacific Path to Market Workshop (Lae, Morobe Province)

A follow-up Path to Market workshop was held Lae, Morobe Province on 23rd November then repeated in Port Moresby on the 24th November 2015. This specific follow-up workshop was in response to feedback from survey results by the export participants at the end of the first Path to Market workshop held in October last year (2014) in Lae. The overall aim of the workshop is to capacity build and to enhance the export sector in PNG.

4.6 5th Pacific Tuna Forum

IPA was a silver sponsor to the bi-annual Tuna Forum which was held in Nadi, Fiji IPA and was represented by two officers. Furthermore, IPA displayed some of its information packages at the PNG Government booths allocated by the organizers.

4.7 MSG Market Analysis Study

IPA Board decision of December 2014 directed the IPA Management to undertake a benefit analysis of the MSG markets in which the Unit spearheaded. A series of consultative meetings were undertaken within the MSG member countries (excluding New Caledonia as an observer) and a comprehensive report compiled. The report was endorsed by the IPA Board.

4.8 Domestic Cocoa of Excellence 2015

The Cocoa Board of PNG invited the IPA to be a member of the National Organising Committee to host the first ever Cocoa of Excellence Expo in Kokopo. IPA attended three committee meetings however the event initially planned to be held in October 2015 but due to certain issues with arrangements, the Cocoa Board has deferred this inaugural event for the cocoa industry to 2016.

4.9 National Coffee Cupping Competition

The National Coffee Cup of Excellence Competition initiated by the Coffee Industry Corporation in 2014 is planned to be an annual event. For 2015, IPA became one of the major sponsors providing a funding of K6, 000 to the winner of 'Best Cup Aroma'.

C. Public Relations Unit

The following is the status report of the activities under-

taken by the Public Relations in 2015.

1. Australia Papua New Guinea Business Forum and Trade Expo

The 31st Australia PNG Business Forum and Trade Expo was held from 17-19 May, 2015 at the Lae International Conference Centre, at the Lae International Hotel. The theme was "Bridging the Gap: Meeting Expectations". The IPA maintained the Trade Expo sponsorship. It provided a good avenue to continue our awareness and promotional program and provided a networking with government licensing and regulatory agencies with the private sector.

2. E-newsletter

Since the beginning of the year, seven (7) issues of the Opportunity electronic newsletter were produced. The subscription list has continued to increase and the newsletter continues to gain popularity.

3. Communications Strategy and Awareness

Awareness exercises were carried out in the following locations; Lihir/Newcrest- Aftercare awareness, Lae business community, POM based Law and Accounting Firms, Farmers at the Coffee Cupping Competition, Students at the Institute of Business Studies, Ginigoada Foundation training programs, World IP Day celebration, Momase Commerce Advisors' conference.

The highlight of the Communications Strategy this year was the staging of the Media and Stakeholders workshop. Feedback from this workshop will be used to formulate an effective Communication Strategy encompassing all IPA related matters, programs and activities including programs by stakeholders.

4. DVD Launching and Branding

The mass production of the DVD was done by Kundu Beijing. Out of a total of 1000 copies, 700 were duplicated in flash drives and 300 in DVDs. The DVD was launched together with the Strategic Plan 2015-2017, the 2014 Annual Report and the IPA's toana wear in a branding event in which IPA was also awarded the Papua New Guinea Human Resource Institute Employee of the Year Award.

5. 2015 Pacific Games PR Sub Committee

The IPA contributed and was involved in the 2015 Pacific Games as a non financial partner. This involved the representation in the 2015 PR Sub Committee and the selection of the Senior Public Relations Officer to manage the main press center during the Games.

6. Promotional Items

Under this project, the Authority ordered promotional items inclusive of caps, umbrella, tote bags, T shirts,

, pens, laptop bags, bucket hats, magic mugs, key tags, lanyards and flash drives.

Given IPA's partnership with the Games Organising Committee, the merchandises carried both the IPA logo and the 2015 Pacific Games logo.

The mugs were used during the Pacific Games in the Main Press Centre. Due to its popularity, the Rugby 9s Sports Specific Committee and the office of the PNG NRL Bid requested 20 to be included in the prizes given to the participating countries. Other items were sold to staffs to recoup some money.

An IPA branding backdrop and four (4) pull up banners were also purchased in 2015. The backdrop comes with a trolley and spot lights and has lifted the standard of booth set ups done this year.

7. Updating of IPA brochures and publications

All IPA brochures and advertisement artworks were upgraded and have been circulated.

8. Website

Below are the website statistics for 2015. Note that due to technical issues the October and Novembers readings could not be recorded;

Website hits and records as at the end of 2015 showed that the month of May recorded the most number of hits.

Other summary notes include;

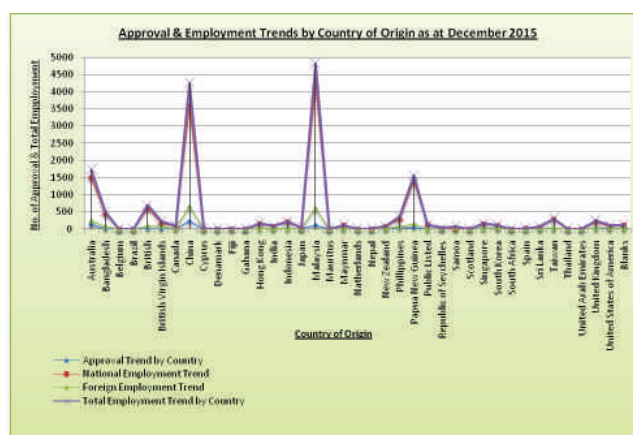
- Apart from PNG, other countries that visit the website include Australia, Germany and other European countries
- 63% of visitors spend 0-30 seconds on the site
- Most visited page is the homepage and the "Do it Online" section.
- Most downloaded item is the Business Name registration form.
- Keywords mostly used include; ipa png, ipa, investment promotion authority

The website is work in progress and will continue to be updated as and when required.

D. Research And Information Unit

1. Foreign Direct Investment (FDI) Database 2015

The Unit has continued its responsibility to collect the FDI statistics from the Certification process with the view of providing foreign direct investment prospect or trend all through this year. The line graph below summarizes the approval and employment trends as at the conclusion of December 2015.



By the end of December 2015, the number of approvals was recorded to be 702. From this total; 22% was from the first quarter approvals and 20% was from the second quarter approvals. The third and fourth comprises of 30% and 28% respectively.

China has the highest number in terms of the progressive number of approvals with 230 approvals followed by Australia with 129 then by Malaysia with 116 while other countries have in between a maximum of 23 and minimum of 1 approval respectively.

In terms of employment creation by country, Malaysia has the highest number of jobs created with a total of 4818. Of this total, 4,209 jobs were created for nationals while 609 for foreigners. Followed with the second highest is China with 4,251 jobs which comprise of 3,594 national jobs and 657 foreign jobs. Tailing with the third highest number of employment creation is Australia with a total of 1,729 jobs where 1,491 were national jobs and 238 foreign jobs.

2. Provincial Database Survey & Spot Inspection

Two provincial surveys and spot inspection exercises were planned for 2015 – one in Madang and the other in NCD. The Madang exercise was conducted on 18th to 29th May 2015 and was successfully completed with large number of administrative penalty fines amounting to K83, 725.00. Follow up actions will continue and the NCD survey will be undertaken in 2016.

Spot Inspection Survey Exercise carried out in Madang



3. Provincial MoUs

The MoU facilitates IPA Help-desk at the provincial level. Two provincial MoUs - the IPA-Madang and the IPA-Milne Bay MoUs have been reviewed, coordinated and completed. These are pending endorsement by respective Provincial Administrations for signing.

4. Quarterly Certification Bulletin (QCB)

The third quarter Quarterly Certification Bulletin was completed and is currently pending publication. The third quarter QCB contains an analysis on approvals, foreign direct investment as well as the associated employment creation for the first and second quarter of 2015 while the final quarter QCB will contain the annual analysis for the four quarter.

5. Business Licensing & Information Services (BLIS)

The BLIS project - completed and is pending endorsement for publishing and up-loading of same on line for ease of access to clients/investor/potential investors

B. INTELLECTUAL PROPERTY OFFICE Of PNG (IPOPNG)

The Intellectual Property Office (IPO) administers granting and registration of intellectual property rights relating to trademarks, patents and industrial designs. The IPO also provides information on the protection of copyright. Copyright unlike the three other areas of IP is automatic protection and therefore does not require formal registration process to obtain protection.

IPO has identified 10 objectives to achieve within three years under the IPA Strategic Plan 2015 to 2017 and the Office endeavours to complete all if not most of these objectives by the end of 2017.

Summary of Program Outcomes

In 2015 the IPO continued to carry out its mandated functions and continued work on its program priorities outlined under the IPA Strategic Plan. The key program priorities for 2015 were:

- a) National Intellectual Property Plan;
- b) Amendments to all Intellectual Property legislations particularly Trade Marks Act Ch.385, Patents & Industrial Designs Act & Copyrights and Neighbouring Rights Act
- c) Accession to Madrid Protocol and Berne Protocol
- d) Fee increases on Regulations of the Trade Marks Act (Ch.385) and Patents & Industrial Designs Act 2000.
- e) Continuing on improving systems and processes;

The Office began substantive work on only a few of these programs during the year with the intention to

give focus and priority to completing these programs. We focused on the Amendments to the IP legislations, the Fee Increases exercise, and PNG's accession to Madrid Protocol and Berne Convention.

1. Programs
 - i) IP Law Amendments

Reviews of IP Law Amendments began early in the first quarter of 2015. Reviews included extensive review on Trade Marks & Geographical Indications Bill (Proposed Amendments to Trade Marks Act Ch.385) and the Patents and Industrial Designs Bill (Proposed amendment to the Patents and Industrial Designs Bill 2000). The reviews were completed and are in the process of drafting of the amendments. This program will continue in 2016. The review of the Copyrights and Neighboring Rights Act 2000 was deferred to early 2016.

- ii) Fee Increases for Trade Marks, Patents and Industrial Designs

The Fee Increases exercise was completed in late 2014. After approval from the Board, the drafting and finalization of the fees was completed early this year which resulted in a submission made to the Minister responsible in the third quarter of this year. This program is therefore complete and is awaiting the government approval process before implementation of the new fees. It is anticipated that the roll out of the new fees will commence in the third or fourth quarter of 2016.

- iii) Accession to Berne Convention and Madrid Protocol;

Work began on the Accession to the Berne Convention and Madrid Protocol. The Berne Convention concerns Copyrights whilst the Madrid Protocol relates to Trademarks. This year some work was done on the Madrid Protocol in terms of the reviewing of the system in comparison to the current trademark system. However, work in this area will continue next year 2016. Work on the Berne Convention has begun and will continue in 2016. Submissions will be made to the respective Ministers in 2016.

- iv) Other ongoing work programs

IPO continued to work on other ongoing work programs or initiatives identified under the Strategic Plan. This included improvements to business systems and processes as well as training and development of staff and the annual World Intellectual Property Day awareness program.

- a) Improvements to business systems and processes

Improvements to business systems and processes relates to constant initiatives to improving the present business processes and systems in a bid to provide a more efficient and effective intellectual property sys-

tem for clients, stakeholders and the general public. This year saw substantive work done under this work program particularly relating to the completion of the review and draft Trade Marks Manual, review and amendments to the IPOPNG website and upgrade to an automated system, the Intellectual Property Automation System (IPAS). Work will continue on the Trade Marks Manual and the website in early 2016 with the intention of completion and/or implementation of these initiatives in the second quarter of 2016.

In respect to the upgrade of the IPAS Database, the Office embarked on this mission with the assistance of the World Intellectual Property Organization (WIPO). The Office deployed this cost free database from the WIPO which records and stores for all its trademark, patent and industrial designs records. The WIPO provided the upgrades and training as well as training on managing technical issues from time to time and based on requests from IP offices who use the system.

The upgrade to the IPAS system was done in the last quarter of 2015 with the objective to upgrade the current version of IPAS & Digitization Software that is presently used within IPO, as well as deal with present technical issues concerning the system. The Mission was successful as we were able to address some outstanding technical matters, automate the patent and industrial design business processes which were previously done manually. It provided the opportunity for the Office to become aware of WIPO's new services, and also to evaluate how some of these services can be utilized in Papua New Guinea. We are excited that we could potentially use a number of these services enhancements.

b) World Intellectual Property (IP) Day celebrations

The World IP Day is an annual event and therefore is an ongoing program carried out every year. The World IP Day is a day marked by the World Intellectual Property Organization (WIPO) to promote the role of intellectual property in encouraging innovation and creativity. It is celebrated annually around the world by Intellectual Property Offices and related organizations/institutions and falls on 26th April of every year.



World IP Day 2015 celebrated with the Theme "Get Up, Stand Up, For Music, at Vision City

In line with the theme for 2015 which was focused on music, the Office embarked on a number of activities which included a Staging of a mini-concert at Vision City Amphitheatre (outside car park), Waigani, issuing promotional flyers containing information on World IP Day and the theme to the general public, having a booth with information of IPA and IPO, Publication of newspaper article, Radio commercials advertising the events and Production of World IP Day posters.

c) Training and development of Staff

This program is ongoing. This year a number of IPO staff undertook the Introduction to Intellectual Property on-line Course (DL101) and successfully completed this. This program was also extended to a number of IPA staff and a number of interested members of the public or private sector who become aware of the program through the WIPO Train the Trainers Program on Effective IP Asset Management for SMEs that was conducted in late 2014.

This year also saw staff attended IP workshops, meetings or conferences etc in the areas of copyright, technology transfer and traditional knowledge and participated in awareness workshops and providing awareness on the roles and functions of the IPO. Meetings and workshops are considered as capacity building areas and improvements to systems and processes.

2. Registry performance in terms of trademarks, patents and industrial designs and Copyright queries

The Office continued to perform its registry functions in carrying out its usual business processes. The industry property registry refers to the trademark, patent and industrial designs registry.

i) Trademarks

This year the Trademarks Unit received a total of 6308 documents filed for all trademark matters. This include filing of new trademark applications, renewals, registrations and other documents and requests that all relate to trademark matters. This is recorded as the highest number of lodgments of all trademark documents in the last 9 years. On an average generally the total numbers of trademark lodgments are about 300 to 350 documents per month and approximately 1200 to 1500 documents received annually. This year has however seen this number triple. The increase in the number of lodgments for trademark documents can be attributed to the 10 year renewals.

Form 6 applications (applications for renewal of a trademark) recorded the largest number of filings with a total of 2001 applications filed for renewals. Form 4 Applications (new applications to register a trademark) recorded the second highest with a total number of 1058 applications for registration of a trademark. The third highest number of lodgments was searches

requests with a total of 1000 whilst registrations recorded 899. The total revenue earned from these documents was 1.2 million kina.

ii) Patents & Industrial Designs

Patent and Industrial Designs (P&ID) Unit experienced average to low levels of activity during this year. The P&ID Unit received a total of 609 documents relating to both patents and industrial designs applications plus documents or requests concerning these matters. In fact Patent received a bulk of these lodgments with 602 documents received during this year whilst Industrial Designs received only 7 documents this year. The total revenue earned from P&ID was approximately K230,000.

iii) Copyright

Copyright protection is automatic protection which means that a person or entity or group seeking copyright protection need not apply through a formal registration process unlike the three other areas of IP which include trademarks, patents and industrial designs. Given this, clients often seek information from the Office on the clarity of obtaining protection for works for which they perceive as copyright.

During the year 2015, the Office received a total of approximately 50 to 55 queries of copyright. In fact on average, the office receives 1 or 2 queries a week. The queries are either received through email or through counter enquiries. This year queries varied from general copyright issues to specific copyright matters. The following are main form of queries received this year:

- General copyright infringement issues;
- Literature related queries (translation issues, books, lecture notes, training manuals, business concepts, schemes and/or plans; production of pamphlets, brochures etc)
- Application of international treaty matters (Berne Convention);
- IT related queries (Computer software, computer protection, website protection, online content consent issues etc);
- Arts issues (painting, portrait, photographs etc);
- General queries including protection of copyright, copyright registration process)

C. BUSINESS REGISTRATION AND CERTIFICATION DIVISION (BRCD)

1.0 OFFICES AND FUNCTIONS IN THE DIVISION

The Business Registrations & Certification Division is the largest of the seven divisions within the Investment Promotion Authority. Within the division, there are three different offices which are established by different legislations, one secretariat and two units. Except for the legal & compliance unit which provides legal services to all of IPA, each office performs very distinct regulatory functions. They are:

1. The Office of the Registrar of Companies established under the Companies Act 1997 and which administers the powers and functions under the Business Names Act and the Associations Incorporations Act, and
2. The Office of Registrar of Incorporated Business Groups established under the Business Groups Incorporation Act,
3. Office of the Registrar of Personal Properties Securities, established under the Personal Properties Securities Act 2011,
4. The secretariat of the Accounting Standards Board as established under the Companies Act 1997, and
5. The Legal & Enforcement Unit of the Investment Promotion Authority.
6. The Business Certification Unit established under the Investment Promotion Act 1992.
7. The functions and services within the Division are therefore primarily public repositories of records, and regulatory. The Division is the main regulatory arm of the Investment Promotion Authority.

3.0 FUNCTIONAL INDEPENDENCE OF STATUTORY OFFICES WITHIN IPA

The IPA provides administrative oversight of the different statutory functions under the Business Registration and Certification Division but they maintain functional independence in the way their enabling legislations are crafted.

4.0 REGISTRAR OF COMPANIES OFFICE

The primary role of the Registrar of Companies and his office is to register business entities and associations and keep their records, and secondly to ensure that such registered entities comply with the requirements of the law. The Registrar of Companies administers the Companies Act 1997 as amended, Business Names

Act 2015, Business Groups Incorporations Act and Association Incorporations Act.

(a) IPA Strategic Plan 2015 - 2017

One of the key pillars of the Division is to “enhance and improve current Business Registry Services” with an expected outcome in “efficient & effective registry service with a maximum of one day turnaround time”. The 2015 work program was aimed at implementing the strategic plan.

(b) Work program

In 2015, the Registrar of Companies office embarked on several significant projects. This includes the approval of the Companies Regulations 2015 and the Business Names Regulations 2015 by the Governor General, addressing and improving work processes and workflow at its front counters.

Significant efforts and investments were undertaken at the front counter in terms of staff development to change the work culture and ethics in line with the new registry IT infrastructure. This is to ensure that our services are faster and efficient and a shorter turnaround time for service delivery is achieved. This involved better equipping the front counters with equipment such as scanners thereby changing the business environment. One counter was assigned to new Business Names application registrations. This saw a drastic improvement in the turn around time for Business Names applications with clients lodging and waiting for ten (10) minutes for their certificates, since the end of October 2015. This is the target outcome under the Strategic Plan.

(c) New Business Entities in 2015

There were 24,825 new entities registered in 2015. The table shows the types entities registered in each quarter.

Table 1 – Shows the number of new entities registered in 2015.

Registry	New Entities 1 st Qtr	New Entities 2 nd Qtr	New Entities 3 rd Qtr	New Entities 4 th Qtr	Total number new entities registered in 2015	Total Entities In the Registry
Companies	965	979	882	1280	4,106	49,584
Business Names	4993	4,774	2882	7,166	19,815	107,436
Associations	131	111	115	168	525	6380
Business Groups	51	28	93	207	379	4320
Total Registered Entities	6140	5,892	3972	8,821	24,825	167,720

Before the Companies registry was switched to the online registry on the 25th November 2013, there were 114,977 registered. On the 31st December 2015, there were 167,720 entities registered, an increase in 31%.

The Table below provides the comparative analysis of the growth of new entities since the switching of the

registry to a web base online registry.

Table 2. Comparing the growth of business entities under after the Go Live of the Registry.

Registry	Before Go live (29 November 2013)	Total Registered as at 31 st December 2015	Growth	% of increases between 2014-2015
Companies	40,243	49,584	9,341	19%
Business Names	65,623	107,436	41,813	39%
Business Groups	3,564	4320	756	18.1%
Associations	5,547,	6380	833	13%
Total	114,977	167,720	52,743	31%

As a result of the above investments, queues on the register were reduced by 92% from 10,435 in January 2015 to just 893 on 31st December 2015. The queues on business names, business groups and associations were reduced from 6,080 in January to just 26 on the 31st December 2015. This is a significant reduction of 99.5%.

Table 3 Shows the reduction in queue within the 2015 financial year.

January 2015		31 December 2015	
Entities	Queue	Entities	Queue
Companies	4,355	Companies	867
Business Names	3,282	Business Names	3
Business Groups	186	Business Groups	0
Associations	272	Associations	23
Total	10,435	Total	893

(d) Deregistration exercises

No compliance exercises were conducted in 2015 due to the implementations of the new online registry and the changes and investments made within the working environment. The online registry is designed in a way that the compliance is now an automatic service. When an annual return is due, the system automatically sends a reminder messages to company directors. After the third reminder, the system automatically removes a company from the register. The Registrar of Companies plans to conduct an awareness campaign all over the country in 2016 to educate the general public and business owners of the new requirements of the law and the registry.

5.0 ACCOUNTING STANDARD BOARD

A lot more involvement for ASB this year has been on compliance and monitoring aspects rather than policy making. In that, operations have been centered on the areas of exemption approvals, reporting currency changes, monitoring of compliance through financial statement examinations for all reporting companies including overseas companies. ASB officers were also involved in the BRCD general operations therefore committing time and manpower to resolve general work

queue throughout the year. Admittedly, there has some deviation from its original work plan in 2015 especially in the second half of the year due to circumstances beyond our control.

(a) Exemptions

Applications for exemption by overseas companies have been below annual average of 45 applications. Respective approvals have been granted as usual therefore relieving the concerned overseas companies from the statutory reporting requirements on their onshore operations accounts. ASB has seen reasonably consistent effort in improving the turnaround time and this effort has been applauded by the clients.

OVERSEAS COMPANIES ONSHORE REPORTING EXEMPTION												
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1	1	4	1	6	2	1	2	1	3	2	8	32

(b) Approvals on Reporting Currency Changes

In line with the ASB Directive No.2 (ASBD2) the ASB Secretariat continued to receive and grant respective approvals on reporting companies seeking such changes in the reporting currencies. Again, we have seen a general improvement in the turnaround time as well in granting respective approvals.

CHANGE OF REPORTING CURRENCY												
JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
0	14	2	0	3	0	0	0	0	1	6	0	26

(c) Compliance and Monitoring Work

Compliance examination and monitoring work has been a core function for ASB in 2015. In that most annual returns filed with financial statements by companies including overseas companies have been getting processed with the view to ensure compliance with standards. Overseas annual returns have been worked on at a fairly slow pace throughout the year given that system issues particularly with regards to mismatches for instance, have become hindrances to quick/smooth processing. Follow are figures for overseas reporting, local company financials reporting and change of balance date.

	Processed	Yet to be Processed	Total
Overseas Reporting AR	124	73	197
Local Reporting Companies AR	746	62	808
Change of Balance Date Approvals	156	24	180

(d) ASB Involvement in System Development Issues

The ASB office manpower has also been utilized in the area of system development closely partaking in the user acceptance tests, providing feedbacks on a continually basis all throughout the year.

(e) Ministerial appointment of ASB members pending

The term of the ASB expired in 2015. Submission has made to the Minister for Trade, Commerce & Industry to reappoint the current board. It is expected that the board will be reappointed in 2016.

(f) Standard Setting Functions

In terms of Standards setting function of the ASB there has been a remarkable deviation from its work plan due to pending membership appointment at the ministerial level.

6.0 PERSONAL PROPERTY SECURITIES REGISTRY

The Treasurer, Hon. Patrick Pruaich appointed the Registrar of Companies as the Registrar of Personal Properties Securities in January 2015 to implement the Personal Properties Securities Act 2011 (PPSA). Part XIII of the Companies Act 1997 was repealed and replaced it with the PPSA. The reform is called secured transactions reforms and is intended to make credit easily accessible by pledging personal property as collateral to secure credit/finance from the banks and financial institutions.

After the appointment, the Registrar, with the support of the Asian Development Bank (ADB) and the Lae Chamber of Commerce, conducted a workshop in Lae to educate the business community on the effects of the PPSA when it becomes operational. Within the year also, the Registrar and the ADB team have conducted various workshops and trainings for the banks and financial institutions on the PPSA or secured transactions reforms.

A web base registry is completed and ready to go live. Two company registry Officers have been assigned and seconded to the PPS Registry. The Regulation has been approved by the National Executive Council and is expected to be executed by the Governor General in 2016. The Registry is expected to be launched in early 2016.

7.0 CERTIFICATION UNIT

The Business Certification Unit is responsible for facilitating investments in Papua New Guinea in line with Section 28 of the Investment Promotion Act, 1992. This provision requires all foreign owned enterprises intending to carry on business in Papua New Guinea to be

fore they proceed to carry on businesses in the country.

The Unit continued to perform the core function of administering the Certification process which involves appraising of applications by foreign enterprises to ensure that genuine investments are certified by the Investment Promotion Authority (IPA).

In the last quarter of 2014, the Certification Unit ceased to accept paper lodgments at the front counter and encouraged clients to utilize the online registry system to lodge applications for foreign enterprises. At the time, the Unit also encouraged its clients to submit their compliance reports (six monthly Terms and Conditions of Certification reports) using the online registry system. 2015 was the full year of implementations of online registry for the business certificate unit.

Due to high engagement of the senior management committee members on APEC matters, it was not possible to convene schedule Certification Management Meetings in 2015. Eight (8) meetings were convened in the year with a further eight (8) Circulars done. While there only 8 meetings convened however the quantities of matters for consideration per the agendas were large. 2015 saw the highest number of foreign companies certified while comparing with last four (4) years (see table 2 below).

In Table 1: Certification Applications and Related Variables for 2015

Type of Application/Variable	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total
Number of Meetings	1	1	4	2	8
Circulars	1	2	1	3	8
Certification Applications	0	113	121	123	443
Re-Certification Applications	2	14	1	2	0
Variation Applications	31	0	0	0	248
Diversification	11	0	0	0	11
Expansion	23	0	0	0	23
Others	2	0	0	0	2
Cancellations	0	4	2	0	0
Re-Instatement Applications	0	0	0	0	0
Appeals	0	4	4	4	12
Competition	0	0	0	0	0
Certificate Amendment	0	0	4	1	0

Table 2: Certification Applications and Related Variables from 2011 - 2015

Type of Application/Variable	2011	2012	2013	2014	2015
Number of Meetings	23	20	9	1	8
Circulars	8	5	10	13	8
Certification Applications	224	300	209	208	443
Re-Certification Applications	55	40	23	4	0
Variation Applications	102	131	99	92	248
Diversification	39	40	24	12	11
Expansion	09	59	40	49	23
Others	0	5	20	90	2
Cancellations	32	23	03	12	0
Re-Instatement Applications	8	1	1	4	0
Appeals	1	12	0	0	12
Competition	2	1	0	1	0
Certificate Amendment	N/A	0	0	0	5

Key:

- Re-Certification – Certified enterprises that formally advise of a change in the shareholding structure that is 10% or more in any given (12) month period or 25% since Certification.
- Diversification – Certified enterprises that formally request to diversify their business activities.
- Expansion – Certified enterprises that formally request to expand their operating locations.
- Others – Certified enterprises that formally request for an extension of time in which to conduct business or for a change of company name.
- Re-Instatement – Foreign enterprises that apply for Certification after the IPA Certificate was cancelled.

Please note that it is possible for Re-Certification applications to include requests for Diversification, Expansion and Others.

8.0 LEGAL & COMPLIANCE UNIT

The Legal Unit provides all legal services to the Registrar of Companies and all of the Investment Promotion Authority. The Unit is headed by a Deputy Registrar of Companies, who is a lawyer by profession and has two lawyers and a support staff. The unit performs the following functions;

1. Conduct litigation matters for the Authority (both prosecution and defense);
2. Conducts investigations into alleged breaches of the Companies and other relevant legislations the various independent statutory offices within the Authority;
3. Conducts conveyance on behalf of the Registrar of Companies
4. Provide general advising on legal matters, including, investment, commercial, corporate, companies and general advising to the Authority.

(a) Litigation

The unit either prosecuted or defended 45 cases for and against the Authority in 2015. Majority of the defense matters related to the powers and functions of the Registrar of Companies under the Companies Act 1997. Most if not all of the matters accordingly deal with disputes of changes to records of company shareholders and directors. The Unit is now working on a draft policy on how best to deal with such matters under the Companies Act requirements. The work program for the LCU is severely hampered by a lack of adequate human resources within the Unit.

(b) Investigations

There have been a total of 36 companies investigated in 2015. Of the 36 companies, 24 are foreign companies for failure to comply with the requirements under the Investment Promotion Act 1992 and 12 matter related to the breaches of the Companies Act 1997.

(d) Disputes within Companies

The disputes within companies, especially resource owner companies is a matter that concerns our office because of randomly change of records kept by the Registrar. For the sake of the security of the records we keep and also to help investment within the country we have been actively involved to resolve some of these disputes. In 2015, ten (10) such disputes were registered and resolved.

D - SECURITIES COMMISSION (SCPNG)

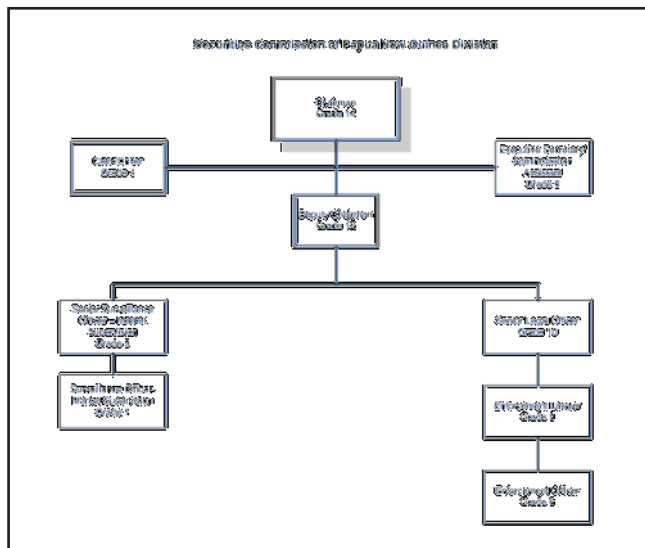
PART 1 BACK GROUND

The Securities Commission of Papua New Guinea was established in 1998 by the Securities Act 1997. Since its establishment in 1998, the Commission has been housed within the Business Registration & Regulation Division within the Investment Promotion Authority. In 2008, the Department of Personal Management approved a mini-structure to establish the Commission as a division of its own within the Investment Promotion Authority. It is located on the Level 2, IPA Haus, Munidubu Street (Corner of Lawes Road & Champion Parade), Konedobu, National Capital District.

Organizational structure

The current organizational structure provides a staff ceiling of nine staff. However, at the moment the Commission has five fulltime staff, excluding the acting Chairman, who is also the Registrar of Companies, the Registrar of Personal Properties Securities (PPS) and Chairman of the Accounting Standard Board of Papua New Guinea.

Below in the current organizational structure of the Securities Commission within the IPA structure.



In 2009, the National Government appropriated through the IPA budget a sum of K500, 000.00. There is no independent budget of the Commission. The above funding is applied to remunerate staff salaries, as well as operations of the Office.

PART 2 STRATEGIC PLAN 2015-2017

The main goal for the SCPNG under the Strategic Plan is to “provide a high quality and competitive market infrastructure for investors to trade freely, fairly, efficiently and transparently in a risk free market”. To achieve the above goal, the SCPNG sets seven major objectives.

They are:

- Submission to Treasury for funding and allocation of budget code;
- Submission to DPM (SCMC) for approval of an independent organisational structure;
- Repeal and replace the Securities Act 1997;
- Signatory to IOSCO MMOU
- Reform the PNG Securities Market; and
- Develop a Capital Market Master Plan

2015 was the first year in implementing the IPA Strategic Plan 2015-2017. While at the same time performing normal operational functions, significant progress was made in 2015 in implementing the above objectives. Parliament passed three new Securities Bills by repealing the Securities Act 1997. IOSCO MMOU application has been completed and forwarded to IOSCO for verification, while working on the other objectives are currently being undertaken at the same time. The IOSCO MMOU expected to be executed in May 2016.

PART 3 OPERATIONS

3.1. Staff Development

The Securities Commission has established a very cordial relationship with the government of India. In the last two years, the Commission was able to send its staff to India for two months study in specialist institutions on Securities courses. The studies are fully funded by the Indian government through its High Commission in Port Moresby. So far, three of the five staff have secure specialist training in different aspect in Securities or capital practice. The Commission intends to keep the above relationship and expect to send more of its staff to India.

3.2. Market Supervision

There has very little market supervision undertaken by the Commission over the Port Moresby Stock Exchange, the stock brokers and other market intermediaries, because it lacked the powers under the Securities Act 1997 to do so. However, in 2015 the Commission issued a regulatory directive to the Port Moresby Stock Exchange to conduct an independent audit of its processes, systems, IT capabilities, human

resources, and general operational systems and process applied on the Port Moresby Stock Market. The final report is expected to be delivered to the Commission in early 2016.

There was one new Initial Public Offerings (IPO) last year, by Kina Securities Limited to raise capital to acquire Maybank, which the Commission approved. The offer was reported to be oversubscribed, and the acquisition was also completed.

3.3. Unit Trust

The Securities Commission issued two trustee licenses in 2014 to Mineral Resources Development Company Limited (MRDC) and Mining & Petroleum Industry Investment Fund Limited. Melanesian Trustee Services Limited in the third company issued with a Trustee license. Currently there are three Unit Trust Schemes operating in Papua New Guinea. They are: (a) Pacific Balance Fund (PBF); (b) Pacific Property Trust (PPT); and (c) Mining & Petroleum Industry Investment Fund.

The Unit Trust industry is vibrant in Papua New Guinea and there is a huge potential in sector to grow further. The Market Capitalization of the three Unit Trust funds stands at around K500 million.

3.4. Restructuring of Airlines of Papua New Guinea

The Commission approved the restructuring of Airlines of Papua New Guinea, including its rebranding and change of name to PNG Air. PNG Air is currently majority owned (80%) by Mineral Resources Development Company Limited (MRDC) and National Superannuation Fund (NASFUND). While the approval was given, the Commission is yet to approve the prospectus to issue new shares and options to MRDC and NASFUND, as a result of due diligence carried out by the Commission. Once PNG Air meet certain requirements as part of its due diligence process, the prospectus will be approved for the shares and options be issued and officially list same on the Port Moresby Stock Exchange.

3.5 Full Takeover bid of New Britain Palm Oil Limited by Sime Darby

In June 2014 Sime Darby Plantations Berhard issued a full takeover notice to the New Britain Palm Oil Limited with a Premium price of over 75 percentages. The independent directors of the Company accepted the offer. The Securities Commission of Papua New Guinea and the European Union Mergers & Acquisition Commission approved the offer. The takeover was finally completed in March 2015.

3.6. New Securities Bills

Parliament passed the new Securities Bills, (a) Securities Commission Act 2015; (b) Capital Market Act 2015; and (c) Central Depositories Act 2015 on 27 October 2015. The Securities Commission Act 2015 repealed

the Securities Act 1997. However, the Bills are yet to be certified by the Speaker of Parliament before they become law. It is expected the speaker would certify the Bills in second quarter of 2016.

The Commission is currently drafting new Regulations for the above Bill and a new Takeovers Code under the Capital Market Act 2015. The current Takeovers Code has been repealed by the Securities Commission Act 2015.

PART 4 MARKET PERFORMANCES

4.1. Background

Over the past fifteen (15) years, the market has grown slowly in terms of market size compared to 1998. The number of companies has increased by 150% from just eight (8) in 1998 to as high as 19 companies in 2011. Currently there are 19 companies listed on the Port Moresby Stock Exchange with 21 Securities. Six (6) are primary listed while thirteen companies 13 are dual or cross listed across major exchanges in Australia, UK, Unites States and Canada.

Market has been illiquid for a long time. Less than 20% of all listed companies appear to see some movements in their liquidity. The rest of the stocks listed have not been adding any value on the market.

Figure 1.0: Shows the trend of the number of companies from 1999 to dated on the Port Moresby Stock Exchange (POMSoX).



4.2. Market Participants

Within our capital market, we have one exchange and that is Port Moresby Stock Exchange (POMSoX) and two licensed participating organizations or stock brokers namely:

- (i) Kina Securities Limited
- (ii) BSP Capital Limited

There is one share registry in our capital market namely the "PNG Registries Ltd" in which most of the off market trades (OTC) are conducted.

4.3. Market Report

4.3.1. Market Capitalization

The size of our Capital Market has increased exponentially over the years. However, due to the current volatility in the global financial market, the fall in commodity prices and the delisting of New Britain Palm Oil Limited as the result of the takeover by Sime Darby, the market capitalisation decreased to K 46.12 billion from K68.5 billion in 2014.

Table 1: Provides the market capitalization of the Port Moresby Stock as at 31st December 2015.

MARKET CAPITALISATION AS AT 31ST DECEMBER 2015						
No	CoY	NO. ODINARY SHARES	%	LAST PRICE	CAPITALISATIO N	PERCENT T
1	COY	149,575,650	2.32%	0.10	14,957,565.00	0.03%
2	IOC	28,609,361	0.44%	90.00	2,574,842,490.00	5.58%
3	IDC	879,645,446	13.63%	0.00	0.00	0.00%
4	NCM	765,000,000	11.86%	26.00	19,890,000,000.00	43.13%
5	NI	435,114,690	6.74%	0.00	0.00	0.00%
6	NE	846,941,193	13.13%	0.04	33,877,647.72	0.07%
7	BSP	475,102,760	7.36%	7.50	3,563,270,700.00	7.73%
8	CA	223,000,000	3.46%	0.33	73,590,000.00	0.16%
9	CCP	313,818,068	4.86%	2.25	706,090,653.00	1.53%
10	CPL	123,359,532	1.91%	1.33	164,068,177.56	0.36%
11	HI	689,712,148	10.69%	0.20	137,942,429.60	0.30%
12	AM	45,653,330	0.71%	0.85	38,805,330.50	0.08%
13	PL	75,778,575	1.17%	0.40	30,311,430.00	0.07%
14	NBP	45,890,700	0.71%	0.78	35,794,746.00	0.08%
15	OSH	1,324,330,514	20.52%	14.06	18,620,087,026.84	40.38%
16	SST	31,008,237	0.48%	5.00	155,041,185.00	0.34%
17	BSPH A	3,021	0.00%	25,500.00	77,035,500.00	0.17%
TOTAL		5,205,330,322	100.00%		115,011,000.00	100.00%

4.3.2. Market Performance

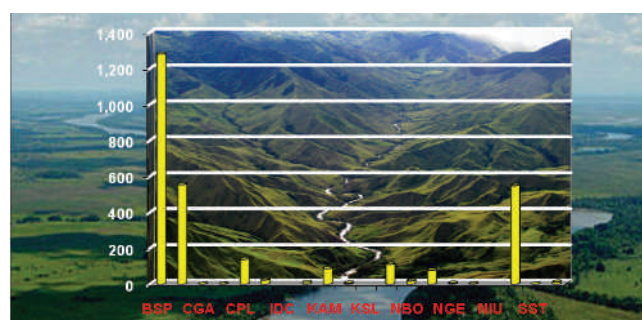
(a) Trading.

While the Market Capitalisation stands at K46 billion, there has been a lack of interest over the years by investors in trading their shares on the market. For example, there were only 2,665 trades in 2015 with a value K55, 687,643.00. In 2014, there were 3,567 trades with a value of K47, 031,005.00.

There are only few active stocks that are traded regularly, and include BSP, Credit Corporation Limited, City Pharmacy Limited, Kina Asset Management Limited and Oil Search Limited.

The Commission is optimistic that the performance of the market will improve once the three new bills are implemented.

Figure 2. Total Trades of Stocks (buy and sell) in 2015



(b). Volume of the Trades

There are 6,452,543,225 shares listed on the Port Moresby Stock Exchange by 19 companies. Over the 6.4 billion tradable shares, on 11,130,791 shares were traded on the market, there by exchanging hands of K55, 687, 643.00. Figure 4 below shows the number of shares or volume of shares traded on the Port Moresby Stock Exchange in 2015 financial year.

The table below shows the summary of trading on the Port Moresby Stock Exchange in the 2015 financial year.

Table 2 showing the summary of market performances in the 2015 financial year

STOCKS	TRADES	VALUE	TURNOVER	SHARES	PRICE	CAPITALISATION	PERCENT	SHARES	TURNOVER
BSP	1,280	5,589,156	41,607,367.42	475,102,760	7.50	3,563,270,700.00	7.73%	1,18%	1.17%
IOC	554	2,258,001	6,696,291.10	313,818,068	2.25	706,090,653.00	1.53%	0.72%	0.95%
CGA	0	0	0.00	223,000,000	0.33	73,590,000.00	0.16%	0.00%	0.00%
NIU	1	1,575	157.50	149,575,650	0.10	14,957,565.00	0.03%	0.00%	0.00%
CPL	137	645,248	901,529.48	123,359,532	1.33	164,068,177.56	0.36%	0.52%	0.55%
HI	24	478,657	81,170.63	689,712,148	0.20	137,942,429.60	0.30%	0.07%	0.06%
AM	0	0	0.00	45,653,330	0.85	38,805,330.50	0.08%	0.00%	#DIV/0!
CCP	0	1,810	30,900.00	313,818,068	2.25	706,090,653.00	1.53%	0.00%	0.00%
CA	87	1,469,526	1,457,194.84	223,000,000	0.33	73,590,000.00	0.16%	0.00%	0.00%
AM	0	30,257	14,227.30	45,653,330	0.85	38,805,330.50	0.08%	3.20%	3.76%
NIU	0	55,178	130,169.00	149,575,650	0.10	14,957,565.00	0.03%	0.04%	0.05%
NIU	5	329,273	13,091.30	149,575,650	0.10	14,957,565.00	0.03%	0.04%	0.04%
NIU	1	3,932	2,883.87	45,653,330	0.85	38,805,330.50	0.08%	0.01%	0.01%
NIU	0	0	0.00	435,114,690	0.00	0.00	0.00%	0.00%	#DIV/0!
NIU	548	256,336	4,229,730.92	1,324,330,514	14.06	18,620,087,026.84	40.38%	0.02%	0.02%
NIU	0	11,727	76,000.00	31,008,237	5.00	155,041,185.00	0.34%	0.04%	0.05%
BSPH A	12	16	387,000.00	3,021	25,500.00	77,035,500.00	0.17%	0.53%	0.50%
TOTAL	2,665	11,130,791	55,687,643	6,452,543,225	25,549	46,415,714,881.22	100.00%	6.38%	#DIV/0!
TOTAL SHARES FOR ACTIVE STOCKS				6,452,543,225					
MKT CAP FOR ACTIVE STOCKS				46,115,714,881.22					
PERCENT				6.38%					
#DIV/0!				#DIV/0!					

In Summary, the final outlook of the market performance saw a decline in activities. The only major activity was the final settlement of the takeover of New Britain Palm Oil Limited (NBPOL) by Sime Darby and the listing of Kina Securities on the Port Moresby Stock Exchange. Major players such as BSP and Oil Search Limited saw a significant drop in the share value due to the current decline commodity prices and inward pressures. Most of the stocks are owned by major companies and wealthy Papua New Guineans. Only few individual and households own shares.

There is a general lack of awareness of the stock market industry and its mechanism. To reach them is a huge task ahead for the market players. There is need for awareness to the general public on share trading on the stock market.

E. CORPORATE SERVICES DIVISION (CSD)

Overview

The Corporate Services Division (CSD) is a key business unit of Investment Promotion Authority that is responsible for Financial Management, Human Resource and Administration and Information Technology. It also manages a staff welfare scheme that involves a range of lending services to staff personal financial needs.

Corporate Objective

Its primary objective is to provide the resources required by other business units of the IPA mandated to provide investment promotion and facilitation services. As part of this support, CSD delivers an annual training agenda, recruitment, budget and accounting service, IT support and administration assistance to the Authority. As a support division, Corporate Services undertook principle carriage of the following programs which benefited both the staff and the organization as a whole.

1. Online Registry Project

The establishment and completion of the online project cost K4 Million and was launched in November 2013. All registry services are now web based; company registration and foreign company certification and forms can now be obtained and lodged online. In 2014 and 2015, the IT Unit did a lot of work in consultation with the software vendor on teething issues associated with the new system. Residual issues relating to the revised Companies Act and Regulation was completed in late 2015 for new forms and fees to be lodged and paid online in 2016.

2. Annual Training Program

The Authority continues to budget for staff development, capacity building and skills enhancement through training programs. The budget allocation was K100 000 for the training program from masters to certificate program. IPA has achieved one of its goals this year to make all divisional directors to hold masters.

3. Personnel and Payroll

IPA continues to depend on reliable and motivated staff across 7 business units ranging from investment promotion and facilitation services to the driving and ancillary support.

Table 1. Staff and payroll statistics for 2015 are shown below

Staff and payroll statistics - 2015	
Approved Staff Ceiling	148
Staff on Strength	124
Permanent Staff	106
Unattached Staff	2
Casual staff	16
Total on Payroll	124
Vacancy	24
Staff movements	
Recruitment	11
Resignation	7
Retirement	0
Termination	3
Death in service	1

4. Audit

The Investment Promotion Authority is one of the few government organizations that have the audit of its financial record up to date. Audit qualifications raised in the 2014 audit were addressed in 2015 and corrective measures were taken. Preparations for the audit for the financial year 31 December 2015 are underway.

5. Budget/ Financial Performance

The Authority continues to rely heavily on its internal revenue to fund its operations. The key revenue earners from the foreign certification and company registration have not reached the expected turnover due to slow integration from the old registration system to the new online registry system coupled with the gazettal of the new fees.

The only business unit that performed above expectations was the intellectual property takings. Whilst the Authority's operational costs have increased mostly as a result of improved employment terms and conditions as well as a result of increased rental costs coupled with increased IT operational costs, the Authority's ability to generate the matching revenues were non-existent due to the long process involved in the approval and gazettal of the revised Company Act Regulation

and proposed new fees. As a result the financial statements will show a large deficit which will be carried forward into 2016.

Human Resources and Administration Unit

The Human Resource and Administration Unit covers both the human resource and administration functions which includes staff recruitment, staff placement, administration of employment terms and conditions, payroll processing and staff training. It also deals with administration support such as provisioning of office space, purchase and supply of office consumables and equipment, and administration of the Authority's vehicles and insurance policies.

PLANNED ACTIVITIES

1.0 Internal Capacity Building – Human Management

This work program involves staff training and recruitment.

Training

Training was facilitated for seven employees to undertake short courses for skills enhancement and for two employees for long term course towards a diploma level qualification and one for degree level qualification.

Resignations

There were seven resignations during the calendar year 2015. One employee resigned to pursue further studies whilst one resigned to pursue business interest.

Recruitment
Interviews were conducted for eight vacancies for which five were concluded and recruited and others under progress.

Disciplinary

The unit dealt with seven disciplinary cases for which four employees were terminated and three had appeals considered in their favor and warning notices issued to them.

2.0 Administration of Employment Contracts & Agreements

The unit worked hard to renew all expired employment contracts and new contracts given to new employees.

3.0 Kokopo Office Relocation

The unit worked hard in 2015 to secure alternative office space and relocate the Kokopo Office to a more central location for the benefit of its clients. The new location is at Marau Haus, Unit 3.

4.0 Renewal of Insurance Policies

All existing policies were renewed with the selected broker Kanda International Insurance. Preliminary research was conducted into the possibility of improving the current medical cover for top management team.
Finance Unit

The Finance Unit takes carriage of the management of the Authority's finances. Its annual activities range from cash flow management and financial reporting to annual budget submissions and quarterly budget reviews and annual audit preparations.

PLANNED ACTIVITIES

1. Staffing

Staff capacity in the unit was strengthened with the confirmation of both the Manager and Senior Finance Officer supported by the Assistant Finance Officer whilst the position of Finance Officer remains vacant.

2. Management Financial Reports

All monthly financial reports for 2015 were prepared and submitted to the Management and Board of the IPA.

3. Quarterly Budget Reviews

Quarterly budget reviews were submitted to the Department of Treasury up to the Third Quarter of 2015.

4. 2015 Budget Submission

The 2015 Budget Submission for the IPA was prepared and submitted to the Department of Treasury in accordance with the DOT Budget Schedule.

5. End of Year Financial Report

The 2015 Financial Report is being prepared and will be submitted to the Managing Director and IPA Board Chairman on 12 February 2016 for clearance.

6. Payroll

All payrolls for 2015 were processed on time and within the HR policies guiding the payment of salary and wages.

7. Staff Welfare Scheme

The IPA Staff Welfare Scheme is an asset for the Authority and continues to provide small loans to staff to meet school fee needs and other urgent financial needs of staff. It has over the years proven its value to the organization as it cuts down the time required for staff to seek financial assistance outside of the office hence staff spends more time attending to their work.

8. Information Technology Unit Report

The core function of the Information Technology Section (ITS) is to support and maintain Information Communication Technology (ICT) infrastructure used by the Authority.

The unit supports and maintains the Authority's Online Registration System (ORS) Database, Intellectual Property Automation System databases (IPAS), hardware and software requirements, data and voice network, internal security system and two websites namely www.ipa.gov.pg and www.ipopng.gov.pg. The unit is also responsible for the backup of all IPA systems.

ONLINE REGISTRY SYSTEM

In September 2015, Catalyst, the ORS software System software was upgraded from version 1.6 to version 2.2 by replacing one of the application software called Tomcat with JBOSS. This upgrade has significantly improved the ORS performance experienced by registry users.

IPA has signed Software and Hardware support agreements worth K381, 332 with various vendors to support the ORS.

Intellectual Property Automated System (IPAS) Upgrade

World Intellectual Property Office (WIPO) supported IPAS software upgraded from version 2.7 to 3.11 in November. Two weeks in-house training on IPAS Database Administration was conducted by WIPO to support the new system.

Planned Activities

1. Staffing

Staff strength was improved to full capacity in 2015 with the recruitment of the IT Officer/PC Support.

1. Routine Maintenance Online Registry System

During 2nd and 3rd Quarters of the year, ORS experienced many problems related to Catalyst server upgrades. On the 13th April 2015 ORS system was unavailable to the external public from 2pm to 4.30pm. The problems mitigated subsequently by downgrading of Linux server Operating system back to its original configuration.

Then from 22nd May, the IPA internal users began experiencing system slowness. The only solution left was to restart the catalyst servers every time system slowness was reported.

In total, there were 107 occasions when ORS server was shut down during working hours, which means although the system was available to clients, they would have experienced slow system performance.

Furthermore, various physical changes were also done to IPA network hardware during that period but there was no improvement.

On the 30th September 2015, Foster Moore (FM) upgraded Catalyst version 1.6 to version 2.2 by replac-

ing one of the application software called Tomcat with JBOSS. In addition, previous application monitoring software Zabbix, was replaced by "New Relic" application monitoring software which can even diagnose errors down to the source code level to pin point causes of system slowness.

Since the upgrade, IPA users have not reported system slowness or errors.

As indicated in Table 2, most tasks handled by ITS were in the form of Helpdesk Support with BRCD being the division demanding most attention.

3. Special projects

Air conditioner

New stand-alone air conditioner was installed in the server room on 27th March 2015 for better cooling of the server room.

PABX Upgrade

The new PABX system is being installed for the purpose of increasing current telephone lines from 8 to 30 and to introduce Closed User Group (CUG) feature to the IPA phone system. The system is yet to be commissioned; now awaiting Conxions to solve technical problems related to software and network integration.

IT Policy

Senior Management Committee adopted the final draft of IT Policy Document on the 12th May 2015.

4. IT Related Expenditure Support Agreement with Foster Moore

Support Agreement with Foster Moore to maintain the Online Registration System was signed on 30th July 2015 with a costing of K255,000 to be paid per annum.

Hardware Service Level Agreement with Datec

IPA signed a Hardware Service Level Agreement (SLA) with Datec in anticipation of future hardware failures of ORS Server hardware for Datec to have spare parts available to use if any disaster happens. Our current ORS hardware was reported as obsolete by IBM in January 2015.

Hardware Service Level Agreement with Datec

IPA signed a Hardware Service Level Agreement (SLA) with Datec in anticipation of future hardware failures of ORS Server hardware for Datec to have spare parts available to use if any disaster happens. Our current ORS hardware was reported as obsolete by IBM in January 2015.

The following items were bought/subscribed in 2015. (See table)

Table 2: Procurements in 2015

Item	Quantity	Cost
CD writer	1	K221.39
DLink Switch	4	K660.00
DLT tapes	13	K2,085.00
DVD cases	4	K794.56
External Hard disk	7	K1,949.95
Internet access	12	K128,956.00
Network Cables	4	K190.00
Other	1	K23.10
Power supply unit	6	K1,630.94
Printer	6	K7,021.57
Scanner	8	K54,139.00
Scanner Roller Kits	2	K461.20
Support, Contracts, Annual Subscription	8	K390,999.05
Surge Board	2	K96.00
Tablets	2	K3,190.00
UPS	10	K3,333.00
Total		K595,750.76

Table 3: Disposed Items in 2015

IPA#	item	Serial#	Status	Date Disposed	Date Purchased	Purchase Price
381	Power Supply Unit	32300001LS01	Write Off	04-Aug-15		K0.00
125	UPS	20031070331976	Write Off	15-Apr-15		K0.00
306	UPS	2009210405	Write Off	15-Apr-15	28-Jan-10	K209.00
227	UPS	2008311904	Write Off	15-Apr-15	05-Feb-09	K209.00
PR025_IPO	Printer	CNC2003423	Write Off	07-Apr-15	22-Mar-11	K1,698.02

5. IT Staff Training

Staff capacity building within the IT Unit is paramount in order for staff to continue to adapt to the changing IT environment, and will be able to manage the systems accordingly. In 2015 all IT personnel attend capacity building programs.

6. IT System Downtime due to Building Related Problems

In addition to ORS Catalyst software related down time discussed under "Routine Maintenance Tasks", continuous electrical problems with the air conditioning of the building, Online System related hardware experienced overheating problems. On Sunday 1st February to 10.14am on 2nd February, the online lodgment system was down. IPA servers were down on 1st September 2015, 17th October 2015, 19th October 2015, 23rd October 2015, 26th October 2015, 29th October 2015 and again on 3rd November 2015 due to continuous long blackouts and non-availability of automatic switching to generator power, although servers were supported by Uninterrupted Power Systems.



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22 JUN 2016

Our Reference: 30-71-4

The Honourable Richard Maru, MP
Minister for Trade, Commerce and Industry
Office of the Minister
PO Box 375
WAIGANI, NCD

**AUDITOR'S REPORT ON
INVESTMENT PROMOTION AUTHORITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

In accordance with *Section 8(4) of the Audit Act, 1989 (as amended)*, I have audited the accompanying financial statements of **Investment Promotion Authority** for the financial year ended **31 December, 2015** as set out on pages 2 to 11, which comprise the balance sheet as at 31 December, 2015, the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the *International Financial Reporting Standard* and *Section 63(4) of the Public Finances (Management) Act, 1995* and other statutory requirements. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatements, whether due to fraud or error.

Responsibility of the Auditor-General

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the *Audit Act* and *International Standards on Auditing*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

AUDIT OPINION

I report that in my opinion:

- (a) the financial statements of the Investment Promotion Authority are based on proper accounts and records; and
- (b) the financial statements are in agreement with those accounts and records, and show fairly the state of affairs of the Authority as at 31 December, 2015, and the results of its financial operations for the year then ended.



PHILIP NAUGA
Auditor-General

31 May, 2016

Director's Declaration

DECLARATION BY MANAGEMENT

In our opinion, the Balance Sheet and Statement of Income and Expenditure together with the Notes to the Financial Statements for the Investment Promotion Authority have been drawn up so as to show fairly, the financial position and performance for the year ended 31st December 2015.

Except as disclosed, we are of the opinion that:-

- a) the results of the Authority's operations for the year have not been materially affected by items, transactions or events of an abnormal nature;
- b) no material circumstances have arisen which would render any amounts shown in the statements misleading;
- c) the current assets of the Authority are expected to be realised in the ordinary course of business at least the value at which they are included in the statements;
- d) Fixed Assets to the value shown in the statements were in existence as at 31st December 2015.



.....
LEON BUSKENS,
Chairman



.....
IVAN POMALEU, OBE
Managing Director

Date... 31st May 2016

Date... 20 May 2016

Statement of Income & Expenditure

INVESTMENT PROMOTION AUTHORITY STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	2015 K	2014 K
INCOME			
Grant Income	2(a)	3,315,260	3,351,500
Others	2(b)	9,059,341	7,024,273
Total Operating Revenues		12,374,601	10,375,773
OPERATING EXPENSES			
Personal Emoluments		5,472,384	4,949,970
Travel and subsistence		137,902	154,233
Utilities		376,596	321,123
Office materials and supplies		311,710	308,476
Vehicle expenses		181,951	187,637
Administration consultancy		39,208	5,348
Property rental		3,641,377	3,318,831
Routine maintenance		39,663	43,985
Other Operational expenses		1,456,032	1,297,577
Board Expenses		100,394	100,165
Subscriptions and affiliations		96,350	159,472
Special projects		1,227,216	863,418
Grants/transfers - Public Authority		94,654	6,361
Total Expenditure		13,175,437	11,716,597
Net Profit/(Loss) before abnormal items		(800,836)	(1,340,824)
Less: Abnormal Items	7	0	0
Net Profit/(Loss) After Abnormal Items		(800,836)	(1,340,824)
Retained Earnings at the beginning of year		1,793,509	3,044,978
Adjustments recognised in the Statements	10	468,256	89,355
Retained Earnings as at the end of the year		1,460,929	1,793,509



Balance Sheet

INVESTMENT PROMOTION AUTHORITY BALANCE SHEET AS AT 31ST DECEMBER 2015

	Notes	2015 K	2014 K
ASSETS			
Current Assets			
Petty Cash		1,300	1,300
Cash at Bank	6	1,661,317	2,449,881
Prepayments and Other Debtors		127,042	165,848
Stock		66,430	55,394
Security Deposit		25,000	25,000
Investments in Fixed Term Deposits	9	625,842	619,866
Total current assets		2,506,930	3,317,289
Non-current Assets			
Motor Vehicle	3	490,947	255,388
Property Plant & Equipment	3	3,700,754	3,977,662
Furniture & Fittings	3	1,253,337	1,407,428
Office Equipment	3	889,232	827,044
Prepayments & Other Debtors		208,843	206,786
Work-in Progress	3	0	0
Total non-current assets		6,543,113	6,674,308
Total assets		9,050,043	9,991,596
Current Liabilities			
Creditors and accruals		1,718,518	2,481,439
Provisions	4	787,217	761,129
Total current liabilities		2,505,735	3,242,568
Non-current liabilities			
Provisions	5	1,193,049	1,065,189
Total non-current liabilities		1,193,049	1,065,189
Total liabilities		3,698,784	4,307,757
Net assets		5,351,259	5,683,839
EQUITY			
Government Grants and Reserves		3,890,330	3,890,330
Retained Earnings	11	1,460,929	1,793,509
Total Equity		5,351,259	5,683,839



Cash Flow Statement

**INVESTMENT PROMOTION AUTHORITY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2015**

	Notes	2015 K	2014 K
Cash flows from operating activities			
Cash receipts from customers		14,786,538	18,840,645
Cash paid to suppliers and employees		(15,575,102)	(17,808,527)
Cash generated from operations		(788,564)	1,032,118
Interest Received from investments in FTD		5,976	0
Net cash (used in)/from operating activities		<u>(782,588)</u>	<u>1,032,118</u>
Cash flows from investing activities			
Proceeds from sale of assets		0	(1,248,245)
Purchase of property, plant & equipment	3	(600,299)	(617,849)
Payment of rental bond		(2,057)	(40,000)
Net cash (used in)/ from investing activities		<u>(602,356)</u>	<u>(1,906,094)</u>
Cash flows from financing activities			
Proceeds		0	0
Purchase of property, plant & equipment		602,356	617,849
Net cash (used in)/from financing activities		<u>602,356</u>	<u>617,849</u>
Net increase/(decrease) in cash and cash equivalents		<u>(782,588)</u>	<u>(256,127)</u>
Cash and cash equivalents at beginning of period		3,096,047	3,352,174
Cash and cash equivalents at end of period		<u><u>2,313,459</u></u>	<u><u>3,096,047</u></u>



Statement of Changes in Equity

INVESTMENT PROMOTION AUTHORITY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Notes	Govt Grants & Reserves	Retained earnings	Total
		K	K	K
Balance at 1 January 2014		3,890,330	3,044,978	6,935,308
Adjustment recognised in the statement			89,355	89,355
Net profit/(loss) for the period			(1,340,824)	(1,340,824)
Balance at 31 December 2014		3,890,330	1,793,509	5,683,839
Adjustments recognised in the statements	10		468,256	468,256
Net profit/(loss) for the period			-800,836	-800,836
Balance at 31 December 2015		3,890,330	1,460,929	5,351,259



Notes to and Forming Part of the Financial Statement

Notes to and Forming part of the Accounts

INVESTMENT PROMOTION AUTHORITY
For the Year ended 31 December 2015

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Statement of Compliance

The financial statements of Investment Promotion Authority have been prepared in compliance with the International Accounting Reporting Standards and other generally accepted accounting practices in Papua New Guinea.

(b) Basis of Preparation

The financial statements have been prepared on the basis of historical cost and except where stated do not take in to account current valuations of non-current assets.

(c) Depreciation of Property, Plant and Equipment.

Property, Plant and Equipment are depreciated over their estimated useful lives using the straight line method at the following rates:

Motor vehicles	20%
Computers	10%
Fixtures & fittings	5 - 10%
Office equipment	5 - 10%

All property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority. All other repairs and maintenance costs are expensed.

Profits and losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

(d) Foreign currency conversions.

All foreign currency transactions during the year are recorded in the books using the rate of exchange prevailing at the date of transaction. At balance sheet date amounts receivable or payable in foreign currency are translated at the exchange rate prevailing at that date. All exchange gains and losses are brought to account in determining the results for the year.

(e) Inventories

Unused stationery supplies comprises the inventory for the Authority. They are valued at the lower of cost and net realisable value. Cost is determined on the weighted average basis.

(f) Employee entitlements

The amounts expected to be paid to employees for their pro-rata entitlements to long service leave, annual leave and other benefits are accrued at current wages rate. A provision is made for estimated liability for annual leave, long service leave and other benefits as a result of services rendered by employees up to the balance sheet date.



Notes to and Forming part of the Accounts

INVESTMENT PROMOTION AUTHORITY
For the Year ended 31 December 2015

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

(g) Government grants

Government grants are recognised in Profit and Loss Statement over the periods necessary to match them with the related costs which the grants are intended to compensate. At balance sheet date, any unused grants are recognised in the balance sheet as liability to the extent that unused grants are repayable.

(h) Provisions

Provisions are recognised when the Authority has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligations.

(l) Cash flows

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and interest bearing investments readily convertible into cash, net of bank overdraft.

2. Income

	<u>2015</u>	<u>2014</u>
Total income consists of:-		
Government Grant	3,315,260	3,351,500
Other income	9,059,341	7,024,274
Total income	<u>12,374,601</u>	<u>10,375,774</u>

2(a) Government grant consists of:-

Ordinary grant	3,315,260	3,351,500
PIP and others	0	0
Total grant	<u>3,315,260</u>	<u>3,351,500</u>

2(b) Other income consists of:-

Certification fees	1,636,650	1,106,051
Company fees	5,905,203	4,787,840
Sale of promotional materials	5,901	68,500
Interest on Long Term Bonds	0	0
Interest on FTDs	5,976	22,094
Intellectual Property Fees	1,485,087	871,217
Gain on sale of motor vehicle	0	0
Miscellaneous	20,525	168,572

Total **9,059,341** **7,024,274**

The Authority receives annual grants from the National Government to help finance the annual work programs that it is mandated to implement. During the year, a total of K3, 315,260.00 recurrent grant was received from the Government. Internal revenues generated amounted to K9,057,479



Notes to and Forming part of the Accounts
INVESTMENT PROMOTION AUTHORITY
For the Year ended 31 December 2015

3. Property, Plant & Equipment

	Motor Vehicle K	Computers K	Fixtures & fittings K	Office equipment K	Total K
at cost/revaluation:					
At 31 December 2014					
Gross carrying values - 1 January 2014	687,150	746,122	2,049,105	1,188,182	4,670,559
Add: Acquisitions during the year	0	3,889,069	95,937	44,247	4,029,253
Less: Disposals during the year	(47,748)	0	0	(16,401)	(64,149)
Add/(Less) Adjustments during the year	0	0	0	0	0
Gross carrying values - 31 December 2014	639,402	4,635,191	2,145,042	1,216,028	8,635,663
Less: Accumulated Depreciation	(384,014)	(657,529)	(737,613)	(388,984)	(2,168,140)
Net carrying values as at 31 December 2014	255,388	3,977,662	1,407,429	827,044	6,467,523
At 31 December 2015					
Gross carrying values - 1 January 2015	639,402	4,635,191	2,145,042	1,216,028	8,635,663
Add: Acquisitions during the year	441,836	471	8,885	149,107	600,299
Less: Disposals during the year	(141,495)	0	0	0	(141,495)
Add/(Less) Adjustments during the year	0	0	0	0	0
Gross carrying values - 31 December 2015	939,743	4,635,662	2,153,927	1,365,135	9,094,467
Less: Accumulated Depreciation	(448,796)	(934,907)	(900,590)	(475,903)	(2,760,196)
Net carrying values as at 31 December 2015	490,947	3,700,755	1,253,337	889,232	6,334,271

Reconciliation of carrying amounts at the beginning and end of the year is as follows;

Cost/valuations - 1 January 2015	639,402	4,635,191	2,145,042	1,216,028	8,635,663
Accumm Depn - 1 January 2015	(384,014)	(657,529)	(737,613)	(388,984)	(2,168,140)
Net carrying values - 1 January 2015	255,388	3,977,662	1,407,429	827,044	6,467,523
Additions during the year	441,836	471	8,885	149,107	600,299
Disposals during the year	(10,882)	0	0	0	(10,882)
Adjustments during the year	(44,000)	0	0	0	(44,000)
Depreciation charge	(151,395)	(277,379)	(162,977)	(86,919)	(678,670)
Net carrying values as at 31 December 2015	490,947	3,700,754	1,253,337	889,232	6,334,270

During the year the Authority made a total purchase of K588,299.00 .Work in Progress (Online Registry System)
The Authority carried a total net assets value of K6,322,270 as at 31 December 2015 (31 December 2014 was K6,467,523).

	2015 K	2014 K
4. Provisions (Current)		
Employee Entitlements (Note 5) (b)	437,662	368,165
Audit Fees (a)	77,000	115,500
Contract Gratuities	272,555	277,464
Total	787,217	761,129
(a) Audit Fees		
Opening balance	115,500	76,980
Provision created	38,500	38,520
Less: Payments made against the provision	(77,000)	0
Closing balance	77,000	115,500
(b) Employee Entitlements		
Opening balance	368,165	453,340
Increase/(Decrease) in Provision	69,497	172,183
Less: Payments made against the provision	0	(257,358)
Closing balance	437,662	368,165



Notes to and Forming part of the Accounts

INVESTMENT PROMOTION AUTHORITY
For the Year ended 31 December 2015

	<u>2015</u>	<u>2014</u>
	K	K
5. Provisions (Non-current)		
Employee entitlements	<u>1,193,049</u>	<u>1,065,189</u>
Employee entitlements (Current and Non-current)		
Opening Balance	1,065,189	1,100,791
Increase/(decrease) in provisions	127,860	175,477
Less payment made	0	-211,079
	<u>1,193,049</u>	<u>1,487,347</u>
Current (Note 4)	437,662	368,165
Non-current	<u>1,193,049</u>	<u>1,065,189</u>
Closing balance	<u>1,630,711</u>	<u>1,433,354</u>

As at 31 December 2015, the Authority had a balance of K1, 552,357.00 for provisions relating to staff leave benefits.

As at 31 December 2015, the Authority has a balance of K77, 000.00 for provisions relating to annual audit fees.

As at 31 December 2015, the Authority has a balance of K270,684.00 for provisions relating Gratuities.

The leave benefit entitlements are accrued at current wage rates (refer note 1(f)). The audit fee expenses are based on annual audit fees charged by the auditors. The 2015 audit fees are charged to profit and loss account at K3, 208 per month or K38, 500 per annum at current rates.

6. Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks. Cash and cash equivalents in the cash flow statement comprise the following balance sheet amounts:-

	<u>2,313,459</u>	<u>3,096,047</u>
Petty Cash Balances	1,300	1,300
Bank balances	1,661,317	2,449,881
Security Deposit	25,000	25,000
Short term deposits (refer note no. 9)	<u>625,842</u>	<u>619,866</u>
	<u>2,313,459</u>	<u>3,096,047</u>

The bank account balances for the Authority at the end of the year are as follows;

	<u>1,661,317</u>	<u>2,449,882</u>
Westpac Bank Operating Account	547,731	742,369
Registrar of Companies Trust Account - Westpac Bank	801,569	907,150
ANZ EFFTPOS	151,870	332,528
BSP - Buka Account	160,146	167,056
BPNG Account	1	300,779
	<u>1,661,317</u>	<u>2,449,882</u>



Notes to and Forming part of the Accounts

INVESTMENT PROMOTION AUTHORITY
For the Year ended 31 December 2015

	2015 <u>K</u>	2014 <u>K</u>
7. Abnormal Items		
Loss on disposal of fixed assets	0	0
Bad Debt	<u>0</u>	<u>0</u>
8. Disposal of Fixed Assets		
Gain on Disposal of Fixed Assets	<u>0</u>	<u>0</u>
9. Fixed Term Deposits		
	<u>625,842</u>	<u>619,866</u>
Westpac PNG Ltd	<u>625,842</u>	<u>619,866</u>
	<u>625,842</u>	<u>619,866</u>
The Authority has K625,842 in short term deposit with the Westpac Bank (PNG) Ltd		
10. Adjustments recognised in the statements		
Prior Year Adjustments	<u>468,256</u>	<u>88,843</u>
Write back un-presented cheques to the main bank account	363,300	156,789
Other year-end adjustments	115,838	-67,434
Loss on Disposal of Assets	-10,882	0
Bad Debt	<u>0</u>	<u>0</u>
	<u>468,256</u>	<u>89,355</u>

Write back of stale/unpresented checks include payments to IRC, Nambawan Super Ltd and Rentals.
Other year end adjustments include previous year expenses which were settled in 2015.



Notes to and Forming part of the Accounts

INVESTMENT PROMOTION AUTHORITY
For the Year ended 31 December 2015

	<u>2015</u>	<u>2014</u>
	K	K
11. Retained Earnings		
	<u>1,460,929</u>	<u>1,793,509</u>
Balance at the beginning of the year	1,793,509	3,044,978
Add/(Less) adjustments recognised in the statements (refer note no.10)	468,256	89,355
Add/(Less): Profit/(Loss) for the year	<u>(800,836)</u>	<u>(1,340,824)</u>
	<u>1,460,929</u>	<u>1,793,509</u>

12. Contingencies and Other Commitments

(i) Contingent Assets and Liabilities

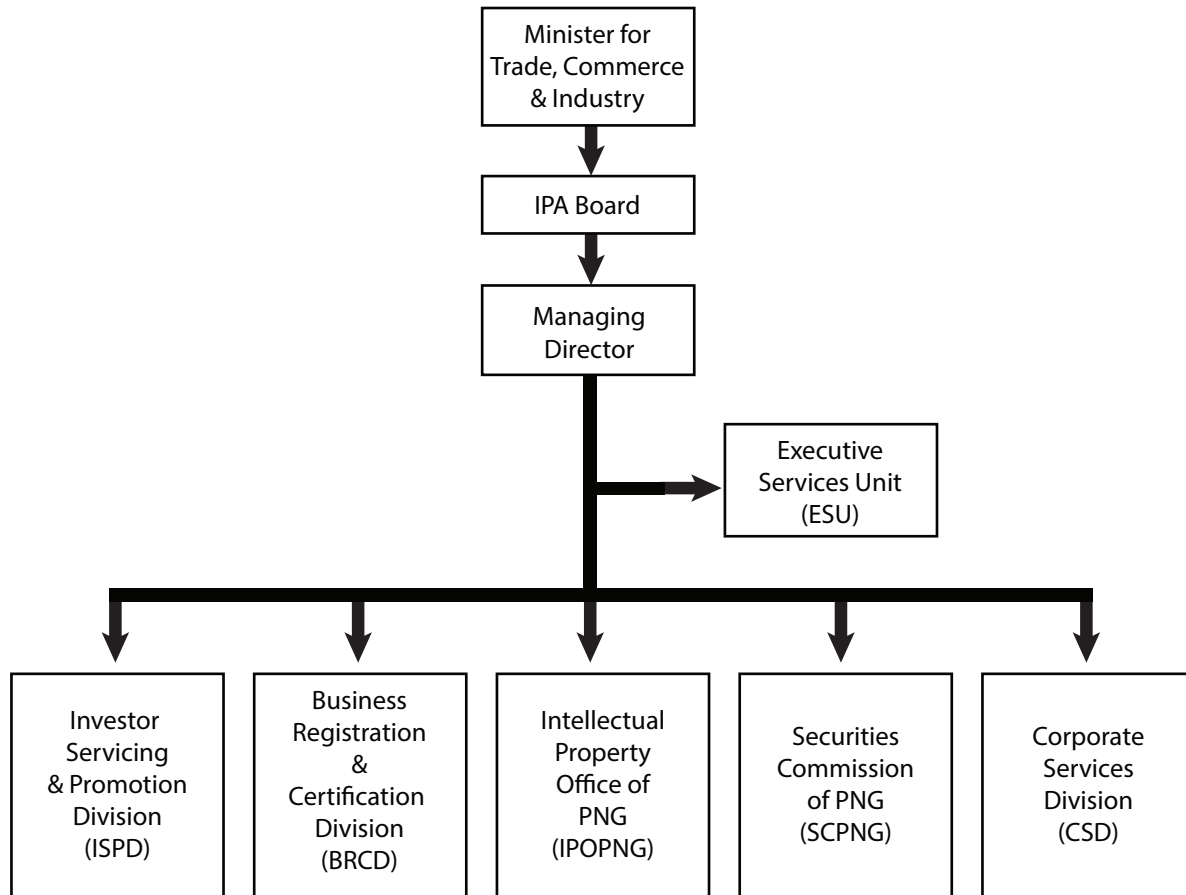
No contingent liability is expected to become enforceable from the date of this report that would require the Authority to meet its obligations when they fall due.

(ii) Other commitments

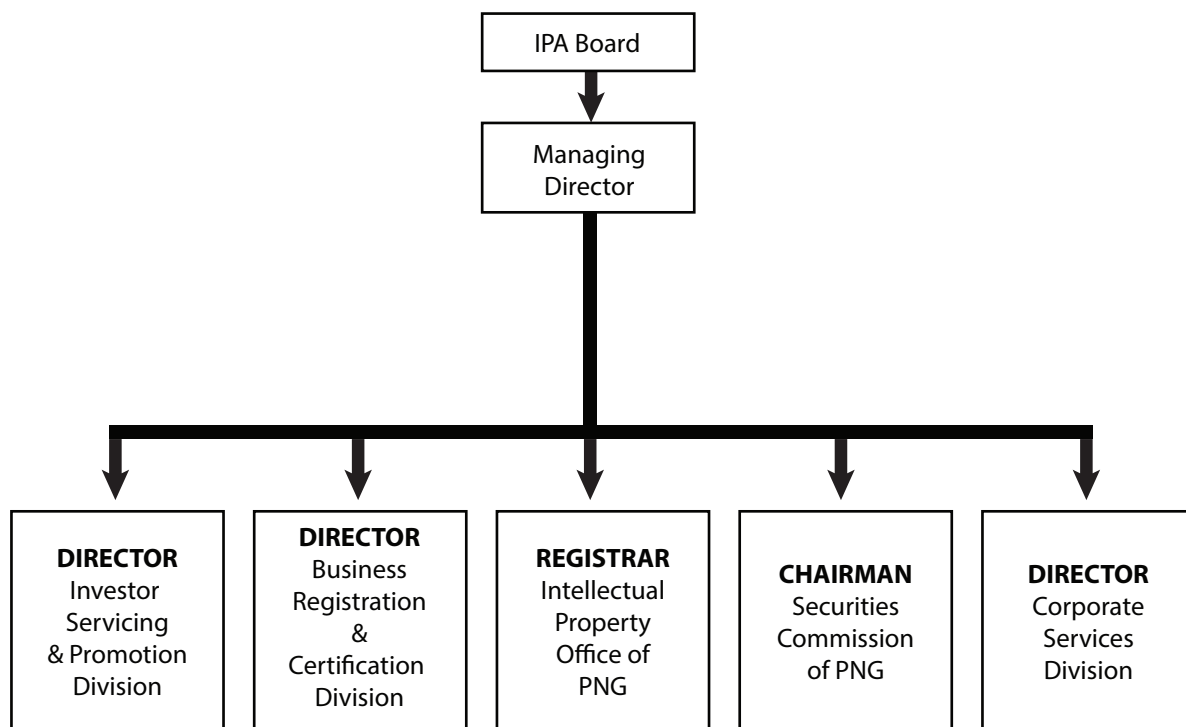
The Authority appears to have had some bills owing to Mirupasi Lawyers for services provided in 2003. The management is reviewing these on the basis of powers of referral and commitment of funds and the quality of services rendered. The provision has been taken up in the accounts to reflect amounts owing. This will include bills owing to Elomi Lawyers.



2015 IPA ORGANIZATIONAL STRUCTURE



2015 IPA MANAGEMENT STRUCTURE



BOARD MEMBERS AND ALTERNATE MEMBERS - 2015

Member's Name	Representation	Designation	Alternate Member	Period of tenure 2015
Mr. Leon Buskens	Ministerial Appointee	Chairman		Annual
Mr. Phil Franklin, MBE	PNG Chamber of Commerce & Industry	Deputy Chairman	Mr. Alan McLay President (Lae) Lae Chamber of Commerce & Industry PO Box 265 LAE 411 – Morobe Province Contact: Ph: 472 2340 Fax: 472 6038 Email: pfranklin@bngtrading.com.pg	Annual
Professor Albert Mellam - VC	Ministerial Appointee			Annual
Mr. David Conn	POM Chamber of Commerce & Industry	Member	Mr. Ken Dunn c/- First Investment Finance Ltd PO Box 326 PORT MORESBY 121 – NCD Contact: Ph: 321 7900/703 13679 Fax: 321 7907 Email: kdunn@moniplus.com	Annual
Mr. Allan Bird	Rural Industries Council	Member	Mr. Graham Ainui c/- Rural Industries Council PO Box 1530 BOROKO 111 – NCD Contact: Ph: 321 5773 Fax: 321 7223 Email: grahamainui@online.net.pg	Annual
Vacant	PNG Chamber of Mines & Petroleum	Member	Mr. Mel Togolo PO.Box 851 Port Moresby 121- N.C.D Ph: 321 1284 M: 72996520 Email: mpt@nautilusminerals.com	Annual
Mr. Dairi Vele	Department of Treasury	Member (Exofficio)	Mr. John Uware Acting Deputy Secretary- Corporate Services Division Department of Treasury PO Box 542 WAIGANI 131 – N.C.D Contact: Ph: 3133507 Email: John_Uware@treasury.gov.pg	Annual

Mr. John Andrias	Department of Trade, Commerce & Industry	Member (Exofficio)	Mr. David Ganai Acting First Secretary- Commerce Division Department of Trade, Commerce & Industry PO Box 375 WAIGANI 131 – N.C.D	Annual
Mrs. Veitu Diro	Liklik Bisnismanmeri Rep.	Member		Annual
Mr. Ivan Pomaleu	Managing Director Investment Promotion Authority	Managing Director		Annual

IPA BOARD MEETING HELD - 2015

Member's Name	Number of Meetings Attended (Quarterly)	No. of Special Board (SB) and Board Audit Committee (BAC) Meetings Attended
Leon Buskens (Chairman)	1	
Philip Franklin (Dep Chairman)	3	
Alan Mclay (Alternate)	0	
David Conn (Member)	4	3 BAC
Ken Dunn (Alternate)	0	
Professor Albert Mellam (Ministerial Appointee)	2	
Alan Bird (Member)	4	3 BAC
Graham Ainui (Alternate)	0	
Mel Togolo (Alternate)	2	
Veitu Diro (Member)	2	
John Andrias (Member)	0	
David Ganai (Alternate)	3	
Dairi Vele (Member)	0	
Dr Nama Polum (Alternate)	1	
Ivan Pomaleu -MD	4	3 BAC

EXECUTIVE MANAGEMENT TEAM - 2015

Full Name	Representation	Period of tenure in 2015
Mr. Ivan Pomaleu	Managing Director & CEO	Annual
Mr. Clarence Hoot	Director - Investor Servicing & Promotion Division	
Mr. Alex Tongayu	Registrar of Companies, Business Registrations & Certification Division & Security Commission	Annual
Mr. Alex Tongayu	Acting Chairman - Securities Commission of PNG (SCPNG)	Annual
Ms. Amelia Na'aru	Registrar - Intellectual Property Office of PNG (IPOPNG)	Annual
Ms. Anna Marikawa	Director - Corporate Services Division	Annual
Mr. Ronald Maru	Executive Officer to Managing Director Executive Services Unit (ESU)	Annual

FACILITATED FACT FINDING MISSION ON INVESTMENT IN PNG - 2015

No.	Name/ Group	Month	Country/ Region
1	Vanuatu Trade & Investment Mission	January/February	Vanuatu
2	Calvo Group of Spanish Tuna Industry	January	Spain
3	European Mission	March	Europe
4	Yachiyo Engineering Co Ltd	March	Japan
5	Fitzroy Engineering	April	New Zealand
6	GS Yuasa	June	Japan
7	New Zealand-PNG Business Council Delegation	June	New Zealand
8	Indonesia Scoping Mission	June	Indonesia
9	Itochu Corporation	July	Japan
10	Guangdong Delegation	August	China
11	Seah Steel Group	August	Korea
12	Fuji Electric Company	August	Japan
13	ASEA Brown Boveri	August	Switzerland
14	NEWJEC Inc	September	Japan
15	Xian XD Group	September	China
16	Lazard Bank	September	Europe
17	Portofino Italian Products	September	Italy
18	Coffeys EMS	October	Australia
19	Papu Connection Limited	November	Indonesia
20	Pt. AL Lifting	November	

PROFILE OF BOARD MEMBERS

MR. LEON BUSKENS

Leon Buskens is serving his second term as Chairman of the Investment Promotion Authority. He was initially appointed in 2012. He has over twenty years of Business experience within the private sector and the Government. He is currently employed by Oil Search Ltd and serves on a number of Boards including a Not for Profit Board. Prior to joining Oil Search, he was the Managing Director of POSF which was rebranded to Nambawan Super during his term, and also served for less than a year as the founding Managing Director for National Petroleum Company PNG (NPCP Ltd). He has a Bachelor of Accounting Business Degree from the University of Technology in Lae, and a Post Graduate Degree from the Royal Melbourne Institute of Technology. He is a member of the PNG Institute of Directors and the Australian Institute of Company Directors.

MR. PHILIP FRANKLIN MBE, FAICD

Philip Franklin is currently the Deputy Chairman and serving his third term on the Investment Promotion Authority. He has worked in PNG on a continuous basis for 39 years in general manager and CEO roles across a broad industry base including forestry, agribusiness, food manufacturing, road transport, property project development, and mining infrastructure projects. He currently heads up a successful consulting business that contracts to a wide range of clients requiring support across a diverse range of management services including, corporate governance, product or business advocacy, identifying JV partners and representation to PNG government and statutory bodies. The consultancy business specialises in delivering fast tracked solutions and results. He has been elected to senior positions on peak and government statutory bodies representing local and national business interest's. These include the PNG Chamber of Commerce and Industry, The APNGBC (PNG), and Institute of National Affairs (INA). He has a Bachelor of Science from the Australian National University and Diploma in Company Directorship from the University New England.

*BACK ROW (Left - Right) David Conn, Allan Bird, Prof Albert Mellam, David Ganaii, John A Uware, Ronald G Maru, Ivan Pomaleu
FRONT ROW (Left - Right) Mel Togolo, Veitu Diro, Leon Buskens, Phil Franklin*



MR. IVAN POMALEU, OBE. MANAGING DIRECTOR

He is bringing up 26 continuous years as a Public Servant having joined in November 1990. Mr. Pomaleu has served in the position of Managing Director since 10 August 2001. He joined the IPA in September 1996. His previous experience has been in the foreign certification division, and executive officer to the Managing Director. He has previously worked at the National Planning Office as Senior Monitoring and Evaluation Officer, and as Planning and Budgeting Officer. He holds a MBA (International Business) from Deakin University, a BSc in Biology from UPNG and a Diploma in Economic Policy and Planning from the International Development Centre of Japan.

PROF ALBERT MELLAM, PhD

Professor Albert Conrad Mellam is serving his third term as member of the Investment Promotion Authority. He was initially appointed in 2012 Professor Albert Conrad Mellam served in the IPA Board as the Chairman from mid 2009 to 2011. Professor Mellam is presently the Foundation Executive Dean, School of Business Administration at the University of Papua New Guinea. He holds lectureship in the areas of Strategic and Human Resources Management. Dr. Mellam holds a PhD (Psychology) and a Masters in Psychology from ANU, and a Bachelor of Arts with Honors, and a Bachelor of Arts from UPNG. He is a recipient of many international scholarship awards, has had international consulting experiences, and has published widely on his area of interest and expertise. On the IPA Board he brings a wide range of expertise in human resources and strategic planning which would add value to the organizations work.

MR. ALLAN BIRD

Allan Bird is currently serving his first term as a member on the Investment Promotion Authority. He is an entrepreneur with more than 20 years of experience in project management, mining, infrastructure and building construction, and agricultural business development and has worked in strategic management roles. He currently manages several businesses and serves on several boards, including Wewak Hospital, Papindo Group of Companies. Allan previously served as Chairman of the Innovative Agricultural Grants Scheme (AusAid), Vision 2050 Taskforce member, Economic and Public Sector Program as an advisor and has worked in the Department of PM&NEC, Department of Planning & Monitoring, Department of Finance and Internal Revenue Commission. He holds a Bachelor of Science and a Graduate Diploma in Strategic Management from the University of Papua New Guinea.

MRS. VEITU DIRO, CBE MBE

Veitu Diro is currently serving her third term as a member on the Investment Promotion Authority. She is a small business entrepreneur with many years of experience in small business management and sports management especially with two sports codes of Netball and Basket ball and has represented PNG in these two codes in South Pacific Games in 1969 (Port Moresby) and 1971 (Tahiti) respectively. She currently manages several businesses include Administration College Kiosk, Fuji Interior Murray Highway and Culinary Delights Catering Services and serves as member of Olympic Committee, Commissioner for Sports Foundation and Coach for Telstra Netball Club. She attended various schools under London Missionary Society in Port Moresby and Rabaul and graduated as a Teacher from the Wardstrip Teachers College and holds various Certificates from the two sports codes.

MR. DAVID CONN, OL MBE

David Conn is serving his third term as a Member of the Investment Promotion Authority. He is an entrepreneur with more than 30 years of experience in business, service and government organizations and has worked in senior management roles. He currently performs in various management roles in Government, private and non-profit organizations and serves on several boards, including National Research Institute, Ginigoada Bisnis Development Foundation, NCD Audit Committee, Commission for Higher Education and Pacific Games Organizing Committee, PNGDOH National Health Board and PNGDOF Audit Committee. David is currently the CEO Port Moresby Chamber of Commerce and Industry.

MR. MEL TOGOLO, CBE

Mel Togolo is serving the IPA Board representing the PNG Chamber of Mines and Petroleum. He has been involved in the resources industry in PNG and overseas, particularly in mineral sector, for almost 25 years having worked for various mining companies including, Kennecott Exploration, MIM Holdings Limited, Highlands Gold Limited, Placer Dome Niugini Limited and Country Manager for Nautilus Minerals developing the world first deep sea mining project, Solwara 1. He was the first General Manager for State entity MRDC, which holds landowner interests in various mining projects in the country. Until recently, he was on the Board of Westpac Bank PNG and currently he is on the board several private companies, including NASFUND. In recognition for his services to commerce and industry, he was awarded CBE in 2004 Queen's Awards. Mel Togolo has a degree in Economics with honours from UPNG and has masters' degrees from University of Leeds (UK) and the University of Hawaii at Manoa (USA).

MR. JOHN A UWARE

John A Uware is serving his first year as the Alternate Member (Ex-Officio Secretary for Treasury) on the IPA Board. He has been in the public service for over 26 years, mainly with Treasury (and its predecessor departments). His role involves managing the Division as well as: ensuring new strategic growth policies and initiatives are progressed through policy dialogues and fostering relationships with stakeholders; and providing secretariat support to the Ministerial Economic Committee. He has previously worked with key international multilateral lending agencies that provide loan financing and other assistance to PNG like the World Bank, ADB, JICA and others. He also worked closely with BPNG in the management and issuance of government securities to domestic investors; and a former member of Treasury and BPNG's Joint SWF Technical Working Group that was tasked by Government to examine options for the future management of LNG, mineral and petroleum revenues, including the possible establishment of a SWF in PNG. He is currently a Board member of the PNG Air Services Ltd representing Treasury since December 2011. He has a Bachelor of Commerce (Accounting major) from the University of Technology.

MR. DAVID GANAI

David Ganai is serving his second year as the Alternate Member (Ex-Officio Secretary for Trade, Commerce and Industry) on the IPA Board. He has over 15 years with Department of Trade, Commerce and Industry. He is currently the First Assistant Secretary for Commerce Division with the Department of Trade, Commerce and Industry and also serves as Member Pharmaceutical Supply and Tenders Board and Land Transport Board. He has a Bachelor of Economics (Business Studies) from the University of Papua New Guinea.

MR. RONALD G MARU

Ronald Maru is serving his second year as Board Secretary of the Investment Promotion Authority. He was appointed in 2014. He has over 20 years of policy experience with the Government. He is currently the Executive Officer for the Managing Director Office and also serves as the Board Secretary, and serves as a member of the Investment Promotion Authority Management Team and serves on Petroleum Advisory Board as the Alternate Member. Prior to joining Investment Promotion Authority, he was the First Assistant Secretary for Policy and Planning with the Department of Trade, Commerce and Industry, and also served as an Alternate Commissioner for Higher Education. He has a Bachelor of Economics (Business Studies) from the University of Papua New Guinea, and Masters in Science in Industrial Strategy and Trade Policy from the University of Manchester (UK).

PROFILE OF DIVISIONAL DIRECTORS

MR. IVAN POMALEU, OBE - MANAGING DIRECTOR

He is bringing up 26 continuous years as a Public Servant having joined in November 1990. Mr. Pomaleu has served in the position of Managing Director since 10 August 2001. He joined the IPA in September 1996. His previous experience has been in the foreign certification division, and executive officer to the Managing Director. He has previously worked at the National Planning Office as Senior Monitoring and Evaluation Officer, and as Planning and Budgeting Officer. He holds a MBA (International Business) from Deakin University, a BSc in Biology from UPNG and a Diploma in Economic Policy and Planning from the International Development Centre of Japan.

MR. CLARENCE M HOOT - DIRECTOR, INVESTOR SERVICING & PROMOTION DIVISION

He has clocked over 24 years as a Public Servant. Mr Hoot joined the IPA in April 2000 from an eight year stint at the Department of Trade and Industry. There he worked in the core areas of trade and investment policies, investment project analysis, industrial projects evaluation and implementation and bilateral, regional and international arrangements. At the IPA he leads a team responsible for investment promotion, research and information, marketing and exports and the public relations which is the investment promotion face of the IPA. Most recently Mr Hoot was the Co-Convenor of the Investment Expert Group under the Committee on Trade and Investment within the APEC fora since his election 2013 and completes his three year term at the end of the 2016 APEC Year. He holds a MBA (International Business) from the University of South Queensland and a Bachelors Degree of Economics in Business Studies (UPNG) and a Diploma in Economic Policy Analysis from NRI.

MS. ANNA MARIKAWA - DIRECTOR, CORPORATE SERVICES DIVISION

She joined the IPA in July 1998 after eight and a half years with the then National Planning Office and the Department of Finance and Planning. She has experience in planning and budgeting for the Social Sector and the Administrative Sector agencies, up to the position of Senior Implementation and Monitoring Officer. She has been Director of Corporate Services Division since May 2013. The position of Director/Corporate Services provides oversight for key support services to the IPA including budgeting and finance, information technology, human resources management and administrative support services. Her previous position includes Human Resources Manager, Senior Research Officer, and Special Projects Officer with the IPA. Ms. Marikawa holds a Master of Business (Professional Accounting) from Victoria University, Melbourne, a BA (Social Work) from UPNG and a Diploma in Economic Policy Analysis from the NRI.

(Left - Right) Mr. Clarence M Hoot, Ms Anna Marikawa, Mr. Ivan Pomaleu, Mr. Alex Tongayu, Ms Amelia Na'aru



MR. ALEX TONGAYU - REGISTRAR, BUSINESS REGISTRATION & CERTIFICATION DIVISION

Mr Tongayu is the Director for Business Registration & Certification Division but wears multiple hats such as the Registrar of Companies, the Registrar of Personal Properties Securities (PPSR), the Chairman of Accounting Standard Board of Papua New Guinea and the Acting Chairman of the Securities Commission of Papua New Guinea. As acting Chairman SCPNG, he also serves on the Board of BPNG and Chairs its Audit Committee. He is also a member of National Co-coordinating Committee (NCC) on Anti Money Laundering & Counter Financing of Terrorism (AML & CFT) appointed by the National Executive Council. He joined the IPA in June 2006 after one year in the private sector and three years as State Prosecutor. His previous positions include being the Deputy Registrar of Companies, Legal & Compliance, Acting Registrar of Co-operative Societies, with the Department of Trade, Commerce & Industry, and Senior Enforcement Lawyer. In his current position, Mr Tongayu leads the team responsible for the regulation of all businesses in the country, the capital markets and the implementation of reforms in the secured transactions (Personal Properties Securities reforms) regime. Mr Tongayu holds a Masters Degree in Public Administration, from the Divine Word University, a Degree in Laws from UPNG, and a Certificate in Fundamentals of Capital Market Development and Regulations.

MS. AMELIA NA'ARU - REGISTRAR, INTELLECTUAL PROPERTY OFFICE OF PAPUA NEW GUINEA

Ms. Na'aru has been with the Investment Promotion Authority for 15 years. She joined the IPA in 2000 and served in different capacities as Enforcement Lawyer within the Securities Commission of PNG, and then was seconded to the Intellectual property office briefly. In 2005 she was appointed as the Senior Trademark Examiner dealing with the examination of trademarks. In 2009 she was appointed to position of Deputy Registrar and subsequently appointed in 2010 as Registrar of the Intellectual Property Office. She is responsible for leading the team in administering the different legislation in intellectual property rights protection and management, including developing policy and legislation reflecting the global and regional developments in the field of IPR. She is certified Lawyer with a Bachelors Degree in Laws from UPNG and a Masters in Public Administration from the Divine Word University, Madang.



INVESTMENT PROMOTION AUTHORITY
Papua New Guinea

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ANNUAL REPORT 2015