



Opportunity

Issue 2 - 2017

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Acting Managing Director

Welcome to another issue of our monthly newsletter Opportunity.

We have another great line up for you in this issue but let me first and foremost take this opportunity to extend on behalf of the IPA our sincere gratitude and best wishes to outgoing Minister for Trade, Commerce and Industry Honorable Richard Maru who takes on the National Planning and Monitoring Portfolio. We commend Minister Maru for his invaluable leadership and contribution to the Investment Promotion Authority during his term.

At this juncture, it is also fitting that I warmly welcome onboard our new minister the Honorable Mr Wera Mori and assure him our undivided support in achieving the Government's goals and priorities under our mandated role.

As usual it has been a busy time here at the IPA. Please read about the opening of the IPA Momase Regional Office in Lae.

We also saw the signing of an important MOU between the Securities Commission of PNG through the IPA and the Financial Analysis & Supervision Unit (FASU) through of the Bank of Papua New Guinea. The MOU paves the way for information sharing relating to anti-money laundering and counter-terrorism financing.

Our Awareness program continues to progress in our efforts to ensure the correct information is reaching our clients both in the urban and rural settings.

Please read on our other stories and our regular features to keep yourself informed on the updates on business and investment issues in the country.

Clarence M. Hoot
Acting Managing Director

IN THE NEWS

IPA Momase Regional office in Lae open for Business

The IPA Momase Regional office in Lae is open for Business!

Those are the very words Deputy Board Chairman Phil Franklin proudly concluded after the official opening of the IPA Lae office which is located on Level 1, Nambawan Super Haus, Top Town.

Acting Managing Director Mr Clarence Hoot thanked those who attended including representatives of key government agencies including Internal Revenue Commission, Customs PNG, Nambawan Super, Independent Consumer and Competition Commission (ICCC) to name a few and the President of the Lae Chamber of Commerce and Industry Mr Allan McLay.

Mr McLay said the IPA provided a vital government service which the business community needed to be aware of.

The IPA undertook necessary fittings on the office which now proudly boasts three counter spaces, a mini meeting room for clients, as well as an office space amongst others for the Regional officer who will be managing the office soon.

Assistant Regional Office Shiela Yenda is currently officer in charge with Mr Hoot giving his assurance the office will have a full team soon.

The office will service customers from the Momase Region.

The IPA also has regional offices in Mt Hagen, Kokopo and Buka which all carry out business registration functions with the Head Office here in Konedobu, Port Moresby. Meanwhile, similar work on the IPA office in Kokopo is underway.



Tips & Traps

How to go about filing your Annual Return online as a registered Company.

You can do this by doing the following;

1. First you must register your user account. Go to www.ipa.gov.pg click on Do it online, Go to tools and click on register account You will have your own dashboard to work from.

Secondly, you must request authority online to take authority or control over your existing registered company online by following the steps below:

2. Logon to your user account or dashboard. Click on do it online. Go to Companies Registry and click on

Search for a Company. Type your company name or registration number on entity search.

Find your company name and click on it to take you to view company details.

Click on Request Authority and fill details and submit.

The Registrar will grant authority where applicable.

3. Lastly but not the least, once the Registrar grants authority, the name of your company will show on your dashboard under my item for you to maintain.

You can click on the name which should take you to view company details. Then go to maintain company and click on file annual return.

IPA signs agreement with FASU

The Investment Promotion Authority and the Securities Commission of PNG have both signed an MOU with the Financial Analysis Supervision Unit (FASU) to allow information exchange relating to anti-money laundering and counter-terrorism financing.

The FASU is a recently established unit un-

der the Bank of Papua New Guinea whilst the SCPNG is a division of the IPA.

The MOU instruments were signed between IPA acting managing director Mr Clarence Hoot, recently appointed SCPNG chairman Mr Christopher Taylor Hnanguie and FASU director Mr Benny Popoitai at the IPA office.

Mr Popoitai said Anti-Money Laundering and Counter-Terrorism financing was a global agenda whilst adding they wanted to ensure the risks of AML/CTF in PNG are minimised

Mr Hoot when giving his remarks assured of IPA and SCPNG's commitment towards FASU's activities.

Mr Popoitai added they have written to eighteen (18) government agencies in their efforts to building a anti-money laundering and counter terrorist regime after being grey-listed in 2012 by the financial action taskforce.

"We came up with a Strategic plan that got PNG out of the grey list in June 2016, hence we have started the process of building a AML/CTF regime," he said.



Max Maima on PNG vanilla

A local vanilla buyer and exporter says Papua New Guinea produces some of the world's sought-after organic vanilla.

Max Maima of Top Choice Investments Limited has been in the vanilla export business for quite some time and speaks from experience.

Mr Maima's company sells cured organic vanilla beans from within the country and has buyers as far as from the United States, Belgium and London to name a few and main buyer in France.

The main buyer then redirects to Germany,

Mauritius, and Turkey, he told e-Opportunity during an interview

Mr Maima has been closely working with the IPA through the Investor Servicing and Promotion Division, which assisted greatly in finding potential buyers at an international expo.

At the domestic front, Mr Maima explains the company not only buys vanilla from Wewak but it has also expanded its buying reach from outside of Wewak to Rai Coast in Madang, Lae in Morobe Province, Bena, Okapa and Lufa and in Chimbu Province is Karamui.

He says PNG's organic vanilla has a huge potential however consistency in supply poses a real challenge.



Mr Maima during a visit to IPA office having a chat with Senior Marketing Officer Ken Pep.



IPA takes Compliance Awareness to provinces

The Investment Promotion Authority Awareness Team has been quite busy taking to provinces the message on Compliance.

Successful awareness programs have been so far implemented in Morobe Province, Madang, Southern Highlands, Gulf and most recently in the Autonomous Region of Bougainville besides Port Moresby.

The outreach programs have helped to compliment recent announcements affecting the business landscape such as regulatory reforms and certain developments that have followed.

One of the major announcements was the waiver of penalty fees for Companies with outstanding annual returns which had lapsed on 20th July this year without any further extension.

Companies are encouraged to submit annual returns on time to avoid deregistration.

The IPA workshop held in Madang was at the invitation of Ramu Nico Management for IPA to conduct awareness to landowner companies from the impact areas of the Ramu Nickel project.

Participants consisted company directors and association members of Kurumbukari, Maigari, Wasmatau, Basamuk and Raibus Group of Companies. Members of the

Madang Provincial Administration were also invited to be part of the workshop given an existing MOU it has with the IPA.

Since 2016 the IPA has conducted awareness in Milne Bay, Manus, Sandaun, Bougainville, Gulf and Southern Highlands. A notable outcome of this outreach was the lack of government information reaching our people in the provinces and districts.

Apart from the business community the IPA has also gone out to conduct awareness at schools as well as a media workshop held at the head office in our bid to educate journalists to better understand the roles and functions of the IPA.



Office of the Registrar of Companies

PUBLIC NOTICE - NEW FEES

The Office of the Registrar of Companies hereby wishes to advise all its valued clients and the general public that there has been an overall change in the lodgement fees for forms required by its office.

Please take note that the Investment Promotion Authority has started enforcing these new fees as of the 4th JANUARY 2016. The following table contains the new fees which effectively supersedes any previous publications as well as any previous formal correspondences issued on this matter:

COMPANIES FEES					
FORMS/ DESCRIPTIONS	NEW FEES		FORMS/ DESCRIPTIONS	NEW FEES	
	ONLINE	OFFLINE (Over the counter)		ONLINE	OFFLINE (Over the counter)
Form 1 Registration of a new Local Company	400	500	Form 57 Objection to a Company Reinstatement Application	50	100
Form 6 Company Name Reservation	50	100	Form 46 Application to register an Overseas Company	450	950
Form 7 Application for change of Company Name	50	100	Form 46A Application to Reservation of Overseas Co Name	50	100
Form 9 Adoption/ Alteration of Local Company Constitution	100	150	Form 48 Notice of change of Overseas Company Name	50	100
Application for Extension to Hold Annual Meeting	100	150	Form 49 Notice of Change of Overseas Co Constitution	50	100
Form 22 Local Exempt Company Annual Return	250	300	Form 50 Notice of Change of Directors of Overseas Co	150	200
Form 22 Local Reporting Company Annual Return	300	500	Form 51 Notice of Change of Principal Place of Business	150	200
Form 54 Application to change Balance Date	50	100	Form 53 Notice of Cessation of Business by Overseas Co	50	100
Form 33 Application for Amalgamation	1,000	1,500	Form 52 Annual Return of an Overseas Company	750	1,000
Application to the Registrar to Exercise Powers	1,000	1,000	For inspection/Production/Certification - Sec 398(3)	50	50
Form 55 Application for Reinstatement of a Removed Co	2,500	3,000	For Certified copy of Extract	100	100
Form 56 Notice of Intention to Reinstatement a Removed Co	50	100			

Other Fees for Companies		
FORMS/ DESCRIPTIONS	NEW FEES ONLINE	OFFLINE (Over the counter)
Fees for ALL other forms/ business services that are currently charged at K25 are increased.	50	100
For a submission of any document for which a fee is not otherwise prescribed.	100	100
For an act done by the Registrar under the Act or the Regulation for which a fee is not elsewhere prescribed.	100	100
For an application for exemption by an overseas company from onshore reporting	400	500
For an application for change of currency under the ASBD2	200	300
For an application or request for which a fee is not elsewhere prescribed.	100	100

LATE LODGEMENT FEES FOR COMPANIES <small>LATE FEES for all company forms/business services will be applied in the following manner:</small>		
FORMS/ DESCRIPTIONS	NEW LATE FEES ONLINE	OFFLINE (Over the counter)
For any other documents if submitted later than one month after the expiration of the prescribed time	200	200
For an annual return of a local company submitted later than one month after the expiration of the prescribed time	1,000	1,000
For an annual return of an overseas company if submitted later than one month after the expiration of the prescribed time	1,000	1,000

BUSINESS NAMES FEES		
FORMS/ DESCRIPTIONS	NEW FEES ONLINE	OFFLINE (Over the counter)
Form 1 Application for Registration of a Business Name	150	200
Form 3 Amendments to Business Names Details	25	50
Form 4 Renewal of a Business Name	150	200
Form 5 Notice of Cancellation	50	100

Note:

According to the *Business Name Act 2014*, Section 9(1), Business Names renewals will be done every year commencing in 2016 onwards. However, Business Names currently registered in 2015 will continue to operate until after the third year, then annual renewal will begin.

Authorized by

ALEX TONGAYU, LLB, MPA
Registrar of Companies

App provides SMEs with a Global Training Identity

Issued by: APEC Bulletin



Because the internet provides new opportunities for small and medium-sized enterprises (SMEs) to access global value chains and grow, apps can help empower SMEs and contribute to inclusive growth, by providing services to improve access to finance, business information, logistics - and international marketplaces.

Two software developers were announced as the winners of the 2017 APEC App Challenge at the APEC Symposium on Trade and Innovation in conjunction with the trade ministers' meeting in May. The award honors the best mobile or web application that helps SMEs take advantage of the internet to begin exporting.

Chris Gough and David Elliot from Australia stood out among a field of nearly two dozen other developers from across the Asia-Pacific region with an app that helps small businesses register a global export identity, grow their reputation as exporters, and access export-related standards and regulations.

The winning app, APEC CONNECT, is an online platform designed to bring the benefits of globalization to the smallest business owner by providing small businesses with their own global trading identity via an open digital identity registry, interoperable localized Electronic Data Interchange standards and blockchain-notarized transactions. APEC CONNECT is designed to help even the smallest business establish their own global reputation

for trading goods and services. "We want to help more SMEs get online and take advantage of digital technology to grow," Dr Tran Tuan Anh, Minister of Industry and Trade of Viet Nam said when he announced the winners. "We have done this by placing innovation at the center not just of what we are hoping to create, but of the

very process itself with this App Challenge."

"We are very pleased to have been part of this App Challenge and to have helped bring together developers from across APEC," said John Karr, Senior Director of Technology Programs at The Asia Foundation. "There is an incredible depth of digital talent in Viet Nam and across this region, and nowhere is better placed to take advantage of the opportunities of the internet to promote inclusive growth."

"Across Asia-Pacific, small businesses that are online are four times more likely to be exporting," added Caroline Atkinson, head of global policy at Google. "Asia-Pacific is a dynamic region and small businesses have huge potential - all they need are the tools to bring their skills, produce and goods to the world. In fact, small businesses are the new stakeholders of trade."

For the APEC App Challenge winners, the award marks the culmination of an intense 24-hour period in Ha Noi during which they completed their new app; pitched it to a panel of judges from the Viet Nam Ministries, private sector, APEC, The Asia Foundation, and Google; and presented it once more to an audience of APEC ministers and policy makers at the Symposium on Trade and Innovation.

Before returning home, the team expressed excitement at the outcome of the challenge and the future of their product.

"Digital technology promises to lift up millions of micro and small businesses the world over, and we're really encouraged by APEC's focus on innovation in this space," said Elliot upon receiving the award.

Second prize went to AirLaLa, a team from Viet Nam, led by Bùi Đặc Thịnh and Trần Hoàng Hiệp who developed a marketplace and matchmaking platform for local artisans. Third prize went to the Malaysian team of Qamra Jema Khan and Andrew Ken Sean Lee, developers of Connect, an app designed to make it possible for inexperienced small businesses to share information and knowledge on trade issues via an online platform.

In addition to their recognition from the APEC Secretariat and the Ministry of Industry and Trade of Viet Nam, the pair will receive a valuable prize package. The event was supported by The Asia Foundation and Google.

LEGAL UPDATE

What do the Changes to the Companies Act mean?

The changes also provide for quicker and easier process of issuing shares.

This means;

-Companies can buy and sell their own shares a lot more easily, with procedures also in place to protect shareholders.

-Companies can buy back their own shares and re-sell them when their value is higher.

LET'S HEAR IT!

Shishya guarantees professional consultancy service

Shishya PNG Limited was incorporated in Papua New Guinea (PNG) in 2011 and operates under the trade names, "Shishya Business Services", "Shishya Associates" and "Shishya".

PNG saw a huge influx of foreign investments created by resource boom in the last decade. Shishya was established in Port Moresby to tap into this potential. To increase reach into the Asia Pacific region, an international office was set up in Sydney, Australia in 2012.

In July 2017, Shishya became the first member firm for Association of International Tax Consultant (AITC) in PNG. AITC is a global network of professional firms composed of accountants, tax consultants and lawyers, operating from more than 60 jurisdictions across the world. This unique partnership provides Shishya with capacity to serve businesses based out in most part of the World.

Shishya not only provides the traditional services like Accounting, Bookkeeping, Pay-

roll, Taxation, Secretarial, amongst others but also assist its clients with due diligence, outbound investments, business structuring and financial advisory.

Shishya has served clients in various industry verticals such as Automotive, Banking & Financial Services, Construction, Engineering, Forestry, Insurance, Manufacturing, Mining, Not-for-Profit Organisation, Oil & Gas, Real estate, Shipping, etc.

Hariharan Mettupatti or 'Hari' as he prefers, is the founding member and principal consultant.

In PNG, he is ably supported by a national partner, a manager, two senior consultants and two junior consultants. "We are proud to state that the Shishya local team comprises 100% PNG nationals," says Hari. Shishya also runs a graduate program that identifies fresh PNG talent and trains them to get into country's workforce.

Hari holds a Masters in International Taxation from University of New South Wales, Sydney. He holds professional memberships with CA India, CPA Australia and CPA PNG and has worked with international accounting firms like Arthur Andersen, Grant Thornton, KPMG and DFK in Africa, India, PNG and Australia. He is an Australian citizen as well as an Overseas Citizen of India.

Hari has experience in providing domestic and international taxation advice across various levels of services like Customs, Excise, ESOP, Expatriate taxation, GST, Inbound investments, Mergers and Acquisitions, Outbound Investments, Research and Development, Tax Due Diligence, Transaction advisory, Transfer Pricing, Stamp Duty etc.

Through Shishya, Hari has carried out notable assignments in serving big clients in PNG including, Maybank, Inchcape Shipping Services, L & A Group, Media Niugini and Fletcher Construction PNG.



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A potential tourism hot-spot in Central Province seeks partnership

An investment opportunity lies within a potential tourism and hospitality project located along the Magi Highway of the Central Province about half an hour's drive from the Jackson's Airport in Port Moresby.

The Hokli Seaview Beach Bungalows is a proposal worth investigating and seeks a interested developer under a Joint Venture partnership or an outright purchase.

The project size/investment value is to the tune of US\$500,000.

According to information received by the IPA the land is vacant and not developed. It is situated on a scenic location overlooking the Bootless Bay as well as the Loloata Island Resort and Lions Island, which hosts the University of Papua New Guinea's Marine Life Scientific Research facility.

Project proponent states "land area covers about 1.0214 hectares and sits on the waterfront along the bay. The land is registered with the Land Department for a 99 year lease, not developed to full potential.

The land has been on lease since 1997 and has 79 years left under the state lease.

The land is also ideal for Real Estate property development and improvement. Further investment in any business activities within the Tourism and Hospitality sector sees a plus for tourist visits as it sits on a protected reef system.

"Possible tourist attractions will include scuba diving, snorkeling, boat cruises along the coast, sea kayaking etc.

For further information please contact:
Mr Harry Kliawi (675) 7068 1951
or email: harry.kliawi@dfat.gov.au
or kyalakun@ipa.gov.pg

Annual Return query

Question:

Do I need to attach my financial statements to the Annual Returns when filing?

Answer:

No and Yes. Refer below why:

No. If your company is an "exempt company".

Yes. If your company is a "reporting company".

Furthermore, the difference between the two can be explained as given below;

An **exempt company** – is a company which does not have:

- assets exceeding K5million; or
- more than 25 shareholders; or
- more than 100 employees ; and
- a company that complies with at least one or two of the above (not all three) of the above.

A **reporting company** – a company other than an exempt company.

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