

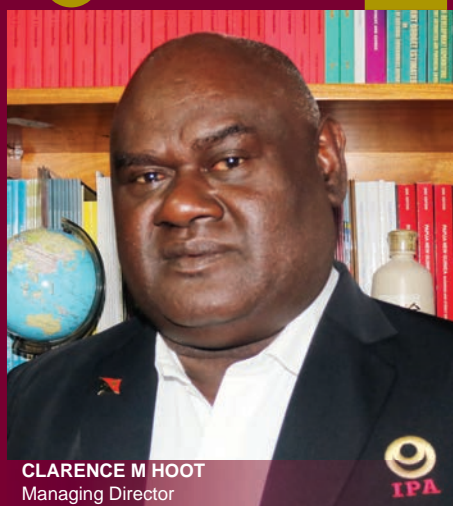


Opportunity

Issue 11 - November 2018

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Dear Readers and welcome to our eleventh (11th) edition of the *Opportunity Newsletter*.

We are now into the last month of this year and very soon we will be summing up 2018.

It has been another hectic year here at the IPA but I can confidently state that we have risen above challenges to make it a successful one yet again.

I'm quite pleased to place on record the success of the recently concluded 26th APEC Economic Leaders Meeting hosted in the country's capital, Port Moresby which is by far the biggest we've played a role in. *Read more on page 2.*

Leaders from the 21 APEC economies flock into the country to attend this summit which brought investment advantage for the country in the areas of infrastructure among others.

Among other highlights for this year, I'd like

to briefly share; the IPA had just launched its Strategic Plan for the years 2018-2020 in which it outlines its focus on improving the operating environment with other agencies and line departments to facilitate mandated legislation in line with government's Medium Term Development Plans and the Alotau Accord II.

We also launched the report on IPA's annual performance which we will later be presenting to the government. Also launched was the BLIS publication which is aimed at equipping investors and other government agencies or clients on the legislative requirements that are applicable in PNG and on processes and fees to obtain appropriate licenses.

IPA continues to support the National Government's focus on developing and growing the Small to Medium Enterprises (SMEs) sector and we believe that the provision of information necessary for their businesses in various fields is an important feature of support. On that token, we have produced a *Guide on Export and Import Procedures and Export Development Assistance (3rd Edition)* which was also launched on the 30th of November.

With that, I hope you enjoy our other interesting stories and our regular features. Most of our features are gathered from feedback received from our circulation.

On that note, we hope you enjoy this issue and we look forward to receiving your feedback as always.

Thank you and happy reading!!!

Clarence M. Hoot
Managing Director

K10, 400 plus a K3, 000 administrative fee. The total payable for reinstatement would therefore be K13, 400. 00. This excludes the costs of publishing the reinstatement notice in the media, which is a requirement of the reinstatement process.

It's better to spend money on things that will grow your business then paying fines for avoidable circumstances.

IN THE NEWS

IPA launches Strategic Plan 2018-2020



IPA Board Chairman, Mr. Leon Buskens addressing the media and staff of the Investment Promotion Authority during the launching.

The Investment Promotion Authority (IPA) launched its Strategic Plan for the years 2018 to 2020 in Port Moresby recently.

The Plan, launched by Chairman of the Investment Promotion Authority Board, Mr Leon Buskens aims to foster on strengthening affiliation with line agencies and the government to reduce revenue leakages such as taxation, tariffs, financial terrorism and other non compliance issues.

Mr Buskens said the plan fulfills IPA's quest and team effort to maintain good corporate governance, for transparency and accountability.

He said the organization is obligated to report to its stakeholders on its achievements, challenges, decisions and use of scarce resources.

Mr Buskens thanked the staff and management of IPA under the "good" leadership of the Managing Director, Mr Clarence Hoot for their commitment throughout the year that has made IPA one of the most reputable organizations in the country.

"IPA does not have the cash flow or big balance sheets BUT because of the good management, leadership and the diligent work that the staff and management do, the organization is able to progress well," said Mr Buskens.

Continue on to next page.....



Tips & Traps

EXPENSIVE WHEN YOU DON'T LODGE ANNUAL RETURNS ON TIME

It becomes an expensive exercise when you do not lodge your company's Annual Return on time and decide to do so after a while.

Here is an illustration of the above statement.

If you own a company then you need to lodge your company's Annual Returns each year. The fee to lodge an Annual Return is K300 if you lodge it over the counters or K250 if you go online. If you miss a year of lodging your Returns, you are liable of a fine of K1, 000. This means that when you're lodging

your late Returns manually, you will pay a total of K1, 000 plus the normal lodgment fee of K300, or if you go online it would be K1, 000 + K250.

For example, say your last Annual Return was lodged in 2010, and you wish to visit the IPA office to lodge your outstanding returns this year. Technically speaking, you will be lodging returns for 8 outstanding years (2010, 2011, 2012, up till 2018). Therefore, your calculations will be; **K1, 000 (annual penalty) x 8 (years) + K300 (lodgment fee) x 8 (years) = K10, 400. 00.**

Companies can get deregistered if they do not file their Annual Returns as late as 6 months. If the company in the above example is de-registered and wishes to apply for reinstatement then it will need to pay the

Mr Buskens added that IPA's strategic plan will also operate within the framework of public money regulation Act on government plan and Policy on investment facilitation and promotion and further improve its on-line registry system and encourage clientele usage for the next three years.

The 2018-2020's Strategic Plan incessant on from the unachieved programs in the Strategic Plan for 2015 to 2017.

The Strategic Plan focuses on improving the operating environment with other agencies and line departments to facilitate mandated legislation in line with government's Medium Term Development Plans and the Alotau Accord II.

Since its establishment in 1992, the Investment Promotion Authority has endeavored to work within its strategic intents, taking the cue from the legislative mandate, but also taking into account policy as well as emerging challenges in the operating environment.

Work Programs that are planned to achieve outcomes in the strategic result areas in the period 2018 – 2020 include the following;

- Restructure of Securities Commission of PNG and its separation from the Investment Promotion Authority
- Restructure of the IPA in line with changes its business environment including the Online Registration System, Personal Properties Securities Act, National Intellectual Property Plan and the need for greater compliance monitoring on the terms and conditions of the various business licensing certificates that IPA issues

- Ensure staff acquire the minimum qualification requirement for the positions they hold to complement their work experience.
- Induction of new employees.
- Recruit to fill vacancies.
- Review the IPA Office Manual
- Review the Staff Welfare Scheme Policy
- Develop a Salary Sacrifice Policy
- Develop a Staff Medical Insurance Policy
- Upgrade the Accounting Package
- Ensure records are kept in an orderly manner for timely compilation of reports including financial reports to management and the Board.

IPA also launched its annual report for 2017 as a requirement Under Section 18 of the Investment Promotion Act 1992.

Mr Buskens said the report shows clean financial records for all three consecutive years audited adding that this is one of the achievements that some of the stakeholders and the Departments lack.

A guide book on Export and Import Procedures and Export Development Assistance was also launched. This publication intends to serve as a guidebook with updated information on the basic export and import procedures in Papua New Guinea. This is the third edition of the Publication.

It further incorporates a chapter on the various export development assistance available in-country and within the region for existing and intending exporters to consider for their various export businesses.

The publication also supports the National

Government's focus on developing and growing the Small to Medium Enterprises (SMEs) sector and IPA is optimistic that the provision of information necessary for businesses in various fields is an important feature of support.

Meanwhile upon a directive by the NEC in its decision No. 133/98 to implement a one stop shop (OSS) relating to the centralization of business licenses and approvals within the country, and being very much mindful of the provisions of various legislations administered by each agency and the need to maintain them in implementing this NEC Decision, the IPA went ahead and established a Business Licensing Information Service (BLIS) booklet which is an essential component of the OSS.

The BLIS seeks to ensure that information or data on business licensing, permit, certificate, approval processes and including fees is made available to investors upon enquiry.

The overall intent is to have a readily available information hub (One-Stop-Shop) to assist business people obtain relevant information relating to their businesses.

In concluding Mr Buskens urged the staff and the management of IPA to maintain prudent financial management of its limited resources and uphold transparency and accountability given the Authority's up to date clean records and maintain a balanced budget every financial year.

He further challenged IPA to identify new revenue streams to support its annual budget and maintain smooth daily operation for the organization.

IN THE NEWS

APEC Ministers reaffirmed commitment to achieving open trade and investment



Picture taken during one of the meetings leading up to the Minister's Meeting

Asia-Pacific Economic Cooperation (APEC) Ministers, have reaffirmed their commitment in addressing the challenges faced by its member economies on work towards achieving APEC's goal of free and open trade and investment in the region.

The commitment was made when they met during the 30th Joint APEC Ministerial Meeting hosted during the APEC Leaders Week hosted in Port Moresby on the 15th of November 2018.

The Ministers have recognized that amidst

the efforts and progress in driving growth in the region, and a continued robust regional economic outlook, there are more pronounced risks and uncertainties, including trade barriers.

According to a joint Ministerial statement that was released, the Ministers have announced that they ought to be mindful of these challenges, and explore ways to deal with them both regionally and globally.

The Ministers further reiterated their commitment to support balanced, inclusive sus-

tainable, innovative and secure economic growth and prosperity in the region to ensure that the benefits are shared broadly, and no one is left behind.

Under the theme of "Harnessing Inclusive Opportunities, Embracing the Digital Future", the Ministers have decided this year to focus on their vision for driving economic prosperity through creating new opportunities that are inclusive and beneficial to the region with deliberate emphasis on digitalization.

....Continued from previous page.

Their growth story was pursued through three priorities including, "Improving Connectivity, Deepening Regional Economic Integration, Promoting Sustainable and Inclusive Growth; and Strengthening Inclusive Growth through Structural Reforms.

The Ministers have also recognized the importance of working toward achieving free and open markets and the significance of international trade and investment in delivering prosperity for all the member economies.

They also reaffirmed the importance of trade liberalization and facilitation in achieving sustainable global economic growth and creating jobs in their respective economies.

Also highlighted during the meeting is the need for support for a well-functioning World Trade Organization (WTO) that will in turn provide a transparent and non-discriminatory framework for progressive trade liberalization and its contribution to promoting world trade, based on rules.

The Ministers said that in order to improve the functioning of the WTO and to deliver for all its members, they will have to commit to work together to improve its negotiating, monitoring and dispute settlement functions.

APEC member economies were also encouraged by the Ministers to increase their participation in the WTO to advance its work.



UPDATE

PNG SUCCESSFULLY DELIVERS APEC 2018



26th APEC Economic Leaders' Meeting wrapped up on November 18 in Papua New Guinea. Photo by VNA

Papua New Guinea successfully hosted a total of more than 500 meetings as the 2018 Asia Pacific Economies Cooperation or APEC year came to a showdown.

As the world's super powers converged into Port Moresby as APEC member economies, PNG took up the blunt posture as host, presenting itself as an open book for the 10,000 plus delegates to pick out details according to their interests.

The APEC grouping has certain protocols that acknowledges the political status of its members thus the tradition to refer to its members as economies rather than countries. Such traditions nurture the respect that binds the 21-member group together.

APEC is based upon the principle of cooperation and it is non-binding. Whether independent or an administration within a country, whether rich or poor, the common ground between these economies is the endeavor to cooperate on various issues affecting the group and the region and also to promote trade and investment or reduce trade and investment barriers within the group.

The importance and significance of the working culture of this group is such that it compelled Papua New Guineans that worked tirelessly behind the scenes to give the visitors the best they could give.

Ask anyone on the streets, on social media,

in parliament or in any office and they'll give you their line on PNG hosting APEC.

"As an agency that played host to two of the meetings – Investment Experts Group (IEG) and Intellectual Property Experts Group (IPEG), we see ourselves embracing the experiences that came with the event," Managing Director of the IPA and Co-chair of the IEG Mr. Clarence Hoot said. "We take to heart the discussions held and make considerations for adjustments to our systems and policies," he added. "The Era Kone Declaration pretty much covers the agendas we at the Investment Promotion Authority of PNG have been pushing," Mr. Hoot said.

"We had representation as a government agency in the drafting of the APEC Ministers Statement and the APEC Leaders Declaration (or Joint Statement/Communiqué) Era Kone Statement to ensure matters on investment and intellectual property were covered in the statement."

"We take to heart the discussions held and make room for adjustments to our systems and policies," he added.

The final outcome was not what we (PNG) have been pursuing all along. Although most APEC member economies agreed on the full text of the draft Joint Statement namely "Era Kone Declaration", a small but powerful number of member economies had dif-

fering views on certain texts relating to the Free Trade Area of the Asia Pacific (FTAAP) and the WTO's Multilateral Trading System (MTS), particularly on the WTO texts on unfair trade practices. The Era Kone Declaration was not endorsed and PNG as the Chair of APEC 2018, issued the Chair's Statement. As Chair of the APEC Leaders Meeting, PNG Prime Minister Honorable Peter O'Neill released the Era Kone Statement, which, according to an APEC media release, is reflective of the Chair's his assessment of the prevailing views of all APEC member economies.

The statement also recognized the significant challenges facing the Asia-Pacific region's economies and makes suggestions, saying Leaders were resolved to take concrete steps on the following actions:

1. Embracing the Digital Future;
2. Progressing the Bogor Goals;
3. Post-2020 Vision;
4. Improving Connectivity, Deepening Regional Economic Integration;
5. Promoting Sustainable and Inclusive Growth; and
6. Strengthening Inclusive Growth through Structural Reform
7. Looking Forward



What is Copyright?

Copyright is a legal term describing rights given to creators for their literary and artistic work.

What is covered by copyright?

The kinds of works covered by copyright include: literary works such as novels, poems, plays, reference works, newspapers, and computer programs; databases; films, musical compositions, and choreography; artistic works such as paintings, drawings, photographs, and sculpture; architecture; and advertisements, maps, and technical drawings.

What rights does copyright provide?

The creators of original works protected by copyright, and their heirs, have certain basic rights. They hold the exclusive right to use or authorize others to use the work on agreed terms. The creator of a work can prohibit or authorize:

- **Its reproduction** in various forms, such as printed publication in various forms, such as printed publication or sound recording;
- **Its public performance**, as in a play or musical work;
- Recording of it, for example in the form of compact discs, cassettes or videotapes;

- **Its broadcasting**, by radio, cable, satellite;
- **Its translation** into other languages, or its adaptation such as novel onto screen-play;
- **Its display**, in libraries, museums, or art galleries.



Making your Trademark known to all

To get a trademark known and respected requires considerable investment and usually quite a period of time. It is therefore in the interest of everyone seeking to use a trademark to make sure that it is protected as a valuable piece of intellectual property.

How can I protect my Trademark?

The most common way of protecting a trademark is to have it registered in the Trademark Register. Many countries make this a condition of trademark protection. It must first be registered, and once it has been registered it is protected, and its owner is entitled to prohibit others from using it.

Once a trademark is registered and a certificate of ownership right is issued, the owner of the IP asset can start enforcing his/her right.

Contact us now and we will take you through the process of having your Trademark registered for protection.

IN THE NEWS

APEC ACTION AGENDA FOR THE DIGITAL ECONOMY



Photo taken during the Electronic Commerce Steering Group meeting

A new governance mechanism “The Digital Economy Steering Group” has been set up to progress the implementation of the APEC Internet and Digital Economy Roadmap.

The roadmap was adopted in Da nang, Vietnam in 2018 by APEC member economies with the aim of appreciating the digital tech-

nologies and their associated services and platforms that have the potential to contribute to significant economic growth of its member economies.

In Papua New Guinea, businesses are realizing the importance of embracing the use of digital infrastructures for the growth of their businesses.

Digital finance | provide access to economies, a McKinsey 2017 address about 35% of the US billion unmet segments in |

Under the Roadmap, economies including Papua New Guinea have now recognized that if economic growth was to be fully realized, significant challenges need to be addressed.

The Roadmap sets out eleven key focus areas of work designed to address these challenges.

The key focus areas include;

1. Development of digital infrastructure.
2. Promotion of Interoperability among APEC member countries.
3. Achievement of universal broadband access.
4. Development of holistic government policy frameworks for the Internet and Digital Economy.
5. Promoting coherence and cooperation of regulatory approaches affecting the Internet and Digital Economy.
6. Promoting innovation and adoption of enabling technologies and services.
7. Enhancing trust and security in the use of ICTs.
8. Facilitating the free flow of information and data for the development of the Internet and Digital Economy, while respecting

applicable domestic laws and regulations.
9. Improvement of baseline Internet and Digital Economy measurements.
10. Enhancing inclusiveness of Internet and Digital Economy.
11. Facilitation of E-commerce and Advancing Cooperation on Digital Trade.

Leaders of the APEC Member Countries have also welcomed the progress that has been made in implementing the Roadmap during the recently concluded APEC Summit in Port Moresby.

Papua New Guinea has been applauded for its leadership in facilitating discussions among APEC fora and sub-fora on how they can contribute to the implementation of the Roadmap.

To continue to implement the Road-

map in a comprehensive manner and to provide a platform for future work, APEC member economies have reached an agreement that by end of 2019, they would have prepared a comprehensive work program on future implementation of the Roadmap with contributions from committees and sub fora.

This will examine the broad potential opportunities and challenges presented by digital technologies.

They have also committed to continue to engage all relevant public and private sector stakeholders on this work.

The APEC Business Advisory Council and the Pacific Economic Cooperation Council have also been applauded for their contributions.



Photos taken during the ECSG meeting



PUBLIC NOTICE

IPA ONLINE REGISTRY GIVES INSTANT CHANGES TO CERTAIN BUSINESS SERVICES

The Investment Promotion Authority's online registry service has now been enabled to instantly update certain records once they are lodged online.

This now means that once a client uses the online services to change records or data, the system will automatically update the entity records without an officer having to physically review the filed application.

The following business services no longer require review by IPA Registry staff:

1. Change of Registered Office and Address for Service;
2. Maintain Directors and Secretaries (new appointments or to update existing records);
3. Maintain Shareholders (transfer of shares or issue new shares); and
4. Annual Returns for exempted companies (on-going since the online registry went live in 2013).

Since the introduction of the IPA's online registry system in 2013, the Authority has been embracing the benefits of the system to the stakeholders and at the same time worked on improving its features to suit the current business trend.

"The IPA continuously endeavors to bring quality and efficient services to its valued clients," said IPA Managing Director Mr. Clarence Hoot. "A big part of this commitment includes ensuring that business records are regularly updated and on time as required," he said.

Mr. Hoot also indicated that more business services such as applications for the registration of Business Names, Associations and Business Groups will be added into the list of applications that will not require a review by registry officers.

He however clarified that the instant change of records in the database does not apply to filing of paper forms at IPA's front counter.

"Applications filed through the counters will still have to undergo the normal review by officers," Mr. Hoot said.

Mr. Hoot said the IPA views this step as beneficial to all business owners and agents as it saves time and resources spent on attending to these changes.

"Businesses can now concentrate on running and growing their business, rather than spending time and resources attending to simple administrative matters," he said.

IN THE NEWS APEC DELEGATES

PORT MORESBY | PAPUA NEW GUINEA



IPA joins nation in delivering a successful host year for APEC

The Investment Promotion Authority (IPA) threw its support behind the Government's hosting of APEC right through to the close of meetings at the APEC Leaders Meeting (AELM).

From the hosting of the Investment Experts Group (IEG) meeting and the Intellectual Property Experts Group (IPEG) during the first Senior Officials Meeting (SOM1) and SOM3, to providing liaison duties during the APEC Leaders Week and the AELM, the IPA gave full backing to the Government's call to host APEC in 2018.

"Although it may be premature to accurately measure the success of our host year, I can confidently pinpoint our achievements in leading the discussions that impacted most on our policies in the trade and investment

front," said the IPA Managing Director Mr. Clarence Hoot who was also the Chair of the IEG meeting.

Mr. Hoot said the challenge for the organization now was to take stock of its systems and policies and review ones that triggered barriers in trade and investment.

"We have started reviewing our policies in a bid to strategically translate them into workable plans for the benefit of our investors," he said. "Our challenge has been the mobilizing of relevant government agencies to join in on this course," he added.

An optimistic Mr. Hoot says however, that in hosting APEC this year, most if not all government agencies and departments may have had the opportunity to be part of the meetings, thus may have learnt from other

economies on their experiences in adopting best regulatory practices. He said the IPA is looking forward to working with other agencies in streamlining systems and processes. In the AELM, the IPA also dispatched several officers to join the APEC workforce in various areas including the participation in drafting the Era Kone Statement and doing liaison work for delegates including the media.

Given IPA's ongoing collaborative work within the region, Mr. Hoot expressed his gratitude to the PNG Prime Minister Honorable Peter O'Neill for his kind gesture in inviting Leaders of the Pacific Island Countries to be part of the APEC Leaders Meeting.

PORT MORESBY | PAPUA NEW GUINEA



SPICE COMPANY SEEKS MARKET OPPORTUNITIES



Reginah Koi- Owner Hagen Spices

Ma Nga Spices is a locally owned business which started in March 2017 in Mt Hagen, Western Highlands Province and was incorporated on 14th May, 2018.

The company is now seeking export opportunities overseas.

Owner, Mrs Regina Koi from Mt Hagen said she was inspired to start this business after reading so much information on spices and their health benefits.

She said she had a medical background and she saw the importance of spices and what they can do to help the human body when used regularly.

"I use a lot of spices in my cooking and enjoy eating spicy food. The outcome of using spices has contributed to improving my health status and I would like other people to benefit from the same," said Mrs Koi.

She said, currently her target markets are hotels, restaurants, supermarkets and ordinary people.

Ma Nga Spices produces ten (10) variety of spices including turmeric, ginger, curry leaves, chiles, mint, garlic, lemon, lemon grass and mixed spices.

Mrs Regina said her company grows most of the raw materials in their gardens and also buy from local markets.

She said all her products are processed by hand or sun-dried.

The benefits from spices are immense.

- **Organic.**
The raw materials Ma Nga Spices use are organic. They are grown in the gardens without any additives in the soil. Similarly no additive is added when the products are processed.
- **Medicinal Properties.**
All spices have medicinal properties that are beneficial to the health of human beings. They help treat illness, prolong life and regenerate body cells.
- **Culinary uses.**
Most spices flavour food that is enjoyed by millions of people throughout the world. Spices add flavour to food and give out inviting smells and tastes.
- **Preserve food.**
Some spices are used to preserve food
- **Generate income.**

Spices can generate income that can sustain livelihood of local people.

Mrs Regina said Ma Nga Spices started selling its products on a small scale, starting off with street sales, to friends and by word of mouth.

"My next goal is to go to export level given the capacity," said Mrs Koi.



Highlander Hotel Exhibition



Displaying raw spices



Processed Spices in bottles



Update on the Consultations for the Review of the Associations Act of 1966

The Investment Promotion Authority (IPA) has announced that it is currently finalising a summarised **Consultation Report** on all the consultation workshops and written submissions for the review of the Associations Act of 1966.

It is also planning to host another consultation workshop to finalise this report before it can progress to the next phase which is the development of a draft Associations bill.

IPA expects to finalize any proposed amendments during the first quarter of 2019 then stage the Public Consultation in Port Moresby to discuss any proposed amendments. Depending on the consultations, any proposed legislative change will be drafted commencing second quarter of 2019.

With the tremendous assistance from the Asian Development Bank (ADB), the first draft of the Consultation report is almost completed and will be circulated soon.

Acting Registrar of Companies, Harriet Kokiva said this is a critical step as the report is also intended to guide IPA to decide on proper policy decisions that should be reflected in the new law.

Regional consultations were held in Goroka, Lae, Kokopo and in Port Moresby.

Ms Kokiva said comments received from both the written submissions and these Regional Public Consultation Workshops were very supportive of the reforms on the Associations Act proposed by IPA.

She said the time allowed for feedbacks to the widely circulated Consultation Memorandum closed on 31 August 2018 and IPA is now making responses to every comment received from these workshops.

The Associations Act has remained unchanged since its passage in 1966, therefore the proposed changes are intended to address issues that have been identified as problematic for local associations, bring the Act into compliance with international anti-money laundering (AML) mandates and to bring a higher level of transparency and accountability to this business entity type.



The proposed project is Prawn and Barramundi Farming and the company is interested in sourcing an Investor or Developer to come on board as JV business partner.

Sector:

Fisheries

Location:

Lower East Kikori, Kikori District, Gulf Province.

Project size/Investment value:

Directors and Resource owners have agreed for any reputable Investors to come on board as JV Partners and all cost to be borne by the Investors.

Pawia Limited has agreed that the company will offer higher percentage to the Investor or investors, subject to their terms and conditions through mutual business understanding.

They are looking for investors from Europe, Canada, America, Australia and New Zealand and perhaps any reputable business groups from the Pacific countries.

This project is an initiative of the genuine land owners within Kope and Urama Tribe of Wowobo village in the lower East Kikori, Gulf Province. In addition, Resource owners, the paramount chief of this village and the community at large have endorsed PAWIA LTD as the Land Owner company, to engage a reputable Investor or a go into a Joint Venture Business arrangement.

The Prawn Farming with its Hatchery recycling method and Barramundi Farming will operate for a long time which will bring economic enhancement to our Government and the country as a whole.

The landowners believe that Prawn Farming is the first of its kind in the country and on high demand both locally and abroad to generate healthy returns is something that can be seen as one of the new fisheries project to show as an icon in the country and be proud off with good management team.

For further inquiries and those interested, see contact below.

Contact: ckone@conxions.com.pg or charliekone7777@gmail.com

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IPA

www.ipa.gov.pg

Annual Returns

Question:

I have registered a company but my company has not been operating. The company also has not made any commercial activities or earned revenue. Do I still need to submit an Annual Return ?

Answer: Yes

Explanation: As stipulated under the Section 215 of the Companies Act, it is mandatory and compulsory that all companies must submit an annual return. The fee to lodge an Annual Return is K300 if you lodge it over the counters or K250 if you go online. If you own a company then you need to lodge your company's Annual Return each year.

It becomes an expensive exercise when you do not lodge your company's Annual Return on time and decide to do so after a while. Here is an illustration of the above statement.

If you miss a year of lodging your Returns, you are liable of a fine of K1, 000. This means that when you're lodging your late Returns manually, you will pay a total penalty fee of K1, 000 plus the normal lodgment fee of K300, or if you go online it would be K1, 000 + K250.

Also note that as long as IPA records or database shows that your company's status is active even if your company has not shown activity, you are still required to file an annual statement with a lodgment fee. Non operational or no financial record doesn't exempt you from filing your annual return. Failure to do so will result in the execution of the penalty fee of K1000.00.

Companies can get deregistered if they do not file their Annual Returns as late as 6 months.

Do you have a general question about the regulatory side of running a business or have a query on investment promotion, Intellectual Property rights or wish to know more on Securities? If so, email your question to: [click](mailto:beverlyp@ipa.gov.pg)

beverlyp@ipa.gov.pg

We will publish a selection of questions and our answers in each issue of Opportunity.



www.ipopng.gov.pg

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