



ppportunity

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Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Acting Managing Director

Hello readers and welcome to another edition of the *Opportunity*.

As we flow into the second quarter of the year, we look back on the many achievements accomplished so far in the first quarter and acknowledge the support given by our stakeholders.

Amidst the regular order of business at the IPA, the organization lost a senior long time staff member this month. The passing of the late James Malip was a loss for the IPA and particularly the business registry section of

the organization. I would like to take this time to thank our clients and stakeholders who passed their condolences to the IPA during our time of loss and sincerely appreciate your gesture.

On a brighter side of things, the Office of the Chief Secretary to Government has commended the IPA for its significant achievements in 2017. Although the acknowledgment came with good tracking of IPA programs, we still have work to do.

As indicated in our stories, work must continue at the APEC front as well as the normal operations.

Our partnerships with stakeholders and provincial governments are proceeding, as you will see in our story on the signing of another MOU, this time with the New Ireland Province.

Read more on what's happening in the investment front of the country and educate yourself on the roles and functions of the IPA.

Thank you and happy reading!!!

Clarence M. Hoot
Acting Managing Director

IN THE NEWS

APEC approves 9 PNG projects for funding

The fruits of Papua New Guinea hosting the Asia Pacific Economic Cooperation (APEC) continue to sprout with the approval of nine projects to be funded by APEC.

In hosting APEC 2018, PNG submitted a total of 11 concept notes of which nine were approved in principal for funding by the APEC Secretariat Budget Management Committee (BMC). The onus is now on the appropriate government agencies and departments to organise and implement the projects.

The approved projects were for the Investment Promotion Authority, National Institute of Standards and Industrial Technology, Department of Agriculture and Livestock, National Department of Health and the Department of Trade Commerce and Industry.

The approval of the projects will now see APEC funding these projects to be implemented by their respective agencies/economies in a span of two financial years as is the APEC policy. This means that the PNG projects approved in March 2018 must be implemented by 31 December 2019.

The process of getting a project approved starts when an agency, department or group from an economy develops and submits a three-page Concept Note to a Proposing Forum. The Proposing Forum may be a committee, working group, task force or dialogue group which the agency is part of. The Forum reviews the concept note against an agreed set of forum-level assessment criteria and submits the concept note to the Budget and Management Committee (BMC) which is one of the Committees within the APEC structure, which administers APEC funded projects.

The main criteria used in approving a project include whether the projects relate to the APEC leaders and ministers priorities, cover the interest of at least several APEC member economies, improve economic efficiency and encourage the participation of the business sector, non government institutions and women. Another important criteria used is whether projects build capacity to turn policy

More news stories next page.....



Tips & Traps

Use of a business name

Clients have been enquiring about the possibilities of merging two *Business Names* together.

This is not allowed by law. A Business Name allows you to carry out one particular type of business activity. The intention to merge two Business Names means that two different types of business activities will be carried out under one Business Name.

Section 3 (Clause 2) of the Business Name Act states that "A separate certificate of Business Name registration must be obtained for each Business Name used".

On the other hand, a person or persons may conduct business under more than one business name, provided that the use of multiple business names is not calculated to seriously mislead the public about the business it conducts.

In particular, the business name is merely a trading name of a sole proprietor, a partnership or an incorporated body or firm.

It is therefore advisable that you register a separate Business Name for a separate business activity.

goals into concrete results.

Capacity building in APEC refers to a process

that enables member economies, particularly developing economies to obtain, share, strengthen, and develop technical skills to

improve their policies and regulations or their institutional structures or processes.

IN THE NEWS

Investment Promotion Authority and New Ireland Province Sign MoU

The Investment Promotion Authority and the New Ireland Government recently signed a Memorandum of Understanding intended to promote the smoother exchange of information on business registrations, investment opportunities and the training of Commerce officers.

The MoU was signed at the New Ireland Government Official Residence in Kavieng.

In signing the MOU, IPA Acting Managing Director Mr. Clarence Hoot expressed delight in partnering with the provincial government, pledging the IPA's support in terms of implementing the signed MOU. "Training will be provided to the commerce officers manning the IPA Help Desk and the IPA will also provide support in terms of computers and printers to assist officers deliver to the clients," he said.

Kavieng Provincial Administrator Mr. Lamiller Pawut highlighted the administration's strategy to align itself with national agencies saying they were important development partners in terms of promoting commerce and business at the provincial level.

The signing was also witnessed by the New Ireland Governor Sir Julius Chan who emphasized the priorities of the provincial government and the importance such MoUs were relevant to their plans to gain autonomy status.

"The key focus of NIPG is economic development and revenue generation," he said. "And IPA is one of the key partners to work with as the province moves towards Autonomy," he added.

Sir Julius also highlighted the need for more collaboration and consultation between the two agencies in terms of business and investment in the province. He mentioned specific provincial government projects including the restructure and decentralization of public servants which saw 80% of public servants moved to district level, while 20% at provincial level.

Other projects included the Lihir mine closure and the provincial government's strategies to create a liberalized economy.

The MoU signing is a result of an awareness event conducted by IPA in the province and

will enable the Provincial Commerce Office to establish an IPA Help Desk within its operations to assist with business registration and investment information.



Mr Pawut shakes hand with Acting MD, Mr Hoot as a token of agreement while the Governor for New Ireland Province, Sir Julius Chan stand in and witnesses the MoU signing.

The MoU was approved by Governor Sir Julius Chan and signed by Mr. Hoot and Mr. Pawut.

The change in certain business laws and the increase in business activities around the country triggered the IPA to increase collaborations with provincial commerce offices so as to bring its services to the provincial and district levels.

Spot inspection conducted in Kavieng town



IPA officers checking paper works of a foreign company in Kavieng.



IPA team visiting business houses from door-to-door, inspecting establishments and verifying IPA records.

The Investment Promotion Authority recently conducted a successful provincial database survey and spot inspection in Kavieng and Namatanai in the New Ireland Province.

The aim of the exercise was to obtain data and information required for vetting against IPA records to ascertain consistency in the records and also to ensure businesses are complying with appropriate regulations as administered by the IPA. Another objective was to monitor business activities against the Cottage Business Activities List or commonly known as Reserved Activities List, which is stated under the Investment Promotion Act, 1992.

The exercise involved the team going to business houses from door-to-door and inspecting the establishments to verify their IPA records. In the process, businesses were given survey questionnaires reflecting the data which the Authority requires.

The team reported that business were exceptionally good as there was no problem with business houses. The report showed that

most businesses in the areas visited were compliant and cooperated well with the team.

However, there were two foreign entities that were spot-fined for conducting uncertified activities. One of the entities was operating in Kavieng and the other in Namatanai.

The spot inspection and database survey is an annual IPA program implemented by the Investor Services and Promotion Division through its Research and Information Unit.

The exercise normally includes representatives from other regulatory agencies such as the Internal Revenue Commission (IRC), Customs PNG, Immigration and Citizenship Services, Labour and the provincial administrations.

The most recent surveys and spot inspections were conducted in NCD, East Sepik and Sandaun Provinces.

A team is currently in Simbu and Goroka on a similar mission.

Papua New Guinea's top five investors as listed in the Investment Promotion Authority's investment database are members of the Asia Pacific Economic Cooperation or APEC.

The economies include People's Republic of China, Malaysia, Australia, Philippines and Singapore. To complement this, statistics from the APEC Charts 2017 also showed the mentioned economies as those that have existing trade relationships with other economies.

This is an indication that APEC member economies are benefitting from the trade and investment discussions that are being discussed within the APEC forum.

Trade & Investment liberalization and best practices are some of the key agendas which most economies have been aiming to adopt over the years.

As economies continued to react within the APEC space, their trade boundaries continued to expand either within the given space

or with non APEC member economies. This shows the realization of greater impacts in terms of economies entering into bilateral agreements.

The diagram below shows the trade value of exports and imports covered by Free Trade Agreements by APEC economies from 1996 till 2016 as produced by APEC Charts 2017.

APEC Trade Liberalization

3.3 Share of Trade by Value Covered by FTA Partners (percent), 2016



What is an Industrial Design?

An industrial design is that aspect of a useful article which is ornamental or aesthetic. It may consist of three-dimensional features such the shape or surface of the article, or two dimensional features such as patterns, lines or color.

Industrial designs are applied to a wide variety of products of industry or handcraft

such as watches, jewelry, fashion and other luxury items. It may also be applied to industrial and medical implements from house ware, furniture and electrical appliances to vehicles and architectural structures. It can also be on practical goods and textile designs to leisure items such as toys and pet accessories.

Examples of industrial designs include; shapes or forms of chairs, telephones, cars, computers, airplanes, television, watches, camera, etc.

Source :
Information materials from the Distant Learning course offered by the World Intellectual Property Organisation (WIPO) have been used to develop articles in this section.



This is to inform market participants and the public about the major reforms now taking place in the capital market, and implications on new initiatives.

The coming into operation of the Securities Commission Act 2015, the Capital Market Act 2015, and the Central Depositories Act 2015, in December 2017 repeals the 1997 Securities Act and its associated regulations. The force of the new laws set the foundation and provides the legal framework for the development and regulation of the country's capital market.

This means the capital market and its regulatory arrangements will undergo some major reforms and reorientation. Among the immediate reforms are:

- Creation of the new Securities Commission of Papua New Guinea (SECOM). SECOM is now in transition from a Division of the Investment Promotion Authority of Papua New Guinea (IPA) into a fully-fledged standalone independent governmental regulatory entity.
- Review of the previous business processes, and replacing with new and better focused regulations and guidelines. This includes cessation of the Securities Regulation 1998; Takeovers Code 1998 and the respective guidelines are no longer applicable.

- SECOM is developing the regulations and guidelines for the Capital Market, Takeovers Code, Corporate Governance Code and Licensing for Trustees and Fund Managers.

These reforms will not disrupt regular trading of equity securities on the Port Moresby Stock Exchange. There will however, be a temporary pause on new applications for:

- Initial Public Offering (IPOs),
- Types of prospectus registration, exemptions, takeovers, mergers or acquisitions, trustee and/or any other application of the repealed Securities Act 1997, Securities Regulation 1998, Takeovers Code 1998 and Trustee and Manager Guidelines.

Market participants and interested parties are encouraged to work closely with SECOM during this transitional period for advice and guidance. For any queries regarding this Notice please contact:

Christopher T. Hnanguie
Executive Chairman
Securities Commission of Papua New Guinea (SECOM)
Level 2, IPA Haus, Konedobu, NCD
Tel: 308 4454, 308 4456 or 308 4458.
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COMPANIES ANNUAL RETURNS

The Investment Promotion Authority wishes to advise directors of companies and their agents that the **De-registration Exercise** and switch on of the **Automated Compliance Program (ACP)** have been delayed until further notice.

Due to constant system failures in 2017, which was beyond the IPA's control, the Office of the Registrar of Companies has experienced setbacks relating to record maintenance and the turnaround time of some of the services. This in particular has affected the processes in filing and processing of annual returns through the **Online Registry System** which in turn has affected the targeted dates for the above exercises.

Given the above circumstances, companies have an advantage of time to file their Returns.

We encourage companies to file their outstanding annual returns online as over 90% of annual returns filed online do not require review by IPA Registry Staff. Instead the records are updated immediately and the system automatically updates the status of the company from non-compliant to compliant. Filing paper Form 22 processes are much slower and can be burdensome for the filer and for the IPA Registry Staff.

Please also note that filing annual returns online will allow the system to effectively monitor your filings in future and alert you whenever your annual return is due. This can in turn reduce the cost of annual return filing in future. For instance, you will be able to file your annual return on time without worrying about the late penalty fees.

UP-coming Events | IPA CALENDAR OF EVENTS

| | | |
|----------------------|---|--|
| June | : | IPA Quarterly Board Meeting #2 |
| July | : | APEC Business Advisory Council Meeting # 3 |
| August | : | IPA Provincial Outreach |
| September | : | Speaker's Summit |
| October | : | Regulator's Summit |
| November 12th – 13th | : | Concluding Senior Officials Meeting (CSOM) |
| November 12 – 18 | : | APEC Economic Leaders week |
| November | : | APEC Leaders Summit |
| December | : | PNG Mining Conference |
| | : | IPA Quarterly Board Meeting #4 |



Ni-Van Tailoring offers beginner's sewing classes.

While some businesses start out of a hobby, Ni-Van Tailoring established as a result of a community project.

The owner, Heather Vanua, registered Ni-Van Tailoring in 2016 with IPA, after seeing a lot of interest expressed by women already in formal employment to learn sewing.

Vanua decided to conduct the 'Beginners sewing classes for Professional women as part of her community project. This counted towards completing her Master's studies in Science in Administration with emphasis on Management - an online study under Adventist International Institute of Advance Studies in the Philippines.

Vanua's love for sewing and her teaching profession gave her the perfect combination to kick start what she thought was the ideal community project to teach sewing. She decided to conduct the beginners sewing classes for professional women for four hours on Sundays.

The first Beginners Sewing classes started in 2015 February in Port Moresby and attracted over 100 women which comprised professional women, unemployed mothers and young girls. The project proved a success as more and more women continued to enquire to take up Vanua's course. Following this she decided to register her project as a business with the IPA.

Besides sewing classes, Ni-Van also rents sewing machines and over lockers to novices who want to try their sewing skills at their own place and time. In addition, they have recently opened a fashion designing incubator for upcoming fashion designers or anyone with a personal design that require the service of a tailor or seamstress.

Vanua desires to extend the sewing project to rural communities one day. She hopes to

partner with any organization interested to assist in making this vital skill available to the womenfolk both young and old in rural areas.

For more information about Ni-Van Tailoring's services, you can email nivantailoring@gmail.com, call 76242118 or visit them at Laurabada Avenue, Angau Drive, Boroko, Lot 42, Section 122.



what do the changes to the Companies Act mean?



Clearer guidelines on directors' duties

- **Support for directors** in cases where legitimate business decisions do not turn out as planned for the company.
- **Protection for shareholders** from directors who act improperly and not in the best interest of the company.



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Gulf Melarenres Ltd offers opportunity to invest in PNG Gas project

Gulf Melarenres Ltd is a company based in Gulf Province seeking a joint venture partnership to take its business plan off the ground.

The company's core business is centered on the provision of Building Consultancy, Design, Construction & General maintenance. Services provided would include;

- Sub contracts & credit facilities
- Logistics vital support facilities
- Supervision & quality control according to Standards & Regulations;

- On the job training and other associated elements.

The company is keen to enter into a joint venture with interested local or overseas investor eyeing the Oil & Gas Industry given the potential for business opportunity it sees in the province.

"The market demands are imminent here given the Gulf LNG project in this area," the company states.

The project management seeks capital funding of between K5 and K10 million for a joint venture partnership with an investor.

For more information please contact Ian Meatre on: (675) 7113 5155 or 7752 6004 or email: gulfmelarenslimited@gmail.com or email Mr. Kamis Yalakun from ISPD/IPA on kyalakun@ipa.gov.pg for this project.

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Registration of a business idea

Question:

I am a local business person who produces coffee filter bags similar to the tea bags. Can I register my business idea or concept and claim exclusive right over the idea?

Answer:

Although the coffee filter bag may be new to the market, the design of the bag is already there as in the tea bags.

The term industrial design is used to describe the ornamentation or aesthetic feature [OUTER APPEARANCE OR EXTERNAL FEATURE] of an article or product. Such ornamentation or aesthetic feature is referred to as a "design" and this design may consist of 3 dimensional features like a water bottle to 2 dimensional features like textile or clothing. A design is a result of manufacturing a product through creative manipulation of the shape, pattern, lines, contours or colour configuration to make it unique and attractive.

It is therefore important that before the application is filed with the Intellectual Property Office, check to ensure the following;

1. It must be new or original
2. New or original in this respect refers to the fact that it has not been disclosed to the public, **anywhere in the world** –
 - a. By publication in tangible form; or
 - b. By use; or
 - c. In any other way,

This therefore means that if you believe in the product that you have created, you need to do your research to see if there is any available in the world. You can go to Global Design Database hosted by World Intellectual Property Organization to search through 1, 830, 000 records of registered designs using this link:

<http://www.wipo.int/reference/en/designdb/> or <http://www.wipo.int/designdb/en/index.jsp>

When you click the link, you arrive at a landing page where you can search using the search field. What you type in that search field called "Products (EN)" is TEA BAG or FILTER BAG, you will get ABOUT 5,000 - 6, 000 results. While the result can be overwhelming, the trick is if you are able to further define the filter by narrowing the keyword used for search, the results will reduce.

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

beverlyp@ipa.gov.pg

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