

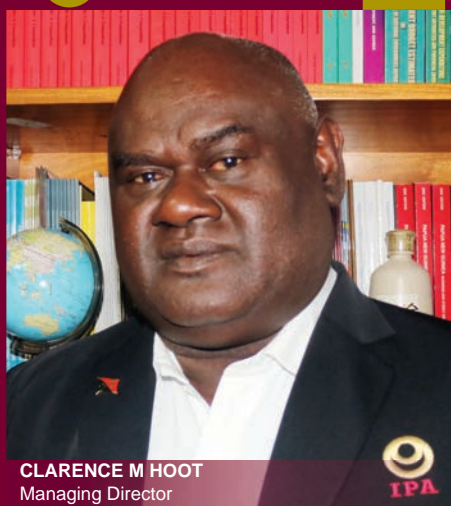


# Opportunity

Issue 2 - February 2019

Business News, reviews and overviews from the IPA

## MD's INBOX



**CLARENCE M HOOT**  
Managing Director

Hello Readers and welcome to the 2nd issue of the *Opportunity* newsletter for 2019.

We are halfway into preparations of events in our calendar in which the Regulators Summit is a key event we are currently focussing on.

The Regulators Summit will explore and bring to the fore discussions on regulatory issues and how these issues affect business in the country.

Regulation is a key instrument used by the Government to achieve various policy objectives. Good regulatory practice ensures that health and wellbeing of its citizens are protected and domestic environment is safe for businesses to function in compliance with domestic laws. The global business landscape is fast changing and our domestic regulation need to be relevant and responsive to those changes.

Another key event is the review of the Investment Promotion Act. In January 2019, the Government announced its urgent intention to protect MSMEs from unfair foreign competition. The Government is therefore amending the Act for this purpose.

Please read along and see other changes and progresses of work being carried out at the IPA.

Don't forget. If you have a unique business or project you'd like to promote, please share it with us and we'll include it in the appropriate sections in this newsletter.

Thank you.

**Clarence M. Hoot**  
Managing Director

## IN THE NEWS

### Business Regulators Summit 2019

The Investment Promotion Authority (IPA) as one of the key business regulators will be hosting the PNG Business Regulators Summit. The two day event is scheduled for 15th to 16th April 2019 at Hilton Hotel in Port Moresby under the theme "**Harmonizing Regulations: The Value Chain and Where I fit as a Regulator**". This Summit is planned as part of post-APEC domestication process aimed at enhancing the productive capacities of our domestic regulations to grow business and investments.

The Summit aims to bring together all government bodies and state agencies that play a regulatory role within the business environment to a forum and have dialogue and discussions on key issues affecting areas of doing business in the country. At the end of the summit, we aim to produce an outcome report highlighting key reform areas.

The three key objectives of the Summit are;

- To provide a platform for all the regulators to discuss arrays of regulatory requirements and impediments that affect business environment in the country;
- To promote dialogue and awareness, establish visibility and create synergies for an harmonized regulatory system that is productive and responsive to inclusive growth and national development; and
- To provide policy recommendation for regulatory convergence in exploring one-stop-stop information hub for business and investment compliance in Papua New Guinea.

The target audience of the summit will be government officials, regulatory agencies, peak industry bodies and business houses, and media stakeholders. The Summit will explore and bring to the fore discussions on regulatory issues and how these issues affect business environment in the country. Regulatory agencies will speak on key regulatory

Continue on to next page.....



## Tips & Traps

### The importance of registering your Business Name

Some important pointers on why a Business Name must be registered before conducting an activity under a name.

- Under the Business Name Act it is an offence for any person to conduct business activity using a name other than their own
- If a business, other than a person's own name is used to conduct a business activity, the same must be registered with the Registrar as failure would amount to an offence.
- It is important for the owner to have the name registered because a name goes along with good will and it has a property in itself.
- When one registers a Business Name that name belongs to him/her therefore no one

else can use that name.

- A business name must be renewed every year.
- Registration of Business Name is K150 online and K200 if you register at the counter.



and administrative issues under their respective mandate and point out chokepoints/ bottlenecks and propose possible areas of reforms to improve doing business environment as well as maintaining effective compliance. A good regulatory practice ensures that health and wellbeing of its citizens are protected and domestic environment is safe for businesses to function in compliance with domestic laws.

By using the World Bank Doing Business Report as the baseline indicator, the topics of the discussions, amongst others, will

- focus on;
- Starting a business
  - Dealing with construction permits
  - Getting electricity
  - Registering property
  - Getting credit
  - Protecting minority investors
  - Paying taxes
  - Trading across borders
  - Enforcing contracts
  - Resolving insolvency
  - Labour market regulation

Panel and open discussions have been programmed to help discuss key issues and point out policy recommendations. These recommendations will form basis of the summit outcome report.

For more information on the detail and scope of the Summit program, please contact Mr. Kamis Yalakun, Acting Manager Investment Promotion Unit on email: [kayalakun@ipa.gov.pg](mailto:kayalakun@ipa.gov.pg) or telephone: +675-30845531

## IN THE NEWS

### IPA supports Floridienne Group Investment in Madang



IPA's Acting Manager IP, Kamis Yalakun addresses the traditional LO's the regularities of registering businesses under IPA.

Kamapim Limited, a subsidiary of a Belgium-based Floridienne Group, is working with traditional landowners from Madang Province to process and export high quality vanilla beans to European markets. IPA was invited to speak at the Madang

Chiefs Conference that was held at Jais Aben Resort, Madang in February.

The aim of the conference was to empower chiefs and clan leaders of traditional landowners who are interested in developing a sustainable agricultural business model, partnering with a foreign investor. The conference attracted a total of 182 participants from six (6) Districts of Madang Province. Chiefs, Magistrates, councillors and teachers from 82 villages in all the LLGs of Madang attended the conference.

The landowners were informed of IPA's business registration processes, different types of entities and regulations administered by IPA, compliance requirements and online lodgement steps and processes. The presentation was done in tok pisin to ensure that information is communicated in a context appropriate for the audience to understand.. The

Online registration process stirred interests and questions from the participants. Most of the conference attendees were from villages and getting access to such information was valuable for them.

According to Dr. Nancy Irwin, Director and General Manager of Kamapim Ltd, the company aims to work closely with local farmers from all across Madang and connect them to a market that has access to technology, patents, clients and global consumer market.

The company is focused on building long term relationship with the locals for a strategic business partnership in cultivating and exporting high quality PNG vanilla beans, at the same time protecting the origin of the commodity.



Traditional Landowner's from villages in Madang that attended the conference to gather information on how and why it is important to register under the Investment Promotion Authority.



## Kamapim Limited highlights its business model

Kamapim Limited is pursuing a holistic approach in its business model providing income and connect landowners with the idea that protecting rainforest and culture adds value to commodities in high end markets.

There is also gender inclusion component where the company will encourage sharing of the profit from crop (50%) each between wife and husband that own the block.

According to the Director and General Manager of Kamapim Ltd, Dr. Nancy Irwin, cash crops such as vanilla suffer worldwide security problems and she is keen to move farmers to secure banking and financial literacy. In partnership with Westpac, the company is now bringing banking services to the rural communities by engaging Westpac Bank.

“Financial literacy training will enable many landowners to micro develop business in many different ways that will be suitable for

their own communities,” said Dr Irwin. “Kamapim Ltd believes that, to address market abuse and stolen products, it will not buy from few isolated middle men. The company will work directly with rural farmers to establish where the beans are coming from so that there is traceability and transparency to the clients exporting their crops. Engaging with the local farmers directly will improve the value chain process, safeguard market and stabilize vanilla price in the event world market price drops”.

She said the company will invest in providing unlimited training, pay for certifications, transfer technology and skills (vanilla, natural pest control, garden production etc), share testing results, provide constant feedback, provide business training and facilitate export markets requirements to build the industry with local focus.

At the time of writing this story, the company is now based in Raicoast District with

mobile teams from NID Office and Westpac Bank facilitating business accounts for local farmers and landowner groups as the first step towards this business concept. They intend to cover all the Districts and LLGs in Madang over the coming months.

The sustainable and eco-friendly approach requires conservation of primary forest or reforestation, protection of waterways, action to prevent landslides, improvements of sanitation for health as well as crop management and export. In order to preserve the quality of organically grown vanilla, the company's long term commitment is not to use chemicals on crops and soils.

The concept is one of those that the IPA promotes when facilitating FDI into the country. There is a tangible result of transfer of skills, knowledge, capital and helping local farmers and producers to connect to global markets.



## How to Protect and Register an Industrial Design?

Following on from our conversation on Industrial Designs, in this issue we'd like to discuss how Industrial Designs can be protected. We have decided to spend more time on this issue as it is one of the common Intellectual Property rights that the public has a lot of misconceptions about.

### So how can Industrial Designs be protected?

In most countries, including PNG, an industrial design must be registered in order to be protected under industrial design law.

To be capable of registration, a design must be new or original. This means that it should not be disclosed in tangible form (i.e. physically) to the public anywhere in the world through publication or use or in

any other way. So if the design exists or is in use, it cannot be considered for registration therefore the application will be refused for registration.

### How do I Apply for Registration?

The application to register an industrial design (Form 5) is available on the Intellectual Property Office website ([www.ipopng.gov.pg](http://www.ipopng.gov.pg)) or can be obtained from Level 1, IPA Haus, Konedobu, National Capital District. You can also send an email to; [registrar.ipopng@ipa.gov.pg](mailto:registrar.ipopng@ipa.gov.pg) to request a copy of the form.

The form must be submitted with a notice informing of intention to register a design. Complete the application form and submit

together with the technical representation or drawings/pictures of the product. Pay the lodgement fee of K300.00 by bank cheque made out to Investment Promotion Authority or through direct bank deposit into either of the Investment Promotion Authority's BSP, ANZ or Westpac accounts.

Lodge the application together with the receipt of payment at the IP Office. The form can only be lodged at the IPA Head office or mailed to the office.

Also complete a Power of Attorney form if a legal representative is acting on your behalf. The power of attorney document gives authority to the legal practitioner to act as your agent and execute lodgment of documents with the IP Office.

If you are not the creator or designer of that design then you need to attach a Statement Justifying the Applicant's Right form which can also be downloaded from the IP Office website.

Persons intending to apply for registration of an industrial design are encouraged to conduct a search on the design in which he/she intends to seek protection for, to avoid being refused for registration and possible infringement from another owner of a similar or same design.

For any additional information or enquiries on industrial design and registration requirements, processes, etc., please visit the Intellectual Property Office's website at <http://www.ipopng.gov.pg> or contact the office via telephone: 3084432, fax: 321 5155 or email: [registrar.ipopng@ipa.gov.pg](mailto:registrar.ipopng@ipa.gov.pg)

### INDUSTRIAL DESIGN



The Investment Promotion Authority is in the process of reviewing the Investment Promotion Act. Consultations on the proposed changes are currently underway.

Here's a sneak peak of what's in it for MSMEs.

## How are MSMEs protected from unfair foreign competition under the changes?

MSMEs have expressed that they suffer from unfair foreign competition in smaller-scale, onshore businesses where PNG citizens have already shown capability.

The Government is responding with a number of important steps to protect and promote MSMEs:

- 1. Minimum investments for business/investor resident visas**—non-citizen owners of foreign investments will be required to show a minimum investment in PNG in order to obtain their residence visas. This class of visa also applies to overseas-headquartered foreign investments recruiting senior management staff for their PNG based operations.
- 2. Reserved activities for PNG citizens** – the IPA will continue to reserve activities for citizens under the Reserved Activities List and regularly review the list
- 3. Promotion of local-foreign partnerships** – a new 'Restricted Activities List' will be introduced to encourage PNG citizen participation in larger, more complex, and/or more capital-intensive businesses. Activities will be identified where foreign investment is allowed under certain conditions, which can include minimum local ownership and minimum investment levels.
- 4. Improved compliance and enforcement** – government agencies will upgrade their compliance and enforcement capacity and activities.

## What about existing foreign enterprises that are not complying with existing investment laws?

The Government is committed to stopping existing foreign enterprises that are not doing the right thing.

Government agencies involved in administering the foreign investment system are upgrading their compliance and enforcement capabilities and activities. This will include more, and better, inspections of businesses suspected of breaching PNG investment laws. The IPA will also be granted improved powers to require information from foreign enterprises.

## Which activities will be reserved for citizens?

The existing Reserved Activities List under the Investment Promotion Regulations will continue to be in force. The IPA will undertake a review of this List in accordance with the new process for reviewing the Reserved Activities List within 6 months of the changes coming into force.

## How are reserved and restricted activities identified?

Under the proposed changes, the Reserved Activities List and Restricted Activities List must be reviewed by the IPA Board at least every 3 years.

This review process is required to be public, and seek the views of government, the business community, and the public. The IPA

Board's recommendations are published publicly and provided to the Minister for decision. If the Minister decides to reject a recommendation, he or she must publicly publish the reasons for the rejection.

## Are there some activities that cannot be reserved or restricted?

It is important to balance the affordability and availability of goods and services with the longer-term policy of empowering PNG citizens to participate in more business activities.

Reserving activities where there are no existing PNG citizens to take over, insufficient competition, or are vital inputs into other businesses will likely lead to goods and services not being available, or only available at higher prices. This result will only hurt MSMEs.

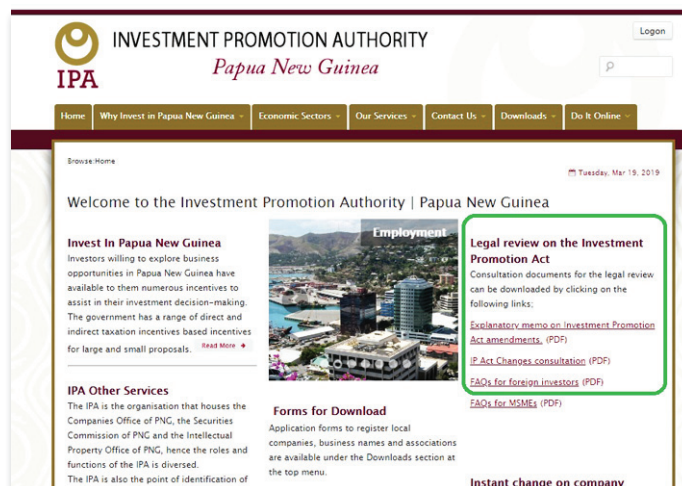
The proposed changes places some basic controls on activities that cannot be reserved or restricted. An activity cannot be reserved or restricted:

- unless at least one Papua New Guinean citizen is involved in carrying out the activity, whether by himself or herself is
  - o a member of a joint venture, or
  - o a partner in a partnership, or
  - o a trustee, or
  - o an agent or employee, and carries out the business in PNG
- if fewer than 10 businesses operators conduct the activity in PNG
- is carried out on as a business, or part of a business, that produces or supplies goods and services which are used regularly by, or are otherwise important to the operation of other business in PNG.

Even with these controls, the Government will have substantial flexibility to reserve activities for citizens to meet the needs of MSMEs.

## How can I provide comment on the draft Bill?

The draft Bill and other explanatory documents are available at [www.ipa.gov.pg](http://www.ipa.gov.pg). Comments must be received by 5 pm on Friday, 29 March 2019 to [ggLegislativeReview@ipa.gov.pg](mailto:ggLegislativeReview@ipa.gov.pg)



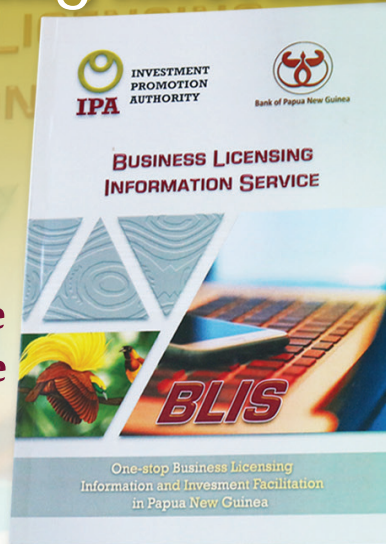




**Investment  
Promotion  
Authority**

# Business Licensing Information Service (BLIS) ON SALE

The Investment Promotion Authority wishes to advise its clients and public on the sale of the Business License Information Service (BLIS) booklet.



The *BLIS* contains a One-Stop-Shop Business Licensing Information comprising various legislative requirements of doing business in Papua New Guinea and the necessary processes or guidelines to obtain the licenses from statutory license issuing agencies.

The *BLIS* contains the following information:

- CONTACT DETAILS OF OFFICERS (S), DIVISION & AGENCIES WHICH ADMINISTERS EACH LICENSE.
- LICENSE APPLICATION FORM WHERE POSSIBLE.
- APPLICABLE LEGISLATIONS AND PROVISIONS.
- DETAILS OF LICENSE, FEES, DETAILS OF RENEWALS AND TRANSFER.
- TYPE OF BUSINESS THE LICENSE MAY APPLY.
- PLUS OTHER NECESSARY INFORMATION REQUIRED TO ACCOMPANYING THE APPLICATION FOR BUSINESS LICENSE.

*BLIS* booklet provides one-stop shop business licensing information and helps you to understand various legislative requirements for compliance purposes.

*For more information regarding a purchase of a BLIS booklet, please contact:*

Jeffrey Hete, Business Information Officer on +675 321 7311/3900/534 or Michael George, Manager Research & Information on +675 321 4509 or email them on [jhete@ipa.gov.pg](mailto:jhete@ipa.gov.pg) or [mgeorge@ipa.gov.pg](mailto:mgeorge@ipa.gov.pg) respectively.

The booklet is on sale for *K200* only and a copy can be purchased at the Investment Promotion Authority office, 1st floor, **IPA Haus**, Munidubu Street (Corner of Lawes Road & Champion Parade) Konedobu, Port Moresby.



# Tual Beauty products SME

Christine Atua



Port Moresby based SME, “Tual Health and Beauty Products” who specializes in producing beauty products like Face and Body Scrub made uniquely from coconut oil is stepping up with its marketing strategy to promote its product.

Owner of Tual Health and Beauty Products, Christine Atua from Karkar Island in Madang Province approached the Investment Promotion Authority (IPA) to assist promote her beauty products.

This includes getting the labeling and barcodes on her products. Tual Health and Beauty Products was registered with IPA in October last year and has since been out promoting the effectiveness of its products.

Ms Atua who attained a bachelor’s degree in business management initiated this SME after realizing the potential coconut has.

The word ‘Tual’ means Island in the Waskia(Karkar) Language.

After Christine obtained a Bachelors Degree in Business Management in 2009 from the University of Papua New Guinea she took up a voluntary role with the Pacific Education School which is a health school based in her village on Karkar Island. This was when she developed an interest in community development role.

She was later offered a job by the World Vision as a Water Sanitation Officer on Karkar island, a project funded by the Europe Union which was based on Karkar Island in 2010. The project duration was one year and Christine was blessed to have had the experience in working with the rural communities and witnessed the vast challenges and struggles of the people.

The issue that stood out was how people struggled to find a market for their vast cash crop which is coconut.

Christine says the island is rich but given limited opportunity the people cannot generate sufficient money to improve their livelihoods. Despite the fact that the island has produced some of the nation’s highly educated elites, it’s evident through her work experience on the island that very little is given back to the communities which posed a personal challenge.

She further stressed that her dream to make a contribution in terms of economic development through the full utilization of its natural resources came about after seeing the struggles and the challenges that her people on the island face”.

“This got me to where I am currently at though creating a product that was locally handmade and has proven to be the best so far in the market for almost 3 years. Two years as a trial year”

Christine later created the “Tual Face and Body Scrub” in 2016 which she described as personally ground breaking.

“This ideal beauty products have proven to take care of skin care problems both man and woman face which include, dry flaky skin, pimples, black heads, uneven skin tone, cracked feet, excessive sweating issues, dandruff on bold head, bumps from aftershave especially for men, rough skin, dull skin complexion and many others. The oil products also did wonders for hair growth, dandruff and removal of white hair as reported by users consecutively.

“My island experience of bathing in coconut milk mixed with other traditional plants had very positive benefit on my personal skin care and beauty regime. I thought of how this can be shared to the rest of the world. Surely the skin care problems or defects is universal and not only confined to a certain group”.

“Women especially, deal with the beauty dilemma daily. Beauty is the very essence of a woman, she wants to know that she is beautiful, she seeks improvement each day. So if beauty is important it must also be prioritized and valued and the island through its organic product can offer such a solution, that would be an achievement and a consistent source of economic activity since we have the supply of resources to maintain the market”.

Ms Atua further stressed that she holds a formal employment status but aspire to be an entrepreneur due to the vast benefits it is

likely to bring to her society in terms of job creation and increased economic activity. She concluded by saying that the creation of Tual health and beauty business is also a small initiative and avenue where some out of many plans she has for her people can eventuate in the near future.

“I would also like to thank IPA for giving me this opportunity to feature this and those who have mentored me, Mr. Atua the Director and founder of Pacific Health Education School in Madang, Mrs Tina Mark Kakini from Miline Bay who is the owner of Pearl Clothing and founder of the K20 multiplication program and Jacklyn Jack Wilson who is the founder of Career Link PNG”, said Ms Atua.





The proponent (Morobe Provincial Government) is looking for a JV partner and/or foreign investor to participate in this Palm Oil development project.

**Project Proponent:** Morobe Provincial Government

**Location:** Markham Valley – Lae, Morobe Province

**Project Size/Investment Value:** PGK200 million

Description: Papua New Guinea (PNG) is currently the third largest Palm Oil producer in the world. The Palm Oil Industry in PNG is expanding and there has been growth in production and export in the over the last 3 decades with positive outlook in future. The Oil Palm traded commodity is Crude Palm Kernel Oil (CPKO) and Crude Palm Oil (CPO).

The major export markets for PNG's palm oil products are Europe and Asia and it is one of the major revenue earners for the country. A feasibility study concluded, recom-

mending the development of an Oil Palm plantation and establishment of a processing plant in the Markham Valley plains for production and export of Palm Oil.

The Morobe Provincial Government has been facilitating this project through a local landowner company under the Incorporated Land Group (ILG) together with the Department of Agriculture and Livestock, other line government agencies and relevant stakeholders to progress this development potential.

The project will be situated is under customary land ownership, which requires proper social mapping and ILG certification prior to initial project implementation.

**Mr. Bart Ipambonj and Tom Maring**  
Email: [bart.ipambonj308@gmail.com](mailto:bart.ipambonj308@gmail.com)  
(+675) 7362 4746 (+657) 7097 0066  
or email **IPA PNG:** [investment@ipa.gov.pg](mailto:investment@ipa.gov.pg)

**Annual Returns**

**Question:**

I have a company but it is dormant because I have not been carrying on business or trading under the company. Am I still required to file an Annual Return?

**Answer:**

Yes. A company once incorporated is subject to the requirements of the Companies Act and is therefore obliged to file an annual return regardless of whether it is trading or not.

**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:click)

[beverlyp@ipa.gov.pg](mailto:beverlyp@ipa.gov.pg)

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

**IPA BRANCHES:**

**Port Moresby, Head Office**

Level 1, IPA HAUS, Munidubu Street  
(Corner of Lawes Rd and Champion Pde)  
Konedobu, Port Moresby

Phone: (675) 308 4400 / (675) 321 7311  
Facsimile: (675) 320 2237  
Email: [ipa@ipa.gov.pg](mailto:ipa@ipa.gov.pg)

**Lae Regional Office**

Level 1, Nambawan Supa Building,  
P. O. Box 1074, Lae,  
Morobe Province

Phone: (675) 479 2001 / 479 2606  
Fax: (675) 479 2001  
Email: [ipalae@ipa.gov.pg](mailto:ipalae@ipa.gov.pg)

**Buka Regional Office**

Commerce Office, Haku Street  
P. O. Box 782, Buka  
AROB,

Phone: (675) 973 9344 / 973 9189  
Fax: (675) 973 9344  
Email: [ipa\\_buka@ipa.gov.pg](mailto:ipa_buka@ipa.gov.pg)

**Mt. Hagen Regional Office**

Level 1, Gapina Building,  
P. O. Box 1834, Mt. Hagen,  
Western Highlands Province,

Phone: (675) 542 0399  
Fax: (675) 542 0599  
Email: [ipahagen@ipa.gov.pg](mailto:ipahagen@ipa.gov.pg)

**Kokopo Regional Office**

Ground Floor, Marau Haus,  
P. O. Box 870, Kokopo,  
East New Britain Province,

Phone: (675) 982 9460  
Fax: (675) 479 2001  
Email: [iparabaul@ipa.gov.pg](mailto:iparabaul@ipa.gov.pg)



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