

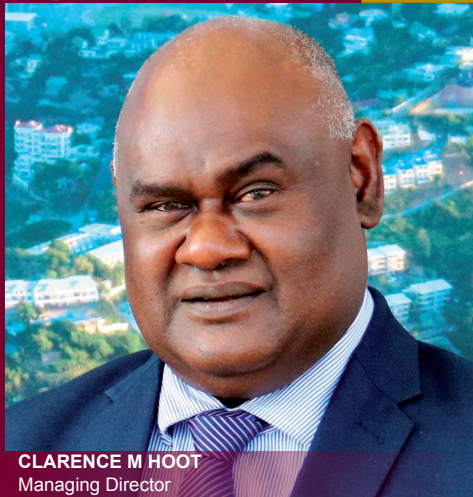


Opportunity

Issue 5 - May 2019

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Dear Readers and welcome to our fifth (5th) issue of the Opportunity newsletter.

We are still in the second quarter of this year and so far, we have again seen a very hectic but smooth flow of operations in all business units of the Authority.

As usual this month has been another very busy month for the Authority. Firstly, the Authority through its Investor Services and Promotion Division is working towards the hosting of the 2019 PNG Investment Week in Port Moresby from the 17th to the 21st of June, 2019.

The Investment Promotion Authority (IPA) as one of the lead organizers is keen on utilizing the platform to promote local businesses to the international visitors.

The week will see a chain of high profile events that will include the 35th Australia-Papua New Guinea Business Forum and Trade Exposition, the 2nd Speakers Investment Summit, the inaugural PNG-EU Business Conference and the 15th UNESCAP Asia Pacific Business Forum.

The Australia-PNG Business Forum and Expo will be hosted on the 17th to the 18th of June, followed by the Speakers Investment Summit on the 19th of June, the PNG-EU Business Conference on the 20th June and the UNESCAP Asia Pacific Business Forum will close off the Investment Week events on the 21st of June, 2019.

The events are expected to attract international and local visitors to Port Moresby including speakers, panelists, trade booth exhibitors and business delegates.

The Authority in collaboration with other relevant stakeholder agencies is also continuing a Database Survey and Spot inspection exercise in the nation's capital.

The exercise was suppose to have ended on the 31st of May, 2019 BUT due to the vastness of the city the team was not able to cover the entire city therefore they were granted an additional one week to finish the exercise.

The database survey and spot inspection is to ensure that all businesses both local and foreign comply with our laws. The exercise will cover all businesses operating throughout the nation's capital and it will now end on the 7th of June, 2019.

Work is also continuing on the review of the Investment Promotion Act of 1992. This piece of legislation which has not been reviewed since its passage in 1992 regulates the operation of the Investment Promotion Authority.

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

Thank you and happy reading!!!

Clarence M. Hoot
Managing Director

if you do it online.

A **Company** on the other hand can do more than one type of business activity. A company needs to have a director or directors and a shareholder or shareholders as a primary prerequisite. A director runs the day to day operations of the company and the shareholder is the owner of the company. Every year, a company is required by law to lodge annual returns or runs the risk of being deregistered. It costs K600 to register a company or K450 if you do it online.

A **Business Group** is usually rural based and can consist of many members from the same family, clan or tribe. This entity type is only allowed for Papua New Guineans. A Business Group is required by law to lodge a statement of assets and liability every year or runs the risk of being deregistered. The registration fee is K100.

An **Association** is a non for profit organisation and must NOT carry out business. It is registered for the purpose of achieving a common goal as agreed by the members in the association's constitution. However, the association can register a Business Name or company which will make money to fund the operations of the Association.

IN THE NEWS

Joint Spot Inspection exercise results in confiscation of counterfeit, expired and unlabelled goods



Confiscated goods brought back from the Spot Inspection exercise.

The Investment Promotion Authority (IPA) has issued a stern warning to business houses to adhere to their business licensing conditions when it comes to doing business in the country.

This follows the busting of counterfeit, expired goods and goods with no labeling during the IPA Database Survey and Spot Inspection joint exercise which is being conducted

Tips & Traps

Types of Registrations

Before coming to the IPA to register an entity, it is important to understand the suitable business or entity type that suits your business idea.

Given that company is a common entity type, people have the tendency to register a company to perform any business activity. Although it is still alright, it is important to understand the other entity types available that people can utilize when trying to do business. There are four (4) entity types that are registered at the IPA. They are;

- 1- Business Names

- 2- Company
- 3- Business Group
- 4- Association

A **Business Name** allows the business to carry out only one type of business activity. For example, if a person registers a hire car business then the name is specifically for the hire car business. That person can't use the same Name to run a trade store. They will need to register a separate Business Name to operate a trade store. By law Business Names expire after a year but can be renewed. It costs K200 to register a Business Name manually or K150

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in the nation's capital from the 24th of April and will end at the end of this week.

Over four hundred businesses within NCD were visited during the exercise and from this, over one hundred were found in breach of IPA laws and other laws administered by other agencies including ICCC, IRC, NCDC, Police, PNG Power Ltd among others.

Penalties were applied based on discrepancies including companies found operating without Foreign Enterprise Certification and companies not lodging Annual Returns.

Some were penalized with a prerequisite of Section 33 of the Investment Promotion Act 1992 wherein they failed to advise the Authority of their new operating locations and specific business activities.

A few business houses were charged variation fees for amendments to be made to their current certificates to update their records as

some were either no longer operating under the certified activities or ceased from operating in the previous locations without notifying the IPA.

Some businesses who were registered under a business name have failed to renew their business names.

The Investment Promotion Authority (IPA) in collaboration with other relevant stakeholder agencies conducted this exercise.

The stakeholder agencies involved in this exercise include the Police, National Capital District Commission (NCDC), Internal Revenue Commission (IRC), PNG Power Limited, PNG Independent Consumer and Competition Commission (ICCC) among others. The Small Medium Enterprise Corporation (SMEC) also joined in the exercise in order to utilize this opportunity to collect data on existing SMEs in NCD.

Managing Director of IPA, Mr. Clarence Hoot said that the government through relevant agencies has to ensure that all businesses, both local and foreign, comply with our laws. The database survey and spot inspection exercise covered all businesses operating throughout the nation's capital.

Mr. Hoot further highlighted that businesses and the public should note that IPA's approvals, registration and certification is just one of many requirements to be met by companies and that it is the responsibility of the company or business to obtain other regulatory requirements specifically for the type of business and sector they are engaged in before they can operate.

IPA's Acting Director of Investment Promotion Service Division, Mr. Daroa Peter said funding availability will determine the extension of the exercise to other major centers.



IN THE NEWS

VISA PROCESSING SYSTEM GONE ELECTRONIC

People intending to enter into the country can now expect their visa to be granted in less than a day if not in minutes, for certain visa types.

This high class service comes after the Immigration and Citizenship Authority (ICA) successfully launched an online processing facility late last year.

The online processing system allows for an application to be submitted through an online portal and depending on the visa type requested, and if all requirements including payment have been satisfied, an e-Visa will be granted.

Countries that are eligible for Visa-On-Arrival have been enjoying this service until very recently when the ICA included Commonwealth countries and member economies of the Asia Pacific Economic Cooperation (APEC) holding diplomatic and official passports.

The new system currently allows an auto-grant visa to three types of visas inclusive of the Business Visa, Aid worker or Volunteer Visa and a Visitor's Visa.

The online portal is available through the link <https://evisa.ica.gov.pg/evisa/>

PNG needs proper dispute resolutions to increase Foreign Direct Investment.

The rapid increase in economic activity in PNG over the last several years has inevitably resulted in countless contracts, understandings, dealings and agreements, including MOUs (memorandum of understanding) and MOAs (memorandum of agreement) on investments and business in the country.

According to a report by Business Advantage, a proportion of those dealings will become contentious, and it is probably fair to say the proportion that becomes contentious is likely to be higher in environments such as PNG where getting things can take a degree of persistence and flexibility unfamiliar to people and organizations only recently drawn to the country.

In a recently held APEC workshop on "Optimizing investment measures in the Asia-Pacific Region", participants were told how proper dispute resolution and Arbitration can lead to an increase in Foreign Direct Investments (FDIs).

Papua New Guinea, through the Investment Promotion Authority was part of that workshop which was organized for members of the Asia Pacific Economic Cooperation (APEC) in Shanghai, People's Republic of China on April 11 – 12 2019.

IPA's Senior Investment Officer, Mr. Desmond Pokajam who delivered a presentation on the topic "Legal Reform Drives Confidence in Papua New Guinea" highlighted how significant it was for PNG to undergo reforms and accede to international conventions that will likely to

increase FDI and address issues identified as limiting investment.

Mr Pokajam stressed the importance of the hosting of the International Mediation & Arbitration Conference (IMAC) which was held in March 2019.

He pointed out that such conference will obviously address issues like foreign companies interested in investing in PNG enquiring on whether the country has a good arbitration or arbitrary clause in our commercial agreements.

Mr Pokajam said there is also a need for PNG's Arbitration Act of 1991 to be reviewed as it is outdated.

The IMAC allowed for PNG to push ahead with improving the country's mediation and arbitration system which boosts the alternate dispute resolution option as another avenue to the domestic court process or international dispute settlement.



Why do I need to register my Trade Mark?

It is important to protect a trade mark by obtaining a registration from the Intellectual Property Office of PNG (IPOPNG) within IPA. The main purpose of the Act is to provide the owner of a trade mark, the legal title to having exclusive use of its trade mark for the goods and services for which it is registered, and to protect against unauthorized use of the trade mark.

The Register is divided into two parts which are called Part A and Part B respectively. If a trade mark is distinctive, it will qualify for registration in Part A of the Register. A trade mark which is non-distinctive, but is capable of becoming distinctive over time, will qualify for registration in Part B of the Register. The registration requirements can be found in Sections 15, 16 and 17(2) of the Trade Marks Act (Ch. 385). An applicant must specify the goods to which a trademark is applied, or to be applied in the future. An application must be limited to the goods in one class only. The applicant must also specify the classification, to which category of the goods and services fall under, for example clothing and footwear are categorized under class 25.

In order to ensure a correct classification, the applicant must clearly describe the goods or services to which the trade mark is being actually applied, and should also avoid the use of the expression "and all other goods or services in this class".

ExxonMobil



PNG LNG

LEGAL UPDATE

PROPOSED CHANGES TO THE INVESTMENT PROMOTION ACT

Consultations on the recent proposed changes ended in early April 2019. The main aim of these changes is to achieve Government's policy objective of protecting MSMEs that are owned and operated by citizens. In summary, the following changes are being proposed:

- Better definition of IPA roles and responsibilities
- New requirement for minimum investment level
- Clearer rules for reserving businesses that are citizen-owned and operated
- New rules for local-foreign partnerships in businesses
- Improved process for reviewing reserved and restricted activities
- Improved foreign certification process
- Better compliance and enforcement

These proposals are currently before Government for consideration and endorsement.

For more information; please email legalreview@ipa.gov.pg

IPA NOTICE BOARD

Clients lodging applications at the Companies Office to produce valid identification cards.

The IPA has revived its registration process whereby any persons submitting an application or document to the Companies Office must present a clear and valid identification card for the application to be accepted. The requirement was one of the processes that came with the introduction of the IPA's online registry facility but was scaled off until very recently.

The acceptable identification cards include a current PNG NID card, current Drivers License, current Passport, current Nasfund or Nambawan Super ID Card and work IDs.

This process has been revived to give credibility to the entities created and that the persons who are filing the applications are the right people lodging papers on behalf of the entity.

The IPA is also a party to PNG's fight against Anti Money Laundering and Counter Terrorism Financing or AML/CF. As such, the reintroduction of the ID requirement process will act as proper screening processes on companies registered to track any possible risks of Anti Money Laundering and Counter Terrorism Financing (AML/CTF) activities. This is to show cause for the IPA's commitment towards the issue on anti-money laundering and counter terrorism financing.

Meanwhile, the IPA has earlier issued a notice to agents that file 10 or more business entities to do their lodgments online. These agents also need to provide proper identification when doing lodgments.





PUBLIC NOTICE

The office of the Registrar of Companies wishes to inform its valued clients and the general public that *effective 13th May 2019*, all presenters or filers of documents at the front counter must present a clear **valid identification card** to allow you to file your document successfully.

If you are an agent filing for 10 or more business entities, we remind you to file online at www.ipa.gov.pg. As an agent, it is also important that you upload a clear and valid copy of your identification card when applying to request for authority.

Forms 16, 13 and 10

Filing of Forms 16, 13 and 10 at the front counter will not be accepted unless evidence of the changes is also presented:

1. A **Form 16** or Maintain Directors - a clear copy of the shareholders' resolution must be attached.
2. A **Form 13** or Transfer of Shares - a share sale agreement between seller and purchaser and a shareholders' resolution must be attached.
3. A **Form 10** or Issue of Shares - a shareholders' or board (directors) resolution must be attached.
4. The above forms *must be signed by an existing* director or secretary.

We will not accept the above forms for receipting at the front counter unless the above are fully complied.

Please note that there is no requirement to provide resolutions for Forms 16, 13 and 10 when filing online at www.ipa.gov.pg. We encourage you to file online for your convenience.

Valid identification cards acceptable by this office include;

1. Current PNG NID Card
2. Current Drivers License
3. Current Passport and ;
4. Current Nasfund or Nambawan Super ID Card

If you have any queries or require assistance please immediately contact us at online@ipa.gov.pg or call us on phone numbers 3084443, 3084494, 3084495 and 3084439.

Thank you.

Harriet Kokiva
Acting Registrar of Companies

Path to Market Mission to New Zealand ends with a high interest

The 'Path to Market mission' to New Zealand which was hosted from the 4th to the 9th of April, 2019 ended with keen interest from the six (6) Papua New Guinean companies who participated in the mission. The mission included showcasing their products at "The Cloud" located in the heart of Auckland city in New Zealand.

The 6 PNG companies were among forty (40) other companies from thirteen Pacific Island countries who were invited to be part of that mission.

Sharon Kenatsi of Bougainville Pride Arts and Crafts Ltd stated "The demand and interest is already there, we are confident that we can sell products in that market space if we do more awareness and marketing". The com-

pany made sales and she added that personally the experience was good overall and was worthwhile.

Rhona Conn of Milne Bay Organics appreciated also the opportunity through this mission and stated that "The concept is great and provides relatively greenfield businesses with networking opportunities that would otherwise be unachievable in their Pacific nations". The mission is a part of the Pacific Islands Trade and Invest (PTI's) Path to Market Programme which is a seven-step export capability building programme for Pacific Island companies. This program is an ongoing partnership between PT&I and Economic Development Agencies in the Pacific. The Investment Promotion Authority (IPA) is the partner

agency for PTI in PNG for this program.

As part of the programme, P T&I in partnership with IPA hosts an export capability workshop as lead up to the Path to Market Mission. This year was the 4th consecutive year for the IPA and PTI to facilitate this Mission to New Zealand as a follow on from the Export/Business Capability Workshop conducted recently by PTI (NZ) in PNG as an integral part of assisting companies to enter the export market of New Zealand.

Each of the PNG companies who attended this year's event are optimistic from this first experience and exposure to the NZ market and expressed their interest to be part of the another mission to NZ again.

PAPUA NEW GUINEA Investment Week

June 17-21, 2019
#PNGInvestWeek2019

35th Australia Papua
New Guinea Business
Forum & Trade Expo

Hosted by:



17th - 18th June

2nd Speaker's
Investment Summit

Hosted by:



19th June

Port Moresby
after APEC

Hosted by:



20th June

15th UN ESCAP Asia
Pacific Business Forum

Hosted by:



21st June

OPPORTUNITY KNOCKS

The project proponent is seeking a Joint Venture partner and/or foreign investor to participate in the Project.

Project Proponent: Rima Investments Limited

Location: Kandrian Inland Rural Local Level Government, Kandrian District, West New Britain province

Project Size/Investment Value: Subject to feasibility studies by interested investors/developers.

Project Description: The project proponent (Rima Investments Limited) is seeking potential investors to develop 39,797 hectares of their customary land essentially for agriculture development.

The location is at Urin Village, Kandrian Inland Rural Local Level Government, Kandrian District, West New Britain Province, Papua New Guinea. The landowners have incorporated a landowner group (Lokang Land Group) in anticipation for development of their customary land.

The proposed project development plan will initially involve clearing and felling of the for-

Lokang Integrated Agriculture Development Project

est resources within the project area which are then expected to be used as inputs into sustainable downstream processing activities.

The potential investor/developer is required to propose a business model in this regard.

The landowners would like to also involve in a number of projects including eco-tourism development. The land owners are also prepared to allocate land for development of a satellite township with necessary amenities including an airstrip and other service establishments.

The total investment cost of any development project on the land will be subject to individual feasibility studies by interested investors/developers.

Contact	Details
Mr. Michael Aiap Mr. Freeman Liliura	(+675) 7016 2114/ (+675) 7551 4434/ (+675) 7430 6524
IPA PNG	investment@ipa.gov.pg

QUESTION TIME

PUBLIC OFFICER

Question:

Is it necessary for an Association to have a Public Officer?

Answer: Yes.

A Public Officer is the contact person between the Association and the Investment Promotion Authority (IPA). IPA will only accept correspondences from the Association through the Public Officer.

He or she holds custody of the Association's common seal, keep all records, books, and other documents, responsible for members' registration and can be given authority.

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.

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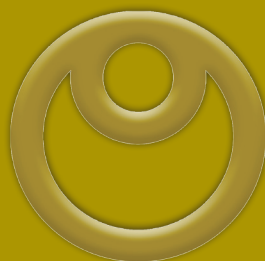
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