

# INDEPENDENT STATE OF PAPUA NEW GUINEA



## Explanatory Notes

### **Proposed Draft *Associations Incorporation Regulations 2023***

#### **1.0 INTRODUCTION.**

Parliament has enacted the new *Associations Act 2023*. The new Act required new regulations to be fully implemented.

Additionally, the investment Promotion Authority (IPA), the current registrar for associations, has recently upgraded its registry system to be fully online for all business entity types, including association. The new Regulations have been updated to accommodate for all filings to be online.

#### **2.0 MATTERS ADDRESSED IN REGULATIONS.**

##### **2.1 Submission of filings to the registry**

The Regulations define how documents will be received by the new registry system. All filings are submitted by person holding client accounts within the registry. The Regulations also provide for scanning and uploading any additional information that may be required from a separate document to support an online filing.

##### **2.2 Fees, late fees and penalties**

The Regulations establish fees for all filings that will now be able to be submitted online. The actual amounts are on Schedule 2. The Regulations (Section 5) also set out a process by which late filing fees and penalties may be assessed for online filings and how businesses may appeal any penalty amounts.

##### **2.3 Client accounts**

To facilitate online filing all clients of the registry must establish a free client account via the online system. The Regulations describe this process in Section 9. To help assure integrity of the data, a client account holder's identity is verified by submission of a government-issued photo ID.

#### **2.4 Physical documents**

To help PNG citizens transition to the online system, the initial Notice of Intent to Incorporate may be filed in paper format under Section 4. The Regulations establish the criteria for these filings, including the size of the paper (so the paper can be scanned into the electronic database) and the actual forms that must be used as set out on Schedule 1.

#### **2.5 Overseas associations**

Section 15 of the Regulations prescribe the specific information required from an overseas association seeking to register to operate in Papua New Guinea. Section 16 sets out how documents from the home jurisdiction of an overseas association must be authenticated and, if necessary, translated into English. This information is then captured in the online form.

#### **2.6 Email addresses**

The Regulations provide that for online filing, email addresses must be provided, and that the Registrar is empowered to communicate with the filer via that email address.

#### **2.7 Guidelines and directions**

Pursuant to Section 161 of the Act, Section 13 of the Regulations empower the Registrar to issue guidelines and directions on how to establish an online account, complete online filings, conduct online searches, and pay fees.

#### **2.8 Annual donations amount**

Section 78 of the Act provides that any association that receives annual gifts and donations in excess of a certain amount must prepare financial statements. The amount is to be established in proposed Section 10 of the Regulations.

#### **2.9 Annual gross revenue amount**

Section 78 of the Act provides that any association that has an annual gross revenue in excess of a certain amount must prepare financial statements. The amount is to be established in proposed Section 11 of the Regulations.

## **2.10 Employee threshold amount**

Section 76 of the Act provides that an association must state in its annual report to its members the number of employees or former employees of the incorporated association, not being committee members of the incorporated association, who, during the accounting period, received remuneration and any other benefits in their capacity as employees, the total value of which exceeded the employee threshold amount per annum. The amount is to be established in proposed Section 12 of the Regulations.

## **2.11 New forms**

New forms for a Notice of Intent to Incorporate and a Consent of Committee Member are set out in Schedule 1 to the Regulations.

## **2.12 Fees**

Fee amounts are set out in Schedule 2. There are new fee amounts for several online services that were not previously available.