

**PAPUA NEW GUINEA**

***Companies (Amendment) Act 2025***

No. [number] of 2025

Certified on: [date] [month] 2025

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AN ACT

entitled

***Companies (Amendment) Act 2025***

Being an Act to amend the ***Companies Act 1997*** -

- (a) to provide for beneficial ownership disclosure; and
- (b) to prohibit bearer shares and bearer share warrants; and
- (c) to regulate nominee shareholders and nominee directors, including defining their disclosure obligations; and
- (d) to establish a beneficial ownership register,

and for other related purposes.

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with, the advice of the Minister.

**1        INTERPRETATION (AMENDMENT OF SECTION 2).**

Section 2 of the Principal Act is amended in Subsection (1) –

- (a) by inserting after the definition of “banking corporation”, the following new definitions:

“bearer shares” means

- (a) any share or other instrument which confers on the person in possession of the share or other instrument the rights and obligation of a shareholder in the company; and
- (b) is transferable upon delivery or other means without registration of the transfer or without recording the identity of the holder in the company’s share register.

“bearer share warrant” means any share warrant or other instrument which:

- (a) entitles the person in possession of the instrument to subscribe for, receive or hold shares in the company; and
- (b) is transferable by delivery or other means without registration of the transfer or without recording the identity of the holder in the company’s share register.

“beneficial owner” has the meaning set out in Section 72(9)(a).

“beneficial owner information” has the meaning set out in Section 72(9)(c).

(b) by inserting after the definition of “company”, the following new definition:

“Competent authorities” has the meaning set out in Section 72(9)(d).

(c) by inserting after the definition of “interests register”, the following new definition:

“Listed company” means a company that is subject to a listing agreement with a stock exchange.

(d) by inserting after the definition of “major transactions”, the following new definitions:

“nominee director” has the meaning set out in Section 107A.

“nominee shareholder” has the meaning set out in Section 78A.

(e) by inserting after the definition of “share register”, the following new definitions:

“share warrant” means a negotiable instrument, in such form as the company may determine and which has been recorded under Section 67, under which the holder is entitled to the shares specified therein under the terms and conditions in the instrument.”

## **2 APPLICATION FOR REGISTRATION (AMENDMENT OF SECTION 13).**

Section 13 of the Principal Act is amended by repealing Subsection (2) and replacing it with the following:

“(2) Without limiting Subsection (1), an application under Subsection (1) shall state in relation to a proposed company –

- (a) the full name, residential and postal address, nationality and other prescribed information of every proposed director of the company; and
- (b) if any proposed director is a nominee director, the full name, address and other prescribed information of the person that nominated them, together with a description of the arrangements under which they were nominated;
- (c) the full name, address, nationality and other prescribed information of every shareholder of the company, together with the number of shares and class of shares to be issued to each shareholder; and
- (d) if any shareholder is a nominee shareholder, the full name, address and other prescribed information of the person that nominated them, together with a description of the arrangements under which they were nominated; and

- (e) the full name, address, nationality and other prescribed information of all persons (if any) named as secretaries; and
- (f) the full name, address, nationality and other prescribed information of any beneficial owner (if any) of the company;
- (g) the postal address; and
- (h) the registered office; and
- (i) the address for service; and
- (j) any other prescribed information.”

### **3 TYPES OF SHARES (AMENDMENT OF SECTION 38).**

Section 38 of the Principal Act is amended by inserting immediately after Subsection (2) the following new subsections:

“(3) A company shall not issue bearer shares or bearer share warrants, and any bearer share or bearer share warrant issued in contravention of this Section has no legal effect.

(4) Notwithstanding subsection (3), a holder of any bearer shares or bearer share warrants shall have ninety days from the commencement date to convert all such bearer shares or bearer share warrants into registered shares or registered share warrants and to register them in accordance with Section 67.

(5) Any bearer share or bearer share warrant not converted within the ninety-day period set out in Subsection (4) shall cease to have legal effect.”.

### **4 COMPANY TO MAINTAIN SHARE REGISTER (AMENDMENT OF SECTION 67).**

Section 67 of the Principal Act is amended by repealing Subsection (1) and replacing it with the following:

“(1) A company shall maintain a share register that records the shares issued by the company and states–

- (a) the number of shares authorised and issued; and
- (b) the classes of shares, including the nature of the voting rights attached to each class; and
- (c) whether, under the constitution of the company or the terms of issue of the shares, there are any restrictions or limitations on their transfer; and
- (d) where any document that contains the restrictions or limitations may be inspected; and
- (e) the particulars of any share warrants issued by the company, including, for each warrant –
  - (i) a unique serial number and the date of issue;

- (ii) the name and address of the holder of the warrant;
- (iii) the class and number of shares to which the warrant relates and any conditions attaching to the warrant; and
- (iv) particulars of each transfer, replacement, cancellation or expiry of the warrant.

## **5 REPEAL AND REPLACEMENT OF SECTION 72.**

Section 72 of the Principal Act is repealed and replaced with the following new section:

### **“72. BENEFICIAL OWNERSHIP.**

(1) No notice of a trust, whether express, implied, or constructive, may be entered on the share register.

(2) Notwithstanding Subsection (1), a company must –

- (a) obtain and maintain accurate and current beneficial ownership information to identify any beneficial owner of a company;
- (b) report beneficial ownership information on the prescribed form to the Registrar; and
- (c) maintain beneficial ownership information for seven years in the same place as the principal company register under Section 68(3).

(3) For a company already in existence at the time this Section comes into effect, beneficial ownership information must be lodged with the Registrar on the prescribed form within ninety days after this Section comes into effect.

(4) For a company incorporated after the time this Section comes into effect, beneficial ownership information must be submitted to the Registrar together with the application for incorporation under Section 13.

(5) A company shall ensure that a notice in the prescribed form of –

- (a) a change in the beneficial ownership, whether as a result of a beneficial owners ceasing to act in that capacity or in the case of the existence of a new beneficial owner, or both; or
- (b) a change in the beneficial ownership information of an existing beneficial owner-

is submitted to the Registrar within thirty days from after date the directors became aware of the change or where a reasonable person in a like position would be aware of a change.

(6) A person who is a beneficial owner of a company must inform the directors of that company of their status as a beneficial owner and of any changes to their beneficial ownership information or status within thirty days after the change.

(7) The Registrar may only disclose beneficial ownership information in accordance with Section (8).

(8) Notwithstanding Section 398, beneficial ownership information is confidential and may only be disclosed as follows -

- (a) to competent authorities for the purposes of preventing and detecting money laundering, terrorist financing, proliferation of weapons of mass destruction, tax avoidance or other unlawful activities; and
- (b) to those classes of persons prescribed in regulations as being eligible to receive beneficial ownership information, in accordance with the terms and conditions established by regulations for access to and use of the beneficial ownership information; and
- (c) as directed by court order.

(9) For the purposes of this section,

(a) “beneficial owner” means a natural person who, whether individually or jointly

—

- (i) ultimately, directly or indirectly, owns or controls any shares or voting rights or is an ultimate beneficiary of such shares or voting rights or other securities in a company; or
- (ii) exercises ultimate effective control directly or indirectly over a legal person or arrangement affecting any shares or voting rights or is an ultimate beneficiary of such shares or voting rights or other securities in a company; or
- (iii) holds or controls shares or voting rights in a company indirectly through one or more intermediary persons, companies, trusts or other legal arrangements, where those intermediaries are themselves directly or indirectly owned, controlled or beneficially owned by that natural person,

and “beneficial ownership” is to be construed accordingly.

(b) For purposes of this Section, “effective control” includes control as a result of, or by means of, trusts, agreements, arrangements, understandings and practices, whether or not having legal or equitable force and whether or not based on legal or equitable rights, and includes exercising control through the capacity to make decisions about financial and operational policies.

(c) “beneficial owner information” for individuals means –

- (i) full legal name, nationality, and date of birth;
- (ii) country of residence and residential address;
- (iii) a current government-issued photo identification such as a passport, national identification card or equivalent;
- (iv) the date on which the beneficial ownership was acquired;
- (v) a description of the nature and extent of control or beneficial ownership arrangement; and
- (vi) such other information as may be required by the prescribed form.

- (d) “competent authorities” means Papua New Guinea government bodies or authorities, designated by or under an Act of Papua New Guinea (including Regulations made under this Act) as having responsibility for the prevention, detection, investigation, prosecution or supervision of compliance in relation to money-laundering, terrorist financing, proliferation of weapons of mass direction, tax evasion or other unlawful activities, and any foreign competent authority to whom a domestic competent authority may lawfully disclose information under an Act of Papua New Guinea or an international agreement or arrangement.
- (10) If a company fails to comply with Subsections (2), (3), (4) or (5) –
- (a) the company commits an offence and is liable on conviction to the penalty set out in Section 413(3); and
  - (b) every Director commits an offence and is liable on conviction to the penalty set out in Section 414(3).
- (11) A beneficial owner who fails to comply with Subsection (6) commits an offence and is liable on conviction to the penalty set out in Section 413(3).
- (12) A person who intentionally discloses confidential beneficial ownership information in breach of Subsection (8) commits an offence and is liable on conviction to the penalty set out in Section 413(3).”

## **6 NEW SECTIONS 72A AND 72B.**

The Principal Act is amended by inserting immediately after Section 72, the following new sections:

### **“72A. BENEFICIAL OWNERS REPORTING OBLIGATIONS FOR LISTED COMPANIES.**

- (1) A listed company is deemed to comply with Section 72(2)(b) of this Act if, and to the extent that, it has satisfied the notification and disclosure requirements under the Capital Market Act 2015 relating to substantial securities holding in a listed company.
- (2) Subsection (1) does not affect:
- (a) the obligation of a listed company to maintain an internal register of beneficial owners under Section 72(2)(a); or
  - (b) the obligation of a listed company to maintain beneficial ownership information for a period of seven years in the same place as the principal company register under Section 72(2)(c);
  - (c) the power of the Registrar to require a listed company, by written notice, to furnish any additional information necessary to verify the accuracy, completeness or currency of beneficial ownership information recorded under the Capital Market Act 2015.

(3) In this section, “listed company” means a company whose securities or any class of its securities have gained admission to be quoted on a stock market of a stock exchange.

(4) This section operates notwithstanding any other provision of this Act.”

**“72B. BENEFICIAL OWNERSHIP REGISTER.**

(1) The Registrar shall ensure that a beneficial ownership register is established and maintained as part of the register of companies established under Section 395.

(2) Subject to Section 72(8), the Registrar may exercise all powers set forth in Part XXI, Division 1, in establishing, managing and administering the beneficial ownership register

(3) Subject to Section 72(8), the Registrar may exercise all powers set forth in Part XXI, Division 2 to verify beneficial ownership information for companies including, but not limited to, the power to –

- (a) conduct inspections under Section 400;
- (b) require explanations under Section 401;
- (c) require statements regarding documents in Section 402;
- (d) exam persons under Section 403;
- (e) record examinations under Section 406;
- (f) disclose documents and records of examination in accordance with Section 407; and
- (g) continue investigations notwithstanding an appeal under Section 409.

(4) Section 410 applies to the beneficial ownership register and to any act or omission done in good faith in relation to it.”

**7 NEW SECTIONS 78A AND 78B.**

The Principal Act is amended by inserting immediately after Section 78, the following new sections:

**“78A. NOMINEE SHAREHOLDERS.**

(1) In this Act, “nominee shareholder”, means a person who is –

- (a) entered in a company’s share register as the holder of shares; and
- (b) by contract, arrangement or other understanding, routinely exercises the functions of a shareholder on behalf of and subject to the direct or indirect instructions of the person who nominated them.

(2) A nominee shareholder shall disclose their nominee status to the company within twenty days of becoming a nominee, together with the information set out in Subsection (3).

(3) The company shall disclose a shareholder's status as a nominee to the Registrar together with –

- (a) where the nominator is an individual, the full name, date of birth, nationality, residential address, and copy of a government issued photo identification of the person that nominated them;
- (b) where the nominator is an incorporated entity, the name, registration number and jurisdiction of incorporation;
- (c) a description of the nature and extent of the relationship under which the nominee shareholder was appointed;
- (d) the date upon which the nomination occurred; and
- (e) such other information as may be required on the prescribed form.

(4) A nominee shareholder shall disclose any change in the information required in subsection (3) to the company within twenty days of the change.

(5) A company shall disclose any change in information required in subsection (3) to the Registrar in the prescribed form within twenty days of becoming aware of the change.

(6) A nominee shareholder is considered to be a shareholder for the purposes of this Act and is thereby subject to all the rights, duties and potential liabilities and defenses to liability of a shareholder under the Act.

(7) The Registrar may only disclose nominee shareholder information in accordance with Section (8).

(8) Notwithstanding Section 398, nominee shareholder information is confidential and may only be disclosed as follows -

- (a) to competent authorities for the purposes of preventing and detecting money laundering, terrorist financing, proliferation of weapons of mass destruction, tax avoidance or other unlawful activities; and
- (b) to those classes of persons prescribed in regulations as being eligible to receive beneficial ownership information, in accordance with the terms and conditions established by regulations for access to and use of the beneficial ownership information; and
- (c) as directed by court order.

(8) If a company fails to comply with Subsections (3) or (5) –

- (a) the company commits an offence and is liable on conviction to the penalty set out in Section 413(3); and
- (b) every Director commits an offence and is liable on conviction to the penalty set out in Section 414(3).

(9) A nominee shareholder who fails to comply with Subsections (2) or (4) commits an offence and is liable on conviction to the penalty set out in Section 414(3)."

#### **"78B. NOMINEE SHAREHOLDER TRANSITION**

(1) Within thirty days after the commencement of this Section every nominee shareholder shall disclose their nominee status to the company together with the information set out in Section 78A(3).

- (2) Within sixty days from the commencement of this Section every company that has a nominee shareholder shall deliver to the Registrar, in the prescribed form, a nominee shareholder declaration identifying all nominee shareholder together with the information required in Section 78A(3).
- (3) A nominee shareholder who fails to comply with Subsection (1) commits an offence and is liable on conviction to the penalty set out in Section 414(3).
- (4) If a company fails to comply with Subsection (1) –
  - (a) the company commits an offence and is liable on conviction to the penalty set out in Section 413(3); and
  - (b) every Director commits an offence and is liable on conviction to the penalty set out in Section 414(3).”

## **8 NEW SECTIONS 107A AND 107B.**

The Principal Act is amended by inserting immediately after Section 107, the following new sections:

### **“107A. NOMINEE DIRECTORS**

- (1) In this Act, “nominee director”, in relation to a company, means a person that is appointed by another to occupy the position of director of the company and who by contract, arrangement or other understanding routinely exercises the functions of a director on behalf of and subject to the direct or indirect instructions of the person who nominated them.
- (2) A nominee director shall disclose their nominee status to the company within twenty days of becoming a nominee, together with the information set out in section (3).
- (3) The company shall disclose a director’s status as a nominee to the Registrar on the prescribed form together with –
  - (a) where the nominator is an individual, the full name, date of birth, nationality, residential address, and copy of a government issued photo identification of the person that nominated them;
  - (b) where the nominator is an incorporated entity, the name, registration number and jurisdiction of incorporation;
  - (c) a description of the nature and extent of the relationship under which the nominee director was appointed;
  - (d) the date when the nomination occurred; and
  - (e) such other information as may be required by the prescribed form.
- (4) A nominee director is considered to be a director for purposes this Act and is thereby subject to all the rights, duties and potential liabilities and defences to liability of a director under the Act.

(5) The status of a director as a nominee director shall be disclosed on the register maintained under Section 395, together with such information as may be required in regulations.

(6) A nominee director shall disclose any change in the information required in subsection (3) to the company within twenty days after the change.

(7) A company shall disclose any change in information required in subsection (3) to the Registrar on the prescribed form within twenty days of the nominee director disclosure under subsection (6).

(8) If a company fails to comply with Subsections (3) or (7) –

- (a) the company commits an offence and is liable on conviction to the penalty set out in Section 413(3); and
- (b) every Director commits an offence and is liable on conviction to the penalty set out in Section 414(3).

(9) A nominee director who fails to comply with Subsections (2) or (6), that nominee director commits an offence and is liable on conviction to the penalty set out in Section 414(3).”

**“107B. NOMINEE DIRECTOR TRANSITION.**

(1) Within thirty days from the commencement of this Section, every nominee director shall disclose their nominee status together with the information set out in section 107A(3).

(2) Within sixty days after the commencement of this Section, each registered company that has had a nominee director disclose their status under Subsection (1) shall deliver to the Registrar a nominee director declaration in the prescribed form identifying all nominee directors together with the information required in Section 107A(3).

(3) A nominee director who fails to comply with Subsection (1) commits an offence and is liable on conviction to the penalty set out in Section 414(3).

(4) If a company fails to comply with Subsection (3) –

- (a) the company is guilty of an offence and is liable on conviction to the penalty set out in Section 413(3); and
- (b) every Director is guilty of an offence and is liable on conviction to the penalty set out in Section 414(3).”

**9 COMPANY RECORDS (AMENDMENT OF SECTION 164).**

(a) Section 164 of the Principal Act is amended by inserting immediately after Paragraph (j) the following new subsections (k)-(l) as follows:

- “(k) the beneficial ownership information as required by Section 72 for the last seven years;

- (l) the nominee shareholder information as required by Section 78A for the last seven years; and
  - (m) the nominee director information as required by Section 107A for the last seven years.”
- (b) Section 164(2) of the Principal Act is repealed and replaced by the following new subsection (2):
- “(2) The records listed in Subsection (1)(b), (d), (e), (g), (k), (l) and (m) must be kept for a minimum of seven years from the date of creation, and the references in Paragraph (h) of that subsection to seven completed accounting periods include such lesser periods as the Registrar may approve by notice in writing to the company.”

## **10 APPLICATION FOR REGISTRATION (AMENDMENT OF SECTION 386).**

- (a) Section 386 of the Principal Act is amended by repealing Subsection (2) and replacing it with the following:
- “(2) Without limiting Subsection (1), the application must –
- (a) state the name and registration number of the overseas company and its jurisdiction of incorporation; and
  - (b) state the full names and addresses of the directors and any nominee directors, if any, of the overseas company at the date of the application; and
  - (c) state the full name, address, nationality and other prescribed information of every shareholder of the company, together with the number of shares and class of shares issued to each shareholder; and
  - (d) state the full name, address, nationality and other prescribed information of any nominee shareholders; and
  - (e) provide the beneficial owner information for any beneficial owners of the overseas company; and
  - (f) where the overseas company has a place of business in the country, state–
    - (i) the full address of the place of business in the country of the overseas company or, where the overseas company has more than one place of business in the country, the full address of the principal place of business in the country of the overseas company; and
    - (ii) the postal address of the overseas company’s place of business, or principal place of business, as the case may be; and
  - (g) have attached evidence of incorporation of the overseas company and a copy of the instrument constituting or defining the constitution (if any) of the company, and, if not in English, a translation of such documents certified in accordance with Regulations made under this Act; and

- (h) state the full name, residential address and postal address of one or more persons resident or incorporated in the country who are authorized to accept service in the country of documents on behalf of the overseas company; and
- (i) state whether the overseas company is carrying on or intends to carry on business in the country and the nature of the business activity; and
- (j) include any other prescribed details.

(b) Immediately after Section 386(2) insert a new subsection 386(2A) as follows:

“(2A) An overseas listed company complies with Subsection (2)(c) by supplying the required information on its ten largest shareholders.”

## **11 NEW SECTION 386A.**

The Principal Act is amended by inserting immediately after Section 386 the following new section:

### **“386A. REPORTING OBLIGATIONS BY OVERSEAS COMPANY.**

(1) An overseas company carrying on business in Papua New Guinea within the meaning Section 382 is subject to –

- (a) Section 72;
- (b) Section 78A;
- (c) Section 78B;
- (d) Section 107A; and
- (e) Section 107B.

(2) An overseas listed company is deemed to comply with Section 72(2)(b) of this Act if, and to the extent that, it has satisfied the notification and disclosure requirements under the law governing its listing arrangement in the jurisdiction in which it is listed.”

## **12 410. LIABILITY OF REGISTRAR**

Section 410 of the Principal Act is amended -

(a) by inserting immediately after the words “proceeding for damages” the following:

“or to prosecution”

(b) by deleting the words “Securities Act 1997” and replacing them with the following:

“*Securities Commission Act 2015* and the *Capital Market Act 2015*.”

## **13 FALSE STATEMENTS (AMENDMENT OF SECTION 420).**

Section 420 of the Principal Act is amended –

(a) in Subsection (2), by replacing the phrase “Every director or employee of a company who makes or furnishes, or authorizes or permits the making or furnishing of a statement or report” with the words:

“Every director, agent or employee of a company who makes or furnishes, or authorises or permits the making or furnishing of, a document, statement or report”.

(b) by adding immediately after Subsection (2) the following new subsections:

“(3) Every director, agent or employee of a company who delivered or furnished a document to the Registrar under this Act which the director, agent or employee believed on reasonable grounds to be true when delivered or furnished, and who subsequently becomes aware that it is false or misleading in a material particular, shall, within twenty days after becoming so aware, lodge with the Registrar a correction or replacement document containing the correct particulars.

(4) A person who fails to comply with this Subsection (3) commits an offence and is liable on conviction to the penalty set out in Section 413(4).”

(c) in Subsection (3), by repealing the subsection number “(3)” and replacing it with “(5).”

#### **14 PENALTIES FOR OFFENCES AGAINST THIS ACT (AMENDMENT OF SCHEDULE 13).**

Schedule 13 of the Principal Act is amended -

(a) in Part 3 by inserting immediately before “Section 321(2)” the following:

“Section 72(10)(a);”  
“Section 72(11);”  
“Section 72(12);”  
“Section 78A(8)(a);”  
“Section 78B(4)(a);”  
“Section 107A(8)(a);”  
“Section 107B(4)(a);”; and

(b) in Part 7 by inserting immediately before “Section 185(1)” the following:

“Section 72(10)(b);”  
“Section 78A(8)(b);”  
“Section 78A(9);”  
“Section 78B(3);”  
“Section 78B(4)(b);”  
“Section 107A(8)(b);”

“Section 107A(9);”  
“Section 107B(3);”  
“Section 107B(4)(b);”.

**15      COMMENCEMENT.**

This Act shall come into operation on a date to be fixed by the Head of State by notice in the National Gazette.