

Opportunity

Issue #08 August, 2023

Business News, Reviews and Overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Dear Readers,
welcome to the eight edition of the IPA
"Opportunity" Newsletter.

I hope you have been enjoying our newsletters so far. What an exciting next couple of months ahead as we are now into the third quarter of the year!!!

Our newly upgraded Online Registration System has been operating smoothly since December 2022. The company re-registration exercise is continuing and company owners who are yet to re-register their companies in

the new Online Registry System are once again urged to do their re-registration as soon as possible before 1st December 2023.

Business Names' owners were given up to 7th September, 2023 to update and renew their Business Names to avoid being struck off from the online system and those non-compliant will be paying the applicable fees inclusive of penalties as necessary to renew their Business Names.

On the investment promotion front, the Annual Business Advantage Investment Conference was held in Brisbane, Australia on the 10th and 11th of September where I participated as a panellist. Read more on this in this issue.

Looking ahead, the IPA will again partner with the European Union Delegation to organize the EU-PNG Business forum to be hosted in Port Moresby on 30th October this year. The forum is aimed at promoting discussions on improving business and the investment climate in PNG. It also provides an avenue for exposing untapped investment potentials in almost all of the economic sectors to the EU market.

The past events raised the level of awareness and interest for EU investors to explore PNG as the investment destination in PNG and the Pacific. The IPA together with the Department of International Trade & Investment is also assisting the PNG Chamber of Mines and Petroleum in the preparation for the staging of the inaugural PNG-Asia Investment conference which will be held in Hong Kong from 16-17 October 2023.

Meanwhile, following our legislative reforms exercise and the technical upgrades of systems and processes, the IPA has been conducting a number of stakeholder awareness sessions on these changes with more to follow soon. Watch this space!!!

Finally, work has started on the development of our new 4-year Strategic Plan for the Authority for years 2024 to 2027. The current Strategic Plan for 2021 to 2023 concludes at the end of this year and we have decided to align our new Strategic Plan with the current term of the government to ensure some uniformity in programs implementation.

Thank you and happy reading!!

Clarence M Hoot
Managing Director

IN THE NEWS

REGISTRAR OF COMPANIES ISSUES WARNING TO COMPANIES TO RE-REGISTER OR FACE REMOVAL

The Investment Promotion Authority is warning directors of both local and overseas companies to re-register their companies during the remaining four months grace period which ends on 30th November 2023.

Those who fail to do so will see their companies automatically removed from the registry on December 1st 2023 when the automated compliance system for annual returns is activated.

"Companies have been given generous amount of time to reregister with ease to ensure records are updated," Acting Registrar of Companies Ms. Harriet Kokiva said. "My Office will not be held liable for inconveniences faced after your company is removed on the 1st of December."

Ms. Kokiva also advised that the Office of the Registrar of Companies will not entertain future requests to waive any more fees once this transitional period is over.

The re-registration requirement is important for existing companies because:



■ It allows director(s) of any company to take authority over their company enabling them to file annual returns and manage their own records online. The IPA anticipates a clean registry with up to date entity records after the reregistration process has been completed.

■ Based on records, over 90% of registered companies show to be non-compliant. Therefore, to boost compliance, IPA has simplified the process by removing the requirements to file outstanding annual returns and the penalties involved. The re-registration requirement was introduced instead. This gives company directors the opportunity to update their company information free of charge and have updated and valid business information available in the public

domain.

For companies that are non-compliant, a fee of K500 is payable regardless of how many annual returns are outstanding. The said penalty fee relief arrangement expires come 30 November 2023. From 1 December 2023 onwards, the annual return filing fee and late penalty fee will revert to normal.

Please click on HOW TO GUIDE on our website <https://www.ipa.gov.pg> for further guidance regarding the reregistration process or call our team on telephone numbers 308 4439 or 308 4443 or email ipaonline@ipa.gov.pg

Tips & Traps

KEY FEATURES IN THE CURRENT STATUS OF THE SYSTEM

Following are the immediate changes that clients should be aware of;

- Lodging paper forms to update entity records are slowly phasing out. All other changes and updates for entities MUST be done online.
- To register any new entity, or to use any of the services, you firstly need to create an online user account which is free of charge. Clients coming in to lodge paper forms at the IPA counters will be assisted to create their online user accounts.
- Extracts are now known as Certificate of Good Standing which contains the PNG Crest and similarly for the new-look business Certificates. When registering a new business entity, the system will send you a copy of the new-look certificate of incorporation and a Certificate of Good Standing long form. Contact ipaonline@ipa.gov.pg if you did not receive one.
- For renewals, you will receive your certificate of incorporation and not the certificate of good standing, therefore you are to order that.
- Most fees remain the same. Business entities can now top up their accounts directly with funds for immediate use via credit or debit cards and BSP Pay. These entities can also make payments via direct deposits using IPA's customized deposit forms, EFTPOS and Bank Cheques through the front counter at IPA Haus. The process through the front counter is longer hence clients are encouraged to use the online portal.
- All companies are now required to re-register before the 30th of November, 2023. Non-companies (Business Names, Associations, Business Groups and Foreign Enterprises) are required to do transitional updates.
- For business names, those who have failed to update and renew before the 8th of this month risk paying the cancellation fee for their business names.

1. CERTIFICATE OF GOOD STANDING

Extracts are now known as Certificate of Good Standing (CGS) and IPA has resumed the charging of fees. You can request for a CGS short form at a fee of K20 which contains only the current information of a business entity. Or you can request for a CGS long form at a fee of K50 which contains historical information of the business entity. The CGS carries more authority than an extract as the Registrar no longer requires to write to a third party to confirm a good standing of a business entity. The CGS you produce for your purposes automatically confirms your status on the business registry.

Contact IPA on ipaonline@ipa.gov.pg for more information.

Update on Business entities re-registration

Since the completion of data migration of the IPA old Online Registry system to the new IPA online Registry system, there have been a slow increase in the number of business entities being re-registered or newly registered with the Investment Promotion Authority between the periods - 1st of December 2022 to 4th August 2023.

This was announced by the IPA's Managing Director, Clarence Hoot when giving an update on the registrations that have taken place since the upgrading of its Online Registry System.

For company registrations, companies recorded a to-

tal of 3 thousand, 2 hundred and ninety-eight for new registrations and 9 thousand and 77 re-registrations.

For foreign entities, IPA recorded a total of 22 new registration and 1 hundred and 56 re-registrations. For business names, a total of 12, 545 new registrations were done and a total of 13, 808 business names updated their information.

Business Groups, a total of 415 new registrations and 260 re-registrations were done. Associations, 316 newly registered and those that have updated were at 553.

EU-PNG Trade Relations trending well

The trend of investment interest coming in from the European Union to Papua New Guinea has increased over the last decade.

The Investment Promotion Authority's (IPA's) Foreign Certification Database indicates that a proposed investment value of K2,819.25 billion with a total of 871 jobs were proposed to be created by the EU member countries in the last 10-year period, 2012 - 2021.

Netherlands, France, Cyprus, Ireland and Germany are amongst the top five (5) EU countries investing in PNG. Total of 114 companies were registered by EU economies in the last decade:

- Mining & Petroleum has proposed investment value of up to K 1.199 billion.
- The Construction Sector attracted K280 million as the 2nd highest proposed investment.
- Transport industry is the third highest with K135 million.
- The Wholesale & Retail with K118 million
- Real Estate with an investment value of K42 million.

Apart from investment trend, we also see the importance of EU as a major trading partner as well as a development partner. PNG exports fish, coffee, cocoa, palm oil and other products to EU. EU also supports our development efforts with EU-STREIT Program in the East Sepik Province.

Has the PNG-EU business council indi-

cated to IPA the number of participants expected at the conference and from which investment and trade area businesses from the EU are expected to attend the conference?

According to the Managing Director for the Investment Promotion Authority, Clarence Hoot when the first conference for the EU-PNG Business forum was held in 2019 in Port Moresby, more than 300 both domestic and international participants attended.

Mr Hoot said in 2021, mainly online participants and a few in person participated. The IPA registered close to 300 as we had participants dialing in from all parts of the world. In 2022, we registered more than 400 participants for two days conference down at APEC Haus. We had delegates from Pacific Islands also attending. This year, it will be a one-day event and we are expecting to reach 300 participants.

From our observation and assessment in the past events, participants are mainly from business service sector, agriculture and commodity exports, IT, transport, construction, tourism, retail/wholesale and most importantly mining and petroleum. This year we expect more interest in sustainable energy and investment.

IPA is privileged to partner with the EU Delegation in promoting discussions on improving business and investment climate in the country and also exposing untapped investment potentials in

almost all of the economic sectors. The past events raised the level of awareness and interest for EU investors to explore PNG, given the largest market in the Pacific.

The EU by far is the most important trading partner for Papua New Guinea's mainly fishery exports with duty free and quota free market access. Since 2008, most of exports from PNG enter the EU market duty-free and quota-free. Taking full account of differences in levels of development and sensitive sectors, PNG has liberalised 88% of EU imports from day one.

In our endeavor to streamline our business process including legislative reviews and reforms, we are advocating for more transparent processes in administering screening, certification and admission of FDIs from not only EU countries but also other countries. We want to promote open and liberal investment regime and attracts investments and business on our shores.

Since the first conference was hosted in 2019, IPA partnered with the National Trade Office and the Department of Commerce and Industry to work with EU Delegation to deliver this significant event over the years. This event is raising significant level of visibility for EU investors to enter PNG. And I believe, we have done more than enough to raise PNG-EU relations at trade, investment and development fronts.

PNG-Asia Investment Conference to be hosted in October.

Come October 16th & 17th, 2023, Papua New Guinea will take centre stage at the inaugural Papua New Guinea–Asia Investment Conference in Hong Kong, organized by the PNG Chamber of Mines and Petroleum with support of, and in partnership with, the National Government.

PNG Chamber of Mines and Petroleum (“the Chamber”) President Anthony Smarè made these remarks when responding to Prime Minister Marape’s public announcement of this new investment promotion conference in Hong Kong.

“The Chamber is proud to host this important inaugural event with the support of, and in partnership with, the National Government. This event will provide PNG with the best opportunity yet to harness potential prospects for investment from the China and greater Asia region”.

“We commend PM Marape and his Government for embracing the opportunity to promote investment engagement with existing important investors and trade partners in China, Japan, Korea, India and other Asian markets through this inaugural PNG Asia Investment Conference on the 16th & 17th October 2023 in Hong

Kong.

“This new Hong Kong conference will complement the investment promotion that we do with mainly Western investors through the PNG Mineral and Energy Investment Conference, which will again be held in Sydney on 10th to 13th December 2023.

“The PNG Asia Investment Conference will feature the Prime Minister and the Government outlining opportunities for investment and trade with PNG, success stories of Asian investment in PNG, and how PNG is powering Asian growth through supply of energy and other exports.

“There is significant interest in PNG from the Chinese market, and there has been a lot of interest from other Asian markets due to momentum generated by events such as the recent State visits by India’s Prime Minister Modi and Indonesian President Widodo, and Japan’s JX Nippon’s investment into Papua LNG announced last week.

“Since the announcement of this event by Prime Minister Marape last week, interest from companies within PNG and Asia to participate in this event has been phenomenal, with

businesses lining up to confirm their attendance.

This demonstrates the appetite for investment in, or trade with, PNG – an opportunity which PNG must take advantage of.

“I call on all Asian investors who have investments in PNG, or PNG companies that trade with Asia, to register for their attendance and exhibitions booths now, as space is limited to only 500 attendees.

It will be a unique opportunity to share and engage on success stories and opportunities for Asian investment in PNG and for enhancing and expanding trade and export opportunities with giant Asian markets such as China, India, Japan, and Korea.”

Over 500 delegates are expected to be present on both days of the event – which is testament to the appetite for investment in PNG.

The Chamber looks forward to working with the Government to ensure a successful PNG-Asia Investment Conference come October.

Indonesia-PNG Business Council to be set up in PNG

Talks are underway for the establishment of an entity that will have specific focus on the trade and investment relations between Papua New Guinea and Indonesia.

The entity will be called “Indonesia-PNG Business Council” and will have specific focus on trade, commerce and investment opportunities for both countries.

The talks were held during the visit by Indonesia’s President, His Excellency Joko Widodo to Port Moresby recently.

An MOU was initially signed be-

tween the Indonesian Chamber of Commerce and Industry (KADIN) and the Papua New Guinea Chamber of Commerce and Industry in 2013 and was renewed for another three (3) years in 2022. The MOU essentially promotes the collaborative partnership in commerce, trade and investment between PNG and Indonesia private sectors.

The MOU covers trade and investment activities, market access, capacity building of SMEs and promotion of cross border flow without unnecessary restrictions.

Discussions were also held be-

tween the Managing Director of the Investment Promotion Authority, Mr. Clarence Hoot, PNG’s Acting Secretary for the Department of International Trade and Investment, Jacinta Manua and members of the Indonesia, and Papua New Guinean Chamber of Commerce and Industry on how the tangible outcomes can be optimized as intended in the extended MOU.

The first flight by Citilink from Denpasar to Port Moresby also signals the start of a new working relationship.

Business Groups Incorporation (Amendment) Act

The Business Group Act is also another old piece of legislation which was recently reviewed.

The Business Groups Incorporation Act of 1974 has not undergone any amendment since its passage nearly 50 years ago.

Much has changed in the intervening years especially with regards to the use of technology to support online electronic registry systems. The Amended Act will greatly enhance the upgraded Online Regis-

try System by providing the IPA with proper authority to manage incorporated business groups within an electronic database. One of the key aims for the amendments is to bring the current standards to international best business practices by providing for efficiencies, transparency and accountability for this entity type.

The business Groups amendments were passed in January 2022.



What is a PATENT?

Patent is the term used to describe the protection over an invention. Such a protection is only limited to the “technical function” of an invention and does not extend to any other external feature.

What constitutes an invention?

An invention is the term used to describe a device or a machine or a process that is created by an individual or a group for use to solve an existing technical problem.

A technical problem refers to shortfalls in performance of a device, machine or a process but not all types of creations can be considered an invention. There are some that are considered as “Non-Patentable Inventions “.

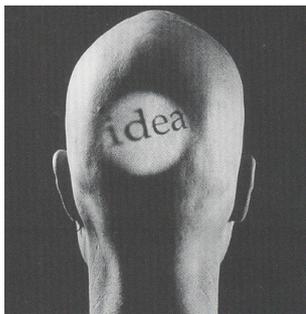
If you are an SME owner who has created or invented a product, you can protect your invention.

It is important to protect your invention by obtaining a registration from the Intellectual Property Office-PNG (IPOPNG). The main purpose is to provide the owner of a patent, the legal title to having exclusive use of his/her invention, and to protect against unauthorized use of the patent. Example a newly invented donut making machine can be is legally protected and cannot used by anyone else.

For more information, please contact:

Telephone: (675) 308 4432

Email: registrar.ipopng@ipa.gov.pg



Source: PNG Intellectual Property Office website.

For more Information on Intellectual Property, Contact:

Tel: (675) 321 7311 / 308 4432 / 321 3900

Email: registrar.ipopng@ipa.gov.pg

Website: www.ipopng.gov.pg

www.ipopng.gov.pg

Remote Cocoa Farmers Uplift their Livelihood by Establishing Businesses with Premium Markets

EU-STREIT PNG Programme strengthens cocoa farmers' MSMEs across the Sepik region of Papua New Guinea and supports their connection with domestic and international niche markets for premium prices



Sperian Kapia, Director of MUPA Cocoa Cooperative Ltd. © FAO-STREIT

money, we can also continue to support our farmers in terms of social development; we have school and want to support it in terms of infrastructure and educational material, also our health care.”

Market linkage establishment is vital for remote farming communities as it opens up access to niche markets, allowing them to sell products at competitive prices, and gain valuable insights into market trends. As a result, they can enhance their productivity, improve product quality, and ultimately uplift their livelihoods.

With this perspective, the EU-STREIT PNG Programme works on improving the access of local agricultural enterprises to domestic and overseas markets. It includes, among others, organising exposure visits to national and international agri-food trade shows, where the Sepik-based agripreneurs can learn, interact, identify potential buyers, and forge new business opportunities.

Sperian was one of the Sepik cocoa model farmers who, with the support of the EU-STREIT PNG Programme, participated in the International Food Service & Hospitality Exhibition in Singapore in August 2022 – where he initiated the market linkage with Queen Emma Chocolate Company, that was participating at the same Exhibition. “It was there that Queen Emma Chocolate’s representatives showed interest in our cocoa and invited me to visit their factory in Port Moresby. We reached to an agreement to supply the company with our unique cocoa dried beans,” said Sperian.

“Later, with the help of the EU-STREIT PNG Programme, IPA, and Queen Emma, we were connected to a new potential buyer from New Zealand, the Pacific Cocoa 380.

Cocoa farmers from a remote community living along the mighty Sepik River are now connected to the leading cocoa industry players in the country and overseas and receive a premium price for their quality cocoa products.

With support from the EU-STREIT PNG Programme and PNG Investment Promotion Authority (IPA), MUPA Cocoa Cooperative Society, comprised of 240 farmers from two villages in Yuat LLG of Angoram District in East Sepik Province, established a business link with Queen Emma Chocolate Company and sent the first shipment of quality beans to this leading PNG chocolate-making company, achieving a considerably higher market price.

According to the Director of MUPA Cocoa Cooperative Ltd, Sperian Kapia, the company is paying a higher rate for their dried beans at PGK 630 per bag, which is about PGK 70 to 100 more than the average price (PGK 530 to 570 per bag) offered by intermediary buyers.

With this price, the first shipment of

MUPA, consisting of 40 bags of quality dried beans, fetches an additional PGK 4,000 into the cooperative’s bank account.

This premium price paid for dried beans and extra income generated at the cooperative level, allows MUPA and affiliated fermentaries to pay a higher rate for wet beans, extending the benefits to farmers at the grassroots level, who produce and supply wet beans to fermentaries.

“The usual price for wet beans used to be lower, around PGK 1.4 per KG, but thanks to the direct connection formed with the premium buyer, we are now able to pay the farmers at a higher price, PGK 1.7 per KG of wet beans, which is 21 percent above the normal rate,” said Sperian.

“This helps the parents in my community to pay for their kids’ school fees, buy utensils for their houses, and better food to improve family’s diets.”

“With this support and market arrangement that gives us more



The EU-STREIT PNG Programme assisted us in freighting 20 KG of our cocoa dried beans to New Zealand which has tasted our cocoa, and interested in the quality. Thereafter, the Manager of the company travelled all the way from New Zealand to our village on the eastern bank of Mighty Sepik River,” explained Sperian. “During the visit, the company agreed to buy 15 to 20 tons of cocoa dried beans at a real fair price from MUPA.”

“This was an exciting moment for our community that depends on cocoa income to sustain and improve their well-being.”

“Our farmers are in a very remote place. You drive by vehicle from Wewak to the Sepik River waterfront for more than 4 hours and take over a 2-hour boat ride up to the Yuat Tributary, where our hamlets are located. To have this connection is something different and promising to our farmers,” added Sperian.



Sperian Kapia, Director of MUPA Cocoa Cooperative Ltd. © FAO-STREIT

The EU-STREIT PNG Programme, led by the Food and Agriculture Organization of the United Nations (FAO), is the largest grant-funded Programme of the European Union in Papua New Guinea and aims to help improve the lives of the farmers from East and West Sepik provinces, by focusing on increasing sustainable and inclusive economic development of rural areas through improved economic returns and agri-business development environment in cocoa, vanilla and fisheries



VILUA GUEST HOUSE EXTENSION AND CONSTRUCTION

The business is a guest house with seven 7 rooms, it's in the tourism hospitality sector. The business owner would like some partnership in terms of extension of business with the construction of additional rooms and getting the guest house upgraded to a resort at some stage. The current business objectives are to get a few little things correctly and in order like decent work and better economic growth, and better health facilities within the surrounding community. Also, the business owner requires construction and upgrade of its kitchen and cooking area plus an extension of the common room area.

Project Strengths

The location of guest house is situated along the beachfront where other activities during your stay will include 1. Island Tour - take a trip around some of the islands and see some of the cultural presentations, in dance, acting, or singing 2. Bird watching - Visit some of the native birds including the bird of paradise 3. Fishing trips - travel to some best fishing spots you would expect to get some big catches and a good quantity 4. Boat cruise - to some of the exotic islands within the surrounding area

Total Investment Funding: 389.2K EUR (304.1K EUR)

Location: Matanakunai Ward, Lasul Baning LLG, Gazelle District, Kokopo, East New Britain Province, Kokopo, East New Britain, Papua New Guinea.

Projected Annual Sales: 22.2K EUR

Contacts: For more information, please contact the Investment Promotion Authority (PNG) on 3084501/4400 or email likavape@ipa.gov.pg

HOW TO RENEW YOUR BUSINESS NAME USING THE NEW ONLINE REGISTRY SYSTEM

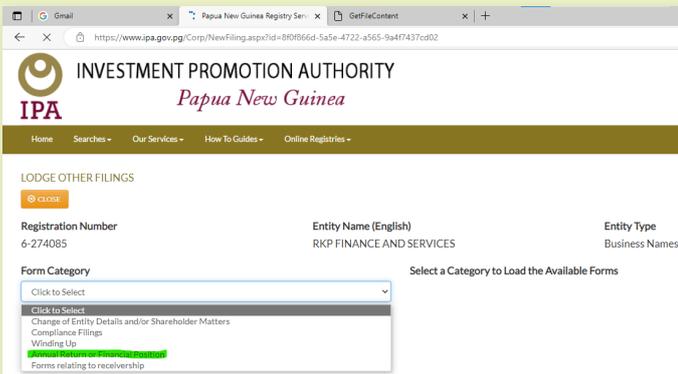
Under the new online registry system, you are required to update your business name before you do your renewal. This will only be done after you get authority over your entity.

Once you update your business name, you will then follow the steps as shown in the screen shots below to renew your business name.

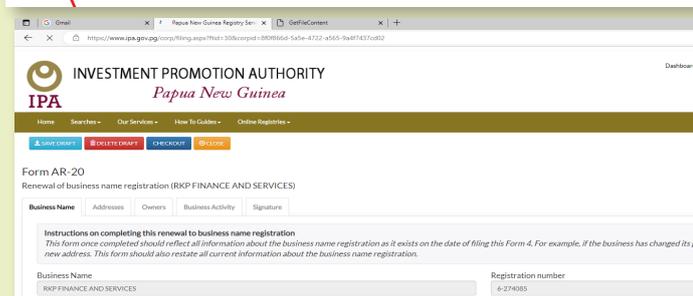
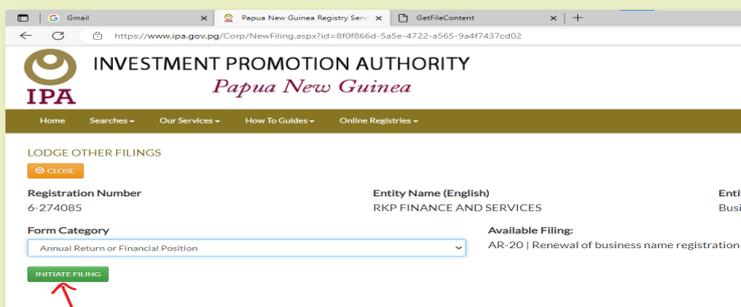
1. Firstly, search for your business name and click on it
2. The screen shot below shows the page that you will be taken to once you successfully search your business name.
3. Click on NEW FILING



4. Once you click on new filing, you will be taken to the option shown in the screen shot below. Select **Annual Return or Financial Position**.



5. Click on where it says initiate filing and start entering all the necessary data. Your application will be completed once you click on checkout and into the payment option. After you make your payment, your application will now be subjected for review and approval.



Do you have a general question about the regulatory side of running a business or have a query on investment promotion or Intellectual Property rights?

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*.

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Your Investment,
Our advice”**

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