



ppportunity

Issue #01 January, 2024

Business News, Reviews and Updates from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Dear Readers,
Happy New Year and welcome to the first edition of the **Opportunity** newsletter for 2024.

2024 is already shaping out to be an interesting year with new and continuing activities from 2023. Despite the January 10th unruliness within NCD and some provinces, PNG still remains an investor friendly nation ready and welcoming for investors.

As the government promotion agency of Papua New Guinea, the IPA plans to continue to spread the positive word on PNG's business environment and market-

ing opportunities. One of our immediate priorities now is to extend our networking arrangements as we aim to roll out our services to the District, Wards and Local Level Government levels.

The IPA is thankful to the Government for the budget support towards our investment promotion program through the 2024 budget. With this financial support, the IPA is planning to go all out in terms of private sector support, expansion of investment promotion efforts, extension of services to the rural population especially the SME sector in the provinces.

We will be rolling out our usual annual awareness program on our new Online Registry Services including the Intellectual Property online service and other services that the IPA provides. A sector consultation will also be carried out nationwide as part of our investment promotion function during which, IPA officers will carry out a number of our work programs including the profiling of investment ready projects.

Provinces and agencies that are ready to work with the IPA are urged to make contact.

This year, the IPA will also be playing host to a number of events including the reg-

ulators summit. A delegation from Japan on an Economic mission from Japan will also be visiting PNG at the end of February and IPA will be facilitating their mission. Interested businesses or persons wishing to know more about this visit must contact the IPA immediately.

Meanwhile work on the Reserved and Restricted Activities Lists will also continue. A committee has been formed to progress work and consultation with respective regulatory agencies will be ongoing.

Internally, we are also progressing the finalization of the 2024-2027 Strategic Plan and the Restructure Exercise aimed at further improving our services to our stakeholders into the future.

Let me again thank you all for the partnership and collaboration this year 2024. We appreciate your support and cooperation and we hope to do better this year in continuing to improve our services and programs for the benefit of our clientele.

Thank you and Happy Reading!!

Clarence M Hoot
Managing Director

IN THE NEWS

IPA CONDEMNS ATTACKS ON BUSINESS HOUSES

The Papua New Guinea Investment Promotion Authority (IPA) as the investment promotion arm of Government and business regulator, has condemned the senseless attacks on business houses in Port Moresby and other centers around the country following the looting and burning down of shops and warehouses by the public whilst taking advantage of the stand down by the PNG disciplined forces over salary tax grievances and wanting answers from the Government.

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Managing Director of the IPA, Mr. Clarence Hoot and the Board were deeply concerned about the incident saying that such actions reflected badly on the IPA's efforts to promote PNG as a preferred investment destination. "One of our key programs over the years has been to facilitate investments in the country while at the same time promoting PNG as an attractive country given its natural resources endowments and diverse industry potentials. One of our key setbacks continues to be the law and order concerns. Even though such problems are common throughout the world, and occur just occasionally, security is one of the costs that investors unfortunately have to incur as part of their operational costs to ensure that their businesses are protected and secured. The IPA would like to convey its utmost regret and sympathies to the companies affected and at the same time assure you that we will work with you in terms of compliance requirements if required to ease some of the pain."

With the recent incident, it will take a lot of efforts and resources to rebuild the eroded investor confidence built over time and especially, on the eve of the country's next economic boom.

He mentioned that the losses unexpectedly forced upon business by way of lost stocks from the looting doubled with the huge costs of rebuilding burnt down shopping properties and warehouses would be in millions of Kina and something that could have easily been avoided. He further stated that to rebuild a shopping centre, as those burnt, will take a long time and financial resources which unfortunately, affected businesses will have to source from somewhere as these were not part of their operational plans for the year.

In addition, large numbers of PNG citizens have been forced into unemployment and there will be huge losses of revenue both for the affected companies and the Government from various taxes which will be lost.

He issued a warning to the public that vandalizing of properties was a crime and people who partake in these illegal activities must face the full force of the law.

The IPA also fell victim to the looting and arson where its rented warehouses at Konedobu were burnt with some records totally destroyed on Wednesday evening. A fire truck was onsite and managed to contain the fire from spreading and completely burning all



the files. They were able to save the files which were stored in compactus shelves.

However, Mr. Hoot has assured the business community and Government that the IPA's entity records are safely stored on cloud and files kept in the warehouses were hard copies of business information that are currently available on its online registry system.

Business entities that have any issues are urged to contact the Registrar Of Companies (ROC) for assistance.

"Let me assure the business community, the Government of the day and the general public that all companies and other entity records are available online and there is no need to panic and cause unnecessary doubts, as being published on social media. Records filed for entities registered before and after 2013 when the registry system went online are safe and secure on cloud. These includes files for the Intellectual Property Rights applications."

The records maintained by the IPA at the warehouses are merely secondary records and companies are obligated to maintain original records of filings made to the ROC at their registered office. By law majority of the record that were destroyed were time bound as they were more than 10 years old. It is therefore not in anyways, a loss to

companies and does not in any ways, affect the records and filing system of businesses in the country. However, this is a huge loss to the country as IPA took pride in maintaining historical hardcopy records of every single business entity registered in the country and for the convenience of the business community.

"Business entities that have any issues are urged to contact the ROC for assistance. Pursuant to Section 397 of the Companies Act, the ROC can re-register a lost document if evidence is presented showing that they were previously registered with IPA, reiterated Mr. Hoot."

The IPA Offices in Port Moresby, Lae and Kokopo have been disrupted because of the riots and were forced to close operations for a couple of days for the priority safety of our staff and clients.

In issuing the statement Mr. Hoot has given his confidence to relevant heads of government agencies involved in restoring normalcy, saying that although this incident is a massive setback, the companies in general and Papua New Guineans are resilient and there is always hope to recover and continue doing business as usual into the future.

Minister Daki: “PNG is still open for business”

The Minister for Commerce & Industry through the Papua New Guinea Investment Promotion Authority (IPA) gives its assurance that despite the one-off January 10th chaos mainly within Port Moresby, the National Capital District and few other provinces, PNG is still open for business and will look after the interests of the existing investors and also welcome and facilitate new investments.

The Minister for Commerce & Industry, Win Bakri Daki assures businesses that his ministry, through the ministerial agencies including the IPA, will continue to promote and market PNG as an advantageous investment destination with abundant business and market opportunities.



Win Bakri Daki, Minister for Commerce & Industry

Minister Daki said that the January 10th chaos dented investor confidence in Papua New Guinea. However, the IPA as the mandated investment facilitation

and promotion arm of Government and a business regulator will continue to facilitate the Government’s transparent regulatory regime and promote the abundant and diverse sectoral and sub-sectoral opportunities and the pristine and natural beauty of the country’s landscape and its people.

“This is a one-off event and we are back to business as usual. My ministry, and the ministerial agencies including the IPA will advocate for businesses’ well-being and continue to engage and dialogue with the private sector and the key sectoral bodies. I assure the existing businesses and potential investors that my ministry will continue to support and promote mutual interests and collaboration, by way of provision of much needed information on Government policy and regulation on doing business and facilitate due consideration by the Government of the business community’s views on business continuity and suggestions to help improve businesses during such challenging situations”.

The IPA’s mandate is to promote investment and facilitate and maintain a business/investment environment that is conducive for doing business and investment that should in turn lead to employment creation and wealth generation revenue for the country.

My Ministry supports the IPA’s corporate philosophy of promoting both domestic and foreign investment, in a transparent regulatory environment, ensuring that the sovereign interest of Papua New Guinea and the rights of its citizens, and the investments of investors are protected.

“We are focused on retaining current domestic/local investments and foreign direct investments and welcome new investments in the country” said Mi.

“I would like to convey my utmost regret and sympathies to the companies and the people affected and assure the business community that the ministry will hear you and work with you in your time of need”.

IPA supports local organic Spice company

The Investment Promotion Authority (IPA) through its investment promotion mandate continues to support local industries in terms of product development and capacity building assistance.

As part of this assistance the IPA purchased and delivered a new spice grinding machine for the Goroka based SME, PNG Organic Spice Developers and Traders Limited.

Even though the IPA does not provide financial assistance to SMEs, the Authority gave consideration in the case of PNG Organic Spice Developers and Traders Limited because the company has a network of other spice growers and provides the technical facility for the farmers and SMEs in the area to grind their spices before they can package and sell them.

The company is currently working with a total of 336 Spice farmers in Western Highlands, Jiwaka, Chimbu and parts of Morobe provinces, especially those



Owner of the PNG Organic Spice Developers and Traders Limited, Sakarias Ikio

who grow Chili, ginger, cardamom, turmeric and ginger. In a trip to Goroka as part of IPA’s awareness program in 2023, IPA Managing Director, Mr. Clarence Hoot learnt of the work done by PNG Organic Spice Developers and Traders Limited and also the challenges they faced.

“The IPA is making the commitment to assist the company because

I see the number of spice farmers that will be affected with the breakdown of the company’s current grinding machine. We would like to support the work of the farmers here because we want to see our local people empowered and going into downstream processing of...

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Above are some of the spice products sold in a supermarket

our natural resources, especially in the niche industries. There is potential for the spice industry to bring in revenue and contribute to the country's economic development." Mr. Hoot said.

IPA purchased the new Spice grinding machine from TE PNG and handed it over to company. The machine has the capacity to process more than 30 kilo grams of spices per hour.

Mr. Ikio thanked the IPA through Mr. Hoot for such a sincere relief during a time of need adding that the support is great compared to all other forms of support because it touched their hearts.

"Your assistance came at a time when we needed it. You understand our plight and came to our aid. Even though IPA is not a funding agency, a big-hearted person like Mr Hoot has made a tough decision to support a struggling SME like us," said Mr Ikio.

"We need more likeminded people as Mr. Hoot to be in government agency offices, in parliament and major aid organisations. Currently greedy people are using whatever resources that are under their management and care to help themselves but only one or two good persons out there can sacrifice their lives to serve others" said Mr Ikio.

Mr. Ikio said there are more than 2,

000 registered ginger farmers in PNG but they don't belong to their network.

"Our extension services cover Western Highlands, Jiwaka, Chimbu Provinces and parts of Morobe province. Our coverage is big but outreach to farmers is not consistent due to lack of resource however, we do make efforts with our own resources to visit our farmers within our own network. We buy spices from all throughout the Highlands region including Markham Valley in Morobe Province," said Mr. Ikio.

"Because of our remote location in Masumave village, Eastern Highlands Province, most farmers are unable to reach us. We are not located in a central location where all our farmers can have easy access to technical support and market access".

"We currently buy 500kg - 600kg raw products of mix spices every month and we sell out 400 kilo grams of finished products to supermarkets every month. We are currently supplying 28 supermarkets all around PNG and we have the potential to supply 200 more supermarkets in PNG" said Mr Ikio.

He said their biggest threat and challenge right now is the inflow of imported cheap spices. Most foreign

owned stores around the country see opportunities created by local citizens in the food industry and they quickly bring in something from their country to suppress our local products from selling.

"They are killing our local economy from growing, these are realities we have discovered but our agriculture and commerce departments don't know that".

"We are currently looking at going into export in the coming years if there is government support in our extension programs. Right now, we don't have the production volume to support our export strategy and if one says they want to export spices apart from vanilla, they are simply joking. We desperately need government intervention in extension work to boost up production volumes" said Mr. Ikio.

The project components of PNG Organic Spice currently include spice farmers skills training, seed multiplication and distribution, field visits and providing market access to Spice farmers and downstream processing.

PNG Organic Spice Developers & Traders Ltd has over 20 years of experience in the spice industry.

Duties of Company Directors

Directors have a responsibility to the company and their owners or shareholders as set out in the Companies Act.

Before a company is registered, directors must know what their roles are in a company. They must find out about what is involved when they incorporate as a company and what the requirements are of the Companies Office.

They are solely responsible for updating company records at the Companies Office, keeping company records and filing of annual returns and financial statements. When they fail to do so they can be convicted of negligence and

there are penalties set out by law that can be quite substantial.

Directors are obligated and solely responsible for the filing of annual returns. As such, by law he or she can be convicted and can also be personally liable to pay a penalty fee of K10,000 for each annual return he or she failed to file. Each director can also be personally liable to pay a penalty of K100,000 each for negligence if convicted.

Major cabinet reshuffle unveils changes in Papua New Guinea government



A comprehensive reshuffling of ministerial portfolios has been announced, revealing key changes and strategic assignments aimed at strengthening the government's effectiveness and fostering opportunities for major coalition parties.

One noteworthy alteration is the appointment of Popondetta MP Richard Masare as the head of a newly established ministry overseeing crucial entities such as the National Census, National Statistical Office, Electoral Commission, NID, and Constitutional-related matters. This newly designated body is now known as the Data Keeping Ministry.

Esa'ala MP Jimmy Maladina has assumed leadership of the Ministry of Petroleum, distinguishing it from the Energy Ministry, which will continue to be overseen by Kerenga Kua. Prime Minister

James Marape has taken on the additional responsibility of Treasurer, with Ian Ling Stuckey appointed as Minister Assisting the Prime Minister.

In a significant shift, United Resources Party member William Bando has been appointed as the new Coffee Minister, succeeding Aiye Tambua. Furthermore, Nipa Kutubu MP Dr. Billy Joseph is the Defence Minister, while Rigo MP Ano Pala and Kundiawa Gembolg's Muguwa Dilu have been entrusted with the Planning and Mining ministries, respectively. Additional changes include Moresby South MP Justin Tkatchenko assuming the Foreign Affairs Ministry, John Boito becoming the new Agriculture Minister, and Anglimp South Waghi MP Joe Kuli taking charge of Correctional Services.

Prime Minister Marape highlighted that this reshuffle aims to ensure government stability while providing major coalition parties with opportunities to lead crucial ministries.

Addressing concerns about a potential Vote of No Confidence, Prime Minister Marape underscored his commitment to constitutional processes, expressing confidence in navigating challenges with like-minded MPs.

During the swearing-in ceremony, major coalition partners, including United Resources Party Leader William Duma and Social Democratic Party leader and NCD Governor Powes Parkop, voiced strong support for the Marape-Rosso government. They commended the government for recognizing their commitment and offering opportunities to contribute to key ministries.

With these changes, the total number of ministries in the government has now reached 37, incorporating Prime Minister James Marape in his additional role as Treasurer. The reshuffle is perceived as a strategic initiative to inject fresh perspectives and propel the nation forward under the leadership of the Marape-Rosso Government.

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PNG Government Cabinet Reshuffle: The Marape-Rosso Government Ministerial Changes

Name	Party	Ministerial Portfolio
Hon. William Bando	United Resources	Coffee
Hon. Dr. William Joseph	Social Democratic Party	Defence
Hon. Richard Masere	Greens Party	Key Constitutional Offices
Hon. Muguwa Dilu	Pangu Pati	Mining
Hon. Jimmy Maladina	Pangu Pati	Petroleum
Hon. Win Daki	Pangu Pati	Commerce and Industry
Hon. Joe Kuli	United Resources Party	Correctional Services
Hon. Peter Tsiamalili Jr	Pangu Pati	Police
Prime Minister James Marape	Pangu Pati	Treasury Minister
Hon. Ian Ling-Stucky	Pangu Pati	Minister Assisting Prime Minister
Hon. Ano Pala	Pangu Pati	National Planning
Hon. Justin Tkatchenko	Social Democratic Party	Foreign Affairs Minister
Hon. Kerenga Kua	PNG National Party	Energy Minister
Hon. John Boito	Pangu Pati	Agriculture Minister
Hon. Rainbo Paita	Pangu Pati	Minister for Finance

■ Source: PNG One News
Thursday, January 18, 2024

Tips & Traps

WHAT HAPPENS AFTER RE-REGISTRATION

If your company's status is showing as REMOVED, it means your company has now been removed from the IPA's company registry for failing to re-register.



The call for re-registration of companies came into being after IPA upgraded its online registry system in December 2022.

All entities including business names, companies, business groups, Associations and Foreign Enterprise were asked to re-register or update their status in order for their entity's details to be carried forward into the new upgraded system.

But for companies, the IPA gave a grace period, effective from the 1st of December 2022 to the 30th of November 2023 to come forward and re-register free of charge.

During the re-registration, companies that have outstanding annual returns were to pay, a one-off fee of K500 regardless of the number of years of outstanding Annual Returns. Companies who fail to comply have now been removed from the Registry after the 30th of November, 2023.

A company with the status showing as "Removed" can be reinstated.

ANNUAL RETURNS UPDATE

Filing of annual returns and deregistration exercises are not a new requirement and many companies have been deregistered over the years.

Filing of annual return has now been made easier where *there is no requirement to work out the balance date* and “AGM” calculations. Pursuant to 215(1) of the Companies Act 1997 (As Amended) – companies are required to submit to the Registrar of Companies an annual return in the prescribed format at least once in each calendar year during the month allocated to the company for the purpose of filing an annual return. A fee of K250 is applicable. Companies may request to change their annual return filing month to a specific month to align with their fiscal year.

Companies which fail to file their annual return within the allocated month are penalized to pay a late penalty fee of K1000. If companies continue to fail in filing their annual return for up to 6 months, then it can be removed from the register of companies. That is a notice of intention to remove the company is issued by the Registrar to remove the company within 30 days if it fails to file their outstanding annual return.

The upgraded Online Registry System (ORS)

also has the ability to monitor a company’s annual return compliance. The system can issue reminder notifications to the company to file its annual return over the space of 6 months and can remove the company if it fails to comply after 6 months of it becoming due.

Prior to the upgraded ORS going live on 1 December 2022, over 90% of companies were non-compliant. The requirement to file annual returns is not new but even several thousands of older companies blatantly have ignored this and have failed to comply. Companies upon incorporation are instantly subject to the requirements of the Companies Act regardless of whether they are trading or not.

By law these companies should have been removed when their first annual return became overdue for filing. On hindsight, let’s say if there was no law for companies to reregister and given that the ORS has the ability to monitor annual return compliance, at go live of the ORS on 1 December 2022, the Registrar would have issued a notification to non-compliant companies to file their back due annual returns within 30 days or be struck off on 1 January 2023.



Intellectual Property Office of PNG’s new e-filing system

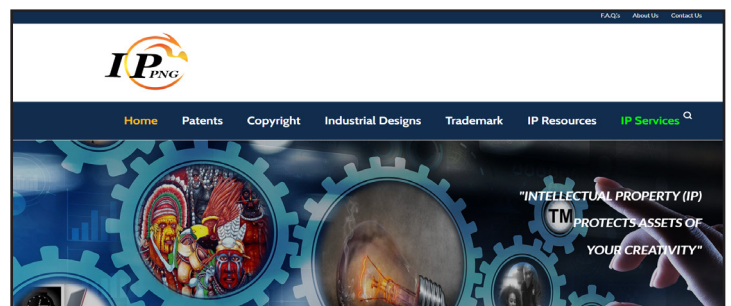
If you have a business entity that has a trade mark, a patent and a industrial design you can protect your IP rights by registering with the Intellectual Property Office of Papua New Guinea.

The good news is that the Intellectual Property Office of PNG now has a new e-Filing system” for Trade-marks, Patents and Industrial Designs.

The new eFiling system is a single online portal for local IP Agents and IP right holders to electronically file new trade mark, patent, industrial design applications with supporting documents to the National IP Office. To access IPOPNG e-Filing System please go to the web address- www.ipopng.gov.pg/ipopng-e-filing-system

And to register as IPOPNG e-Filing System User, download the [User/Agent Registration Form](#).

For further queries send email to; registrar.ipopng@ipa.gov.pg.



Lume Uas Cove Retreat



The beauty of Papua New Guinea's kept secret is very much alive and stylized when you travel outside of Port Moresby to Lume Uas Cove Retreat, seeing is believing.

Looking for an exotic island getaway or want to experience Lume Uas Cove Retreat, you can contact, Leah Usurup or Jethro Usurup on Mobile: (675) 72136861 or (675) 71691146.

You can also email leahusurup@gmail.com or jethro.usurup@gmail.com

Postal Address:
P.O Box 547,
Kavieng,
New Ireland Province, Papua New Guinea

Located on Tsoi island which is an hour ride by boat from Kavieng, New Ireland Province is the Lume Uas Cove Retreat. Lume Uas in the local dialect means an ancestral resting place for warriors.

This beautiful island getaway boasts of its white sandy beach and pristine blue waters with untouched coral reef and beautiful sceneries that will take your breath away. Guests who visit Lume Uas Cove will be treated to a variety of local seafood menus which will feature crayfish, fish, crabs, squid, octopus and other mouth-watering seafood cooked in different ways. Lume Uas Cove is locally owned and has been described as a hidden paradise tucked away behind a line of beautiful islands and the blue ocean.

It is an island paradise getaway with four (4) beach bungalows currently in operation and one (1) big houseman that can cater for twenty (20) people.

The setup is currently receiving few guests/visitors who visit the island on tours and holidays. It also provides its own boat tours.

The retreat boasts of a number of tourism products including snorkelling, fishing trips, surfing adventures, local tours around the island and to neighbouring islands, bird watching, camping and experiencing the local food and culture.

The bungalows at the Retreat is constructed using a mix of PNG hardwoods and local 'bush material' to create traditionally styled bungalows with an island vernacular, designed to blend in with the natural environment. Accommodation is in the form of simple yet high-quality free-standing bungalows. The rooms boast of comfortable furnishings and beautiful ocean views.

Being a relatively small facility, it can cater for limited numbers but you will experience a private, relaxed holiday environment with personalised service. Whilst all rooms are of similar construction and standard, we offer two grades of accommodation including bungalows and homes stay rooms. The Bungalows are at K160 per night and the home stay rooms are K110 per night.

The business' main vision is to make Lume Uas Cove bungalows to be the model center for eco-tourism in New Ireland, Papua New Guinea.

The project is now seeking interested potential investors or partners to come and assist to construct additional bungalows and built extensions to its current facilities such as the kitchen area for renovation and extension, reception counter, common room, and entertainment area for extension, and also build a new administration office. Other areas that will also be considered are the changing rooms and toilet facilities to be upgraded and the possibility of building its jetty and purchasing an additional boat.

This project is supporting the local community by providing job opportunities.



Swees Smallholder Cattle Farmer's Project

This sustainable cattle project is a high-impact Nucleus Enterprise Model project for smallholder cattle farmers in the Highlands Region and the project is located in Avi, Anglimp, Southwaghi District of Jiwaka Province in Papua New Guinea (PNG).

The project aims to support the nucleus enterprise model to improve cattle/beef production intended for improving livestock development, particularly in this case, by a chain of existing eight (8) smallholder cattle farmers in the Highlands Region of PNG.

This sustainable project will link all the smallholder cattle farmers in the Highlands Region to access capital, market, and technical support. The project has attracted more than 8 registered smallholder cattle farmers who have produced an aggregate number of more than 700 cattle heads under the nucleus model.

The project would specifically address (a) improving cattle productivity and breeding program for the existing smallholder cattle farmers (b) increasing the skills of smallholder cattle farmers in animal husbandry and management (c) improving stockyard facilities with proper tools and equipment and grazing management (d) promote linkages for the community for technical support from district agriculture livestock officers in the region through a coordinating point and (e) provide facilities for marketing of their produce. This project has been appraised several times by both the Department of Agriculture and Livestock and the Department of National Planning and various key stakeholders of the industry support it. When the project becomes well established, it will provide quality meat for the local market, create employment, and improve the livelihood of the local community. The project is seeking potential investors for partnership and also seeking to improve its market access both domestically and internationally.

Project Strengths

Currently, PNG produces around 1,400 to 2,000 tons of meat annually and nearly all the cattle meat is consumed domestically. However to meet the local demand, the country imports around 14,000 tons of meat annually for K30 million (US\$8.5million) of which around 70%

of imported beef is used by two commercial canneries to produce corned beef, luncheon meat, and meatloaf products. In all, the livestock sub-sector contributes about 15% of the total domestic food production and about 12% of the gross domestic product.

The current target, as established under the PNG Development Strategic Plan 2010-2030, is to increase domestic production to four million metric tons by 2030. Current production is 400,000 tons which are only 10% of the meat target set by the PNG Development Strategic Plan (PNGDSP). When the project becomes well established, it will contribute to closing the 90% gap of supply shortage experienced in the domestic market. Sweet smallholder cattle farm currently uses its customary land as well as portions 606, 605, 604, 603, 602, 598, 596, and 577 of Milinch Hagen for its grazing and cattle breeding program. The cattle farm is also in the process of acquiring part of the land portions 599 and 600.

The office of the Agriculture and Livestock continuously recognizes and supports this cattle breeding and fattening project and provides technical support from time to time. Eight smallholder cattle farms have been integrated and more cattle farmers have shown interest in this project and are expected to join. The project also has access to local labor, vital infrastructures, and the domestic market.

**Projected Annual Sales -
490.0K EUR**

**Products or services resulting from project -
Cattle; live, pure-bred breeding animals**

**Total Investment (Funding Gap) -
3.9M EUR (3.7M EUR)**

Contact	Details
IPA PNG	PO Box 5053, BOROKO, 111, NCD PNG Email: investment@ipa.gov.pg Phone: 308 4400/ 321 7311

CLARIFICATION ON THE RE-REGISTRATION EXERCISE

Due to numerous queries received on the Companies Reregistration Exercise undertaken by the Investment Promotion Authority through the Office of the Registrar of Companies, we make the following clarification.

These messages were disseminated through our nationwide awareness in 2021 and all throughout 2022 through workshops, IPA website and social media, television, radio, Digicel SMS blast, peak bodies, financial institutions, provincial administrators, provincial commerce offices, newsletters and newspapers.

REREGISTRATION OF COMPANIES

Legal Basis for Reregistration

On 20 January 2022, Parliament enacted amendments to the *Companies Act* which aimed to help the Government modernize its business registry and boost business activity and investment. These amendments were certified on 2 September 2022 and pursuant to National Gazette No. G890 came into operation on 1 December 2022.

The amended Act changed the rules around (i) beneficial owners; (ii) share transfer disclosures; (iii) online company registrations and filings; and (iv) removal or de-registration of companies who fail to file an annual return. International mandates regarding anti-money laundering and anti-terrorist financing had grown more stringent since the last reform to the *Companies Act* in 2014 and accordingly these changes in the rules addressed these issues.

The amended Act also made provision for all existing companies in PNG to re-register between 1 December 2022 and 30 November 2023. Pursuant to Sections 439A, 439B, 439C, 439D and 439E of the Act, all existing companies both local and overseas companies have to re-register within 12 months of commencement of the amendments. The re-registration is being facilitated by IPA's upgraded online business registry which was also launched on 1 December 2022.

Re-registration was free for already compliant companies that filed their 2022 annual return. Re-registration also took the place of the filing of an annual return in 2023 so that there was no additional burden placed on the companies. Non-compliant companies were still allowed to reregister as long as they completed all back due annual returns and submit them with the reregistration and pay a fee of K500 as a reduced penalty fee for non-compliance regardless of how many were outstanding. All fees including penalty fees were waived.

The reregistration exercise was a blessing in disguise for the 90% or so non-compliant companies and directors, for not only did it make it simple and cheap but also it gave directors ample time to file their outstanding annual returns thus saving cost and saving them from possibilities of paying hefty penalties.

For example: A company had back due annual returns for 2013 – 2022. A fee of K250 + a late penalty fee of K1000 would be applicable to each of these annual returns, hence, the company would have to pay a total fee of K12,500. And if there were 5 directors, each of them were in the risk of been personally liable to pay K50,000 each (K10,000 x 10 years) plus K100,000 per director.

However, through the reregistration exercise the company was required to pay only K500 to become fully compliant. Still many companies continued to ignore their obligations to comply with the law.

COMPANIES FAILURE TO REREGISTER

Companies that failed to re-register by 30 November 2023 have been struck off and their status changed to "Removed". It is important that companies conduct a search on the ORS to check the status of their company as removal of your company, may affect your standing with the IRC and financial institutions such as the banks. Removal of these companies is not the end of their legal life as they can still apply to reregister, however, first they must apply to the Registrar to **restore their companies administratively to the registry**. They can apply to restore their companies immediately or/and within two years from the date of their removal otherwise it will be compulsory to apply for restoration to the National Court.

QUESTION TIME

How do I apply for reinstatement of my company?

Companies must apply through the Online Registry System on www.ipa.gov.pg to restore their companies by filing a **R-6 | Application to Restore and Re-register Local Company to the Register After Failure to Re-register**. Overseas companies must file a **R-7**.

An administration fee of K2500 is applicable for the R6 and R7.

The application will also require companies to upload their **back due (outstanding) annual returns** and pay the prescribed fees as follows:

- Local Exempt Companies - K250 per annual return
- Local Reporting Companies – K300 per annual return
- Overseas Companies - K750 per annual return

A late penalty fee of K1000 will also be applicable for each annual return.

All fees are prescribed by law.

[ie, Admin fee for restoration K2500 + Annual Return prescribed fee K250 each + Late penalty fee of K1000 for each Annual Return].

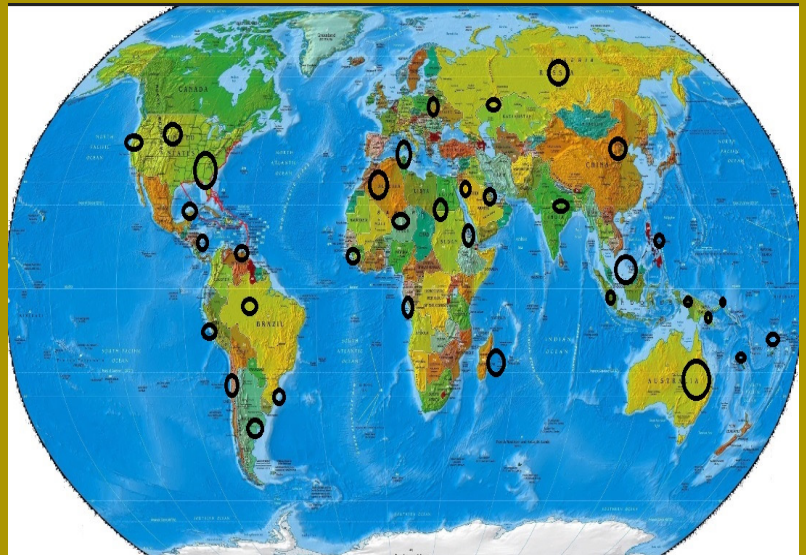
How to file a Form R6 /R7

1. Create your **online account** (if you don't have one).
2. Creating your online account will provide a **dashboard** to access the ORS services.
3. **Search** for the company you are after from your **dashboard**.
4. At **Company Profile - Request Authority** to access your company records.
5. Once **Authority is granted, search** for the company you are after.
6. At **Company Profile** - Click on **+New Filings**
7. Find **Form Category** click on it – click on **Restoration** to bring up **R6** on the right.
8. Click on **Initiate Filing**
9. **Complete form**.

****Upload back due annual returns.**

Hint: prior to applying for restoration, complete all back due annual return, scan them as one document and save as one file – to upload here.

10. When satisfied – click on **Check** out to take you to **payment**.



We have covered the globe and we're expanding.

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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



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

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