



FROM THE MD's DESK



Hello again and welcome to the 9th edition of our IPA **Invest PNG Newsletter**.

As we just witnessed and celebrated our 49th Independence Day of Papua New Guinea, on September 16th, we take this opportunity to reflect on the remarkable journey of our nation.

On this special day, we pay tribute to our

49TH INDEPENDENCE MESSAGE

founding fathers, whose courage and dedication paved way for our peaceful transition to independence in 1975. It is a moment of pride for all Papua New Guineans, reminding us of our shared identity and the responsibilities we hold towards our country.

While we celebrate our achievements, we must also acknowledge the challenges we face today, including issues of law and order, foreign exchange challenges, economic instability and social unrest. It is imperative that we foster our culture of respect and commitment both in our homes and work places, to build a better future for our future generations .

Each of us has a role to play in delivering services and supporting our communities with integrity, transparency, accountability and dedication.

In this edition, we will provide an update

on the awareness program conducted in Misima in Milne Bay Province as part of our ongoing rural approach in our awareness drive and IPA's partnership with foreign missions.

We will also highlight my successful visit to IPA's Highlands Regional Office based in the Western Highlands Provincial capital of Mt Hagen and engagements with five provinces and their local Chambers of Commerce and Industry.

We hope you all had a joyous and safe memorable 49th Independence Day celebrations.

Happy reading.

Clarence M Hoot
Managing Director,
Investment Promotion Authority

NEWS

Invest PNG newsletter

IPA MD meets with US Ambassador



The Managing Director of the PNG Investment Promotion Authority, Mr. Clarence Hoot, had a friendly introductory meeting with U.S. Ambassador to PNG, Her Excellency Ann Marie Yastishock.

During the meeting, Mr. Hoot explained the roles and primary responsibilities of IPA and the key areas of focus for business engagement. The meeting focused on mutual priorities in trade, investment and commerce, aiming to ensure that conducting business in PNG is as efficient as

possible.

Ambassador Yastishock stressed the importance of establishing effective, consistent and transparent regulatory processes and ensuring that investors and businesses looking to operate in PNG receive support from the beginning, creating a conducive environment for them to operate.

Ambassador Yastishock expressed her backing for IPA and anticipates more business engagement opportunities for U.S. investors and companies in PNG.

IPA conducts successful awareness program on Misima Island



Mr Cedric Patrick, Manager Business Certification addressing the participants on Misima Island.

The Investment Promotion Authority (IPA) has successfully conducted an awareness program on Misima Island, located in the Samarai-Murua District of Milne Bay province, from August 28 to 30, 2024.

This initiative, themed 'Boosting Business Confidence in the rural communities,' marks a significant step in the IPA's annual outreach efforts to enhance business understanding and access to services in our rural remote areas.

A dedicated team of four IPA officers undertook a challenging 26-hour boat journey to reach the isolated, gold-rich island, where they held the awareness

sessions at the Misima Guest House. The team also had representation from the Department of Commerce and Industry.

This event was particularly noteworthy as it was the first of its kind for a resource-own district, drawing over one hundred local business owners and residents eager to learn about the services offered by the IPA.

Many attendees expressed gratitude for the IPA's decision to bring such a program to their community, highlighting the challenges locals face in accessing IPA services.

Currently, residents often spend K200 on boat fares to travel to Alotau or even purchase air tickets to Port Moresby to obtain IPA services, making the outreach program a vital resource for the island's economic development.

The sessions covered a range of topics, including an overview of the IPA, its promotional functions, business registration processes, foreign certification, and the new Online Registration System (ORS). Participants described the program as an eye-opener, providing valuable insights into the socio-economic environment and the accessibility of government services in their island.

The turnout for the event was commendable, with the District Commerce Officer also in attendance, underscoring the collaborative efforts between the IPA and local authorities. Special thanks were extended to the District Administration for their support in making the awareness program a success. After this awareness, the people of Misima and surrounding areas can now access IPA Registry and other services through the District Administration's Commerce Office.

This initiative not only aims to boost business confidence among the residents of Misima but also seeks to bridge the gap between remote communities and essential government services, fostering a more inclusive economic environment.

Tips & Traps

Create an online account to get copies of historical extracts

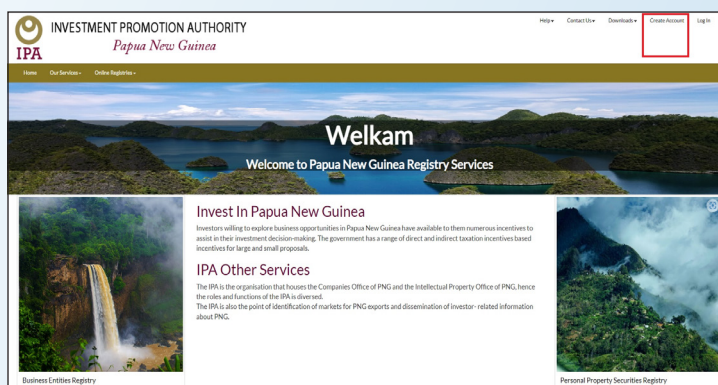
You firstly need to create an online account if you wish to order a document from the IPA's online account. This is because of the following;

- You will need to log into your account to order the historical extract which is called the Certificate of Good Standing.
- The system will send the document to your online account where you are expected to download it.

There are applicable fees that come with this service:

- K10 – You will have access to the entity details for 24 hours.
- K20 – Certificate of good standing that contains current information about the entity.

K50 – Certificate of good standing that contains the history of the entity.



IPA MD Engages with Senior Officials from the Australian High Commission

As part of the IPA's continued efforts to reach out for inclusive purposes, the Managing Director of the Investment Promotion Authority, (IPA) Mr Clarence Hoot convened another meeting with senior officials from the Australia High Commission to discuss ongoing collaborative efforts and future initiatives for the two Organisations.

The meeting underscored the robust support the IPA receives from the Australian Government particularly, through the ADB PSDI arrangements in relation to IPA's legislative reforms and the implementation of its enhanced new Online Registry System.

During the discussions, Mr Hoot pro-

vided an update on the progress made in our efforts towards legislative reforms. The meeting served as an opportunity to touch base on the achievements thus far and to strategize on the forward pathway for the upcoming year.

Key topics of discussion included plans for a further review of existing laws to enhance regulatory frameworks. Additionally, the officials discussed the anticipated 12-month full operation of the Online Registry System, with a focus on identifying areas where additional support may be required.

The IPA MD also took the opportunity to alert the High Commission officials re-

garding ongoing discussions surrounding Anti-Money Laundering and Counter-Terrorism Financing (AML-CTF) measures, particularly in light of recent reports from Papua New Guinea. This aspect of the conversation highlighted the importance of international cooperation in addressing financial crime and ensuring compliance with global standards.

Further details on the work related to AML-CTF have been included in a separate article in this issue, emphasizing the IPA's commitment to fostering a secure and transparent investment environment.

IPA MD's visit to the Highlands Region a success



Jiwaka's Provincial Administrator Rick Kogen and his team with IPA MD, Mr Clarence Hoot (centre) after the signing of the MoU.

In early September 2024, the Managing Director (MD) of the Investment Promotion Authority (IPA), Mr Clarence Hoot embarked on a significant journey to the Highlands region, a visit that was part of the annual regional assessments aimed at enhancing organizational effectiveness.

From the 2nd to the 6th of September, the MD's itinerary was packed with activities designed to foster collaboration, assess service delivery, and strengthen relationships with key stakeholders.

The primary objective of MD's visit was to gain firsthand insight into the daily op-

erations of the IPA Regional Office located in Mt. Hagen, Western Highlands Province. The MD understood that by observing the office's functionality, he could make informed decisions that would ensure IPA services met the expectations and goals set for the region.

This commitment to transparency and accessibility was at the forefront of the MD's agenda.

Mr Hoot engaged in a series of strategic activities, one of which was the IPA Help-Desk Equipment Presentation in

Wabag for Enga Province. This initiative was met with enthusiasm, as it promised to improve accessibility to registry services for the local population.

The MD also prioritized building relationships with local businesses and government entities. A breakfast meeting with the Western Highlands Provincial Chamber of Commerce & Industry (WHPCCI) provided a platform for dialogue on economic development and collaboration opportunities.

Similarly, a Breakfast Meeting with the Eastern Highlands Provincial Chamber of Commerce & Industry (EHPCCI) allowed for further discussions on regional business initiatives.

A significant milestone during the visit was the Memorandum of Understanding (MoU) signing with the Jiwaka Provincial Administration. This agreement symbolized a commitment to work together towards common goals, enhancing the IPA's presence and impact in the province. The MD also held a productive meeting with the Simbu Provincial Administration, reinforcing the IPA's dedication to supporting local governance and business community needs.

In addition to these meetings, the MD took the opportunity to visit various local enterprises, including the Yomigo Coffee Factory, Kongo Coffee and Lae Birdwing Homes. These visits not only highlighted the IPA's support for local industries but also provided



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insights into the challenges and opportunities faced by businesses in the region.

The week culminated in an IPA Help Desk Visit in Goroka, Eastern Highlands, where the MD assessed the effectiveness of the help desk services and gathered feedback from users. This direct engagement was crucial for understanding the community's needs and ensuring that IPA services were aligned with those needs.

As the visit concluded, the MD reflected on the key objectives achieved: ensuring the IPA Highlands Regional Office operated efficiently, implementing vital programs, and fostering effective engagements with key stakeholders. The journey through the Highlands was not just a series of meetings and visits; it was a testament to the IPA's commitment to serve communities with excellence.

Through this visit, the MD reinforced the IPA's mission to provide accessible and effective services, ensuring that the organization remains a vital partner in the development of the Highlands region. The connections made and insights gained during the week-long visit would undoubtedly shape the IPA's strategies and initiatives in the months to come.



The presentation ceremony of the IPA Help Desk equipment at the Enga Provincial Administration Building.

Meanwhile a number of recommendations worth noting were raised after the visits including IPA to continue communication and dialogue with the Simbu and Southern Highlands Provincial Administrations to ensure that their IPA Help Desk MoU gets signed before the end of the year or beginning of next year and for the IPA to continue progressing work on the investment profiling with the relevant Highlands Provinces.

Another recommendation was for IPA to consider the suggestion from the East-

ern Highlands Provincial Administration for another help-desk to be set up in Kainantu District to better serve the mining areas and neighbouring districts.

Finally for the IPA to continue the roll-out of the IPA Awareness Program in the Highlands Provinces on the registry system and recent reforms undertaken by the IPA and for the establishment of an MoU with Western Highlands Province Administration to institutionalize working arrangements with the Western Highlands Provincial Commerce Office

**KNOW
ABOUT** 

Invest PNG newsletter

What is Geographical Indication?

The use of geographical indications is an important method of indicating the origin of goods and services. One of the aims of their use is to promote commerce by informing the customer of the origin of the products. Often this may imply a certain quality, which the customer may be looking for. They can be used for industrial and agricultural products. Protection of such indications is on a national basis but there are various international treaties that assist the protection in a range of countries.

Geographical indications in a broad sense include indications of source, appellation of origin, and geographical indication (in the strict sense). The Paris Convention does not use in its terminology the term geographical indication; it rather utilizes the terms, indications of source and appellations of origin. An indication of source means any expression or sign used to indicate that a product or service originates in a country, a region, and a specific place where the product originated. Example: Made in Japan.

An appellation of origin means the geographical name of a country, region, specific place which serves to designate a product originating therein, the characteristic qualities of which are due exclusively or essentially to the geographical environment, including natural or human factors or both.
Example: Champagne.

Basically, a geographical indication is a notice stating that a given product originates in a given geographical area. The best known examples of geographical indications are those used for wines and spirits. For instance, the geographical indication Champagne is used to indicate that a special kind of sparkling wine originates in the Champagne region of France. In the same way, Cognac is used for brandy from the French region around the town of Cognac. However, geographical indications are also used for products other than wines and spirits, such as tobacco from Cuba, or for cheeses such as Roquefort. They may also be used for industrial products, as Sheffield is for steel.

The IPA through the Intellectual Property Office of PNG (IPOPNG) has now developed a Draft GI Bill and is conducting consultations with stakeholders to seek their views on the draft Bill.

The IPOPNG at this stage has been targeting products from three sectors which are Agriculture, Fisheries and Handcrafts.

Investment Promotion Authority Strengthens ties with New Zealand in Economic Development Discussions

In an important engagement meeting aimed at enhancing bilateral relations, the Managing Director of the Investment Promotion Authority (IPA), Mr. Clarence Hoot met with Charlie Gillard, the Deputy Head of Mission for New Zealand.

The discussions, which took place recently, focused on a range of critical agendas including development, aid, economic, and trade issues.

During the meeting, Mr. Hoot expressed gratitude for the ongoing support that the IPA receives from New Zealand. He highlighted the importance of this partnership, particularly the continued assistance from the New Zealand Companies Office with regard to the Online Registry Systems, which is vital for streamlining business operations in Papua New Guinea.

Mr. Hoot also reflected on the successful work attachment arrangement previously established with New Zealand's Companies Office, which allowed IPA staff to gain valuable experience in New Zealand. He emphasized the desire to reinstate this program in the future to further enhance the capabilities of IPA personnel.

The meeting also acknowledged the achievements of Papua New Guinea's small and medium enterprises (SMEs) through

learning from New Zealand SMEs. Mr. Hoot underscored the importance of fostering closer cooperation between the IPA and sister agencies to leverage the experiences of these SMEs for the benefit of the private sector in PNG. One such important engagement is the work the IPA does with the Pacific Islands Trade & Invest Office over there is assisting and promoting our SMEs.

Looking ahead, Mr. Hoot announced plans to engage with the NZ-PNG Business Council and collaborate with the New Zealand Embassy on a potential private sector visit scheduled for the first quarter of 2025. To facilitate these discussions, a webinar will be organized to explore opportunities for collaboration.

Additionally, the meeting addressed the potential for expanding exports to New Zealand, building on the successful efforts of Muruk Exporters, a private business currently exporting frozen taro from PNG to New Zealand. The discussions included exploring the feasibility of exporting other products such as sago and kaukau, further diversifying Papua New Guinea's export portfolio.

This meeting marks a pivotal step forward in strengthening economic ties between Papua New Guinea and New Zealand, with a shared vision for mutual growth and development.

LEGAL UP-DATE

Update on work to address Anti-Money Laundering and Counter-Finance Terrorism in PNG

Papua New Guinea (PNG) like many other countries is faced with the looming threat of financial crime, money laundering and terrorist financing that could undermine its economic stability and security.

To combat these challenges, PNG became a member of the Asia/Pacific Group on Money Laundering (APG), an inter-governmental organization dedicated to upholding international standards against such illicit activities.

As a member of the APG, PNG was not only committed to its own integrity but also to the collective strength of its 42-member jurisdictions.

PNG understands that the fight against financial crime requires a united front, and thus, it established the National Coordinating Committee (NCC) on Anti-Money Laundering and Counter-Terrorist Financing (AML/CTF).

This committee has a coalition of 22 agencies, each bringing unique expertise and resources to the table, working tirelessly to ensure compliance with global standards.

Among these agencies is the Investment Promotion Authority (IPA), a key player in the NCC. The IPA's role was particularly crucial in overseeing Non-Profit Organizations (NPOs) and ensuring transparency in Beneficial Ownership (BO) of registered business entities. The integrity of PNG's financial system depended on the ability to identify the true owners of companies and to monitor the activities of associations that could potentially be misused

for illegal purposes.

In 2022, the IPA took a significant step forward by passing the Beneficial Ownership laws through the Companies Amendments. This legislation mandated that all companies maintain accurate records of their true owners, a move designed to enhance transparency and accountability.

The following year, the Associations Incorporation Act was enacted, further solidifying the framework for NPOs by requiring detailed reporting on donor and financial activities.

As the NCC worked diligently to implement the 40 Recommendations set forth by the Financial Action Task Force (FATF), the agencies faced the challenge of adapting to evolving global standards. They understood that financial crime was not static; it evolved with technology and trends, necessitating a proactive approach to regulation and enforcement.

The NCC held regular meetings, where representatives from each agency shared insights and strategies. They discussed emerging threats, such as the rise of digital currencies and online fundraising platforms, which could potentially be exploited for money laundering or terrorist financing.

Together, they developed action items tailored to address these challenges, ensuring that PNG remained compliant with international expectations.

BUSINESSES FOR HEALTH PAPUA NEW GUINEA

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2024**

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Niugini Organic Spice

Niugini Organic Spice (NOS) is a locally owned SME business that is specialized in farming and manufacturing organic spice products. NOS supplies wholesalers and retail shops with its assorted spice products such as ginger powder, garlic powder, chili powder, and others. NOS was established in 2021 and all its projects are based in Banz, Jiwaka Province. The objective of the new project is to expand production to meet the growing demand for locally produced spice products in the local markets.

The project will heavily involve contract farming methods whereby binding arrangements will be made with local farmers for the supply of raw spices to NOS. These local suppliers of raw spices are individual farmers and groups of farmers made up of local women and youths from the surrounding communities. This project is expected to directly contribute towards the creation of self-employment for the local people while also indirectly contributing towards the reduction of lawlessness in the communities due to its high involvement of the unemployed youth population.



While this project is expected to create a local market and economic opportunities for rural farmers, NOS is expected to benefit from the growing supply of raw spices from the local farmers to supply its target markets that have a huge demand for locally produced spice products.

This project seeks to partner with potential investors to expand production by way of the establishment of additional production facilities, and purchase of new machinery and equipment while also being involved in other collaborations such as market access (both domestic and international), access to production materials and components as well as the transfer of technology and know-how expertise. Most importantly, this project seeks potential investors to address key challenges in terms of resourcing, capacity building, and field projects to increase quality, production, and downstream processing.



Project Strengths

Spice is a new industry in Papua New Guinea where there is an estimated 100,000 household spice producers that are currently supplying the local markets and a few other international markets in the USA, New Zealand, and some parts of Europe. This growing industry has an estimated industry value of K100 million and growing. With the increased level of health benefits from traditional herbs and spice products, the demand for organic spice products has been rapidly growing in the last few years. Such a growing trend in the demand for organic spice products is expected to boost this industry to become one of the most vibrant industries to invest in. With these investment opportunities, NOS aims to strategically leverage its existing capabilities in terms of its land and available labor, a huge network of contract spice farmers, existing market share, existing operating facilities, and expertise for sustainable organic spice farming and production and downstream processing.

Project Sector
Growing of fruit, nuts, beverage and spice crops
Projected Annual Sales
49.0K EUR
Products or services resulting from project
Spices; n.e.c. in heading no. 0910
Opportunity Type
Open for FDI through a majority stake
Project Country
Papua New Guinea
Project Location
P.O. Box 60, Banz, Jiwaka, PNG , Other, Jiwaka, Papua New Guinea
Projected Employment
9
Total Investment (Funding Gap)
588.0K EUR (583.0K EUR)

Am I required to lodge Annual Returns for my company even though I have not been making money for my company?

Yes. You are required to lodge your Annual Returns every year even though your company is not operating or making money.

When lodging your Annual Return, you are simply confirming the existing details of your company in the system and indicating accordingly whether there have been any changes in the details of shareholders/directors or number of employees, etc.

You are not required to lodge or submit your financial statements.

Only companies who come under the category of a "reporting company" are required to submit their financial statements when lodging their Annual Returns.

A reporting company has the following;

- total assets exceeding K5 million or
- more than 25 shareholders or
- more than 100 employees

Companies Office Investment Promotion Authority

Form 22 | Annual return

Section 215(1), Companies Act 1997

Notes

The information on this form must be either typewritten or printed legibly in BLOCK letters.

If there is insufficient space on the form to supply the information required, attach a separate sheet containing the information set out in the prescribed format.

Place barcode here

Company name

Company number

1. Date of annual return

This must be a date within the month allocated by the Registrar for filing your annual return.

 / /

2. Date of the annual meeting held or deemed to be held

 / /

3. Addresses

- ☐ There are no changes in addresses (tick this box if applicable and skip to item 4).
If there are changes to any addresses, provide the current information below.

Address of registered office

Provide the suburb, street name and number, or allotment and section number. The district and province must be stated. If at the premises of a firm or in a building the particulars must be provided. A PO box is not allowed. A village address is insufficient.

 District and Province:

Address for service

- ☐ The address for service is the same as the registered office address

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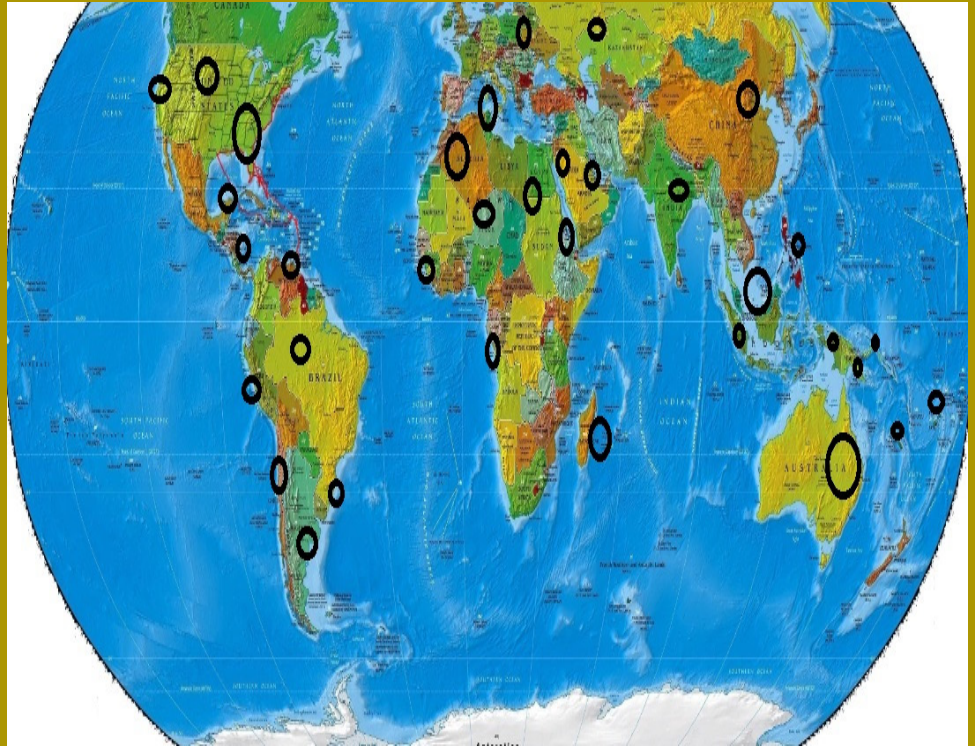
Thank you, IPA, for bringing your services all the way to the isolated island of **Misima** in the Samarai-Murua District of Milne Bay Province. We are thankful that IPA finally decided to reach out to us. We feel empowered to go into the formal sector and that we are not left out. We would have to spend K200 on boat fare just to access IPA services on our provincial capital, Alotau but with your presence here, we are able to save cost. We travel 26 hours to reach Alotau.

Misima awareness participant

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We have covered the globe and we're expanding.



PUBLICATION

The **Invest PNG** newsletter is produced by the Public Relations Team of the IPA.

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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

beverlyp@ipa.gov.pg

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

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