



INVESTMENT PROMOTION AUTHORITY

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INVESTMENT INSIGHT

The Investment Insight page is another communication initiative of the Investment Promotion Authority (IPA) in which the IPA utilizes the *Post-Courier* newspaper as a platform to engage with the public on issues relating to the IPA's mandated roles and functions. The page is a fortnightly publication and this is the first for the year. In this issue we will introduce the core roles and functions of the IPA, our goals for 2018 and the plans we have in achieving those goals. We will also highlight in this edition how the IPA works with the government and private sector and our partnerships with partners both overseas and domestic.

WHAT IS THE ROLE AND FUNCTION OF THE INVESTMENT PROMOTION AUTHORITY?

The IPA was established by an Act of Parliament in 1992 with the primary mandate to promote and facilitate investment in Papua New Guinea and also to regulate the business industry in the country. It does this through various programs and services which make up the divisions of the Authority. Following are the Divisions within the IPA:

2018 KEY PROGRAMS OUTLINED



CLARENCE HOOT
Acting managing director

The IPA Acting Managing Director Mr Clarence Hoot has signaled yet another busy year for the Authority in terms of business and service delivery.

Apart from the hosting of several meetings in the APEC space, there are certain key programs that the IPA will be working on delivering. While most of them are ongoing programs, the new initiatives are a step towards IPA's move in embracing ICT development and its intentions to improve its online registry services.

1) 2017 AUDIT REPORT & ANNUAL REPORT

As usual, IPA is one of the very few government organisations that provides a fully audited report to Government. The audit report is usually included in its Annual Report.

2) COMPILING OF THE 2018 - 2020 STRATEGIC PLAN

There will be a review on the 2015 - 2017 Plan which will lead up to the compiling of the 2018-2020 strategic plan. So far, 80% of the work covered in the 2015 - 2017 Plan have been achieved.

3) IMPLEMENTATION OF NEW SECURITIES COMMISSION LEGISLATIONS

The new Laws were certified in 2017 and the main task now is to work on the Regulations and come up with a structure for the Commission. The aim is for the structure to be aligned to the new law and be responsive to the current trend and demand in the Securities market.

4) IPA ORGANISATIONAL RESTRUCTURE

The business environment has changed and more modernized. As such, the IPA will be undergoing a restructure to realign its resources. Prominence will be on ICT upgrading and resourcing.

5) BRING REGISTRY SYSTEM TO THE CLOUDS

Work has progressed on bringing the IPA's online registry system to the clouds. This will be done under the current MOU partnership between IPA and the Asian Development Bank.

6) POLICY ADVOCACY AND REVIEWS

Review of the National Investment Policy (NIP) 1 and 2 will be another key program. The third edition will focus on the current economic situation and the Authority's responses in terms of policy amendments. The review of the NIP will also involve a spillage into the review and appropriate recommendations of the SME Policy and Master Plan and at the same time considering priorities in the Alotau Accord.

7) REVIEW OF THE IPA ACT AND REGULATION

The IPA will be seeking cabinet endorsement for the review of the IPA Act and Regulation. The Act covers the Cottage Business Activities List or referred to in the SME Policy as the Reserved Activities List. A nationwide consultation will be conducted on the review of the Act.

8) REVIEW OF THE ASSOCIATIONS ACT AND CREATION OF NEW ENTITY TYPE ACT

The Associations Act dates back to 1960 and does not reflect the current situation. This is the Act that covers the registration and operations of NGOs and needs to be updated so that NGOs can have some reporting system on their activities and the resources going into their operations. An addition to that will be the creation of a new Act which will cater for the registration of a new entity type. The new entity type will cater for businesses who are operating in the informal sector as transition, before they graduate into the formal economy.

9) USUAL PROMOTIONS WORK

Work will continue on the investment promotion front. Focus will be on SMEs and the issue on Ease of Doing Business.

10) AWARENESS ACTIVITIES

Awareness will continue and spot inspection exercises will also be key programs. IPA will continue working with Customs, Immigration, Labour, Internal Revenue Commission and other key stakeholders in these exercises.

11) NETWORKING AND PARTERSHIPS

Due to the current economic situation and resource limitations, IPA will continue to work in close collaboration with the line agencies and international partners. This includes working with the diplomatic missions abroad and in-country. This includes:

- Review of MOUs with agencies such as IRC, Customs, etc.
- Implementation of MOU arrangements with provinces.
- Ongoing collaboration with the Pacific Island Forum (PIF) Office, Pacific Island Trade and Invest Commission and specifically their offices in Sydney, New Zealand, Beijing, Tokyo and Geneva.

Apart from the 11 key programs, the Authority will continue rolling out its annual work programs. The target set to achieve the above programs is within the next six (6) months.

1) Investor Services and Promotion Division

The aim and objective of this division is to reinforce the investment and export promotion mandate of IPA and facilitate the enhancement of ease of doing business in PNG. The division does this through the different work programs it has, including packaging and promotion of investment opportunities in PNG, promoting PNG exports, disseminating investor-related information about PNG to existing and prospective investors. Basically, the division is the promotional arm of the IPA and it is headed by the Director of the Investor Services and Promotion Division.

2) Business Registration and Certification or Office of the Registrar of Companies

This Division is the most common one which most people are aware of. In fact, almost 90% of the public thinks the IPA's role is mainly to register businesses. This Division is also known as the Companies Office. They register, regulate, maintain the business registry of PNG and also provide a secretariat for the certification of foreign enterprises. The division also houses the secretariat of the Accounting Standard Board (ASB). The ASB is a statutory body established in 1998 under the Companies Act 1997 ('the Act') as the standards setter and has the mandated role of setting accounting standards, providing policy guidelines in relation to the application of those standards and in overall providing of the necessary legal framework within the PNG jurisdiction in respect of accounting standards setting. The division also houses the Personal Property Securities Registry. We will explain what this registry does when we talk about products of the IPA. The division is headed by the Registrar of Companies.

3) The Intellectual Property Office of PNG

The Intellectual Property Office of PNG (IPOPNG) is another Division within the IPA and was formerly known as the Office of the Registrar of Trademarks. Later on, after an NEC Decision, the name was changed to the Intellectual Property office of PNG with additional responsibilities of administering the Patents and Industrial Designs Act 2000 and also the Copyrights and Neighbouring Rights Act 2000. Although the Office has a logo of its own, it is currently a division within the IPA. The Office is headed by the Registrar of the Intellectual Property Office or RIPO for short.

4) Securities Commission of PNG

The Securities Commission of PNG (SCPNG) is another organisation housed by the IPA. It has a mandated role of regulating the PNG Capital market to ensure that the market is transparent, fair, risk free and investors are protected at all costs. The Commission is headed by the Chairman of the Securities Commission of PNG.

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Partners and stakeholders

THE IPA has acquired additional functions over the years, hence, creating a diversity of roles and functions within the Authority.

Given the various functions it has, its clientele and stakeholders also vary from industry to industry and range from the Government to private sector and international organizations.

It is in the interest of the IPA that its policies and regulations are aligned with other government regulatory agencies and that the policies reflect and accommodate scenarios within the different economic sectors. Apart from collecting data from these agencies and

providing it to investors when they express their investment interests, the IPA keeps regular contact with these agencies on any development issues or changes that take place.

The most common agencies that the Authority involves with include; Customs PNG, for import and export purposes and Trade Related Intellectual Property Rights (TRIPS), Internal Revenue Commission (IRC) for businesses compliance purposes, Immigration and Citizenship Authority, Central Bank, Labour and Industrial Relations, Independent Consumer and Competition Commission (ICCC), Border Development Authority (BDA) and National Agriculture and Quarantine Inspection Authority (NAQIA) to name a few.

The IPA has existing MOUs with IRC and Customs. The MOU with IRC paved way for IPA to allocate a counter in its head office in Port Moresby to IRC whereby clients can apply for TIN once they have collected their business certificates.

IPA also works with provincial administrations, mainly their commerce offices who perform several of IPA functions. IPA also works very closely with the various industry bodies in the fisheries, forestry, tourism, mining, finance, manufacturing and agriculture sectors.

In the private sector, stakeholders which IPA is a member to include the Business Council of PNG, Chamber of Mines and Petroleum and Petroleum Advisory Council to name a few. Other private sector stakeholders include the provincial chamber of commerce and industries. IPA is also conscious about international standards and best practices.

As such it partners with international agencies in terms of improving benchmarking ratings, policy and regulatory reviews and fine tuning of its systems and processes. The International Finance Corporation and the Asian Development Bank are examples of such organizations.

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