

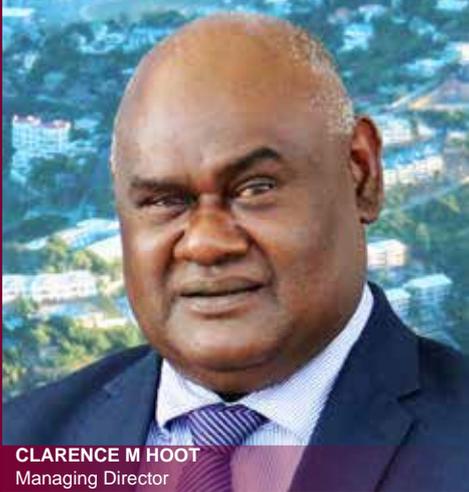


Opportunity

Issue #10- October 2020

Business News, reviews and overviews from the IPA

MD's INBOX



CLARENCE M HOOT
Managing Director

Hello Readers and welcome to the tenth (10th) edition of the IPA's monthly 'Opportunity Newsletter'.

The IPA has achieved quite a number of milestones during the COVID pandemic period despite the lockdowns and new normal restrictions.

One of these milestones is the IPA's contribution to the report by the Internal Revenue Commission in the Global Forum on Transparency and Exchange of Information for Tax Purposes which rated Papua New Guinea as "largely compliant" in terms of transparency and sharing of tax information.

The report can be accessed from IPA's website's homepage-<https://www.ipa.gov.pg>.

The IPA is currently working on further developing a new online business registry which will make it more easier for businesses to start and formalize their businesses in the country and to ensure that PNG's business laws are modern and inclusive, in line with global standards, and sufficient to support the country's recovery from the impacts of the global coronavirus pandemic.

This will be executed through a MOU agreement which was signed between the IPA, the Department of Treasury and the Asian Development Bank's (ADB) Private Sector Development Initiative (PSDI), with support from the PNG-Australia Partnership as articulated in the recently signed PNG-Australia Comprehensive Strategic and Economic Partnership.

The MOU is designed to make it easier for businesses to operate and invest in Papua New Guinea. The partnership has already resulted in significant achievements, including the transition of IPA's existing online business registries to a stable, online environment, and the implementation of the Personal Property Securities Register, which makes it easier for businesses to access finance.

As we continue to move towards normalcy amidst the COVID-19, the IPA has embarked on a training for over forty (40) Women Associations in Tabubil and a joint awareness exercise to Tari with the United Nations Women. Both events were a huge success judging from

the number of attendees to the sessions and we will continue to slowly roll out awareness campaigns in line with the normalcy trends.

Meanwhile, clients who are intending to do any lodgments are again encouraged to lodge applications online. IPA will soon re-introduce a kiosk to cater for walk-in clients who are interested in utilizing the online registry system. Keep watching this space for more information.

Companies who have also defaulted in paying their outstanding annual returns are encouraged to also utilize our online registry system to lodge their Annual Returns.

I once again encourage you all to uphold good health practices as we continue into the last quarter of the year. Again, if you have any positive stories about your business, you can contact our Public Relations Unit as we will only be too happy to feature your story in our monthly newsletter.

Thank you and happy reading!!

Clarence M. Hoot
Managing Director

Tips & Traps

Why is it important to get Authority over your entity?

It is important to get authority, using the Online Registry System, over your entity either it be a Company, Business Name, Association, a Business Group or a foreign certified company.

Having authority over your entity means you take responsibility over your entity records thus, enables you to make changes to your entity's records, lodge annual returns for companies and renewal of your business names.

For companies, the IPA has systems and processes in place to also safe guard the interest of companies/directors/shareholders and most importantly to protect the companies from unauthorized people making changes to their company records.

There is an established process in place where the authenticity of the filer and the authorizing party are properly scrutinized. Whilst the system has been built for the convenience of our clients to use, every care has

been taken to ensure that the system is not abused and that clients are filing company records responsibly.

When a request for authority is sent to the Office of the Registrar of Companies, the system will firstly ask you if you are a director of the company or an agent. If you are a director, then the system will ask for some form of identification. If you are an agent then you will be required to provide an authorization letter from the company director or shareholder, together with their IDs.

Who can have authority?

Authority will be granted to directors of a company, proprietors of business names, public officers of associations, document executors (chairman) of a business group and where applicable agents such as accountants, lawyers, business consultants or (company secretaries).

How do you get authority?

To obtain authority over your entity you will need to register an online account, log on under that user account, search for the entity and then submit a request for authority from within the entity's view.

Who can give or take away authority?

There are two different types of authority – one that applies to directors of companies, owners of business names, public officers of associations and document executors of business groups and the other that applies to agents of these entities.

How do I revoke my own authority?

If you no longer require authority over your entity, then you can request for revocation. You may also make contact on email ipaonline@ipa.gov.pg

Cotonou Agreement extended

The Cotonou Agreement which is a comprehensive agreement that governs the relationship between the European Union (EU) and the Organization of the African, Caribbean and Pacific States (OACPS), formerly known as Africa, Caribbean-Pacific (ACP) Group of States has been extended to December 2020.

The agreement was initially due to expire on the 29th of February 2020, but as negotiations on the future agreement are still under way, this was delayed to the end of this year. The agreement was adopted in 2000 to replace the 1975 Lomé Convention.

It is the most comprehensive partnership agreement between developing countries

and the EU, covering the EU's relations with 79 countries, including 48 countries from Sub-Saharan Africa.

The Cotonou Agreement aims to reduce and eventually eradicate poverty and contribute to the gradual integration of the ACP countries into the world economy. It is based on three pillars including development cooperation, economic and trade cooperation and political dimension.

On the 22nd of June 2018, the ACP's Council adopted the negotiating mandate for the future agreement between the EU and OACPS. The OACPS member countries of which Papua New Guinea is a member to, adopt their own negotiating position on the 30th of May 2018

at the ACP Council of Ministers meeting.

The EU will work towards a substantially revised agreement with a common foundation at ACP level combined with three regional tailored partnerships for Africa, the Caribbean and the Pacific.

The future agreement is expected to cover priority areas such as:

- democracy and human rights
- economic growth and investment
- climate change
- poverty eradication
- peace and security
- migration and mobility

PM Marape on "Road to Recovery Plan"



years.

He said State owned enterprises will also be effectively reformed to address a K6 billion legacy debt.

"The Government will also improve the "executing capacity of implementing agencies" through strengthening project management facilities within the public service and State-Owned Enterprises".

"This government is effectively closing out Phase I of its policy-based programs in year 1 and continuing this in the next 5 years. These include "Connect PNG", Special Economic Zones, MSMEs and Agriculture loans and assisting university and college school fees through HELP loans," said Mr Marape.

Prime Minister Marape said the Government is facing some of the most challenging economic times in the history of the country and of the world, but, the road map that the Treasurer has presented in Parliament should reassure Papua New Guineans that there is light at the end of the tunnel and that this government will work tirelessly to deliver the country's comprehensive recovery plan.

He said the Government is prudently investing in areas to grow our economy, trusting that our districts, provinces and national government release funds into the economy for agriculture, roads, bridges, and investing through the Connect PNG strategy whilst the National Government maintains essential services like health and education.

Our Budget 2020 (supplementary) and 2021 will be used as a tool to stimulate economic growth and therefore the size of our gross domestic product.

Whilst the global economic outlook remains uncertain and sluggish the Government led by Prime Minister James Marape has constructed a carefully considered "Road to Recovery Plan" to reinvigorate PNG's economy and ensure that we are on track.

Prime Minister, Honorable James Marape announced this when delivering a supplementary budget speech in Parliament on the 10th of September, 2020.

His speech was delivered in support of Treasurer, Ian Ling-Stuckey's presentation of the 2020 supplementary budget and 2020 Mid-Year Economic and Fiscal Outlook in Parliament also in September, 2020.

Mr Marape said the "Road to Recovery Plan" will include optimizing the absorptive capacity of the PIP budget and directing it towards projects that can deliver economic and commercial outcomes for PNG.

He said the PIP budget utilization rate was below 50% up to 2018 and it's now tracking upwards to 60% and heading towards 80%.

Mr Marape said the Government will also be paying out unfunded contracts and retirements incurred in the last 8 years, which totaled up to K581 million for 2019 and K1,052 million for 2020 as part of the unsettled K4 billion domestic arrears incurred in the last 10

PNG RATED "LARGELY COMPLIANT" BY GLOBAL TAX FORUM

Managing Director of the Investment Promotion Authority (IPA), Mr Clarence Hoot has congratulated the Internal Revenue Commission (IRC) in facilitating the processes that lead to Papua New Guinea being rated as "Largely Compliant" on tax purposes.

Papua New Guinea has been rated as "Largely Compliant" by the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) after undergoing a peer review process which commenced in 2017.

The Global Forum is the leading international body working on the implementation of global transparency and exchange of information standards around the world and undertakes peer review of more than 160 participating jurisdictions from time to time.

Sam Koim Commissioner General of IRC announced in a press conference that the Global Forum published nine new peer review reports on 1 September 2020, and PNG was one of them.

A key issue highlighted by Mr Koim during the press conference was that many companies were operated by what he described as "Fly-By investors" or foreigners who come into the country to do business with the aim of making money on a short term and fly-out after that.

He urged IPA to address the issue of Fly-by investors and help by initiating the idea of properly profiling investors.

"Currently there is no proper visibility on these Fly-by investors who come into the country, fill their bags with money and depart

Continue on to next page.....



the country. The profiling of investors will ensure we deal with genuine investors. IRC will give all its support to address that issue", said Mr Koim. "Some of these Fly-by investors operate behind the scene and appoint locals to be shareholders and directors of their companies".

In response, Mr Hoot said the concern raised is due to the beneficial ownership issue. Beneficial ownership is a term in domestic and international commercial law which refers to the natural person or persons "who ultimately own or control a legal entity or arrangement, such as a company, a trust, or a foundation.

Mr Hoot said the partnership to address this issue can be incorporated into the current MOU arrangement between IPA and IRC. He added that the IPA, IRC and BPNG's Financial Analysis Supervisory Unit (FASU) should work together in progressing work in regards to beneficial ownership.



From left to right: Director for BPNG's Financial Analysis and Supervision Unit (FASU), Mr. Benny Popoitai, Commissioner General for IRC, Mr. Sam Koim and Managing Director for IPA, Mr. Clarence Hoot presenting the report by Global Forum.

IN THE NEWS

IPA AND UN WOMEN JOINT OUTREACH PROGRAM IN TARI A SUCCESS



IPA's Director for the Investor Servicing and Promotion Division, Mr. Daroa Peter addressing participants in Tari, Hela Province.

A team consisting of Investment Promotion Authority (IPA) and United Nations Women officials was in Tari, Hela Province to facilitate business registrations and advocate on the importance of having a safe environment in order for investment to thrive.

The mission was based on an invitation to IPA by the UN Women to partner with IPA in implementing their Peace Building Program in several of their project areas including Tari. The theme for the mission was "Ensuring a Peaceful Community for women, youth and leaders for a Conducive Business Environment."

The aim of the exercise was for stakeholders and services providers of UN W to understand the mandated roles and functions of IPA including business registration and compliance requirements.

The highlights of the event included; on-the-spot registration and renewal of businesses, creating online user accounts for the IPA Online Registry System for the local business owners and women and youth leaders and facilitation of Tax Identification Numbers (TIN)

forms. A total of 15 businesses were registered during the exercise.

Alice Bibe, Business Development Officer from Koroba Kopiago LLG said the event was the first of its kind in the province and it was relieving to see that. Alice has been using her own resources over time to register businesses in her area. During the outreach program, she brought the business owners and other women to come and listen to the IPA presentations and understand business registration and compliance requirements better.



IPA's Senior Public Relations Officer, Beverly Piawu showing a participant how to do online registration via the IPA Website.



IPA issues Certificates via the online registrations



**KNOW
ABOUT IP**

Why is it important for SMEs or businesses to protect their Intellectual Property Rights?

SMEs or businesses must dedicate time and resources to protecting their intellectual property assets.

By doing that, they can increase their competitiveness in a variety of ways.

Intellectual property protection helps in:

- Preventing competitors from copying or closely imitating a company's products or services.
- Avoiding wasteful investments in research and development and marketing;
- Creating a corporate identity through a trademark and branding strategy;
- Negotiating licensing, franchising or other IP-based contractual agreements;
- Increasing the market value of the company;
- Acquiring venture capital and enhancing access to finance;
- Obtaining access to new Markets.

In addition, enterprises which search systematically for conflicting IP rights of others prior to seeking IP protection are able to avoid unnecessary litigation, thereby saving time and resources.

For more Information on Intellectual Property:

Contact:

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

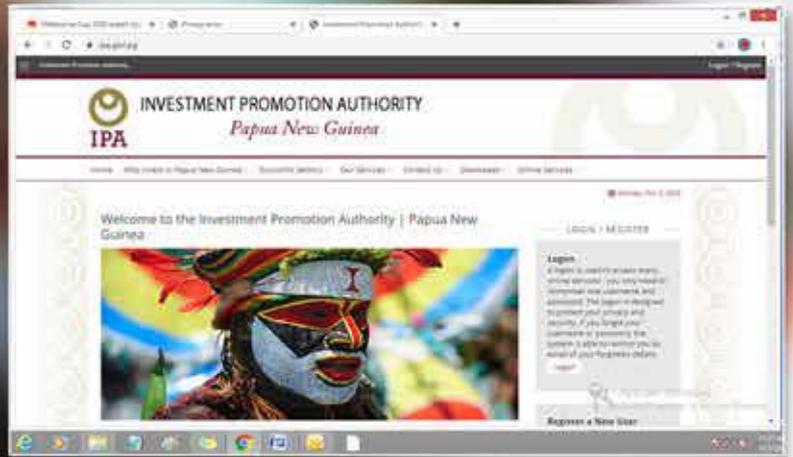
Fax: (675) 321 5155

Email: registrar.ipopng@ipa.gov.pg

Website: www.ipopng.gov.pg

IPA NEW WEBSITE REBRANDING NOTICE

The Investment Promotion Authority has rebranded its website in a bid to improve the look and make it easier for users to navigate.



To understand the economic profile of PNG, please click these sections shown.



To use the Online Registry system or (ORS) please click on the "Online Services" as shown in the illustration below to either **search an entity** or to **request an extract** or **certificate copy**. (click on menu and hover on each section)



If you're a registered user, login where it says **LOGON** to access your dashboard. Or if you want to register a new online user account, click where it says **Register a New User**. Click activate if you have forgotten your password and have been issued a new one.



Investment Promotion Authority, your business, your investment, our advice.
 (show on screen - Call us on 308 4400/ 321 7311 or email ipa@ipa.gov.pg / ispd@ipa.gov.pg / online@ipa.gov.pg)

SME, SUAVE SAIM SOLES appreciates IPA for its assistance



Bernadette Cherake, *Suave Saim Soles owner/Manager*

An SME that trades online via facebook "Suave Saim Soles" has expressed gratitude to the Investment Promotion Authority (IPA) for giving it the opportunity to improve its services and operation.

It currently has a facebook page that focuses on selling footwear, especially boots for women.

The IPA facilitated a Facebook Master Class of which 'Suave Saim Soles' participated in and this according to the owner of 'Suave Saim Soles', Bernadette Saim CHERAKE has improved the marketing aspect of her business.

Suave Saim Soles was incorporated in 2017 and has been specialised in selling footwear online.

Ms Cherake said the Facebook Master Class helped 'Suave Saim Soles' review its content on its Facebook business page and resulted in the introduction of some changes.

"Through the Facebook Master class, the business has also gone on to utilising other tools available on Facebook to engage with the Page followers and potential customers. The business is also more appreciative of the customer journey now and utilising tools illustrated in the MasterClass to generate sales," said Ms Cherake.

"I have definitely learnt a lot of new things from the Facebook Master Class and this has helped me to change my approach to how I do business on Facebook. The most relevant issue pointed out during the training that I noted was the "engagement killing mistakes" and how to manage them. Tips offered for managing a Facebook page and advertisements were also relevant," She said.

"IPA's assistance is crucial to SMEs like mine. Its assistance symbolises the Government's support to its citizens engaged in Small to Medium Enterprises in the country.

She described IPA's assistance as one way of giving effect to the Government's policies, goals and vision for the people of Papua New Guinea.

"Ultimately, the more strengthened SMEs are, the people and the country win".

"One would wonder where I got my inspiration from to start my business. My inspiration stemmed from my own love for women's boots and my frustration at the lack of options for this footwear type in the market. Following a trial sale in 2016 and short surveys etc, I realised there were women with the same preference in PNG. That's how Suave Saim Soles came into operation in 2017.

Asked as to what bigger plans 'Suave Saim Soles' have in future, this is what Ms Cherake had to say; "I like the convenience offered by automated systems so having a website and app for the business would be the ultimate.

However, more practical plans would include continuing the improvement of access for customers, such as hosting Pop-Ups or acquiring a physical face. These options will satisfy customers who prefer the "walk in" experience. Building brand awareness through other digital platforms is a recurring agenda too".

Currently the customer audience for 'Suave Saim Soles' is nationwide since 2017. Customers are mainly women who work in a variety of fields and appreciate the different option in footwear that Saim Soles offers. They are also referred customers, repeat customers and women who enjoy online shopping using Facebook.

Ms Cherake lives in Port Moresby BUT is from the East Sepik Province. She is a lawyer by profession but had to resign from her professional job to focus on running Suave Saim Soles. She is also a pioneer graduate of the 2019 PNG Cohort of the Academy for Women Entrepreneurs (AWE).

AWE is a White House led initiative of the US Department of State and facilitated by the US Embassy here in PNG.



A happy customer in Eastern Highlands Province, Goroka sent us this picture in 2017 after receiving his box of boots.



Women's Work/ Safety Boots ready for a customer to collect.



A happy customer in Lae, Morobe Province sent us this picture after receiving her boots.



A happy customer with their boots bought at our shop on her way to China back in 2018.



We mainly use Post PNG EMS to send boots to our customers in the provinces around PNG.

**AVAILABLE FOR LEASE
KADA GUNAN HARBOR CITY**

**East New Britain Development
Corporation Limited**

**7 STOREY COMMERCIAL BUILDING AND 4
STOREY CAR PARK BUILDING – KADA GUNAN,
HARBOUR CITY**



**FACT SHEET FOR 7 STOREY COMMERCIAL
BUILDING AT KADA GUNAN – HARBOUR
CITY.**

The Buildings have been completed and are now leasing. For enquiries, please contact our Property Manager, via contact listed below.

SURPPORT SERVICES

- Standby power and water
- Security Surveillance – CCTV

- Lifts – 2 X Commercial Building, 1 X Car Park Building
 - 24 hour security service
 - 251 car parking space
- TFEATURES OF THE BUILDINGS:**
- A Grade Premium Floor Space
 - 2000sqm2 Retail Floor Area
 - 6000sqm2 Commercial Floor Space
 - High Exposure
 - Prominent Location Secure Precinct
 - Secured Multi Storey Car Park
 - Direct Access from car park to office via link bridge
 - Flexible tenancy options
 - Double glazing provides:
 - a) street noise free tenancy
 - b) reduces heat load
 - c) more efficient air condition
 - Extensive Sun shading provides:
 - a) reduce heat load
 - b) more efficient air condition
 - c) reduces internal blind requirements
 - High efficiency Air Conditioning reduces electricity cost
 - Led Lighting reduces electricity costs
 - Secured seismic activity movement
 - Fire resistance wall panels
 - Back up service for lifts, air condition, electricity and plumbing.

Contact	Details
Helen Pokapin Property Manager – Port Moresby	Tel: 72874982/ 3250170 or Email: hpokapin@online.net.pg
IPA PNG	investment@ipa.gov.pg

**WHEN DO I FILE MY ANNUAL
RETURN IF I REGISTER A
COMPANY?**

Answer:

The filing or lodgment of annual returns by Companies is a requirement by law. Companies are required to submit annual returns as per the Companies (Amendment) Act of 2014.

An annual return must be submitted to the Registrar annually and during the month allocated to the company. The **FILING MONTH** is also the month in which the company was incorporated.

For example, if you register your company in the month of October, then your filing month will be within the month of October.

Apart from filing an annual return on the anniversary of the registration date, a company may change its filing date by writing a letter to the Registrar of Companies to issue a new filing month. This service is free for the first request. If the company wishes to make another request for a second change of date then they will pay a fee of K1,000.

The filing fee for an annual return filed offline or over the counter is K300 for exempted companies and K500 for reporting companies.

A company will pay K250 for online lodgment for exempted companies and K300 for reporting companies. Companies will be charged a late fee of K1000 if the annual return is lodged later than the prescribed period.

A blank annual return (Form 22) may be downloaded from the website (www.ipa.gov.pg). Fill the form and make your lodgment with the relevant fee either online or over the counter at any IPA office.

Do you have a general question about the regulatory side of running a business or have a query on investment promotion, Intellectual Property rights or wish to know more on Securities? 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.

IPA BRANCHES:

Port Moresby, Head Office

Level 1, IPA HAUS, MuniDubu Street
(Corner of Lawes Rd and Champion Pde)
Konedobu, Port Moresby

Phone: (675) 308 4400 / (675) 321 7311
Facsimile: (675) 320 2237
Email: ipa@ipa.gov.pg

Lae Regional Office

Level 1, Nambawu Supa Building,
P. O. Box 1074, Lae,
Morobe Province

Phone: (675) 479 2001 / 479 2606
Fax: (675) 479 2001
Email: ipalae@ipa.gov.pg

Mt. Hagen Regional Office

Level 1, Gapina Building,
P. O. Box 1834, Mt. Hagen,
Western Highlands Province,

Phone: (675) 542 0399
Fax: (675) 542 0599
Email: ipahagen@ipa.gov.pg

Kokopo Regional Office

Ground Floor, Marau Haus,
P. O. Box 870, Kokopo,
East New Britain Province,

Phone: (675) 982 9460
Fax: (675) 479 2001
Email: iparabaul@ipa.gov.pg

Buka Regional Office

Commerce Office, Haku Street
P. O. Box 782, Buka
AROB,

Phone: (675) 973 9344 / 973 9189
Fax: (675) 973 9344
Email: ipa_buka@ipa.gov.pg



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