

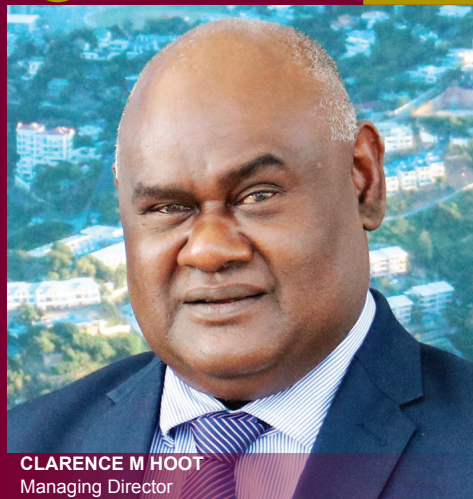


# Opportunity

Issue #5 - May 2020

Business News, reviews and overviews from the IPA

## MD's INBOX



**CLARENCE M HOOT**  
Managing Director

Hello Readers and welcome to the fifth (5th) issue of the IPA's monthly 'Opportunity Newsletter'.

The Investment Promotion Authority (IPA) is among other organizations that have resumed work after going into lock down since March because of the corona virus or COVID 19 pandemic. Obviously our work programs have been affected and we are now taking new approaches in light of the SOE orders issued by the National Government.

Because of the SOE orders, IPA is still maintaining social distancing measures at its counters and front counters.

All the measures that IPA is undertaking are outlined in a notice that is inside this issue. Clients have also been encouraged to utilize our ONLINE REGISTRY SYSTEM to lodge applications instead of coming to the counters and risking themselves.

In this issue, we also highlight the steps on how to register an online account. In the meantime, each Division within the IPA will continue with their annual work programs.

In relation to the Deregistration exercise, IPA is encouraging companies who have not filed their annual returns to utilize the Online Registration system and do filings online.

With that, I urge you all to uphold good health practices as we continue the rest of the year. Continue to share with us some positive stories from your businesses so we can feature them in our newsletter.

Thank you and happy reading!!

**Clarence M. Hoot**  
Managing Director

## Tips & Traps

### Creating a Prepaid Account with IPA

A Deposit Account is another method of payment that a registered user of the IPA Online Registry System (ORS) can use to pay for applications lodged online apart from using a credit or debit card. This is a prepaid account solely maintained by the IPA. Therefore any payment made online by a registered user using this account will be automatically deducted from your prepaid account balance.

#### Who is Eligible?

Any registered user who has authority over a business entity and who wishes to use this method of payment to pay for business services using the ORS. If a registered user has registered as an individual then he will be the only user linked to his prepaid account. Alternatively, if a registered user has registered as an Organization then all users under the organization will be linked to the Deposit Account.

#### Follow these steps to create your account.

1. Fill out the Prepaid Account form.
2. Deposit a minimum amount of PGK500 or more, into the IPA Bank Accounts. You can contact 308 4494 to get the account details.
3. IPA does not accept cash, hence fees can be paid via bank cheque, Eftpos on site, direct deposit using the IPA's customized deposit form or internet bank transfer.

4. If you're using the normal bank deposit form, the IPA customized deposit form or bank cheque, the original deposit payment must be attached to the prepaid account application form and immediately submitted to IPA via post if you are outside of Port Moresby or at our front counter at Konedobu.

We only accept internet bank transfer transaction receipt via email which must be emailed together with the prepaid account form to [ipaonline@ipa.gov.pg](mailto:ipaonline@ipa.gov.pg).

5. A Prepaid Account will be created for you with a starting balance given according to the amount you have deposited.

As long as you have a Prepaid Account you will see this as an option in the payment method section when lodging an application on the IPA ORS.

#### How do I top up my Deposit Account?

To top up your Deposit Account balance, follow step 1 & 2 above. An IPA officer responsible for Deposit accounts will update your balance accordingly. An email notification will be sent to you informing you of your new balance.

#### How do I check and receive updated balance of my Deposit Account?

Only an IPA user responsible for maintaining your prepaid account can be able to update and notify you of the status of your transactions and your "as at" balance.

Email [ipaonline@ipa.gov.pg](mailto:ipaonline@ipa.gov.pg) for more information.

## IN THE NEWS

### IPA resumes Official duties



Registrar IPO, Ms Amelia Na'aru and front counter customer service, Mr. Max De lookin happy to be back after the SOE.

Staff of the Investment Promotion Authority were among other Public Servants that resumed work on the 4th of May, 2020. The Authority started on a slow pace with most of the work focusing on desktop research and planning with no outside meetings or within its premises.

In compliance with the State of Emergency Orders, the Investment Promotion Authority (IPA) took necessary measures to ensure the covid-19 virus is not spread while conducting business by instilling social distancing and minimizing movement within the IPA premises for the safety and benefit of all of the staff and clients.

As part of the social distancing measures, all face to face meetings were not allowed with clients or visitors within the IPA premises except for the IPA front counter services on the ground floor of the IPA Haus.

The use of emails or teleconference or any other electronic/digital applications for enquiries have been encouraged by IPA.



Front Counter Officers at work

## INVESTMENT PROMOTION AUTHORITY RENEWS UNDERSTANDING WITH INTERNAL REVENUE COMMISSION



IRC Commissioner General Sam Koim and IPA Managing Director, Mr. Clarence Hoot set to sign the MoU in Town, Port Moresby.

The Investment Promotion Authority and Internal Revenue Commission have renewed the Memorandum of Understanding which gives them the mutual partnership to share information and resources.

The MOU was first signed in 2013 during the launching of the IPA's online registry system. The MOU allows for both parties to conduct joint programmes in line with their respective statutory mandates, for the purposes of awareness on each of their roles and functions, compliance and facilitating and monitoring the business activities of national, citizen and foreign individuals and enterprises throughout Papua New Guinea.

Under the MOU, the IPA also made available office space and a counter at its Port Moresby head office for the Internal Revenue Commission to have its staff stationed to receive appropriate IRC forms. Under this arrangement,

clients who apply and receive their IPA certificates can easily move to the next counter to lodge their application for Taxpayer Identification Number (TIN) at the IRC counter instead of going to the IRC office.

The IPA, over the years has been embarking on bringing on board more regulators and key players in the business regulatory space in its efforts to facilitate a one stop shop for business clients.

"We should work on achieving commonalities in systems and legislation to provide to our clients an efficient and effective harmonized system of registration and provide an environment that is easier, faster and cheaper to do business," said IPA Managing Director Mr. Clarence Hoot. "It is an outcome that our clients want at this day and age," he added.

"The IPA is serious about having efficient, streamlined and transparent processes and such a partnership is a demonstration of pursuing that objective and we value the partnership," he said.

The IPA has a similar MOU with PNG Customs which is also due for renewal and an existing MOU with BPNG through its Financial Analysis and Supervision Unit. The IPA has also signed MOUs with various Provincial Governments and is encouraging those who have yet to sign an MOU with them to consider doing

that soon.

"Aside from providing business registration and TIN registration in one place, this strategic partnership will enable IRC to have access to IPA database in real time for the purposes of profiling taxpayer companies in order to know their directors, shareholders and related entities." IRC Commissioner General Sam Koim remarked when countersigning the MoU.

In highlighting the significance of this partnership, Mr Koim said, "Information sharing barriers had undermined IRC's efforts in administering tax compliance. Under my leadership, we are moving into real time data collection and the use of analytical tools to profile taxpayers and know their transactional behavior. We will be signing a lot of similar partnerships in the near future"

"As we embark on a progressive digitalization of taxation services, the seamless exchange of information between Government agencies is a priority of the IRC," he stated.

"One of the tax compliance challenges faced by IRC at the moment is the increasing trend in illicit phoenixing activities whereby people abandon or dissolve existing companies and register new ones to carry on the business in order to escape tax. This collaboration will help to address this challenge." He added.



## Hungarian Water Company looking for investment opportunities in PNG

A Hungarian Water Company is looking for investment opportunities in PNG in the water sector.

The company, Hungarian Water Technology Corporation (HWTC) specializes in water treatment and sanitation.

They want to invest in PNG with their state-of-the-art global brand water treatment equipment and technology.

The company through the Hungarian Embassy in PNG?? has contacted the Investment Promotion Authority to assist them look for investment opportunities particularly with projects dealing with water supply and treatment in urban centers of PNG.

The Hungarian Water Technology Corporation Limited (HWTC) provides their emergency water treatment unit which can also be used during natural disasters and in emergency situations. Their product is used in different parts of the world.

According to Hungary's Trade Commissioner based at the Hungarian Embassy in Canberra, Australia, Bence Ruff, the water treatment unit can:

- Provide treatment for surface water including lakes, rivers, underground water, brackish and sea water.
- Produce safe and healthy drinking water that is in full compliance with WHO and local quality requirements
- Supply safe drinking water to 20,000 to 48,000 people per day.

IPA is now taking steps in connecting HWTC with a local company for the possibility of going into a partnership with the local SME.



# World Bank invests in agriculture, health services and youth employment in Papua New Guinea



The World Bank's Board of Executive Directors has approved three new projects totaling over US\$100 million or over K320 million for Papua New Guinea aimed at addressing some of the country's most pressing human capital needs.

On the back of the World Bank's recently-announced US\$20 million or over K65 million COVID-19 emergency response package for PNG, the three new projects will deliver critical improvements in some of PNG's most urgent priorities: health services – particularly in rural areas – as well as agriculture, nutrition and youth employment.

A press statement released by the World Bank quotes the Prime Minister, Honorable James Marape saying "This is a milestone day for our partnership with the World Bank in Papua New Guinea and each of these three projects aim to address some of the country's

most critical development challenges which includes improving health services in rural areas, addressing youth unemployment, and ensuring our agricultural sector can achieve its immense potential".

He added that each of these approved projects are significant commitments from the World Bank to the future of Papua New Guineans."

"At the heart of these three new projects is our commitment to support PNG to build a healthier and more prosperous population," said Stefano Mocci, Country Manager for the World Bank in Papua New Guinea. "We look forward to continuing to ensure more Papua New Guineans, no matter their current circumstances, can achieve their full potential."

The first project approved was the US\$30 million or over K97 million **IMPACT Health Project**, which is aimed at strengthening the

quality of health services, particularly in rural areas. This new project aims to address critical bottlenecks in the PNG health sector to improve the delivery of services on the ground, ensuring medicine, equipment and expertise are reaching the 'frontlines' of health in rural areas.

The project will initially be piloted in two PNG provinces – Enga and East New Britain – with the plan to expand to further provinces by the project's third year. The project also includes additional funding (US\$2 million) or K6.5 million to support trial of innovations for community-level health service delivery in partnership with non-governmental organizations.

The second project approved by the World Bank's Board is the five-year, US\$40 million or over K130 million **PNG Agriculture Commercialization and Diversification Project** aims to support the growth and diversification of PNG's agricultural sector, particularly in rural areas where more than 80 percent of the country's population live. The third project is the US\$35 million or over K113 million second phase of the **Urban Youth Employment Project**, PNG's national youth workforce scheme in the country's two largest urban centres: Port Moresby (National Capital District) and Lae, the capital of Morobe Province. The project's first phase has provided 18,500 young Papua New Guineans – 40% of whom are women – with income, training and employment opportunities.

The second phase aims to support 6,700 young people in Port Moresby and Lae with employment opportunities and on-the-job training, with the potential to include additional locations. Young people will be involved in urban renewal and improvement projects, including upgrades to footpaths and drainage, concreting and landscaping, paving, painting and fencing.



Industrial Design (ID) is the professional practice of designing products, devices, objects, and services used by millions of people around the world every day.

Industrial designers typically focus on the physical appearance, functionality and manufacturability of a product, though they are often involved in far more during a development cycle.

It is what makes a product attractive and appealing; hence, they add to the commercial value of the product and increase its marketability.

In PNG, many industrial designers face the difficulty of protecting their designs. Example, Papua New Guinean women who weave bilums have had their designs copied onto counterfeit products creating a big concern and raising the red flag on the importance of protecting Industrial designs in the country.

## HOW important is it to protect an Industrial Design?

In order for a design to be protected, the design has to be registered with the PNG Office of Intellectual Property Office. As a general rule, to be registerable, the design must be "new" or "original".

Generally, "new" means that no identical or very similar design is known to have existed before. Once a design is registered, a registration certificate is issued. Following that, the term of protection is generally five years, with possibility of further periods of renewal up to, in most cases, 15 years.

When a design is protected, the owner – the person or entity – that has registered the de-

sign is assured an exclusive right against unauthorized copying or imitation of the design by the third parties. This helps to ensure a fair return on investment. An effective system of protection also benefits consumers and the public at large, by promoting fair competition and honest trade practices, encouraging creativity and promoting more aesthetically attractive product.



# CORVID-19 UPDATE



The situation across the country is generally quiet under the COVID-19 State of Emergency. The current SOE orders ended on June 2.

According to a Statement released by the PNG Joint Agency Task force National Operation Centre 19, the National Parliament is expected to meet a week prior to discuss whether to extend or not. In order to do that Parliament needs scientific evidence to make a decision on the status of the SOE.

Controller of the State of Emergency and Police Commissioner, David Manning said COVID-19 was a new disease and that PNG does not have a clear understanding of how it behaves.

"Whilst we do know that it is in PNG, we have no idea of how it came here. Eight (8) people have been infected and whilst only two (2) required hospitalizations, all have fully recovered".

"We do not know how many people may have been infected or how many have recovered from it. To enable us to make an informed decision the World Health Organisation donated 10,000 GeneXpert cartridges which will assist us to assess to what extent COVID-19 is in PNG. We intend to do 2,000 samples per province with confirmed COVID-19 cases.

"We started the test in Port Moresby and will also focus in areas where the positive COVID-19 cases were identified such as the Eastern Highlands, East New Britain and also in the border provinces".

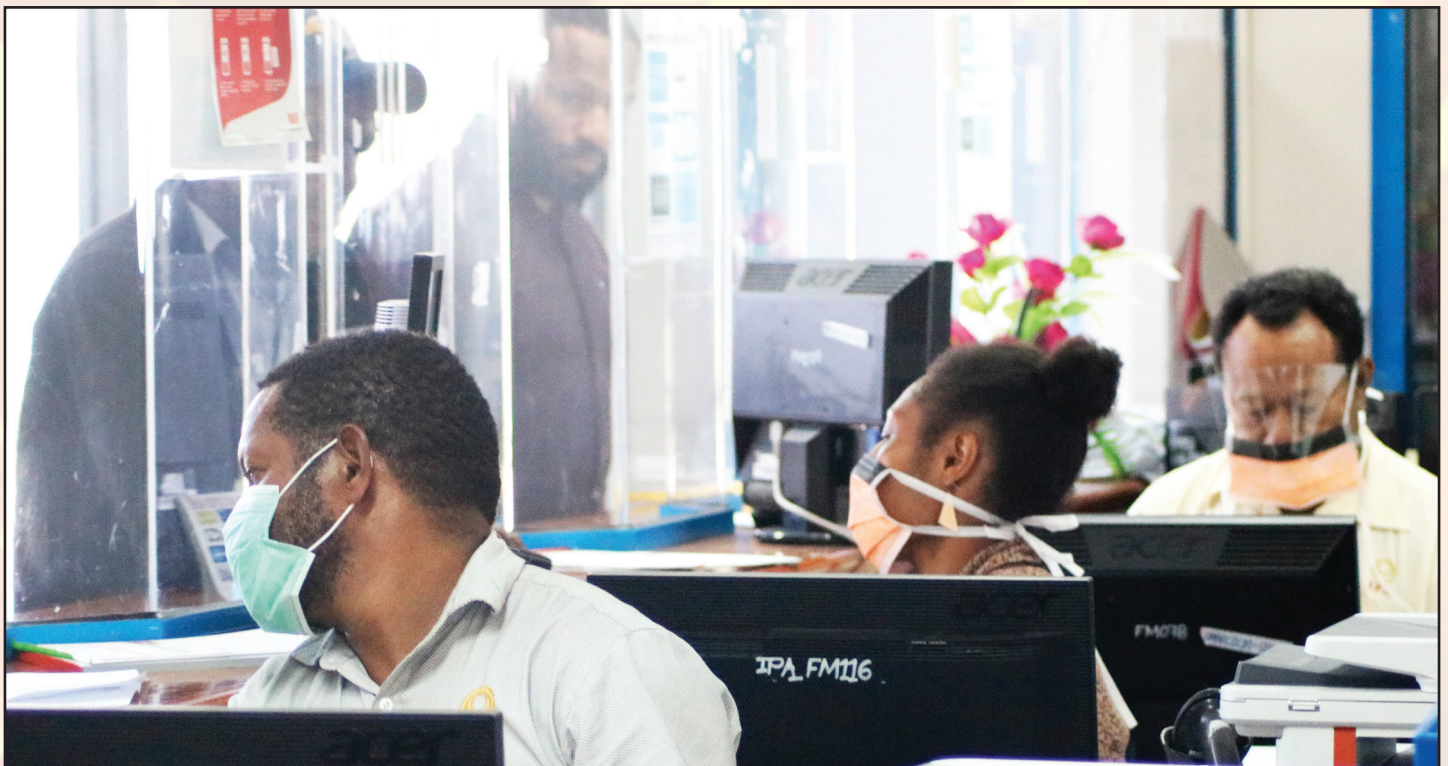
Sampling was conducted along the PNG/Indonesian border from OK Tedi, Tabubil down to Ningerum, Kiunga to Boset last week. Poor weather has made sample collection difficult, however to date 902 samples of the expected 2,000 have been collected.

"I issued National Emergency Order number 35 amending National Emergency Order

number 25, basically allowing the resumption of flights nationwide without the need for my express written approval. However, certain restrictions and health protocols are to be strictly maintained. Flights to resource sector sites still require my written authorization".

"Whilst we slowly continue to relax SOE restrictions I am forced to again remind the people of PNG to continue to follow all health and hygiene protocols, because COVID-19 is here".

"The low infection rate and no deaths in PNG may give us a false sense of security. We are not out of the danger zone yet so I urge all of you to be vigilant. Wash your hands, cough into your elbow, do not touch your face or mouth, maintain social distance and stay home if you do not need to leave your house," said the Controller.



## Coronavirus Precaution Tips



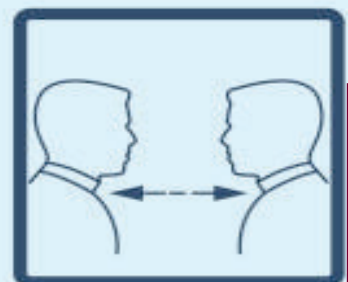
1. Wash your hands frequently



2. Wear a mask



3. Cover your mouth with sleeve or elbow



4. Maintain social distancing

## IPA WAIVES STATUTORY REQUIREMENTS

The Office of the Registrar of Companies wishes to advise all business houses and companies that in response to directives declared in the COVID19 State of Emergency (SOE), the Office has undertaken certain measures to assist companies in their compliance duties by exercising the Powers of the Registrar of Companies. The Acting Registrar of Companies has therefore taken the following measures;

Under *Sections 101 (3) and 179 (2) of the Companies Act 1997* all companies are exempted from strict compliance of Annual General Meetings, Preparation and submission of Annual Returns and Financial Statements requirements until the SOE ends. This now paves way for the following;

- **Waiver of time limitations in holding Annual General Meetings.**
- **Waiver of Penalty Fees for companies with late or outstanding Annual Returns. Companies are expected to pay only the online lodgement fee of K250 per lodgement.**
- **Waiver of penalty fees for late or outstanding financial statements.**

**Note that our front counters will remain closed during the SOE period.**

Further note that we expect all lodgements to be done online ONLY.  
Call the following numbers or email for more information:

Team Leader Companies:

308 4443/[belindak@ipa.gov.pg](mailto:belindak@ipa.gov.pg)

Team Leader Non Companies:

308 449/[kilai@ipa.gov.pg](mailto:kilai@ipa.gov.pg)

Team Leader Customer Services:

308 4495/[maryp@ipa.gov.pg](mailto:maryp@ipa.gov.pg) or [ipaonline@ipa.gov.pg](mailto:ipaonline@ipa.gov.pg)

**HARRIET KOKIVA (Ms)**  
Acting Registrar of Companies

LET'S HEAR IT!



# Stop & Shop

## FRESH Campaign

Stop and Shop supermarket, a subsidiary of City Pharmacy Limited Group is still maintaining its campaign called "Fresh", to promote PNG's locally grown fresh fruits & vegetables and supporting PNG farmers.

According to City Pharmacy's Managing Director, Mahesh Patel in an article, the campaign which was launched in 2010 has been fully utilized over the years.

Stop and Shop was one of the supermarkets that stood out during the lockdown caused by COVID-19 pandemic.

During the COVID 19 pandemic State of Emergency, CPL's move to support farmers was a blessing for farmers during the lockdown period.

Farmers in the rural areas of the country were hit by the measures of the SOE but thanks to CPL, the farmers were able to offload their produce. Mr Patel in several media interviews conducted during the lock down period highlighted that City Pharmacy invited farmers to bring their produce and sell to its subsidiary, Stop and Shop.

"The FRESH campaign is aimed at achieving the following":

1. Promoting PNG's locally grown fruits and vegetables;
2. Supporting PNG farmers;
3. Making fresh vegetables available to all Stop and Shop customers.

City Pharmacy further revealed that due to inconsistency in supplies, the company is forced to import fruits and vegetables which in the end increases the pricing of the products. Mr Patel says the Stop and Shop supermarket has been working on improving and promoting PNG's local agricultural sector by way of buying more local produce and with this, the company has reached a stage where its commitment is now been realized on its shelves.

The company is also chartering an aircraft daily to bring in over 1 tonne of fresh vegetables daily from Mt. Hagen where Fresher locally grown vegetables of very good quality

are now being supplied straight to Stop and Shop.

Vegetables such as carrots, broccoli, cauliflower, lettuces, tomatoes, potatoes, onions, capsicum, cabbages, avocados, peanuts and ripe bananas are now available on the shelves every day because of that.

The company also said that this initiative would aid PNG farmers and also ensure that other intending farmers are encouraged to grow produces given the availability of the market. This will also result in cheaper prices for our consumers and more money spent on our farmers.

Stop and shop buys from farmers in Mt Hagen and other highlands provinces and various parts in and around Port Moresby.

The supermarket has made a commitment to the farmers to buy their produce. All wastages are borne by Stop and Shop and are not passed onto the farmers.

The proponents of the above Company are looking for a potential investor to lease out their land solely for commercial agricultural projects.

**Sector:**

Agriculture

**Location:**

Utsiap, Markham District, Lae, Morobe Province

**Project Size/Investment Value:**

US \$ 2.5 million

**Project Description:**

The project is an agro-based project preferably intended by the proponent to be established as a Commercial Agriculture Project.

The project site is located in the Utsiap area of Markham District, Lae, Morobe Province with more than 29, 000 hectares of arable land available to be developed. The land is mostly savannah grass land and is conducive for multi cropping/farming like; Agriculture (food crop, Vanilla & Spice, Fruits & Nuts Farming etc.), Coffee, Cocoa, Rubber farming, and Beef & Sheep farming. The land is readily available to be leased out for a 49 year lease period to any potential investors.

The land is owned by customary landowners who have registered a Incorporated Land

Group under the name Warawara Incorporated Land Group as a platform to partake in development opportunities.

Infrastructure developments such as electricity, road access, health centre, and water are available but yet to be connected to the project site. Local labor is also readily available for project implementation.

Necessary information and documents such as business plan, company profile as well as the Terms of Reference (ToR) for a possible Expression of Interests (EoI), IPA and IRC certificate's, ILG Certificates and environmental & feasibility study reports concerning the project are available upon request.

Contact	Details
Timothy Amos or Shannelle Ila'ava	Ph: (675) 75325900 (+675) 78126891 (+675) 75918129 or Email: <a href="mailto:tiasunltd@gmail.com">tiasunltd@gmail.com</a>
IPA PNG	<a href="mailto:investment@ipa.gov.pg">investment@ipa.gov.pg</a>



Pictures showing the land that is available to be leased out to potential developers.

**TO AVOID PENALTY FEES- BUSINESS NAME RENEWAL**

**Question:**

When do I incur the penalty fee for Business Names?

**Answer:**

You will incur the penalty fee if you fail to renew your business name on the scheduled month.

When you register a Business Name, it is important to note on your extract the renewal filing month that is issued by the Registrar of Companies. This will help you avoid paying the penalty fee if you miss a year's renewal of K200 for your business name.

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](mailto:click)

[beverlyp@ipa.gov.pg](mailto:beverlyp@ipa.gov.pg)

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

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Fax: (675) 479 2001

Email: [iparabaul@ipa.gov.pg](mailto:iparabaul@ipa.gov.pg)

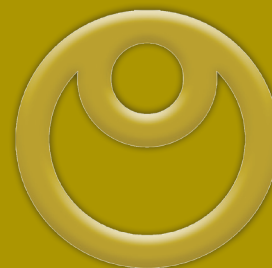
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