

An aerial photograph of a beach with vibrant, multi-colored water transitioning from yellow and orange near the shore to deep blue and green further out. A large white arrow points from the left side of the image towards the right, partially overlapping the text.

PNG Continuing Legal Education

Sarah Kuman, Allens:
Changes in Companies Act and others

5 September 2023

➤ Overview

Summary

Changes to Companies
Act

3 Changes to Investment
Promotion Act

4 Changes to Association
Incorporation Act



Summary of Changes

➤ What has changed?

- > Companies (Amendment) Act 2022
- > Investment Promotion (Amendment) Act 2023
- > Associations Incorporation Act 2023
- > Business Groups Incorporation (Amendment) Act 2022

UPGRADE OF THE ONLINE REGISTRY

Completion of upgrade

RE-REGISTRATION OF ALL COMPANIES

Deadline for re-registration of Companies is **31 December 2023**

ANTI-MONEY LAUNDERING PROVISIONS

- Companies to keep track of beneficial ownership in their internal records
- Registrar to have expanded powers of inspection

CORRESPONDING CHANGES FOR ASSOCIATION AND BUSINESS GROUPS

- Investment Promotion (Amendment) Act 2023
- Association Incorporation Act 2023
- Business Groups Incorporation (Amendment) Act 2022



Changes to Companies Act

➤ Companies (Amendment) Act 2023



Purpose of the Act

- to reform the law relating to companies;
- to combat money-laundering; and
- provide for better internal governance; and
- to facilitate re-registration of companies



Who does the Act apply to?

- All existing companies both incorporated and registered in PNG
- New companies to be incorporated or registered in PNG



New registration

- Online registration
- Companies to keep track of beneficial ownership



Re-registration requirements

- Act commenced on 1 December 2022.
- Applications for re-registration must be filed within 1 year from commencement date
- Re-registration can only be done online
- Requires confirmation of all company details – address, share information, shareholder and director information
- Additional information on shares, to be retained by Company internally



What happens if you miss the boat?

- An existing company that has not applied for re-registration before 1 December 2023, will be removed from the Register
- De-registered companies treated as being removed for having failed to file annual returns

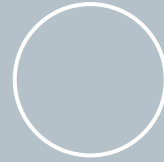
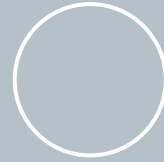
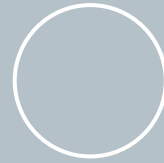
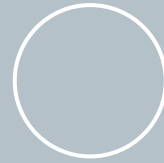


Changes to Investment Promotion Act

➤ Changes for foreign enterprises

> Investment Promotion (Amendment) Act 2023

> Investment Promotion (Amendment) Regulation 2021



FOREIGN INVESTMENT REGISTER AND REGISTRAR

- Establishment of office of Registrar of Foreign Investment and functions and powers
- Establishment of Foreign investment register

RESERVED VS RESTRICTED ACTIVITIES

Activities reserved for citizens vs restricted activities the doing of which are subject to conditions set out in the Regulations

CHANGES TO CERTIFICATION REQUIREMENTS

- Classes of activities
- Time limit on commencement of activities
- New Filing requirement

RE-CERTIFICATION ON RE-REGISTRATION

➤ Investment Promotion Authority (Amendment) Act 2023



Purpose of the Act

- To reform the law relating to foreign investment certification, and to facilitate promotion of micro, small and medium-sized enterprises



New Registrar and Register

- Establishment of office of Registrar of Foreign Investment and functions and powers
- Establishment of Register of Foreign investment
 - Content and inspection
 - rectification



Reserved vs Restricted activities

- Activities reserved for citizens (Section 27)
- Restricted Activities the doing of which are subject to conditions set out in the Regulations (Section 27A)
- Activities that are not reserved or restricted (27B)
- Review of reserved or restricted activities



Additional changes to requirements

- Time limit on validity of certificate
- New Filing requirement – annual status report
- Change in re-certification requirement



When will the amendments come into force?

- This Act was passed by Parliament on 11 January 2023 and certified by the Speaker on 29 May 2023.
- Act not in force yet.
- Will commence operation on the publication of a commencement notice in the National Gazette.



A new Associations Incorporation Act

➤ Associations Incorporation Act 2023



Purpose of the Act

- To repeal and replace the Associations incorporation Act 1966
- To provide for the efficient registration and incorporation of associations in PNG
- To provide for the efficient registration and monitoring of overseas associations in PNG
- To provide for the proper registration and administration of existing incorporation associations in PNG
- To provide for efficient and orderly liquidation of incorporated associations
- Comply with anti-money laundering and counter-terrorism obligations.



Who will the new Act apply to?

- All existing associations.
- New association incorporated in PNG
- Overseas associations that may operate in PNG



New registration requirements

- Expanded new requirements in relation to incorporation or registration and administration of associations
- Distinction between local and overseas associations
- New provisions on management committee and members and processes on the making of resolutions
- New record keeping requirements
- New reporting requirements and disclosure requirements including new financial reporting requirements



Existing associations

- This Act was passed by Parliament on 11 January 2023 and certified by the Speaker on 29 May 2023.
- Act not in force yet.
- Will commence operation on the publication of a commencement notice in the National Gazette.



>Questions

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