



Step-by-Step Guide on **How to Start a Business in Papua New Guinea**

Legal requirements on
establishing and registering
a business and moving your
small business from the
informal to the formal sector.



Center for International
Private Enterprise



PNGWBRC

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Legal Authority to Set Up a New Business

The Investment Promotion Authority (IPA) operates as a semi-government department that acts as a registry and oversees the management of legislation that cover all aspects of doing business in PNG, by citizen and non-citizen enterprises.

The IPA is established by the *Investment Promotion Act*. The IPA administers the *Companies Act* (“the Act”) via the Companies Office of PNG, Registrar of Companies.

Enterprises wishing to start a business in PNG need to satisfy the requirements of the relevant legislation: *Companies Act* and *Investment Promotion Act*.

A new business must be registered with two entities: the Investment Promotion Authority and the Internal Revenue Commission.



Steps to Set Up a Locally Owned Business With the Investment Promotion Authority

Essential requirements to set up a company (Section 11 of the Act)

A company shall have:

- a name;
- one or more shares;
- one or more shareholders, having limited or unlimited liability for the obligations of the company; and
- one or more directors

Method of incorporation (Section 12 of the Act)

Any person may, either alone or together with another person, apply for registration of a company under the Act.

A copy of the Companies Act is available online:

www.paclii.org/

Step 1: Prepare necessary forms

1. **Form 1:** Application to Register a Company
2. **Form 6:** Reservation of a Company Name
3. **Form 2:** Consent of a Director
of a Proposed Company
4. **Form 3:** Consent of a Secretary
of a Proposed Company
5. **Form 4:** Consent of a Shareholder
of a Proposed Company

Forms can be found online: www.ipa.gov.pg/forms-for-download/companies/

Step 2: Complete an application



Form 1: Application to Register a Company (Section 13 (1) of the Act)

The application shall state:

- the number of persons named as directors of the proposed company;
- the number of persons (if any) named as secretaries of the proposed company;
- the postal address of the proposed company;
- the registered office of the proposed company;
- the address for service of the proposed company
- if the proposed company is to have a constitution, must be accompanied by a certified copy of the company's constitution.

Companies Act 1997

Form 1

Section 13(1)(a)

APPLICATION FOR REGISTRATION OF A COMPANY

Note: Information in this form must be either typed or handwritten in block letters.

1. **Name of proposed company.**

2. **Name reservation number.**

Note: This application must be accompanied by a copy of the notice issued by the Registrar confirming reservation of the name in Item 1, or a Form 6 - Application for Reservation of a Company Name.

3. **Address of registered office.**

Note: The suburb, and street name and number, or the allotment and section number or portion number, and the district and province must be stated. If at the premises of a firm or other person, specify the name of such. If in a building state particulars of the location within the building. A village address is not acceptable.

4. **Address for service.**

Note: Section 167(2) of the Act provides that the address for service may be the company's registered office or another place, but it must not be a postal address, and must be readily identifiable and accessible during normal business hours. The suburb, and street name and number, or the allotment and section number or portion number, and the district and province must be stated. A village address is not acceptable.

Where the address for service is not at the registered office, the description must state the address of that place, and -

(a) where the place is at the premises of any firm or other person -

(i) that the address for service of the company is at the premises of that firm or person; and

(ii) particulars of the location in any building of those premises; or

(b) where the place is not at the premises of any firm or other person, but is located in a building occupied by persons other than, or in addition to, the company, state particulars of its location in the building.

5. **Postal address to which communications from the Registrar may be sent.**

6. **Director(s).**

On incorporation the company will have director(s).

Note: Insert the number of persons who have consented to be a director of the proposed company. The consent of each director must be included on a Form 2 and submitted with this application.



7. Secretary(ies).

On incorporation the company will have secretary(ies).

Note: Insert the number of persons who have consented to be a secretary of the proposed company. A company does not have to appoint a secretary. Where no person is to be appointed insert "Nil". Where a secretary(ies) are appointed, the consent of each secretary must be included on a Form 3 and submitted with this application.

8. Shareholder(s).

On incorporation the company will have shareholder(s).

Note: Insert the number of persons who have consented to acquire shares in the company following incorporation. The consent of each shareholder must be included on a Form 4 and submitted with this application.

9. Constitution.

Has the company adopted a constitution YES NO

(Place a cross (x) in the appropriate box.)

Note: A company does not need to adopt a constitution. Where a constitution has been adopted a certified copy must be submitted with this form. A copy document must be certified in accordance with Section 9 of the Companies Regulation.

10. The following documents must be submitted with this form -

- A. A copy of the notice of name reservation or an application for reservation of company name - *(Use Form 6)*;
- B. Where the company has a constitution, a certified copy of the company's constitution;
- C. The consent of each director - *(Use Form 2)*;
- D. The consent of any secretary - *(Use Form 3)*;
- E. The consent of each shareholder - *(Use Form 4)*.

Note: Any copy document must be certified in accordance with Section 9 of the Companies Regulation.

11. Declaration and signature.

I certify that the information in this form is true and correct, and the copy of every document submitted with this form is a true and correct copy of the original document.

Signature of Applicant: _____

Name of Applicant: _____

Proposed Role: _____ Date: _____

Note: This application must be signed by a proposed director or secretary of the proposed company.

Submitted by:..... Address: Telephone:	<u>Office use only.</u> Submitted to the Office of the Registrar on:
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Form 6: Reservation of a Company Name (Section 23 of the Act)

Each enterprise must reserve the proposed company name in writing. An application may be unsuccessful if the name is similar to an existing registered company, as the existing company may take the IPA to court for allowing another enterprise to have a similar name that may lead to business losses. The IPA in considering the application will look at the likelihood that the general public and consumer may confuse the companies based on names.

Note that the reservation of a company name can be registered simultaneously with the application to register a company.

Companies Act 1997								
Form 6								
Section 23(1)								
APPLICATION FOR RESERVATION OF A COMPANY NAME								
<i>Note: Information in this form must be either typed or handwritten in block letters.</i>								
1. Proposed company name. <i>(List choices in order of preference.)</i> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>1. _____</td></tr> <tr><td>2. _____</td></tr> <tr><td>3. _____</td></tr> <tr><td>4. _____</td></tr> </table>	1. _____	2. _____	3. _____	4. _____	2. Name reservation number. <i>(For office use only)</i> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"> </td></tr> </table>			
1. _____								
2. _____								
3. _____								
4. _____								
3. Change of name of existing company. <i>Note: Where this application relates to a proposed change of name of an existing company, state the name and number of that company below.</i>								
Present name of company. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"> </td></tr> </table>								
Company number. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 150px; height: 20px;"> </td></tr> </table>								
4. Declaration and signature. I certify that the information in this form is true and correct.								
Signature of Applicant: _____ Name of Applicant: _____ Role or Proposed Role: _____ Date: _____								
<i>Note: This application must be signed by a director or secretary of an existing company, or by a proposed director or secretary of a proposed company.</i>								
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Submitted by:</td></tr> <tr><td>Address:</td></tr> <tr><td>.....</td></tr> <tr><td>Telephone:</td></tr> </table>	Submitted by:	Address:	Telephone:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="text-align: center;">Office use only.</td></tr> <tr><td>Submitted to the Office of the Registrar on:</td></tr> <tr><td> </td></tr> </table>	Office use only.	Submitted to the Office of the Registrar on:	
Submitted by:								
Address:								
.....								
Telephone:								
Office use only.								
Submitted to the Office of the Registrar on:								



Form 2: Consent of a Director of a Proposed Company (Section 13(b) of the Act)

The form must be signed by every person named as a director, as consent and certification that the person is not disqualified from being appointed or holding office as a director of a company.

Companies Act 1997

Form 2

Sections 13(1)(b) & 236(f)

CONSENT OF DIRECTOR OF PROPOSED COMPANY

Note: Information in this form must be either typed or handwritten in block letters. This form is only to be used in respect of the registration of a company or the amalgamation of companies. It is not to be used for the appointment of a director of an existing company. Use Form 15. Where there is insufficient space on the form to supply the information required, use additional forms or annex a separate sheet in the same format containing the information.

1. Name of proposed company.

Note: Where this form relates to the registration of an amalgamation proposal under Section 236 insert the name of the amalgamated company.

2. Details of director(s). (One section per director.)

Given names		Surname	
Nationality		Date of birth	
Residential address		Postal address	

Declaration and signature - I consent to act as a director of the above proposed company and certify that I am not disqualified from being appointed or holding office as a director of a company.

Signature of Proposed Director: _____ Date: _____

Given names		Surname	
Nationality		Date of birth	
Residential address		Postal address	

Declaration and signature - I consent to act as a director of the above proposed company and certify that I am not disqualified from being appointed or holding office as a director of a company.

Signature of Proposed Director: _____ Date: _____

Note: Each proposed director must sign this form. Initials are not sufficient for the given names of a director. The suburb, and street name and number, or the allotment and section number or portion number, and the district and province must be stated for the residential address of a director. The country of residency must be stated if it is not Papua New Guinea. A director must be a natural person.

Submitted by:..... Address: Telephone:	<u>Office use only.</u> Submitted to the Office of the Registrar on:
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Form 3: Consent of a Secretary of a Proposed Company (Section 13(c) of the Act)

The form must be signed by any person named as a secretary as consent to being the secretary (optional).

Companies Act 1997

Form 3

Sections 13(1)(c) & 236(f)

CONSENT OF SECRETARY OF PROPOSED COMPANY

Note: Information in this form must be either typed or handwritten in block letters. A company does not have to appoint a secretary. This form is only to be used in respect of the registration of a company or the amalgamation of companies. It is not to be used for the appointment of a secretary of an existing company. Use Form 20. Where there is insufficient space on the form to supply the information required, use additional forms or annex a separate sheet in the same format containing the information.

1. Name of proposed company.

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Note: Where this form relates to the registration of an amalgamation proposal under Section 236 insert the name of the amalgamated company.

2. Details of proposed secretary(ies). (One section per secretary.)

Given names		Surname	
Nationality		Date of birth	
Residential address		Postal address	

Declaration and signature - I consent to be the secretary of the above proposed company and certify that I am not disqualified from being appointed or holding office as a secretary of a company.

Signature of Proposed Secretary: _____ Date: _____

Given names		Surname	
Nationality		Date of birth	
Residential address		Postal address	

Declaration and signature - I consent to be the secretary of the above proposed company and certify that I am not disqualified from being appointed or holding office as a secretary of a company.

Signature of Proposed Secretary: _____ Date: _____

Note: Each proposed secretary must sign this form. Initials are not sufficient for the given names of a secretary. The suburb, and street name and number, or the allotment and section number or portion number, and the district and province must be stated for the residential address of a secretary. A secretary must be a natural person ordinarily resident in Papua New Guinea.

Submitted by:.....	<u>Office use only.</u>
Address:	Submitted to the Office of the Registrar on:
.....	
Telephone:	



Form 4: Consent of a Shareholder of a Proposed Company (Section 13(d)(i)(ii) of the Act)

The form must be signed by any person named as a shareholder, or by any agent of that person authorized in writing, as consent to being a shareholder and to taking the class and number of shares in the document. If the document is signed by an agent, the instrument authorising the agent to sign it will need to have a letter of authorisation and appointment provided from the proposed shareholder.

Companies Act 1997

Form 4

Section 13(1)(d)(i)

CONSENT OF SHAREHOLDER OF PROPOSED COMPANY

Note: Information in this form must be either typed or handwritten in block letters. This form is only to be used in respect of the incorporation of a company. Where there is insufficient space to supply the information required, use additional forms or annex a separate sheet in the same format containing the information.

1. **Name of proposed company.**

--

2. **Details of proposed shareholder(s). (One section per shareholder.)**

Given names <i>(natural persons)</i>		Surname or corporate name	
Nationality / country of incorporation		Date of birth <i>(natural persons)</i>	
Residential address / registered office		Postal address	
Class of shares		Number of shares	
Consideration for shares		Price per share	

Declaration and signature - I consent to being a shareholder in the above proposed company and to taking the class and number of shares specified in this form.

Signature of Proposed Shareholder or Authorised Agent: _____ Date: _____

Given names <i>(natural persons)</i>		Surname or corporate name	
Nationality / country of incorporation		Date of birth <i>(natural persons)</i>	
Residential address / registered office		Postal address	
Class of shares		Number of shares	
Consideration for shares		Price per share	

Declaration and signature - I consent to being a shareholder in the above proposed company and to taking the class and number of shares specified in this form.

Signature of Proposed Shareholder or Authorised Agent: _____ Date: _____

Note: Initials are not sufficient for the given names of a shareholder. The suburb, and street name and number, or the allotment and section number or portion number, and the district and province must be stated for the residential address or registered office. The country must also be stated if it is not Papua New Guinea. The consideration for shares must be stated as cash or consideration other than cash. Where the consideration is not cash, details of the consideration must be specified. Where this form is signed by a proposed shareholder's authorised agent, the instrument authorising the agent to sign must be annexed to this form.

Submitted by: Address: Telephone:	<u>Office use only.</u> Submitted to the Office of the Registrar on:
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Step 3: Submit fees & preferred method of payment

There is a five hundred Kina (K500.00) fee per application administered by the Companies Office.

The Companies Office *only* accepts two preferred methods of payment and does not handle or accept cash at its offices.



- Payment by direct bank deposit into its respective bank accounts with all the three major banks. A deposit slip must be retained by the applicant to attach to the application to be shown to registry officers upon submission.
- EFTPOS payment at the Companies Office. All bank cards accepted.

Online payments can be made at www.ipa.gov.pg. Follow the online submission links.

Step 4: Submit application for registration of a company

Completed applications shall be submitted in person at the Companies Office, Ground floor, IPA HAUS, Munidbu Street, Cnr of Laws Road & Champion Parade, Konedobu, Port Moresby, National Capital District.

Online submissions can be made at www.ipa.gov.pg/forms-for-download/companies/.

Step 5: Registration & Certificate of Incorporation (Section 14 & 15 of the Act)

After the registrar receives a properly completed application for registration of a company under section 13, the registrar shall:

- register the application; and
- issue a certificate of incorporation in the prescribed form

Approval time for registration is approximately one week after registration; however, the process can be longer due to backlogs. If needed, applicants can inquire with the respective registry officer that received the application.

Legal Authority to Set Up a Business With Internal Revenue Commission

In PNG, the taxation regime is set out in various legislations including the *Income Tax Act*, the *Goods & Services Tax Act*, the *Stamp Duties Act* and the *Customs Act*. The law is largely administered by the Internal Revenue Commission (IRC) and the PNG Customs Services Commission.

The applicable legislations for set up of business purposes is the *Income Tax Act and Goods & Services Act*.



Steps to Set Up a Locally Owned Business With Internal Revenue Commission

Essential tax requirements for companies

A company is a separate legal entity which exists in its own right and is registered for tax purposes as separate entity from its owner(s).

- Taxpayer Identification Number (Non-Individual)
- Certificate of Compliance

Step 1: Register a Taxpayer Identification Number (TIN) – Non Individual

The IRC requires individuals and businesses to register for a Taxpayer Identification Number if they meet certain requirements. Apply for a TIN by completing and submitting form 1 at any IRC office in PNG. All forms and publications are also available online at irc.gov.pg/tax_form_category/taxpayer-identification/. It can also be scanned and emailed to the IRC to registration@irc.gov.pg.

A successful applicant will be issued a nine (9) digit number which is your company TIN to be used for all tax documentation submitted to the IRC.

Once this step has been completed, the applicant will attend an appointment at IRC to discuss the nature of the business and confirm the taxes payable.

Applicants should receive an IRC information TAX PACK, which includes:

- Goods and Services Tax (GST) return forms — monthly
- Salary & Wages forms — according to pay cycles
- Income tax forms — annual

Step 2: Application for a Certificate of Compliance (COC)

A COC is required to carry on a business in PNG to validate as a legitimate business entity that is compliant with all relevant legislations.

Complete the application form (irc.gov.pg/tax-forms/), noting your TIN at the top right and submit the form at the nearest IRC office in PNG. Provincial IRC offices will remit application to Port Moresby for processing. Successful applicants will receive their COC by mail.

It can also be submitted online by scanning and emailing the completed form and supporting documentation to ComplianceCertificate@irc.gov.pg

The new COC will have a unique serial number and will be stamped and signed by the IRC Officer issuing the certificate. Taxpayers will receive only one copy of the COC from the IRC but may make copies and provide them to debtors/payers if required.

COC will need to be renewed according to the indicated expiration date.



Contact Numbers

Investment Promotion Authority (IPA)

Business Registration & Certification

Address:

Ground floor, IPA HAUS, Munidbu Street, Cnr of
Laws Road & Champion Parade, Konedobu, Port
Moresby, National Capital District

Opening Hours:

Monday–Friday: 9am–4pm; Sat/Sun, closed

PH: (+675) 308 4439/308 4454/308 4444/321 7311

Fax: (+675) 321 3049

Email: register.companies@ipa.gov.pg

Website: www.ipa.gov.pg

Internal Revenue Commission (IRC)

Address:

Revenue Haus, Bogan Gabo Building, Ground
Floor–11th Floor, Champion Parade, Port Moresby,
NCD

Postal Address:

PO Box 777, Port Moresby 121, NCD, PNG

Opening Hours:

Monday–Friday: 9am–4pm; Sat/Sun, closed

PH: (+675) 322 6600

Fax: (+675) 321 7621

Email: ComplianceCertificate@irc.gov.pg

Website: www.irc.gov.pg

Major Banks

Bank of South Pacific (BSP)

Head Office:

BSP Head Office, Cnr Musgrave and Douglas St,
Port Moresby

Postal Address:

PO Box 78, Port Moresby 121, NCD, PNG

Client Service Centre Enquiries:

180 1100 (local)

(+675) 305 7900 (overseas)

Email: clientservicecentre@bsp.com.pg

Website: www.bsp.com.pg

Westpac

Head Office:

Level 1, Burns Philp Haus, Cnr Champion Parade,
Musgrave St, Port Moresby

Postal Address:

PO Box 706, Port Moresby 121, NCD, PNG

PH: (+675) 322 0511

Fax: (+675) 322 0636

Email: westpacpng@westpac.com.au

Website: www.westpac.com.pg

ANZ

Head Office:

ANZ Harbour City, Port Moresby

Address:

PO Box 1152, Port Moresby 121, NCD, PNG

PH: (+675) 321 1079

Fax: (+675) 321 7024

Website: www.anz.com/papuanewguinea/

Frequently Asked Questions

What kind of identification (ID) do I need to start a business?

You need an ID that has your photo and a mailing address, for example a National Identity Card (NID), a drivers license or a passport.

I don't have a house address, so can I use a Post Office box number?

Yes

Can I start more than one business?

Yes

How much does it cost to register a business?

See page number 12.

How long does it take to register a business?

There is no set timeframe as it is dependent on each application.

When do I start paying my taxes?

See page number 15.

Where do I go to register my business?

See page number 13.

Can I register a business online?

Yes. See page number 13 for steps on how to register online.

Do I need a bank account to start or register a business?

No

Can I start a business if I don't live in Port Moresby?

Yes



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