

Summary BO Report

December 2020

Summary

1. BO Data collection
2. Implementation of a BO register in PNG
3. Recommendations

1. BO DATA COLLECTION



Agreed BO/PEP definition for BO reporting

Beneficial owners are always natural persons who ultimately own or control a legal entity.

A “beneficial owner” of a legal entity is the natural person(s) who ultimately control(s) or own(s) the legal entity, whether such ownership or control is direct or indirect.

For the purposes of this Clause, if a natural person directly or indirectly:

- a) owns or controls 5% or more of the shares or voting rights in a legal entity; or
- b) in the case where the natural person is a Politically Exposed Person, that natural person owns a single share or a single voting right or more in a legal entity; or
- c) has the right to appoint, veto the appointment or remove a majority of the board of directors or equivalent body of a legal entity or legally binding arrangement; or
- d) in circumstances where a) - to c) do not apply, has the right to exercise, or actually exercises, significant influence or control over or derives significant economic benefit from a legal entity.
- e) For the avoidance of doubt agents, nominees, trustees and other intermediaries shall not be deemed to be a beneficial owner.
- f) In the case of a joint venture, each entity within the venture should disclose its beneficial owner(s).

Agreed BO/PEP definition for BO reporting

Exceptions

Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange BO filings where they are listed.

If a government or governmental body would, if it were a natural person, be deemed to be a beneficial owner pursuant to clause 1 above, then that government or governmental body shall be a beneficial owner.

Politically Exposed Person

“The term ‘politically exposed person’ means :

- a) A natural person who is or has been entrusted with prominent public functions in a foreign country with prominent public functions, including but not limited to, a Head of State or the head of a government, a senior politician, a senior government official, a senior judicial or a senior military official; or
- b) A natural person who is or has been a senior executive in a foreign country of a state-owned company of that foreign company; or
- c) A natural person who is or has been a senior political party official in a foreign country; or
- d) A natural person who is or has been entrusted with a prominent function by an international organisation, including but not limited to directors, deputy directors and members of the board or equivalent positions; or

Agreed BO/PEP definition for BO reporting

Politically Exposed Person

e) A natural person who or has been entrusted in Papua New Guinea with prominent public functions as listed in Section 26 (Application of Division 2) of the Constitution; or

f) A natural person who is a family member or is known to be a close associate of a person mentioned in paragraphs (a) to (e)”

“For the purpose of clause 3, ‘family members’ definition includes the following:

- *the spouse, or a person considered to be equivalent to a spouse, of a politically exposed person;*
- *the children or grandchildren and their spouses, or persons considered to be equivalent to a spouse, of a politically exposed person;*
- *the parents or grandparents of a politically exposed person, whether such relationship be natural, adoptive or otherwise.*

e) A natural person who or has been entrusted in Papua New Guinea with prominent public functions as listed in Section 26 (Application of Division 2) of the Constitution; or

f) A natural person who is a family member or is known to be a close associate of a person mentioned in paragraphs (a) to (e)”

persons known to be close associates’ means:

- *natural persons who have joint BO of legal entities or legal arrangements, or any other close business relations, with a politically exposed person;*
- *natural persons who have sole BO of a legal entity or legal arrangement, which is known to have been set up for the de facto benefit of a politically exposed person. “*

Agreed BO/PEP definition for BO reporting

Politically Exposed Person

Public functions listed in Section 26 (Application of Division 2) of the Constitution are:

- a. the Prime Minister, the Deputy Prime Minister and the other Ministers; and*
- b. the Leader and Deputy Leader of the Opposition; and*
- c. all other members of the Parliament; and*
- d. members of Provincial Assemblies and Local-level Governments; and*
- e. all constitutional office-holders within the meaning of Section 221(definitions); and*
- f. all heads of Departments of the National Public Service; and*
- g. all heads of or members of the boards or other controlling bodies of statutory authorities; and*
- h. the Commissioner of Police; and*
- i. the Commander of the Defence Force; and*
- j. all ambassadors and other senior diplomatic and consular officials prescribed by an Organic Law or an Act of the Parliament; and*
- k. the public trustee; and*
- l. the personal staff of the Governor-General, the Ministers and the Leader and Deputy Leader of the Opposition; and*
- m. executive officers of registered political parties as defined by Section 128 ("registered political party"); and*
- n. persons holding such public offices as are declared under Subsection (3) to be offices to and in relation to which this Division applies."*

BO data assurance procedure

- BO declaration should be signed-off by an official authorised to represent the company, confirming that all the information reported is "accurate and complete";
- The statement shall indicate the first and last names of the person submitting the declaration, their status in the company, the number of enclosed pages, the date, month and year of submission;
- Documents certifying the ownership right of the legal entity's equity share issued by the relevant competent authority (including foreign country's) should be submitted for high risk companies (if any) and are optional for other companies;
- Legal ownership data submitted is checked with the data available on the IPA company register (publicly accessible free of charge on: <https://www.ipa.gov.pg/>)
- When the information provided is not accurate or incomplete, reporting entities were given the possibility to explain the reasons in the Declaration form
- Detailed Guideline were sent to reporting entities

BO data collected

| Sector | Total number of licence holders | BO declaration submitted |
|----------------------|---------------------------------|--------------------------|
| Mining | 108 | 3 |
| Oil and gas | 32 | 18 |
| State Owned Entities | 5 | - |
| Total | 145 | 21 |

- Of the 145 licences holders, only 21 companies have submitted their BO declarations
- The reporting entities that have submitted a BO declaration represent more than 29% of the extractive revenues collected by PNG.
- When the information is publicly available, the declarations submitted were crosschecked/completed by using the data available on the Registrar of Companies of the IPA (<https://www.ipa.gov.pg/>) and the stock exchange documents. A capture of these documents as well as the access link are presented in annex 3 of the BO report.

Challenges in BO data collection

➤ The key deficiencies in the reported data are:

- lack of information on ultimate beneficial owners ie ownership is not reported back to natural persons;
- failure to provide the link to BO disclosure for publicly listed companies;
- failure to provide legal ownership information even it is available on IPA website;
- failure to provide information on the intermediary legal entities or the ownership chain;
- where individuals were identified, there is a lack of detail enabling confirmation of individuals eg ID numbers, dates of birth and addresses.

➤ Key reasons and challenges :

- several reporting entities did not attend the BO training workshop;
- unfamiliarity with BO concept especially for non-publicly listed companies ;
- complex corporate structures especially where there are multiple layers of ownership involving several jurisdictions and different types of legal entities;
- Unavailability of BO data at the reporting entities level for overseas companies;
- misunderstanding of BO guidelines as most of publicly listed companies have included in their declaration the link to the company website or to the stock exchange website instead of the link to BO disclosure on the stock exchange website.

Reported BOs

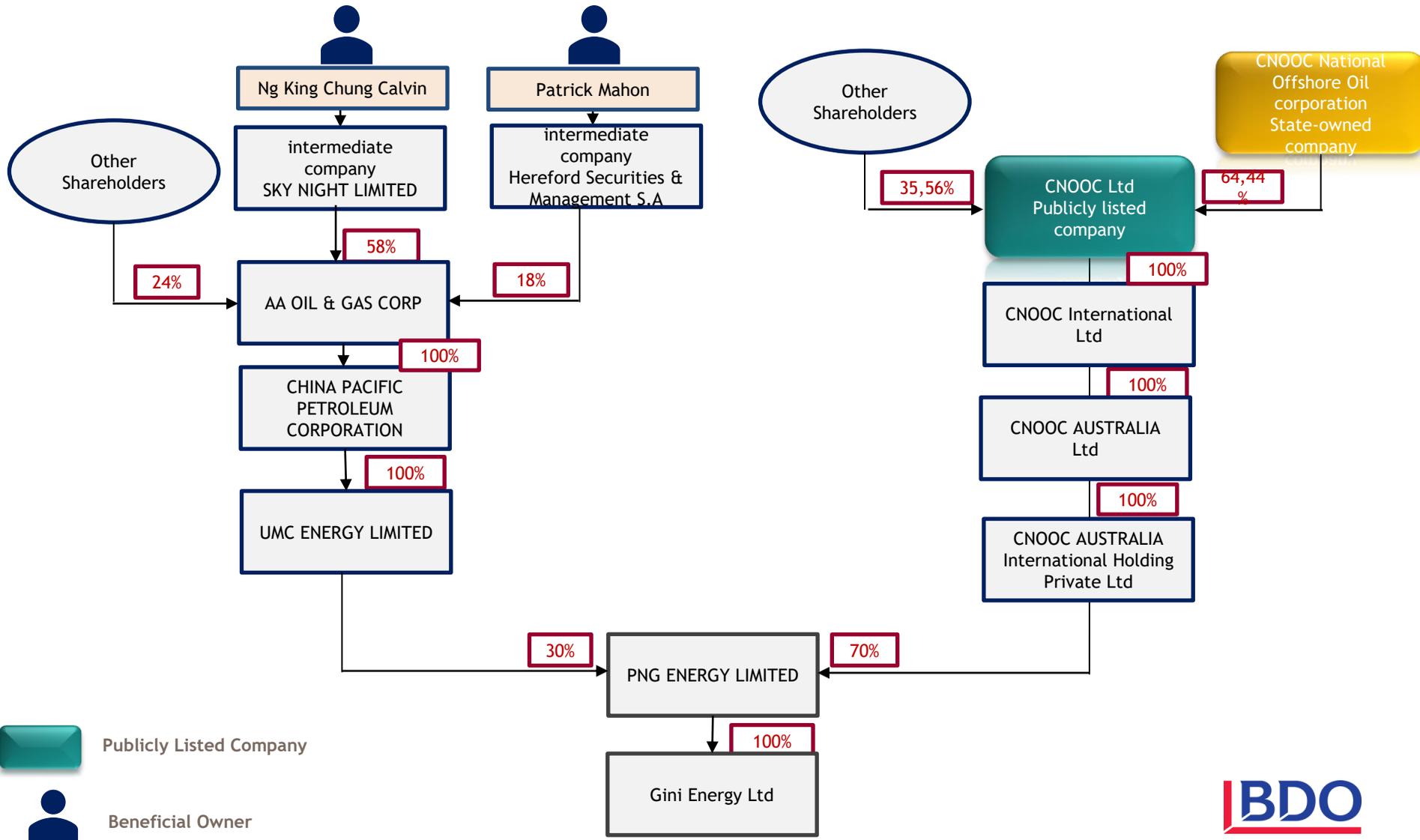
- Of the 21 companies that submitted their declaration, 20 companies are more than 95% owned subsidiaries of publicly listed companies and only 2 companies have declared the existence of Beneficial owners according to the definition agreed by the MSG
- None of the reported BOs was identified as a PEP by the reporting entities.

| Company | Name | Date of Birth | Nationality | Country of Residence | Residential Address | % Share | % Voting Rights | Intermediate Company | Country of Registration |
|------------------|----------------------|---------------|-------------|----------------------|---|---------|-----------------|--|-------------------------|
| Gini Energy Ltd* | Patrick Mahon | 30/03/1940 | IRELAND | SWITZERLAND | CHEMIN de BAFFA 8, 1184 VINZEL | 18% | - | Hereford Securities & Management S.A. | Belize |
| | Ng King Chung Calvin | 09/02/1967 | China | Hong Kong | Westwood, 6 Maize Path, Palm Springs, Yuen Long San Tin, NT | 58% | - | SKY NIGHT LIMITED | British Virgin Islands |
| Anomaly Ltd** | SWS CHAN | NC | NC | NC | NC | 99,6% | - | Crater Gold Mining Limited/Freefire Technology Ltd | Australia |

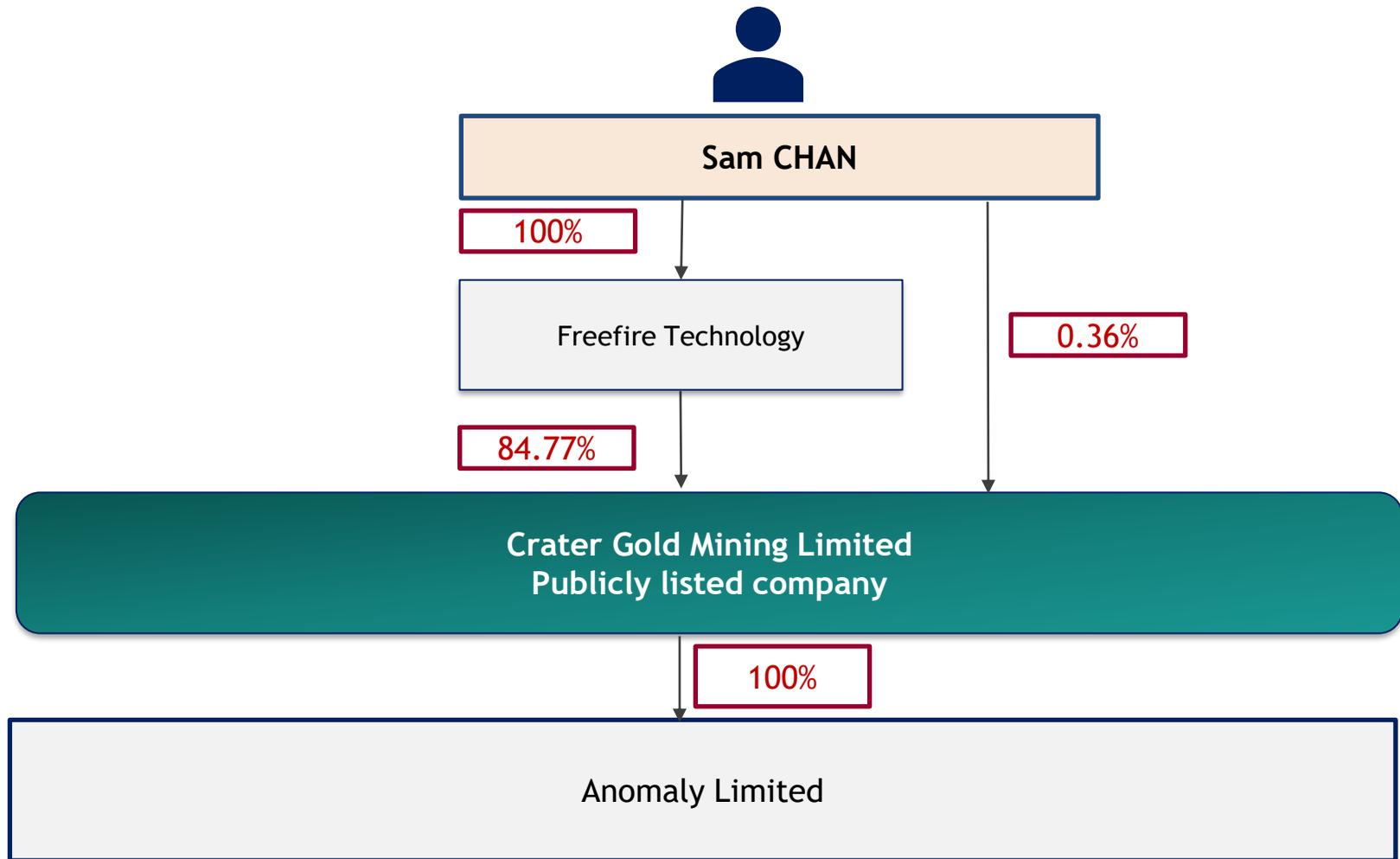
(*) BO declaration (**) Sources : Annual report for shareholders : <https://www2.asx.com.au/markets/trade-our-cash-market/announcements>



Company ownership map :



Companies Ownership map



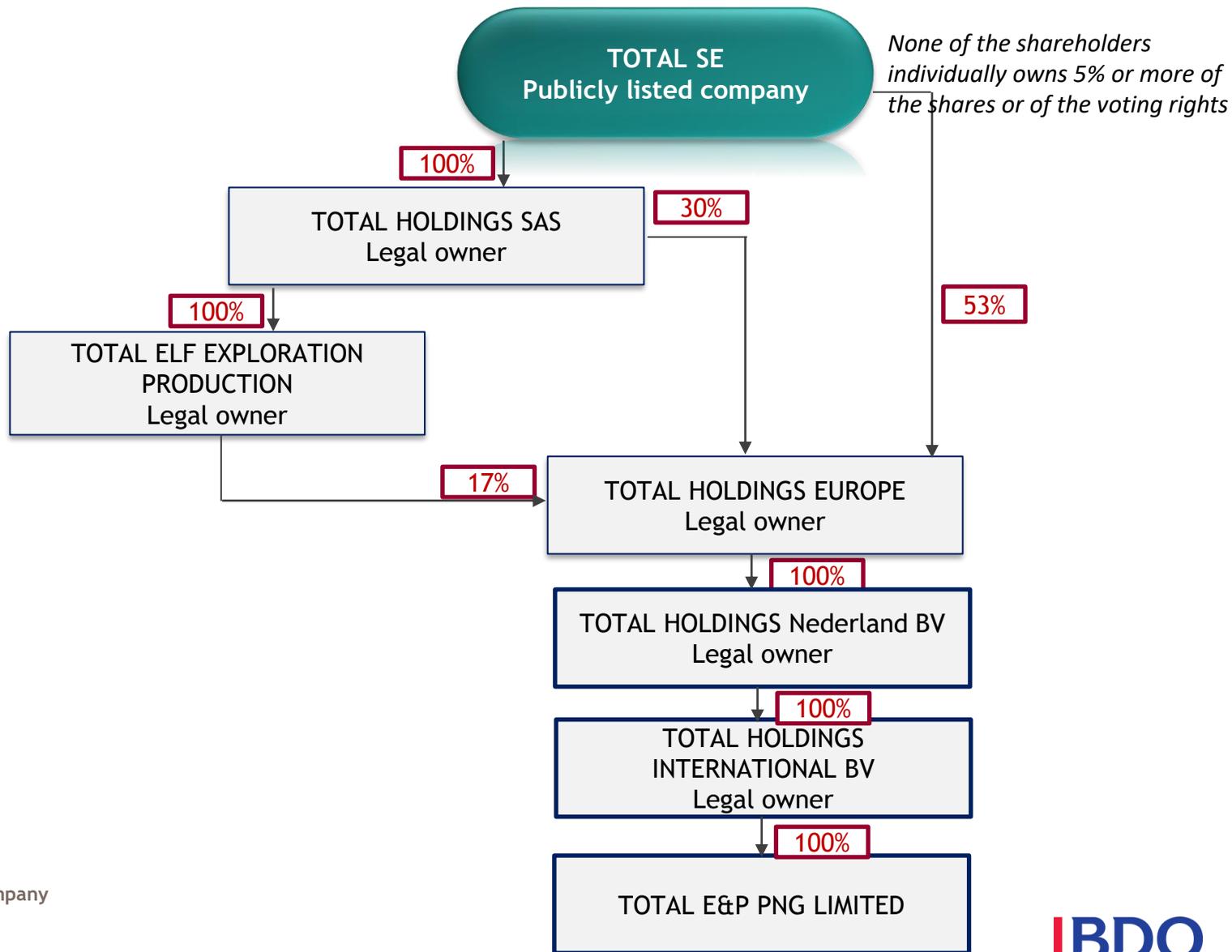
Publicly Listed Company



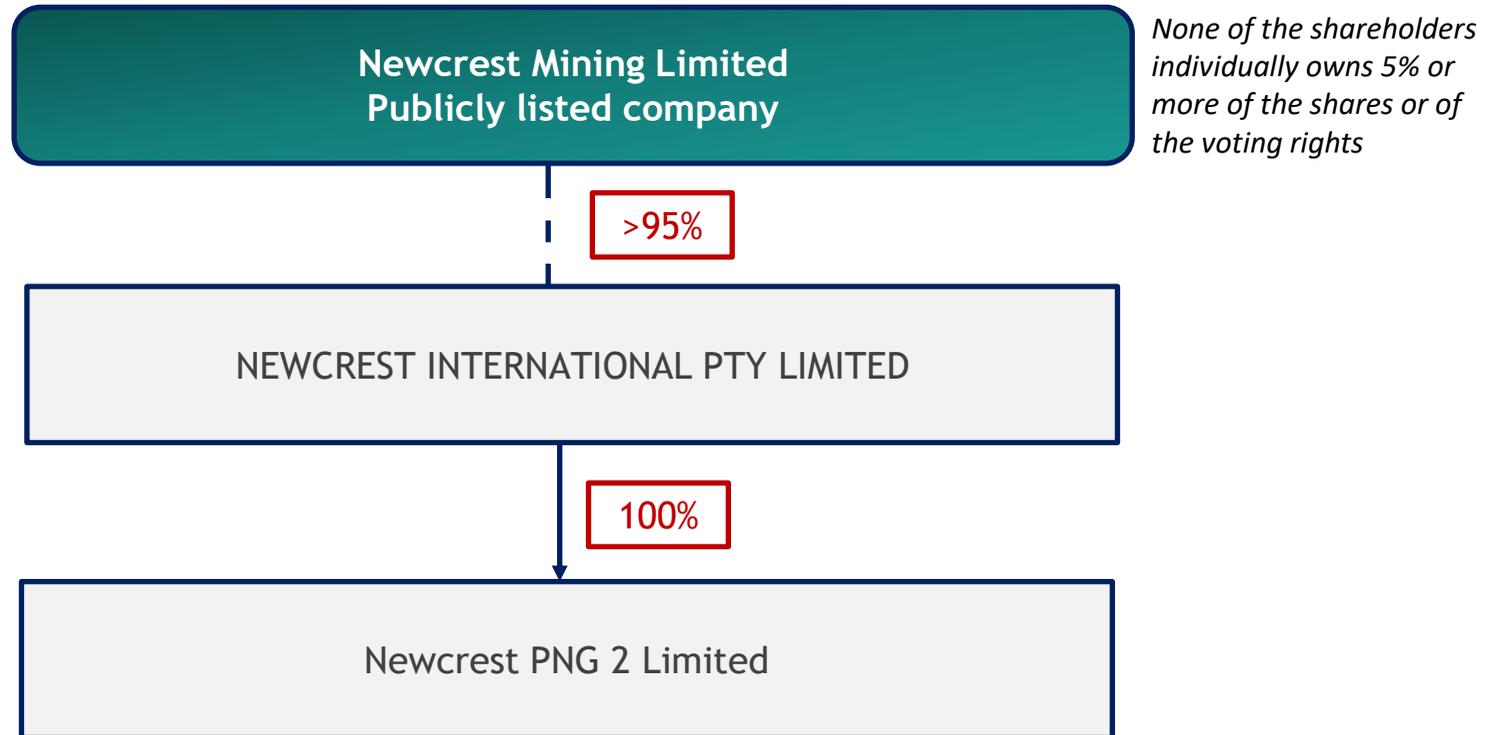
Beneficial Owner



Companies Ownership map



Companies Ownership map



Publicly Listed Company



Companies Ownership map



None of the shareholders individually owns 5% or more of the shares or of the voting rights



Publicly Listed Company



Companies Ownership map

Exxon Mobil Corporation
Publicly listed company

*None of the shareholders
individually owns 5% or more of
the shares or of the voting rights*

>95%

- ExxonMobil PNG Ltd
- Ampolex (PNG) Ltd
- Ampolex Highlands Ltd
- Ampolex (PNG Petroleum) INC
- Esso Highlands Ltd
- Esso PNG Juha Ltd
- Esso PNG Moran Ltd
- ExxonMobil PNG Antelope Limited
- Merlin Pacific Oil Co. NL
- SPI (210) Limited
- SPI (220) Limited
- Esso PNG P'nyang Limited



Publicly Listed Company

Companies Ownership map



None of the shareholders individually owns 5% or more of the shares or of the voting rights



Publicly Listed Company



Companies Ownership map



None of the shareholders individually owns 5% or more of the shares or of the voting rights



Publicly Listed Company



Companies Ownership map



None of the shareholders individually owns 5% or more of the shares or of the voting rights



Publicly Listed Company



2. Implementation of BO register in PNG

PNG Policy for the Introduction of a Mandatory BO Disclosure Regime

- The current PNG legislative regulations on the BO disclosure are incomplete and do not entirely meet the conditions set forth in Requirement 2.5 of the EITI Standard.
- PNGEITI-MSG had agreed that the PNG Investment Promotion Authority (PNGIPA)'s Registrar of Companies would be the appropriate government agency to maintain a BO register or a license register
- Key elements of relevant PNG legislation and government declarations demonstrating commitment for BO transparency include:
 - the “National Action Plan on Promotion of Open Governance in August 2018- August 2020”;
 - the EITI-PNG Work plan (2019);
 - PNG Roadmap for BO disclosure;
 - Anti-Money Laundering and Counter Terrorist Financing Act 2015 (No. 20 of 2015); and
 - The National Policy for Transparency and Accountability in the Extractives Sector in Papua New Guinea; and
 - Principles and Prudential Requirements (Bank of PNG);

Mechanism for a BO Disclosure Regime in PNG

A common theme that emerges from the review of BO data collected through EITI-PNG and the comparator countries is:

- the difficulty in the collection and verification of BO information without a legal framework;
- international good practice in the mechanisms for implementing and administering a BO register is still evolving. There are few operating registers worldwide including in UK, which present an example of international good practice in many aspects of its BO register.
- efficient BO disclosure regime encompasses a clear definition set out in law, a public access to BO registers and a general application to all corporate entities regardless of the industry.

Mechanism for a BO Disclosure Regime in PNG

The elements required for the mechanisms to implement and administer a mandatory BO disclosure regime are:

- the architecture of the BO register;
- the data collection framework;
- verification processes;
- publication mechanisms;
- sanction system; and
- the legislative process.

Mechanism for a BO Disclosure Regime in PNG

Architecture of the BO register

- The Investment Promotion Authority through the Register of Companies office maintains a national registry of all companies, associations, business groups and business names in Papua New Guinea.
- The company register is maintained in paper and electronic formats and includes the relevant information on companies
- The PNG register of company is accessible online and free of charge.
 - PNG has an existing, sophisticated legal entity register. BDO considers that the national company register forms a suitable basis for the proposed BO register, as it already has the architecture and requisite governance regimes.

Mechanism for a BO Disclosure Regime in PNG

Data collection framework

- An effective BO register should be leading to combat offshore profit shifting and avoidance through complex structures, intragroup and related party transactions, to enforce the conflict of interest provisions and support authorities' efforts to identify and address undisclosed conflicts of interest
- The interoperability of the BO register should be considered in the data collection framework for the following benefits:
 - Allowing the sharing of information between tax authorities and law enforcement agencies in an efficient manner. BO information may be shared either domestically between different government agencies, or internationally under agreements to share information (on an automatic or on a request basis). Clearly, there is a practical advantage if that information is provided in a consistent format. This is particularly important where information is being shared across language barriers;
 - Helping the identification of potential red flags by comparing automatically and systematically information reported through a variety of domestic registers or national BO registers of other countries;
 - Allowing more stakeholders accessing its data. Stakeholders are likely to be accessing data from other countries' registers and comparing publicly available BO information across multiple local and foreign sources.

Mechanism for a BO Disclosure Regime in PNG

Data collection framework

- In designing templates and data storage elements for the BO register, PNG may consider utilising the Beneficial Ownership Data Standard (BODS).
- Although the BO template used for data collection gives a good example of the key elements required in collecting data, a new template/structure would need to be designed specifically for PNG, taking into account the decisions made on the recommended definition and disclosure mechanisms for BO data, including any decisions about the use of the BO register.

Mechanism for a BO Disclosure Regime in PNG

Data Verification : Challenges

- Unfamiliarity with BO concept especially for smaller companies;
- Complex corporate structures especially where there are multiple layers of ownership involving several jurisdictions and different types of legal entities and/or legally binding arrangements;
- Multiple documentary sources of BO data; and
- Continuous verification since BO information is likely to change continuously over time

Mechanism for a BO Disclosure Regime in PNG

Data Verification : *Layers of verification*

| Layers of data verification | Detail of verification activities |
|-----------------------------|--|
| Data submission | <ul style="list-style-type: none">➤ Measures to ensure accurate data entry: foreign names, full name of the legal owners➤ Verifying the identity and submitting authority of the submitter including:<ul style="list-style-type: none">• Confirmation of identity and right to make submissions;• confirmation that the person submitting BO details is both able and authorised to provide accurate and reliable information. |

Mechanism for a BO Disclosure Regime in PNG

Data Verification : *Layers of verification*

| Layers of data verification | Detail of verification activities |
|-----------------------------|--|
| Oversight of BO register | <ul style="list-style-type: none"> ➤ Screening of information against other sources of information, such as PEP register or BO register of other countries |
| | <ul style="list-style-type: none"> ➤ Providing annual confirmation of the BO data held |
| | <ul style="list-style-type: none"> ➤ Obligation to notify changes: To ensure the integrity of the BO register at any point in time, qualifying legal entities should be obliged to report any changes to their BO information within a short time period. The IPA Register currently has a reporting deadline of 14 days of the date of change. |
| | <ul style="list-style-type: none"> ➤ Obligation to maintain a record This obligation is found in BO disclosure systems in several comparator countries. The obligation typically includes a requirement to make information available on request from law enforcement agencies. |

Mechanism for a BO Disclosure Regime in PNG

Data Verification : *Layers of verification*

| Layers of data verification | Detail of verification activities |
|-----------------------------|--|
| Enforcement | <ul style="list-style-type: none">➤ Enforcement of reporting obligations- Disclosure of defaulting companies list- Sending reminders to companies that miss submission deadlines- Investigation and prosecution for serious noncompliance- Create awareness amongst companies of the potential penalties for noncompliance- Linking the provision of BO information to other commercial processes, such as the granting/renewing of licenses, permits, loans and other approvals. |
| | <ul style="list-style-type: none">➤ Identifying red flags <p>The BO register's administrator should develop institutional criteria and skills to help identify and investigate red flags. Criteria that could raise red flags may include:</p> <ul style="list-style-type: none">- appearance on sanctions lists- complex ownership structures- persistent delay or failure to provide accurate or complete data- clear discrepancies with other publicly available data |

Mechanism for a BO Disclosure Regime in PNG

Data Verification : *Layers of verification*

| Layers of data verification | Detail of verification activities |
|-----------------------------|--|
| Enforcement | <ul style="list-style-type: none"> ➤ Spot checks The BO register’s administrator should develop a set of institutional criteria and skills to conduct spot checks (e.g., to help identify a representative sample of submissions for spot checks). Such checks are different from those for red flags as the information submitted may not at first glance contain any errors or unusual features. ➤ Obligation to report unusual activity The BO legal framework may include professional obligation on specific categories of registry users (e.g., law and accounting firms, financial institutions and advisors, etc.) to report instances where the user becomes aware of any discrepancies in the information held in the BO register. |
| Public scrutiny | <p>This layer is provided by CSOs, media, citizens and companies. It includes identifying discrepancies in the normal course of retrieving the publicly available information from the BO register for their own data analyses and investigations.</p> |

Mechanism for a BO Disclosure Regime in PNG

Publication mechanisms

- The EITI Standard calls for a public register.
- In all comparator countries considered, the BO register is publicly available with safeguards to protect privacy and avoid security threats.
- The advantages of public access to BO information are improving the overall transparency of the business environment
- Public access forms a vital element in BO data verification
- The Constitution recognises the right of personal security, which is taken to include the right of personal data secrecy.
- The protection of personal data challenge can be addressed through withholding specific data fields (e.g., a private individual's residential address) from public access. Such information should still be collected for verification purposes and use by relevant authorities such as law enforcement.

Mechanism for a BO Disclosure Regime in PNG

Publication mechanisms

- The EITI Standard calls for a public register.
- In all comparator countries considered, the BO register is publicly available with safeguards to protect privacy and avoid security threats.
- The advantages of public access to BO information are improving the overall transparency of the business environment
- Public access forms a vital element in BO data verification
- The Constitution recognises the right of personal security, which is taken to include the right of personal data secrecy.
- The protection of personal data challenge can be addressed through withholding specific data fields (e.g., a private individual's residential address) from public access. Such information should still be collected for verification purposes and use by relevant authorities such as law enforcement.

Mechanism for a BO Disclosure Regime in PNG

Sanction system

- PNG may consider the extension of the existing penalty regime under the Investment Promotion Act.
- These fines will alert companies to the risks of potentially being subjected to an investigation.
- In addition to these existing penalties that may apply in case of failure to comply with the mandatory BO disclosure regime, PNG may also consider introducing further penalty options such as:
 - Disqualification from public procurement processes and termination of licenses and permits; and
 - Invalidation of any Contract(s) already awarded.

Mechanism for a BO Disclosure Regime in PNG

Legislative process

- The use of the existing Companies Register would reflect the largely successful approach adopted by the UK, Zambia and Senegal.
- The existing register includes a clear legislative basis, a clear legal obligation (and related penalty regime) to provide and update the required information, dedicated and experienced supervisory authorities, public access and the use of electronic tools. The main weakness is a limited ability to monitor and identify incorrect or concealed information at an early stage.
- We recommend that the BO register should be maintained by the Registrar of Companies (ROC) office. On that basis, we further recommend that:
 - the existing architecture and framework of the Companies Register is applied to the registration of BO data;
 - The ROC should be responsible for maintenance of the BO data;

Mechanism for a BO Disclosure Regime in PNG

Legislative process

We recommend that the BO register should be maintained by the Registrar of Companies (ROC) office. On that basis, we further recommend that:

- the same processes and time limits for registration and updating of information apply as for corporate information;
- the existing penalty regime under the Investment Promotion Authority Act apply for failure to register the required BO details.
- the Investment Promotion Authority Act and the Companies Act should be amended to:
 - include the list of information and documents that must be registered for the requirements of the BO disclosure regime;
 - add all BO specific data and disclosure requirements into the existing registry; and
 - add BO related penalty provisions.

Mechanism for a BO Disclosure Regime in PNG

Legislative process

We recommend that the BO register should be maintained by the Registrar of Companies (ROC) office. On that basis, we further recommend that:

- the National Procurement Act 2018 add BO should be amended to include obligation and provisions on disqualification from public procurement proceedings in case of failure to disclose BO;
- the MRA Act 2018, Mining Act 1992 (MA), Oil and Gas Act 1998 (OGA) and Unconventional Hydrocarbons Act 2015 should be amended to add explicit references to BO legislation and BO disclosure obligation for licences/contact holders and applicants;
- BO information is made freely available to the public as per legal ownership information;

Mechanism for a BO Disclosure Regime in PNG

Legislative process

We recommend that the BO register should be maintained by the Registrar of Companies (ROC) office. On that basis, we further recommend that:

- the development of the BO register should consider enabling factors for future interoperability;
- specific BO template and guidelines are adopted and EITI list should be the minimum set of data to be collected for each beneficial owner; and
- a robust verification process is implemented as an integral part of the BO register implementation and administration.

Mechanism for a BO Disclosure Regime in PNG

Key elements of BO disclosure system

The key elements of BO disclosure are that:

- a BO can be an individual natural person, a government entity or a company wholly listed on a recognised stock exchange;
- a BO can exercise ownership either directly or indirectly through a series of corporate entities;
- BO covers ownership, economic interest, and control i.e. a person who may not own any shares in a company but may have voting or other rights that allow that person to exercise control such as appointing or removing the majority of directors;
- the information to be disclosed about individuals includes name, date of birth, nationality, contact address, how BO is exercised and level of ownership or control;
- exemptions exist for specific types of companies, typically listed companies and wholly government owned entities;
- a threshold is established for requiring the reporting of individual; and
- there are specific provisions for PEPs.

Mechanism for a BO Disclosure Regime in PNG

Key elements of Mechanisms of disclosure

International good practice encompasses:

- BO clearly defined in law including keyways in which ownership or control is exerted;
- BO disclosures should be collated and held within a central register.
- BO information being available towards public registers;
- Data being published in structured formats compliant with the BO Data Standard;
- The published data should indicate where information is missing, and the reason for this;
- Where there is legitimate reason to withhold information from publication, for example due to personal safety concerns, exemptions should be clearly defined and limited in scope;
- A general application to all legal entities in all economic activities;
- Full BO chain from target company to BO being captured including the companies in between;

Mechanism for a BO Disclosure Regime in PNG

Key elements of Mechanisms of disclosure

International good practice encompasses:

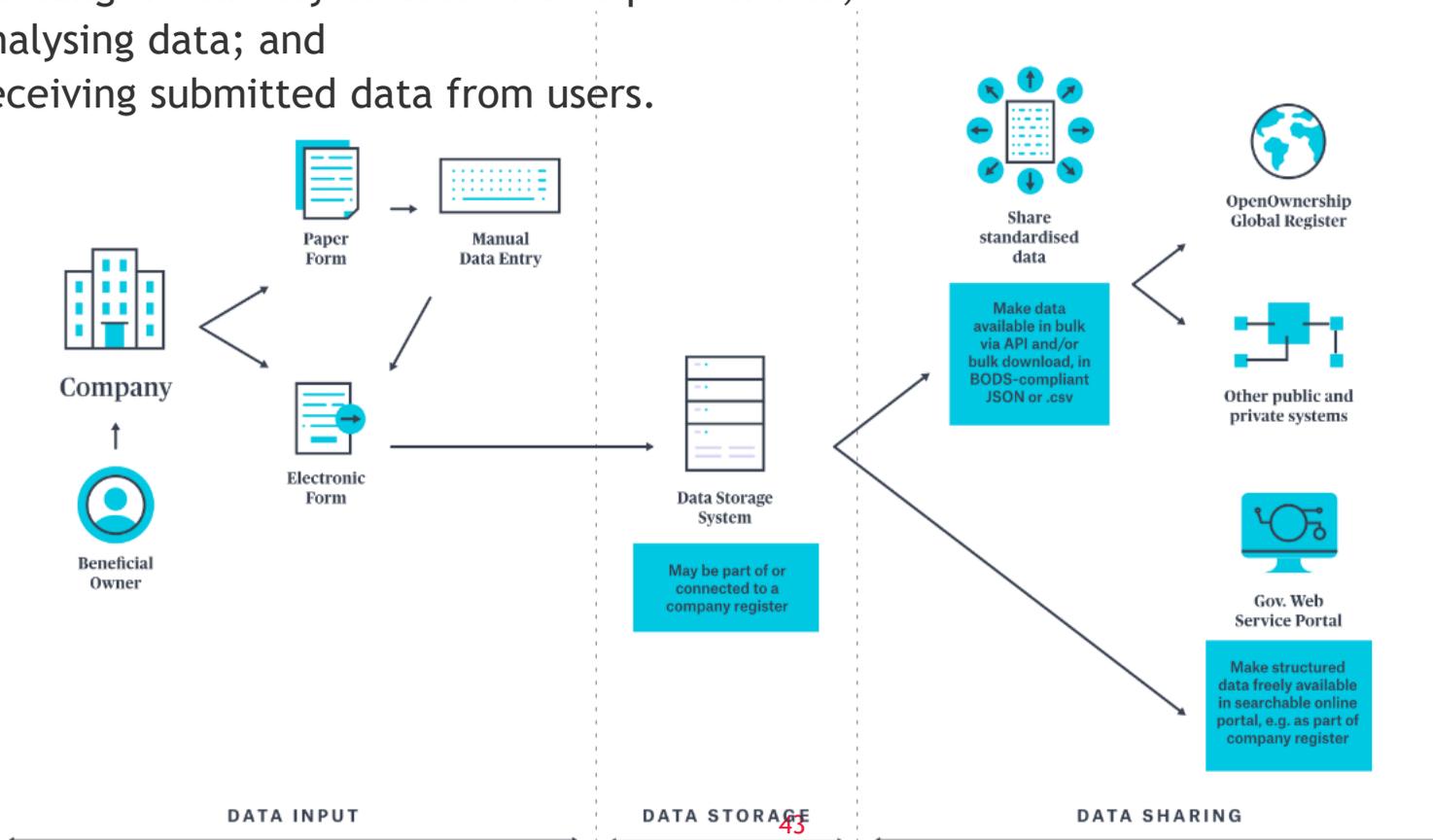
- Users must be provided with enough information (company number, country of registration, etc) to allow them match with other datasets;
- For entities without BOs, or which are exempt from the requirements (e.g. publicly listed companies), identifying information about the entity should be recorded and published, including company name and Legal Entity Identifier (LEI) where available, or a stock ticker or International Securities Identification Number (ISIN);
- Showing when company statements were made to allow users to judge whether they trust the information;
- Companies should be required to update their BO information within a short, defined time period after their BO changes. In addition, mandating an annual confirmation of BO information will help keep the register up to date;
- A process should be put in place to identify company information that is suspected to be out-of-date, and action taken to resolve this.

Mechanism for a BO Disclosure Regime in PNG

Key elements of Mechanisms of disclosure

Effective BO register data should enable :

- Reconciling data across systems;
- Merging and de-duping records;
- Tracking the history of data and its provenance;
- Analysing data; and
- Receiving submitted data from users.





3. Recommendations

BO/PPE Definitions

- The definition proposed in the scoping report and agreed by PNG-MSG for BO data collection includes the criteria for identifying the BO including level of ownership or control through voting rights or other measures. The agreed threshold of 5% for disclosing BO is a key part of the definition and it is towards the low-end of the recommended EITI range. The systematic disclosure of PEPs irrespective of the level of control or ownership was also considered for a more effective BO disclosure regime.
- It is recommended to initiate discussion with the Investment Promotion Authority (IPA), the Financial, Analysis and Supervision Unit (FASU) at the Bank of PNG and the [Mineral Resources Authority](#) (MRA) to consider this definition for any BO legal framework reform.

BO data collection template

- For the purposes of BO data collection, a new template and guidelines were proposed and adopted by PNG- MSG. The proposed amendments to the reporting template include a clear statement of who is responsible for signing the form to certify accuracy and completeness of data provided, sufficient space to include all relevant information as required by the EITI Standard, especially on politically exposed persons and ownership chain.
- Although the expectation is that PNG will implement the collection of BO data through IPA online system used for the existing company register, the first step to achieving this goal will be to initially develop a template for reporting, which can then be built into the register. The BO data collection template approved by PNG-MSG may be considered for the online declaration system, taking into account the decisions made on the recommended definition and disclosure mechanisms.

Scope and disclosure mechanisms

- Collection of BO information can be achieved using a range of tools, from Excel templates and questionnaires to fully integrated web portals and bespoke databases.
- The scale of the solution should match the scale of the information being collected and to facilitate making the information publicly available.
- However, collection will only be successful where it is backed by a statutory obligation.

Implementation of a BO register

- PNG has an opportunity to implement a mandatory BO regime at a time when there is substantial institutional guidance and there are suitable examples of emerging international good practices.
- Common challenges that emerge from review of BO data collected through EITI-PNG are the difficulty in the collection and verification of BO information without a legal framework and the efficiency of a BO disclosure regime encompasses a clear definition set out in law, a public access to BO registers and a general application to all corporate entities regardless of the industry.
- The elements required for the mechanisms to implement and administer a BO disclosure regime are (i) the architecture of the BO register; (ii) the data collection framework, (iii) publication mechanisms, (iv) sanction system, and (vi) the legislative process.
- It is recommended to initiate discussion with the Investment Promotion Authority (IPA), the Financial, Analysis and Supervision Unit (FASU) at the Bank of PNG and the Mineral Resources Authority (MRA) to implement a comprehensive BO legal framework in PNG, taking into account the recommendations included in this report.

Action plan

| Actions | Stakeholders |
|--|------------------|
| <p>1. Compliance with Requirement 2.5</p> <ul style="list-style-type: none">➤ Consultations with DPE and MRA in order to publish a letter inviting extractive companies to submit their BO declarations including:<ul style="list-style-type: none">• both licences holders and licences applicants as recipient; and• the link to the electronic version of BO declaration form and reporting guidelines.➤ Updating the BO register developed as new declarations are received. | EITI-PNG/MRA/DPE |
| <p>2. BO Legal framework</p> <ul style="list-style-type: none">➤ Consultations with stakeholders and development of a legislative package that establishes the framework necessary to meaningfully advance on beneficial ownership transparency and implement an open register of beneficial owners.➤ This legislative package will be based on a comprehensive analysis of international experiences on issues such as the Beneficial Ownership Data Standard, the definition of beneficial owners, verification mechanisms, and the range of required documentation as recommend in sections above . | EITI/IPA/MRA/DPE |

Action plan

1. Actions

Stakeholders

3. Awareness and training

EITI/MRA/DPE/IPA

- Initiate discussions with Mineral Resources Authority (MRA) and the Department of Petroleum and Energy to ensure beneficial ownership information is collected from licence applicants in addition to licence holders
- Design and implement a sustained campaign to explain the concept of beneficial ownership to companies, encompassing an explanation of the drivers behind including it in the EITI Standard, the extent and nature of the information to be reported and the advantages to be gained from full compliance

Extractive
compagnies

4. Development of a database

- Development of a BO database using the Beneficial Ownership Data Standard of with the IPA which will be responsible of the technical implementation. The database will be open and freely accessible to the public and ensure adequate use and search capabilities as per for legal ownership data.
- Piloting the register by entering data of ultimate beneficial owners of companies. This includes collecting, verifying, publishing, and resolving system problems which are encountered during the pilot.
- Launch of an open and public register of ultimate beneficial owners and parallel launch of a public awareness campaign.

EITI/IPA



BDO Tunisia Consulting

KARIM LOURIMI
k.lourimi@bdo.tn

Tél +216 71 754 903
Fax +216 71 753 153

Immeuble Ennour 3ème étage
Centre Urbain Nord
1082 Tunis - TUNISIA
bdo.consulting@bdo.tn
www.bdo.tn

BDO PNG

MARY JANE S. VALLES
jane.valles@bdo.com.pg

Tel: +675 3210110
Fax: +675 3210112

P.O. Box 569
Port Moresby 121
National Capital District
Papua New Guinea
port.moresby@bdo.com.pg