



**Bank of Papua New Guinea**

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**BANKING PRUDENTIAL STANDARD BPS310: CORPORATE  
GOVERNANCE – FIT AND PROPER REQUIREMENTS**

Issued pursuant to Sections 13, 20, 27 and 29 of the *Banks and Financial Institutions Act* 2000

Replaces Prudential Standard 8/2005

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## **OVERVIEW**

Ultimately, the success and financial soundness of a financial institution relies on the expertise, experience, judgement, diligence and integrity of the Board of Directors (the Board), senior management and controlling owners/shareholders. The importance of banks and other financial institutions in an economy and the well-being of its citizens mean that regulators take a special interest in the fitness and probity of all directors and those individuals in key governance, management and oversight positions.

Notwithstanding this interest, it is the Board which is responsible for ensuring that those persons charged with management and oversight of an Authorised Institution (AI) have appropriate skills, experience and knowledge, and act with honesty and integrity. To this end, each AI must develop policies and procedures to ensure that it only appoints suitably qualified candidates and manage the risk that applicants for positions of responsibility might not be fit and proper, or that their fitness or propriety may be called into question after their appointment.

Individual directors must also upgrade their skills, knowledge and competencies on an ongoing basis to meet the challenges of dealing with new and complex risks as well as changing practices in risk recognition and management. To support the requirements under BPS300 Corporate Governance on Board renewal and term limits, directors of AIs will be required to undertake professional development training as part of meeting ongoing fit and proper requirements for directors and to have their performance as a director reviewed on a regular basis (refer Attachment A).

## **Part I: PRELIMINARY**

### **1. Short Title**

BPS310: Fit and Proper Requirements

### **2. Authorisation**

The Bank of Papua New Guinea (BPNG) is authorized to issue prudential standards under Section 27 of the *Banks and Financial Institutions Act* (BFIA) 2000 in relation to prudential matters to be complied with by all AIs.

### **3. Application**

- a) This prudential standard applies to banks and other licensed financial institutions authorized under the BFIA 2000, collectively referred to as Authorised Institutions (AIs) for the purpose of this prudential standard.
- b) This prudential standard also applies to AIs that have a common Board for the parent and the subsidiary.
- c) This prudential standard also applies to every person who is, or intends to become, a shareholder controller or an indirect shareholder controller of an AI or proposes to increase a current stake beyond the maximum specified by BPNG<sup>1</sup>.
- d) This prudential standard forms part of the series dealing with Corporate Governance and must be read in conjunction with:
  - i) BPS300: Corporate Governance; and
  - ii) BPS320: Compliance Function Requirements.

### **4. Definitions**

- a) For the purposes of this prudential standard, a responsible person is:
  - i) A Board member, Chief Executive Officer (CEO) or General Manager (GM);
  - ii) A senior manager of the AI, being a manager that reports to Board Committees, directly reports to the CEO or GM, or an employee of the AI who:
    - (a) exercises managerial functions; or
    - (b) is responsible for maintaining the accounts or other records of the AI; or
    - (c) is responsible for any business which is material to the AI<sup>2</sup>; or
    - (d) heads any risk management functions including credit, treasury and compliance; or
    - (e) maintenance systems of control of an AI to protect it against involvement in money laundering.
  - iii) The head of the internal audit function or the most senior external auditor (audit partner) of the AI;

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<sup>1</sup> Maximum as specified in the BFIA 2000.

<sup>2</sup> Measure of materiality may vary between AIs. It can be considered in terms of the size of the business, profit contribution, key risk management or risk exposures or resources engaged.

- iv) Any other person determined by BPNG in writing to be a responsible person. The BPNG can be expected to make such determination where a person plays a significant role in the management or control of the AI, its subsidiaries or holding company or where that person's activities may materially impact on prudential matters; and
  - v) A consultant, contractor or employee of a subsidiary or otherwise related company acting in the position of a responsible person.
- b) For the purposes of this prudential standard, BPS310, a beneficial owner or ultimate beneficial owner of a controlling shareholder is the natural person who ultimately benefits from the AI.

## **Part II: STATEMENT OF POLICY**

### **5. Purpose**

- a) The principles of fit and proper assessments also apply to the controlling shareholders or potential controlling shareholders of AIs whether or not they are a director or executive of the AI. The Board must ensure that it conducts fitness and probity assessments in relation to any controlling shareholder or potential controlling shareholder. BPNG will conduct its own independent reviews of fitness and propriety of controlling shareholders and any potential controlling shareholders pursuant to the requirements of the BFIA 2000 and its Schedule 2.
- b) This prudential standard sets out minimum requirements for the Board of an AI in determining the fitness and probity of individuals to be appointed and to continue to hold positions of responsibility. The prudential standard extends the application of fit and proper requirements and provides guidance on application of the relevant sections of the BFIA 2000 and its Schedule 2.
- c) The key requirements include:
  - i) Definition of responsible persons subject to fit and proper requirements;
  - ii) Implementation of a Fit and Proper Policy and procedures to ensure that a person is not appointed to, or does not continue to hold, a position as a responsible person for which they are not fit and proper;
  - iii) Assessment of the fitness and probity of a responsible person prior to the initial appointment and then re-assessed annually;
  - iv) Disclosure requirements to the Board and responsible officers of events which may affect a person's on-going fitness or probity;
  - v) Fit and proper requirements applicable to the appointment of auditors;
  - vi) Information to be provided to BPNG regarding responsible persons and the assessment of their fitness and probity; and
  - vii) With respect to a shareholder controller or an indirect controller, the procedures and information required for the Board and BPNG to be satisfied as to the fitness and probity of the existing and potential beneficial owners.

## **6. Scope**

This prudential standard applies to all responsible persons and positions and shareholder controllers and indirect shareholder controllers of AIs.

### **Part III: PRINCIPLES AND PRUDENTIAL REQUIREMENTS**

#### **7. Responsibilities of the Board**

- a) The Board must approve a comprehensive and documented Fit and Proper Policy<sup>3</sup> and oversee its effective implementation.
- b) The Policy and supporting procedures must manage the risks posed to the financial standing and reputation of the AI if someone who is not fit and proper is appointed to a responsible person's position. Nothing in this prudential standard prevents the Board from adopting and applying a group Fit and Proper Policy provided that the policy meets the requirements of the BFIA 2000 and prudential standards and provided the AI is able to prove to BPNG that these arrangements, as a minimum satisfy the intent of this prudential standard.
- c) The Board must undertake regular reviews of the Fit and Proper Policy and supporting procedures and undertake steps to be satisfied for its effective implementation.

#### **8. Fit and Proper Policy and Processes**

- a) The Fit and Proper Policy must at a minimum include:
  - i) Who will conduct the fit and proper assessment?
  - ii) What information will be obtained and how it will be obtained?
  - iii) The matters that will be considered before determining if a person is fit and proper;
  - iv) The relevant decision making process that will be followed and any delegations of authority which have been given by the Board;
  - v) The actions to be taken where the person is assessed not to be fit and proper;
  - vi) On-going disclosure requirements placed by the Board on directors and responsible officers of events which may affect a person's on-going fitness or propriety;
  - vii) Frequency of re-assessment (not more than 2 years); and
  - viii) Any other requirements under applicable laws and this prudential standard.
- b) The Fit and Proper Policy must provide that a copy of the policy be given to candidates for a director's position as soon as possible after nomination and to applicants for other responsible person positions before commencing an assessment of their fitness and probity, including obtaining any releases required under privacy laws to conduct background checks including police checks, education checks, company searches, credit evaluations and similar.
- c) The Fit and Proper Policy (and supporting Letters of Appointment for directors and employment agreements with staff) must require a fit and proper assessment to be

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<sup>3</sup> The Fit and Proper policy and procedures must satisfy the requirements under the BFIA 2000, Schedule 2 and this prudential standard.

completed by the Board prior to the person's appointment to a responsible person position unless, BPNG has deemed a person to be a responsible person under paragraph 4(a)(iv) of this prudential standard, whereby an assessment must be completed and submitted to the BPNG within 28 days of the person becoming the holder of the responsible person position.

## **9. Implementation of Fit and Proper Requirements for Responsible Persons**

- a) The Board of an AI must undertake fit and proper assessments when appointing and continuing with the appointment of a responsible person, including where an existing employee is appointed as a responsible person or to a different responsible person role. Responsible persons must meet Fit and Proper requirements on a continuous basis.
- b) The Board of an AI must ensure that no person is appointed as a responsible person without written advice from BPNG that it has no objection to the appointment or otherwise prior to the process time frames described in 9(c). BPNG shall complete its fit and proper assessment of a responsible person within 30 days, provided all required and requested information are available to make a decision. If BPNG is not able to make a decision within 30 days, the AI will be advised accordingly.
- c) Subject to a person's right under law, employment agreements with responsible persons and Letters of Appointment for directors must stipulate that the responsible person is bound by the Fit and Proper Policy requirements. Further, employment agreements must provide break clauses in the event of a breach of fit and proper requirements leading to dismissal or removal of a person from a responsible person position – including breaches that occurred prior to appointment but not otherwise acknowledged in writing by BPNG as being not material to the appointment<sup>4</sup>. An AI's Board must ensure that each responsible person is aware of and understands their obligations under its Fit and Proper Policy.

## **10. Shareholder Controller**

- a) Pursuant to Section 20(1) of the BFIA 2000, Revocation or Suspension of licence, every person who intends to be a shareholder controller or an indirect shareholder controller of an AI or proposes to increase the stake in an AI beyond the maximum specified by BPNG must:
  - i) First, notify BPNG in writing of the intention and submit completed information, forms and documentation detailed in Attachment B; and
  - ii) Receive written notice from the BPNG stating there is no objection to the proposal to become such a controller or increase the stake.
- b) BPNG will conduct fit and proper assessments on each shareholder controller and indirect shareholder. Where the shareholder controller is a body corporate, BPNG will conduct fit and proper assessments on principal officers and any beneficial owners of the body corporate.

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<sup>4</sup> Certain matters that may affect the Fit and Proper assessment, such as past criminal or administrative offences, will not automatically mean that BPNG objects to an appointment. BPNG will consider applications on a case-by-case basis and will take into account seriousness and context of the offence and explanation by the candidate.

**11. Criteria to Determine if a Responsible Person or Shareholder Controller is Fit and Proper**

- a) The Board must ensure that the AI clearly defines and documents the competencies required for each responsible person position.
- b) For the purposes of determining whether a person is fit and proper to hold or remain in a responsible position, or become or remain a shareholder controller, the criteria include:
  - i) Reasonable conclusion that the person possesses the competence, character, diligence, honesty, integrity and judgement to perform properly the duties of the responsible person position;
  - ii) The person is not disqualified under any legislation administered by BPNG or other laws of PNG and that reasonable steps have been undertaken to determine whether the person would be disqualified under similar laws in other jurisdictions;
  - iii) The person either has no conflict of interest in performing the duties of the responsible person position; or, where a conflict of interest exists, it is reasonable to conclude the conflict will not create a material risk that the person will fail to perform properly the duties of the position and that all interests are accurately recorded in the Register and any conflicts of interest are recorded in the minutes;
  - iv) The person has undertaken the required level of training and professional development; and
  - v) For the Chairman, CEO and senior managers, that the person is ordinarily resident in PNG.

**12. Matters to be Considered for a Determination under Section 13**

- a) An assessment of a person's competence and capability (fitness) and honesty, integrity and reputation (propriety) to hold a position as a responsible person must be comprehensive and have regard to matters, including those in paragraph 12(c), which may have arisen in PNG or elsewhere.
- b) In making a determination under Section 13 of the BFIA 2000, BPNG considers appointments on a case-by-case basis and should be informed of any matter that may affect its assessment.
- c) Fit and proper assessments undertaken by an AI with respect to responsible person appointments or BPNG with respect to shareholder controllers must consider:
  - i) Competency - whether a person is competent, in terms of relevant experience and academic qualifications, to reasonably conclude that they will be able to discharge satisfactorily proposed duties and responsibilities;
  - ii) Mental Capacity - whether a person has sufficient mental capacities to reasonably conclude that they will be able to discharge satisfactorily proposed duties and responsibilities;
  - iii) Removal or Suspension - whether a person has been, or is likely to be, removed or suspended, by order of a regulatory authority in PNG or



elsewhere, as a director, officer or shareholder controller of a financial institution or related entity;

- iv) Offences and Breaches - whether a person has ever contravened any provision of the BFIA 2000 or any rule or order issued thereunder, or has been guilty of gross negligence or wilful or intentional misconduct as those terms contextually apply in the BFIA 2000 or elsewhere under similar regulations;
- v) Winding up or Liquidation - whether a person has been, or is, a director, executive officer, manager or shareholder controller of a financial institution in PNG or elsewhere that has been, or is being, wound up or liquidated compulsorily;
- vi) Positions in Other Financial Institutions - whether a person is a director, executive officer, manager or shareholder controller of another financial institution;
- vii) Censures - whether a person has ever been censured, prosecuted, warned as to conduct, disciplined, or publicly criticized by, or made subject to a court order by any governmental department or agency, professional association, or regulatory body in PNG or elsewhere;
- viii) Convictions or Administrative Orders - whether a person has ever been convicted of or imprisoned for any offence, or has had an administrative order served or has been disqualified from serving as a director, trustee or holder of financial licenses in PNG or elsewhere, within the last 10 years;
- ix) Litigation - whether a person has engaged or is expecting to be engaged in litigation, in PNG or elsewhere, which may have a material adverse effect on the resources of the person, AI or other related entity;
- x) Fraud - whether a person has ever been judged by a court, in PNG or elsewhere, to be civilly liable for fraud, malfeasance, or any other misconduct;
- xi) Bankruptcy or Debt Compromise - whether a person has ever been judged bankrupt by a court, in PNG or elsewhere, or has made any compromise or otherwise failed to satisfy his/her creditors in full within the last 10 years;
- xii) Taxes - whether a person has not satisfied all undisputed obligations for taxes due and payable to the Internal Revenue Commission (IRC) or any other taxation authority in PNG or in any other jurisdiction;
- xiii) Political Office - whether a person holds an appointed or elected position in Parliament, a Provincial Council, or a local authority in PNG or in a foreign country, or is an officer of a recognised political party as referenced in the Constitution of PNG or similarly in a foreign country; and
- xiv) Resources - whether, in the case of a body corporate, a person does not have, or have ready access to, sufficient financial, managerial, technological, intellectual or other relevant resources to reasonably conclude that the person will be able to discharge satisfactorily the duties and responsibilities of the proposed position.

### **13. Notification Requirements**

- a) For the purposes of Section 13(2)(b)<sup>5</sup> of the BFIA 2000, an AI must submit to BPNG completed fit and proper assessments and additional information in accordance with guidance contained in Attachment B: Fit and Proper Assessment: Information to BPNG.
- b) The AI must notify BPNG if it identifies any material breach of fit and proper requirements by responsible persons or shareholder controllers.
- c) A shareholder controller must notify BPNG if it identifies any material breach of fit and proper requirements by responsible persons or shareholder controllers.

### **14. Reporting**

The Board must report on the continuing compliance with fit and proper requirements by all responsible persons as part of the annual attestation made by the Chairman on behalf of the AI.

## **Part IV: CORRECTIVE MEASURES**

### **15. Remedial Measures and Sanctions**

- a) If BPNG is not satisfied with the fitness and probity of potential candidates for responsible person positions, the Board must ensure that the AI does not appoint or contract that person to the position. If the person has already been appointed, the break provisions of the contract of employment or appointment as a director must be applied by the Board.
- b) In the case of shareholder controllers, if ownership structures are opaque, or otherwise beneficial owners are not identified, the shareholder controller will be deemed to be not fit and proper. Where a shareholder controller is determined to be not fit and proper for any reason, BPNG can be expected to serve notices under Section 26 of the BFIA 2000 requiring the shareholder to divest holdings or other restrictions on dealing in the shares and exercising shareholder rights.

## **Part V: EFFECTIVE DATE**

### **16. Commencement and Transitional Arrangements**

- a) The effective date of this prudential standard shall be 1 January 2017 with full compliance required by 31 December 2018.
- b) AIs shall comply with the requirements of this prudential standard for all new appointments and submit complete material identified in Attachment B.
- c) Questions and enquiries relating to this prudential standard should be addressed to:

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<sup>5</sup> BFIA 2000 Section 13 (2) (b) "The Central Bank may, at any time, by notice in writing served on the AI concerned require that person or the AI (as the case may be) to provide the Central Bank, within such time as may be specified notice, with such information or documents as the Central Bank may reasonably require for determining whether that person is a fit and proper person to hold the particular position for which he holds or is to hold."

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## **Part VI: APPENDIX**

### **Attachment A: Fit and Proper Assessment - Information to BPNG**

Directors, CEOs, Managers and Shareholder Controllers

#### **Overview**

The following details the minimum information required to support BPNG's evaluation of fitness and probity in accordance with BFIA 2000 Section 13(2)(b) in the case of a responsible person and Section 20(1)(a) in the case of shareholder controllers.

To satisfy the Fit and Proper requirements with respect to appointment of responsible persons or new shareholder controllers or a change to the ownership by existing shareholder controllers, the following summarises the classes of information and documents to be submitted to BPNG. Table 1 provides a check-list of information to be submitted.

- a) Identification including certified copies of photo identification of individuals and certificates of incorporation of bodies corporate. For individuals normally resident in PNG who are noncitizens, include a certified copy of the Work Permit;
- b) Expertise and expected responsibilities for proposed responsible persons include a position description and expected responsibilities;
- c) Details of any legal, administrative or tax proceeding in PNG or elsewhere;
- d) Details of shareholdings and control of voting shares and beneficial owners;
- e) Financial statements;
- f) Police Clearance Certificate; and
- g) Statement signed by the person and witnessed attesting to the completeness, truthfulness and accuracy of the information provided.

All information must be completed for each person and submitted prior to the appointment of a responsible person or, in the case of shareholder owners, prior to acquiring an interest above the established threshold. Where the shareholder controller is a corporation, the information must be completed for the ultimate beneficial owners, Chairman and CEO of the shareholding corporation. This requirement may be waived if BPNG is satisfied that the shareholder owner is a listed public company with widely held shareholdings.

BPNG may, from time to time, require the information to be completed for existing responsible persons and shareholder owners. BPNG may require submission of additional information, including real estate or business valuations, in order to accurately assess financial strength and capacity.

**TABLE 1 - Fit and Proper Assessment: Documentation to BPNG**

PNG	Description of Information/documentation	AI Responsible Person	Controlling Shareholder (Natural Person)	Controlling Shareholder (Corporate)
<b>A</b>	<b>Identification</b>			
1	<b>Full name and any aliases or trading names</b>	✓	✓	✓
2	<b>Full street address -</b> <i>PO addresses not acceptable</i>	✓	✓	✓
3	<b>Date of Birth</b>	✓	✓	
4	<b>Nationality/Country of Incorporation</b>	✓	✓	✓
4a	<b>Identification.</b> Provide certified copy of photo page of passport for non-PNG citizens and Work Permit or PNG Government identification. Applicant must be clearly recognisable in any photograph.	✓	✓	
4b	Provide certified copy of valid certificate of incorporation/registration as appropriate and company number.			✓
<b>B</b>	<b>Experience and expected responsibilities</b>			
5	<b>Proposed Role</b> - attach job description.	✓		
6	<b>Curriculum Vitae</b> including qualification, job history and professional affiliations.	✓		
<b>C</b>	<b>Laws, bankruptcy and tax</b>	Refer and complete Attachment B		
7	Provide detailed history for each of the following legal and administrative matters:	✓	✓	✓
7a	<b>Censures</b> , prosecutions, warnings as to conduct, discipline, or publicly criticized by, or made subject to a court order by any governmental department or agency, professional association, or regulatory body in PNG or elsewhere.			
7b	<b>Convictions or Administrative Orders.</b> For any felony offense or petition for an administrative order received in Papua New Guinea or any other country.			
7c	<b>Investigations.</b> Any investigation, in Papua New Guinea or elsewhere, by or at the instigation of any governmental department or agency, professional association, or other regulatory body.			
7d	<b>Litigation.</b> Any current or potential litigation in litigation, in Papua New Guinea or elsewhere, which may have a material effect on resources or ability to financially support the proposed institution.			
7e	<b>Judgments.</b> Any judgments under a court order regarding any non-payment of debts received in			

	the past 10 years in Papua New Guinea or elsewhere.			
7f	<b>Fraud.</b> Any court appearances or judgments in Papua New Guinea or elsewhere regarding fraud, malfeasance, or any other misconduct.			
7g	<b>Bankruptcy or Debt Compromise.</b> Any judgments, petitions or proceedings regarding bankruptcy or debt compromise in Papua New Guinea or elsewhere.			
7h	<b>Receivership, Liquidation or Statutory management:</b> Any circumstances occurring in the last 10 years in Papua New Guinea or elsewhere, where a receiver, liquidator or statutory manager has been appointed to any associated entity with the applicant in their capacity as shareholder controller, CEO, Director or senior manager.			
7i	<b>Income Taxes.</b> Declaration that the applicant is in good standing with the Internal Revenue Commission in Papua New Guinea or in any other jurisdiction. Alternatively, describe any tax liabilities which are unpaid or in dispute?			
<b>D</b>	<b>Ownership and control</b>			
8	<b>Shareholdings and Voting Control</b>	✓	✓	✓
8a	Provide full details of all share ownership and/or voting control, for all classes of shares and alternative instruments for each responsible person or in the case of a shareholder controller, the ultimate beneficial owner.			
8b	In the name of applicant or related party.			
8d	Beneficial ownership or control by the applicant (that is, through ownership or control of other entities).			
8e	Ownership or control as a Trustee or nominee.			
8f	Ownership or control through assignment or pledge.			
8i	Ownership or control of options, warrants or convertible debt, including employee participation schemes.			
8j	Total Voting authority (% of total) Direct holding. Indirect holding or other control			
8k	Other instruments or control not otherwise identified.			
<b>E</b>	<b>Financial Statements</b>			
9	Provide personal financial statements or in the case of a corporate entity, 3 years of audited financial statements.	✓	✓	✓

**F Police Clearance Certificate**

10 Provide a copy of a Papua New Guinea police clearance certificate no more than 3 months old.



**G Declaration and Attestation**

Each application must be accompanied by a witnessed declaration by the individuals or corporate office on behalf of the body corporate that the information provided is accurate, truthful and complete.

## Bank of Papua New Guinea

### Appendix B

1	<b>NAME AND ADDRESS</b> - Provide the full name and physical address (current and permanent or immediate past) of the person who will be a director or responsible person of the institution.				
	<b>Name</b>		<b>Middle Name</b>		<b>Surname</b>
	<b>Date of Birth</b>		<b>Place of Birth</b>		
	<b>Home Province</b>		<b>Nationality/ Citizenship</b>		
	<b>Country of Residence</b>				
2	<b>HOME ADDRESS</b>				
	<b>Section/ Allotment/ Street Name</b>				
	<b>Telephone</b>		<b>Fax</b>		
	<b>Email</b>		<b>Mobile</b>		
3	<b>POSITION:</b> Provide the position and/or title the above person will hold in the institution.				
	<b>Position in Question</b>		<b>Name of Financial Institution</b>		
	<b>Nature of Business</b>		<b>Former Trade Name</b>		
	<b>Roles, Responsibilities and Reporting</b> - Discuss the role the above person will have in organizing and managing the affairs of the institution. Indicate to whom the person will report and/or from whom he will receive directions or instructions. If the person will be an executive officer, describe the specific duties and responsibilities for the position(s) to be held. If the person will be a director and will also have executive officer responsibilities within the institution, indicate the nature and extent of such responsibilities.				
4	<b>PREVIOUS POSITIONS WITH OTHER BPNG-REGULATED INSTITUTIONS</b>				
	<b>Position</b>	<b>Institution</b>	<b>Period</b>		
	1.				
	2.				
	3.				
5	<b>POINT OF CONTACT</b>				
	<b>Name of Person</b>		<b>Position</b>		
	<b>Address</b>				
	<b>Telephone</b>		<b>Fax</b>		
	<b>Email</b>		<b>Mobile</b>		
6	<b>BUSINESS LOCATION</b>				
	<b>Allotment</b>		<b>Section</b>		
	<b>Street Name</b>		<b>Suburb</b>		
	<b>Town/ City</b>		<b>Province</b>		
7	<b>ASSESSMENT &amp; FINDINGS</b>				
	(Regard for educational qualification, work experience, competency, probity issues, evidence of impropriety, criminal conduct, breaches of Law etc.)				
8	<b>HIGHEST EDUCATION QUALIFICATION(S)</b>				
	<b>Name of Tertiary</b>	<b>Qualification</b>	<b>Year</b>	<b>Location</b>	



	Institutions	Obtained		
	1.			
	2.			
	3.			
	4.			
	5.			
9	<b>SKILL(S)/ WORK EXPERIENCE</b>			
	<b>Name &amp; Address of Employer</b>	<b>Type of Business</b>	<b>Position Held</b>	<b>Employment Period/ Reason for leaving</b>
	1.			
	2.			
	3.			
	4.			
	5.			
10	<b>List all the companies (in Papua New Guinea and overseas) the responsible person of and indicate role.</b>			
	1.			
	2.			
	3.			
	4.			
	5.			
11	<b>List all companies (in Papua New Guinea and overseas) where, the person, or the person together with his or her associates, control 15% or more of the shares (list percentage).</b>			
	1.			
	2.			
	3.			
	4.			
	5.			
12	<b>List all companies (in Papua New Guinea and overseas) where, the person, or the person together with his/ her associates, is an indirect shareholder controller.</b>			
	1.			
	2.			
	3.			
	4.			
	5.			
13	<b>Membership in Professional or Trade Association.</b> If the above person is now or will be a member of any professional or trade association concerned with financial activities in Papua New Guinea or elsewhere, provide details including whether such membership has ever been refused or terminated.			
14	<b>Censure.</b> Has the above person ever been censured, prosecuted, or warned as to conduct, disciplined, or publicly criticized by, or made subject to a court order by any governmental department or agency, professional association, or regulatory body in Papua New Guinea or elsewhere? If so, provide details.			
15	<b>Convictions or Administrative Orders.</b> Has the above person ever been convicted of any felony offense, or has a petition for an administrative order been served on him/ her, in Papua New Guinea or elsewhere, within the last 10 years? If so, provide details.			
16	<b>Investigations.</b> Has the above person ever been or is he/ she now subject to an investigation, in Papua New Guinea or			

	elsewhere, by or at the instigation of any governmental department or agency, professional association, or other regulatory body? If so, provide details.
17	<b>Litigation.</b> Is the above person engaged or expecting to be engaged in litigation, in Papua New Guinea or elsewhere, which may have a material effect on his / her resources or his/her, ability to financially support the proposed institution? If so, provide details.
18	<b>Judgment.</b> Has the above person, within the last 10 years, failed to satisfy within one year a judgment of debt under a court order in Papua New Guinea or elsewhere? If so, provide details.
19	<b>Fraud.</b> Has the above person ever been judged by a court, in Papua New Guinea or elsewhere, to be civilly liable for fraud, malfeasance, or any other misconduct? If so, provide details.
20	<b>Bankruptcy or Debt Compromise.</b> Has the above person been judged bankrupt by a court, in Papua New Guinea or elsewhere, or has a bankruptcy petition ever been served on him/her within the last 10 years, or has he/she made any compromise arrangement or otherwise failed to satisfy his/her creditors in full within the last 10 years? If so, provide details.
21	<b>Receiver.</b> Has a receiver of any property of the above person been appointed within the last ten years in Papua New Guinea or in any other jurisdiction? If so, provide details including whether the receiver is still acting under the appointment.
22	<b>Liquidation. (a) Voluntary -</b> Has a notice for the voluntary liquidation of the above person been issued within the last 10 years in Papua New or in any other jurisdiction? If so provide details including whether the liquidation has been fully resolved.
	<b>(b) Compulsory.</b> Has the petition for compulsory liquidation of the above person been served within the last 10 years in Papua New Guinea or in any other jurisdiction? If so provide details including whether the petition has ever been fully resolved.
23	<b>Income Taxes.</b> Is the above person in good standing with the Internal Revenue Commission in Papua New Guinea or in any other jurisdiction, or does he/she have any tax liabilities which are unpaid or in dispute?
24	<b>Share Registrations.</b> How many shares in the proposed institution are or will be registered in the name of the above person or in the name of a related party? Provide the name(s) in which the shares will be registered and the class of shares if not ordinary shares.

25	<b>Beneficial Interest.</b> How many shares in the proposed institution which are <u>not</u> registered in the name of the above person or in the name of a related party, will the above person have a beneficial interest in? Provide the name(s) in which the shares will be registered and the nature of the beneficial interest.
26	<b>Trustee or Nominee.</b> Does or will the above person or any party related to him/her hold shares in the proposed institution as a trustee or nominee? If so provide details.
27	<b>Assignments or Pledges.</b> Are or will any of the shares in response to Question 21-23 be equitably or legally assigned or pledged to any other party? If so provide details.
28	<b>Voting Authority. a) Direct.</b> What proportion of the voting shares at the general meeting of the proposed institution or any other organization of which the proposed institution is a subsidiary, is or will the above person be entitled to vote or exercise control over? Provide details of such voting authority or control.
	<b>b) Indirect.</b> If the exercise of voting power at any general meeting of the proposed institution, or of any other organization of which the proposed institution is a subsidiary, is or may be controlled or influenced by someone other than the above person, provide the identity of such other person and the proportion of voting power so controlled or influenced.
29	<b>Removal or suspension or other disciplinary actions.</b> Has the person above been, or is being, removed or suspended, by order of a regulatory authority in PNG or in a foreign country, as a director, officer or shareholder controller of any regulated institution, unless such removal or suspension is solely the result of his/her political affiliation and in no way relates to his/her performance, conduct or competency as a director, officer or shareholder controller of a regulated institution? If so provide details.
30	<b>Offences and Breaches of any Legislation Administered by the Bank.</b> Has the person above ever contravened any provision of the Acts administered by the BPNG or any rule or order issued thereunder, or has been guilty of gross negligence or wilful or intentional misconduct as those terms contextually apply in the Acts? If so provide details.
31	<b>Political/Elective Public Office.</b> Has the person above held an appointed or elected position in Parliament, a Provincial Council, or a local authority in PNG or in a foreign country, or is an officer of a recognized political party as referenced in the Constitution of PNG or similarly in a foreign country within the last ten years? If so provide details.
32	<b>Documents to be provided.</b>

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| <ol style="list-style-type: none"> <li>1. Curriculum Vitae</li> <li>2. Balance Sheet (Personal)</li> <li>3. Police Clearance Certificate</li> <li>4. All other information as prescribed by the respective Acts administered by BPNG and prudential standards on Fit and Proper Requirements.</li> </ol> |
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<p><b>SUMMARY/ CONCLUSION</b>  * NOTE: <i>SUMMARY/CONCLUSION (based on the FINDINGS/ASSESSMENT)</i></p>
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<b>Assessment by</b>		<b>Position</b>	
<b>Date</b>			
<b>Assessment endorsed by</b>		<b>Position</b>	
<b>Date</b>			

<b><u>BPNG OFFICAL USE ONLY</u></b>

<b>RECOMMENDATION(S)</b>
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<b>Name</b>		<b>Position</b>	
<b>Signature</b>		<b>Date</b>	

<b>COMMENTS BY UNIT MANAGER</b>
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<b>Name</b>		<b>Position</b>	
<b>Signature</b>		<b>Date</b>	

<b>COMMENTS BY DEPARTMENT MANAGER</b>
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<b>Signature</b>		<b>Date</b>	
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**This form is only for the use of a responsible person.**

**A Responsible Person is:**

- a. A Board member, CEO or MD;
- b. A senior manager of the institution, being a manager that reports to board committees, direct report to the chief executive officer or managing director, or an employee of the institution who:
  - exercises managerial functions; or
  - is responsible for maintaining the accounts or other records of the institution; or
  - is responsible for any business which is material to the institution; or
  - heads of any risk management functions including credit, treasury and compliance; and
  - maintains systems of control of an institution to protect it against involvement in money laundering.
- c. The head of the internal audit function or the most senior external auditor (audit partner) of the institution;
- d. Any other person determined by BPNG in writing to be a responsible person. BPNG can be expected to make such a determination where a person plays a significant role in the management or control of the institution, its subsidiaries or holding company or where that person's activities may materially impact on prudential matters; and
- e. A consultant, contractor or employee of a subsidiary or otherwise related company acting in the position of a responsible person.

**Note: For further guidance on responsible persons, refer to the respective Fit and Proper Requirement Prudential Standards.**