



**BANK OF PAPUA NEW GUINEA**

**FOREIGN EXCHANGE REPORTING FRAMEWORK**

**FOR AUTHORISED DEALER AND PUBLIC USE**

**ISSUED: JULY 2022**

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## **1. INTRODUCTION**

This Foreign Exchange Reporting Framework (the Reporting Framework) is to be used by Authorised Dealers in conjunction with the Foreign Exchange Manual (the Manual) of March 2015. It is a supplement to the Foreign Exchange Notices (FE Notices) of the Manual for the purposes of completing and submitting the Balance of Payment Forms (BOP Forms).

Accurate and timely reporting is essential for the Bank of Papua New Guinea (the Central Bank – also known as BPNG) to perform its statutory functions. Authorised Dealers should ensure that all BOP Forms are completed, verified and submitted to the Central Bank in accordance with instructions given in this Reporting Framework and the Manual. An Authorised Dealer should seek clarification from the International Transactions Monitoring Unit (ITMU) at the Central Bank, where doubt or uncertainty exists.

This Reporting Framework provides guidance on the completion of the various types of BOP Forms that are covered by FE Notice 2 and FE Notice 21 of the Manual and, where relevant, notes the supporting documents that are required. BOP Forms are issued by the Central Bank for completion by transactors before verification and processing by the Authorised Dealers. The Reporting Framework also covers, for reference purposes, Foreign Currency Account Form-OS which should be completed and dispatched directly to the Central Bank by the account-holders.

Only original coloured BOP Forms must be submitted to an Authorised Dealer or the Central Bank. Photocopies or facsimiles of the coloured BOP Forms must not be used to process or report Foreign Exchange transactions.

## **2. GENERAL INSTRUCTIONS**

### **2.1 Authorised Officer**

An authorised officer should be a senior individual of the concerned entity and must certify and sign all completed BOP Forms. The name, designation and the position of the signatory must also be clearly stated on a BOP Form to facilitate contact in the event of any queries arising. Individuals must complete the BOP Forms in their own names.

All duly completed original BOP Forms should be delivered to:

Balance of Payments Unit,  
Economics Department,  
Bank of Papua New Guinea  
Douglas Street  
P. O. Box 121  
**PORT MORESBY**

All queries on the reporting requirements should be brought to the attention of (1) ITMU, on telephone on 3227 226/214/215; or (2) the Manager, Balance of Payment Unit (BOP Unit), at the above address, or on phone 3227 546/3227 309.

### **2.2 Submission of Balance Payments Forms**

The submission of BOP Forms at set times is essential to compile the Balance of Payments (BOP) of Papua New Guinea (PNG) for monetary policy formulation by the Central Bank. If, for any reason, BOP Forms cannot be supplied by an Authorised Dealer (or the transactor) within the times specified, the Authorised Dealer (or the transactor) should inform the Central Bank of the reasons for the delay.

### **2.3 Value Date of Transaction**

All Foreign Exchange transactions must be reported by their settlement (or value) date. It is the date a settlement is effected, unless otherwise specifically advised by the Central Bank. It is not the date the Authorised Dealer supervisor (or the transactor) sighted and signed the BOP Form.

## 2.4 Alterations to Approved BOP Forms

Any BOP Form bearing the authorization of the Central Bank should not be altered when presented to the Authorised Dealer for effecting a foreign exchange transaction. The Central Bank must be consulted before any alterations are effected.

## 2.5 Classification of Transaction and Entity by Sector

Appendix A of this Reporting Framework contains detailed information on the classification of transactions and entities by sector. The breakdown is designed to be consistent with Standard Industrial Trade Classification (SITC), an international standard classification system and one used by other statistical sources in PNG. Transactors should generally be classified into sector categories on the basis of their "*principal*" activity.

**Appendix B** lists the transaction types reported on the BOP Forms. It is based on the country's BOP statement.

**Appendix C and D** lists the Countries and Currency Codes used on the BOP Forms.

**Appendix E** contains a glossary of trade terms used.

**Appendix F** contains an explanation on the Company Incorporation Number.

**NOTE:** ***IT IS VERY IMPORTANT TO CORRECTLY CLASSIFY TRANSACTORS AND TRANSACTIONS BY SECTOR. IN CASES OF UNCERTAINTY, SEEK CLARIFICATION FROM THE CENTRAL BANK.***

## 2.6 Determination of Residential Status

FE Notice 3 of the Manual defines a person who is a Resident and a Non-resident. It requires Authorised Dealers to designate accounts as Resident or Non-resident for reporting foreign exchange transactions.

## 2.7 Requirement to Complete the BOP Forms

Except where noted in this Reporting Framework, the Manual and the Central Banking Regulation, it is a mandatory requirement to complete the BOP Forms for all Foreign Exchange transactions done through Authorised Dealers and Foreign Currency accounts of Resident entities held outside PNG. All sections of the Forms must be completed in full and must be easily readable.

## 2.8 Obligations of Authorised Dealers

1.	Must have internal systems of customer identification and records, when dealing with Resident or Non-resident customers	4.	Ensure that customers produce supporting documentation, including taxation clearance certificate (TCC), for foreign exchange transactions.
2.	Should inform their clients that authority of the Central Bank is required for: (1) opening accounts <b>outside</b> PNG; (2) exporting/importing gold; (3) undertaking foreign exchange transaction business; (4) taking (or sending) physical cash in notes and coins in excess of K20,000.00 (or its Foreign Currency equivalent); (5) Issuing guarantees to Non-residents for transactions outside PNG; and (6) Residents entering into contracts in writing denominated in Foreign Currency.	5.	Provide guidance on the completion of BOP Forms.
3.	Provide BOP Forms and other		

documents to the Central Bank in a timely manner.	
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## 2.9 Penalties

Section 33 of the Central Banking Regulation provides for severe penalties to be imposed on breaches of the Regulation.

## 2.10 Schedule of BOP Forms and Other Forms

The Schedule below lists all the BOP Forms that are in use for BOP reporting and other purposes of the Central Bank.

## 2.11 Types of BOP Forms and Supporting Documents (Not Exhaustive)

	<b>BOP Form</b>	<b>Colour</b>	<b>Purpose</b>
1	Form-X	Blue	Export Receipts ( <i>Printed in Triplicate</i> )
2	Form-M	Red	Import Payments ( <i>Printed in Triplicate</i> )
3	Form-R1	Dark Green	Outward Remittance ( <i>Printed in Triplicate</i> ) (Not for Imports)
4	Form-R2	Pink	Inward Receipts ( <i>Printed in Triplicate</i> ) (Not for Exports)
5	Form-R1(D)	Maroon	Dividend Payment Form ( <i>Printed in Quadruplicate</i> )
6	Aggregate	White	For Recording Inward or Outward Transactions between K5,000 – K10,000
6.1	Aggregate-R1	White	Outward Remittances (Not for Imports)
	Aggregate-R2	White	Inward Receipts (Not for Exports)
6.2	Aggregate-M	White	Import Payments
7	Form-C1	Gold	Application for taking-out or sending physical currency in notes and coins out of PNG by Residents or Non-residents of PNG ( <i>Printed in Triplicate</i> )
8	Form-G1	Tan	To record the Guarantees Issued by PNG Residents in Favour of Non-residents ( <i>Printed in Triplicate</i> )
9	Form-LA	Light Green	Borrowing from Abroad in Foreign Currency PNG Residents ( <i>Printed in Triplicate</i> )
10	Form-L1	Purple	Drawdown on Foreign Currency from Abroad by PNG Residents ( <i>Printed in Quadruplicate</i> )
11	Form-L2	Lime Green	Repayments of Principle, Interests, etc. on Foreign Currency Loan from Abroad by PNG Residents ( <i>Printed in Quadruplicate</i> )
12	Form-LB	Bright Green	Foreign Currency or Kina Borrowing by Non-



			residents from PNG Residents <i>(Printed in Triplicate)</i>
13	Form-L1(B)	Dark Purple	Drawdown on Foreign Currency or Kina Borrowing by Non-residents from PNG Residents <i>(Printed in Quadruplicate)</i>
14	Form-L2(B)	Tea	Receipts of Principle, Interests, etc. from Non-residents by PNG Residents <i>(Printed in Quadruplicate)</i>
15	Form-LC	Sea Green	Historical Details on Foreign Currency Borrowing from Abroad by PNG Residents <i>(Printed in Duplicate)</i>
16	Form-V1	Yellow	Foreign Investment in PNG by Non-Residents <i>(Printed in Quadruplicate)</i>
17	Form-V2	Light Blue	Remittance from Sale or Liquidation of Foreign Investments in PNG <i>(Printed in Quadruplicate)</i>
18	Form-V3	Gray	Investments Abroad by PNG Residents <i>(Printed in Quadruplicate)</i>
19	Form-V3(A)	Blue Gray	Assets held Abroad by PNG Residents <i>(Printed in Duplicate)</i>
20	Form-V4	Orange	Sale or Liquidation of Assets Abroad by PNG Residents <i>(Printed in Quadruplicate)</i>
21	Form-VE	White	Historical Details on Foreign Investments in PNG by Non-Residents <i>(Printed in Duplicate)</i>
22	Foreign Currency Account (FCA)	White	Transactions done through a FCA
22.1	Form-OS	White	Entities
23	Form-15		Customs document used for verification of imports and exports, and shipment terms.
24	TCC		Internal Revenue Commission (IRC) clearance, on State tax obligations.

### 3. FORM-X: EXPORT RECEIPTS AND EXPORT RELATED RECEIPTS

#### 3.1 General

The Form must be completed for any amount of good and export related receipts such as transportation, insurance and other related receipts, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 6 of the Manual for compilation of BOP. The export value specified in Section 2 must be **Net** of any related receipts for BOP purposes. It must be completed on Value Date.

It must be completed by the Exporter and lodged with an Authorised Dealer that is purchasing the Foreign Exchange, for its verification and endorsement with the relevant stamp.

The Form is printed in triplicate. The Authorised Dealer should retain one, one is sent to the Central Bank, and one is returned to the client.

Provided at the back of the Form is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer certifies the Form.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

Authorised Dealers must inform and ensure that their clients complete Sections explained below.

#### (a) *General – Form-X Completion*

Authorised Dealer Officers should follow the following general guidelines when processing Form-X on lodgment.

- i) For each shipment of an export commodity, the exporter must submit two copies of Form F15 to the Authorised Dealer. The Authorised Dealer must retain one of the signed, stamped and dated Form 15 and send the other together with other documentation to the foreign importer (or importer's bank) for payment. A Form 15 must have the stamp of Customs. A Form 15 without a Customs stamp should be referred back to customer and the receipt should not be credited to the exporters account until a valid Form 15 is presented. For fisheries product exports, the exporter should provide the original Certificate of Fitness Form (Fitness Form) with a valid stamp of the National Fisheries Authority (NFA). Authorised Dealers should ensure that data required on the Fitness Forms are provided before crediting the exporter's account.
- ii) When the export proceed is received for the shipment, the Authorised Dealer will liaise with the exporter and identify the relevant Form 15 (or Fitness Form) the proceeds relate to.
- iii) The exporter will complete Form-X and present it to the Authorised Dealer together with a copy of the relevant Form 15 (or Fitness Form).
- iv) The Authorised Dealer then verifies the copy of Form F15 (or Fitness Form) against the one it has on record submitted earlier by the exporter. The copy is returned to the exporter after verification.
- v) The Authorised Dealer then verifies Form-X and signs at the bottom.
- vi) The Authorised Dealer should then forward the Form-X to the Central Bank.
- vii) The Authorised Dealer should file Form-X with the relevant Form 15 (or Fitness Form) submitted earlier for record and inspection purposes.

**Where a Form F15 is not provided, the Authorized Dealer must ensure that Form F15 is provided within sixty (60) days from the date of receipt of export proceeds.**

(b) *General – Where Export Proceed is Received before Shipment*

In such a case, the exporter must complete the Sections 1 and 2 of Form-X. All other receipts must be separately recorded on Section 3 of Form-X.

Any receipt for administrative costs included in the pre-finance must be separated and reported on Form-R2. The Authorised Dealer must ask the exporter if such funding is included in the receipt of pre-finance.

The Form-X, a commercial invoice and a copy of the pre-finance contracts should be forwarded to the Authorised Dealer. The Authorised Dealer will verify, stamp and date Form-X commercial invoice and the pre-finance contract. A copy of the pre-finance contract is forwarded to the Central Bank, together with one Form-X and commercial invoice. The Authorised Dealer will keep one Form-X, commercial invoice and the original copy of the pre-finance contract, and return the other Form-X to the exporter.

### **3.2 Completion Guidelines**

#### **Section 1 – PNG Company/Personal Information**

Companies must identify themselves by their registered name, Company Incorporation Number (CIN) and address. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled “For Authorised Dealer Use Only”.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code “0000” should be supplied under CIN.

#### **Section 2 – Particulars of Export**

Complete Industry, Country and Currency codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework. For exports, the industry code is actually the commodity that is exported. For a manufacturing company that is exporting coffee should enter ‘1001’ “coffee”, instead of ‘3001’ for “manufacturing”.

In general, the Total Amount Contracted must be consistent with the value stated in Form 15. The Foreign Currency Amount of export receipt must be net of any export related receipts such as insurance or freight. The volume and its unit of measurement must be clearly specified. The Unit Price is derived by dividing the Foreign Currency Amount by the Volume (or quantity of export).

#### **Section 3 – Particulars of Export Related Receipts**

Complete for freight, insurance, port handling and other receipts. The details of all export related receipts must be consistent with the terms of export declared on Form 15. That is, the receipt must be consistent with cost, insurance and freight (c.i.f.); cost and freight (c&f); or free on board (f.o.b.) declared on Form 15. Every effort should be made to ensure that the value of the physical export is separated from other related receipts.

#### **Section 4 – Payment Arrangements**

*Tick the relevant settlement arrangement applicable. Refer also to Appendix E for further information.*

### **3.3 For Authorised Dealer Use Only**

An Authorised Dealer Officer must complete this Section. Receipt Date is the date of receipt of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## 4. FORM-M: IMPORT PAYMENTS AND IMPORT RELATED CHARGES

### 4.1 General

The Form must be completed on Value Date, for amounts in excess of K10,000.00 (or Foreign Currency equivalent). The Form must be completed for import and import related payments such as payments for transportation, insurance or other import related services, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 5 of the Manual for compilation of BOP. The import value specified in Section 1 must be **Net** of any import related payments such as insurance or freight.

It must be completed by the importer and lodged with an Authorised Dealer that is selling the Foreign Exchange, for its verification and endorsement with the relevant stamp.

The Form is printed in triplicate. The Authorised Dealer should retain one, one is sent to the Central Bank, and one is returned to the client.

Provided at the back of the Form is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer certifies the Form.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

Authorised Dealers must inform and ensure that their clients complete Sections explained below.

#### (a) *General – Form-M Completion*

Authorised Dealer Officers should follow the following general guidelines when processing Form-M at the time of payment.

- i) For each shipment of a merchandise import, the importer must submit two copies of Form F15s to the Authorised Dealer. The Authorised Dealer must retain one of the signed, stamped and dated Form 15 and send the other together with other documentation to the foreign exporter (or exporter's bank) for payment. A Form 15 must have the stamp of Customs. A Form 15 without a Customs stamp should be referred back to the customer and the payment should not be made to the foreign exporter's account until a valid Form 15 is presented.
- ii) At the time of payment for the shipment, the Authorised Dealer will liaise with the importer and identify the relevant Form 15 the payment relates to.
- iii) The importer will complete Form-M and present it to the Authorised Dealer together with a copy of the relevant Form 15.
- iv) The Authorised Dealer then verifies the copy of Form F15 against the one it has on record, which was submitted earlier by the importer. The copy is returned to the importer after verification.
- v) The Authorised Dealer then verifies the Form-M and signs at the bottom.
- vi) The Authorised Dealer should then forward the Form-M to the Central Bank.
- vii) The Authorised Dealer should file Form-M together with the relevant Form 15 submitted earlier, for record and audit purposes.

**Where a Form F15 is not provided, the Authorized Dealer must ensure that Form F15 is provided within sixty (60) days from the date of payment for imports.**

(b) *General – Where Payment is Made before the Goods Arrive in Papua New Guinea*

In such cases, the importer must complete Sections 1 and 2 of Form-M. All other import related payments must be separately recorded on Section 3 of Form-M. The Authorised Dealer must complete “For Authorised Dealer Use Only” Section.

The Form-M and a commercial invoice should be forwarded to the Authorised Dealer. The Authorised Dealer will verify, stamp and date the Form-M and the invoice. The Authorised Dealer will keep the invoice together with one Form-M, send one Form-M to the Central Bank with a copy of the stamped and dated commercial invoice, and return the other Form-M to the importer.

#### **4.2 Completion Guidelines**

##### **Section 1 – PNG Company/Personal Information**

Companies must identify themselves by their registered name, Company Incorporation Number (CIN) and address. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled “For Authorised Dealer Use Only”.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code “0000” should be supplied under CIN.

##### ***Section 2 – Particulars of Import***

Complete the Industry, Country and Currency codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework. For imports, the industry code is the code assigned to the product type imported.

In general, the Total Amount Contracted for payment must be consistent with the value stated in Form 15. The Amount in Foreign Currency must be net of any import related payment the importer may make for insurance or freight services.

##### ***Section 3 – Particulars of Import Related Payments***

Complete for freight, insurance, port handling and other charges. The details of all import related charges must be consistent with the information given in Form 15. That is, the payment must be consistent with cost, insurance and freight (c.i.f.); cost and freight (c&f); or free on board (f.o.b.) declared on Form 15. Every effort should be made to ensure that the payment for the physical good is separated from other import related payments.

##### ***Section 4 – Payment Arrangements***

*Tick the relevant settlement arrangement applicable. Refer also to Appendix E for further information.*

##### ***Section 5 – To be Completed by All Applicants***

The name and signature of the person making the application and the Date of the application must be provided in full.

#### **4.3 For Authorised Dealer Use Only**

An Authorised Dealer officer must complete this Section. Remittance Date is the date of remittance of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## **5. FORM AGGREGATE–M: IMPORT PAYMENTS AND IMPORT RELATED CHARGES**

### **5.1 General**

The Form must be completed for import payments to overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 5 of the Manual for compilation of BOP.

It must be completed on the Value Date, for amounts between K5,000.00 and K10,000.00 (or Foreign Currency equivalent) by the Authorised Dealer.

The Authorised Dealer must keep a copy and send the original to the Central Bank.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **5.2 Completion Guidelines**

#### ***Transaction Details***

Complete Date (Value Date of the transaction), Sector Code, Transaction Code (Purpose of Funds), Country Code, Currency Code, Amount in Foreign Currency and Amount in Kina.

Sector Code, Purpose of Funds, Country Code and Currency Code are provided on the back of the Form and are also listed in Appendices A, B, C and D of this Reporting Framework.

### **5.3 For Authorised Dealer Use Only**

An Authorised Dealer Officer must complete Bank, Branch, For Week Ending, Year and Page, set out on the Form.

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## **6. FORM-R1: OUTWARD REMITTANCE OF CURRENCY**

### **6.1 General**

The Form must be completed for any amount of non-trade and non-capital related service payments to overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 20 of the Manual for compilation of BOP. The Form must be submitted to the Authorised Dealer with supporting documents set out on the back of the Form. The Form must be completed on Value Date, for amounts in excess of K10,000.00 (or Foreign Currency equivalent).

The Form is printed in triplicate. The Authorised Dealer should retain one, one is sent the Central Bank, and one is returned to the client.

Provided at the back of the Form is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer certifies the Form.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

Authorised Dealers must inform and ensure that their clients complete Sections explained below.

### **6.2 Completion Guidelines**

#### **Section 1 – PNG Company/Personal Information**

Companies must identify themselves by their registered name, Company Incorporation Number (CIN) and address. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled “For Authorised Dealer Use Only”.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code “0000” should be supplied under CIN.

#### ***Section 2 – Transaction Type***

Complete Industry, Country and Currency Codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework.

#### ***Section 3 – Purpose of Funds***

Tick one of the purposes of funds listed on the Form and enter the Foreign Currency amount and its Kina equivalent.

Authorised Dealers must report in their own name a single aggregate amount for all card payments as “Travel”, on Form-R1.

#### **Section 4 – To be Completed by All Applicants**

The name of the foreign beneficiary, the name and signature of the person making the application and the Date of the application must be provided in full.

### **6.3 For Authorised Dealer Use Only**

An Authorised Dealer Officer must complete this Section. Remittance Date is the date of remittance of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

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## **7. FORM AGGREGATE–R1 - OUTWARD REMITTANCE OF CURRENCY**

### **7.1 General**

The Form must be completed for non-trade and non-capital related service payments to overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 20 of the Manual for compilation of BOP.

It must be completed on Value Date, for amounts between K5,000.00 and K10,000.00 (or Foreign Currency equivalent) by the Authorised Dealer.

The Authorised Dealer must keep a copy and send the original to the Central Bank.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **7.2 Completion Guidelines**

#### ***Transaction Details***

Complete Date (Value Date of the transaction), Sector Code, Transaction Code (Purpose of Funds), Country Code, Currency Code, Amount in Foreign Currency and Amount in Kina.

Sector Code, Purpose of Funds, Country Code and Currency Code are provided on the back of the Form and are also listed in Appendices A, B, C and D of this Reporting Framework.

### **7.3 For Authorised Dealer Use Only**

An Authorised Dealer Officer must complete Bank, Branch, For Week Ending, Year and Page, set out on the Form.

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## **8. FORM-R1(D): OUTWARD REMITTANCE OF CURRENCY - DIVIDENDS**

### **8.1 General**

The Form must be completed at the time of making any amount of dividend or branch profit remittance overseas in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 20 of the Manual, for BOP compilation. It is used to capture and record dividend payments to overseas Non-residents in the private foreign equity database for tracking outflows of income arising from foreign investments in PNG, including compilation of BOP. The Form must be submitted to the Authorised Dealer with supporting documents set out on the back of the Form, for forwarding to the Central Bank.

The Form is printed in quadruplicate. The Authorised Dealer should retain one, send "**two**" to the Central Bank and one is returned to the client.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **8.2 Completion Guidelines**

#### **Section 1 – PNG Company Information**

Companies must identify themselves by their registered name, Company Incorporation Number (CIN) and address. The BPNG Investment Number is supplied by BPNG and must be provided for an existing investment. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled "For Authorised Dealer Use Only".

#### **Section 2 – Transaction Type**

Complete the Industry, Country and Currency codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework.

#### **Section 3 – Particulars of Dividend**

Provide information on the rate per share and accounting year for which the dividend is being paid in Part (a). Also, tick either "Interim" or "Final" dividend to identify the type of dividend payment. Provide monetary values of the dividend being paid in Foreign Currency and the Kina equivalent, net of tax, in Part (b) as set out.

#### **Section 4 – Capital Structure**

Provide data on the total capital structure, which should either be the most recent one or as of the date of Form completion.

#### **Section 5 – Date of Closing of Annual Accounts**

The Date and the Month of closing annual financial accounts must be provided.

### **8.3 For Authorised Dealer Use Only**

An Authorised Dealer Officer must complete this Section. Remittance Date is the date of remittance of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## **9. FORM-C1: TAKING OF PHYSICAL CURRENCY IN NOTES AND COINS**

### **9.1 General**

The Form is used to capture and record the removal of physical Currency from PNG. It should be completed in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 8 of the Manual for compilation of BOP.

It must be completed on the date of sale of Currency, for amounts in excess of K5,000.00 (or Foreign Currency equivalent). The Authorised Dealer must submit the Form to the Central Bank.

The Form is printed in triplicate. The Authorised Dealer should retain one, one is sent to the Central Bank, and one is returned to the client.

Provided at the back of the Form is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer can sell physical Currency.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **9.2 Completion Guidelines**

#### **Section 1 – PNG Entity/Personal Information**

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number (CIN). Other entities should leave the CIN box blank.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

Non-citizen individuals of PNG who are purchasing the physical Currency must produce a current passport and work permit and fill out their numbers in the respective boxes.

#### ***Section 2 – Transaction Type***

Complete Industry, Country and Currency Codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework.

#### ***Section 3 – Purpose of Funds***

Tick one of the purposes of funds listed on the Form and enter the Foreign Currency amount and its Kina equivalent.

#### **Section 4 – To be Completed by All Applicants**

The name of the foreign beneficiary, the name and signature of the person making the application and the Date of the application must be provided in full.

### **9.3 For Authorised Dealer Use Only**

An Authorised Officer of the Central Bank and/or an Authorised Dealer Officer must complete this Section. Sale Date is the date the physical Currency is sold to the customer. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## **10. FORM-R2: INWARD RECEIPTS OF FOREIGN CURRENCY**

### **10.1 General**

The Form must be completed for any amount of non-trade and non-capital related service receipts from overseas Non-residents, in accordance with the Completion Guidelines below for compilation of BOP. Other receipts and funds for administrative expenses, excluding export proceeds and pre-finance for exports, should be reported on this Form.

The Form must be completed on Value Date, for amounts in excess of K10,000.00 (or Foreign Currency equivalent). Export receipts (including pre-finance) must not be reported on this Form.

The Form is printed in triplicate. The Authorised Dealer should retain one, one is sent to the Central Bank, and one is returned to the client.

Provided at the back of the Form is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

Authorised Dealers must inform and ensure that their clients complete Sections explained below.

### **10.2 Completion Guidelines**

#### **Section 1 – PNG Company/Personal Information**

Companies must identify themselves by their registered name, Company Incorporation Number (CIN) and address. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled "For Authorised Dealer Use Only".

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Transaction Type***

Complete Industry, Country and Currency Codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework.

#### ***Section 3 – Purpose of Funds***

Tick one of the purposes of funds listed on the Form and enter the Foreign Currency amount and its Kina equivalent.

Authorised Dealers must report in their own name a single aggregate amount for all card receipts as "Travel", on Form-R2 (BOP-R2).

### **10.3 For Authorised Dealer Use Only**

An Authorised Dealer Officer must complete this Section. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## 11. FORM AGGREGATE–R2: INWARD RECEIPTS OF FOREIGN CURRENCY

### 11.1 General

The Form must be completed for non-trade and non-capital related service receipts from overseas Non-residents, in accordance with the Completion Guidelines below for compilation of BOP.

The Form must be completed on Value Date, for amounts between K5,000.00 and K10,000.00 (or Foreign Currency equivalent) by the Authorised Dealer.

The Authorised Dealer must keep a copy and send the original to the Central Bank.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### 11.2 Completion Guidelines

#### *Transaction Details*

Complete Date (Value Date of the transaction), Sector Code, Transaction Code (Purpose of Funds), Country Code, Currency Code, Amount in Foreign Currency and Amount in Kina.

Sector Code, Purpose of Funds, Country Code and Currency Code are provided on the back of the Form and are also listed in Appendices A, B, C and D of this Reporting Framework.

### 11.3 For Authorised Dealer Use Only

An Authorised Dealer Officer must complete Bank, Branch, For Week Ending, Year and Page, set out on the Form.

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## **12. FORM-G1: GUARANTEES OR SECURITIES ISSUED BY RESIDENT ENTITIES AND INDIVIDUALS TO NON-RESIDENTS**

### **12.1 General**

The Form must be completed for any amount of guarantee or security issued in favour of overseas Non-residents by Resident entities and individuals in PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 10 of the Manual. It is used to capture and record the monetary values of guarantees, for tracking the contingent liabilities to overseas Non-residents. The Authorised Dealers should provide guidance on the completion of Form-G1 (BOP-G1). The Guarantor must submit the Form directly to the Central Bank.

The Form is printed in triplicate. The Central Bank will retain one and send the other two to the guarantor. The Guarantor must keep one and send the other to the overseas guarantee.

### **12.2 Completion Guidelines**

#### **Section 1 – Entity/Personal Information**

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number (CIN). Other entities should leave the CIN box blank.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code “0000” should be supplied under CIN.

Non-citizen Resident individuals of PNG issuing guarantees or securities must produce their current passports and work permits and fill out their numbers in the respective boxes.

The Name of Bank and Bank Branch should be provided. It should normally be the bank through which the settlement will be effected, if the guarantee is exercised.

#### **Section 2 – Overseas Beneficiary Details**

Tick the relevant box (Entity or Individual) and provide the full name and address of the overseas beneficiary.

#### **Section 3 – Guarantee Amount**

Provide Amount in Foreign Currency, the Kina equivalent and the Reference Number for both the new guarantee (New Maximum Liability) and an existing guarantee (Original and Revised Maximum Liability).

Complete Industry, Country and Currency Codes in full. They are given on the back of the Form and are also listed in Appendices A, C and D of this Reporting Framework.

#### **Section 4 – To be Completed by All Resident Guarantors**

All Resident issuers must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

### **12.3 For BPNG Use Only**

Not to be completed.

**NOTE: AUTHORISED DEALERS SHOULD NOT REQUEST FOR ANY VALUATION REPORT AT THE TIME THE GUARANTEE IS EXERCISED FOR PAYMENT. THEY SHOULD CHECK AND VERIFY THE GUARANTEE WITH THE CENTRAL BANK, BEFORE THE PAYMENT IS EFFECTED.**

## **13. FORM-LA: BORROWING FROM OFFSHORE SOURCES**

### **13.1 General**

The Form must be completed for any amount of borrowing from offshore sources by Resident individuals and entities in PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual. Form-LA (BOP-LA) is used for collecting information on external private debt. The Central Bank maintains a registry of external private debt, which is used for reporting the country's external debt position.

The Form must be completed at the time of seeking a new loan from a foreign lender or for amendments to the terms of an existing loan agreement. It should be submitted to the Central Bank, together with copies of the signed and executed (or revised) loan and security agreements.

The Form is printed in triplicate. After the Forms are signed and stamped, the borrower will retain one and send the other two to the Central Bank.

### **13.2 Completion Guidelines**

#### ***Section 1 – PNG Borrower Information***

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number (CIN). Other entities should leave the CIN box blank. The BPNG Loan key is supplied by BPNG and must be provided for an existing loan; however, it is not required for a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled "For Authorised Dealer Use Only" on Form-L1 and Form-L2. The Industry Code is given in Appendix A of this Reporting Framework.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Purpose of Borrowing***

The applicant (borrower) must specify the "purpose" (for example, working capital, ref-finance, capital investment, etc.) of borrowing the loan.

#### ***Section 3 – Details of Foreign Lender***

Provide full name and address of the Foreign Lender.

#### ***Section 4 – Details of Foreign Loan***

Additional information must be provided, if "Other" category is ticked.

Government Guaranteed refers to a Guarantee issued by the Government of PNG on the loan. The percent (%) covered must be specified.

A Multicurrency loan is a loan contracted for drawing and repayment in multiple currencies. Loan Currency Code is the currency code of the loan specified in the loan agreement.

*Tranch Number:* A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

#### ***Section 5 – Loan Drawdown Schedule***

The expected loan drawdowns and their corresponding dates must be given. They should be obtained from the loan agreement. Where these are not known, the Central Bank must be advised as soon as they become available. The currency codes are given in appendix D of this Reporting Framework. For Multi-currency loans, disaggregate the loan drawdowns by currency and report each as a separate loan drawdown.

The Closing Date for Drawdown is the final date of loan drawdown stipulated in the loan agreement. This date must be supplied on Form-LA, as shown.

**Section 6 – Schedule of Interest, Fees and Principal Repayment**

**Part a):** Give details of the interest payable and due dates and detail all other fees and charges, included under the terms of the loan. Rate base is the floating market rate, for example, Libor, Hibor and Sibor. It is important to give full and accurate details here for tracking remittances by loan from time to time.

**Part b):** The expected principal repayments and their corresponding dates must be given. They should be obtained from the loan agreement. Where these are not known, the Central Bank must be advised as soon as they become available.

**Section 7 – To be Completed by PNG Borrowers**

All Resident borrowers must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**13.3 For BPNG Use Only**

Not to be completed.

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## 14. FORM-L1: DRAWDOWN ON OVERSEAS LOAN

### 14.1 General

The Form must be completed for any amount of loan drawdown from overseas by Resident entities and individuals in PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual for compilation of BOP. It must be submitted by the Authorised Dealer to the Central Bank for each loan drawdown. Multiple loan drawdowns must not be lumped up. The Form must be completed on Value Date of each drawdown separately for each Loan key.

The Form is printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, **two** are sent to the Central Bank and one is returned to the borrower.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### 14.2 Completion Guidelines

#### ***Section 1 – PNG Borrower Information***

The information supplied in the Section must correspond with those provided earlier on Form-LA.

The Central Bank will provide the Loan key to the borrower after a loan is recorded in its private loan registry. The Loan key must be given on Form-L1, for the Central Bank to assign and record all drawdowns in respect of the loan.

#### ***Section 2 – Details of Foreign Lender***

The information supplied must correspond with the same on Form-LA.

#### ***Section 3 – Details of Foreign Loan***

Provide the same information as provided in Section 4 of Form-LA.

#### ***Section 4 – Drawdown Details***

*Drawdown Amount in Foreign Currency.* Enter the amount of loan drawdown in Foreign Currency, its Kina equivalent and the date of drawdown.

*Drawings to Date (in Foreign Currency).* Record the cumulative total of all loan drawdowns to-date, including the current drawdown for which the Form was completed.

*Undisbursed Balance.* Record the undrawn portion of the loan. Subtract the total of all “Drawings to Date” from the “Amount of Loan in Foreign Currency” of Form-LA or from the loan agreement, to derive the Undisbursed Balance.

The industry, country and currency codes are given at the back of the Form and in Appendices A, C and D of this Reporting Framework.

*Tranch Number.* A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

#### ***Section 5 – To be Completed by PNG Borrowers***

All borrowers must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.



**14.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Receipt date is the date of receipt of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

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## 15. FORM-L2: REPAYMENT OF PRINCIPAL, INTEREST AND OTHER FEES

### 15.1 General

The Form must be completed for any amount of payment on borrowing from overseas by Resident individuals and entities in PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual. It must be submitted by the Authorised Dealer to the Central Bank for payment of principal, interest and other fees and charges paid on an overseas loan. Payment for multiple loans must not be aggregated and reported on the same Form. The Form must be completed separately for each loan (or Loan key) and submitted to an Authorised Dealer, with supporting documents set out on the back of the Form. It must be completed on the Settlement (or Value) Date.

The Form is printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Central Bank, and return one to the borrower.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### 15.2 Completion Guidelines

#### ***Section 1 – PNG Borrower Information***

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number (CIN). Other entities should leave the CIN box blank. The BPNG Loan key is supplied by BPNG and must be provided for an existing loan however, it is not required for a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled "For Authorised Dealer Use Only". The Industry Code is given at the back of the Form and in Appendix A of this Reporting Framework.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Details of Foreign Lender***

Provide full name and address of the foreign lender. They must correspond with the same on Form-LA completed at the time the loan agreement was signed and stamped.

#### ***Section 3 – Details of Foreign Loan***

The information must be the same as supplied on Form-LA, at the time the agreement was signed and stamped.

*Outstanding Balance prior to this payment.* The balance of all loan drawdowns yet to be repaid by the borrower. It is derived by subtracting the total of all loan principal repayments to-date (excluding the amount for which the Form was completed) from the total of all loan drawdowns to-date.

#### ***Section 4 – Payment Details***

Payment details should be consistent with the terms of the (revised) loan agreement, and provided on Form-LA. In the case of penalty payments, the Authorised Dealer should contact the Central Bank for verification against the original (revised) terms in the signed and executed loan agreement.

*Tranch Number.* A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

**Section 5 – To be Completed by All Applicants**

All borrowers must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**15.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Remittance Date is the date of remittance of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

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## **16. FORM-LC: BORROWING FROM OFFSHORE SOURCES – HISTORICAL DETAILS**

### **16.1 General**

The Form must be completed for any amount of borrowing from overseas by Resident individuals and entities in PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual. Form-LC is used for collecting and recording historical information and data on external borrowings. The Central Bank maintains a registry of external private debt, which is used for reporting the country's external debt position. The Form must be completed separately for each loan by the Settlement (Value) Date and submitted to the Central Bank by the borrower.

The Form is printed in duplicate. After the Forms are stamped and signed, one is sent to the Central Bank and the other is retained by the borrower for record purposes. It must be submitted by the 31 of January the following year, for the previous reporting calendar year. It must also be completed and submitted in accordance with instructions of the Central Bank, when requested.

### **16.2 Completion Guidelines**

#### ***Section 1 – PNG Entity/Personal Information***

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number (CIN). Other entities should leave the CIN box blank. The BPNG Loan key is supplied by BPNG and must be provided, as the Form is for an existing loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled "For Authorised Dealer Use Only" on Form-L1 and Form-L2. The Industry Code is given in Appendix A of this Reporting Framework.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Purpose of Borrowing***

The borrower must specify the "purpose" of borrowing (for example, working capital, ref-finance, capital investment, etc.).

#### ***Section 3 – Details of Foreign Lender***

Provide the full name and address of the Foreign Lender.

#### ***Section 4 – Details of Foreign Loan***

Additional information must be provided, if "Other" category is ticked.

Government Guaranteed refers to a Guarantee issued by the Government of PNG on the loan. Percent (%) covered must be specified.

A Multicurrency loan is a loan contracted for drawing and repayment in multiple currencies. Loan Currency Code is the currency of the loan specified in the loan agreement.

A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

#### ***Section 5 – Actual Loan Drawdown Schedule***

The actual loan drawdowns to-date and their corresponding dates should be given. They should be obtained from the loan records and other documents. The currency codes are given in Appendix D of this Reporting Framework. For Multi-currency loans, disaggregate the loan drawdowns by currency and report each as a separate loan drawdown.

The Closing Date for Drawdown is the final date of loan drawdown stipulated in the loan agreement. This dated must be provided on Form-LC, as shown.

**Section 6 – Schedule of Actual Interest, Fees and Principal Repayment**

**Part a):** Provide details of actual interest and other payments to-date, with corresponding dates and amounts in Foreign Currency and Kina. The currency codes are given in Appendix D of this Reporting Framework.

**Part b):** Provide details of actual principal repayments to-date and the corresponding dates and the Amount in Foreign Currency and its Kina equivalent. The currency codes are given in Appendix D of this Reporting Framework.

**Section 7 – To be Completed by PNG Borrowers**

All borrowers must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**16.3 For BPNG Use Only**

Not to be completed.

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## **17. FORM-LB: LENDING TO OVERSEAS NON-RESIDENTS**

### **17.1 General**

Form-LB is used for collecting information on any amount of lending to overseas Non-residents by Resident individuals and entities in PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual. The data provided on the Forms are used for reporting the country's overall external lending (asset) position.

The Form must be completed at the time a new loan is granted to a foreign borrower or for amendments to the terms of an existing loan agreement. It is submitted to the Central Bank, together with copies of the signed and executed (or revised) loan and security agreements.

The Form is printed in triplicate. After the forms are signed and stamped, the lender will retain one and send the other two to the Central Bank.

### **17.2 Completion Guidelines**

#### ***Section 1 – PNG Lender Information***

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number. Other entities should leave the Company Incorporation Number box blank. The BPNG Loan key is supplied by BPNG and must be provided for an existing loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled "For Authorised Dealer Use Only" on Form-L1(B) and Form-L2(B). The Industry Code is given in Appendix A of this Reporting Framework.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Purpose of Lending***

The lender in PNG must specify the "purpose" of lending (for example, working capital, re-finance, capital investment, etc.).

#### ***Section 3 – Details of Overseas Borrower***

Provide full name and address of the Foreign Borrower.

#### ***Section 4 – Details of PNG Loan***

Additional information must be provided, if "Other" category is ticked.

Government Guaranteed refers to a Guarantee issued by the Government of PNG for the loan. Percent (%) covered must be specified.

A Multicurrency loan is a loan contracted for drawing and repayment in multiple currencies. Loan Currency Code is the currency of the loan specified in the loan agreement.

A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

#### ***Section 5 – Loan Drawdown Schedule***

The expected drawdowns and their corresponding dates should be given. They should be obtained from the loan agreement. Where these are not known, the Central Bank must be advised as soon as they become available. The currency codes are given in Appendix D of this Reporting Framework. For Multi-currency loans, disaggregate the loan drawdowns by currency and report each as a separate drawdown.

The Closing Date for Drawdown is the final date of loan drawdown stipulated in the loan agreement. This date must be provided on Form-LB, as shown.

**Section 6 – Schedule of Interest, Fees and Principal Receipt**

**Part a)** Give details of the interest receivable and their due dates and details of all other fees and charges, included under the terms of the loan. Rate base is the floating market rate, for example, Libor, Hibor and Sibor. It is important to give full and accurate details here so that all receipts associated with the loan can be properly tracked and monitored from time to time.

**Part b)** The expected principal receipts and their corresponding dates must be given. They should be obtained from the loan agreement. Where these are not known, the Central Bank must be advised as soon as they become available.

**Section 7 – To be Completed by PNG Lenders**

All Resident lenders in PNG must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**17.3 For BPNG Use Only**

Not to be completed.



## 18. FORM-L1(B): DRAWDOWN OF LOANS FROM PAPUA NEW GUINEA

### 18.1 General

The Form must be completed by Resident lenders in PNG for drawdowns on loans provided to overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual. It must be submitted by the Authorised Dealer to the Central Bank for each drawdown on a loan. Drawdowns on multiple loans must not be aggregated and reported on the same Form. Each drawdown must be reported on the Settlement (or Value) Date separately for each loan (or Loan key) and submitted to an Authorised Dealer, with supporting documents set out on the back of the Form.

The Form is printed in quadruplicate. After the Forms are signed, stamped and dated, the Authorised Dealer will retain one, send **two** to the Central Bank and return one to the lender.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### 18.2 Completion Guidelines

#### ***Section 1 – PNG Lender Information***

The information provided in the Section must correspond to the same provided on Form-LB, at the time the loan agreement was signed and stamped.

The Central Bank will provide the Loan key to the Lender. The Loan key must be given on Form-L1(B), for the Central Bank to track and monitor all drawdowns in respect of a loan.

#### ***Section 2 – Details of Overseas Borrower***

Provide name and address of the overseas borrower.

#### ***Section 3 – Details of PNG Loan***

Provide Amount of Loan, Date of Signing of Loan Agreement and the term of the loan in months.

#### ***Section 4 – Drawdown Details***

*Drawdown Amount in Foreign Currency.* Enter the amount of drawdown in Foreign Currency and its Kina equivalent and the date of drawdown.

*Drawings to Date (in Foreign Currency).* Record the cumulative total of all drawdowns to-date, including the current drawdown for which the Form was completed.

*Undisbursed Balance.* Record the undrawn portion of a loan. Subtract the total of all “Drawings” to-date from the “Amount of Loan in Foreign Currency” of Form-LB (or from the loan agreement), to derive the Undisbursed Balance.

The industry, country and currency codes are found at the back of the Form and in Appendices A, C and D of this Reporting Framework.

*Tranch Number:* A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

#### ***Section 5 – To be Completed by PNG Lenders***

All PNG Lenders must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.



**18.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Remittance Date is the date of funds transfer. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

***NOTE: THIS FORM SHOULD BE SUBMITTED WITH A TCC.***

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## **19. FORM–L2(B): RECEIPTS OF PRINCIPAL, INTEREST AND OTHERS BY PNG RESIDENTS FROM LOANS TO OVERSEAS RESIDENTS**

### **19.1 General**

The Form must be completed for any amount of payment received by Resident individuals and entities in PNG from lending to overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 15 of the Manual. It must be submitted by the Authorised Dealer to the Central Bank for receipt of principal, interest and other fees and charges on the loan. Receipts for multiple loans must not be aggregated and reported on the same Form. The Form must be completed on the Settlement (or Value) Date for each transaction separately for each loan (or Loan key) and submitted to an Authorised Dealer.

The Form is printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Central Bank and return one to the lender.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **19.2 Completion Guidelines**

#### ***Section 1 – PNG Lender Information***

The name of the PNG entity or individual must be given in full. Companies must also identify themselves by their registered name and Company Incorporation Number (CIN). Other entities should leave the CIN box blank. The BPNG Loan key is provided by BPNG and must be provided for an existing loan, however, it is not required for a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section titled “For Authorised Dealer Use Only”. The Industry Code is given at the back of the Form and in Appendix A of this Reporting Framework.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code “0000” should be supplied under CIN.

#### ***Section 2 – Details of Overseas Borrower***

Provide full name and address of the foreign borrower. They must correspond with the same provided on Form-LB at the time the loan agreement was signed.

#### ***Section 3 – Details of PNG Loan***

The information must conform to the same supplied on Form-LB, when the loan agreement was signed.

*Outstanding Balance prior to this receipt.* The balance of all loan drawdowns yet to be repaid. It is derived by subtracting the total of all loan principal repayments received to-date (excluding the amount for which the Form was completed) from the total of all drawdowns to-date.

#### ***Section 4 – Receipt Details***

Receipt details provided should be consistent with the terms of the (revised) loan agreement, and provided on Form-LB. In the case of receipt of penalty fees, the Authorised Dealer should contact the Central Bank for verification against the original (revised) loan terms in the signed and executed loan agreement.

The industry, country and currency codes are given on the back of the Form and in Appendices A, C and D of this Reporting Framework.

*Tranch Number:* A Tranch is a part of a loan drawdown with its own terms and conditions of payments. The Form must be completed for each Tranch, where applicable.

**Section 5 – To be Completed by PNG Lender**

The PNG Lender should complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**19.3 For Authorised Dealer Use Only**

An Authorised Dealer should complete the Section. Receipt Date is the date of receipt of funds. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

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## **20. FORM-V1: INWARD INVESTMENT IN PAPUA NEW GUINEA**

### **20.1 General**

The Form must be completed for any amount of investment in PNG by overseas Non-residents, in accordance with the Completion Guidelines below and the FE Notice 2 and FE Notice 16 of the Manual. It is used for compilation of BOP, and maintaining a registry of private foreign equity for analyzing the country's foreign investment position. The transaction could either be in cash or in kind for which additional information must be provided. The Form must be completed on the Settlement (or Value) Date separately for each investment.

The Form must be completed for each new investment and for Non-residents to open Kina or Foreign Currency accounts or deposit funds in Money Market Instruments with Resident financial institutions in PNG. In general, the Form should be submitted to an Authorised Dealer for verification and processing, by the PNG party (or the entity in PNG receiving the investment funds). The Authorised Dealer should submit the Form to the Central Bank.

Amounts reported under Sections 4 and 5 must match the Kina total reported under Section 3 of the Form.

Only one transaction should be reported on the Form. If, for example, a foreign investor purchases Kina securities and at the same time opens an account with a Resident financial institution, two separate sets of Form-V1 should be completed and submitted.

The Form is printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Central Bank and return one to the client.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **20.2 Completion Guidelines**

#### ***Section 1 – Non-resident Information***

Provide full name and address of the Non-resident (foreign) investor.

#### ***Section 2 – Papua New Guinea Enterprise Details***

Specify whether the entity is a new venture or an existing company and give the full name and address. Under "nature of business", specify the principal activity or activities of the company. The Company Incorporation Number should be provided for an existing enterprise in which the investment is made. Leave the Company Incorporation Number box blank for an entity other than a company.

BPNG Investment Number is a reference number allocated to a foreign investment in PNG. It should be provided in the relevant box. This number will be provided to the PNG entity in which the investment is made, by the Central Bank. It will be used to track all investment and income flows associated with the investment.

#### ***Section 3 – Transaction Information***

Give the Amount in Foreign Currency and its Kina equivalent, which should correspond to the "Total amount in Kina" of section 4. The industry, country and currency codes are given in Appendices A, C and D of this Reporting Framework. The Bank and Branch should in most cases be the same as the bank identified in Section titled "For Authorised Dealer Use Only".

#### ***Section 4 – Direct Investment in a New or Existing Enterprise***

This Section is only for equity participation, which allows the foreign investor to control 10%, or more of the issued capital in the PNG entity. Definitions of the equity types are given in Appendix B of this Reporting Framework. An option is included for non-cash equity participation. In such instances, full

details of the transaction should be provided. The "Total amount in Kina" should correspond to the Amount in Kina of Section 3.

**Section 5 – Portfolio Investment**

The descriptions of the items included under Portfolio Investment are given in Appendix B of this Reporting Framework. Note that 'Other Domestic Securities' includes equity participation in companies where the holding is below 10% of the issued capital of the PNG company. Under "Deposits" include all money market deposits, whether in Kina or Foreign Currency, held by a Non-resident with a Resident financial institution.

**Section 6 – To be Completed by all Applicants**

All recipients of foreign equity investment must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**20.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Receipt Date is the date of receipt of funds, which must be the same as the Date of Transaction in Section 3 and Date in Section 6. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## **21. FORM-VE: INWARD INVESTMENT IN PAPUA NEW GUINEA – HISTORICAL DETAILS**

### **21.1 General**

The Form must be completed for historical data on any amount of equity investment in PNG by overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 16 of the Manual. It is used to maintain the registry of private foreign equity for monitoring and analysing the country's foreign investment position. The transaction could be either in cash or in kind for which full details of the transaction should be provided. The Form must be completed on the Receipt (or Value) Date separately for each investment and submitted to the Central Bank by the entity in which the foreign investment was made.

The Form must be completed and submitted to the Central Bank by the 31 of January the following year, for the previous reporting calendar year. It should also be submitted in accordance with instructions of the Central Bank, when required.

The Form is printed in duplicate. After the Forms are completed and stamped, the entity in which the foreign investment was made must keep one and send the other to the Central Bank.

### **21.2 Completion Guidelines**

#### ***Section 1 – PNG Entity Information***

The name of the PNG entity must be given in full. Companies must identify themselves by their registered name and Company Incorporation Number. The BPNG Investment Number is a reference number allocated to the foreign investment by the Central Bank to track inflows and outflows associated with the investment. The BPNG Investment Number should be given, if it was provided by the Central Bank.

#### ***Section 2 – Capital Structure***

- a) Provide the details of capital structure either as at the Form completion date or the latest date. The industry code is given in Appendix C of this Reporting Framework.
- b) Give only the Total Amount in Kina for non-companies operating in PNG. That is, an entity that is not registered as company under the Companies Act (1997).

#### ***Section 3 – Date of Closing Annual Accounts***

Provide the date and month of closing annual financial accounts.

#### ***Section 4 – Investment Particulars***

Provide dates and the share types issued in the name of overseas individuals and entities.

#### ***Section 5 – Details of Major Non-resident Shareholders***

Provide information on the four (4) major overseas shareholders, by country of residency of the investor. The remainder should be aggregated and reported by country of residence.

#### ***Section 6 – Particulars of Dividend/Profit Remittances***

**Part a)** Provide historical data on rate of dividend per share for each accounting year for which the dividend was declared and paid.

**Part b)** Provide historical data on actual dividend or profit remittances to overseas shareholders.

## **22. FORM-V2: SALE OR LIQUIDATION OF INVESTMENT IN PAPUA NEW GUINEA**

### **22.1 General**

The Form must be completed at the time of sale or liquidation of an investment in PNG by overseas Non-residents, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 16 of the Manual. It is used for compilation of BOP, and maintaining a registry of private foreign equity for monitoring and analyzing the country's foreign investment position. The transaction could either be in cash or in kind for which additional information must be provided. The Form must be completed on the Payment (or Value) Date separately for each remittance and submitted by the Authorised Dealer to the Central Bank.

The Form must be completed for a Foreign Currency remittance arising from the sale or liquidation of an investment and submitted to an Authorised Dealer with supporting documents set out on the back of the Form. Also, it should be used for the redemption of deposits held with a financial institution in PNG.

Amounts reported under Section 3 must match the total reported under Sections 4 and 5 of the Form.

The Form is printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Central Bank and return one to the applicant.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **22.2 Completion Guidelines**

#### ***Section 1 – Non-resident Information***

Provide full name and address of the Non-resident (foreign) investor.

#### ***Section 2 – Papua New Guinea Enterprise Details***

Specify whether the entity is a new venture or an existing company and give the full name and address. Under "nature of business", specify the principal activity or activities of the company. The Company Incorporation Number should be provided for an existing enterprise in which the investment is made. Leave the box blank for an entity other than a company.

BPNG Investment Number is a reference number allocated to a foreign investment in PNG. It should be provided in the relevant box. It will be provided to the PNG entity in which the investment is made by the Central Bank. It will be used to track all investment and income flows associated with the investment.

#### ***Section 3 – Transaction Information***

Give the Amount in Foreign Currency and its Kina equivalent, which should correspond to the "Total amount in Kina" of Section 4. The industry, country and currency codes are given in Appendices A, C and D of this Reporting Framework. The Bank and Branch should in most cases be the same as the bank identified in Section titled "For Authorised Dealer Use Only".

#### ***Section 4 – Sale of Shares in or Liquidation of a Business Enterprise***

This Section is only for equity participation, which allows the foreign investor to control 10%, or more of the issued capital in the PNG entity. Definitions of the equity types are given in Appendix B of this Reporting Framework. An option is included for non-cash equity participation for which additional information must be provided. The "Total amount in Kina" should correspond to Amount in Kina of Section 3.

#### ***Section 5 – Sale of Other Portfolio Assets***

The descriptions of items included under Portfolio Investment (Assets) are given in Appendix B of this Reporting Framework. Note that 'Other Domestic Securities' includes equity participation in companies

where the holding is below 10% of the issued capital of the PNG company. Under "Withdrawal of Deposits" include all money market deposits, whether in Kina or Foreign Currency, held by a Non-resident with a Resident financial institution in PNG.

***Section 6 – To be Completed by all Applicants***

This Section must be completed by entities making the remittance overseas. The Name must be completed in full. The signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**22.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Remittance Date is the date of remittance of funds, which should be the same as Date of Transaction in Section 3 and Date in Section 6. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

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## **23. FORM-V3: OUTWARD INVESTMENTS BY PAPUA NEW GUINEA RESIDENTS**

### **23.1 General**

The Form must be completed by Residents of PNG when making an overseas investment of any amount, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 16 of the Manual. It is used for reporting and analysing the country's external investment position. The transaction could be either in cash or kind for which additional information must be provided. The Form must be completed on the Remittance (or Value) Date separately for each outward investment and submitted by an Authorised Dealer to the Central Bank.

A Resident of PNG must complete the Form at the time of making Foreign Currency remittance for overseas investment. The Form is also used for the new deposits with foreign financial institutions. It must be submitted to an Authorised Dealer with supporting documents set out on the back of the Form.

Amounts reported under Section 3 of the Form must match the total reported under Sections 4 and 5.

Where an existing overseas investment is liquidated and re-invested overseas, a set of Form-V3 and a set of Form-V4 must be completed simultaneously, to show a sale (or liquidation) and an overseas re-investment. Similarly, a set of Form-V3 and Form-V4 must be completed for liquidation of deposits held with foreign financial institutions, for the same reason.

The Forms are printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Central Bank and return one to the client.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### **23.2 Completion Guidelines**

#### ***Section 1 – PNG Investor Information***

The name of the PNG entity or individual must be given in full. Entities must identify themselves by their registered name and Company Incorporation Number (CIN). For other entities, the CIN box should be left blank. The BPNG Investment Number is a reference number allocated to the overseas investment by Central Bank to track outflows and inflows associated with the overseas investment. The BPNG Investment Number should be given, if it was issued by the Central Bank.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

Non-citizen individuals of PNG should provide their current Passports and work permits and complete their respective numbers. The Bank and Branch should in most cases be the same as the bank identified in Section titled "For Authorised Dealer Use Only".

#### ***Section 2 – Foreign Resident Details***

Give full name and address of the overseas Non-resident. Under 'Nature of Business', specify the principal activity or activities of the overseas entity or individual.

#### ***Section 3 – Transaction Information***

Give the Amount in Foreign Currency and its Kina equivalent, which should correspond to the "Total amount in Kina" of Section 4. The industry, country and currency codes are given in Appendices A, C and D of this Reporting Framework. A tick should be placed alongside "Remittance Overseas" for a new remittance from PNG and "Overseas Transaction" for an overseas reinvestment.

#### ***Section 4 – Shareholding in a Foreign Business Enterprise***

This Section is only for equity participation, which allows the PNG investor to control 10%, or more of the issued capital of the overseas entity. Definitions of the equity types are given in Appendix B of this

Reporting Framework. An option for non-cash equity participation is provided for which full details of the transaction should be provided. The “Total amount in Kina” should correspond to Amount in Kina of Section 3. A tick should be placed alongside “Remittance Overseas” for a new remittance from PNG and “Overseas Transaction” for an overseas reinvestment.

**Section 5 – Investment in Foreign Securities and Assets**

The descriptions of the items included under portfolio investment are given in Appendix B of this Reporting Framework. Note that under “Other Foreign Securities”; include equity participation in foreign companies where the holding is below 10% of the total issued capital of the overseas entity. Under “Deposits”, include all money market deposits, whether Kina or Foreign Currency, held with each overseas financial institution. A tick should be placed alongside “Remittance Overseas” for a new remittance from PNG and “Overseas Transaction” for an overseas reinvestment.

**Section 6 – To be Completed by all applicants**

All PNG investors must complete this Section. The Name must be completed in full. For entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**23.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Remittance Date is the date of remittance of funds or overseas reinvestment, which should be the same as Date of Transaction in Section 3 and Date in Section 6. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.



## **24. FORM-V3(A): OVERSEAS ASSETS HELD BY PAPUA NEW GUINEA RESIDENTS**

### **24.1 General**

The Form must be completed for overseas assets of any form held by Residents of PNG, in accordance with the Completion Guidelines below and the FE Notice 2 and FE Notice 16 of the Manual. It is used for reporting and analysing the country's external investment position. The transaction could be either in cash or in kind for which full details of the transaction must be provided. The Form must be completed separately for each asset and submitted by the Resident investor directly to the Central Bank.

The Form must be completed whenever a Resident accumulates assets outside PNG, including money market deposits held with overseas financial institutions.

Amounts reported under Section 3 of the Form match the total reported under Sections 4 and 5.

Where an existing overseas investment is liquidated and re-invested overseas, a set of Form-V3, a set of Form-V4 and a set of Form-V3(A) must be completed simultaneously, to show a sale (or liquidation) and an overseas re-investment, and the change in the asset position since the last return. Similarly, a set of Form-V3, Form-V4 and Form-V3(A) must be completed for the liquidation of deposits held with foreign financial institutions, for the same reason.

The Forms are printed in triplicate. After the Forms are stamped, dated and signed, the Resident investor will retain one and send **two** to the Central Bank.

### **24.2 Completion Guidelines**

#### ***Section 1 – PNG Entity/Personal Information***

The name of the PNG entity or individual must be given in full. Entities must identify themselves by their registered name and Company Incorporation Number (CIN). For other entities, the CIN box should be left blank. The BPNG Investment Number is a reference number allocated to the overseas investment by the Central Bank to track outflows, inflows and the stock position of an overseas investment. The BPNG Investment Number should be given, if it was issued by the Central Bank. Individuals (non-citizen individuals) of PNG should provide respectively their current Passport and work permit numbers.

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Foreign Resident Details***

Give full name and address of the overseas Non-resident. Under 'Nature of Business', specify the principal activity or activities of the overseas entity or individual.

#### ***Section 3 – Transaction Information***

Give the total stock Amount in Foreign Currency and its Kina equivalent, which should correspond to the "Total amount in Kina" of Section 4 and Section 5. The industry, country and currency codes are given in Appendices A, C and D of this Reporting Framework.

#### ***Section 4 – Shareholding in a Foreign Business Enterprise***

This Section is for equity participation, whereby a PNG investor *controls 10%, or more* of the issued capital of the foreign entity. Definitions of the equity types are given in Appendix B of this Reporting Framework. An option is included for non-cash equity participation for which full details of the monetary stock must be provided. The "Total amount in Kina" should correspond to the Amount in Kina of Section 3.

**Section 5 – Foreign Portfolio Assets**

The descriptions of the items included under portfolio assets are given in Appendix B of this Reporting Framework. Note that under “Other Foreign Securities”; include equity participation in foreign companies where the holding is *below 10%* of the total issued capital of the overseas entity. Under “Deposits”, include the stock of all money market deposits, whether Kina or Foreign Currency, held with each overseas financial institution.

**Section 6 – To be Completed by all Applicants**

Resident individuals and entities of PNG must complete this Section. The Name must be completed in full. For PNG entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**24.3 For Authorised Dealer Use Only**

Not to be completed.

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## 25. FORM-V4: SALE OR LIQUIDATION OF FOREIGN INVESTMENT BY PNG RESIDENTS

### 25.1 General

The Form must be completed when Residents of PNG sell or liquidate any amount of their overseas investments, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 16 of the Manual. It is used for reporting and analysing the country's overseas investment position. The transaction could either be in cash or in kind for which additional information must be provided. The Form must be completed on the Receipt (or Value) Date separately for each inflow and submitted by an Authorised Dealer to the Central Bank.

A Resident of PNG must complete the Form at the time the funds are received in PNG arising from the sale or liquidation of an overseas investment. It is also used for liquidation of deposits held with foreign financial institutions.

Amounts reported under Section 3 of the Form must match the total reported under Sections 4 and 5.

Where an existing overseas investment is liquidated and re-invested overseas, a set of Form-V4 and a set of Form-V3 must be completed simultaneously, to show a sale (or liquidation) and an overseas re-investment. Similarly, a set of Form-V4 and Form-V3 must be completed for the liquidation of overseas deposits held with foreign financial institutions, for the same reason.

The Form is printed in quadruplicate. After the Forms are stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Central Bank and return one to the applicant.

Where a sale and re-investment is done overseas the Form V3(A) must be completed and submitted directly to the Central Bank.

Appendix B of this Reporting Framework provides a comprehensive list of purpose of transaction (Purpose of Funds) and should be used for reference.

### 25.2 Completion Guidelines

#### ***Section 1 – PNG Investor Information***

The name of the PNG entity or individual must be given in full. Entities must identify themselves by their registered name and Company Incorporation Number (CIN). For other entities, the CIN box should be left blank. The BPNG Investment Number is a reference number allocated to the overseas investment by Central Bank to track outflows and inflows associated with the investment. The BPNG Investment Number should be given, if it was provided by the Central Bank. The Bank and Branch should in most cases be the same as the bank identified in Section titled "For Authorised Dealer Use Only".

Individuals must identify themselves in their given and surnames, and complete the Section accordingly. Code "0000" should be supplied under CIN.

#### ***Section 2 – Foreign Resident Details***

Give full name and address of the overseas Non-resident. Under 'Nature of Business', specify the principal activity or activities of the overseas entity or individual.

#### ***Section 3 – Transaction Information***

Give the Amount in Foreign Currency and its Kina equivalent, which should correspond to the "Total amount in Kina" of Section 4. The industry, country and currency codes are given in Appendices A, C and D of this Reporting Framework. A tick should be placed alongside "Remittance from Overseas" for a remittance to PNG or "Overseas Transaction" for an overseas reinvestment.

**Section 4 – Sale of Shares in/or Liquidation of Business Enterprise**

This Section is for equity participation, which allows the PNG investor to control 10%, or more of the issued capital of the overseas entity. Definitions of the equity types are given in Appendix B of this Reporting Framework. An option is included for non-cash equity participation for which full transaction details should be provided. The “Total amount in Kina” should correspond to Amount in Kina of Section 3. A tick should be placed alongside “Remittance from Overseas” for a remittance to PNG or “Overseas Transaction” for an overseas reinvestment.

**Section 5 – Sale and Liquidation of Foreign Securities and Assets**

The descriptions of the items included under portfolio investment are given in Appendix B of this Reporting Framework. Note that under “Other Foreign Securities”; include equity participation in foreign companies where the holding is below 10% of the total issued capital of the overseas entity. Under “Withdrawal of Deposits”, include all money market deposits liquidated for each overseas financial institution. A tick should be placed alongside “Remittance from Overseas” for a remittance to PNG or “Overseas Transaction” for re-investment overseas.

**Section 6 – To be Completed by all Applicants**

Resident individuals and entities of PNG must complete this Section. The Name must be completed in full. For PNG entities, the signatory must be a senior official of the entity concerned and someone who can be contacted in the event of any queries.

**25.3 For Authorised Dealer Use Only**

An Authorised Dealer must complete the Section. Receipt Date is the date of receipt of funds or overseas reinvestment, which should be the same as Date of Transaction in Section 3 and Date in Section 6. The Form must be signed, stamped and dated by a senior Authorised Dealer Officer, who supervised the completion of the Form. The Name must be completed in full.

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## **26. FORM-OS: ENTITY FOREIGN CURRENCY ACCOUNT REPORT**

### **26.1 General**

The Form must be completed when Resident entities open and operate Foreign Currency accounts either within or outside PNG, in accordance with the Completion Guidelines below and FE Notice 2 and FE Notice 11 of the Manual. It is used for compilation of BOP. The Form is intended for reporting only cash flows through the account. Only aggregated monetary values in the currency of the account should be reported for each transaction type set out on the Form.

A Resident entity of PNG must also complete the Supplementary Forms for Export and Export Related Receipts, Import and Import Related Payments, Debt Service, Dividend Payment Report, Transfers between Accounts, and Investment Report.

Where a transaction of capital nature is effected through the Foreign Currency account, the account-holder must also complete the relevant BOP Forms (Form-Vs and Form-Ls) and submit them to the Central Bank.

### **26.2 Completion Guidelines**

#### ***Section 1 – General Information***

The name of the PNG entity must be given in full. Entities must identify themselves by their registered (or official) name. Other details as provided under Section 1 must be provided.

The Beginning Balance is the cash balance in the account on the last day of the previous reporting calendar month. The Ending Balance is the cash balance as on the last day of the current reporting calendar month. It is derived by adding the net of all inflows and outflows of the account to the Beginning Balance.

#### ***Section 2 - Receipts***

Summary monetary values of all receipts for the reporting calendar month should be reported in the relevant boxes provided on the Form. The total of all receipts must be provided.

#### ***Section 3 – Payments***

Summary monetary values of all payments for the reporting calendar month should be reported in the relevant boxes provided on the Form. The total of all payments must be provided.

#### ***Section 4 – Export and Export Related Receipts***

Provide country name, commodity code, monetary value, volume of commodity and the unit price of each commodity. Also, provide monetary values of other export related receipts under the relevant columns.

#### ***Section 5 – Import and Import Related Payments***

Provide import category code, country of origin, and the monetary value of each import code. Also, provide monetary values of other import related payments under the relevant columns.

#### ***Section 6 – Debt Service Report***

Complete each column as provided, by following the additional notes provided at the bottom of that page. Payments of loan principal, interest, and other fees and charges made through the account should be reported in this Section.

**Section 7 – Dividend Payment Report**

Complete each column as provided, by following the additional notes provided at the bottom of that page. Payments of dividends and branch profits made through the account should be reported in this Section.

**Section 8 – Transfer between Accounts, Joint Venturers and Foreign Currency and Kina Accounts**

Complete each column as provided, by following the additional notes provided at the bottom of that page. Transfers between Foreign Currency accounts, between Foreign Currency and Kina accounts and between accounts of different entities must be reported in this Section.

**Section 9 – Sale or Liquidation of Assets and Investment in Assets**

Complete each column as provided, by following the additional notes provided at the bottom of that page. Detailed information on the monetary inflows and outflows from the sale (or liquidation) of investments, including monetary values on money market operations and Beginning and Ending Balances must be provided in this Section. The Beginning and Ending Money Market Balances must be reported by each entity with which the balances are held.





## 27. APPENDIX A - SECTORAL/ INDUSTRIAL CLASSIFICATION OF TRANSACTIONS

This Appendix provides the sectoral breakdown of the economy for the purpose of completing the BOP Forms. The economy is divided into the following 12 major sectors.

- Agriculture and Livestock
- Forestry Products
- Fisheries and Marine Products
- Mining, Petroleum, Gas and Quarrying
- Manufacturing
- Construction
- Wholesale, Retail, Restaurant and Hotels
- Transport and Storage
- Post & Communication
- Electricity, Gas and Water Supply
- Financial, Insurance, Real Estate and Business Services
- Community, Social and Personal Services

The following is a list of all sub-sector codes by the type of economic activity within the above major sectors. The list is not exclusive and, where necessary, clarification should be sought from the Manager, BOP Unit. All foreign exchange transactions, except exports, should be classified into sub-sector categories. The sectoral classification is based on the economic activities of agents and is not based on ownership.

For **exports**, the guiding principle is to classify a transaction by the economic activity of an entity that undertakes the transaction. Take a fishing company, which catches and exports unprocessed tuna. All of its tuna exports and other transactions will be classified under the sub-sector code 1201. If instead the company exports processed tuna, all of its tuna exports and other overseas transactions would be classified under sub-sector code 3001.

To ensure accuracy and reliability, classification of transactions by economic activity should be consistent over time, except in cases where the principle activity of the entity changes. To the greatest extent possible, classification should be at the level of the principle activity.

The breakdown is designed to be consistent with the Standard Industrial Classification adopted by the National Statistical Office (NSO).

### 27.1 0000 - Private Individuals and Households

### 27.2 1000 - Agriculture and Livestock

- 1001 - Coffee
- 1002 - Cocoa
- 1003 - Palm Oil
- 1004 - Copra
- 1005 - Copra oil
- 1006 - Tea
- 1007 - Rubber
- 1008 - Vanilla
- 1019 - Animal Husbandry, including livestock and poultry, crocodile farming, etc.
- 1020 - Other Agriculture  
Include fruit, vegetables, copra meal, palm kernel oil, spices, rice, tobacco, flowers, and other agricultural products.

### 27.3 1100 - Forestry products

- 1101 - Logging
- 1102 - Other Forestry Products  
Include sawn timber, veneer products, woodchips, plywood, seedlings and others.

- 27.4 1200 - Fisheries and Marine Products**
- 1201 - Tuna
  - 1202 - Barramundi
  - 1203 - Prawns, Crayfish and Other Crustaceans
  - 1204 - Beche-de-mer
  - 1210 - Other Marine Products
- 27.5 2000 - Mining, Petroleum, Gas and Quarrying**
- 2001 - Crude Oil
  - 2002 - Natural Gas
  - 2003 - Gold
  - 2004 - Alluvial Gold
  - 2005 - Copper
  - 2006 - Cooper Concentrate
  - 2007 - Silver
  - 2008 - Nickel
  - 2009 - Cobalt
  - 2018 - Mining Exploration
  - 2019 - Oil Exploration
  - 2020 - Other Mining and Quarrying  
Including mining of chemical, extraction of salt and stone and clay quarrying
- 27.6 3000 - Manufacturing**
- 3001 - Food Products and Beverages  
Entities involved in the production, processing and preservation of meat, fish, fruit dairy produce, vegetables and all other foodstuffs. Beverages include the manufacture of beer, liquors, spirit, soft drinks and mineral water.
  - 3002 - Tobacco Products  
Manufacture of all tobacco products such as cigarettes, cigars and snuff
  - 3003 - Textiles, Clothes, Leathers and Wood Products  
Include spinning weaving and finishing of textile fibres, manufacture of textiles, tanning leather, footwear, the production of luggage and the manufacture of wood and cork
  - 3004 - Paper and Paper Products, Printing and Publishing:  
Include the manufacture of paperboard, containers and boxes and printing and publishing activities
  - 3005 - Chemicals and Plastics  
Include manufacturers of coke, basic chemicals, fertilizers, paints pharmaceutical products and soaps. Also include rubber, plastics and all other mineral products (glass, ceramics, plaster and lime)
  - 3006 - Machinery & Equipment and Fabricated Metal Products  
Include manufacturers of engines, turbines, pumps, compressors, ovens and lifting equipment, vehicle parts and trailers. Also include fabricated metal products.
  - 3007 - Refined Petroleum Products  
Include refined crude oil and other petroleum products
  - 3008 - Other Manufacturing  
Include entities involved in the production of jewelry, toys, other goods and recycling of waste products
- 27.7 4000 - Construction**
- Include businesses involved in the construction of buildings, civil engineering, repair work, site preparation and utility installation and furnishing
- 27.8 5000 - Wholesale, Retail and Restaurant & Hotels**
- 5001 - Wholesale Trade

- 5002 - Retail Trade  
 Include all wholesale operations involving bulk sale of manufactured products, household goods, machinery, supplies and intermediate products
- 5003 - Hotels & Restaurants  
 Include all activities involving the resale of single good items including foodstuff and manufactured items  
 Include businesses such as hotels, motels, campsites, lunch counters, kai bars, cafes and restaurants
- 27.9 6000 - Transport and Storage**
- 6001 - Air Transport  
 6002 - Sea Transport  
 6003 - Land Transport
- Include the conveyance of commodities by pipeline and other transport related activities including travel agents, cargo handling and storage businesses for the relevant sub-sector code above.
- 27.10 7000 - Post & Communication**
- National postal activities, other courier businesses and the transmission of sound images or data by cables broadcasting or satellite
- 27.11 7050 - Electricity, Gas and Water Supply**
- Include the production, collection and distribution of electricity and gaseous fuels for household use and the purification and distribution of water
- 27.12 8000 - Financial, Insurance, Real Estate & Business Services**
- 8001 - Commercial Banks  
 8002 - Other Financial Services  
 Include all merchant banks, finance companies and savings and loan societies
- 8003 - Life Assurance, Superannuation Funds and Other Insurance  
 8004 - Real Estate  
 Include businesses involved in the buying, selling, renting of self-owned or leased real estate and the development and sale of land
- 8007 - Business Services, except Machinery and Equipment Rental and Leasing  
 Companies involved in research, computing, legal, accounting, architectural, engineering advertising and other such business service activities
- 8008 - Machinery and Equipment Leasing  
 Include companies involved in renting or leasing transport, construction, household and other equipment
- 27.13 9000 - Community, Social and Personal Services**
- 9001 - Central Government  
 9002 - Provincial and Local Level Governments  
 9003 - Other Community Services  
 Include education, health and general social services, membership organizations (trade unions, professional bodies, religious groups), sporting organizations, hairdressing, laundry services and others.
- 9004 - International Bodies  
 Include foreign embassies, high commissions, consulates, and other international organizations

## 28. APPENDIX B - CLASSIFICATION OF TRANSACTIONS

This Appendix details the various classifications by *purpose of cross-border transactions* that are used for PNG's BOP data compilation.

### 28.1 TRADE AND TRADE RELATED RECEIPTS AND PAYMENTS [FORM-X AND FORM-M]

#### Exports [Form-X]

There is no further breakdown of some types of exports into various product types of the same export commodity. All export product types are classified under one sub-sector. *For example, all types of coffee exports are classified as "Coffee"*. See the introductory paragraphs to Appendix A for guidelines on sectoral classification of exports.

#### Imports [Form-M]

With a partly cash based BOP, classification of merchandise good imports is not straight forward as an import payment could relate to a multiple class of import items. For this reason, the categories given are designed to be sufficiently broad so as to enable a reasonably accurate classification. The following are Standard International Trade Classification (SITC) codes. Where necessary, further guidance can be sought from the Manager, BOP Unit of the Central Bank.

##### 12.1.1 **Food and Live Animals: This group includes:**

- Live animals
- Meat and meat preparations
- Dairy products and birds' eggs
- Fish (not marine mammals), crustaceans, mollusks and aquatic invertebrates and preparations
- Cereals and cereal preparations
- Vegetables and fruit
- Sugar, sugar preparations and honey
- Coffee, tea, cocoa, spices, and manufactures thereof
- Feeding stuff for animals, excluding unmilled cereals
- Miscellaneous edible products and preparations

##### 12.1.2 **Beverages and Tobacco**

- Beverages
- Tobacco and Manufactures

##### 12.1.3 **Crude Materials, Inedibles (Excluding Fuels)**

- Hides, skins and furskins, raws
- Oil seeds and oleaginous fruits
- Crude rubber, including synthetic and reclaimed
- Cork and wood
- Pulp and waste paper
- Textile fibres (other than wool tops and other combed wool) and their waste (not manufactured into yarn or fabric)
- Crude fertilizers and crude minerals (excluding coal, petroleum and precious stones)
- Metalliferous ores and metal scrap
- Crude animal and vegetable materials "not elsewhere specified" (n.e.s)

##### 12.1.4 **Mineral Fuels, Lubricants and Related Materials: This group includes:**

- Coal, coke and briquettes
- Petroleum, petroleum products and related materials
- Gas (natural and manufactured)
- Electric Current

##### 12.1.5 **Animal and Vegetable Oils, Fats and Waxes: This group includes:**

- Animal oils and fats
- Processed fixed vegetable fats and oils, waxes of animal or vegetable origin
- Inedible mixtures or preparations of animal or vegetable fats or oils, n.e.s.

**12.1.6. Chemicals and Related Products n.e.s: This group includes:**

- Organic chemicals
- Inorganic chemicals
- Dying, tanning and colouring materials
- Medicinal and pharmaceutical products
- Essential oils and resinoids and perfume materials
- Toilet, cleansing and polishing preparations
- Fertilizers
- Plastics in primary form
- Plastic in non-primary forms
- Chemical products and materials n.e.s.

**12.1.7. Manufactured Goods Classified Chiefly by Material: This group includes:**

- Leather, leather manufactures, n.e.s. and dressed furskins
- Rubber manufactures, n.e.s.
- Cork and wood manufactures, excluding furniture
- Paper, paperboard, and articles of paper pulp, paper or paperboard
- Textile yarn, fabrics, made-up articles, n.e.s. and related products
- Non-metallic mineral manufactures, n.e.s.
- Iron and steel
- Non-ferrous metals
- Manufactures of metals

**12.1.8. Machinery and Transport Equipment: This group includes:**

- Power generating machinery and equipment
- Machinery specialized for particular industries
- Metal working machinery
- General industrial machinery and equipment, n.e.s. and machine parts n.e.s.
- Office machines and automatic data processing machines
- Telecommunication and sound-recording and re-producing apparatus and equipment
- Electrical machinery, apparatus and appliances, n.e.s. and parts thereof, including non-electrical counterparts n.e.s. and electrical household-type equipment
- Road vehicles, including air-cushioned vehicles
- Other transport equipment

**12.1.9. Miscellaneous Manufactured Articles: This group includes:**

- Prefabricated buildings, sanitary plumbing, heating, lighting fixtures and fittings n.e.s.
- Furniture and parts thereof, bedding, mattresses, mattress supports, cushion and similar stuffed furnishings
- Travel goods, handbags and similar containers
- Articles of apparel and clothing accessories
- Footwear
- Professional, scientific and controlling instruments and apparatuses, n.e.s.
- Photographic apparatus, equipment and supplies and optical goods n.e.s. watches and clocks
- Miscellaneous manufactured articles n.e.s.

**12.1.10. Commodities and Transactions Not Classified Elsewhere: This group includes:**

- Postal packages not classified according to kind
- Special transactions and commodities not classified according to kind
- Coin (other than gold coin), not being legal tender
- Gold, non-monetary (excluding gold, ores and concentrates)

## **Export/Import Related Receipts and Payments [Form–X, and Form–M]**

These relate to all types of service receipts and payments for carriage of goods to and from PNG, respectively. It covers transportation, insurance, carriage, port handling, demurrage charges and all such receipts or payments associated with the movement of goods.

### **Transportation**

“Transportation” covers all freight for the shipment of goods. That is, the actual freight cost of shipping the goods.

### **Insurance**

Insurance (trade related) covers insurance receipt or payment for insurance cover against loss of goods in transit to final destination.

### **Other Service Charges**

Other Services charges are port handling, carriage, demurrage charges, including any other trade related charges not specified elsewhere.

Note 1: For “Export Related Service Receipts” refer *Section 3: Particulars of Export Related Receipts of Form-X* which are further disaggregated and classified into Transportation (code 42.1), Insurance-Trade Related (code 45.1) and Other Service receipts (code 61).

*Service receipts related to exports, apart from transportation and insurance, are recorded under “Other service receipts” (code 61).*

Note 2: For “Import Related Service Payments” refer *Section 3: Particulars of Import Related Payments of Form-M* which are further disaggregated and classified into Transportation (code 2.1.1), Insurance-Trade Related (code 2.4.1) and Other Service Payments (code 4.1).

*Service Payments related to imports, apart from transportation and insurance, are recorded under “Other service payments” (code 4.1).*

## **28.2 OTHER PAYMENTS AND RECEIPTS [FORM–R1 AND FORM–R2]**

### **Transportation**

Transportation covers most of the shipment services that are provided by Residents for Non-residents (or vice versa). Transportation includes freight and passenger services provided by all modes of transportation and other distributive and auxiliary services, including rentals of transportation equipment with crew, excluding freight insurance.

For example, Air Niugini receives K2,500.00 from a ticket sold to an Australian Passenger, and deposits it with bank “A” in PNG. Bank “A” would then report this as Transportation receipt by Air Niugini. However, consider a German registered ship carrying cargo from Germany to a PNG importer who is paying the freight. The PNG shipping company would then report this as import related transportation payment so should be recorded using Form-M (code 21.1.1)

### **Travel (Excluding Transportation)**

Travel covers primarily the goods and services acquired from an economy by travelers during visits of *less than one year* in that economy, excluding international carriage of travelers which is covered under passenger transportation. Goods and services that are provided or purchased by or on behalf of the traveler. Students and medical patients are treated as travelers, regardless of their length of stay. Expenditure by Non-resident workers is included in travel, while those of military and embassy personnel are included in government service n.i.e.

For instance, a Resident of PNG who is traveling to Australia converts K2,500 into AUD would be reported as a travel payment.

## **Education**

Though the International Monetary Fund (IMF) BOP Manual 5 (BMP5) classifies education as travel payment or receipt, it is an item on its own as PNG makes significant overseas education payments. Education covers school fees and other associated payments and receipts made by students of one country to a Non-resident institution. Example: PNG residents doing overseas online courses while in PNG.

## **Insurance Services**

*Non-trade* related insurance services cover various types, such as life (including pension and annuity services), other casualty or accident, health, general liability, fire, marine, aviation, reinsurance, insurance commissions (of insurance agents), etc., undertaken between Residents and Non-residents. The classification of the specific types of insurance services is determined by particular requirements of individual countries.

## **Other Financial Services**

Other Financial Services covers financial intermediary and auxiliary services (except those of insurance enterprises and pension funds) conducted between Residents and Non-residents. Included are *intermediary service fees*, such as those associated with letters of credit, banker's acceptances, line of credit, *financial leasing*, and *foreign exchange transactions* (including the spread between the buying and selling rate.) Also included are *commissions and other fees related to transactions in securities* (brokerage, placements of issues, underwriting, redemptions, and arrangements of swaps, options and other hedging instruments; commissions of commodity futures traders) and *services related to asset management, financial market operational and regulatory services, security custody services*, etc. *Service charges on purchase of IMF resources* are included among an economy's financial service payments.

## **Computer and Information Services**

These cover computer data and news-related service transactions between Residents and Non-residents. *Included are data bases, such as developments, storage, and on-line time series; data processing (including tabulation, provision of processing services on a time-share or hourly basis, and management of facilities of others on a continuing basis; hardware consultancy); software implementation (including design, development, and programming of customized systems; maintenance and repair of computers and peripheral equipment); news agency services (including provision of news, photograph, and feature articles to the media); and direct, non-bulk subscriptions to newspapers and periodicals.*

## **Communication Services**

Communication services cover primary two categories of international communication between Residents and Non-residents. These are (i) *telecommunications*, which encompass the transmission of sound, images, or other information by telephone, telex, telegram, cable, broadcasting, satellite, electronic mail, facsimile services etc. and include business network services, teleconferencing, and support services; and (ii) *postal and courier services*, which encompass the pickup, transport, and delivery of letters, newspapers, periodicals, brochures, other printed matter, parcels and packages by national postal administrations and other operators. Also included are post office counter and mailbox rental services.

## **Other Business Services**

Other business services cover various categories of service transactions between Residents and Non-residents other than those previously covered.

### **Operational Lease**

Operational leasing covers machinery and equipment hire between Residents and Non-residents (other than financial leasing) such as chartering of ships, aircrafts, and transportation equipment such as railway cars, motor vehicles, containers, rigs, etc, without crew.

### **Consultancy Fees**

It covers legal, accounting, consulting, auditing, bookkeeping, and taxation services undertaken between Residents and Non-residents.

### **Management Fees**

It covers managers providing operational or managerial services to an institution.

### **Royalties and Licensing Fees**

License Fees and Royalties cover receipts (exports) and payments (imports) of Resident and Non-residents for (i) the authorised use of intangible non produced, non-financial assets and proprietary rights such as trademarks, copyrights, patents, processes, techniques, designs, manufacturing rights, franchise, etc. and (ii) the use, through licensing agreements, of produced originals or photo type such as manuscripts, films, etc. For example, foreign companies paying the Government of PNG for fishing rights to fish in PNG waters (Access Fees) and royalty payments to landowners by Non-resident companies can also be classified under this category.

### **Personal, Cultural and Recreational Services**

This is sub-divided into two categories; (i) audiovisual and related services and (ii) other cultural and recreational services. The first category comprises services and associated fees related to the production of motion pictures (on film video tape), radio and television programs (live or on tape), and musical recordings. Included are receipts or payments for rentals; fees received by Resident actors, directors, producers, etc.

### **Government Services n.i.e**

Government service (including those of international organizations) is a residual category of service transactions not covered in the previous classifications. Included are all transactions by embassies, consulates, military units, and defense agencies with Residents of the host economies and transactions in the commissaries, post exchange, etc. of embassies, consulates, etc. Their purchases of goods and services such as office supplies, furnishing, utilities, official vehicles and the operation and maintenance thereof, are also classified under government services.

### **Superannuation Fund**

Employer sponsored super fund contributions and receipts are covered under this category. For instance, superfund contributions by a PNG employer of an Australian to a superannuation fund in Australia are reported under this category. Similarly, superfund contributions to POSF by an Australian employee of a Papua New Guinean working in Australia are reported under this category.

### **Construction Services**

Construction services covers construction and installation work (that is, on a temporary basis) performed abroad/in the reporting economy or in extraterritorial enclaves by Resident/Non-resident enterprise and associated personnel. Such work does not include works undertaken by a foreign affiliate of Resident enterprise or by an unincorporated site office that, if it meets certain criteria, is equivalent to a foreign affiliate.

### **Family Maintenance**

Family maintenance is a broad category, which includes transfer of funds to support a family residing in another country. This covers transfers of money to support spouse and dependents and other related transfers supporting family and relatives in another country.

### **Gift and Grants**

Gifts and grants include giveaways in cash and in kind. Gifts would include food, clothing, other consumer goods, medical supplies, etc, provided in an ordinary course or associated with relief efforts in the wake of famine, earth quakes, other natural disasters, war, or other actions, including the administrative costs directly associated with such humanitarian aid. Grants also include fund subsidy



accounts; inter government budgetary and tied grants. It also covers bilateral and multilateral donor funds on consultancies, education and project funding.

### **Compensation of Employees**

Covers wages, salaries, and other benefits, in cash or in kind, including those of border, seasonal, and other Non-resident workers (e.g., local staff of embassy). For instance, wages and salaries of a Papua New Guinean working at the Australian Embassy in Port Moresby would be recorded under this category.

### **Interest (Excluding Loan)**

Interest, including discounts in lieu of interest, comprises income on loans and debt securities (i.e., bank deposits, bills, bonds, notes, and tradable advances). Net interest flows arising from interest swaps also are included. Interest payments by a Resident of PNG to the overseas lender would be reported under this category. Interest received by a Resident of PNG from an investment in overseas money market instruments would be reported under this category.

### **Dividend**

Dividends, including stock dividends, are the distributed earnings allocated to shares and other forms of participation in the equity capital of incorporated private enterprises, cooperatives, and public corporations. Among other types of income on equity are (i) earnings of branch and other unincorporated direct investment enterprises and (ii) earnings from investment in shares of incorporated enterprises.

### **Taxes**

Any fines, penalties, or interest charges on the late payment of taxes are reported as taxes; excluding payments (fees) for carrier registrations, or for licenses to fish, hunt, etc. which are covered under Royalties and License fees.

### **Transfers**

Transfers are broken down into two separate categories. Emigrants/immigrants transfers include transfers in cash or in kind taken with a migrant to another country. For instance, transfer of cash or in kind by an Australian who is going finish from PNG would be reported under this category.

The second category covers transfers to approved Foreign Currency accounts by companies/individuals Resident in PNG. Transfer of funds from a Kina account to a Foreign Currency account by a Resident company/individual would be reported under this category.

### **Other Service**

The Other Service Receipts or Payments is a residual category. Include service transactions, not specified elsewhere above.



### **28.3 DIRECT INVESTMENT/PORTFOLIO INVESTMENT/OTHER SECURITIES [FORM-V1, FORM-V2, FORM-V3, FORM-V3(A), FORM-V4, FORM-VE]**

#### **Ordinary Shares:**

Shares that entitle holders to distributable profits and confer voting rights.

#### **Preference Share:**

Shares that entitle holders to a fixed rate of interest and have a priority claim over assets ahead of ordinary shareholders.

#### **Bonds and Debentures**

All long-term fixed-rate securities, including mortgage debentures and floating charge debentures.

#### **Shareholder Loans:**

Loans provided by the holding company or shareholders of an entity not covered above.

#### **Government Securities:**

Include (tax exempt and non-tax exempt) inscribed stocks and treasury bills. Also included are foreign government securities, e.g., US/Australian Government bonds, etc.

#### **Real Estate:**

- **For Personal Use:** Include investment for properties, which are to be used by the owner for private/recreational purposes, not for commercial purposes.
- **Business Development:** Include property development undertaken for commercial purposes.
- **Property Investment:** Buying into a property investment, etc.

### **28.4 BORROWING AND LENDNG IN KINA OR FOREIGN CURRENCY [FORM-LA, FORM-L1, FORM-L2, FORM-LC, FORM-LB, FORM-L1(B), FORM-L2(B)]**

- **Mortgage Loan:**  
Lending for housing purchases where the property is taken as collateral by the lender.
- **Standard Loan:**  
Include loans for investment borrowed on commercial terms where the term of the loan exceeds one year.
- **Line of Credit:**  
Borrowing of short-term nature, generally for working capital, bridging or trade finance, normally provided by a financial institution.
- **Parent Company Loan:**  
Includes borrowing for any purpose, term or duration, obtained from an overseas parent company.
- **Long-term Lease:**  
Include any financial leasing whereby the leasing covers the entire economic life of a leased asset. In general, the production, risk or financing cost of the asset is passed onto (or borne by) the lessee. It should not be confused with an operating lease.
- **Other:**  
Include all other types of capital flows, which do not fall into any one of the four categories above.

**29. APPENDIX C - COUNTRY CODE**

<b>CODE</b>	<b>COUNTRY</b>	<b>CODE</b>	<b>COUNTRY</b>
AU	Australia	NZ	New Zealand
BE	Belgium	PG	Papua New Guinea
CA	Canada	PH	Philippines
CN	China	PT	Portugal
FJ	Fiji	RU	Russian Federation
FI	Finland	SG	Singapore
FR	France	ES	Spain
GM	Germany	SB	Solomon Islands
GB	Great Britain	SK	South Korea
HK	Hong Kong	CH	Switzerland
ID	Indonesia	TP	Taiwan
IT	Italy	US	United States
JP	Japan	VN	Vietnam
MA	Malaysia	VU	Vanuatu
NT	Netherlands	ZA	South Africa
		ZZ	Others

**30. APPENDIX D - CURRENCY CODE**

<b>Code</b>	<b>Currency</b>	<b>Code</b>	<b>Currency</b>
AUD	Australian Dollar	SGD	Singapore Dollar
CAD	Canadian Dollar	CHF	Swiss Franc
EUR	Euro	USD	United States Dollar
GBP	Great Britain Pound	PGK	Papua New Guinea Kina
HKD	Hong Kong Dollar	ZZZ	Others
JPY	Japanese Yen		
MLR	Malaysian Ringgit		
NZD	New Zealand Dollar		

### 31. APPENDIX E - DEFINITIONS OF OTHER TERMS USED

Several trade and other terms of this Appendix are meant to be references for the purpose of accurately completing the BOP Forms.

- *Prepayments:* All export arrangements where the importer pays for the goods before the shipment is made.
- *Open Account:* Include all arrangements where the settlement of all invoices is done in bulk at periodic intervals, with some time lags between the time invoices are issued to the time they are settled. This kind of settlement arrangement is most common among regular and frequent trading partners.
- *Clean/Documentary collection:* Covers a payment arrangement where the debtor makes a settlement on presentation of shipping and other relevant documents (bills of exchange, promissory notes).
- *Documentary letter of credit:* Covers a payment arrangement where a bank settles the debts of its client with the bank of the counter-party of its client. For example, banks could provide letters of credit for Resident exporters to draw on after each shipment without having to wait until export proceeds are received from the foreign importer. The same applies to imports whereby Resident importers could establish letters of credit facilities with their banks to pay overseas exporters.
- *Other borrowing:* Other forms of borrowing or financial accommodation not covered above, supplier's credit, for example.



## 32. APPENDIX F – EXPLANATION ON THE COMPANY INCORPORATION NUMBER

“Company Incorporation Number” is a number assigned to a company that is incorporated or registered in accordance with the requirements of the Companies Act (1997), by the Company Registrar’s Office of the Investment Promotion Authority (IPA) that maintains the Company Registry of all domestic and foreign incorporated companies and other forms of entities. All companies should know their Company Incorporation Numbers. If it is another form of business entity (partnership, association or other corporation) it should provide the relevant registration number. If in doubt, contact the IPA on telephone 321 3900.

### The structure of code

All IPA codes follow the same structure: One digit, a dash then a series of digits (generally between three and five). **There are no letters in the code.** Prior to 1992, the code consisted of a letter then a series of numbers (e.g., C655). This is the old format, so companies that incorporated before 1992 should check with the IPA to obtain their new code.

The first digit between one and six (called “prefix”) represents the “Type” of enterprise.

1. Local private limited company
2. Public limited company
3. Foreign company registered to operate in PNG
4. Business corporation
5. Association
6. Business name

**NOTE: APPLICATIONS WITH THE PREFIX 6 CANNOT BE PROCESSED. FOR PARTNERS AND SOLE PROPRIETORSHIPS, THE TRANSACTIONS MUST BE CONDUCTED IN THE NAME OF A PERSON (OR A PARTNER).**

### Those without a Company Incorporation Number

The following is a list of codes for individuals, other organizations and entities. The Company Incorporation Number does not apply to them.

Private Individual and Households:	0-000
Government Departments:	7-000
Provincial Government:	7-000
Public Sector Organisation:	7-000
Other Public Sector Entities:	7-000
Unregistered Charities:	8-000
Unregistered Non-Governmental Organisations (NGO’s):	8-000
Unregistered Church Groups:	8-000

In case of uncertainty, seek advice from the Manager, BOP Unit on telephone number 3227 309.