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INTRODUCTION

This Manual is to be used by Authorised Dealers in conjunction with the Foreign Exchange Manual of June 2005. It is a supplement to the Foreign Exchange Notices for the purposes of completing the Balance of Payment Forms (BOP Forms).

Accurate and timely reporting is essential for the Bank of Papua New Guinea to perform its functions in pursuance of its objectives. Authorised Dealers should ensure that all BOP Forms are completed, verified and submitted to the Bank of Papua New Guinea in accordance with instructions given in this Manual and the Foreign Exchange Manual. An Authorised Dealer should seek clarification from the Controller of Foreign Exchange, at the Bank of Papua New Guinea, where doubt or uncertainty exists.

This Manual provides guidance on the completion of the various types of BOP Forms and, where relevant, notes the supporting documents that are required. BOP Forms are issued by the Bank of Papua New Guinea for completion by transactors before processing and verification by the Authorised Dealers. The Manual also covers, for reference purposes, forms that are completed and dispatched direct to the Bank of Papua New Guinea, for example, Foreign Currency Account Form FE-OS (BOP-OS).

Only original coloured BOP Forms must be submitted to an Authorised Dealer or the Bank of Papua New Guinea. Copies of coloured Forms must not be used for foreign exchange purposes.

GENERAL INSTRUCTIONS

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 printed on a BOP Form to facilitate contact in the event of any queries arising.

All original BOP Forms should be delivered to:

Balance of Payments Unit
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 the (1) Controller of Foreign Exchange, at the above address, or by telephone on 3227 371; or (2) Manager, Balance of Payment Unit, at the above address, or on phone 3227 309.

Submission Dates

Timely submission of BOP Forms is essential to compile the Balance of Payments of Papua New Guinea for policy analysis. 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 Bank of Papua New Guinea of the reasons for the delay.

Value Date of Transaction

All transactions must be reported by their settlement (or value) date. It is the date in which a settlement is effected and not the date in which the Authorised Dealer supervisor (or the transactor) sighted and signed the BOP Form.

Alterations to Approved BOP Forms

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

Classification of Transaction and Entity by Sector

Appendix A of this Manual 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 Papua New Guinea. Transactors should generally be classified into sector categories on the basis of their *“principal”* activity.

Appendix B contains the listing of transaction types reported on the BOP Forms. The list is based on the Country’s Balance of Payments statement.

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

Appendix E contains a short 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 BANK OF PAPUA NEW GUINEA.***

Determination of Residential Status

FE Notice 3 defines a person who is a resident and a non-resident. It requires Authorised Dealers to designate accounts as resident and non-resident for reporting foreign exchange transactions.

Requirement to Complete the BOP Forms

Except where noted in this Manual, it is a mandatory requirement to complete the BOP Forms for all foreign exchange transactions done through Authorised Dealers. All the Forms must be completed in full and must be easily readable.

Obligations of Authorised Dealers

Must have internal systems for customer identification and records, when dealing with resident and non-resident customers	Ensure that customers produce supporting documentation, including taxation clearance certificate (TCC), for foreign exchange transactions.
Should inform resident transactors approval of the Bank of Papua New Guinea is required prior to signing and execution of private capital account contracts (written agreements), for example, loan and equity	A private transaction for which a contract had not been approved must be referred to the Bank of Papua New Guinea.

capital contracts.	
Provide BOP Forms and others documents to the Bank of Papua New Guinea in a timely manner.	Provide guidance on the completion of reporting forms (BOP Forms).

Penalties

Section 97 of the Central Banking Act (2000) (the *Act*) provides for severe penalties to be imposed on breaches of the Central Banking (Foreign Exchange and Gold) Regulation (the *Regulation*).

PART ONE: BALANCE OF PAYMENTS FORMS (OLD FORMAT)

Authorised Dealers should take note of the following Forms in the "**Old Format**" that will be used from 1 June 2005 and onwards. The Bank of Papua New Guinea will provide further advise on when the Authorised Dealers and their clients should cease using the Forms in the Old Format.

FORM FEC-X: RECEIPTS FOR EXPORTS AND EXPORT RELATED RECEIPTS

General

The Form must be completed for any amount of export and export related receipts for balance of payment reporting (see Completion Guidelines below). The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete **Only** Sections explained below.

Form FEC-X must be completed for export receipts from the physical good and any associated receipts for transportation, insurance or other export related services. The export value specified in Section 2 must be **Net** of any related receipts. This is a necessary distinction for Balance of Payments purposes.

The Form is also used in instances where receipts are obtained for export related services, such as shipping services (see Completion Guidelines below).

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 exporter retains one of the Forms, one by the Authorised Dealer and one sent by the Authorised Dealer to the Bank of Papua New Guinea.

(a) *General – Form FEC-X Completion*

Authorised Dealer officers should follow the following general guidelines and FE Notice 6 of the Foreign Exchange Manual dated June 2005 when processing Form FEC-X on lodgment.

- i) For each shipment of an export commodity, the exporter must submit two original Customs Entry Form F15 (Form 15) to the Authorised Dealer. The Authorised Dealer must retain one of the signed, stamp 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 be original and must have the stamp of Customs or the Internal Revenue Commission (IRC). A Form 15 without a Customs (or IRC) stamp should be referred back to the IRC 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 Form is 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 Form 15 (or Fitness Form) the proceeds relates to.

-
- iii) The exporter will complete Form FEC-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) it has on record against the original submitted by the exporter. The copy of Form F15 should be returned to the exporter after verification.
 - v) The Authorised Dealer then verifies Form FEC-X and signs at the bottom.
 - vi) The Authorised dealer should then forward the Form FEC-X to the Bank of Papua New Guinea.
 - vii) The Authorised Dealer should file Form FEC-X with the relevant original Form 15 (or Fitness Form) submitted earlier for record and Bank of Papua New Guinea 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 receipt of export proceeds.

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

In such cases, the exporter must complete the Section 2 of Form FEC-X. All other receipts must be separately recorded on Section 3 of Form FEC-X. The Authorised Dealer must ask the exporter if such funding is included in the receipt of pre-finance.

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

The Form FEC-X and a copy of the pre-finance contracts should be forwarded to the Authorised Dealer. The Authorised Dealer will verify, stamp and date Form FEC-X and the pre-finance contract. The Authorised Dealer will get a copy of the pre-finance contract and forward it to the Bank of Papua New Guinea, together with one Form FEC-X. The Authorised Dealer will keep the original copy of the pre-finance contract together with one Form FEC-X, and return the other Form FEC-X to the exporter.

Completion Guidelines

Section 2 – Particulars of Export

Complete the Industry, Country and Currency codes that are given on the back of the Form and are also listed in Appendices A, C and D of this Manual. 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 original Form 15. The Foreign Currency Amount of export receipt must be net of any export related receipts the exporter may receive for providing insurance or freight services. The volume and the unit of Volume must be clearly specified. The Unit Price is derived by dividing the Foreign Currency Amount by the Volume (or quantity of export).

Leave the boxes blank for Customs Declaration Number, Commercial Invoice Number and Bill of Lading Number.

Section 3 – Particulars of Export Related Receipts

This covers all freight, insurance, port handling and other receipts. The details of all export related receipts must be consistent with the terms of export declared on the 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 the Form 15. This information is very important for both Foreign Exchange Control and Balance of Payments purposes. Every effort should be made to ensure that the value of the physical export is separated from other export related receipts.

For Authorised Dealer Use Only

An Authorised Dealer Officer must complete this Section. The Name should be completed in full. Receipt Date is the date of receipt of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Officer who supervised the completion of the Form FEC-X. Leave blank boxes for Credit Advise Reference Number.

FORM FEC-M : PAYMENT FOR IMPORTS OR IMPORT RELATED CHARGES

General

The Form must be completed for any amount of import and import related payments for balance of payment reporting. The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete **Only** Sections explained below.

Form FEC-M must be completed for payment for physical goods and any associated payments for transportation; insurance or other import related services. The import value specified in Section 2 must be **Net** of any import related payments. This is a necessary distinction for Balance of Payments purposes.

The Form is also used in instances where payments are made for import related services, such as shipping services (see Completion Guidelines below).

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 Authorised Dealer stamp.

The Form is printed in triplicate. One copy is to be retained by the importer, one by the Authorised Dealer and one sent by the Authorised Dealer to the Bank of Papua New Guinea.

(a) *General – Form FEC-M Completion*

Authorised Dealer Officers should follow the following general guidelines and FE Notice 5 of the Foreign Exchange Manual dated June 2005 when processing Form FEC-M at the time of payment.

- i) For each shipment of an import product, the importer must submit two original Customs Entry Form F15 (Form 15) to the Authorised Dealer. The Authorised Dealer must retain one of the signed, stamp 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 be original and must have the Customs or IRC stamp. A Form 15 without any IRC stamp should be referred back to the IRC 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 FEC-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 it has on record against the original submitted by the importer earlier. The copy of Form F15 should be returned to the importer after verification.
- v) The Authorised Dealer then verifies the Form FEC-M and signs at the bottom.
- vi) The Authorised Dealer should then forward the Form FEC-M to the Bank of Papua New Guinea.

- vii) The Authorised Dealer should file Form FEC-M together with the relevant original Form 15 submitted earlier for record and Bank of Papua New Guinea 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 Section 2 of Form FEC-M. All other import related payments must be separately recorded on Section 3 of Form FEC-M. The Authorised Dealer must complete “For Authorised Dealer Use Only” Section.

The Form FEC-M and a summary invoice should be forwarded to the Authorised Dealer. The Authorised Dealer will verify, stamp and date the Form FEC-M and the invoice. The Authorised Dealer will keep the invoice together with one Form FEC-M, send one Form FEC-M to the Bank of Papua New Guinea, and return the other Form FEC-M to the importer.

Completion Guidelines

Section 2 – Particulars of Import

Complete Industry, Country and Currency codes that are given on the back of the Form and are also listed in Appendices A, C and D of this Manual. 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 Form 15. The Amount in Foreign Currency must be net of any import related payments the importer may make for insurance or freight services.

Section 3 – Particulars of Import Related Payments

This covers all freight, insurance and port handling charges. The details of all import related charges must be consistent with the information given on the original 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 the Form 15. This information is very important for both Foreign Exchange Control and Balance of Payments purposes. Every effort should be made to ensure that the payment for the physical good is separated from other import related charges.

For Authorised Dealer Use Only

An Authorised Dealer Officer must complete this Section. The Name must be completed in full. Remittance Date is the date of remittance of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of the Form FEC-M.



FORM FEC-R1: OUTWARD REMITTANCE OF CURRENCY

General

The Form must be completed for any amount of non-trade and non-capital related services payments to overseas residents for balance of payment reporting. The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete **Only** Sections explained below, in accordance with FE Notice 20.

The Form must be submitted to an Authorised Dealer with supporting documentation; copies of relevant documents, the original taxation clearance certificate (TCC) and a summary invoice.

The Form is printed in triplicate. The client should retain one copy, one by the Authorised Dealer and one is sent by the Authorised Dealer to the Bank of Papua New Guinea.

Completion Guidelines

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 Manual.

Leave blank boxes for Telegraphic Transfer, Bank Draft, Credit or Debit Cards and Other (Specify).

Section 3 – Purpose of Funds

Tick one of the listed options and enter the Foreign Currency amount and the Kina equivalent. This information is used to compile Papua New Guinea's service and transfer transactions. It is a basic source of information for the Balance of Payments and every effort must be made to classify the payments correctly. Appendix B of this Manual gives a comprehensive detail of transaction classifications and should be used for reference. Provided at the back is a guide on the sorts of supporting documentation that a client must produce before the remittance is made by the Authorised Dealer.

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

For Authorised Dealer Use Only

An Authorised Dealer Officer must complete this Section. The Name must be completed in full. Remittance Date is the date of remittance of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of the Form FEC-R1.

FORM FEC-R2: INWARD RECEIPTS OF FOREIGN CURRENCY

General

The Form must be completed for any amount of non-trade and non-capital related service receipts from overseas residents for balance of payment reporting. The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete **Only** Sections explained below.

The administrative and other receipts, excluding funds for commodity exports, from pre-finance should be reported on this Form.

The Form is printed in triplicate. The Authorised Dealer should retain one, one is sent by the Authorised Dealer to the Bank of Papua New Guinea and one is returned to the customer.

Completion Guidelines

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 Manual.

Leave blank boxes for Telegraphic Transfer, Bank Draft, Credit or Debit Cards and Other (Specify).

Section 3 – Purpose of Funds

Tick one of the options listed on the Form and enter the Foreign Currency amount and the Kina equivalent. This information is used to compile Papua New Guinea's service and transfers receipts. It is a basic source of information for the Balance of Payments and every effort must be made to classify the receipts correctly. Appendix B of this Manual gives a comprehensive detail of transaction classifications and should be used for reference. Provided at the back is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer certifies the Form.

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

For Authorised Dealer Use Only

An Authorised Dealer officer must complete this Section. The Name must be completed in full. Receipt Date is the date of receipt of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of the Form FEC-R2.

PART TWO: BALANCE OF PAYMENT FORMS (NEW FORMAT)

The Bank of Papua New Guinea will advise on when to commence using Form-X (BOP-X), Form-M (BOP-M), Form-R1 (BOP-R1) and Form-R2 (BOP-R2). All other BOP Forms in the New Format should be in use from 1 June 2005 and onwards.

FORM-X (BOP-X): RECEIPTS FOR EXPORTS AND EXPORT RELATED RECEIPTS

General

The Form must be completed for any amount of export and export related receipts for balance of payment reporting (see Completion Guidelines below). The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete Sections explained below.

Form-X (BOP-X) must be completed for export receipts from the physical good and any associated receipts for transportation, insurance or other export related services. The export value specified in Section 1 must be **Net** of any export related receipts. This is a necessary distinction for Balance of Payments purposes.

The Form is also used in instances where receipts are obtained for export related services, such as shipping services (see Completion Guidelines below).

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 exporter retains one of the Forms, one by the Authorised Dealer and one sent by the Authorised Dealer to the Bank of Papua New Guinea.

(a) General – Form-X (BOP-X) Completion

Authorised Dealer Officers should follow the following general guidelines and FE Notice 6 of the Foreign Exchange Manual dated June 2005 when processing Form-X (BOP-X) on lodgment.

- i) For each shipment of an export commodity, the exporter must submit two original Customs Entry Form F15 (Form 15) 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 be original and must have the stamp of Customs or the Internal Revenue Commission (IRC). A Form 15 without a Customs (or IRC) stamp should be referred back to the IRC 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 Form is 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 relates to.
- iii) The exporter will complete Form-X (BOP-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 original it has on record submitted by the exporter. The copy is returned to the exporter after verification.
- v) The Authorised Dealer then verifies Form-X (BOP-X) and signs at the bottom.
- vi) The Authorised Dealer should then forward the Form-X (BOP-X) to the Bank of Papua New Guinea.
- vii) The Authorised Dealer should file Form-X (BOP-X) with the relevant original 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 Section 1 of Form-X (BOP-X). All other receipts must be separately recorded on Section 2 of Form-X (BOP-X). The Authorised Dealer must ask the exporter if such funding is included in the receipt of pre-finance.

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

The Form-X (BOP-X) 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 (BOP-X) and the pre-finance contract. The Authorised Dealer will get a copy of the pre-finance contract and forward it to the Bank of Papua New, together with one Form-X (BOP-X). The Authorised Dealer will keep the original copy of the pre-finance contract together with one Form-X (BOP-X), and return the other Form-X (BOP-X) to the exporter.

Completion Guidelines

Section 1 – Particulars of Export

The Industry, Country and Currency codes are given on the back of the Form and are also listed in Appendices A, C and D of this Manual. 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 original Form 15. The Foreign Currency Amount of export receipt must be net of any export related receipts the exporter may receive for providing insurance or freight services. The volume and the unit of Volume must be clearly specified. The Unit Price is derived by dividing the Foreign Currency Amount by the Volume (or quantity of export).

Section 2 – Particulars of Export Related Receipts

This covers all freight, insurance, port handling and other receipts. The details of all export related receipts must be consistent with the terms of export declared on the 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 the Form 15. This information is very important for

both Foreign Exchange Control and Balance of Payments purposes. Every effort should be made to ensure that the value of the physical export is separated from other related receipts.

For Authorised Dealer Use Only

An Authorised Dealer Officer must complete this Section. The Name must be completed in full. Receipt Date is the date of receipt of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Officer who supervised the completion of the Form-X (BOP-X).

FORM-M (BOP-M): PAYMENT FOR IMPORTS AND IMPORT RELATED CHARGES

General

The Form must be completed for any amount of import and import related payments for balance of payment reporting. The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete Sections explained below.

Form-M (BOP-M) must be completed for payment for physical goods and any associated payments for transportation; insurance or other import related services. The import value specified in Section 1 must be **Net** of any import related payments. This is a necessary distinction for Balance of Payments purposes.

The Form is also used in instances where payments are made for import related services, such as shipping services (see Completion Guidelines below).

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. One copy is to be retained by the importer, one by the Authorised Dealer and one is sent by the Authorised Dealer to the Bank of Papua New Guinea.

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

Authorised Dealer Officers should follow the following general guidelines and FE Notice 5 of the Foreign Exchange Manual dated June 2005 when processing Form-M (BOP-M) at the time of payment.

- i) For each shipment of an import product, the importer must submit two original Customs Entry Form F15 (Form 15) 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 be original and must have the Customs or IRC stamp. A Form 15 without any IRC stamp should be referred back to the IRC 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 (BOP-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 original it has on record submitted earlier by the importer. The copy is returned to the importer after verification.
- v) The Authorised Dealer then verifies the Form-M (BOP-M) and signs at the bottom.
- vi) The Authorised Dealer should then forward the Form-M (BOP-M) to the Bank of Papua New Guinea.

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- vii) The Authorised Dealer should file Form-M (BOP-M) together with the relevant original 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 Section 1 of Form-M (BOP-M). All other import related payments must be separately recorded on Section 2 of Form-M (BOP-M). The Authorised Dealer must complete “For Authorised Dealer Use Only” Section.

The Form-M (BOP-M) and a summary invoice should be forwarded to the Authorised Dealer. The Authorised Dealer will verify, stamp and date the Form-M (BOP-M) and the invoice. The Authorised Dealer will keep the invoice together with one Form-M (BOP-M), send one Form-M (BOP-M) to the Bank of Papua New Guinea, and return the other Form-M (BOP-M) to the importer.

Completion Guidelines

Section 1 – Particulars of Import

The Industry, Country and Currency codes are given on the back of the Form and are also listed in Appendices A, C and D of this Manual. 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 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 2 – Particulars of Import Related Payments

This covers all freight, insurance, port handling and other charges. The details of all import related charges must be consistent with the information given on the original 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 the Form 15. This information is very important for both Foreign Exchange Control and Balance of Payments purposes. Every effort should be made to ensure that the payment for the physical good is separated from other import related charges.

For Authorised Dealer Use Only

An Authorised Dealer officer must complete this Section. The Name must be completed in full. Remittance Date is the date of remittance of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of the Form-M (BOP-M).



FORM-R1 (BOP-R1): OUTWARD REMITTANCE OF CURRENCY**General**

The Form must be completed for any amount of non-trade and non-capital related service payments to overseas residents for balance of payment reporting. The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete Sections explained below, in accordance with FE Notice 20. The Form must be submitted to the Authorised Dealer with supporting documents set out on the back of the Form.

The Form is printed in triplicate. The client should retain one copy, one by the Authorised Dealer and one is sent by the Authorised Dealer to the Bank of Papua New Guinea.

Completion Guidelines***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 Manual.

Section 3 – Purpose of Funds

Tick one of the options listed on the Form and enter the Foreign Currency amount and the Kina equivalent. This information is used to compile Papua New Guinea's service and transfer transactions. It is a basic source of information for the Balance of Payments and every effort must be made to classify the payments correctly. Appendix B of this Manual gives a comprehensive detail of transaction classifications and should be used for reference. Provided at the back is a guide on the sorts of supporting documentation that a client must produce before the remittance is made by the Authorised Dealer.

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

For Authorised Dealers Use Only

An Authorised Dealer Officer must complete this Section. The Name must be completed in full. Remittance Date is the date of remittance of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of the Form-R1 (BOP-R1).

FORM-R1(D) (BOP-R1(D)): OUTWARD REMITTANCE OF CURRENCY - DIVIDENDS**General**

The Form must be completed at the time of making any amount of dividend or branch profit remittance overseas. It is used to capture and record dividend payments to overseas residents in the private foreign equity database for tracking outflows of income arising from foreign investments in Papua New Guinea. It is also used for compiling balance of payments data. An Authorised Dealer must submit the Form to the Bank of Papua New Guinea in accordance Notice FE 20. The Form must be submitted to the Authorised Dealer with supporting documents set out on the back of the Form.

The Form is printed in quadruplicate. The client should retain one, one by the Authorised Dealer and the remaining **“two”** are sent by the Authorised Dealer to the Bank of Papua New Guinea.

Completion Guidelines**Section 1 – PNG Company Information**

Companies must identify themselves by their registered name, Company Incorporation Number and address. The BPNG Investment Number 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 entitled “For Authorised Dealer Use Only”.

Section 2 – Transaction Type

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

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.

For Authorised Dealer Use Only

An Authorised Dealer Officer must complete this Section. The Name must be completed in full. Remittance Date is the date of remittance of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of Form-R1(D) (BOP-R1(D)).

FORM-C1 (BOP-C1): TAKING OF PHYSICAL CURRENCY IN EXCESS OF K20,000.00**General**

Prior Foreign Exchange Control authority is required to take physical currency (in notes and coins) in excess of K20,000.00 (or foreign currency equivalent) out of Papua New Guinea. The application for approval must be made to the Bank of Papua New Guinea on Form-C1 (BOP-C1). It is used to capture and record the removal of physical currency for compiling balance of payments data. The Form must be completed on the date of sale of currency. An Authorised Dealer must submit the Form to the Bank of Papua New Guinea in accordance with FE Notice 8.

The Form is printed in triplicate. The client should retain one, one by the Authorised Dealer and one is sent by the Authorised Dealer to the Bank of Papua New Guinea.

Completion Guidelines**Section 1 – PNG Entity/Personal Information**

Companies must identify themselves by their registered name and Company Incorporation Number. Individuals and other entities should leave the box blank. Full company and individual names must be written; initials are not allowed. Individuals (Non-citizen of Papua New Guinea) who are purchasing the physical currency must produce a current passport and a work permit number. They should fill in the information 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 Manual.

Section 3 – Purpose of Funds

Tick one of the options listed on the Form and enter the Foreign Currency amount and the Kina equivalent. This information is used to compile information on Papua New Guinea's service and transfer transactions. It is a basic source of information for the Balance of Payments and every effort must be made to classify the sale correctly. Appendix B of this Manual gives a comprehensive coverage of transaction classifications and should be used for reference. Provided at the back is a guide on the sorts of supporting documentation that a client must produce before an Authorised Dealer can sell physical currency.

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. The Name of the Authorised Officer of the Guarantor must be completed in full.

For Authorised Dealer Use Only

An Authorised Officer of the Bank of Papua New Guinea and an Authorised Dealer must complete this Section. The Name must be completed in full. Sale Date is the date the physical currency is sold to the customer. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the purchase of physical currency.

FORM-R2 (BOP-R2): INWARD RECEIPTS OF FOREIGN CURRENCY**General**

The Form must be completed for any amount of non-trade and non-capital related service receipts from overseas residents for balance of payment reporting. The Form must be completed on Value Date. Authorised Dealers must inform and ensure that their clients complete Sections explained below.

The administrative and other receipts, excluding funds for commodity exports, from pre-finance should be reported on this Form.

The Form is printed in triplicate. The client should retain one, one by the Authorised Dealer and one is sent by the Authorised Dealer to the Bank of Papua New Guinea.

Completion Guidelines***Section 1 – 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 Manual.

Section 2 – Purpose of Funds

Tick one of the options listed on the Form and enter the Foreign Currency amount and the Kina equivalent. This information is used to compile Papua New Guinea's service and transfers receipts. It is a basic source of information for the Balance of Payments and every effort must be made to classify the receipts correctly. Appendix B of this Manual gives a comprehensive detail of transaction classifications and should be used for reference. Provided at the back is a guide on the sorts of supporting documentation that a client should produce before the Authorised Dealer certifies the Form.

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

For Authorised Dealer Use Only

An Authorised Dealer Officer must complete this Section. The Name must be completed in full. Receipt Date is the date of receipt of funds. A valid Authorised Dealer stamp should show on the Form, with a valid signature of the Authorised Dealer Officer who supervised the completion of the Form-R2 (BOP-R2).

FORM-G1 (BOP-G1): GUARANTEES ISSUED BY RESIDENT ENTITIES AND INDIVIDUALS**General**

The Form must be completed for any amount of guarantee issued in favour of overseas residents by entities and individuals resident in Papua New Guinea. It is used to capture and record the monetary values of guarantees, for tracking the contingent liabilities to overseas residents. The Authorised Dealers should provide guidance on the completion of Form-G1 (BOP-G1). The Guarantor must submit the Form to the Bank of Papua New Guinea in accordance with F.E. Notice 10.

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

Completion Guidelines**Section 1 – Entity/Personal Information**

Companies must identify themselves by their registered name, address and Company Incorporation Number. Individuals and other entities should leave the Company Incorporation Number box blank. Full company and individual names must be written; initials are not allowed. Individuals (Non-citizens of Papua New Guinea), who are issuing the guarantees, must produce a current passport and a work permit number. They should fill in the information 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 Manual.

Section 4 – To be Completed by All Resident Guarantors

All resident guarantors 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.

For BPNG Use Only

An Authorised Officer of the Bank of Papua New Guinea must complete this Section. The Name must be completed in full. A valid stamp should show on the Form, with a valid signature of the Authorised Officer who supervised the completion of the Form-G1 (BOP-G1).

NOTE: AUTHOSRISED 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 BANK OF PAPUA NEW GUINEA, BEFORE THE PAYMENT IS EFFECTED.



FORM-LA (BOP-LA): BORROWING FROM OFFSHORE SOURCES

General

The Form must be completed for any amount of borrowing from overseas lenders. Form-LA (BOP-LA) is used for collecting information for Foreign Exchange Control purposes and external private debt. The Bank maintains a registry of external private debt, which is used for reporting the country's external debt position. The Form is used for borrowing from offshore sources.

The Form must be completed at the time of seeking approval for a new loan or for amendments to the terms of an existing loan agreement. It should be submitted to the Bank of Papua New Guinea, together with copies of the draft (or revised) loan and security agreements. FE Notice 15 contains detailed requirements for completion of the Form.

The Form is printed in triplicate. The Bank of Papua New Guinea will retain two and return one to the borrower, after giving exchange control authority on the loan.

Completion Guidelines

Section 1 – PNG Borrower Information

Companies must identify themselves by their registered name, Company Incorporation Number and address. Individuals and other entities should leave the Company Incorporation Number box blank. The BPNG Loan key must be provided for an existing loan; however, it is not required at the time of seeking approval for a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section entitled "For Authorised Dealer Use Only". The Industry Code is given in [Appendix A](#) of this Manual.

Section 2 – Purpose of Borrowing

The applicant (borrower) must specify the "purpose" (for example, working capital, re-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 Papua New Guinea 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.

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 Bank of Papua New Guinea must be advised as soon as they become available. The currency codes are given in appendix D of this Manual. 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 (BOP-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, real or contingent, 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 Bank of Papua New Guinea 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.

For BPNG Use Only

The Form must be signed, stamped and dated by an Authorised Officer of the Bank of Papua New Guinea. The Name must be completed in full.

NOTE: ANY CHANGES TO THE TERMS OF BORROWING MUST BE APPROVED AND FULL DETAILS SUPPLIED ON FORM-LA (BOP-LA) WITH A DRAFT AMENDED LOAN AGREEMENT.

FORM-L1 (BOP-L1): DRAWDOWN OF LOAN PREVIOUSLY APPROVED**General**

The Form must be completed for any amount of loan drawdown on borrowing from overseas by entities and individuals resident in Papua New Guinea. Form-L1 (BOP-L1) is for reporting loan drawdowns in the balance of payments. It is cash based report and must be submitted by the Authorised Dealer to the Bank of Papua New Guinea for each loan drawdown on an approved loan. Loan drawdowns on multiple loans must not be lumped up. The drawdowns must be reported separately for each Loan key. The Form must be completed on Value Date.

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

Completion Guidelines***Section 1 – PNG Borrower Information***

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

The Bank of Papua New Guinea will provide the Loan key to the borrower after a loan is approved and recorded in its private loan registry. The Loan key must be given on Form-L1 (BOP-L1), for the Bank of Papua New Guinea to assign and record all drawdowns in respect of an approved loan.

Section 2 – Details of Foreign Lender

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

Section 3 – Details of Foreign Loan

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

Section 4 – Drawdown Details

Drawdown Amount in Foreign Currency. Enter the amount of loan drawdown in foreign currency and Kina equivalent and the date of drawdown.

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

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

The industry, country and currency codes are given in Appendices A, C and D of this Manual. They can be also found at the back of the Form.

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.

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.

FORM-L2 (BOP-L2): REPAYMENT OF PRINCIPAL, INTEREST AND OTHER FEES

General

The Form must be completed for any amount of payment on borrowing from overseas by individuals and entities resident in Papua New Guinea. Form-L2 (BOP-L2) is important for balance of payments reporting and for monitoring outflows to ensure they are consistent with the original (or the amended terms) of foreign loans. It is a cash based-report and must be submitted by the Authorised Dealer to the Bank of Papua New Guinea for principal repayments, interest payments and other charges and fees for an approved loan. Payment for multiple loans must not be aggregated and reported on the same Form. The Form must be completed separately for each 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 Form is stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea, and return one to the borrower.

Completion Guidelines

Section 1 – PNG Borrower Information

Companies must identify themselves by their registered name and Company Incorporation Number. Individuals and other entities should leave the Company Incorporation Number box blank. The BPNG Loan key must be provided for an existing loan, however, it is not required at the time of seeking approval of a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section entitled “For Authorised Dealer Use Only”. The Industry Code is given at the back of the Form and in Appendix A of this Manual.

Section 2 – Details of Foreign Lender

Provide full name and address of the foreign lender. They must correspond with the same on Form-LA (BOP-LA) completed at the time Exchange Control authority was obtained.

Section 3 – Details of Foreign Loan

The information must conform to the originals supplied on Form-LA (BOP-LA), when the approval of the loan was obtained.

Tranch Number. This is a number allocated to a part of an approved loan, which has its own terms of loan drawdowns and repayments.

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 (BOP-LA). In the case of payment of penalties or contingent fees, the Authorised Dealer should contact the Bank of Papua New Guinea for verification against the original (revised) terms in the signed and executed loan agreement.

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.

For Authorised Dealer Use Only

An Authorised Dealer must complete the Section. The Name must be completed in full. 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.

FORM-LC (BOP-LC): BORROWING FROM OFFSHORE SOURCES – HISTORICAL DATA

General

The Form must be completed for any amount borrowing from overseas by individuals and entities resident in Papua New Guinea. Form-LC (BOP-LC) is used for collecting and recording historical information and data on external borrowings. The Bank of Papua New Guinea maintains a registry of external private debt, which is used for reporting the country's external debt position. The Form must be submitted to the Bank of Papua New Guinea by the borrower, in accordance with FE Notice 15. It must be completed for each transaction by Value Date.

The Form is printed in duplicate. After the Form is stamped and signed, the Bank of Papua New Guinea retains one and the other returned to the borrower for record. 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 Bank of Papua New Guinea, when requested.

Completion Guidelines

Section 1 – PNG Entity/Personal Information

Companies must identify themselves by their registered name and Company Incorporation Number. Individuals and other entities should leave the Company Incorporation Number box blank. The BPNG Loan key must be provided, as the Form is for an existing approved loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section entitled "For Authorised Dealer Use Only". The Industry Code is given in [Appendix A](#) of this Manual.

Section 2 – Purpose of Borrowing

The borrower must specify the "purpose" of borrowing (for example, working capital, refinance, 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 Papua New Guinea 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.

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 Manual. 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 provided on Form-LC (BOP-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 Manual.

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

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.

For BPNG Use Only

An Authorised Officer of the Bank of Papua New Guinea should complete the Section. One of the Forms is retained and the other is sent to the Borrower for record. The Name must be completed in full.

FORM-LB (BOP-LB): LENDING TO NON-RESIDENTS OUTSIDE PAPUA NEW GUINEA**General**

The Form must be completed for any amount of lending to overseas residents by individuals and entities resident in Papua New Guinea. Form-LB (BOP-LB) is used for collecting information for Foreign Exchange Control purposes and for monitoring lending to overseas residents. The data provided on the Form is used for reporting the country's overall external lending (asset position).

The Form must be completed at the time of seeking approval for a new loan or for amendments to the terms of an existing loan agreement. It is submitted to the Bank of Papua New Guinea, together with copies of the draft (or revised) loan and security agreements for consideration and approval. FE Notice 15 contains detailed requirements for completion of the Form.

The Form is printed in triplicate. The Bank of Papua New Guinea will retain two and return one to the borrower, after giving exchange control authority on the loan.

Completion Guidelines***Section 1 – PNG Lender Information***

Companies must identify themselves by their registered name and Company Incorporation Number. Individuals and other entities should leave the Company Incorporation Number box blank. The BPNG Loan key must be provided for an existing loan; however, it is not required at the time of seeking approval of a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section entitled "For Authorised Dealer Use Only". The Industry Code is given in Appendix A of this Manual.

Section 2 – Purpose of Lending

The lender in Papua New Guinea must specify the "purpose" of lending (for example, working capital, ref-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 Papua New Guinea 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.

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 Bank of Papua New Guinea must be advised as soon as they become available. The currency codes are given in Appendix D of this Manual. 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 provided on Form-LB (BOP-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, real or contingent, 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 Bank of Papua New Guinea must be advised as soon as they become available.

Section 7 – To be Completed by PNG Lenders

All lenders resident in Papua New Guinea 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.

For BPNG Use Only

The Form must be signed, stamped and dated by a senior Authorised Dealer Officer of the Bank of Papua New Guinea who supervised the completion of the completion of the Form. The Name must be completed in full.

NOTE: ANY CHANGES TO THE TERMS OF LENDING MUST BE APPROVED AND FULL DETAILS SUPPLIED ON FORM-LB (BOP-LB) WITH A DRAFT AMENDED LOAN AGREEMENT.



FORM-L1(B) (BOP-L1(B)): DRAWDOWN OF LOANS FROM PAPUA NEW GUINEA**General**

The Form must be completed by lenders resident in Papua New Guinea for drawdowns on loans extended to overseas residents. Form-L1(B) (BOP-L1(B)) is for reporting loan drawdowns in the balance of payments. It is cash based report and must be submitted by the Authorised Dealer to the Bank of Papua New Guinea for each loan drawdown on an approved loan. Loan drawdowns on multiple loans must not be aggregated and reported on the same Form. The drawdowns should be reported separately for each Loan key and submitted to an Authorised Dealer, with supporting documents set out on the back of the Form. The Form must be completed on Value Date.

The Form is printed in quadruplicate. After the Form is signed, stamped and dated, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea and return one to the lender.

Completion Guidelines***Section 1 – PNG Lender Information***

The information provided in the Section must correspond with the same provided on Form-LB, at the time approval was obtained for the loan.

The Bank of Papua New Guinea will provide the Loan key to the Lender after a loan is approved. The Loan key must be given on Form-L1(B) (BOP-L1(B)), for the Bank of Papua New Guinea to track and monitor all drawdowns in respect of an approved 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 and the term of the loan in months.

Section 4 – Drawdown Details

Drawdown Amount in Foreign Currency. Enter the amount of loan drawdown in foreign currency and Kina equivalent and the date of drawdown.

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

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

The industry, country and currency codes are given in Appendices A, C and D of this Manual. They can be also found at the back of the Form.

A loan may be disbursed in more than one tranche with each tranche having its own terms of and conditions of payment. Enter the Tranche Number in the box, 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.

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.

FORM-L2(B) (BOP-L2(B)): RECEIPTS OF PRINCIPLE, INTEREST AND OTHERS BY PNG RESIDENTS FROM LOANS TO OVERSEAS RESIDENTS

General

The Form must be completed for any amount received by residents of Papua New Guinea from lending to overseas residents. Data provided on Form-L2(B) (BOP-L2(B)) is for balance of payments reporting. It is a cash based-report and must be submitted by the Authorised Dealer to the Bank of Papua New Guinea for principal receipts, interest receipts and receipt of other charges and fees for an approved loan. Receipts for multiple loans must not be aggregated and reported on the same Form. The Form must be completed separately for each Loan key and submitted to an Authorised Dealer. The Form must be completed on the Settlement (or Value) Date.

The Form is printed in quadruplicate. After the Form is stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea and return one to the lender.

Completion Guidelines

Section 1 – PNG Lender Information

Companies must identify themselves by their registered name and Company Incorporation Number. Individuals and other entities should leave the Company Incorporation Number box blank. The BPNG Loan key must be provided for an existing loan; however, it is not required at the time of seeking approval of a new loan. The Bank and Bank Branch should, in most cases, be the same as the bank identified in the section entitled “For Authorised Dealer Use Only”. The Industry Code is given at the back of the Form and in Appendix A of this Manual.

Section 2 – Details of Overseas Borrower

Provide full name and address of the foreign borrower. They must correspond with the same provide on Form-LB (BOP-LB) at the time Exchange Control authority was obtained.

Section 3 – Details of PNG Loan

The information must conform to the same supplied on Form-LB (BOP-LB), when the approval of the loan was obtained.

Tranch Number. This is a number allocated to a part of an approved loan, which has its own terms of loan drawdowns and payments.

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 loan 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 (BOP-LB). In the case of receipt of penalties or contingent fees, the Authorised Dealer should contact the Bank of Papua New Guinea for verification against the original (revised) loan terms in the signed and executed loan agreement.

The industry, country and currency codes are given in Appendices A, C and D of this Manual. They can be also found at the back of the Form.

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.

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.

FORM-V1 (BOP-V1): INWARD INVESTMENT IN PAPUA NEW GUINEA

General

The Form must be completed for any amount of investment in Papua New Guinea by overseas residents. The Bank of Papua New Guinea maintains a registry of private equity, which is used for monitoring and analyzing the country's foreign investment position. The information supplied on the Form is also required for compilation of balance of payments. The transaction could either be in cash or in kind for which additional information must be provided. The Form must be completed on Settlement (or Value) Date.

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 financial institutions resident in Papua New Guinea. In general, the Form should be submitted to an Authorised Dealer for verification and processing, by the PNG party to the investment (or the entity in PNG receiving the investment funds). The Authorised Dealer should submit the Form to the Bank of Papua New Guinea, in accordance with the guidelines of FE Notice16.

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 (BOP-V1) should be submitted.

An Authorised Dealer must establish from its customer if approval was obtained from the Bank of Papua New Guinea.

The Form is printed in quadruplicate. After the Form is stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea and return one to the lender.

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 another entity other than a company.

BPNG Investment Number is a reference number allocated to a foreign investment in Papua New Guinea. 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 Bank of Papua New Guinea. 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 Estimated Kina Amounts, 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 Manual. The Bank and Branch section refer to the nominated bank of the PNG entity in which the investment was (or is being) made.

Section 4 – Direct Investment in a New or Existing Enterprise

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

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.



FORM-VE (BOP-VE): INWARD INVESTMENT IN PAPUA NEW GUINEA – HISTORICAL DATA**General**

The Form must be completed for historical data on any amount of equity investment in Papua New Guinea by overseas residents. 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 submitted to the Bank of Papua New Guinea by the entity in which the foreign investment was made, in accordance with the guidelines set out under F.E. Notice 16. It must be completed for Settlement (or Value) Date.

The Form must be completed and submitted to the Bank of Papua New Guinea 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 Bank of Papua New Guinea, when required.

The Form is printed in duplicate. After the Form is completed, the entity in which the foreign investment was made must keep one and send the other to the Bank of Papua New Guinea.

Completion Guidelines***Section 1 – PNG Entity Information***

The full name of the PNG entity must be given; do not use initials. 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 Bank of Papua New Guinea to track inflows and outflows associated with the investment. The BPNG Investment Number should be given, if the Bank of Papua New Guinea provided it. The Bank and Bank Branch refer to the bank nominated by the PNG entity in which the foreign investment was made. It should, in most cases be the same as the Authorised Dealer through which the entity undertakes its transactions.

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 Manual.
- b) Give only the Total Amount in Kina for non-companies operating in Papua New Guinea. 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 shareholder information of 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.

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FORM-V2 (BOP-V2): SALE OR LIQUIDATION OF INVESTMENT IN PAPUA NEW GUINEA**General**

The Form must be completed at the time of sale or liquidation of an investment in Papua New Guinea by overseas residents. It is important for balance of payments reporting and to maintain 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 submitted by the Authorised Dealer to the Bank of Papua New Guinea, in accordance with the guidelines of FE Notice 16. It must be completed on Settlement (or Value) Date.

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 Papua New Guinea.

An Authorised Dealer must establish with the customer if approval was obtained from the Bank of Papua New Guinea.

The Form is printed in quadruplicate. After the Form is stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea and return one to the applicant.

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 Papua New Guinea. It should be provided in the relevant box. It will be provided to the PNG entity in which the investment is made by the Bank of Papua New Guinea. 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 Estimated Kina Amounts, 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 Manual. The Bank and Branch section refer to the nominated bank of the PNG entity in which the investment was (or is being) made.

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

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

additional information must be provided. The “Total amount in Kina” should correspond to Estimated Amount in Kina of Section 3.

Section 5 – Sale of Other Portfolio Assets

The descriptions of the items included under Portfolio Investment (Assets) are given in Appendix B of this Manual. 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 Papua New Guinea.

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.

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.



FORM-V3 (BOP-V3): OUTWARD INVESTMENTS BY PAPUA NEW GUINEA RESIDENTS**General**

The Form must be completed by residents of Papua New Guinea when making an overseas investment of any amount. It is important for balance of payments reporting and for monitoring 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 submitted by an Authorised Dealer to the Bank of Papua New Guinea, in accordance with the guidelines set out under FE Notice 16. It must be completed on Settlement (or Value) Date.

A resident of Papua New Guinea 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.

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

An Authorised Dealer must establish with the customer if approval was obtained from the Bank of Papua New Guinea.

The Form is printed in quadruplicate. After the Form is stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea and return one to the applicant.

Completion Guidelines***Section 1 – PNG Investor Information***

Full name of the PNG entity or individual must be given; do not use initials. Entities must identify themselves by their registered name and Company Incorporation Number. For individuals and other entities, the Company Incorporation Number box should be left blank. The BPNG Investment Number is a reference number allocated to the overseas investment by Bank of Papua New Guinea to track outflows and inflows associated with the overseas investment. The BPNG Investment Number should be given, if the Bank of Papua New Guinea provided it. Individuals (Non-citizens) of Papua New Guinea should provide their current Passport and work permit numbers. The Bank and Bank Branch refer to the bank nominated by the PNG investor. It should, in most cases be the same as the Authorised Dealer effecting the transaction and identified in the Section titled "For Authorised Dealer Use Only".

Section 2 – Foreign Resident Details

Give full name and address of the overseas 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 Estimated Kina Amounts, 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 Manual. A tick should be placed alongside

“Remittance Overseas” for a new remittance from Papua New Guinea 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 control of 10%, or more of the issued capital of the overseas entity. Definitions of the equity types are given in Appendix B of this Manual. 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 Estimated Amount in Kina of Section 3. A tick should be placed alongside “Remittance Overseas” for a new remittance from Papua New Guinea 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 Manual. 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 Papua New Guinea 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.

For Authorised Dealer Use Only

An Authorised Dealer must complete the Section. Remittance Date is the date of remittance of funds or overseas reinvestment. 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.

FORM-V3(A)(BOP-V3(A)): OVERSEAS ASSETS HELD BY PAPUA NEW GUINEA RESIDENTS**General**

The Form must be completed for overseas assets of any form held by Residents of Papua New Guinea. It is important for balance of payments reporting and for monitoring 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 submitted by an Authorised Dealer to the Bank of Papua New Guinea, in accordance with the guidelines set out under F.E. Notice 16.

The Form must be completed whenever as resident accumulates assets outside Papua New Guinea. Also, the Form is used for reporting accumulated money market deposits held with overseas financial institutions.

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

The Form is printed in triplicate. After the Form is stamped, dated and signed, the Authorised Dealer will retain one, send **one** to the Bank of Papua New Guinea and return one to the applicant.

Completion Guidelines***Section 1 – PNG Entity/Personal Information***

Full name of the PNG entity or individual must be given; do not use initials. Entities must identify themselves by their registered name and Company Incorporation Number. For individuals and other entities, the Company Incorporation Number box should be left blank. The BPNG Investment Number is a reference number allocated to the overseas investment by the Bank of Papua New Guinea to track outflows, inflows and the stock position of an overseas investment. The BPNG Investment Number should be given, if the Bank of Papua New Guinea provided it. Individuals (non-citizen individuals) of Papua New Guinea should provide their current Passport and work permit numbers. The Bank and Bank Branch refer to the bank nominated by the PNG investor. It should, in most cases be the same as the Authorised Dealer effecting the transaction and identified in the Section titled "For Authorised Dealer Use Only".

Section 2 – Foreign Resident Details

Give full name and address of the overseas residents. 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 Estimated Kina Amounts, 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 Manual.

Section 4 – Shareholding in a Foreign Business Enterprise

This Section is only for cumulative stock of 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 Manual. 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 Estimated 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 Manual. 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

Individuals and entities resident in 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.

For Authorised Dealer Use Only

An Authorised Dealer must complete the 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.

FORM-V4 (BOP-V4): SALE OR LIQUIDATION OF FOREIGN INVESTMENT BY PNG RESIDENTS**General**

The Form must be completed when residents of Papua New Guinea sell or liquidate any amount of their overseas investments. It is important for balance of payments reporting and for monitoring 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 submitted by an Authorised Dealer to the Bank of Papua New Guinea, in accordance with the guidelines set out under FE Notice 16. It must be completed on Settlement (or Value) Date.

A resident of Papua New Guinea must complete the Form at the time of making foreign currency remittance to Papua New Guinea arising from the sale or liquidation of an overseas investment. Also, the Form is used for liquidation of deposits held with foreign financial institutions.

Where an existing overseas investment is liquidated and re-invested overseas, a set of Form-V4 (BOP-V4) and a set of Form-V3 (BOP-V3) must be completed simultaneously, to show a sale (or liquidation) and an overseas re-investment. Similarly, a set of Form-V4 (BOP-V4) and Form-V3 (BOP-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 Form is stamped, dated and signed, the Authorised Dealer will retain one, send **two** to the Bank of Papua New Guinea and return one to the applicant.

Completion Guidelines***Section 1 – PNG Investor Information***

Full name of the PNG entity or individual must be given; do not use initials. Entities must identify themselves by their registered name and Company Incorporation Number. For individuals and other entities, the Company Incorporation Number box should be left blank. The BPNG Investment Number is a reference number allocated to the overseas investment by Bank of Papua New Guinea to track outflows and inflows associated with the investment. The BPNG Investment Number should be given, if it was provided by the Bank of Papua New Guinea. The Bank and Bank Branch refer to the bank nominated by the PNG investor. It should, in most cases be the same as the Authorised Dealer effecting the transaction and identified in the Section titled "For Authorised Dealer Use Only".

Section 2 – Foreign Resident Details

Give full name and address of the overseas 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 the Estimated Kina Amount, 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 Manual. A tick should be placed alongside "Remittance from Overseas" for a remittance to Papua New Guinea and "Overseas Transaction" for an overseas reinvestment.

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

This Section is only for equity participation, which allows the PNG investor control of 10%, or more of the issued capital of the overseas entity. Definitions of the equity types are given in Appendix B of this Manual. 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 Estimated Amount in Kina of Section 3. A tick should be placed alongside “Remittance from Overseas” for a remittance to Papua New Guinea and “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 Manual. 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, whether Kina or foreign currency, liquidated for each overseas financial institution. A tick should be placed alongside “Remittance from Overseas” for a remittance to Papua New Guinea and “Overseas Transaction” for re-investment overseas.

Section 6 – To be Completed by all Applicants

Individuals and entities resident in 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.

For Authorised Dealer Use Only

An Authorised Dealer must complete the Section. Receipt Date is the date of receipt of funds or overseas reinvestment. 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.



FORM FE-OS: KINA OR FOREIGN CURRENCY ACCOUNT REPORT (ENTITIES)

General

The Form must be completed when resident entities open and operate foreign currency accounts either with Authorised Dealers or with entities outside Papua New Guinea. It is important for balance of payments reporting and for monitoring and analysing the country's foreign investment position. The Form is intended for reporting only cash flows through the account; non-cash flows should not be reported on the Form. The Form must be submitted by an account-holder to the Bank of Papua New Guinea, in accordance with the guidelines set out under the New Foreign Exchange Manual. It must be completed for all transactions on Settlement (or Value) Date, for each day to the last day of each calendar month. 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 Papua New Guinea 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.

The Form must also be used by entities to report the transactions of Kina accounts held outside Papua New Guinea.

The Form must be submitted with Supplementary Forms explained under Sections 4-9 below.

Completion Guidelines

Section 1 – General Information

Full name of the PNG entity must be given; do not use initials. 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.

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.

Section 4 – Export and Export Related Receipts

Provide country name, commodity name, 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 name, 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 the page. Details on principal repayment, 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 the page. Details on dividend payment 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 the 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 the 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 provide in this Section. The Beginning and Ending Money Market Balances must be reported by each entity with which the balances are held.



FORM FE-OS(I): FOREIGN CURRENCY ACCOUNT REPORT (INDIVIDUALS)

General

The Form must be completed by all resident individuals who open and operate foreign currency accounts with Authorised Dealers in Papua New Guinea. It is important for balance of payments reporting and for monitoring and analysing the country's foreign investment position. The Form is intended for reporting only cash flows through all the accounts held with an Authorised Dealer; non-cash flows should not be reported on the Form. It must be completed the on Settlement (or Value) Date, for each (or a class of) transaction on the same day. The Form must be submitted by the Authorised Dealer to the Bank of Papua New Guinea on the prescribed dates, and in accordance with the FE Notice 11 of the Foreign Exchange Manual.

Where a transaction of capital nature is effected through the foreign currency account, the account-holder must complete Form FE-OS(I) and the relevant BOP Form and submit them to the Authorised Dealer, for processing and forwarding to the Bank of Papua New Guinea.

The supplementary reporting forms are not required for individual foreign currency accounts. However, the Bank of Papua New Guinea may request for additional information, where necessary.

The Authorised Dealer must make and retain a copy of Form FE-OS(I) and submit the original one to the Bank of Papua New Guinea.

Completion Guidelines

Section 1 – General Information

Full name of the Authorised Dealer and account-holder must be given; do not use initials. Other details as provided under Section 1 must be provided.

The Beginning Balance is the cash balance on the settlement (or value) date. The Ending Balance is the cash balance after the transaction on the settlement (or value) date. It is derived by adding the net of all inflows and outflows to the Beginning Balance.

Section 2 - Receipts

All receipts by purpose of funds must be reported under Section 2. The total of all receipts must be provided.

Section 3 – Payments

All payments by purpose of funds must be reported under Section 2. The total of all payments must be provided.

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 major 12 sectors.

- Agriculture and Livestock
- Forestry Products
- Fisheries and Marine Products
- Mining Petroleum and Quarrying
- Manufacturing
- Construction
- Wholesale, Retail, Restaurant and Hotels
- Transport, Storage and Communications
- Post and Telecommunications
- Electricity, Gas and Water
- 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, Balance of Payments 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 principal should be to classify a transaction by the economic activity of an entity that undertakes the transaction. For example, take a fishing company, which catches and exports marine products (for example, fish). If such a company exports unprocessed fish, this should be classified under sub-sector 1200. All of its other transactions will be classified under the same sub-sector code. If it exports processed fish, its exports and all 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 principal activity of the entity changes. To the greatest extent possible, classification should be at the level of the smallest identifiable independent entity.

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

0000 - Private Individuals and Households

1000 - Agriculture and Livestock

- 1001 - Coffee and coffee related products
- 1002 - Cocoa and cocoa related products
- 1003 - Oil palm and oil palm related products
- 1004 - Copra and copra related products (excluding copra oil)
- 1005 - Copra oil
- 1006 - Tea and tea related products
- 1007 - Rubber and rubber related products
- 1008 - Vanilla and Vanilla related products
- 1019 - Animals, animal products including livestock and poultry, crocodile farming etc.
- 1020 - Other agriculture
 - Include cultivators of fruit, vegetables, spices, rice, tobacco and flowers, landscape gardening and other agricultural services.

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- 1100 - Forestry products and related services**
 - 1101 - Logging and logging related goods and services
 - 1102 - Other forest products
Including planting, tree nurseries and timber evaluation services

 - 1200 - Fisheries and Marine Products**
 - 1201 - Tuna Fishing
 - 1202 - Barramundi, and all other salt and freshwater fishing
 - 1203 - Prawns, crayfish and other crustaceans
 - 1204 - Beche-de-mer
 - 1210 - Other Fishing

 - 2000 - Mining, Petroleum and Quarrying**
 - 2001 - Crude oil and Petroleum products
 - 2002 - Natural Gas
 - 2003 - Gold Mining
 - 2004 - Alluvial Gold
 - 2005 - Copper Mining
 - 2006 - Cooper Concentrate
 - 2007 - Silver Mining
 - 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

 - 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 Product Industries
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 Product Industries, Printing and Publishing:
Include the manufacture of paperboard, containers and boxes and printing and publishing activities
 - 3005 - Chemicals and Plastics
Include manufacturers of coke, refined petroleum, basic chemicals, fertilizers, paints pharmaceutical products and soaps. Also include rubber, plastics and all other mineral products (glass, ceramics, plaster and lime)
 - 3006 - Machinery and equipment, Fabricated Metal Products
Include manufacturers of engines, turbines, pumps, compressors, ovens and lifting equipment, vehicle parts and trailers. Also include fabricated metal products.

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- 3007 - Other Manufacturing
Include entities involved in the production of jewelry, toys, other goods and recycling of waste products
- 4000 - Construction**
Include businesses involved in the construction of buildings, civil engineering, repair work, site preparation and utility installation and furnishing
- 5000 - Wholesale, Retail and Restaurant and Hotels**
- 5001 - Wholesale Trade
Include all wholesale operations involving manufactured products, household goods, machinery, supplies and intermediate products
- 5002 - Retail Trade
Include all activities involving the resale of all goods including foodstuffs and manufactured items
- 5003 - Hotels and Restaurants
Include businesses such as hotels, motels, campsites, lunch counters, kai bars, cafes and restaurants
- 6000 - Transport Storage and Communication**
- 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
- 7000 - Post and Telecommunications**
National postal activities, other courier businesses and the transmission of sound images or data by cables broadcasting or satellite
- 7050 - Electricity, Gas and Water Supply**
Include the production, collection and distribution of electricity and gaseous fuels and the purification and distribution of water
- 8000 - Financial, Insurance, Real Estate & Business Services**
- 8001 - Commercial Banks
8002 - Financial services other than Commercial Banks
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
- 8005 - 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

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- 8006 - Machinery and equipment rental leasing
Include companies involved in renting or leasing transport, water, construction, household and other equipment

 - 9000 - Community, Social and Personal Services**

 - 9001 - Central Government
 - 9002 - Provincial Government and remaining tiers of the public sector
 - 9003 - Private sector community services
Include education, health and general social services. Membership organization (trade unions, professional bodies, religious groups). Sports organizations and other services such as hairdressing or laundering services.

 - 9004 - International Bodies
Include foreign embassies and international organization



APPENDIX B - CLASSIFICATION OF TRANSACTIONS

This Appendix details the various classifications that are used to compile the balance of payments of Papua New Guinea.

Exports [Form FEC-X/Form-X(BOP-X)]

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

However, "Export Related Receipts" are further disaggregated into Transportation, Insurance and Other Service receipts.

Imports [Form FEC-M/Form-M (BOP-M)]

With a partly cash based balance of payments system, classifying imports can be tricky because one payment can relate to a number of unrelated import items. For this reason, the categories given are designed to be sufficiently broad so as to enable a reasonably accurate classification. In instances where one transaction covers imports of more than one sub-sector, the guiding principle should be to allocate the transactions on the basis of the most valuable import component. The following groupings are summary of Internal Revenue Commission's international standard classification codes. Where necessary, further guidance can be sought from the Manager – Balance of Payments Unit, Bank of Papua New Guinea.

13. *Food and Beverage: Under Food and Beverage will include*

- Live animals
- Meat and edible meat offal
- Fish and crustaceans, mollusks and other invertebrates
- Dairy produce, birds eggs, natural honey, edible products of animal origin, not elsewhere specified or included
- Products of animal original, not elsewhere specified or included
- Live trees and other plants, bulbs, roots and the like, cut flowers and ornamental foliage
- Edible vegetables and certain roots and tubers
- Edible fruit and nuts, peel of citrus fruit or melons
- Coffee, tea, mate and spices
- Cereals
- Products of milling industry, malt, starches, inulin, wheat gluten
- Oil seeds and oleaginous fruits, industrial or medicinal plants, straw fodder
- Lac, gums resins and other vegetable saps and extracts
- Vegetables plaiting materials, vegetable products not elsewhere specified or included
- Animal or vegetable fats and oils and their cleavage products, prepared edible fats, animal or vegetable waxes
- Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
- Sugar and sugar confectionery
- Cocoa and cocoa preparations
- Preparations of cereals, flour, starch or milk, pastry cooks products
- Preparations of vegetables, fruit, nuts or other parts of plants
- Miscellaneous edible preparations
- Beverages, spirits and vinegar
- Residues and waste from the food industries, prepared animal fodder

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- 14. Fuel and Lubricants: Under Fuel and Lubricants will include:**
- Salt, sulphur, earths and stones, plastering materials, lime and cement
 - Ores, slag and ash
 - Mineral fuels, mineral oils and products of distillation, bitumen mineral waxes
- 15. Machinery and Capital Equipment and Accessories: This group will include:**
- Nuclear reactors, boilers, machinery and mechanical appliances, parts thereof
 - Electrical machinery equipment and parts thereof, sound recorders and reproducers, television image and sound recorders and reproducers and parts and accessories of such articles
- 16. Transport Equipment and Accessories: This group will include:**
- Railway or tramway locomotives rolling stock and parts thereof, railway or tramway track fixtures and fittings and parts thereof, mechanical (including Electro-mechanical) traffic signaling equipment of all kinds
 - Vehicles other than railway or tramway rolling stocks and parts and accessories thereof
 - Aircraft, spacecraft, and parts thereof
 - Ships, boats and floating structures
- 17. Consumer Goods not specified elsewhere: This group will include:**
- Silk
 - Wool, fine or coarse animal hair, horsehair yarn and woven fabric
 - Cotton
 - Other vegetable textile fibres, paper yarn and woven fabric
 - Cotton
 - Man-made filaments
 - Man-made staple fibres
 - Wadding, felt and nonwovens, special yarns, twine, cordage, ropes and cables and articles thereof
 - Carpets and other textile floor coverings
 - Special woven fabrics, tufted textile fabrics, lace tapestries, trimmings, embroidery
 - Impregnated, coated, covered or laminated textile fabrics, textile articles of all kind suitable for industrial use
 - Knitted or crocheted fabrics
 - Articles of apparel and clothing accessories knitted or crocheted
 - Other made up textile articles, etc., worn clothing and worn textile articles, rags
 - Footwear, gaiters and the like, parts of such articles
 - Headgear and parts thereof
 - Umbrella, sun umbrellas, walking sticks, seat sticks, whips, riding-crops and parts thereof
 - Prepared feather and down and articles made of feathers or of down, artificial flowers, articles of human hair
 - Optical, photographic, cinematographic, measuring, checking precision, medical or surgical instruments and apparatus, parts and accessories thereof
 - Clocks and watches and part thereof
 - Musical instruments, and parts thereof
 - Furniture, bedding, mattresses, mattress supports, cushions and similar stuffed furnishings lamps and lighting fittings, not elsewhere specified or included, illuminated signs, illuminated name-plates and the likes, prefabricated buildings
 - Toys, games and sport requisites, parts and accessories thereof
 - Miscellaneous manufactured articles
 - Passengers baggage, ships' stores and aircraft's stores
 - Raw hides and skins (other than fur skins) and leather

- Articles of leather, saddlery and harness travel goods, handbag and similar containers, articles of animal gut (other than silk-work gut)
- Fur skins and artificial fur, manufactures fur.
- Tobacco and manufactured tobacco substitutes

18. Industrial Supplies not Specified Elsewhere: This group will include:

- Wood and articles, wood charcoal
- Cork and articles of cork
- Manufactures of straw, of esparto or of other plaiting materials, basket ware and wickerwork
- Pulp of woof or of other fibrous cellulosic material, waste and scrap of paper or paperboard
- Paper and paperboard, articles of paper pulp, of paper or of paperboard
- Printed books, newspaper, pictures and other products of the printing industry, manuscripts and plans
- Articles of stone plaster cement, asbestos, mica or similar materials
- Ceramic products
- Glass glassware
- Iron and steel
- Articles if iron or steel
- Copper and articles of thereof
- Nickel and articles of thereof
- Aluminum and articles of thereof
- Aluminum and articles of thereof
- Reserved for possible future use in the harmonized systems
- Lead and articles thereof
- Zinc and articles of thereof
- Tin and articles of thereof
- Other base metals, cements, article thereof
- Tools, implements, cutlery, spoons and forks, or base metals, parts and thereof base metals
- Miscellaneous articles of base metals.

19. Other – Goods not elsewhere specified: This group will include:

- Inorganic chemical, organic chemicals or inorganic compounds of precious metals of rare-earth metals of radioactive or of isotopes
- Organic chemical
- Pharmaceutical products
- Fertilizers
- Tanning or dyeing extracts, tannins and their derivatives, dyes, pigments and other coloring matters, paints and varnishes, putty and their mastic, inks
- Essential oils resinoids, perfumery, cosmetics or toilet preparations
- Soap, organic surface-active agents, washing preparations, candles and similar articles, modeling pastes, dental waxes and dental preparations with a basis of plaster
- Albuminoidal substances modified starches, glue enzymes
- Explosives, phyrotechnic products, matches, pyrophoric alloys, certain combustible preparations
- Photographic or cinematographic goods
- Miscellaneous chemical products
- Natural or cultural pearls, precious or semi-precious stones, precious metal, metal clad with precious metal and articles, imitation jewelry, coin
- Arms and ammunition. Part and accessories thereof
- Works of art, collector's pieces and antiques

Export/Import Related Charges [Form FEC-X, Form-X (BOP-X), Form FEC-M and Form-M (BOP-M)]

These relate to all types of service payments for carriage of goods to and from Papua New Guinea. It covers transportation, insurance, carriage, port handling, demurrage charges and all such costs 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, etc. It also includes any other trade related charges not specified elsewhere.

OTHER PAYMENTS AND RECEIPTS [Form FEC-R1, Form-R1 (BOP-R1), Form FEC-R2 and Form-R2 (BOP-R2)]

Transportation

Transportation covers most of the shipment services that are performed by residents for non-residents (or vice versa). However, freight insurance is now included with insurance services rather than transportation. Transportation includes freight and passenger transportation by all modes of transportation and other distributive and auxiliary services, including rentals of transportation equipment with crew.

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. Another example would be a PNG registered ship carrying cargo from PNG to a German importer who is paying for the freight. The PNG shipping company would then report this as transportation receipts.

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. The goods and services are purchased by or on behalf of, the traveler or provided, without a quid pro quo, for the traveler to use or give away. Excluded is the international carriage of travelers, which is covered in passenger services under Transportation. Students and medical patients are treated as travelers, regardless of their length of stay. Certain persons - military and embassy personnel and non-resident workers - are not regarded as travelers. However, expenditures by non-resident workers are included in travel, while those of military and embassy personnel are included in government service n.i.e.

For instance, a Papua New Guinean who is traveling to Australia converts K2,500 into AUD would be reported as a travel payment.

Education

Though under BMP5, this is classified as travel payment, it is an item on its own as Papua New Guinea makes significant payments overseas on education related expenses. Education covers school fees and other associated payments made by students from one resident to a non-resident institution.

Insurance Services

Insurance services cover the provision of various types of insurance services to non-residents by resident insurance enterprises, or vice versa. Such services cover freight insurance (i.e., insurance on goods that are in the process of being exported or imported); other types of direct insurance (i.e., life – including pension and annuity services, other casualty or accident, health, general liability, fire, marine, aviation, etc, insurance); and reinsurance. The classification of the specific types of insurance services is determined by particular requirements of individual countries. Insurance also includes insurance service commissions of insurance agents providing insurance services.

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. (For the latter, the spread between the buying and selling rate is a service charge.) 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 International Monetary Fund (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 specific (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 covers 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 pick up, 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 covers various categories of service transactions between residents and non-residents other than those previously covered.

Operational Lease

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

Consultancy Fees

It covers legal, accounting, management consulting, and the provision (by or for residents, or for or by non-residents) of legal advice, representation, and documentation; accounting, auditing, bookkeeping, and tax consultant services.

Management Fees

Management consulting related to the provision of advice, or operational assistance to business. It covers management consultants who are providing management 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 and royalty payments to landowners by non-residents 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 (n.i.e.) is a residual category of government service transactions (including those of international organizations) not included in previous classifications. Included are all transactions by embassies, consulates, military units, and defense agencies with residents of economies in which the embassies, etc. are located and all transactions with residents of the host countries represented by the embassies, consulates, etc. and transactions in the commissaries, post exchange, etc. of the embassies, consulates, etc). Transactions in this category comprise those for goods and services (such as office supplies, furnishing, utilities, official vehicles and the operation and maintenance thereof, and official?)

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 living in another country, child support 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, 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.

Compensation of Employees

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

Interest

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 is payable in accordance with binding agreement between creditor and the debtor. Interest payments by a resident of resident Papua New Guinea to the overseas lender would be reported under this category. Interest received by a resident of Papua New Guinea 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. Dividends represent income that is payable without a binding agreement between the creditor and the debtor. 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. By convention, payments (fees) for carrier registrations, or for licenses to fish, hunt, etc., should be treated as taxes but 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 Papua New Guinea would be reported under this category.

The second category covers transfers to approved foreign currency accounts by companies/individuals resident in Papua New Guinea. Transfer of funds from a Kina account to a foreign currency account by a resident company/individual would be reported here.

Other Service Payments

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



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

Ordinary Shares:

Shares that entitle holders to distributable profits and 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 parent company or shareholders of an entity not covered above.

Government Securities:

Include inscribed stocks (tax exempt and not-tax exempt) and treasury bills (28 day, 60 days, 91 days and 182 days). 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 business purposes or renting.
- **Business Development:** Include property development undertaken for purposes of undertaking business activities from the premises.
- **Property Investment:** Include investments in housing, office buildings, warehouses, and other property undertaken as an investment.

BORROWING AND LENDING IN KINA OR FOREIGN CURRENCY [FORM-LA (BOP-LA), FORM-L1 (BOP-L1), FORM-L2 (BOP-L2), FORM-LC (BOP-LC), FORM-LB (BOP-LB), FORM-L1(B) (BOP-L1(B)), FORM-L2(B) (BOP-L2(B))]

- **Mortgage Loan:**
Lending for housing purchases where the property is taken as a 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.

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- **Parent Company Loan:**
Include any lending, whatever the 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 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.
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APPENDIX C - COUNTRY CODE

CODE	COUNTRY	CODE	COUNTRY
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

APPENDIX D - CURRENCY CODES

Code	Currency	Code	Currency
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		

APPENDIX E - DEFINITIONS OF OTHER TERMS USED

Several trade and other terms in the Appendix are meant to be references for the purpose of accurately completing the forms.

- *Prepayments:* All export arrangements where the importer pays for the goods before the shipment is made. This type of arrangement is fairly common in the Agricultural sector. While prepayment is generally a form of open account trading, the distinguishing feature is that payment is made prior to shipment.
- *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 the invoices are issued to the time they are settled. This kind of settlement arrangement is most common among regular and frequent trading partners whereby the debtor pays off all of its outstanding accounts on a regular basis rather than paying for individual invoices.
- *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.

APPENDIX F – EXPLANATION ON THE COMPANY INCORPORATION NUMBER

“Company Incorporation Number” is a number assigned to a company that is registered in accordance with the requirements of the Companies Act (1997). It is assigned by the Company Registrar’s Office of the Investment Promotion Authority (IPA), which maintains the Company Registry of all resident and foreign companies and administers the Companies Act. 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 the 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 (prefix) represents the “Type” of enterprise.

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

NOTE: APPLICANTS WHO SUBMIT APPLICATIONS WITH THE PREFIX 6 CANNOT BE PROCESSED. A REGISTERED BUSINESS NAME IS NOT A LEGAL PERSON AND THUS CANNOT UNDERTAKE FOREIGN EXCHANGE TRANSACTIONS. FOR PARTNERS AND SOLE PROPRIETORSHIPS, THE TRANSACTIONS MUST BE CONDUCTED IN THE NAME OF A PERSON (A PARTNER) OR IN THE NAME OF AN ASSOCIATED REGISTERED SERVICE COMPANY.

What does not have a Company Incorporation Number?

The following list gives the (sector) codes to be used for individuals, other organizations and entities. The Company Incorporation Number does not apply to them.

Individual: Leave box blank or enter Bank of Papua New Guinea individual reference number.

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 cases of uncertainty, seek advice from the Manager, Balance of Payments Unit on phone 3227 309.

