

Registration with Financial Analysis and Supervision Unit of Bank of Papua New Guinea

Every financial institution and designated non-financial business or profession must register with the Financial Analysis and Supervision Unit (or FASU) of Bank of Papua New Guinea as required under Section 57 of the Anti-Money Laundering and Counter Terrorist Financing Act 2015 (the Act). FASU is Papua New Guinea's new Financial Intelligence Unit (FIU) and replaces the previous FIU which was established under the Proceeds of Crime Act 2005 that was housed under the Royal Papua New Guinea Constabulary (RPNGC). FASU is operationally independent within the Bank of Papua New Guinea.

The registration information provides FASU with a more accurate understanding of its regulated population across PNG. With this, FASU can conduct money laundering and terrorist financing risk assessments of each sector. Accordingly, resources including awareness, training, workshops and typologies may be dispersed to commensurate each sectoral risk.

For purposes of the Act under Sections 5 and 52, a financial institution is a natural person, legal person or unincorporated entity (such as a trust or partnership) that conducts certain types of activities for or on behalf of a customer. These activities include:

- (a) Acceptance of deposits and other repayable funds from the public, including private banking;
- (b) Lending, including, but not limited to, customer credit, mortgage credit, factoring (with or without recourse) and financing of commercial transactions, including forfeiting;
- (c) Financial leasing other than with respect to arrangements relating to consumer products;
- (d) The transfer of currency or value;
- (e) Issuing and managing means of payment including but not limited to, credit and debit cards, cheques, traveller's cheques, money orders and bankers' drafts and currency in non-physical form;
- (f) Issuing financial guarantees and commitments;
- (g) Trading in –
 - Bearer negotiable instrument;
 - Foreign exchange
 - Exchange, interest rate and index instruments;
 - Transferable securities; or

- Commodities futures trading.
- (h) Participation in securities issues and the provision of financial services related to such issues;
- (i) Individual and collective portfolio management;
- (j) Safe keeping and administration of physical currency, bearer negotiable instruments or liquid securities on behalf of other persons;
- (k) Investing, administering or managing assets on behalf of other persons;
- (l) Underwriting and placement of insurance, including insurance intermediation by agents and brokers; and
- (m) Currency changing.

A designated non-financial business or profession (DNFBP) refers to a:

- (a) A casino;
- (b) A real estate agent when it is involved in a transaction for a client concerning the buying and selling of real estate;
- (c) A dealer in precious metals when it engages in a transaction with a customer in currency equal to or greater than K40,000;
- (d) A dealer in precious stones when it engages in a transaction with a customer in currency equal to or greater than K40,000;
- (e) A lawyer, notary public, other independent legal profession or an accountant when preparing for, engaging in, or carrying out one or more transactions for a client concerning one or more of the following activities:
 - buying and selling real estate;
 - managing client currency, securities or other assets;
 - managing banks, savings or securities accounts;
 - organising contributions for the creation, operation or management of the bodies corporate;
 - creating, operating or managing bodies corporate or unincorporated entities; and
 - buying and selling businesses.
- (f) A trust or company service provider. This means

a person who or an unincorporated entity which provides one or more of the following services to another person or unincorporated entity:

- forming, registering or managing a body corporate; or
- acting as, or arranging for another person to act:
 - i. as a director or secretary or other office holder of a company; or
 - ii. as partner of a partnership; or
 - iii. in a similar position in relation to a body corporate; or
- providing a registered office, business address or accommodation, correspondence or administrative address for anybody corporate or unincorporated entity; or
- acting as, or arranging for another person to act as, a trustee of a trust or other similar unincorporated entity; or
- acting as, or arranging for another person to act as, a nominee shareholder for another person
- (g) A motor vehicle dealer when it is involved in a transaction equal to or greater than K20,000; and
- (h) Includes any other business or profession as prescribed by regulations.

Section 82 of the Act also allows for FASU to determine if a person is a financial institution or DNFBP where it has reason to believe that it meets the definition and obligations under Sections 5 and 52 of the Act.

There is no fee applied to register with FASU. To successfully register with FASU, you must complete and submit the "Registration of a Financial Institution or DNFBP" form no later than 31 December 2018. This form can be obtained from FASU via this email address: fasuregister@bankpng.gov.pg.

Failure to register with FASU is a crime as per Section 58 of the Act. The penalty is a fine not exceeding K25,000 for a natural person and K50,000 for a body corporate.

Note that this does not apply to those who have already submitted their registration details to FASU.

If you have any queries, please do not hesitate to contact FASU on 322 7147 or email fasuregister@bankpng.gov.pg.



BANK OF PAPUA NEW GUINEA

PUBLIC NOTICE

FINANCIAL INSTITUTIONS, DESIGNATED NON – FINANCIAL BUSINESSES OR PROFESSIONS TO REGISTER WITH FINANCIAL ANALYSIS AND SUPERVISION UNIT

This notice serves to inform the financial institutions and designated non-financial business or professions about the requirement to register with the Financial Analysis and Supervision Unit (FASU) of the Bank of Papua New Guinea as required under Section 57 of the *Anti-Money Laundering and Counter Terrorist Financing Act 2015* (the Act).

To successfully register with FASU, you must complete and submit the "Registration of a Financial Institution or DNFBP" form no later than 31 December, 2018. Note that there is no registration fee and this form can be obtained from FASU via this email address: fasuregister@bankpng.gov.pg.

For the purposes of the Act, it applies to the following various types of entities that fall under two primary groups who are required to register with FASU.

Financial Institutions	Designated Non-Financial Businesses or Professions (DNFBP)
1. Commercial Banks	1. Real Estate Agent
2. Foreign Subsidiaries of Banks	2. A Motor Vehicle Dealer
3. Savings and Loans Societies, Microbanks, Microfinance Companies	3. A Dealer in Precious Metals
4. Life Insurance, General Insurance	4. A Dealer in Precious Stones
5. Superannuation Funds	5. Legal Firm
6. Investment Banks	6. Notary public or other independent legal professional
7. Mortgage Companies, Finance Companies	7. A trust or company service provider
8. Money Remitting Services, Money Changers	8. Accounting Firm

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Please do not hesitate to contact FASU on telephone 322 7147 or email fasuregister@bankpng.gov.pg if you have any queries.

**Authorised by: Loi M. Bakani CMG
Governor**