BANK OF PAPUA NEW GUINEA

Media Statement

BPNG'S POSITION ON FOREIGN EXCHANGE NEEDS OF ANY INDIVIDUAL OR ENTITY

Date: 02 December 2022

The Bank of Papua New Guinea (BPNG or Central Bank) is an independent statutory body with functions and roles vested in it by the Central Banking Act 2000 (CBA). The BPNG has obligations to monitor and regulate all foreign exchange transactions into and out of PNG's banking system, by any person or entity. These are requirements under the CBA. Therefore, it is required to perform its functions independently and without fear of threats or influence from anyone. The BPNG therefore, urges all to allow it to carry out its functions independently.

BPNG has no obligations to attend to the foreign exchange (FX) needs of any individual or entity. BPNG's obligation as the Central Bank and Regulator is to provide FX to the Authorized Foreign Exchange Dealers (AFEDs) such as the commercial banks who then attend to the needs of their clients.

Puma Energy PNG Refining Limited (Puma PNG) was granted Authority by the BPNG to open and operate a foreign currency bank account (the FCA) with ANZ Banking Group Limited, in Singapore with terms and conditions. There are allegations of breach of the terms and conditions of this Authority, which amongst others, includes failure by Puma PNG to bring onshore to PNG export proceeds of refined petroleum products during the past five years.

It is unfortunate that Puma decided to reduce supply of fuel to Air Niugini.

The BPNG filed proceedings *OS No. 228 of 2022 (IECMS - CC2) Bank of Papua New Guinea -v- Puma Energy PNG Refining Limited* on the allegations of the breaches, therefore, BPNG will not be commenting further on what is before the Court until a final decision is made.

BPNG is mandated to make sound decisions for the best interest of Papua New Guinea, as opposed to the interest of any individual or entity. Therefore, BPNG has and will continue to perform its functions independently.

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