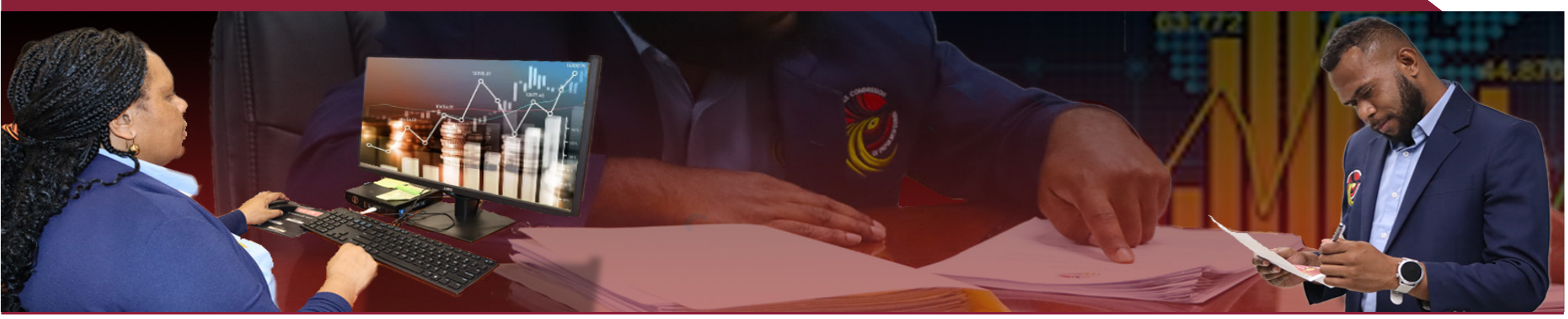
# SECURITIES COMMISSION
## OF PAPUA NEW GUINEA

# CORPORATE HANDBOOK

## REGULATOR

OF THE

## PNG CAPITAL MARKETS



# THE SECURITIES COMMISSION OF PAPUA NEW GUINEA

# REGULATOR

## OF PNG CAPITAL MARKETS

## OUR MISSION

**“To promote and maintain a secure capital market that is fair for and accessible to all stakeholders while supporting capital formation through innovative market development.”**

## OUR VISION

**“To ensure Port Moresby becomes the Financial Capital of the Blue Pacific by 2040”.**

# TABLE OF CONTENTS


## PART A - INTRODUCTION

About The SCPNG.....5

Brief History.....5

Securities Laws..... .....5 - 6

Functions of SCPNG..... .....6 - 7

Organizational Structure.....7 - 9

## PART B - ABOUT THE PAPUA NEW GUINEA CAPITAL MARKET

Capital Market Business Regulated Activities.....10

Capital Market Licensing Process .....11

## PART C - EQUITY LISTED COMPANIES & DEBT MARKET..... .....12

# PART A - INTRODUCTION

This booklet provides essential information about the roles, functions, and objectives of the Securities Commission of Papua New Guinea (SCPNG), the country's statutory regulator of the PNG Capital Markets.

## ABOUT THE SCPNG

The SCPNG is an independent regulatory body established under the Securities Commission Act 2015 (SCA 2015). It is mandated to administer and enforce the provisions of the Capital Market Act 2015 (CMA 2015) and the Central Depositories Act 2015 (CDA 2015). Through these laws, SCPNG is responsible for overseeing the operations and conduct of key capital market participants including the stock exchange, securities brokers and dealers, investment advisors, financial advisors, trustees, fund managers, unit trusts, property trusts, and other intermediaries.
In addition to its regulatory role, SCPNG also plays a key developmental role in shaping a well-functioning capital market — ensuring it remains fair, transparent, efficient, and secure for all stakeholders and the investing public.

## BRIEF HISTORY

The SCPNG was initially established in 1998 under the now-repealed Securities Act 1997 as a division within the Investment Promotion Authority (IPA). Shortly after its establishment, SCPNG began issuing capital market licences to several market participants, including the approval of Papua New Guinea's first national stock exchange — the Port Moresby Stock Exchange (POM-SOX), now known as PNGX Markets Limited (PNGX).
However, progress in the development of the capital market was hindered by inconsistencies and gaps in the legislative framework. These challenges led to increasing need for reform. In response, comprehensive legislative reforms (SCA 2015, CMA 2015 and CDA 2015) were introduced in 2015. These reforms provided a strong and coherent legal foundation for SCPNG to effectively regulate and develop the capital market in line with international best practices.

## SECURITIES LAWS

**1. Securities Commission Act 2015**
The Securities Commission Act 2015 (SCA 2015) establishes the Securities Commission of Papua New Guinea (SCPNG) as an independent statutory body mandated to regulate the capital markets in Papua New Guinea. The Act outlines the Commission's functions and confers the necessary powers to administer both the Capital Market Act 2015 (CMA 2015) and the Central Depositories Act 2015 (CDA 2015) in fulfilling its regulatory mandate.

**2. Capital Market Act 2015**
The Capital Markets Act 2015 (CMA 2015) is a key piece of legislation designed to regulate and oversee the functioning of the capital markets in Papua New Guinea (PNG). Its primary objective

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

is to establish a legal and regulatory framework for the operation of a transparent, orderly, and efficient capital market. This includes facilitating the issuance of securities, licensing of market intermediaries, and ensuring market integrity and investor protection.

**3. Central Depositories Act 2015**

The Central Depository Act 2015 (CDA 2015) is a crucial piece of legislation in aimed at establishing and regulating a central securities depository (CSD) system. This system is designed to streamline the settlement, clearing, and custody of securities traded in PNG's capital markets, ensuring efficiency, transparency, and security in the handling of securities transactions.

## FUNCTIONS OF SCPNG

1. DEVELOP

- **Market Infrastructure Development:** The Commission is responsible for fostering the development of an efficient, transparent, and robust capital market infrastructure. This includes creating frameworks for the establishment of exchanges, central depositories, and settlement systems.

- **Capacity Building:** The Commission supports the development of the market by promoting education, training, and awareness among market participants, including investors, intermediaries, and regulators.

- **Policy and Legislative Development:** The Commission plays a role in advocating for and drafting relevant laws, policies, and regulations aimed at enhancing market development, ensuring that the regulatory framework evolves with the changing market dynamics.G

ULATE

- **Market Oversight:** The Commission regulates the functioning of the capital markets by overseeing the activities of all market participants, including brokers, fund managers, issuers, and exchanges, to ensure compliance with established rules.

- **Licensing and Supervision:** The Commission is responsible for the licensing of market participants, ensuring that only qualified and compliant entities operate in the market. It also monitors ongoing operations through supervision and audits.

- **Rulemaking and Enforcement:** The Commission creates and enforces regulations to ensure that market activities are conducted in a fair, orderly, and efficient manner. It has the authority to impose penalties, sanctions, or other corrective actions against non-compliant entities.

- **Risk Management:** The Commission works to mitigate systemic risks in the capital markets by establishing robust risk management frameworks. This includes regulating trading practices, managing market disruptions, and monitoring financial stability.

- **Fraud and Market Manipulation Prevention**: The Commission proactively mitigates risks associated with fraudulent activities, market manipulation, insider trading, and other illegal practices. This is done through monitoring, investigations, and swift enforcement actions.

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

- **Operational Oversight:** By overseeing market intermediaries and exchanges, the Commission helps identify potential operational risks and works to implement measures to prevent or reduce market volatility and systemic risks.

- **Investor Protection:** The Commission's primary function is to protect the interests of investors by ensuring transparency, fairness, and integrity in the capital markets. It enforces rules that require accurate and timely disclosures by issuers and financial intermediaries.

- **Consumer Advocacy:** The Commission advocates for the rights of investors by providing education, facilitating complaint resolution, and ensuring that investors have access to the information necessary to make informed decisions.

- **Regulatory Safeguards:** The Commission establishes regulatory safeguards, such as compulsory audits, disclosure requirements, and compliance programs, to prevent exploitation of retail and institutional investors and to ensure the overall health of the market.

## ORGANIZATIONAL STRUCTURE

The Securities Commission of Papua New Guinea (SCPNG) is led by a Chief Executive Officer (CEO), who is responsible for managing the day-to-day operations of the Commission and exercising its powers to fulfill the regulatory functions mandated under the Securities Laws. The CEO reports to the Board of Commissioners, which provides assistance to the Commission primarily on policy matters.
SCPNG is organized into four divisions plus the Office of the Chief Executive Officer. Below is an overview of each division within the Commission:

### OFFICE OF THE CHIEF EXECUTIVE OFFICER

| | |
|---|---|
| SECRETARIAT UNIT | Responsible for providing administrative and organizational support to the CEO, ensuring effective coordination of meetings, documentation, and communication between the CEO's office and other divisions. |
| INTERNAL AUDITS UNIT | Oversees the internal audit functions within SCPNG, ensuring compliance with established policies, procedures, and regulatory requirements. The unit conducts audits to assess the effectiveness of internal controls and risk management practices. |

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

## LEGAL SERVICES DIVISION

| | |
|---|---|
| COMPLIANCE & ENFORCEMENT UNIT | Handles litigation matters arising from breaches by market participants in relation to compliance and enforcement requirements, as well as other legal proceedings involving SCPNG. |
| LEGAL ADVISORY UNIT | Responsible for providing legal advice and interpretation on matters related to the operations of the Securities Commission. |

## LICENSING AND SUPERVISION DIVISION

| | |
|---|---|
| LICENSING UNIT | Responsible for the registration, licensing, and approval of market participants in the capital markets. |
| SUPERVISION UNIT | Responsible for monitoring market activities and identifying any harmful or suspicious behavior. |
| INVESTIGATIONS UNIT | Charged with investigating reported suspicious activities and addressing complaints raised by market stakeholders. |
| MARKET DATA UNIT | Responsible for maintaining a registry of all capital market data disclosed by market participants. |

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

## RESEARCH & PUBLICATIONS (R&PD)

| | |
|---|---|
| MEDIA & PUBLICATIONS UNIT | Responsible for all SCPNG publications, including press releases, articles, market reports, annual reports, business reports, newsletters, pamphlets, brochures, and other informational materials. This unit serves as the primary interface with the media for communication and publication-related matters. |
| RESEARCH UNIT | Tasked with identifying key research needs and conducting studies on issues affecting the capital markets, as well as exploring new avenues for the development of securities and derivatives. Research papers are presented to the SCPNG Board and management, along with resolutions and recommendations aimed at addressing market challenges and fostering growth. |
| INVESTMENT UNIT | Responsible for evaluating proposals related to new financial products, systems, trading facilities, and other submissions made to the Commission. The unit provides recommendations to management for decision-making and assesses new Initial Public Offerings (IPOs), takeovers, mergers, and acquisitions. |

## CORPORATE SERVICES DIVISION (CSD)

| | |
|---|---|
| HUMAN RESOURCES UNIT | Responsible for all human resources-related matters, including recruitment, staff development, and employee relations. |
| FINANCE UNIT | Manages the financial operations of SCPNG, overseeing budgeting, financial planning, and reporting. |
| HUMAN RESOURCES UNIT | Responsible for all human resources-related matters, including recruitment, staff development, and employee relations. |
| INFORMATION & TECHNOLOGY UNIT | Provides and maintains IT services, ensuring that SCPNG's technological infrastructure and systems are effective, secure, and up-to-date. |

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

# PART B - ABOUT THE PAPUA NEW GUINEA CAPITAL MARKETS

## CAPITAL MARKETS BUSINESS REGULATED ACTIVITIES

**The following Business Regulated Activities are Licensed:**
**The SCPNG with provisions from the Capital Market Act 2015 and Central Depository Act 2015 grants or refuses licenses or approvals to these specific business regulated activities that are categorized under the Capital Markets Industry.**

**The following Business Regulated Activities are Licensed:**

1. Dealing in Securities

2. Trading in Derivatives

3. Fund Management

4. Advising on Corporate Finance

5. Investment Advice

6. Financial Planning

7. Trustee Services

**The following Capital Markets Activities are Granted Approvals:**

1. Stocks & Derivative Exchange

2. Central Depository

3. Clearing House

4. Issuing of Prospectus

5. Capital Markets Managed Schemes: Unit Trust, Property Trust, Managed Funds,, Hedge Funds, Derivatives Funds, Money Market Funds, Guaranteed Funds, Capital Protected Fund, Umbrella Funds and Other Funds that the Commission may prescribe by publication in the National Gazette.

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

# CAPITAL MARKETS LICENSING PROCESS

## STEP 1

The Applicant shows Interest to Participate by way of a written Letter (Specifically in which Business Regulated Activities

## STEP 2

Provide Required Documentation (Specific to the interested Business Regulated Activities)

## STEP 3

**VETTING**

**a)Due Diligence**

- Entity's compliance to PNG governmental mandatory registrations (IPA, IRC, etc
- Organizational Structure (BOD, Key Management, Technical Capacity
- Software/Financial Infrastructure
- Policies Governing Operation and Security
- Risk Measures and Control
-

**b)Fit and Proper Checks (To ascertain Qualification and Establish Good Standing of Individuals associated:**

- Board of Directors and Key Management Team
- Shareholders

## STEP 4

Grant or Refuse Licensing/Approval Application (Conditions are set if license or approval granted)

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

# PART C - EQUITY LISTED COMPANIES & DEBT MARKET

For the most accurate and up-to-date information on equity-listed companies in Papua New Guinea, please refer directly to the official PNGX Markets website.

**www.pngx.com.pg**

PNGX Markets Limited is the licensed stock exchange operator in Papua New Guinea. All equity listings, disclosures, and market updates are published on their website and are subject to change.

## DEBT MARKET

The Debt Market has been granted approval on the 13th of September, 2022 by SCPNG. PNGX's Debt Market rules allow a company to issue corporate bonds and have these bonds listed in PNGX where they can be traded.

On May 6, 2026, Kina Securities Limited successfully issued and listed the inaugural Wholesale Corporate Bond on the Papua New Guinea Stock Exchange (PNGX). This issuance represents a significant milestone in the ongoing debt market reform.

Investors eligible to invest in wholesale corporate bonds include:

1. An holder of a capital market license;
2. A licensed financial institution as defined in the Banks and Financial Institutions Act, 2000;
3. An insurance company registered under the Insurance Act, 1995;
4. A superannuation fund authorized under the Superannuation (General Provisions) Act, 2000;
5. A unit trust scheme or a managed investment scheme;
6. A body corporate that has net assets of at least K10 million as set out in its most recent audited annual financial statements;
7. An individual where the minimum amount payable for the securities on acceptance of the offer by the person to whom the offer is made is at least K250,000;
8. A land group incorporated under the Land Groups Incorporation Act, 1974;
9. A church group incorporated and existing under an Act of PNG.
10. Any other types of investor specified by the Securities Commission.

***A healthy Debt Market brings a number of benefits. It provides an alternative funding source for government and companies and reduced dependence on banks and secured loans.***

Disclaimer: The information provided by the Securities Commission of Papua New Guinea (SCPNG) is intended for general guidance and public awareness only. SCPNG does not accept any liability for errors, omissions, or any loss arising from reliance on the information provided.

# THEMATIC BOND GUIDELINES

The Securities Commission of Papua New Guinea (SCPNG) has issued the country's first Green Bond Guidelines (Guidelines No. 2026/001), Social Bond Guidelines (Guidelines No. 2026/002) and Sustainability Bond Guidelines (Guidelines No. 2026/003) pursuant to Section 466(1) of the Capital Market Act 2015. This marks a major milestone in building PNG's sustainable finance ecosystem and strengthening its capital markets.

These Guidelines are aligned with internationally recognized market standards, including the International Capital Market Association (ICMA) Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines, while being appropriately tailored to Papua New Guinea's legal framework, national development priorities and evolving capital market.

## The Guidelines Comprises of;

- Green Bond Guidelines (No. 2026/001) Support projects with positive environmental outcomes such as renewable energy, climate resilience, biodiversity conservation, pollution prevention, sustainable transport, and energy efficiency.

- Social Bond Guidelines (No. 2026/002) Finance projects that improve social outcomes including healthcare, education, affordable housing, food security, financial inclusion, gender equality, rural development, and support for vulnerable communities.

- Sustainability Bond Guidelines (No. 2026/003) Provide an integrated framework for financing a mix of eligible green and social projects, enabling broader sustainable development objectives.

## Requirements Framework

Under the Guidelines, issuers are required to establish robust governance and disclosure frameworks covering:

- Use of proceeds
- Project evaluation and selection
- Management of proceeds
- Independent external review
- Ongoing reporting and monitoring

## Contact Us to get a copy of the Guideline.

- General Queries: ask@scpng.gov.pg
- Capital Market License: license@scpng.gov.pg
- Investor Queries/Complaints: queries@scpng.gov.pg

SECURITIES COMMISSION OF PAPUA NEW GUINEA

# CONTACT US

## Securities Commission of Papua New Guinea

MRDC Haus, Level 2, Champion Parade, Down Town, Port Moresby
P. O. Box 44, Vision City
National Capital District, Papua New Guinea
Landline: (+675) 321 2224
Email: ask@scpng.gov.pg/ queries@scpng.gov.pg/ license@scpng.gov.pg
Website: www.scpng.gov.pg

Entities are encourages to seek independent professional advice before making any investment or regulatory decisions.