

Chapter 140.
Investment Corporation Act 1971.

Certified on: / /20 .

INDEPENDENT STATE OF PAPUA NEW GUINEA.



Chapter 140.

Investment Corporation Act 1971.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.



AN ACT

entitled

Investment Corporation Act 1971,

Being an Act to establish an Investment Corporation of Papua New Guinea and to define its powers and functions, and for related purposes.

PART I. – PRELIMINARY.

1. INTERPRETATION.

(1)¹ ²In this Act, unless the contrary intention appears—

“**the Board of Directors**” means the Board of Directors of the Investment Corporation established by Section 9;

“**company**” means a company incorporated under the *Companies Act 1997*;

“**corporation**” means a corporation formed or incorporated within or outside the country, and includes a foreign company, but does not include—

- (a) a corporation incorporated within any other country that is a public authority or an instrumentality or agency of the government of that country; or
- (b) a corporation sole; or
- (c) a co-operative company or a savings and loan society;

“**the Deputy Managing Director**” means the Deputy Managing Director of the Investment Corporation appointed under Section 16;

“**eligible person**” means—

- (a) a citizen; or

¹ Section 1(1) amended by No. 20 of 1976, s1; Section 1(1) (definition of “overseas enterprise”) repealed by No. 20 of 1976, s1.

² Section 1(1) amended by No. 20 of 1976, s1; Section 1(1) (definition of “overseas enterprise”) repealed by No. 20 of 1976, s1.

- (b) the State or a statutory authority of the Government approved for the purpose by the Head of State, acting on advice; or
- (c) the Rural Development Bank; or
- (d) a Local-level Government or a Local-level Government Special Purposes Authority; or
- (e) a co-operative society; or
- (f) any other group or body (corporate or unincorporate), recommended by the Board of Directors and approved by the Minister;

“enterprise” means—

- (a) a corporation; or
- (b) a partnership; or
- (c) a firm; or
- (d) any other person or body or association of persons,

engaged or proposing to become engaged in the carrying on of business for gain;

“foreign company” means—

- (a) a company, corporation, society, association or other body incorporated outside the country; or
- (b) an unincorporated society, association or other body that—
 - (i) under the law of its place of origin, may sue or be sued, or hold property in the name of the secretary or other officer of the body or association duly appointed for that purpose; and
 - (ii) does not have its head office or principal place of business in the country;

“the Investment Corporation” means the Investment Corporation of Papua New Guinea established by Section 3;

“the Managing Director” means the Managing Director of the Investment Corporation appointed under Section 16;

“the regulations” means any regulations made under this Act;

“share”, in relation to a corporation, includes stock, an interest and an option to buy shares;

“this Act” includes the regulations.

(2) In this Act, unless the contrary intention appears, a reference to the Investment Corporation shall be read as including a reference to a subsidiary of the Corporation.

2. RELATIONSHIP WITH RURAL DEVELOPMENT BANK.

This Act does not restrict the powers or functions of the Rural Development Bank.

PART II. – THE INVESTMENT CORPORATION OF PAPUA NEW GUINEA.**3. ESTABLISHMENT OF THE CORPORATION.**

A body by the name of the Investment Corporation of Papua New Guinea is hereby established.

4. INCORPORATION OF THE CORPORATION.

(1) The Investment Corporation–

- (a) is a corporation, with perpetual succession; and
- (b) shall have a seal; and
- (c) may acquire, hold and dispose of property; and
- (d) may sue or be sued in its corporate name.

(2) All courts, Judges and persons acting judicially shall take judicial notice of the seal of the Investment Corporation affixed to a document, and shall presume that it was duly affixed.

5. OBJECT OF INVESTMENT CORPORATION.

³The object of the Investment Corporation is to provide for an equity holding by eligible persons in enterprises in Papua New Guinea in cases where the Corporation is of the opinion that–

- (a) it is in the long-term interest of the people of Papua New Guinea to do so; and
- (b) a significant degree of equity holding by eligible persons would not or might not otherwise be readily achieved.

6. FUNCTIONS OF THE CORPORATION.

⁴(1) For the purpose of achieving its object, the Investment Corporation may, in the exercise of its judgement but subject always to any policy laid down under Section 10–

- (a) take up shares in enterprises, and hold them with a view to their future disposal to eligible persons; and
- (b) dispose of shares in enterprises to eligible persons; and
- (c) arrange opportunities for eligible persons to acquire shares in enterprises, and arrange for enterprises to offer shares, or rights to future shares, to eligible persons; and
- (d) underwrite share issues in the country and take firm any part of any such issue that is not taken up by eligible persons; and

³ Section 5 repealed and replaced by No. 20 of 1976, s2.

⁴ Section 6 amended by No. 20 of 1976, s3.

- (e) in accordance with the law relating to such matters, or in such manner and on such conditions as are approved by the Minister in any particular case—
 - (i) establish or manage in the country, or join in the establishment or management in the country of, investment companies or unit trusts or other mutual funds; and
 - (ii) if and when it appears to it desirable, take such action as appears to it necessary or desirable to sell or otherwise make available to eligible persons shares, units or subunits in any such company, trust or fund; and
- (f) enter into consortium arrangements as appropriate; and
- (g) do any other thing that is necessary or convenient for the purpose of achieving its object.

(2) The Investment Corporation may, and shall if the Minister so directs, act as agent for the Government in relation to any matter within the object and functions of the Investment Corporation, and the State shall fully and effectually indemnify it and hold it safe against all claims or actions made or taken against it as a result of its acting as such an agent.

(3) The Investment Corporation does not have, and shall not exercise or purport to exercise, any power of compulsion on or in relation to any enterprise or its shareholders, except so far as such a power is conferred on it by or under any agreement or arrangement with the enterprise or its shareholders.

(4) This Act does not compel the Investment Corporation (otherwise than as agent for the Government under Subsection (2)) to take up an equity holding or to exercise or perform any of its powers or functions in relation to an enterprise, except so far as a duty to do so is imposed on it by or under any agreement or arrangement with the enterprise or its shareholders or otherwise, or by or under any other law.

(5) Notwithstanding anything in this Act, the Investment Corporation shall not buy shares on a stock exchange, other than shares in a company incorporated in the country.

7. RESTRICTION ON CERTAIN SHARE DEALINGS.

- (1) Where the Investment Corporation—
 - (a) disposes of a share in accordance with Section 6(1)(b) to an eligible person; or
 - (b) sells or otherwise makes available to an eligible person a share, unit or subunit in an investment company, unit trust or mutual fund referred to in Section 6(1)(e),

the person, and his heirs, executors, administrators or assigns, must not sell, transfer or dispose of it, or of a beneficial interest in it, except to—

- (c) an eligible person; or

(d) the Investment Corporation.

Penalty: A fine not exceeding K100.00 or an amount equal to 50% of the value of the share, unit or subunit, whichever is the greater.

(2) Subsection (1) does not apply to—

(a) a transaction by way of charge under which the chargee is entitled to the benefit of dividends only; or

(b) a transaction entered into with the approval of the Investment Corporation; or

(c) shares disposed of under Section 11.

(3) This section does not invalidate the sale, transfer or disposal of a share, unit or subunit as against a transferee in good faith without notice that the sale, transfer or disposal was in contravention of Subsection (1).

8. POWERS OF THE CORPORATION.

(1) The Investment Corporation has power to do, in the country or elsewhere, all things necessary or convenient to be done for or in connection with the achievement of its object and the performance of its functions.

(2) Without limiting the generality of Subsection (1) but subject to this Act, the power of the Investment Corporation under that subsection includes power—

(a) to borrow money with the consent of and on such terms and conditions as are approved by the Minister; and

(b) to lend money; and

(c) to participate in the formation of a company or other business enterprise; and

(d) to subscribe for or otherwise acquire, and to dispose of—

(i) shares in, or securities of, a corporation; or

(ii) interests in, or securities of, any other business enterprise; and

(e) to underwrite issues of shares in, or securities of, a corporation; and

(f) to buy back any shares sold by it at a price that, in the opinion of the Investment Corporation, is fair and reasonable in the circumstances; and

(g) to form subsidiaries in any manner permitted by law; and

(h) to appoint persons to be members of boards of directors or other controlling authorities of business enterprises; and

(i) to enter into partnerships or arrangements for the sharing of profits; and

(j) to establish credits and give guarantees; and

- (k) to buy or otherwise acquire, hold, maintain, repair, improve, develop and manage property, and to sell, lease or otherwise deal with any such property, and for any such purpose to have, exercise or perform any of the powers, functions, duties and responsibilities of an owner of the property in question; and
- (l) to carry on any business that comes into the hands of the Investment Corporation; and
- (m) to buy and sell land, buildings and other assets; and
- (n) to give and take security and to give charges on its assets; and
- (o) to appoint agents and attorneys; and
- (p) to act as agent for other persons; and
- (q) to do anything incidental to any of its powers.

9. BOARD OF DIRECTORS.

- (1) A Board of Directors of the Investment Corporation is hereby established.
- (2) The Board shall be constituted as provided by Part III.

10. POLICIES OF THE CORPORATION.

(1) Notwithstanding anything in this Act, in the exercise of its powers and the performance of its functions the Investment Corporation shall act in accordance with sound business principles and in particular, but without limiting the generality of the foregoing, it shall not—

- (a) acquire shares or interests in, or participate in the formation of, an enterprise unless in its opinion the enterprise will operate in an efficient manner and on a profitable basis; or
- (b) dispose of shares at less than—
 - (i) their fair market value; or
 - (ii) where there is in its opinion no significant trading in the shares, a price that, in its opinion, is fair and reasonable in the circumstances.

(2) Subject to Subsection (1), in the exercise of its powers and the performance of its functions the Investment Corporation shall have regard to the likely contribution of any enterprise to the development of Papua New Guinea.

(3) Subject to Subsection (1), the Investment Corporation shall operate within any framework of policy laid down from time to time by the Minister and approved by the Head of State, acting on advice.

(4) The Board of Directors shall, from time to time, inform the Minister of the policy of the Investment Corporation and of any changes in policy that it thinks desirable, and shall furnish to the Minister such information in relation to the

exercise of the powers and the performance of the functions of the Investment Corporation as he requires.

(5) In the event of a difference of opinion as to a matter of policy, the Minister and the Investment Corporation shall endeavour to reach agreement.

(6) If the Minister and the Investment Corporation are unable to reach agreement, the Investment Corporation shall immediately furnish to the Minister a statement in relation to the matter in respect of which the difference of opinion has arisen.

(7) Subject to Subsection (1), the Head of State, acting on advice, may then, by order, determine the policy to be adopted by the Investment Corporation.

(8) The Minister shall inform the Investment Corporation of the policy determined under Subsection (7), and shall take such action (if any) within his power as he thinks necessary by reason of the adoption of that policy.

(9) The Investment Corporation shall ensure that effect is given to the policy while the order remains in force.

11. DISPOSAL OF CERTAIN SHARES.

⁵(1) Subject to Subsection (2), the Investment Corporation shall, at least once in each year, review its holding of shares (other than shares acquired as a result of the investment of its money in accordance with Section 57 of the *Public Finances (Management) Act 1995* as applied to it by Section 30), and where—

- (a) it holds a substantial number of shares in an enterprise; and
- (b) the Board of Directors is satisfied, as to any of the shares, that the retention of them is not necessary for—
 - (i) the effective management of the Investment Corporation's portfolio of investments; or
 - (ii) safeguarding the interests of the people of Papua New Guinea; or
 - (iii) achieving the object of the Investment Corporation; and
- (c) in the opinion of the Board of Directors, it is not appropriate or practicable to dispose of the shares to eligible persons as such,

the Investment Corporation may dispose of the shares to any person.

(2) Subsection (1) does not require the Investment Corporation to dispose of shares—

- (a) at a loss; or
- (b) so as to reduce the total extent of the participation by eligible persons and the Corporation in the ownership of the capital, or in the control, of an enterprise,

⁵ Section 11 amended by No. 20 of 1976, s4.

or to dispose of them at all.

PART III. – THE BOARD OF DIRECTORS OF THE INVESTMENT CORPORATION.

12. CONSTITUTION OF THE BOARD OF DIRECTORS.

(1) The Board of Directors shall consist of–

- (a) the Managing Director; and
- (b)⁶ the following persons appointed in accordance with the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004* –
 - (i) an officer of the Rural Development Bank; and
 - (ii) an officer of the Department of Finance; and
 - (iii) not less than five and not more than nine other members, of whom not less than four are citizens.

(c - d)⁷[*Repealed.*]

(2)⁸ ⁹A member appointed under Subsection (1)(b) who is an officer or employee of the Public Service, holds office during the pleasure of the Minister.

(3)¹⁰ ¹¹A member appointed under Subsection (1)(b)(iii) who is not an officer or employee of the Public Service–

- (a) shall, subject to Subsections (4) and (5), be appointed for a period of three years; and
- (b) holds office subject to good behaviour; and
- (c) is eligible for re-appointment.

(4)¹² ¹³In the event of a member appointed under Subsection (1)(b)(iii) ceasing to hold office before the expiration of the period of his appointment, and the appointment in his place of a person other than an officer or employee of the Public Service, the period of the appointment is the remainder of the period of office of the member ceasing to hold office.

(5)¹⁴ ¹⁵An officer or employee of the Investment Corporation or the Rural Development Bank shall not be a member of the Board appointed under Subsection (1)(b)(iii).

⁶ Section 12 Subsection (1) amended by No. 97 of 2006, Sched. 1.

⁷ Section 11 amended by No. 20 of 1976, s4.

⁸ Section 12 Subsection (2) amended by No. 97 of 2006, Sched. 1.

⁹ Section 12 Subsection (2) amended by No. 97 of 2006, Sched. 1.

¹⁰ Section 12 Subsection (3) amended by No. 97 of 2006, Sched. 1.

¹¹ Section 12 Subsection (3) amended by No. 97 of 2006, Sched. 1.

¹² Section 12 Subsection (4) amended by No. 97 of 2006, Sched. 1.

¹³ Section 12 Subsection (4) amended by No. 97 of 2006, Sched. 1.

¹⁴ Section 12 Subsection (5) amended by No. 97 of 2006, Sched. 1.

¹⁵ Section 12 Subsection (5) amended by No. 97 of 2006, Sched. 1.

13. REMUNERATION OF MEMBERS.

A member of the Board of Directors shall be paid by the Investment Corporation such remuneration (if any) as the Minister determines.

14. DECLARATION OF OFFICE AND OF SECRECY.

¹⁶(1) A member of the Board of Directors shall, before entering on his duties or exercising any power under this Act, make the Declaration of Office provided for by the *Constitution* and make a declaration of secrecy in the form in Schedule 2.

(2) The Declaration of Office and the declaration of secrecy may be made before the Minister.

15. VACATION OF OFFICE OF MEMBERS.

If a member of the Board of Directors appointed under Section 12(1)(d)–

- (a) becomes permanently incapable of performing his duties; or
- (b) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit; or
- (c) resigns his office by writing under his hand addressed to the Minister; or
- (d) is absent, except on leave granted by the Minister, from all meetings of the Board held during two consecutive months or during any three months in any period of twelve months; or
- (e) fails to comply with his obligation under Section 20,

the Minister shall terminate his appointment.

16. MANAGING DIRECTOR AND DEPUTY MANAGING DIRECTOR.

(1)¹⁷ ¹⁸There shall be a Managing Director of the Corporation whose manner of appointment, suspension and dismissal are as specified in the *Regulatory Statutory Authorities (Appointment to Certain Offices) Act 2004*.

(1A)¹⁹ ²⁰There shall be a Deputy Managing Director of the Investment Corporation who –

- (a) shall be appointed by the Minister; and
- (b) shall be appointed for such period, not exceeding seven years, as the Minister determines; and

¹⁶ Section 14 replaced by No. 20 of 1976, s6.

¹⁷ Section 16 Subsection (1) substituted by No. 97 of 2006, Sched. 1.

¹⁸ Section 16 Subsection (1) substituted by No. 97 of 2006, Sched. 1.

¹⁹ Section 16 Subsection (1A) inserted by No. 97 of 2006, Sched. 1.

²⁰ Section 16 Subsection (1A) inserted by No. 97 of 2006, Sched. 1.

- (c) hold office subject to good behaviour; and
- (d) shall be eligible for re-appointment.

(2) The Managing Director and the Deputy Managing Director shall be paid by the Investment Corporation such salary and allowances as the Minister determines.

(3) The Investment Corporation may make available to the Managing Director or the Deputy Managing Director such housing or other accommodation, and on such terms and conditions, as it thinks proper.

(4) The Managing Director shall manage the Investment Corporation and, in relation to the management of the Investment Corporation, shall act in accordance with its policy and with the directions of the Board of Directors.

(5) The Deputy Managing Director shall perform such duties as the Managing Director directs, and in the event of a vacancy in the office of Managing Director or his absence or inability to act the Deputy Managing Director shall perform the duties of the Managing Director and has and may exercise the powers and functions of the Managing Director.

17. VACATION OF OFFICE OF MANAGING DIRECTOR, ETC.

If the Managing Director or the Deputy Managing Director—

- (a) becomes permanently incapable of performing his duties; or
- (b) engages in any paid employment outside the duties of his office; or
- (c) becomes bankrupt, applies to take the benefit of any law for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his salary for their benefit; or
- (d) resigns his office by writing under his hand to the Minister,

the Minister shall terminate his appointment.

18. CHAIRMAN AND DEPUTY CHAIRMAN OF BOARD.

(1) The Minister shall appoint one of the members of the Board of Directors to be Chairman of the Board, and another such member to be Deputy Chairman of the Board, for such respective periods as the Minister determines.

(2) The Chairman and the Deputy Chairman of the Board of Directors hold office as Chairman and Deputy Chairman respectively until the expiration of their respective periods of appointment or until they respectively cease to be members of the Board, whichever first happens.

(3) The Chairman or the Deputy Chairman of the Board of Directors may resign his office as Chairman or Deputy Chairman by writing under his hand addressed to the Minister.

19. MEETINGS OF THE BOARD.

(1) The Board of Directors shall meet at such times and places as the Board determines or as the Chairman or the Deputy Chairman directs.

(2) At a meeting of the Board of Directors—

- (a) six members, of whom the Chairman or Deputy Chairman is one, are a quorum; and
- (b) the Chairman, or in his absence the Deputy Chairman, shall preside; and
- (c) all questions shall be decided by a majority of votes of the members present and voting; and
- (d) the member presiding has a deliberative and, in the event of an equality of votes on a matter, also a casting vote.

(3) The Deputy Managing Director may attend any meeting of the Board of Directors at which the Managing Director is not present, and in relation to meetings that he attends under this subsection shall, for the purposes of this Act, be deemed to be a member of the Board.

20. DISCLOSURE OF INTEREST.

(1) A member of the Board of Directors who is directly or indirectly interested in a matter being considered or about to be considered by the Board shall, as soon as possible after the relevant facts have come to his knowledge, disclose the nature of his interest at a meeting of the Board.

(2) A disclosure under Subsection (1) shall be recorded in the minutes of the Board of Directors, and after the disclosure the member—

- (a) shall not take part in any deliberation or decision of the Board with respect to the matter; and
- (b) shall be disregarded for the purpose of constituting a quorum of the Board for any such deliberation or decision.

PART IV. – THE SERVICE OF THE CORPORATION.**21. APPOINTMENT OF OFFICERS.**

(1) The Investment Corporation may appoint such officers as are necessary for the purposes of this Act.

(2) The officers of the Investment Corporation constitute the Service of the Investment Corporation.

(3) Where, immediately before his appointment, an officer of the Investment Corporation was an officer of the Public Service, his service as an officer of the Investment Corporation shall be counted as service in the Public Service for the purpose of determining his rights (if any) in respect of–

- (a) leave of absence on the ground of illness; and
- (b) long leave, furlough or pay in lieu of long leave or furlough (including pay to dependents or personal representatives on the death of the officer).

(4)²¹ ²²The offices in the service of the Investment Corporation are offices to which apply the provisions of the *Public Services (Management) Act 1995* relating to leave to serve under another Act.

(5) Subject to this Act, officers hold office on such terms and conditions as are determined by the Investment Corporation.

22. REGULATIONS FOR THE SERVICE OF THE CORPORATION.

The regulations may make provision in relation to the Service of the Investment Corporation, and in particular may–

- (a) prescribe the terms and conditions of employment of officers; and
- (b) make provision for the establishment of a superannuation scheme to provide benefits for the Managing Director, Deputy Managing Director and officers of the Investment Corporation, on retirement.

23. TEMPORARY AND CASUAL EMPLOYEES.

(1) The Investment Corporation may appoint such temporary and casual employees as are necessary for the purposes of this Act.

(2) Employees appointed under Subsection (1) shall be employed on such terms and conditions as the Investment Corporation determines.

²¹ Section 21(4) repealed and replaced by *Public Service (Management) (Consequential Amendments) Act 1986* (No. 29 of 1986), s40.

²² Section 21(4) repealed and replaced by *Public Service (Management) (Consequential Amendments) Act 1986* (No. 29 of 1986), s40.

24. SUPPLY OF ACCOMMODATION.

The Investment Corporation may make available to its officers and employees, or any of them, such housing or other accommodation, and on such terms and conditions, as it thinks proper.

25. USE OF OFFICERS, ETC., OF DEVELOPMENT BANK.

The Investment Corporation may, by agreement with the Development Bank and on such terms and conditions as are agreed on, make use of the services of officers and employees of that Bank.

PART V. – FINANCE, ETC.**26. CAPITAL.**

The capital of the Investment Corporation consists of–

- (a) such sums as are advanced to the Investment Corporation out of moneys appropriated by Act for the purpose; and
- (b) such sums as are transferred from the Investment Corporation of Papua New Guinea Reserve Fund under Section 27.

27. RESERVE FUND.

(1) The Investment Corporation shall have a reserve fund, to be called the Investment Corporation of Papua New Guinea Reserve Fund, which shall consist of such sums as are placed to the credit of the Fund under Section 28.

(2) There may be transferred from time to time from the Investment Corporation of Papua New Guinea Reserve Fund to the capital of the Investment Corporation such sums as the Board of Directors determines.

28. DEALING WITH PROFITS.

(1) The net profit of the Investment Corporation in each year shall be first applied against any previous losses carried forward and the balance shall, subject to Subsection (2), be placed to the credit of the Investment Corporation of Papua New Guinea Reserve Fund.

(2) Out of its net annual profit remaining after its application against previous losses, the Investment Corporation shall pay into the Consolidated Revenue Fund such amounts as are determined from time to time by the Minister.

(3) In determining, for the purposes of this Act, the net profit of the Investment Corporation, any amounts written off or provided for contingencies are subject to the consent of the Minister.

29. BANK ACCOUNTS.

(1) The Investment Corporation shall open and maintain accounts within the country with such bank or banks as the Board of Directors thinks proper.

(2) The accounts shall include–

- (a) an investment account, into which there shall be paid any money received from or on account of any investments by the Investment Corporation otherwise than as agent for the Government or any other person; and
- (b) one or more agency accounts, into which there shall be paid–

- (i) any moneys received from or on account of any investment by the Investment Corporation as agent for the Government or any other person; and
- (ii) any moneys received for or in relation to any such investment.

(3) The Investment Corporation shall pay all moneys received by it into an account referred to in Subsection (1).

30. APPLICATION OF THE PUBLIC FINANCES (MANAGEMENT) ACT 1995.

(1) Subject to Subsection (3), the *Public Finances (Management) Act 1995* applies to and in relation to the Investment Corporation.

(2) The Investment Corporation is a trading enterprise for the purposes of Sections 62 and 63 of the *Public Finances (Management) Act 1995*.

(3) Sections 52, 58, 51, 59 and 61 of the *Public Finances (Management) Act 1995* do not apply to or in relation to the Investment Corporation.

PART VI. – MISCELLANEOUS.

31. HEAD OFFICE.

(1) The head office of the Investment Corporation shall be at such place in the country as the Board of Directors from time to time decides.

(2) Until the Board of Directors decides the place at which the head office shall be situated, the head office shall be at Port Moresby.

32. ATTORNEY.

The Investment Corporation may, by instrument under its seal, appoint a person (whether within or outside the country) to be its attorney and, subject to the instrument, a person so appointed may do any act or exercise or perform any power or function which he is authorized by the instrument to do, exercise or perform.

33. GUARANTEE BY THE STATE.

The State is responsible for all moneys due by the Investment Corporation, but this section does not authorize a creditor or other person claiming against the Corporation to sue the State in respect of the claim.

34. LIABILITY TO TAXATION.

The Investment Corporation is liable to taxation under any law.

35. RETURNS.

The Investment Corporation shall furnish to the Minister such periodical statements as are prescribed.

36. EXECUTION OF CONTRACTS.

(1) Contracts on behalf of the Investment Corporation may be made, varied or discharged in accordance with this section, and any contract so made is effectual in law, and is binding on the Corporation and on all other parties to the contract, their heirs, successors, assigns, executors and administrators.

(2) A contract that, if made between private persons, would by law be required to be in writing under seal may be made, varied or discharged in the name and on behalf of the Investment Corporation in writing under the seal of the Corporation.

(3) A contract that, if made between private persons, would by law be required to be in writing and signed by the parties to be charged with it may be made, varied or discharged in the name and on behalf of the Investment Corporation in writing signed by a person acting with the express or implied authority of the Corporation.

(4) A contract that, if made between private persons, would by law be valid although made by parol only may be made, varied or discharged by parol in the name

and on behalf of the Investment Corporation by a person acting with the express or implied authority of the Corporation.

(5) This section does not invalidate a contract executed on behalf of the Investment Corporation by a duly appointed attorney of the Corporation if the contract would be valid if executed by the attorney on his own behalf.

37. VALIDITY OF ACTS AND TRANSACTIONS OF INVESTMENT CORPORATION.

The validity of an act or transaction of the Investment Corporation shall not be called in question in any legal proceedings on the ground that any provision of this Act has not been complied with.

38. REGULATIONS.

The Head of State, acting on advice, may make regulations, not inconsistent with this Act, prescribing all matters that by this Act are required or permitted to be prescribed, or that are necessary or convenient to be prescribed for carrying out or giving effect to this Act or for the conduct of business by the Investment Corporation, and in particular for prescribing penalties of fines not exceeding K100.00 for offences against the regulations.

Sch. 1

Investment Corporation 9999

SCHEDULE 1 -

SCHEDULE 2 – DECLARATION OF SECRECY.

Sec. 14.

“I, . . . , a member of the Board of Directors of the Investment Corporation of Papua New Guinea, do solemnly and sincerely declare that I will at all times maintain secrecy in relation to the affairs of the Board and of the Investment Corporation of Papua New Guinea and, in particular, that I will not directly or indirectly communicate or divulge any information that comes to my knowledge in the performance of my functions as a member of the Board, except by authority of the Board or under compulsion or obligation of law.

(Signature of Declarant.)

Declared at . . . ,

Dated . . . 20...

Before me:

(Signature of Person before whom Declaration is made.)”

Office of Legislative Counsel, PNG