Capital Market Development Fund Levies

Guidance Note 01

Issued: May 2022

PURPOSE OF THE GUIDANCE NOTE	Securities Commission of Papua New Guinea (Capital Market Development Fund Levies) Order 2021 (the Order) which was published in the National Gazette under Gazette No. G649 of 2021 on 24 September 2021 came into effect on 23 November 2021. This guidance note is to provide the procedure to be followed by a Participating Organisation on PNGX with respect to the collecting and remitting of the Capital Market Development Fund Levies to PNGX as per the Order. This guidance note is not a substitute for the Order issued by the Securities Commission of Papua New Guinea (SecCom). Therefore, the Participating Organisation needs to fully understand the purpose of the Levy and follow the instruction(s) issued in the Order and adhere to the Securities Act 2015 and Capital Markets Act 2015.
THE MAIN POINTS	1. Capital Market Development Fund Levies 2. Reporting to SecCom. 3. Remitting of Levy to the Trust Account
RELATED MATERIAL	• Gazette No. G649 • Securities Act 2015 • Capital Market Act 2015

Guidance

The issue of this guidance note is to assist Participating Organisations with the procedure for collecting and remitting the Capital Market Development Levy as per the Order.

This Guidance Note may be replaced at any time in line with changes to the Order. The Participating Organisation must ensure they have the latest version of the guidance note. This guidance note is only a guide, based on the Order issued by the Securities Commission of Papua New Guinea, therefore Participating Organisations are advised to contact PNGX for any procedure queries relating to this guide or to contact SecCom for queries relating to the Order.

SECTION 1 - Capital Market Development Fund Levies

1. As specified by the Securities Commission under Gazette No. G649 the Participating Organisation shall apply a 0.03% levy on the purchase and sale value of the securities transactions recorded on PNGX or notified to PNGX.

2. The levy is to be paid by the seller and purchaser for every transaction of securities recorded on PNGX or notified to PNGX under the business rules to the Participating Organisation.

3. Participating Organisations must place a statement on each contract note for a sale or purchase of securities to the effect that the levy fee charged by the stockbroker or participating organisation includes a contribution to the PNG Capital Market Development Fund at a rate of 0.03 percent (%) of the purchase or sale price.

SECTION 2 - Transaction Report to SecCom

1. The levy per transaction will be calculated by PNGX for the previous month and sent to the Participating Organisation with a copy to SecCom by the 5th business day of each new month.

2. Within twenty-eight (28) business days from the last trading day of the previous month, PNGX prepares a written report to SecCom stating the following:
   a. The total volume of purchase and sale transactions on the stock exchange for the previous month in terms of the number of securities transacted.
   b. The total volume of purchase and sale transactions on the stock exchange for the previous month in kina value terms:
   c. The total volume of transactions and its kina value for the previous month in respect of each listed member of the stock exchange; and
   d. The total levies payable to SecCom for the previous month.

SECTION 3 - Remitting of Levy to PNGX Trust Account

1. Each Participating Organisation must remit to PNGX the levies collected within the 14 days of each new month by direct deposit into a trust account known as PNGX Markets Limited Trust Account, the sole beneficiary of which is SecCom. Refer to Appendix 1 for account details.

2. Any outstanding levies for the period 23 November 2021 to 31 May 2022 should be paid to the PNGX Markets Limited Trust Account by 14 June 2022.

3. The Participating Organisation must email PNGX confirming all completed transactions immediately after the transaction.

4. The email address for PNGX accounts is accounts@pngx.com.pg.

5. PNGX holds the Levies in the PNGX Markets Limited Trust Account pending payment to the Securities Commission by interbank transmission into a trust account to be known as Capital Market Development Fund Levies Trust Account.

SECTION 4 – Accounting for Levy on Securities

1. The Participating Organization must maintain separate proper accounts for recording the levies payable by each and every seller or purchaser of securities in respect of every securities transacted by a Participating Organisation or recorded on PNGX or notified to PNGX under the PNGX rules.

2. The Securities Commission may at any time request to examine or audit the accounts maintained under item 8 of this procedure. Participating Organisations must take all necessary steps to ensure the accounts are made available to the SecCom when requested.

SECTION 5 – Further Information

1. PNGX Markets Limited acts solely as agent of SecCom for the purpose of collection of the levies as required by the Order and acts in no other capacity.

2. Further information regarding the Order can be obtained from SeCom.

3. Further information regarding the procedure for payment to PNGX Markets Limited can be obtained by contacting the following:

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Ph: 77005836 E: elizabeth.wamsa@pngx.com.pg

Nathan Koglowa
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ANNEXURE 1 – PNGX Markets Securities Commission Levies Trust Account Details

Account Number:	**7026132584**
Account Type:	**Cheque Account**
Account Name:	**PNGX Markets Limited Trust Account**
Bank:	**BSP Financial Group Limited**
BSB:	**088-950**
Branch	**BSP Haus**
Swift Code:	**BOSPPGPM**