# Disclosure of Substantial Shareholdings

**Listing Rules Guidance Note 03**

Issued: June 2026

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| **PURPOSE OF THE GUIDANCE NOTE** | This Guidance Note has been issued by PNGX Markets (**PNGX**) to provide guidance to issuers and market participants in relation to the Securities Commission Practice Note 2026/001 regarding disclosure obligations for substantial shareholdings in listed companies under Part XII of the *Capital Market Act* 2015 (**CMA**), and the related responsibilities arising under the PNGX Listing Rules (**Listing Rules**). The purpose of this Guidance Note is to promote a consistent understanding of the legal framework, encourage good market practices, and support regulatory compliance.<br><br>The substantial shareholding regime plays a foundational role in the maintenance of transparency and fairness in Papua New Guinea's capital markets. Accurate and timely disclosure of significant changes in control or voting power helps ensure that all investors — regardless of size — are equipped with the information necessary to make informed investment decisions. |
| **THE MAIN POINTS** | 1. Obligations of listed companies regarding substantial shareholder notices |
| **RELATED MATERIAL** | • CMA<br>• Securities Commission Practice Notes 2026/001<br>• Listing Rules |

## Guidance

This Guidance Note has been issued by PNGX to provide formal guidance to issuers in relation to the statutory disclosure obligations for substantial shareholdings in listed companies under Part XII of the CMA and related responsibilities arising under the Listing Rules. The purpose is to promote a consistent understanding of the legal framework, encourage good market practices, and support regulatory compliance.

## Practice Notes 2026/001 regarding Disclosure of Substantial Shareholdings

The Securities Commission of Papua New Guinea (**SeCom**) has issued Practice Notes 2026/001 regarding Disclosure of Substantial Shareholdings. A copy is ***attached***.

## Importance of Substantial Shareholding Disclosures

Compliance with substantial shareholding disclosure requirements is essential to the proper functioning of an open and transparent market. These disclosures provide investors, regulators, and companies with early warning of significant changes in voting control or corporate influence.

The disclosure framework promotes equal access to information and helps to prevent circumstances in which a person may silently accumulate a controlling interest or influence corporate decision-making without proper market visibility. It also supports informed decision-making by minority shareholders and other stakeholders, particularly in situations involving takeover activity, shareholder activism, or proxy contests.

## Listing Rules Obligations

The primary obligations for substantial shareholder disclosures reside with the shareholder.

The Listing Rules impose certain related obligations on issuers for the purpose of ensuring that material information relating to substantial shareholdings is made available to the market in a timely and transparent manner.

Listing Rule 6.14 requires that, where a domestic issuer becomes aware that it has received a notice of substantial shareholding from a person who has not provided a copy to PNGX (as otherwise required by the CMA), the issuer must immediately forward the notice to PNGX. In the case of a foreign issuer or exempt issuer, the issuer must immediately provide PNGX with a copy of any document it receives — or becomes aware of — that relates to a substantial holding under an overseas law or constitutional provision equivalent to Section 402 of the CMA.

This rule operates as a fail-safe mechanism. It recognises that, from time to time, a person may comply with their disclosure obligations to the company but fail to provide the same notice to PNGX. By placing a parallel obligation on the issuer, the Listing Rule is designed to mitigate the risk that such a failure could result in the market being deprived of relevant information.

Listing Rule 6.15 establishes a second fail-safe obligation. If a domestic issuer receives information under Part XII Division 3 of the CMA — relating to tracing notices — that discloses materially different information from the most recent notice received under Part XII Division 2, the issuer must immediately provide PNGX with a copy of that information. The rule reflects the reality that tracing notices may reveal control structures, nominee arrangements, or underlying beneficial ownership that is inconsistent with previously disclosed holdings. Prompt disclosure of that updated information helps to ensure that the market is operating on the basis of accurate and current shareholding data.

## Regulatory Oversight and Jurisdiction

The responsibility for monitoring and enforcing compliance with the substantial shareholding regime under Part XII of the CMA lies with SeCom. SeCom has statutory powers to investigate non-compliance, initiate enforcement action, and impose penalties where appropriate.

PNGX does not have enforcement authority under the CMA apart from enforcing the Listing Rules. PNGX's role is limited to enforcing the Listing Rules (as mandated by the CMA), which operate contractually between PNGX and listed issuers. Persons who are required to make disclosures under the CMA may not be listed issuers and may not be subject to the Listing Rules.

Accordingly, while PNGX may facilitate the publication and dissemination of substantial shareholding notices, it does not determine whether a notice complies with the CMA, nor does it have the authority to compel disclosure (other than in the circumstances set out in Listing Rules 6.14 and 6.15) or impose sanctions for failure to comply with the CMA.

However, where PNGX becomes aware of an apparent breach of Part XII of the CMA — including, for example, a delayed lodgement, an inaccurate lodgement, or a failure to lodge a substantial shareholding notice — PNGX can refer the apparent breach to the Securities Commission for its consideration. This reporting process supports the effective administration of the statutory regime and reinforces market confidence in the integrity of the disclosure framework.

# Disclaimer

This Guidance Note does not constitute legal advice, and should not be relied upon as such. Persons who are subject to disclosure obligations under the CMA — including substantial shareholders, listed companies, and their advisers — are strongly encouraged to obtain independent legal advice to ensure full compliance with all applicable provisions of the CMA and any regulations to the CMA.

# SECURITIES COMMISSION OF PAPUA NEW GUINEA

# PRACTICE NOTES 2026/001

# DISCLOSURE OF SUBSTANTIAL SHAREHOLDINGS

**ISSUED: 2ND JUNE 2026**

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CONFIDENTIALITY: **PUBLIC**

PRACTICE NOTES 2026/001

# DISCLOSURE OF SUBSTANTIAL SHAREHOLDINGS

**ISSUED: 2ND JUNE 2026**

## PURPOSE

This Practice Note is issued by the Securities Commission of Papua New Guinea (Securities Commission), responsible for the Capital Market Act 2015 (CMA), in consultation with PNGX Markets Limited (PNGX).

One of the roles of the Securities Commission is to promote confidence in the PNG capital markets. This Practice Note ensures that substantial shareholders of listed companies are aware of, and comply with, their obligations under all applicable laws and regulations and underscores the importance of compliance and transparency in ensuring robust investor protection and market integrity.

Sections 402 and 403 of the CMA require disclosure of substantial shareholder information in a prescribed manner to be accompanied by prescribed information. The Securities Commission acknowledges that the manner and information have not as yet been prescribed.

This Practice Note has been issued by the Securities Commission as an interim measure in relation to the statutory disclosure obligations for substantial shareholdings in listed companies under Part XII of the CMA until such time as the manner and information required to be disclosed have been prescribed. The purpose of this Practice Note is to promote a consistent understanding of the legal framework, encourage good market practices, and support regulatory compliance.

The substantial shareholding regime plays a foundational role in the maintenance of transparency and fairness in Papua New Guinea's capital markets. Accurate and timely disclosure of significant changes in control or voting power helps ensure that all investors — regardless of size — are equipped with the information necessary to make informed investment decisions.

## PRACTICE NOTE

This Practice Note has been issued by the Securities Commission to provide formal guidance to substantial shareholders and listed companies in relation to the statutory disclosure obligations for substantial shareholdings in listed companies under Part XII of the CMA. The purpose is to promote a consistent understanding of the legal framework, encourage good market practices, and support regulatory compliance.

## LEGAL FRAMEWORK FOR SUBSTANTIAL SHAREHOLDING DISCLOSURES

Part XII of the CMA sets out the obligations of persons who acquire, hold, or change substantial interests in listed companies. These provisions reflect international best practices aimed at deterring insider trading, market manipulation, and undisclosed accumulation of control. Their implementation is critical to maintaining a fair, efficient, and transparent market.

Under the CMA, a substantial shareholder is defined as any person (which includes a company or body corporate) who holds five percent (5%) or more of the voting shares in a listed corporation. The holding may arise directly or indirectly, and includes relevant interests held through associates, nominees, or custodians. Once a person becomes a substantial shareholder or begins to have substantial shareholding, they are required to lodge a disclosure notice in the manner and within the timeframe specified by the CMA.

A person's obligation to disclose continues while they remain a substantial shareholder. This means that if the holding subsequently increases or decreases by one percent (1%) or more of the company's total voting shares, relative to the last disclosed position, a further notice must be lodged. This requirement is triggered regardless of whether the change arises from on-market purchases, off-market transfers, corporate actions, new issues of securities by the listed corporation or other transactions that affect the person's relevant interest.

Where a substantial shareholder's holding falls below the five percent threshold, the person is no longer regarded as a substantial shareholder under the CMA, and the disclosure obligations no longer apply in respect of that holding, unless or until the person again becomes a substantial shareholder. However, it is also important to note that where a person ceases to have substantial holding in a listed company, disclosure of ceasing must also be given as soon as the person knows, or ought reasonably to know, that the person has ceased to have a substantial holding.

## STATUTORY DISCLOSURE REQUIREMENTS

The obligation to disclose substantial holdings is imposed under a number of specific provisions within Part XII of the CMA. Under Section 397, any person who acquires a substantial holding in a listed company is required to notify that fact in accordance with Sections 402 and 403. Section 398(1) imposes a further obligation on a substantial shareholder to disclose any change in the number of securities held which constitutes an increase or decrease of at least one percent (1%) of the total voting shares of the company from the percentage previously disclosed.

In addition, Section 399(1) requires disclosure of any change in the nature of the relevant interest. For example, a person may cease to have a beneficial interest in shares but retain a power of disposal or voting, or vice versa. Any such change in the nature of control or entitlement must be disclosed.

Furthermore, Section 400 (1) requires disclosure by any person who ceases to have substantial holding in a listed company.

In each of the above circumstances, subject to any exemptions (Section 406), the disclosure must be made as soon as the person knows or ought reasonably to have known that the relevant event has occurred. This imposes an objective standard of knowledge, meaning that a person cannot avoid compliance by failing to make inquiries or by ignoring relevant facts.

Section 402 specifies that disclosures must be provided to the following three recipients:

1. the listed company,
2. the Approved Exchange, and
3. the Securities Commission.

The obligation to disclose a substantial shareholding, or changes to a substantial shareholding, rests entirely with the substantial shareholder. Listed entities are recipients of such disclosures and are not obligated for making or initiating disclosures on behalf of substantial shareholders, except as otherwise required under Section 401, applicable continuous disclosure obligations or listing rules.

The provision also refers to the need to comply with any prescribed manner of disclosure and to include any prescribed information, should Regulations be issued to that effect. However, as at the date of this Practice Note, there are no Regulations to the CMA and therefore there is no prescribed manner for disclosure or no prescribed information for disclosure that persons are required to use or include in the disclosure notice. Section 403 reinforces the obligation that disclosure must be made in the prescribed manner. However, like Section 402, no formal prescription has yet been made.

## IMPORTANCE OF SUBSTANTIAL SHAREHOLDING DISCLOSURES

Compliance with substantial shareholding disclosure requirements is essential to the proper functioning of an open and transparent market. These disclosures provide investors, regulators, and companies with early warning of significant changes in voting control or corporate influence.

The disclosure framework promotes equal access to information and helps to prevent circumstances in which a person may silently accumulate a controlling interest or influence corporate decision-making without proper market visibility. It also supports informed decision-making by minority shareholders and other stakeholders, particularly in situations involving takeover activity, shareholder activism, or proxy contests. For significant investors in the market, compliance with disclosure requirements demonstrates a broader commitment to corporate transparency and governance. Such compliance reinforces public trust, enhances the credibility of the capital markets, and aligns with national objectives for accountable corporate behaviour and institutional integrity. Failure to comply with disclosure requirements can result in significant regulatory and reputational consequences.

Sanctions may be imposed by the Securities Commission under its enforcement powers, and non-compliance may also have legal and financial implications in the context of corporate transactions or shareholder disputes.

## THE ROLE OF THE APPROVED EXCHANGE

Upon receipt of a disclosure as required by Section 402, the Approved Exchange will release that disclosure to the market in accordance with its statutory obligations to maintain a fair and orderly market.

## REGULATORY OVERSIGHT AND JURISDICTION

The Securities Commission has responsibility for monitoring and enforcing compliance with the substantial shareholding regime under Part XII of the CMA. The Securities Commission has, and will use, statutory powers to investigate non-compliance, initiate enforcement action, and impose penalties where appropriate.

## USE OF INTERIM DISCLOSURE SCHEDULES

In the absence of any prescribed manner or content for disclosure, to assist substantial shareholders and listed companies, and to promote consistency in practice, the Securities Commission has prepared an interim set of schedules for use in connection with substantial shareholding disclosures under the CMA. These schedules have been prepared based on international standards and are intended to support clarity and ease of compliance for both domestic and foreign shareholders. The Securities Commission advises that it will accept these schedules until such time as the manner and content for disclosure are prescribed.

## DISCLAIMER

This Practice Note does not constitute legal advice, and should not be relied upon as such. Persons who are subject to disclosure obligations under the CMA — including substantial shareholders and listed companies— and their advisers are strongly encouraged to obtain independent legal advice to ensure full compliance with all applicable provisions of the CMA and any regulations to the CMA.

Approved for Issue:

PAPUA NEW GUINEA ★ SECURITIES COMMISSION OF

**JAMES JOSHUA**
Acting Chief Executive Officer
Securities Commission of Papua New Guinea

# SCHEDULE 1

## DISCLOSURE OF BEGINNING TO HAVE SUBSTANTIAL HOLDING

*Section 397, Capital Market Act 2015*

**To be submitted to:**

- **[Name of Approved Exchange]**
- **[Name of Listed Issuer]**

**Legal Explanation:** This disclosure must be submitted when an individual or company acquires a substantial holding (5% or more) in a class of quoted voting securities of a listed issuer. The disclosure ensures transparency and compliance with market regulations, preventing market manipulation and insider trading.

### Disclosure Information

| Item | Details |
|---|---|
| **Date of Disclosure** | [DD/MM/YYYY] |
| **Date on which Substantial Holding Began** | [DD/MM/YYYY] |

The disclosure date refers to the actual submission date, while the date the substantial holding began is when the security holder first crossed the 5% threshold, triggering the disclosure requirement.

### Substantial Security Holder(s) Details

| Name(s) | Address(es) | Contact (Phone & Email) |
|---|---|---|
| [Full Name] | [Address] | [Phone, Email] |

This section captures the identity of the substantial security holder(s) to ensure accountability. Providing complete and accurate details prevents fraudulent ownership concealment.

### Summary of Substantial Holding

| Class of Quoted Voting Security | Total Number Held | Total in Class | Percentage Held (%) |
|---|---|---|---|
| [e.g., Ordinary Shares] | [Number] | [Number] | [%] |

The summary provides a clear representation of the substantial holding, enabling the market, regulators, and investors to assess the holder's influence over the listed issuer.

## Details of Relevant Interests

| Nature of Relevant Interest | Number Held | Percentage Held (%) | Current Registered Holder(s) | Registered Holder(s) After Transfers |
|---|---|---|---|---|
| [e.g., Beneficial Owner] | [Number] | [%] | [Name(s) or "Unknown"] | [Name(s) or "Unknown"] |

This section distinguishes direct ownership from derivative or indirect interests. It also identifies current and future registered holders, ensuring proper ownership tracking.

## For Derivative Relevant Interests

| Type of Derivative | Details of derivatives | Parties to the Derivative | If Holder is Not a Party, Nature of Relevant Interest |
|---|---|---|---|
| [e.g., option or swap agreement] | [specify details] | [Describe] | [Describe] |

Derivative interests, such as options or swaps, grant indirect exposure to securities. Disclosing them prevents hidden accumulation strategies and maintains market integrity.

## Details of Transactions and Events Giving Rise to Substantial Holding

| Date of Transaction/Event | Nature of Transaction/Event | Counterparty (if applicable) | Consideration (PGK) | Number of Securities Affected |
|---|---|---|---|---|
| [DD/MM/YYYY] | [Describe] | [Name] | [Amount] | [Number] |

This section requires detailed disclosure of how the substantial holding was acquired. Transparency in transactions deters manipulative trading practices.

## Additional Information

- **Nature of Connection Between Security Holders:** [If applicable]
- **Other Persons Required to Disclose Under Capital Market Act 2015:** [Names, Addresses]

If multiple entities are acting in concert or have a common interest, this section ensures full disclosure to prevent market distortion.

## Certification

I, **[Full Name]**, certify that to the best of my knowledge and belief, the information contained in this disclosure is correct, and I am duly authorized to make this disclosure.

**Signature:** ______________________________

**Date:** [DD/MM/YYYY]

# SCHEDULE 2

## DISCLOSURE OF MOVEMENT OF 1% OR MORE IN SUBSTANTIAL HOLDING, OR CHANGE IN NATURE OF RELEVANT INTEREST, OR BOTH

*Sections 398-399, Capital Market Act 2015*

**To be submitted to:**

- **[Name of Approved Exchange]**
- **[Name of Listed Issuer]**

This disclosure is required when there is an increase or decrease of at least 1% in an existing substantial holding or a material change in the nature of the holder's relevant interest. It promotes transparency and fair market operations.

### Disclosure Information

| Item | Details |
|---|---|
| **Substantial security holder(s) Full names** | [Names] |
| **Relevant Event Being Disclosed** | [Specify] |
| **Date of Relevant Event** | [DD/MM/YYYY] |
| **Date of Last Disclosure** | [DD/MM/YYYY] |
| **Date of This Disclosure** | [DD/MM/YYYY] |

### Summary of Substantial Holding

| Class of Quoted Voting Security | Before Disclosure (Total Number Held in Class. & Percentage) | After Disclosure (Total Number Held in Class. & Percentage) |
|---|---|---|
| [e.g., Ordinary Shares] | [Number] / [%] | [Number] / [%] |

### Details of Transactions and Events Giving Rise to Relevant Event

| Date of Transaction/Event | Nature of Transaction/Event | Counterparty (if applicable) | Consideration (PGK) | Number of Securities Affected |
|---|---|---|---|---|
| [DD/MM/YYYY] | [Describe] | [Name] | [Amount] | [Number] |

This section ensures full disclosure of transactions impacting ownership percentages, maintaining transparency in securities trading.

## Details After Relevant Event

| Nature of Relevant Interest | Number Held | Percentage Held (%) | Current Registered Holder(s) | Registered Holder(s) After Transfers |
|---|---|---|---|---|
| [e.g., Beneficial Owner] | [Number] | [%] | [Name(s) or "Unknown"] | [Name(s) or "Unknown"] |

## Additional Information

- **Nature of Connection Between Security Holders:** [If applicable]
- **Other Persons Required to Disclose Under Capital Market Act 2015:** [Names, Addresses]

If multiple entities are acting in concert or have a common interest, this section ensures full disclosure to prevent market distortion.

## Certification

I, **[Full Name]**, certify that to the best of my knowledge and belief, the information contained in this disclosure is correct, and I am duly authorized to make this disclosure.

**Signature:** ________________________________

**Date:** [DD/MM/YYYY]

# SCHEDULE 3

## DISCLOSURE OF CEASING TO HAVE SUBSTANTIAL HOLDING

*Sections 400-403, Capital Market Act 2015*

**To be submitted to:**

- **[Name of Approved Exchange]**
- **[Name of Listed Issuer]**

This disclosure is required when a substantial security holder's stake falls below the 5% threshold. It provides clarity on ownership changes and prevents undisclosed control shifts.

### Disclosure Information

| Item | Details |
|---|---|
| **Date of Disclosure** | [DD/MM/YYYY] |
| **Date on which Substantial Holding Ceased** | [DD/MM/YYYY] |
| **Date of Last Disclosure** | [DD/MM/YYYY] |

### Summary of Previous Substantial Holding

| Class of Quoted Voting Security | Last Disclosure (Total Number Held in Class. & Percentage) | After Ceasing to Hold (Total Number Held in Class. & Percentage) |
|---|---|---|
| [e.g., Ordinary Shares] | [Number] / [%] | [Number] / [%] |

### Details of Transactions and Events Giving Rise to Ceasing of Substantial Holding

| Date of Transaction/Event | Nature of Transaction/Event | Counterparty (if applicable) | Consideration (PGK) | Number of Securities Affected |
|---|---|---|---|---|
| [DD/MM/YYYY] | [Describe] | [Name] | [Amount] | [Number] |

This section ensures a complete record of share disposal events that result in the loss of substantial holding status.

### Additional Information

- **Nature of Connection Between Security Holders:** [If applicable]

- **Other Persons Required to Disclose Under Capital Market Act 2015:** [Names, Addresses]

If multiple entities are acting in concert or have a common interest, this section ensures full disclosure to prevent market distortion.

## Certification

I, **[Full Name]**, certify that to the best of my knowledge and belief, the information contained in this disclosure is correct, and I am duly authorized to make this disclosure.

**Signature:** ______________________________

**Date:** [DD/MM/YYYY]

Papua New Guinea

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*Capital Market Act* 2015

## ISSUANCE OF PRACTICE NOTES FOR DISCLOSURE OF SUBSTANTIAL SHAREHOLDINGS

In the exercise of powers conferred by Section 466(1) of the *Capital Market Act* 2015, the Securities Commission of Papua New Guinea, hereby:

(*a*) Issue a **Practice Note** that shall provide formal guidance to substantial shareholders and listed companies in relation to the statutory disclosure obligations for substantial shareholdings in listed companies under Part XII of the CMA.

with effect on and from the date of publication of this instrument in the *National Gazette*.

Dated this 2nd day of June, 2026.

J. JOSHUA,
Acting Chief Executive Officer.

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