



BANK OF PAPUA NEW GUINEA

REQUIREMENTS FOR GOLD EXPORT LICENCE

1. Background

The provisions of the Central Banking (Foreign Exchange and Gold) Regulation, Chapter 138 governing gold dealings in Papua New Guinea were de-regulated in 1987 enabling all residents to buy and sell gold within Papua New Guinea. For export purposes, the Bank of Papua New Guinea has the sole authority to export gold overseas under the Central Banking (Foreign Exchange and Gold) regulations, Chapter 138. However, to ensure that alluvial gold buyers are not constraint from exporting their gold, the Bank of Papua New Guinea issues licenses to companies who meet the requirements to export gold from Papua New Guinea each year. The licences are valid for one (1) year.

2. Requirements for Gold Export Licence

The following are the main criteria which need to be satisfied before the Bank of Papua New Guinea would consider issuing a licence to export gold.

The Bank of Papua New Guinea would require;

1. documentary evidence of the incorporation and registration of the company in Papua New Guinea together with evidence of the issued and paid-up capital of the company which should be at least K25,000-00;
2. a performance bond of an amount not less than K75,000-00 in the first year of operation and upon the renewal of the licence the value of the guarantee would be adjusted to a figure not less than K75,000-00 or 0.75% of the previous calendar years annual turnover whichever is greater. The bond is to be deposited for 18 months with a bank in Papua New Guinea approved by the Central Bank.
3. The gold licence holder to be single purpose company;

4. Evidence of financial standing including bank references and the company's latest audited financial statements;
5. Details of the area of the country which you intend to serve;
6. Details of the expected turn-over in grams anticipated on annual basis;
7. Details of the persons overseas to whom you intend to sell the gold;
8. Details of the basis on which the proposed purchaser overseas will set the price that will be paid To Whom It May Concern: the company for the gold; and
9. Details of the arrangements that have to be made for the assay of the gold prior to its export from Papua New Guinea.

3. Licence Fee

There is no fee for the Gold Export Licence.

4. Joint Ventures

As far as joint ventures with non-residents are concerned, the Bank of Papua New Guinea would need to have all relevant information. Consent under the Central Banking Regulation will be needed for shares in a Papua New Guinea company to issue to non-residents.

5. Further Queries

Further queries regarding the Gold Export Licence can be directed to:

The Controller of Foreign Exchange
Foreign Exchange Control Department
Bank of Papua New Guinea
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