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Securities Commission Act 2015

SECURITIES COMMISSION OF PAPUA NEW GUINEA (CAPITAL MARKET DEVELOPMENT FUND LEVIES) ORDER 2021

In the exercise of powers conferred by Section 44(1) of the *Securities Commission Act 2015*, the Securities Commission of Papua New Guinea makes the following order:

1. The Securities Commission (Levy on Securities Transactions) Order 2021 published on 10th February 2021 under Gazette No. G79 of 2021 is now revoked.
2. This order may be cited as the Securities Commission (Capital Market Development fund Levies) Order 2021 and shall come into effect 60 days after the date of this gazettal.
3. The rate of the levy to be paid by every seller and purchaser for every transaction of securities recorded on a securities exchange or notified to such exchange under its rules, the purchaser and the seller shall each of them pay to the Commission a levy of **0.03 percentag (%)** of the sale or purchase price of such securities.
4. A stock broker or a participating organization shall collect the levies at the rate specified above under Order 3 and remit such levies to the stock exchange within 14 days after the end of the previous month.
5. Within ten (10) business days after the receipt of the levies from a stock broker or participating organization pursuant to Order 4 above, the Stock Exchange shall remit or cause to be remitted the levies payable to the Commission by interbank transmission into a trust account to be known as the Capital Market Development Fund Levies Trust Account to be maintained with a commercial bank by the Capital Market Development Fund Board.

**Securities Commission of Papua New Guinea (Capital Market Development Fund Levies) Order 2021—
continued**

6. The Stock Exchange shall, within twenty-eight (28) business days from the last trading day of the previous month, forward to the Commission a written report 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 the Securities Commission on the previous month.
7. A stock broker or a participating organization and the stock exchange shall maintain or cause to be maintained separate proper accounts for recording the levies payable by each and every seller or purchaser of securities in respect of every securities transacted by the stock broker or participating organization or recorded on the stock exchange or notified to the stock exchange according to its rules.
8. A stock broker or a participating organization and the stock exchange shall take all the necessary steps to ensure that the accounts maintained under Order 7 above shall be made available for examination or audit by the Securities Commission.
9. A stock broker or a participating organization shall include a statement in each contract note for a sale or purchase of securities to the effect that the levies fees charged by the stockbroker or participating organization include a contribution to the PNG Capital Market Development Fund at the rate of 0.03 percentage (%) of the purchase or sale price.
10. Levies collected to date by stockbrokers, whether or not remitted to the stock exchange, under the now revoked Gazettal No. G79 of 2021 be refunded to sellers or purchasers (as the case maybe) within 14 days of the publication of this order.
11. This levy rate shall be reviewed on its third anniversary from the date this order takes effect.

Dated this 22nd day of September, 2021.

R. SALMON-MINAK, LLB
Acting Executive Chairman.