

No. 55 of 1996.

Post and Telecommunication Corporation (Corporatisation) Act 1996.

Certified on : 21.01.97

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1996.

Post and Telecommunication Corporation (Corporatisation) Act 1996.

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INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 1996.

AN ACT

entitled

Post and Telecommunication Corporation (Corporatisation) Act 1996,

Being an Act to amend the *Post and Telecommunication Corporation Act* (Chapter 394) to provide for -

- (a) the corporatisation of the Corporation; and
 - (b) the transfer of the assets, rights and liabilities, etc., of the Corporation to a regulatory authority and two corporate bodies; and
 - (c) the subsequent repeal of the *Post and Telecommunication Corporation Act* (Chapter 394),
- and for related purposes,

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with, the advice of the Minister.

NEW PART X.

The Principal Act is amended by adding the following new Part:-

"PART X. - TRANSFER OF ASSETS, RIGHTS AND LIABILITIES, ETC.,

Division 1. - Preliminary.

"35. INTERPRETATION.

In this Part, unless the contrary intention appears -

"allocation statement (PANGTEL)" means the allocation statement under Section 38 and includes a statement amended in accordance with Section 38(3);

"allocation statement (Post PNG)" means a statement signed by the Minister under Section 43 and includes a statement amended in accordance with Section 43(3);

"allocation statement (Telikom)" means a statement signed by the Minister under Section 48 and includes a statement amended in accordance with Section 48(3);

"consideration (PANGTEL)" means the consideration for the assets, rights and obligations to be transferred to PANGTEL as set out in the Direction (PANGTEL);

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"allocation statement (Telikom)" means a statement signed by the Minister under Section 48 and includes a statement amended in accordance with Section 48(3);

"consideration (PANGTEL)" means the consideration for the assets, rights and obligations to be transferred to PANGTEL as set out in the Direction (PANGTEL);

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- "consideration (Post PNG)" means the consideration for the assets, rights and obligations to be transferred to Post PNG as set out in the Direction (Post PNG);
- "consideration (Telikom)" means the consideration for the assets, rights and obligations to be transferred to Telikom as set out in the Direction (Telikom);
- "Direction (PANGTEL)" means a Direction under Section 37;
- "Direction (Post PNG)" means a Direction under Section 42;
- "Direction (Telikom)" means a Direction under Section 47;
- "PANGTEL" means the Papua New Guinea Telecommunication Authority established by the *Telecommunications Act 1996*;
- "Post PNG" means Post PNG Limited, a company incorporated or to be incorporated under the *Companies Act* (Chapter 146);
- "Telikom" means Telikom PNG Limited, a company incorporated or to be incorporated under the *Companies Act* (Chapter 146);
- "Transfer Date (PANGTEL)" means the date for transfer of assets, rights and liabilities to PANGTEL specified by the Minister in the Direction (PANGTEL);
- "Transfer Date (Post PNG)" means the date for transfer of assets, rights and liabilities to Post PNG specified by the Minister in the Direction (Post PNG);
- "Transfer Date (Telikom)" means the date for transfer of assets, rights and liabilities to Telikom specified by the Minister in the Direction (Telikom).

"36. CORPORATION MAY INCORPORATE COMPANIES.

For the purposes of this Part, the Corporation may incorporate or cause to be incorporated under the *Companies Act* (Chapter 146) -

- (a) a company to be known as Post PNG Limited; and
- (b) a company to be known as Telikom PNG Limited.

Division 2. - Transfer of Assets, Rights and Liabilities to PANGTEL.

"37. DIRECTION TO TRANSFER REGULATORY POWERS AND FUNCTIONS TO PANGTEL.

(1) The Minister shall, by direction published in the National Gazette direct that the regulatory powers and functions of the Corporation relating to telecommunications and radiocommunications be transferred to PANGTEL, upon the consideration (PANGTEL) as is specified in the Direction (PANGTEL) on a date, the Transfer Date (PANGTEL) as is specified in the Direction (PANGTEL).

"(2) The transfer under this section of assets, rights and liabilities relating to the regulatory powers and functions relating to telecommunications and radiocommunications is to take place at a value or values specified in the Direction (PANGTEL).

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"(3) On the Transfer Date (PANGTEL), the following provisions have effect (subject to the Direction (PANGTEL)) -

- (a) the assets of the Corporation comprised in its regulatory powers and functions relating to telecommunications and radiocommunications vest in PANGTEL by virtue of this section and without the need for any conveyance, transfer, assignment or assurance; and
- (b) the rights and liabilities of the Corporation comprised in its regulatory powers and functions relating to telecommunications and radiocommunications become by virtue of this section the rights and liabilities of PANGTEL; and
- (c) all proceedings relating to the regulatory powers and functions relating to telecommunications and radiocommunications commenced before the transfer by or against the Corporation or a predecessor of the Corporation and pending immediately before the transfer are to be taken to be proceedings by or against PANGTEL; and
- (d) any act, matter or thing done or omitted to be done in relation to the regulatory powers and functions relating to telecommunications and radiocommunications before the transfer by, to or in respect of the Corporation is (to the extent that act, matter or thing has any force or effect) to be taken to have been done or omitted by, to or in respect of PANGTEL; and
- (e) a reference, in relation to the regulatory powers and functions relating to telecommunications and radiocommunications, in any other Act, in any instrument made under any Act or in any document of any kind to the Corporation is to be read as, or as including, a reference to PANGTEL.

"(4) The operation of this section is not to be regarded -

- (a) as a breach of contract or confidence or otherwise as a civil wrong; or
- (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities; or
- (c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability; or
- (d) as releasing any surety or other obligee wholly or in part from any obligation.

"(5) No attornment to PANGTEL by a lessee from the Corporation is required.

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"(6) Where, pursuant to this section the rights and liabilities of the Corporation under an agreement are allocated to PANGTEL -

- (a) PANGTEL becomes, on the Transfer Date (PANGTEL), a party to the agreement in place of the Corporation; and
- (b) as from the Transfer Date (PANGTEL) the agreement has effect as if PANGTEL had always been a party to the agreement; and
- (c) acts performed by the Corporation pursuant to the agreement prior to the Transfer Date (PANGTEL) shall be deemed to have been performed by PANGTEL.

"(7) Any register maintained under any Act on which any property specified in the allocation statement (PANGTEL) is registered in the name of the Corporation, or a subsidiary of the Corporation, or is to be transferred to the Corporation is deemed to be amended as from the Transfer Date (PANGTEL) by substituting PANGTEL for the Corporation or for the subsidiary of the Corporation.

"(8) Without limiting the generality of Subsection (7) -

- (a) the Registrar of Titles shall, on application by PANGTEL, without formal transfer, enter and register PANGTEL as the proprietor of land in the Register Book or the Register of Leases maintained under the *Land Registration Act* (Chapter 191) and upon the Certificate of Titles or State Lease or other instrument evidencing title to land; and
- (b) where the approval of any Minister is required under the *Land Act* (Chapter 185) in respect of the transfer of any property held by the Corporation or any subsidiary of the Corporation or to be transferred to the Corporation, the Minister shall be deemed to have approved the transfer to PANGTEL with effect from the Transfer Date (PANGTEL); and
- (c) the Registrar of Titles shall, on application by PANGTEL, without formal transfer, enter and register PANGTEL as a mortgagee of land in the Register Book or the Register of Leases maintained under the *Land Registration Act* (Chapter 191) in relation to any land owned by an employee who has a suspensory loan under the Corporation's Home Ownership Scheme.

"(9) Without limiting the generality of this section, the Direction (PANGTEL) may include provisions for cross indemnities between Telikom, Post PNG and PANGTEL relating to actions, arbitrations and proceedings accrued or pending against or for the Corporation at the Transfer Date (PANGTEL).

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"38. ALLOCATION STATEMENT (PANGTEL).

(1) For the purposes of the transfer under Section 37, the Minister shall prepare for inclusion in the Direction (PANGTEL) an allocation statement (PANGTEL) specifying the assets, rights and liabilities of the Corporation relating to the regulatory powers and functions relating to telecommunications and radiocommunications.

"(2) The allocation statement (PANGTEL) shall also specify those employees of the Corporation to be transferred to PANGTEL.

"(3) The Minister may, at any time prior to the Transfer Date (PANGTEL) or within 12 months after the Transfer Date (PANGTEL), amend the allocation statement (PANGTEL) and the allocation statement (PANGTEL) so amended becomes the allocation statement (PANGTEL).

"39. TRANSFER OF EMPLOYEES.

(1) Each employee of the Corporation specified in the allocation statement (PANGTEL) shall, as from the Transfer Date (PANGTEL), be employed by PANGTEL on the same terms and conditions on which he was employed by the Corporation immediately before the Transfer Date (PANGTEL).

"(2) Each employee to whom Subsection (1) refers shall be deemed to have accrued entitlement to benefits in his employment with PANGTEL equivalent to the benefits which he had accrued immediately prior to the Transfer Date (PANGTEL).

"(3) The transfer of employment under this Act shall not be, and shall not be taken to be, a breach of any contract of any employment or shall not interrupt the period of employment for employees specified in the allocation statement (PANGTEL).

"(4) The consideration (PANGTEL) shall be adjusted to compensate PANGTEL for the amount of the liabilities which PANGTEL undertakes in respect of leave and other entitlements to which employees transferred under this Act were entitled at the Transfer Date (PANGTEL).

"40. CONSIDERATION (PANGTEL).

In determining the consideration (PANGTEL) the assets and liabilities shall be valued at the net book value recorded in the books of the Corporation as at the Transfer Date (PANGTEL).

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"41. TAX AND DUTIES.

(1) For the purposes of the *Income Tax Act 1959*, PANGTEL shall be deemed to have acquired the assets, rights and liabilities specified in the allocation statement (PANGTEL) at a value equal to their written-down book value in the books of the Corporation as at the Transfer Date (PANGTEL).

"(2) PANGTEL shall be entitled to tax depreciation and to any other applicable tax deduction in respect of assets, rights and liabilities specified in the allocation statement (PANGTEL) as if PANGTEL had owned such assets, rights and liabilities since such assets, rights and liabilities were first acquired by the Corporation.

"(3) The Transfer to PANGTEL of the assets, rights and liabilities specified in the allocation statement (PANGTEL) shall be exempt from any stamp duty, fee, tax, charges or other duty payable under any Act, including without limitation, the *Land Registration Act* (Chapter 191).

"Division 3. - Transfer of Assets, Rights and Liabilities to Post PNG.

"42. DIRECTION TO TRANSFER BUSINESS UNDERTAKING, ETC., TO POST PNG.

(1) The Minister shall, by direction published in the National Gazette direct that the regulatory powers and functions and business undertaking of the Corporation relating to postal services be transferred to Post PNG, upon the consideration (Post PNG) as is specified in the Direction (Post PNG) on a date, the Transfer Date (Post PNG) as is specified in the Direction (Post PNG).

"(2) The transfer under this section of assets, rights and liabilities relating to the regulatory powers and functions and business undertaking relating to postal services is to take place at a value or values specified in the Direction (Post PNG).

"(3) On the Transfer Date (Post PNG), the following provisions have effect (subject to the Direction (Post PNG)) -

- (a) the assets of the Corporation comprised in its regulatory powers and functions and business undertaking relating to postal services vest in Post PNG by virtue of this section and without the need for any conveyance, transfer, assignment or assurance; and
- (b) the rights and liabilities of the Corporation comprised in its regulatory powers and functions and business undertaking relating to postal services become by virtue of this section the rights and liabilities of Post PNG; and

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- (c) all proceedings relating to the regulatory powers and functions and the business undertaking relating to postal services commenced before the transfer by or against the Corporation or a predecessor of the Corporation and pending immediately before the transfer are to be taken to be proceedings by or against Post PNG; and
- (d) any act, matter or thing done or omitted to be done in relation to the regulatory powers and functions and business undertaking relating to postal services before the transfer by, to or in respect of the Corporation is (to the extent that act, matter or thing has any force or effect) to be taken to have been done or omitted by, to or in respect of Post PNG; and
- (e) a reference, in relation to postal services, in any other Act, in any instrument made under any Act or in any document of any kind to the Corporation is to be read as, or as including, a reference to Post PNG.

"(4) The operation of this section is not to be regarded -

- (a) as a breach of contract or confidence or otherwise as a civil wrong; or
- (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities; or
- (c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability; or
- (d) as releasing any surety or other obligee wholly or in part from any obligation.

"(5) No attornment to Post PNG by a lessee from the Corporation is required.

"(6) Where, pursuant to this section the rights and liabilities of the Corporation under an agreement are allocated to Post PNG -

- (a) Post PNG becomes, on the Transfer Date (Post PNG), a party to the agreement in place of the Corporation; and
- (b) as from the Transfer Date (Post PNG) the agreement has effect as if Post PNG had always been a party to the agreement; and
- (c) acts performed by the Corporation pursuant to the agreement prior to the Transfer Date (Post PNG) shall be deemed to have been performed by Post PNG.

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"(7) Any register maintained under any Act on which any property specified in the allocation statement (Post PNG) is registered in the name of the Corporation, or a subsidiary of the Corporation, or to be transferred to the Corporation is deemed to be amended as from the Transfer Date (Post PNG) by substituting Post PNG for the Corporation or for the subsidiary of the Corporation.

"(8) Without limiting the generality of Subsection (7) -

- (a) the Registrar of Titles shall, on application by Post PNG, without formal transfer, enter and register Post PNG as the proprietor of land in the Register Book or the Register of Leases maintained under the *Land Registration Act* (Chapter 191) and upon the Certificate of Titles or State Lease or other instrument evidencing title to land; and
- (b) where the approval of any Minister is required under the *Land Act* (Chapter 185) in respect of the transfer of any property held by the Corporation or any subsidiary of the Corporation or to be transferred to the Corporation, the Minister shall be deemed to have approved the transfer to Post PNG with effect from the Transfer Date (Post PNG); and
- (c) the Registrar of Titles shall, on application by Post PNG, without formal transfer, enter and register Post PNG as a mortgagee of land in the Register Book or the Register of Leases maintained under the *Land Registration Act* (Chapter 191) in relation to any land owned by an employee who has a suspensory loan under the Corporation's Home Ownership Scheme.

"(9) Without limiting the generality of this section, the Direction (Post PNG) may include provisions for cross indemnities between Telikom, Post PNG and PANGTEL relating to actions, arbitrations and proceedings accrued or pending against or for the Corporation at the Transfer Date (Post PNG).

"43. ALLOCATION STATEMENT (POST PNG).

(1) For the purposes of the transfer under Section 42, the Minister shall prepare for inclusion in the Direction (Post PNG) an allocation statement (Post PNG) specifying the assets, rights and liabilities of the Corporation relating to the regulatory powers and functions and business undertaking relating to postal services of the Corporation.

"(2) The allocation statement (Post PNG) shall also specify those employees of the Corporation to be transferred to Post PNG.

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"(3) The Minister may, at any time prior to the Transfer Date (Post PNG) or within 12 months after the Transfer Date (Post PNG), amend the allocation statement (Post PNG) and the allocation statement (Post PNG) so amended becomes the allocation statement (Post PNG).

"44. TRANSFER OF EMPLOYEES.

(1) Each employee of the Corporation specified in the allocation statement (Post PNG) shall, as from the Transfer Date (Post PNG), be employed by Post PNG on the same terms and conditions on which he was employed by the Corporation immediately before the transfer date.

"(2) Each employee to whom Subsection (1) refers shall be deemed to have accrued entitlement in his employment with Post PNG to benefits equivalent to the benefits which he or she had accrued immediately prior to the Transfer Date (Post PNG).

"(3) The transfer of employment under this Act shall not be, and shall not be taken to be, a breach of any contract of any employment or interrupt the period of employment for employees specified in the allocation statement (Post PNG).

"(4) The consideration (Post PNG) shall be adjusted to compensate Post PNG for the amount of the liabilities which Post PNG undertakes in respect of leave and other entitlements to which employees transferred under this Act were entitled at the Transfer Date (Post PNG).

"(5) An employee specified in the allocation statement (Post PNG) may opt as at the Transfer Date (Post PNG) -

(a) for payment to him from the Public Officers Superannuation Fund of the amount of his employee contributions to that Fund together with interest thereon; or

(b) for transfer from the Public Officers Superannuation Fund to the National Provident Fund without deduction of the amount of his accrued superannuation entitlements and rights..

"45. CONSIDERATION (POST PNG).

(1) In determining the consideration (Post PNG) the assets and liabilities shall be valued at the net book value recorded in the books of the Corporation as at the Transfer Date (Post PNG).

"(2) In consideration of the transfer of the assets, rights and liabilities in the allocation statement (Post PNG), Post PNG shall, on the Transfer Date (Post PNG), issue to the State one Kumul Share together with a number of ordinary one Kina shares in Post PNG having a value equivalent to the consideration specified in the Direction (Post PNG).

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"(3) For the purposes of Subsection (2), "Kumul Share" has the meaning given to it in the Memorandum and Articles of Association of Post PNG.

"46. TAX AND DUTIES.

(1) For the purposes of the *Income Tax Act 1959*, Post PNG shall be deemed to have acquired the assets, rights and liabilities specified in the allocation statement (Post PNG) at a value equal to their written down book value in the books of the Corporation as at the Transfer Date (Post PNG).

"(2) Post PNG shall be entitled to tax depreciation and to any other applicable tax deduction in respect of assets, rights and liabilities specified in the allocation statement (Post PNG) as if Post PNG had owned such assets, rights and liabilities since such assets, rights and liabilities were first acquired by the Corporation.

"(3) Shares issued to the Minister responsible for finance matters on behalf of the State shall be deemed to have been fully paid and issued for valuable consideration other than cash.

"(4) The transfer to Post PNG of the assets, rights and liabilities specified in the allocation statement shall be exempt from any stamp duty, fee, tax, charges or other duty payable under any Act, including without limitation, the *Land Registration Act* (Chapter 191).

"(5) No registration fee shall be payable in respect of the authorized capital of Post PNG, and no tax or duty shall be payable on the issue of shares, including without limitation the Kumul Share, to the Minister responsible for finance matters on behalf of the State pursuant to Section 45.

"Division 4. - Transfer of Assets, Rights and Liabilities of Telikom.

"47. DIRECTION TO TRANSFER BUSINESS UNDERTAKING TO TELIKOM.

(1) The Minister shall, by direction published in the National Gazette direct that the business undertaking of the Corporation, relating to telecommunications be transferred to Telikom, upon the consideration (Telikom) as is specified in the Direction (Telikom) on a date, the Transfer Date (Telikom) as is specified in the Direction (Telikom).

"(2) The transfer under this section of assets, rights and liabilities relating to telecommunications is to take place at a value or values specified in the Direction (Telikom).

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- "(3) On the Transfer Date (Telikom), the following provisions have effect (subject to the Direction (Telikom)) -
- (a) the assets of the Corporation comprised in its business undertaking relating to telecommunications vest in Telikom by virtue of this section and without the need for any conveyance, transfer, assignment or assurance; and
 - (b) the rights and liabilities of the Corporation comprised in its business undertaking relating to telecommunications become by virtue of this section the rights and liabilities of Telikom; and
 - (c) all proceedings relating to the business undertaking relating to telecommunications commenced before the transfer by or against the Corporation or a predecessor of the Corporation and pending immediately before the transfer are to be taken to be proceedings by or against Telikom; and
 - (d) any act, matter or thing done or omitted to be done in relation to the business undertaking relating to telecommunications before the transfer by, to or in respect of the Corporation is (to the extent that act, matter or thing has any force or effect) to be taken to have been done or omitted by, to or in respect of Telikom; and
 - (e) a reference, in relation to the business undertaking relating to telecommunications, in any other Act, in any instrument made under any Act or in any document of any kind, to the Corporation is to be read as, or as including, a reference to Telikom.
- "(4) The operation of this section is not to be regarded -
- (a) as a breach of contract or confidence or otherwise as a civil wrong; or
 - (b) as a breach of any contractual provision prohibiting, restricting or regulating the assignment or transfer of assets, rights or liabilities; or
 - (c) as giving rise to any remedy by a party to an instrument, or as causing or permitting the termination of any instrument, because of a change in the beneficial or legal ownership of any asset, right or liability; or
 - (d) as releasing any surety or other obligee wholly or in part from any obligation.
- "(5) No attornment to Telikom by a lessee from the Corporation is required.

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"(6) Where, pursuant to this section the rights and liabilities of the Corporation under an agreement are allocated to Telikom -

- (a) Telikom becomes, on the Transfer Date (Telikom), a party to the agreement in place of the Corporation; and
- (b) as from the Transfer Date (Telikom) the agreement has effect as if Telikom had always been a party to the agreement; and
- (c) acts performed by the Corporation pursuant to the agreement prior to the Transfer Date (Telikom) shall be deemed to have been performed by Telikom.

"(7) Any register maintained under any Act on which any property specified in the allocation statement (Telikom) is registered in the name of the Corporation, or a subsidiary of the Corporation, or is to be transferred to the Corporation is deemed to be amended as from the Transfer Date (Telikom) by substituting Telikom for the Corporation or for the subsidiary of the Corporation.

"(8) Without limiting the generality of Subsection (7) -

- (a) the Registrar of Titles shall, on application by Telikom, without formal transfer, enter and register Telikom as the proprietor of land in the Register Book or the Register of Leases maintained under the *Land Registration Act* (Chapter 191) and upon the Certificate of Titles or State Lease or other instrument evidencing title to land; and
- (b) where the approval of any Minister is required under the *Land Act* (Chapter 185) in respect of the transfer of any property held by the Corporation or any subsidiary of the Corporation or to be transferred to the Corporation, the Minister shall be deemed to have approved the transfer to Telikom with effect from the Transfer Date (Telikom); and
- (c) the Registrar of Titles shall, on application by Telikom, without formal transfer, enter and register Telikom as a mortgagee of land in the Register Book or the Register of Leases maintained under the *Land Registration Act* (Chapter 191) in relation to any land owned by an employee who has a suspensory loan under the Corporation's Home Ownership Scheme.

"(9) Without limiting the generality of this section, the Direction (Telikom) may include provisions for cross indemnities between Telikom, Post PNG Limited and PANGTEL relating to actions, arbitrations and proceedings accrued or pending against or for the Corporation at the Transfer Date (Telikom).

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"48. ALLOCATION STATEMENT (TELIKOM).

(1) For the purposes of the transfer under Section 47, the Minister shall prepare for inclusion in the Direction (Telikom) an allocation statement (Telikom) specifying the assets, rights and liabilities of the Corporation being the balance of assets, rights and liabilities of the Corporation after deduction of those assets, rights and liabilities included in the allocation statement (PANGTEL) and the allocation statement (Post PNG).

"(2) The allocation statement (Telikom) shall also specify those employees of the Corporation to be transferred to Telikom.

"(3) The Minister may, at any time prior to the Transfer Date (Telikom) or within 12 months of the Transfer Date (Telikom), amend the allocation statement (Telikom) and the allocation statement (Telikom) so amended becomes the allocation statement (Telikom).

"49. TRANSFER OF EMPLOYEES.

(1) Each employee of the Corporation specified in the allocation statement (Telikom) shall, as from the Transfer Date (Telikom), be employed by Telikom on the same terms and conditions on which he was employed by the Corporation immediately before the transfer date.

"(2) Each employee to whom Subsection (1) refers shall be deemed to have accrued entitlement in his employment with Telikom to benefits equivalent to the benefits which he or she had accrued immediately prior to the Transfer Date (Telikom).

"(3) The transfer of employment under this Act shall not be, and shall not be taken to be, a breach of any contract of any employment or interrupt the period of employment for employees specified in the allocation statement (Telikom).

"(4) The consideration (Telikom) shall be adjusted to compensate Telikom for the amount of the liabilities which Telikom undertakes in respect of leave and other entitlements to which employees transferred under this Act were entitled at the Transfer Date (Telikom).

"(5) An employee specified in the allocation statement (Telikom) may opt as at the Transfer Date (Telikom) -

- (a) for payment to him from the Public Officers Superannuation Fund of the amount of his employee contributions to that Fund together with interest thereon; or

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- (b) for transfer from the Public Officers Superannuation Fund to the National Provident Fund without deduction of the amount of his accrued entitlements and rights.

"50. CONSIDERATION (TELIKOM).

(1) In determining the consideration (Telikom) the assets and liabilities shall be valued at the net book value recorded in the books of the Corporation as at the Transfer Date (Telikom).

"(2) In consideration of the transfer of assets, rights and liabilities in the allocation statement (Telikom), Telikom shall, on the Transfer Date (Telikom), issue to the State one Kumul Share together with a number of ordinary one Kina shares in Telikom having a value equivalent to the consideration specified in the Direction (Telikom).

"(3) For the purposes of Subsection (2), "Kumul Share" has the meaning given to it in the Memorandum and Articles of Association of Telikom.

"51. TAX AND DUTIES.

(1) For the purposes of the *Income Tax Act 1959*, Telikom shall be deemed to have acquired the assets, rights and liabilities specified in the allocation statement (Telikom) at a value equal to their written down book value in the books of the Corporation as at the Transfer Date (Telikom).

"(2) Telikom shall be entitled to tax depreciation and to any other applicable tax deduction in respect of assets, rights and liabilities specified in the allocation statement as if Telikom had owned such assets, rights and liabilities since such assets, rights and liabilities were first acquired by the Corporation.

"(3) Shares issued to the Minister responsible for finance matters on behalf of the State shall be deemed to have been fully paid and issued for valuable consideration other than cash.

"(4) The transfer to Telikom of the assets, rights and liabilities specified in the allocation statement (Telikom) shall be exempt from any stamp duty, fee, tax, charges or other duty payable under any act, including without limitation, the *Land Registration Act* (Chapter 191).

"(5) No registration fee shall be payable in respect of the authorized capital of Telikom, and no tax or duty shall be payable on the issue of shares, including without limitation the Kumul Share, to the Minister responsible for finance matters on behalf of the State pursuant to Section 50.

Post and Telecommunication Corporation (Corporatisation)

"Division 5. - Effects of Transfers under this Part and Repeal.

"52. EFFECTS OF TRANSFERS UNDER THIS PART.

Subject to Section 53, on and from -

- (a) the Transfer Date (PANGTEL) - the Corporation shall cease to carry out the regulatory powers and functions relating to telecommunications and radiocommunications; and
- (b) the Transfer Date (Post PNG) - the Corporation shall cease to carry out its regulatory powers and functions and business undertaking relating to postal services; and
- (c) the Transfer Date (Telikom) - the Corporation shall cease to carry out its business undertaking relating to telecommunications,

and this Act is deemed to be amended so as to give effect to this section.

"53. REPEAL.

Where the Transfer Date (PANGTEL), the Transfer Date (Post PNG) and the Transfer Date (Telikom) -

- (a) are fixed for the same date - on that date immediately after the transfers provided by this Act have been effected; or
- (b) are not fixed for the same date - on the latest date immediately after the transfers provided by this Act have been effected,

the following Acts are repealed:-

- (c) *Post and Telecommunication Corporation Act* (Chapter 394);
- (d) *Post and Telecommunication Corporation (Amendment) Act 1987*;
- (e) *Post and Telecommunication Corporation (Amendment) Act 1990*;
- (f) *Post and Telecommunication Corporation (Amendment) Act 1993*;
- (g) *Post and Telecommunication Corporation (Amendment) Act 1995*;
- (h) *Post and Telecommunication Corporation (Corporatisation) Act 1996*.

"54. SAVINGS.

The provisions of the Acts repealed by Section 53 are saved to the extent necessary to give effect to the provisions of this Part.

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"55. DIFFICULTIES WITH PROVISIONS OF THIS PART.

Where a difficulty arises in respect of the provisions of this Part, the Head of State, acting on advice, may, by Regulation -

(a) make such modifications to those provisions as may appear necessary for preventing anomalies; and

(b) make such incidental, consequential and supplementary provisions as may be necessary for the purpose of giving full effect to the provisions of this Part,

and any such modifications or provisions made by the Head of State, acting on advice, have, and shall be deemed always to have had, the same force and effect as if they had been enacted by way of an amendment to this Part, and on publication of the Regulation in the National Gazette, this Part shall be amended accordingly."

I hereby certify that the above is a fair print of the *Post and Telecommunication Corporation (Corporatisation) Act 1996* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Post and Telecommunication Corporation (Corporatisation) Act 1996* was made by the National Parliament on 3 October 1996.

Speaker of the National Parliament.