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## CONSTITUTION

### *ORGANIC LAW ON THE SOVEREIGN WEALTH FUND*

THE Government proposes to enact the *Organic Law on the Sovereign Wealth Fund* and, pursuant to the requirement of Section 14(2) (*making of alterations to the Constitution and the Organic Laws*) of the Constitution, I, Jeffery Nape, the Speaker of the National Parliament, hereby publish the proposed Law.

Draft of 25/10/2011.

### **PROPOSED LAW TO ENACT THE *ORGANIC LAW ON THE SOVEREIGN WEALTH FUND***

No.    of 2011

### *Organic Law on the Sovereign Wealth Fund*

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Draft of 25/10/2011.

## AN ACT

entitled

***Organic Law on the Sovereign Wealth Fund***

being

AN Organic Law to implement Part VIII, Division 1A (Sovereign Wealth Fund) of the Constitution 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 National Executive Council.

## PART I.—PRELIMINARY.

## 1. CONSTITUTIONAL COMPLIANCE.

This Organic Law, to the extent that it regulates or restricts a right or freedom referred to in Part III.3.C. (*Qualified Rights*) of the Constitution, namely—

- (a) the right to freedom from arbitrary search and entry conferred by Section 44 of the Constitution; and
  - (b) the right to privacy conferred by Section 49 of the Constitution; and
  - (c) the right to freedom of information conferred by Section 51 of the Constitution,
- is a law that is made for the purposes of complying with Section 38 of the Constitution, taking account of the National Goals and Directive Principles and Basic Social Obligations, in particular to restrict rights and freedoms of Law from exercising their rights for the purpose of giving effect to the public interest in public order and public welfare, to the extent that the law is reasonably justifiable in a democratic society having proper respect or regard for the right and dignity of mankind.

## 2. INTERPRETION.

In this Law, unless the contrary intention appears—  
“asset” means—

- (a) any kind of real or personal property; or
- (b) any legal or equitable estates in real or personal property; or
- (c) any legal or equitable rights;

“Board” means the Sovereign Wealth Fund Board established by Section 16 of the this *Organic Law*;

“foreign assets” means assets which are held in jurisdictions other than PNG but excludes assets directly or indirectly, owned by, related to, or associated with, any person, company, business or the Government in PNG;

“Fund” means the Sovereign Wealth Fund established by Section 212A of the Constitution, and Section 3 Sovereign Wealth Fund of this *Organic Law*;

“fund manager” means an investment fund manager appointed under Section 33 of this *Organic Law*;

“investment strategies” includes rules, policies and directions;

***Organic Law on the Sovereign Wealth Fund—continued***

“Minister” means the minister responsible for treasury matters;

“PNG LNG Project” has the same meaning as the PNG LNG Gas Agreement;

“petroleum” has the meaning given to it in the *Oil and Gas Act 1998*;

“Mineral and petroleum revenues” means the gross public revenues earned from the sale of all valuable non-living substances, including petroleum, obtained or obtainable from land;

“PNG LNG Gas Agreement” means the PNG LNG Gas Agreement dated 22nd May 2008 between the Independent State of Papua New Guinea and each of Esso Highlands Limited, Esso PNG Juha Limited, Ampolex (Papua New Guinea) Limited, Ampolex (PNG Petroleum) Inc., Ampolex (Highlands) Limited, Oil Search Limited, Oil Search (PNG) Limited, Oil Search (Tumbudu) Limited, Merlin Petroleum Company, Merlin Pacific Oil Company Limited, Santos Hides Ltd, Lavana Limited, AGL Gas Developments (PNG) Pty Limited, Petroleum Resources Kutubu Limited, and Petroleum Resources Gobe Limited and Eda Oil Limited, as amended, novated or replaced from time to time;

“State owned entity” has the same meaning given to it in the *Independent Consumer and Competition Commission Act 2002*.

**PART II.—THE SOVEREIGN WEALTH FUND.****3. SOVEREIGN WEALTH FUND.**

(1) The Sovereign Wealth Fund of Papua New Guinea is hereby established in accordance with Section 212A of the Constitution, and consists of—

- (a) the Stabilisation Fund; and
- (b) the Development Fund.

(2) The moneys paid into or withdrawn from the Fund must be paid and withdrawn in accordance with this *Organic Law*.

**4. OBJECTIVE OF THE FUND.**

The objective of the Sovereign Wealth Fund is—

- (a) to support macroeconomic stabilization; and
- (b) to support the development objectives of the Government including long-term economic and social development; and
- (c) to support asset management in relation to assets accrued from natural resource revenue.

**5. OWNERSHIP OF THE SOVEREIGN WEALTH FUND.**

The legal ownership of the Sovereign Wealth Fund is vested in the Independent State of Papua New Guinea.

**PART III.—OPERATIONAL RULES.*****Division 1.—Investment.*****6. ROLL OF THE MINISTER.**

The role of the Minister is to—

- (a) determine the investment mandate in accordance with Section 7; and
- (b) receive and consider reports from the Board to ensure that it complies with this *Organic Law*.

**7. INVESTMENT MANDATE.**

(1) The Minister shall, after consultation with the Board, give to the Board a written investment mandate in respect of the performance of its investment functions.

(2) The investment mandate shall include—

- (a) directions about the classes of investments in which the Fund can be invested and the selection criteria for investments within those classes; and
- (b) information on the acceptable balance between risk and return in the overall Fund portfolio; and
- (c) guidelines on ethical investment, including policies, standards, and procedures for avoiding prejudice to Papua New Guinea’s reputation as a responsible member of the world community; and
- (d) directions relating to the management of credit, liquidity, operational, currency, market, and other financial risks; and
- (e) directions on prohibited or restricted investment or any investment constraints or limits; and
- (f) in relation to the Development Fund the extent to which the Board may invest moneys in domestic assets.

***Organic Law on the Sovereign Wealth Fund—continued***

(3) The investment mandate may be reviewed by the Minister in consultation with the Board.

(4) The Minister shall ensure that an investment mandate issued under this section is made public as soon as practicable.

**8. GENERAL INVESTMENT STRATEGIES.**

(1) The Board shall determine the investment strategies in respect of moneys standing to the credit of the Sovereign Wealth Fund.

(2) In determining the investment strategies, the Board shall ensure that—

- (a) investments are consistent with the investment mandate issued by the Minister under Section 7; and
- (b) investment must be in foreign assets, other than to the extent permitted in this *Organic Law* and the investment mandate; and
- (c) investments must not be used for purchasing PNG government debt, investing or lending domestically, and providing government guarantees.

(3) The Board may determine such further investment strategies as are necessary to give effect to the investment mandate, and shall publish such strategies as soon as practicable.

***Division 2.—Stabilisation Fund.***

**9. PURPOSE OF STABILISATION FUND.**

The Stabilisation Fund shall manage the impact of fluctuation mineral and petroleum revenues on the PNG economy and on the National Budget.

**10. DEPOSITS INTO STABILISATION FUND.**

(1) There shall be paid into the Stabilisation Fund—

- (a) all mineral and petroleum revenues; and
- (b) earnings from the investment of the mineral and petroleum revenues paid into the Stabilisation Fund; and
- (c) such other amounts as the Government contributes to the Stabilisation Fund.

(2) An Act of Parliament may make further provisions, not inconsistent with the *Organic Law*, for deposits into the Stabilisation Fund.

**11. WITHDRAWALS FROM STABILISATION FUND.**

(1) Where moneys are standing to the credit of the Stabilisation Fund, the drawdown shall be through the National Budget and shall not exceed the 15 years long-term moving average of mineral and petroleum revenues as a share of non-mining revenue.

(2) An Act of Parliament may make further provisions not inconsistent with the *Organic Law*, for withdrawals from the Stabilisation Fund.

***Division 3.—Development Fund.***

**12. PURPOSE OF THE DEVELOPMENT FUND.**

The Development Fund shall provide definite and ongoing funding for economic and social development in accordance with the development plans of Government.

**13. DEPOSITS INTO DEVELOPMENT FUND.**

(1) For purposes of this section, “PNG LNG Dividends” means those dividends accruing as a result of the equity interest of the State in the PNG LNG Project.

(2) There shall be paid into the Development Fund—

- (a) no less than the guaranteed minimum annual allocation as determined by an Act of Parliament based on the expected average PNG LNG Dividends; and
- (b) earnings from the investments of the Development Fund; and
- (c) such other amounts as the Government contributes to the Development Fund.

(3) An Act of Parliament shall make further provisions not inconsistent with the *Organic Law*, for deposits into the Development Fund.

***Organic Law on the Sovereign Wealth Fund—continued***

14. WITHDRAWALS FROM DEVELOPMENT FUND.

(1) Where moneys are standing to the credit of the Development Fund, those moneys will be made available to support the development plans of Government in accordance with an Act of Parliament.

(2) An Act of Parliament shall make further provisions not inconsistent with the *Organic Law*, for withdrawals out of the Development Fund.

***Division 4.—Other payments from the Fund.***

15. OPERATIONAL COSTS.

(1) Payments may be made out of the Sovereign Wealth Fund to—

- (a) pay any fee that is payable to an investment manager, independent probity audit or other agents in respect of the Fund; and
- (b) meet any other obligation that is directly related to the operation of the Fund; and
- (c) pay the taxation liabilities arising in respect of the Fund; and
- (d) discharge any other administrative costs, expenses, obligations or liabilities incurred by the Board.

(2) Payments under Subsection (1) shall be made in accordance with a determination by the Board, subject to the annual budgetary process.

PART IV.—THE SOVEREIGN WEALTH FUND BOARD.

***Division 1.—Establishment Functions and Powers.***

16. ESTABLISHMENT OF THE BOARD.

(1) The Sovereign Wealth Fund Board is hereby established.

(2) The Board—

- (a) has perpetual succession; and
- (b) has a common seal; and
- (c) may sue and be sued in its corporate name; and
- (d) has the functions assigned to it by or under this Organic Law or any other Act; and
- (e) has the power conferred on it by or under this Organic Law or any other Act.

(3) All courts and persons acting judicially shall take judicial notice of the seal of the Board affixed to a document and, until the contrary is proved, shall presume that it was duly affixed.

(4) The common seal of the Board shall be kept in such custody as the Chairman of the Board directs and shall not be used except as authorized by the Chairman.

17. FUNCTIONS OF THE BOARD.

(1) The Board is to oversee the investment and management of the Sovereign Wealth Fund in accordance with this *Organic Law* on behalf of the Independent State of Papua New Guinea.

(2) Without limiting the generality of Subsection (1), the functions of the Board are to—

- (a) determine the investment strategies in accordance with Section 8; and
- (b) appoint investment fund managers in accordance with Section 34; and
- (c) provide instructions to the investment fund managers in relation to the Fund's investment strategies; and
- (d) determine clear guidelines on the relationship between the fund managers and third parties; and
- (e) determine the functions of the Secretariat in addition to the functions set out in Section 33; and
- (f) establish such committees as are necessary to assist the Board carry out its mandate; and
- (g) report to the Minister in accordance with Part 7 (Finances and Accountability); and
- (h) appoint such other persons as are necessary to assist the Board in carrying out its functions; and
- (i) confirm that requests for withdrawals from the Fund are consistent with the Organic Law, and any related Act of Parliament; and
- (j) do all things incidental to or conducive to the performance of its functions.

***Organic Law on the Sovereign Wealth Fund—continued***

18. POWERS OF THE BOARD.

The Board has, in addition to the powers conferred on it by this *Organic Law* or any other law, such powers as are necessary or convenient to be exercised for or in connection with the performance of its functions.

19. DELEGATION.

(1) The Board may, in writing under the hand of the Chairman, delegate all or any of its powers and functions to the Secretariat, other than—

- (a) this powers of delegation; and
- (b) the function of determining the investment strategies.

(2) Every delegation under Subsection (1) is revocable, in writing, at will, and no such delegation affects the exercise of a power or the performance of a function by the Board.

***Division 2.—Leadership Code.***

20. LEADERSHIP CODE.

Pursuant to Section 26(3) of the Constitution (*Application of Division 2*), the office of a member of the Board is declared to be a public office to and in relation to which Division III.2 (*Leadership Code*) of the Constitution applies.

***Division 3.—Composition of the Board.***

21. MEMBERSHIP OF THE BOARD.

The Board shall consist of—

- (a) six members from the private sector, one of which shall be the Chairman; and
- (b) the Departmental Head responsible for treasury matters, *ex-officio*.

22. APPOINTMENT OF MEMBERS OF THE BOARD.

(1) The Chairman and other members of the Board, other than the *ex-officio* member, shall be appointed by the Head of State, acting with, and in accordance with, the advice of the Sovereign Wealth Fund Appointments Committee.

(2) The Sovereign Wealth Fund Appointments Committee shall consist of—

- (a) the Prime Minister, who is the Chairman; and
- (b) the Leader of the Opposition; and
- (c) the Governor of the Bank of Papua New Guinea; and
- (d) the Auditor-General; and
- (e) the Head of the Papua New Guinea Chamber of Commerce and Industry.

(3) Before the Appointments Committee advises the Head of State to appoint a person as a member of the Board, a majority of the members of the Appointments Committee must be satisfied that the person—

- (a) is qualified for appointment to the Board in accordance with Section 24; and
- (b) is not disqualified from appointment to the Board under Section 25; and
- (c) meets the prescribed “fit and proper person criteria”.

(4) A member of the Board, other than the *ex-officio* member—

- (a) shall be appointed for a period of up to five years; and
- (b) subject to the *Salaries and Conditions Monitoring Act 1988*, shall hold office on such terms and conditions as are determined by the Head of State under the *Boards (Fees and Allowances) Act 1955*; and
- (c) is eligible for re-appointment only once.

(5) Notwithstanding Subsection (4)(a), the terms of the first members of the Board shall vary between a period of four to seven years.

(6) A Regulation shall make further provision for the appointment of members of the Board.

*Organic Law on the Sovereign Wealth Fund—continued*

23. CHAIRMAN OF THE BOARD.

(1) The Chairperson of the Board shall be appointed by the Head of State, acting with, and in accordance with, the advice of the Appointment Committee.

(2) The Chairman of the Board must—

- (a) be a citizen of Papua New Guinea; and
- (b) be of good moral standing and reputation; and
- (c) possess skills and experience in—
  - (i) administration to drive a culture of compliance and accountability without diversion from the central role of investing; and
  - (ii) governance to guide distinctive performance among institutional investors; and
  - (iii) financial knowledge in portfolio management and asset allocation.

(3) A Regulation shall make further provision for the Chairman of the Board.

(4) The Chairman may resign from the position of Chairman, but may remain in the position of member of the Board, subject to the appointment of a new Chairman.

24. QUALIFICATIONS FOR APPOINTMENT.

A person is not eligible for appointment as a member of the Board unless he meets the following criteria—

- (a) that he has substantial experience or expertise and professional credibility and significant standing in at least one of the following fields—
  - (i) investing in financial assets; and
  - (ii) the management of investments in financial assets; and
  - (iii) corporate governance; and
- (b) that he is a person of integrity, independence of mind and good reputation.

25. DISQUALIFICATIONS FOR APPOINTMENT.

A person is not qualified to be, or to remain, a member of the Board if he is—

- (a) a member, or candidate for election as a member, of the National Parliament, or a Provincial or Local-level Government; or
- (b) with the exception of the *ex-officio* member, an officer or employee of the public service or a statutory authority or agency or becomes such an officer or employee; or
- (c) the *ex-officio* member and ceases to hold the relevant office or is suspended from that office; or
- (d) a member of a Local-level Government Special Purposes Authority; or
- (e) an office-holder, or candidate for election as an office-holder, in a registered political party; or
- (f) an undischarged bankrupt or is insolvent; or
- (g) of unsound mind within the meaning of any law relating to the protection of the person and property of person of unsound mind; or
- (h) under sentence of death or imprisonment or has previously been sentenced to death or a term of imprisonment; or
- (i) has been found guilty of any offence involving corrupt conduct, whether under the law of Papua New Guinea or a foreign law; or
- (j) has been found guilty of misconduct in office under the *Organic Law on the Duties and Responsibilities of Leadership*.

26. RESIGNATION.

(1) A member of the Board, other than the *ex-officio* member, may resign by giving three month's notice, in writing, of his intention to do so, to the Head of State.

(2) A copy of the notice Subsection (1) shall be given to the Minister.

(3) The period of three months specified in Subsection (1) shall commence on the day that the Head of State receives the notice.



***Organic Law on the Sovereign Wealth Fund—continued***

(4) The registration takes effect—

- (a) at the end of the three month's notice period or such shorter period accepted by the Head of State acting with and in accordance with the advice of the Appointments Committee; and
  - (b) when it is accepted, in writing, by the Head of State, acting with and in accordance the advice of the Appointments Committee,
- whichever comes first.

(5) The member of the Board may withdraw his notice of resignation at any time before the period of three months referred to in Subsection (1) lapses.

**27. REMOVAL.**

(1) The Head of State, acting with and in accordance with, the advice of the Appointments Committee, may remove or suspend a member of the Board.

(2) A member of the Board, excluding the *ex-officio* member, may be removed or suspended if—

- (a) he fails to attend three successive Board meetings; or
- (b) he is no longer qualified to remain a member of the Board in accordance with Section 25; or
- (c) he fails to comply with Section 30; or
- (d) he fails to comply with any other duty conferred on him by this Organic Law.

**28. VACANCY OF OFFICE.**

(1) The office of a member of the Board becomes vacant if the person holding the office—

- (a) dies; or
- (b) is no longer qualified to remain a member of the Board by virtue of Section 25; or
- (c) is not re-appointed at the end of a term of office; or
- (d) resigns from office in accordance with Section 26; or
- (e) is removed from office in accordance with Section 27.

(2) A vacancy in the office of a member of the Board shall be filled as soon as possible.

(3) The exercise of a power or the performance of a function of the Board is not invalidated by reason only of a vacancy in the membership of the Board.

(4) A vacancy in the membership of the Board may be filled temporarily.

***Division 4.—Meetings.***

**29. MEETINGS OF THE BOARD.**

(1) The first meeting of the first Board shall be held within one month of the appointment of the members of that Board and thereafter, the Board shall meet at least once every quarter.

(2) The quorum for the first meeting of the first Board under Subsection (1) is all member of the Board.

(3) At a meeting of the Board—

- (a) Subject to Subsection (4), a quorum is the Chairman and four members; and
- (b) all matters shall be decided by a majority of the votes of the members present; and
- (c) the Chairman has a deliberative vote, and if there is an equal number of votes on any matter, also a casting vote.

(4) If the Chairman—

- (a) is unable to attend a meeting; or
- (b) has a conflict of interest,

the Board members present shall appoint an alternate chairman for that meeting and for the purpose of constituting a quorum.

(5) Subject to this Organic Law, the procedures of the Board are as determined by it.

*Organic Law on the Sovereign Wealth Fund—continued*

## 30. DISCLOSURE OF INTEREST BY MEMBERS OF THE BOARD.

(1) A member of the Board who has a material personal interest in a matter that relates to the affairs of the Board or the operation of the Fund must give the other Board members notice of the interest.

(2) The notice under Subsection (1) must—

(a) provide details of—

- (i) the nature and extent of the interest; and
- (ii) the relation of the interest to the affairs of the Board; and

(b) be given at a Board meeting as soon as practicable after the Board member becomes aware of his interest in the matter.

(3) A disclosure under Subsection (1) shall be recorded in the minutes of the Board.

(4) Subject to Subsection (5), after a disclosure under Subsection (1), the member—

- (a) shall be not present during any deliberation or decision of the Board with respect to the matter; and
- (b) shall nor take part in any deliberation or decision of the Board with respect to the matter; and
- (c) shall be disregarded for the purpose of constituting a quorum for any such deliberation or decision.

(5) Notwithstanding Subsection (4), the member who discloses an interest under Subsection (1) may be present and vote—

- (a) if the members of the Board who do not have an interest in the matter are satisfied; and
- (b) pass a resolution, that the matter disclosed should not disqualified the member from voting or being present.

(6) A contravention of this section by a Board member does not affect the validity of any transaction or resolution of the Board.

## 31. SECRETARIAT.

(1) There is established a Secretariat to the Board consisting of—

- (a) an Executive Officer; and
- (b) such other officers as are necessary for the carrying out of its functions.

(2) The Executive Officer shall—

- (a) be the head of the Secretariat; and
- (b) be responsible to the Board for the efficient carrying out of it functions; and
- (c) act in accordance with the directions of the Board.

(3) The Secretariat shall be located within a public body to be prescribed by a Regulation.

## 32. FUNCTIONS OF SECRETARIAT.

(1) The functions of the Secretariat include—

- (a) providing executive, administrative and secretarial support to the Board; and
- (b) making such arrangements as are necessary to give effect to, and to facilitate the decisions of the Board; and
- (c) providing information to the Board on investment markets; and
- (d) providing information to the Board on the appointment of fund managers and investment advisers; and
- (e) preparing annual and quarterly reports for the Board; and
- (f) such other functions as are determined by the Board.

(2) The Secretariat may do anything incidental to or conducive to the performance of any of the above functions as approved by the Board.

***Organic Law on the Sovereign Wealth Fund—continued***

PART VI.—INVESTMENT FUND MANAGERS.

33. INVESTMENT FUND MANAGERS.

(1) The Board shall, through an open, competitive and transparent process, as prescribed appoint such number of fund managers as are necessary.

(2) The function of the fund manager is to implement the strategies and directions of the Board in relation to the investment of funds.

34. QUALIFICATIONS.

(1) When appointing a fund manager the Board may have regard, but is not necessarily limited, to the following—

- (a) a candidate for fund manager demonstrates a sustainable competitive advantage over its competitors in its specialist area; and
- (b) the fit between the fund manager's style and investment processes and the investment objectives of the Fund; and
- (c) the strategies employed by the fund manager to control operational and financial risk in its organization; and
- (d) the expected fees.

(2) For the purposes of Subsection (1), the Board may determine such other consideration as are necessary for appointment of a fund manager.

PART VII.—FINANCES AND ACCOUNTABILITY.

35. APPLICATION OF THE *PUBLIC FINANCES (MANAGEMENT) ACT* 1995.

Part VIII of the *Public Finances (Management) Act* 1995 (other than Sections 51, 53, 54, 55, 56 and 57) applies to and in relation to the Board.

36. ANNUAL AUDIT.

(1) Nothing in this section affects the application of the *Audit Act* 1989 to the Board.

(2) The Board shall appoint, in respect of each accounting period of the Fund and before, or as soon as practicable after, the commencement of the relevant accounting period, a member of a reputable accounting firm who is a Registered Company Auditor under the *Accountants Act* 1996, to be the auditor of the Fund and to audit the financial statements of the Fund.

(3) An auditor appointed under Subsection (2) shall—

- (a) be appointed for a term of one year; and
- (b) hold office on such terms and conditions as are determined by the Board; and
- (c) is eligible for re-appointment.

(4) The Board shall appoint a qualified person to be its internal auditor, who shall provide a written audit report as requested by the Board but not less often than quarterly and a copy of each audit report shall be presented to the Minister.

37. QUARTERLY REPORT.

(1) The Chairman of the Board is to cause quarterly reports to be provided to the Minister detailing the performance of the Fund.

(2) The Board shall ensure that its reports are made public.

38. ANNUAL REPORT.

(1) The Board shall as soon as practicable after 31st December each year, but within three months of that date, prepare and furnish to the Minister a report on its operations during the year ended on that date, together with financial statements in respect of that year.

**Organic Law on the Sovereign Wealth Fund—continued**38. Annual Report—*continued*

(2) The report and statements referred to in Subsection (1) shall include details of—

- (a) strategies and policies determined by the Board; and
- (b) financial performance of the Secretariat; and
- (c) performance of the Fund including—
  - (i) all payments into the Fund during the year; and
  - (ii) all investments made during the year; and
  - (iii) the total income received from investments during the year; and
  - (iv) the total assets of the Fund, together with any other information that—
- (d) the Board considers relevant to the operation management of the Fund; or
- (e) the Minister directs to be included.

(3) The Minister shall cause the report and financial statements to be tabled in Parliament in the next immediate sitting following receipt of the report.

(4) The Board shall ensure that the annual report is made public.

## 39. INDEPENDENT PROBITY AUDITOR.

(1) An independent probity auditor shall be appointed by the Appointments Committee to consider probity issues associated with the operation of the Fund by undertaking reviews and analysis and report to Government through the Minister.

(2) The Appointments Committee may take into account, but is not limited to, the following criteria in considering the appointment of the independent probity auditor—

- (a) proven experience in auditing in the areas of investment, procurement, and contract and financial management; and
- (b) knowledge or probity issues and what may constitute corrupt conduct or other improper conduct; and
- (c) an awareness of government procurement policy and principles; and
- (d) the ability to analysis complex issues; and
- (e) high level interpersonal and communication skills; and
- (f) be objective and independent of all entities engaged in activities related to the operation of the Fund; and
- (g) be able to demonstrate due professional care and diligence when performing audits; and
- (h) be of good character and have high ethical and moral principles; and
- (i) understand the political and commercial sensitivity; and
- (j) be able to maintain confidentiality of information.

(3) The independent probity auditor shall consider—

- (a) the investments of the Board, including engagement of investment managers; and
- (b) the application of the deposit and withdrawal rules, both in terms of their calculation and transference of the appropriate revenue amounts; and
- (c) the operation of the Development Fund.

(4) The independent probity auditor shall be provided such access to the records of the Board and any other entity associated with the operation of the Fund as is necessary to fulfill its responsibilities.

(5) The independent probity auditor shall provide a report to the Minister every quarter, being within 30 days of the last day of March, June, September and December.

(6) The Minister shall cause the reports under this section to be tabled in Parliament in the next immediate sitting following receipt of the report.

*Organic Law on the Sovereign Wealth Fund—continued*

PART VIII.—MISCELLANEOUS.

40. COMPLIANCE WITH HOST COUNTRIES LAWS AND REGULATORY PRINCIPLES.

The Fund shall operate in accordance with the laws of the host country in which it is invested.

41. IMMUNITY.

An action or proceeding, civil or criminal, does not lie against a member of the Board for, or in respect of, an act or thing done in good faith by the member of the Board in his capacity as a member of the Board.

42. REGULATIONS.

The Head of State, acting with and in accordance with the advice of the National Executive Council, may make regulations, prescribing all matters that by this *Organic Law* are required or permitted to be prescribed or that are necessary or convenient to be prescribed for carrying out or giving effect to this *Organic Law*.