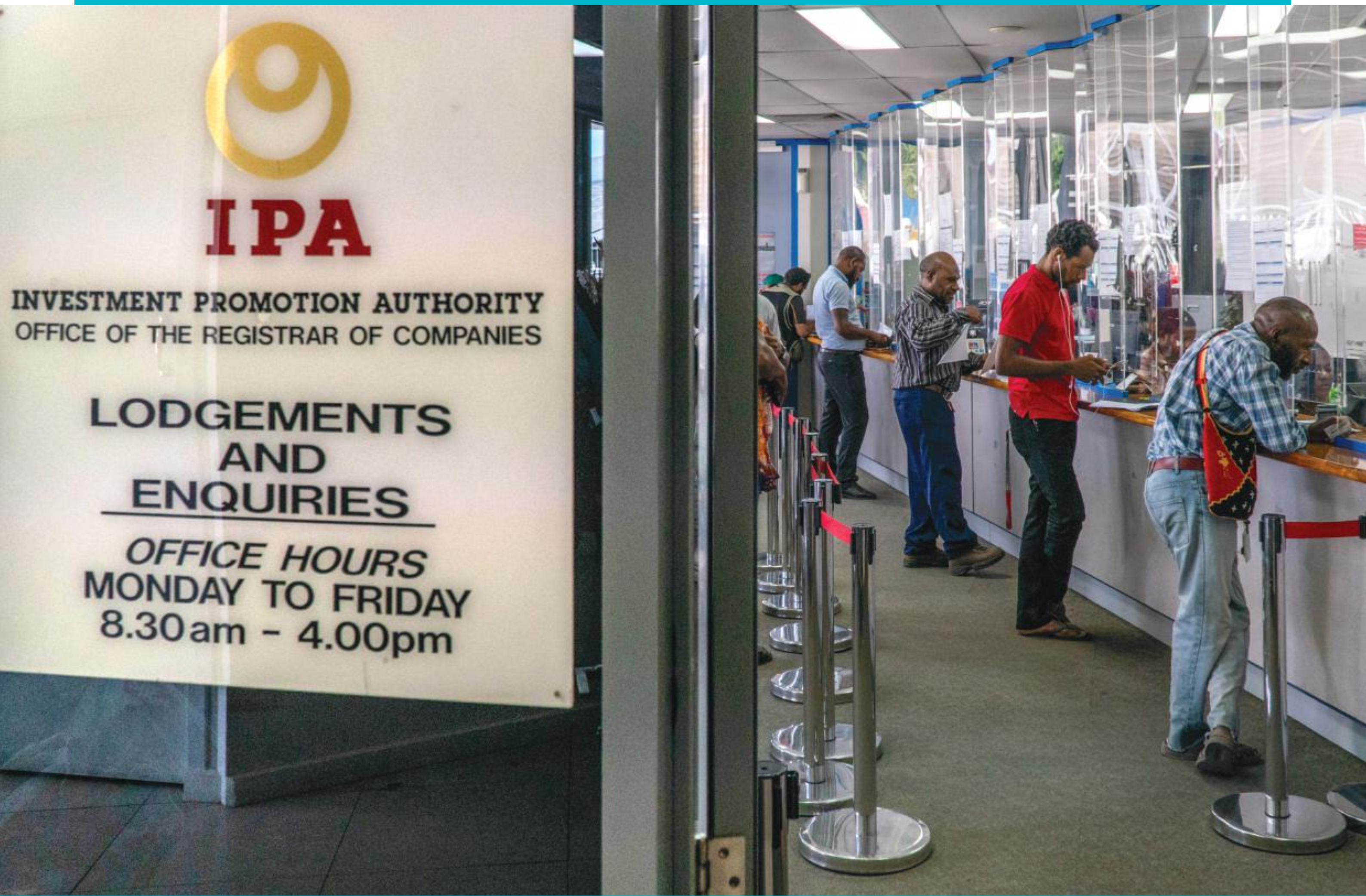
PSDI PHASE IV: KEY REFORM CASE STUDIES 2020–2026
BUSINESS LAW REFORM

How digital business registries are improving the business environment across the Pacific



During its fourth funding phase (Phase IV, 2020-2026), the Pacific Private Sector Development Initiative (PSDI) has developed four new online company registries that are streamlining business processes, reducing costs for businesses and government, and improving data and compliance with financial integrity standards in the Cook Islands, Palau, Papua New Guinea, and Tonga.

PSDI THE PACIFIC PRIVATE SECTOR DEVELOPMENT INITIATIVE

A technical assistance program undertaken in partnership with

ADB Australian Aid NEW ZEALAND FOREIGN AFFAIRS & TRADE Aid Programme

BACKGROUND

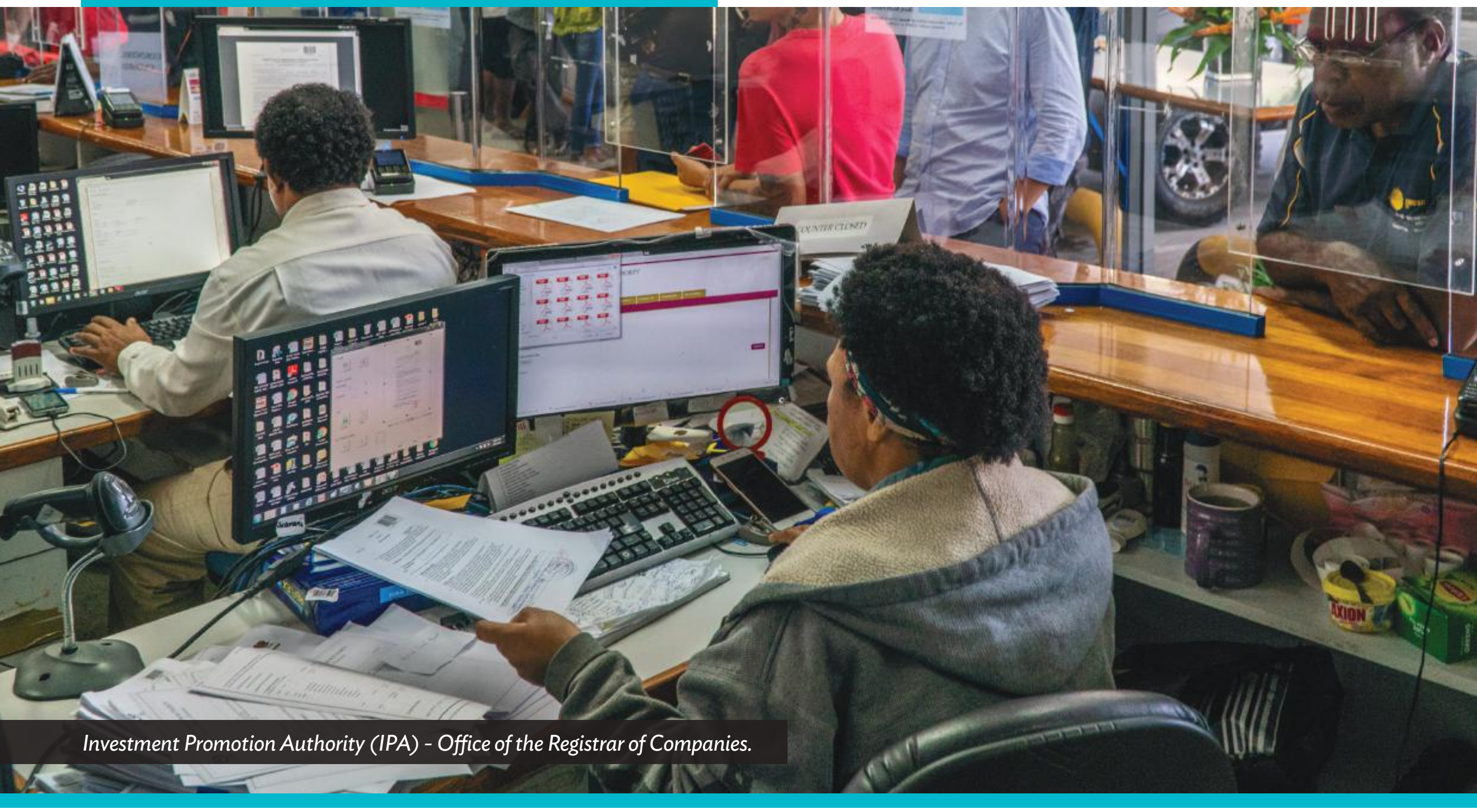
Modern and user-friendly business registries are a cornerstone of a well-functioning and supportive business environment. They perform a key function as the public record for the registration of for-profit companies, non-profit companies, and business names, as well as the certification of foreign investment.

Registries can also be tailored to fit an individual country's needs. For example, PSDI registries support a range of other business entities and processes, such as the issuance of business licenses (Tonga), and the registration of incorporated societies (Cook Islands) and business groups (PNG).

Online registries reduce the time and cost of registration and compliance by eliminating the need for in-person visits, paper forms, and manual processing. This makes it easier for businesses to register, which can encourage more businesses to incorporate and join the formal economy, where they can access government services, obtain credit from traditional lenders, tender for government business, and attract investment, while also contributing revenue through tax.

Open and searchable registries give policymakers better access to business data and improve transparency. Registries that capture shareholder information at registration can also be valuable sources of sex-disaggregated reporting on business ownership, giving governments a more complete picture of who is participating in the formal economy. Foreign certification registers that track business activities and investment levels from overseas entities yield valuable insights which can inform policies and attract even more investment. Greater transparency also helps countries meet anti-money laundering/combating the financing of terrorism requirements and maintain functioning financial systems.

However, many business registries in the Pacific remain outdated, either still paper-based or built on older technologies, limiting entrepreneurs' ability to register their businesses, access finance, and comply with regulatory requirements. While governments recognize the need to modernize, the high cost of building and maintaining a modern registry is a significant barrier for many Pacific countries, where small populations and limited public sector resources make bespoke national systems difficult to justify and harder to sustain.



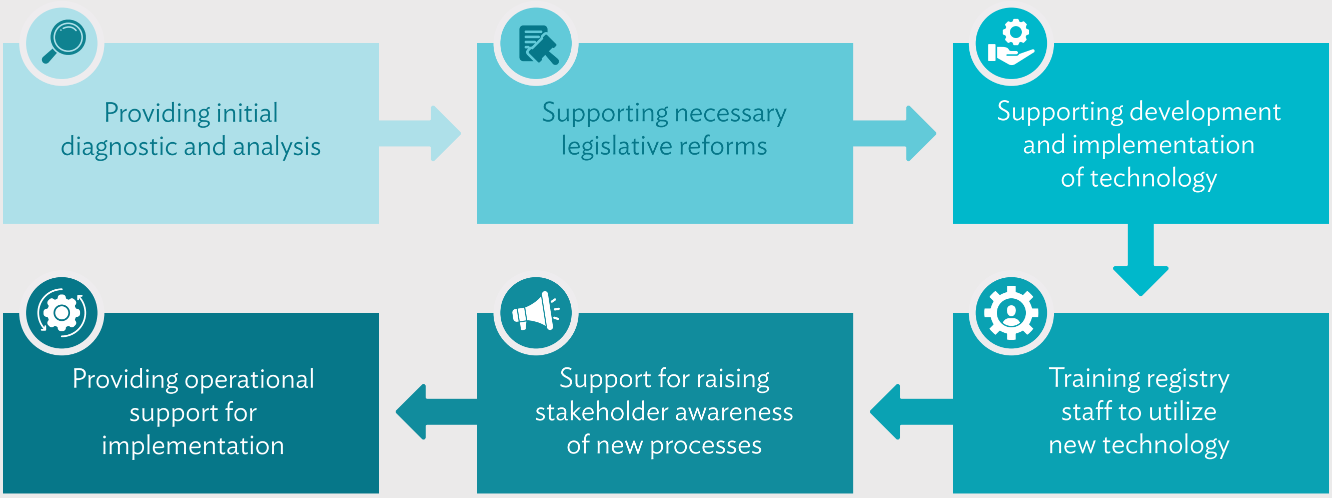
Investment Promotion Authority (IPA) - Office of the Registrar of Companies.

BUSINESS LAW REFORM AND REGISTRY DEVELOPMENT

Since 2007, PSDI has worked to support Pacific countries to adopt more efficient and inclusive laws and systems, implemented through online business registries that are improving the ease of doing business and strengthening the foundations for private sector growth.

PSDI's support has taken different forms depending on country contexts. During Phase IV, this has included the development of a bespoke national registry system in Papua New Guinea, and a shared regional registry platform for smaller Pacific island countries, which has been used to build active registries in Cook Islands, Palau, and Tonga, and a registry for Kiribati that will launch in the near future.

Figure: Pacific Private Sector Development Initiative Process for Business Registry Development



Source: Pacific Private Sector Development Initiative.

PAPUA NEW GUINEA

In September 2020, PSDI signed a Memorandum of Understanding with the Investment Promotion Authority of Papua New Guinea to develop an upgraded business registry system to replace the existing system, which had become outdated, expensive to maintain, and failed to provide modern data analytics.

The process involved hundreds of hours of planning, including detailed implementation planning, process mapping and improvements, user acceptance testing, and transition planning. To enable the registry's implementation, PSDI also drafted amendments to the Companies Act and the Business Groups Incorporation Act.

The amendments were passed in January 2022 and the online registry system went live in December 2022. The new system introduced a mobile-friendly interface, reduced compliance burden, more payment options, improved data and analytics capabilities, and reduced running costs for the Investment Promotion Authority.

"We also acknowledge and thank our very core partner, ADB PSDI, for being our hands and legs particularly providing the underscored financial and technical supports."

Papua New Guinea Investment Promotion Authority presentation, 2023 Pacific Business Registries Workshop.

The PSDI supported Associations (Incorporation) Act also entered into force on 1 July 2026 and requires all incorporated associations in PNG to re-register with IPA within 12 months of commencement, allowing for the collection of updated information through the new registry. The new act helps bring the country into line with modern anti-money laundering (AML) standards while improving the governance and transparency of incorporated associations, a common legal entity in PNG for collective economic action, charities, and other not-for-profit activities.

Pacific Business Registry Workshop Sydney.

REGIONAL REGISTRY

Drawing on its experience in PNG, PSDI identified that a shared regional registry platform offered a more practical and cost-effective solution for smaller Pacific developing member countries than independent country systems. PSDI developed a shared regional registry platform that countries can adapt to their specific laws and business processes, operating as a stand-alone, self-hosted, and data-separated registry. This approach significantly reduced development costs and implementation timelines, making modern, secure registries accessible to smaller Pacific economies that could not otherwise have justified or sustained a bespoke national system.

The platform is modular, allowing governments to easily and cost-effectively add functionality over time, including registration of companies, business names, cooperatives, international companies, security interests, foreign certification, beneficial ownership records, and the operations of credit-reporting service providers. It enables faster approvals for foreign direct investment, automates suitable compliance processes, accepts secure online payments, and provides built-in reporting tools and an audit trail of registered entities. Registry records are publicly searchable, giving users easy access to corporate information including the identity of directors and shareholders.

To support knowledge-sharing across the region, PSDI co-hosted the Pacific Business Registries Workshop in March 2023 with the New Zealand Companies Office, bringing together regulators and registrars from all 14 Pacific developing member countries. The workshop explored registry operations and experiences across the Pacific, data-led approaches to improving the business enabling environment, improvements to compliance reporting, and the latest developments in AML/CFT.

PSDI has supported the Cook Islands, Palau, and Tonga to host online company registries on the regional platform and is finalizing a registry in Kiribati which will also use the regional platform.

Cook Islands International Entities Registry Launch.

Cook Islands

PSDI has worked with the Cook Islands over two rounds of registry development support. In 2019, PSDI supported the Ministry of Justice to launch an online domestic registry covering companies, incorporated societies, and personal property securities. Building on this foundation, PSDI worked with the Cook Islands Financial Supervisory Commission to develop a dedicated international entities registry, which launched in September 2024.

The new registry replaced an aging system in place since 2011, introducing high standards of data security, cloud-based storage, and reduced hosting and maintenance costs. Its primary purpose is strengthening the Cook Islands' AML/CFT compliance framework for international business.

> "This new registry is an important step in reinforcing the Cook Islands' status as a regional leader in anti-money laundering/combating the financing of terrorism compliance and maintaining our reputation as a secure and reliable place to do business."
>
> Cheryl McCarthy, Commissioner, Cook Islands Financial Supervisory Commission.

Palau

In 2016, the Government of Palau asked PSDI to lead a reform of the corporate registry, including any necessary legislative changes.

> "The system that was in place was manual, inefficient, and there were no accurate records, and the process took a very long time to incorporate companies... It was not business friendly."
>
> V. Tikei Sbal, Commissioner, Financial Institutions Commission.

PSDI worked with the Ministry of Finance to draft a new Corporations Act (which also included non profit corporations in its scope), which was passed in October 2021. PSDI then supported the ministry to implement the act by drafting regulations under the act and developing registry specifications.

The new corporations registry went live in January 2025. The registry takes advantage of the regional registry platform, enabling the registration, incorporation, and ongoing filing of for-profit, non-profit, and foreign corporations. The system also integrates the existing secured transactions registry to create a single online platform.

Tonga

PSDI has supported the Tonga Ministry of Trade and Economic Development on a series of reforms since 2014. In 2020, the PSDI-supported Foreign Investment Act was passed, with the associated Regulations reducing the number of reserved and restricted activities from 17 to 11, making Tonga among the most open economies in the Pacific to foreign direct investment.

To facilitate the implementation of the act, PSDI developed technical specifications and undertook contracting and procurement to transition Tonga's existing 10-year-old registry to an online registry.

> "Over the years, the Ministry has had this vision that we want to upgrade and enhance this online system... Since its initial deployment of this website in 2013 there has been no significant upgrade that has been done to the system. The online payments never really worked in the initial system, and the ministry envisioned that we will move to paperless transactions. Last, but not least, the annual hosting cost has been increasing year on year."
>
> Poinisetia Paongo, Deputy Registrar,
> Tonga Ministry of Trade and Economic Development.

Prime Minister of Tonga Hon Dr Aisake Valu Eke and Ministry CEO Distaquaine Tuilhalamaka launch the new registry.

Tonga's upgraded online business entity, foreign investment, and personal property securities registry, which uses the regional platform, went live in December 2024 and was officially launched by the Ministry of Trade and Economic Development in February 2025.

> "This is the beginning of the journey, and we are looking forward to working together to maximize and realize the benefits the system provides, but also to see the expansion of registration and contribution of the private sector."
>
> Dr. 'Aisake Eke, Former Prime Minister of Tonga.

The updated registry introduced several new functionalities, including secure online payments and online foreign investment certification. The new system also integrated the existing secured transactions registry, making it easier for users to file, access, and search company, business names and licenses, and personal property securities records online all from one integrated resource.

> "If PSDI had not helped us, I don't think we'd be at this stage where we have this online system, and all our acts and regulations are updated."
>
> Poinisetia Paongo, Deputy Registrar,
> Tonga Ministry of Trade and Economic Development.

Participants, Prime Minister of Tonga Hon Dr Aisake Valu Eke and the Minister of Trade and Economic Development Hon Kapelieli Lanumata.

TIMELINE OF PSDI SUPPORT

SEPTEMBER 2020

The Parliament of Tonga passed the PSDI-supported Foreign Investment Act.

OCTOBER 2021

The President of Palau approved the PSDI-supported Corporations Act 2021.

JANUARY 2022

The Government of Papua New Guinea passed the PSDI-supported amendments to the Companies Act and the Business Groups Incorporation Act.

DECEMBER 2022

Papua New Guinea's Investment Promotion Authority launched the new online registry.

MARCH 2023

PSDI convened Pacific government officials in Sydney for a business registries workshop.

2024

PSDI finalized development of the regional registry platform software.

SEPTEMBER 2024

Cook Islands Financial Supervisory Commission launched its new international entities registry.

DECEMBER 2024

The Tonga Ministry of Trade and Economic Development launched Tonga's upgraded online business, foreign investment, and personal property securities registry.

JANUARY 2025

Palau Financial Institutions Commission launched its new online registry.

OUTCOMES AND RESULTS

More efficient business registration processes

The shift from paper-based and in-person processes to an online registry has resulted in tangible time savings for both businesses and the government. Faster registration and online filing have reduced the time businesses spend on compliance and eliminated the need for travel to registry offices.

> "Online accessibility allows users to register their business anytime from anywhere. The streamlined registration process simplifies application procedures, significantly cutting down the registration fees… it's cost effective. The fees are significantly lower, not to mention that businesses would have more time running their businesses instead of coming over to the office to do their registration."
>
> Poinisetia Paongo, Deputy Registrar,
> Tonga Ministry of Trade and Economic Development.

In Papua New Guinea, company registration took more than 25 days on average using the manual system. With the new online system, registration can be done in around 3 days, reducing the administrative burden on businesses and allowing businesses to become operational sooner.

As well as making registration more efficient, the online platform makes it easier for businesses to file. According to V. Tikei Sbal, Commissioner, Financial Institutions Commission, corporations in Palau previously often had to hire attorneys to do the paperwork, and this could cost "between $7,000 and $10,000 for each corporation". Now, businesses can easily file themselves without the need for lawyers or travel.

> "It's making it more efficient. We've had feedback from people that it's so great, it's so easy, they can do what they need to do at night or at home, and there's no office hours."
>
> V. Tikei Sbal, Commissioner,
> Palau Financial Institutions Commission.

The system also improves the accessibility and inclusivity of business registration by enabling users in remote areas to access services via smartphone.

> "[One] of the advantages of the upgraded online registry is that we use this user-friendly interface, which gives accessibility to users of all technical backgrounds, ensuring that even those without digital literacy can still use it."
>
> Poinisetia Paongo, Deputy Registrar,
> Tonga Ministry of Trade and Economic Development.

> "This is a milestone in improving ease of doing business in Tonga. Entrepreneurs and investors can now access services with greater efficiency and transparency.[1]
>
> Dr. 'Aisake Eke, Former Prime Minister of Tonga.

A further, often over-looked benefit to online registries is that information about business entities is accessible remotely, removing the need for searchers to visit a registrar's office and search through paper files. Every time a company applies for a loan or enters a contract, the records of the entity must be accessed as part of the due diligence investigation of the pertinent third party. Those investigations took time and money and added to the cost of any transaction. Online registries significantly reduce the efforts needed to complete this tedious but vital work.

Cost savings

The time savings and the elimination of costs associated with travelling to a registry office have led to direct cost savings for businesses. In Papua New Guinea, an analysis commissioned by PSDI found that the online registry reduced registration costs by around PNG Kina (K) 150 per business, for both business names and new companies, generating around K3.7 million in annual savings for the private sector.[2] A similar savings would be experienced by reducing the need to visit the registrar's office for searches.

The new system has also improved administrative efficiency within the government. By automating the registration process, the time required to process a business registration has fallen from 8 hours in the manual system to 2 hours in the online system. This is saving the government approximately K1.5 million per year in administrative and operational costs. These figures also do not capture the additional economic value generated by businesses becoming operational sooner due to reduced registration times.

1 Talanoa Tonga. 2025. PM launches upgraded *Online Business Registry*. https://talanoaotonga.to/pm-launches-upgraded-online-business-registry/

2 Jose Ricardo Silva. 2026. Integrated Cost Savings Calculation. This is an independent, unpublished analysis of the cost savings arising from the Pacific Private Sector Development Initiative's registry in Papua New Guinea.


Registry Office, Ministry of Trade and Economic Development, Tonga

Reduced barriers to formalization

The online registry has reduced barriers to formal business entry and compliance, making it easier for entrepreneurs to operate in the formal economy, and countries whose registries have been live for a sustained period have experienced a marked growth in business registrations since their registry went live.

Following the launch of the upgraded registry in PNG in December 2022, and the completion of the re-registration period on 31 December 2023, 16,629 overseas and domestic companies re-registered, alongside 5,527 new company registrations. By December 2025, the number of new companies registered had more than doubled to 11,473. In the Cook Islands, domestic company registrations have grown 55% since the companies registry launched in 2019, with new registrations sustained consistently over more than 5 years.

This improved data is not only strengthening record-keeping and compliance but giving government agencies such as tax offices and foreign investment boards more reliable access to accurate corporate information, supporting better regulation, more informed policy, and stronger cross-agency cooperation.

> "We now are able to work with the tax office and the Foreign Investment Board, and are able to provide them with accurate records."
>
> V. Tikei Sbal, Commissioner,
> Palau Financial Institutions Commission.

Built-in reporting tools also give governments better visibility over the private sector, generating up-to-date information on the number and location of registered businesses that can inform policy and guide future reforms. In addition, because the platform captures shareholder information, registries can now report on the proportion of businesses that are women-owned or have significant women's shareholding, giving policymakers a baseline that either did not exist or was extremely difficult to obtain under older or paper-based systems. This information can inform gender-responsive policy and help governments track progress over time. The availability of data on foreign business activities and investment also helps policymakers in positioning their country to best attract additional foreign investment.

The re-registration process that accompanied each registry go-live also served as an opportunity to clean existing records, ensuring that the data held in the new system was accurate and current from the outset rather than inheriting the errors and gaps of legacy systems. The data is also backed up and secure in the cloud, protected from the risk of loss or destruction that has historically affected paper-based systems, a particularly important consideration in a region exposed to disasters.

More accurate, sex-disaggregated, and secure business data

The regional registry platform is improving the quality, and accessibility of business and company data across the Pacific, meaning governments have access to accurate, up-to-date, and sex-disaggregated data for decision making.

> "Now, we can have up-to-date and accurate records of corporations, their shareholders and directors, and addresses, which was information you really couldn't get prior to the online registry."
>
> V. Tikei Sbal, Commissioner,
> Palau Financial Institutions Commission.

Increased transparency and AML/CFT compliance

Open and searchable registries also strengthen AML/CFT compliance by making corporate ownership structures more transparent and harder to misuse. The platform is designed to make it easy for countries to expand the registry to include country-level beneficial ownership registries across the region, which would give authorities efficient access to accurate and up-to-date beneficial ownership information as legislative reforms progress.

The importance of this is clear in the Pacific context where AML/CFT compliance is uneven. For example, Palau's 2018 mutual evaluation found the country non-compliant with FATF Recommendation 24 on the transparency and beneficial ownership of legal persons, with its corporate registry at that time a paper-based system with no accurate records. The introduction of a modern, searchable online registry directly addresses this finding, giving regulators access to accurate and up-to-date corporate ownership information for the first time.

LESSONS LEARNED

Regional solutions can deliver stronger value for money.

Rather than supporting each country to independently design, procure, and maintain a bespoke registry, PSDI developed a shared platform that can adapt to each country's contexts. This approach substantially reduced development costs, shortened implementation timelines, and allowed small economies, such as the Cook Islands, Palau, and Tonga to access modern, secure systems that would likely have been otherwise unaffordable. Most importantly, allowing sufficient flexibility to accommodate national laws and needs was important for ensuring government ownership and adoption of the systems. The regional platform is scalable to allow additional countries to join, and is flexible enough to accommodate the unique business entity types or business processes that a particular country may require to be embedded in their system.

Accurate data is a public good.

Accurate, up-to-date data is one of the most valuable assets a government can hold. It supports effective regulation, cross-agency cooperation, and evidence-based policy. In the context of business registries, reliable data allows governments to monitor compliance, identify inactive or non-compliant entities, generate meaningful private sector statistics, and meet international AML/CFT obligations. Each PSDI registry launch was therefore deliberately paired with a re-registration period, requiring existing entities to update and verify their details. This ensured that each new system started with accurate records rather than inheriting the errors, duplications, and gaps accumulated in legacy systems.

Implementation support is often necessary to deliver the full impact of legal reforms.

PSDI's experience demonstrated that passing a law can be insufficient on its own. Without the institutional and technical infrastructure to put new legislation into practice, reforms often stall at enactment and never reach the businesses they are designed to serve. By pairing legal reform with the development of digital registries to implement it and supporting significant public outreach on the new laws and systems, PSDI ensured that new companies legislation translated into real and measurable changes for businesses and regulators. This reflects PSDI's 20 years of experience, which has shown that in resource-constrained environments, the gap between legislation and implementation is where reforms most commonly fail and that sustained technical and implementation support is often what makes the difference.

Long-term partnerships and sustained engagement are often essential for complex reforms to reach implementation.

Significant reforms rarely follow a straight line, they are subject to shifting political priorities, changes in key personnel, and external disruptions that can stall progress for months or years. PSDI's experience across the registry program demonstrates that maintaining trusted, long-term relationships with government counterparts allows reform momentum to be preserved through these disruptions rather than lost. For example in Papua New Guinea, where legislative reform and registry development was able to continue despite COVID-19 disruptions and border closures.

CONCLUSION

PSDI's support to develop fit-for-purpose digital registries is improving the business enabling environment in the Pacific. By combining legal reform with the technical and implementation support needed to put new laws into practice, PSDI has helped Pacific governments move from outdated, paper-based systems to modern, accessible platforms that are reducing the cost and complexity of doing business.

The regional registry platform has made this transformation achievable for smaller Pacific island countries that could not have justified or sustained a bespoke national system, and its impact is already visible in higher registration rates, cost savings for businesses and governments, strengthened AML/CFT compliance, and improved data quality across the region. Governments now have access to accurate, up-to-date, and sex-disaggregated data on business ownership, giving policymakers a stronger foundation for evidence-based reform.

The regional platform is designed specifically to be able to grow alongside countries' needs in a cost-effective manner, for example to accommodate additional entity types, integrate beneficial ownership registries as legislative reforms progress, and extend to further countries. As the Pacific's private sector continues to grow, modern, transparent, and accessible registries will remain a foundational requirement, and the work PSDI has undertaken across the region provides a strong base for continued progress.

Pacific Private Sector Development Initiative
Asian Development Bank
Pacific Liaison and Coordination Office
Level 20, 45 Clarence St, Sydney 2000 Australia

Ph: +61 2 8270 9444
Fax: +61 2 8270 9445

/adbpsdi
Pacific Private Sector Development Initiative (Asian Development Bank)

www.pacificpsdi.org
publications@pacificpsdi.org

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