



# Papua New Guinea

## Tax Alert

April 2022



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### Goods & Services Tax announcements

Following on from the government announcement in Parliament on 23 March 2022 regarding the removal of the 10% GST on certain goods & services to help relieve the economic hardships faced as a result of the Ukraine-Russia war, Treasurer, Mr Ian Ling-Stuckey announced during the last Parliament sitting on 21 April 2022 that the current Government will be implementing a PGK 350 Mn relief intervention package in the second quarter of the year.

The breakdown is:

- PGK 250 Mn to remove fuel excise and goods and services tax (GST) on all fuel products for six months;
- PGK 100 Mn to remove GST on selected household products such as rice, noodles, tinned fish, Ox & palm, women's products.

These changes do raise some issues including how these temporary reliefs are worded and how affected businesses can be ready for implementation in time. We have followed up with Treasury and will provide further comment on this package as soon as the amending Acts to implement these changes are certified.

### Personal income tax rates adjusted

Additional legislation was passed during the final Parliament sitting held on 21 April 2022 exempting personal income tax for low-wage earners earning from K12,500 to K17,500 annually. This tax free threshold is a temporary relief from 1 June 2022 to 31 December 2022 following the current inflation in the economy.

Employers will have to adjust the amount of salaries & wages tax withheld during the periods mentioned.

In addition to this exemption, parents will also be excused from paying project fees in public schools.

The current Government will be injecting:

- PGK 135 Mn to lift the income tax threshold;
- PGK 126 Mn to fully fund school project fees with reimbursement of project fees of 20 per cent.

## Tax Treaty between India and Papua New Guinea

The IBFD Tax Treaties Unit reported that negotiations for Tax Treaty Between India and Papua New Guinea are underway following a recent meeting between officials of India and Papua New Guinea.

Further developments will be reported as they occur.

## 2023 Pre-Budget Tax Policy

On 6 April 2022, the Department of Treasury has invited written tax submissions from the general public for the coming 2023 National Budget.

The submissions will contribute to the robust, resilient and relevant taxation system that can accommodate changes in the current business practises and enable PNG to achieve its development needs.

## Immigration Updates

### Changes to Airport Testing Requirements for International Travel

#### Passengers flying to Australia

Effective 1am on 18 April, previous requirements for Covid-19 testing requirements prior to travel has ceased. Passengers will not need to get a test prior to departure to Australia, and hence can proceed directly to the Departure Check in.

#### Passengers flying into Singapore and Manila

Non-citizens travelling to Singapore and Manila must complete either a negative rapid test prior (or a negative PCR test) prior to scheduled departure. This is within 48 hours for Singapore, and 24 hours for Manila. The rapid tests are conducted at the airport. A passenger can bring a compliant certificate as issued by a Doctor.

#### Passengers flying to Hong Kong

Passengers must complete a negative PCR test within 24 hours of scheduled departure. From 1am on 18 April, a passenger will need to source this prior to coming to the airport.

#### Covid testing at the airport

From 18 to 25 April, pre-departure PCR tests will continue to be available for passengers transiting to countries, where these are required. From 1am 25 April, will cease offering pre-departure PCR tests for any flights.

#### Passengers arriving in country from Australia, Singapore, Philippines, China and Hong Kong

Effective 1am on 28 April, COVID19 tests on arrival in country from Australia are no longer required. Passengers arriving in country from Singapore, Philippines, China and Hong Kong is still required at a reduced fee of K150 per passenger.

Feel free to contact our Deloitte Immigration Team on email [dtimmigration@deloitte.com.pg](mailto:dtimmigration@deloitte.com.pg) for further information.

## Reminders: Tax and Statutory Compliance

- 7 May is the due date for Salary & Wages Withholding Tax (SWT);
- 21 May is the due date for Goods and Services Tax (GST); and
- Annual Returns with filing month in May are due by 31 May 2022.

For more details please contact your key Deloitte contacts or any of the following:

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