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Papua New Guinea

Tax Alert 7

July 2026

MAKING AN IMPACT THAT MATTERS since 1845

Compliance for CIT and PIT Non-Filers

The IRC has recently issued a public notice advising taxpayers identified through its compliance and data-matching activities as potential corporate income tax (CIT) and personal income tax (PIT) non-filers to immediately review their lodgement status and take necessary actions to comply.

The notice highlights the IRC's increased focus on leveraging data analytics to detect inconsistencies and gaps in reported tax positions. In prior years, the IRC conducted targeted reviews requiring selected taxpayers to explain discrepancies between CIT declarations and Goods and Services Tax (GST) sales. Similar approaches are now being applied more broadly to identify current CIT and PIT non-filers.

The notice further outlines that failure to comply may result in the issuance of default assessments based on the information available to the IRC, including estimated taxable income derived from GST returns lodged. Taxpayers may also be subject to late filing penalties, reinforcing the importance of timely and accurate compliance.

IPA PNG Compliance

All companies registered with the Investment Promotion Authority (IPA PNG) are required to keep their company information accurate and up to date at all times. Any changes to company details must generally be lodged with IPA PNG within 14 days from the date of change to avoid penalties for late lodgements.

These changes include the following, but are not limited to:

- **Company Registered Address** – Any change to the company's official registered office address recorded with IPA PNG.
- **Postal Address** – Changes to the mailing address where company correspondence and official notices are received.
- **Directors and Company Officers** – Appointment, resignation, replacement, or update of directors, secretaries, or other company officers.
- **Shareholders** – Addition or removal of shareholders, or updates to shareholder details.
- **Number of Shares Issued or Transferred** – Any issuance, transfer, cancellation, or change in shareholding percentages and ownership structure.
- **Company Name** – Changes to the registered company name or trading name.
- **Contact Details (Phone/Email)** – Updates to company contact numbers, email addresses, or primary contact persons.
- **Ultimate Holding Company Details** – Changes relating to the parent company or ultimate beneficial ownership structure.
- **Business Activities or Company Structure** – Changes to the nature of business activities, company operations, or corporate structure.
- **Operating Locations** – Opening, closure, or relocation of branches, project sites, or operating locations within PNG.

We encourage all clients to regularly review their company records and promptly act on any changes. Penalties may apply for late updates or non-compliance.

PNG Passport Applications Urgent Processing Update

Please be advised that for all Papua New Guinean passport applications (new or renewal) under express or urgent processing, there is now an additional requirement. Applicants must submit a Justification Letter explaining the reason for requesting urgent processing.

This letter should clearly outline the circumstances necessitating expedited issuance of the passport (e.g. medical, travel, employment, or emergency-related reasons). The urgent processing fee of K200.00 remains applicable and must be paid upon submission.

Update on Visa Applications – Bangladesh and African Nationals

Further updates have been noted regarding visa applications for certain nationalities:

- **Bangladesh Nationals:** Employment restrictions apply to the Wholesale and Retail industries only. Applications under other industries remain open and are assessed in line with standard requirements.
- **African Nationals:** Applications are currently accepted primarily from large and well-established companies. Applications from smaller or lesser-known entities may be subject to additional scrutiny and assessment by the authorities.

Delay in Issuance of Key Tax Regulations

Both the Income Tax Regulation and the Tax Administration Regulation have not yet been issued to the public by the Head State, although the Department of Treasury continues to progress their development. The ongoing absence of these key regulations is affecting the Commissioner General's ability to effectively administer the Income Tax Act 2017, a concern we have raised with the Treasury. Any further extension of the transitional period will depend on the outcomes of the July sitting of Parliament, as well as the continued pressure from the private sector.

ITA25 Transitional Period Concluded

With the transitional period introduced by the Internal Revenue Commission (IRC) alongside the Income Tax Act 2025 (ITA2025) having come to a close on 30 June 2026, businesses in PNG should now take time to assess their tax positions. Although further regulations and guidance from IRC are still being developed, this is a key point for taxpayers to confirm they are meeting their obligations to address potential challenges.

Key areas for consideration include:

- **Taxation of Permanent Establishments (PEs):** Following the repeal of the Foreign Contractor Withholding Tax regime and limited scope of transitional provisions, businesses operating through PNG PEs should assess how to meet compliance requirements under the ITA2025, including provisional tax obligations.
- **Non-Resident Withholding Tax (NRWT):** With a potentially expanded scope of payments subject to withholding tax, businesses should review cross-border transactions against the new definitions to ensure timely and correct compliance.
- **Salary Packaging Arrangements:** With salary packaging policies subject to IRC approval, the tax treatment of employee benefits has changed under ITA2025. Taxpayers should ensure their internal processes have been updated to reflect these changes including appropriate approvals.
- **Fixed Asset Depreciation:** The revised depreciation rules under ITA2025 require updates to tax fixed asset registers. This review should include asset classifications, effective useful lives, and reconciliation with accounting records. Opening balances should be accurately aligned as at commencement date.

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

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