Papua New Guinea

Tax Alert 8

August 2026

MAKING AN IMPACT THAT MATTERS since 1845

Employer and Employee Superannuation Contribution Public Notice

The Bank of Papua New Guinea (BPNG) has issued a public notice reminding employers of their obligations to make and remit mandatory superannuation contributions on behalf of their citizen employees, in accordance with the Superannuation Act 2000. This Bank clarifies that the superannuation requirements apply to both mandatory and voluntary participants, including the following:

a. Employers with **15 or more employees**.

b. Employees of such employers, whether making mandatory or voluntary contributions.

c. Employers with **fewer than 15 employees** that elect to participate voluntarily.

d. Employees of voluntarily participating employers who elect to contribute to an ASF.

BPNG will conduct compliance inspections to ensure employers comply with their superannuation obligations.

A new Associations Law in Papua New Guinea

The Associations Incorporation Act 2023 was enacted in 2023, with its supporting regulations commencing on 1 July 2026, when the new requirements come into effect. The Associations Incorporation Act 2023 replaces the previous Act from 1966. The new law modernises how associations are governed, strengthens accountability to members, and brings Papua New Guinea into line with international anti-money laundering (AML) and combating the financing of terrorism (CFT) standards.

The Investment Promotion Authority (IPA), through the Registrar of Companies, administers the Act.

WHAT YOU NEED TO KNOW

Who is affected?

- Every existing incorporated association in PNG.
- All new associations incorporated from this point forward.
- Overseas nonprofit organisations operating in PNG.

Important Note: Even if your association is already incorporated, you must re-register within one year, by 30 June 2027. If you do not re-register, your association will be removed from the register and will no longer be recognised as an incorporated association under PNG law. Restoration is possible for up to 2 years after removal, on payment of a late fee.

What's changing?

Subtypes of Associations
Under the new Act, all associations must register as one of the two subtypes:

1. A Public Benefit Association (serving the wider community, such as health or education organisations); or

2. A Members Benefit Association (serving its own members, such as chambers of commerce or trade groups).

Duties and resident requirements for committee members

Each association must have at least 3 committee members, and at least one must be ordinarily resident in PNG. Committee members now have clearer duties, similar to company directors.

- **Financial accountability requirements:** All associations must keep basic accounting records. Larger associations, those receiving government grants, and those receiving donations above set thresholds must prepare audited financial statements.
- **Annual returns:** Associations must file an annual return with the Registrar each year, like companies. Failure to file results in removal from the register.
- **Beneficial ownership:** Associations must record beneficial ownership information in their member register. A beneficial owner is the person who ultimately owns or controls a membership, even if the membership is held in someone else's name. This meets international anti-money laundering standards.
- **A new category for overseas associations:** Overseas nonprofits operating in PNG were previously registered as overseas companies. They must now re-register under the new Act as overseas associations.
- **Broader grounds for objection:** Any person may object to a proposed incorporation. The grounds are wider than before and include a proposed committee member having a criminal conviction, or no committee member being ordinarily resident in PNG.
- **Online filings:** All filings, other than the initial Notice of Intent to Incorporate, must be completed through the IPA online registry.
- **Protecting your association:** The new Act brings associations into line with international anti-money laundering (AML) and combating the financing of terrorism (CFT) standards. To help you meet these obligations, the IPA has prepared a short, practical guide explaining how associations can be misused to launder money or finance terrorism, the warning signs to watch for, and simple steps you can take to protect your association, such as checking your donors and keeping clear records.

NEXT STEPS – preparing for change

EXISTING ASSOCIATIONS (RE- REGISTRATION)

All existing associations must re-register by 30 June 2027. Associations that do not re-register by this date will be removed from the register and must pay a late fee to be reinstated.

Re-registration Fee

There is no fee to re-register an association. Re-registration is free and will replace the association's annual return requirement for the first year.

Re-registration Process

Associations must complete re-registration online through the IPA Registry at IPA Website. The process involves logging in, locating the association's record, reviewing, and updating existing information, providing any additional information required under the new Act, and submitting the application.

Information Required

Associations will need to provide:

- Details of current committee members
- Details of the public officer(s)
- A brief description of the association's activities
- The association's subtype (Public Benefit or Members Benefit)

A scanned copy of the association's Rules must also be uploaded. Where trusts or trust deeds apply, these documents must also be submitted. Most active associations are likely to find that much of this information is already recorded in the system.

Updating Existing Records

The re-registration process provides an opportunity to review and update any outdated or incorrect information contained in the association's record.

Impact of Re-registration

Re-registration is primarily an administrative requirement and does not alter the day-to-day operations of an association. However, associations will need to comply with new ongoing obligations introduced by the Act, including annual return filings, committee responsibilities, and, where required, financial reporting obligations.

IRC Extends GST Section 65A Compliance Relief to 31 December 2026

The IRC has extended a temporary suspension of **Business Payment Tax (BPT)** deductions for contractors operating under the **GST Section 65A withholding regime** until **31 December 2026** to reduce financial stain on affected contractors.

Key points:

- Section 65A Authorised Withholders must **not deduct BPT** from payments to contractors.
- The requirement for Section 65A Authorised **Withholders to withhold and remit 10% GST** remains unchanged.
- Contractors to section 65A Authorised Withholders are **not required to provide a Certificate of Compliance (CoC)** to Authorised Withholders.

The extension is intended to simplify compliance requirements and ease the financial burden on contractors.

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