



Papua New Guinea

Tax Alert #9

Key Regulatory Updates

October 2026





In this Alert, we bring to you updates on the following:

- PNG introduces GST on Digital Services Supplied by Non-Residents
- Have something to contribute? E-mail us at DTTTaxPG@deloitte.com.au

PNG Introduces GST on Digital Services supplied by non-residents

Papua New Guinea has released a draft Goods and Services Tax (Amendment) Bill 2026 that would extend GST to certain digital services supplied by non-resident providers to PNG customers. The proposal follows the approach adopted in many jurisdictions that impose VAT/GST on cross-border digital services.

Key Features

Non-resident suppliers may be required to register for PNG GST

A non-resident supplier making B2C digital service supplies to PNG consumers would be required to register and account for PNG GST where annual supplies exceed the proposed registration threshold of **PGK250,000**.



Broad definition of digital services

The draft legislation captures services delivered over the internet or electronic networks, including:

- Streaming services
- Cloud computing
- Software downloads and subscriptions
- Online gaming
- Mobile applications
- E-books and similar digital content

Examples of potentially affected include providers of streaming, cloud, software-as-a-service (SaaS), app store, gaming and digital content services.



Focus on consumer and non-taxable use transactions

The proposed regime is primarily targeted at B2C supplies. However, the exclusion for B2B transactions only applies where the digital service is acquired by a registered person for use in the course of a taxable activity. As a result, supplies to certain businesses, including those operating in exempt sectors such as banking and financial services, may still require careful analysis depending on the nature and use of the services acquired. Where the B2B requirements are satisfied and a TIN is provided, the supply is intended to remain subject to PNG's reverse charge rules.



Digital marketplaces may also be liable

Online platforms and marketplaces that facilitate digital transactions and manage billing or collections may be required to register and account for GST on behalf of suppliers.



When Is a Digital Service Treated as Supplied in PNG?

The Bill provides indicators that a customer is in PNG, including:

- PNG residential or billing address;
- Payment through a PNG-issued bank account or card;
- Use or consumption of the service in PNG;
- PNG IP address, SIM card, or device indicators.

Compliance Framework

The draft Bill proposes:

- Simplified registration for non-resident suppliers;
- Quarterly filing obligations;
- Ability to remit tax in foreign currency.

Potentially Impacted Businesses

Multinational groups supplying digital services into PNG should assess whether the proposed rules could create GST registration and compliance obligations. This may be relevant for providers of:

- Streaming services;
- Cloud and infrastructure services;
- Enterprise software and SaaS solutions;
- Online gaming platforms;
- Digital marketplaces and app stores;
- Digital media and content subscriptions.

Financial institutions, insurers and other businesses making exempt supplies should not assume they fall outside the regime. The proposed B2B exclusion is limited to services acquired for use in a taxable activity, meaning some digital services acquired by exempt businesses may require further analysis.

Current Status

The Bill is currently in draft form. No specific commencement date is included. The legislation provides that it would come into operation on a date determined by the Minister through a Gazettal Notice.

Deloitte PNG Observation

While the proposal broadly aligns with international digital services GST regimes, several aspects of the draft may require further refinement, including the interaction with existing reverse charge provisions, registration mechanics for non-resident entities, and the implementation of the proposed quarterly filing framework.

Businesses supplying digital services to PNG customers should monitor developments closely and consider whether registration, systems, billing and compliance changes may be required if the legislation is enacted.



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