

PNG – Japan Investment Promotion Seminar

Tax Type	Current Rate of Tax	Relevant Legislation																						
INDIVIDUAL INCOME TAX Personal Income Tax	<ul style="list-style-type: none"> • Resident Taxpayers <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Does not exceed K10,000</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K10,000 but does not exceed K 18,000</td> <td style="text-align: right;">22%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K18,000 but does not exceed K 33,000</td> <td style="text-align: right;">30%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K33,000 but does not exceed K 70,000</td> <td style="text-align: right;">35%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K70,000 but does not exceed K 250,000</td> <td style="text-align: right;">40%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K 250,000</td> <td style="text-align: right;">42%</td> </tr> </table> • Non Resident Taxpayers <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding-left: 20px;">Does not exceed K 18,000</td> <td style="text-align: right;">22%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K18,000 but does not exceed K 33,000</td> <td style="text-align: right;">30%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K33,000 but does not exceed K 70,000</td> <td style="text-align: right;">35%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K70,000 but does not exceed K 250,000</td> <td style="text-align: right;">40%</td> </tr> <tr> <td style="padding-left: 20px;">Exceeds K250,000</td> <td style="text-align: right;">42%</td> </tr> </table> 	Does not exceed K10,000	Nil	Exceeds K10,000 but does not exceed K 18,000	22%	Exceeds K18,000 but does not exceed K 33,000	30%	Exceeds K33,000 but does not exceed K 70,000	35%	Exceeds K70,000 but does not exceed K 250,000	40%	Exceeds K 250,000	42%	Does not exceed K 18,000	22%	Exceeds K18,000 but does not exceed K 33,000	30%	Exceeds K33,000 but does not exceed K 70,000	35%	Exceeds K70,000 but does not exceed K 250,000	40%	Exceeds K250,000	42%	<ul style="list-style-type: none"> • Section 3 (1) Income Tax & Dividend (Withholding) Tax Rates Act. Effective 1st July 2012. • Section 3(1A) Income Tax & Dividend (Withholding) Tax Rates Act
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Business payments tax	<ul style="list-style-type: none"> • Business income payment 10% • Prescribed royalty payment 5% 	<ul style="list-style-type: none"> • Section 280(9)(a) of the Income Tax Act • Section 280(9)(b) of the Income Tax Act 																						
Company Income Tax	<ul style="list-style-type: none"> • Resident Company 30% • Non-resident Company 48% • Authorised Superannuation Funds (ASF) 25% • Unit Trust 30% 	<ul style="list-style-type: none"> • Section 6, Schedule 4.1 Income Tax & Dividend (Withholding) Tax Rates Act • Section 6, Schedule 4.2 Income Tax & Dividend (Withholding) Tax Rates Act • Section 6, Schedule 4.8 Income Tax & 																						

Mining & Petroleum Tax	• New Petroleum Project	45% ¹	Dividend (Withholding) Tax Rates Act
	• Incentive Rate Petroleum Operations	30% ²	• Section 5, Schedule 3.3 Income Tax & Dividend (Withholding) Tax Rates Act
	• Petroleum Operations	50% ³	• Section 6 (1)(a), Schedule 4.4 Income Tax & Dividend (Withholding) Tax Rates Act
	• Gas Operations	30%	• Section 6 (1)(b), Schedule 4.4 Income Tax & Dividend (Withholding) Tax Rates Act
	• Mining Operations – Resident	30%	• Section 6 (1)(c), Schedule 4.4 Income Tax & Dividend (Withholding) Tax Rates Act
	• Mining Operations – Non Resident	40%	• Section 6 (1)(d), Schedule 4.4 Income Tax & Dividend (Withholding) Tax Rates Act
Dividend Withholding Tax	• Resident Company	17%	• Section 6 (1)(e), Schedule 4.4 Income Tax & Dividend (Withholding) Tax Rates Act
	• Mining Operations	10%	• Section 6 (1)(e), Schedule 4.4 Income Tax & Dividend (Withholding) Tax Rates Act
	• DTA ⁴ - Canada	15%	• Section 6 (1)(d)[sic], Schedule 4.4 Income

¹ “ New petroleum project” means a petroleum project which did not, prior to 31 December 2000, derive any assessable income from petroleum operations.

² “ Incentive rate petroleum operations” means petroleum operations arising out of a petroleum prospecting licence granted pursuant to the provisions of Division 2 of the Oil and Gas Act 1998 during the period 1 January 2003 to 31 December 2007 and in respect of which a Petroleum Development License has been granted pursuant to Division 7 of the Oil and Gas Act 1998, on or before 31 December 2017.

³ Petroleum Operations other than “new petroleum project” and “incentive rate petroleum operations”.

Interest Withholding Tax	<ul style="list-style-type: none"> • - Republic of Singapore 15% - Malaysia 15% - China 15% - Germany 15% - Republic of Korea 15% 	<p>Tax & Dividend (Withholding) Tax Rates Act</p> <ul style="list-style-type: none"> • Section 10 (b)(ii), Income Tax & Dividend (Withholding) Tax Rates Act • Section 10 (d), Income Tax & Dividend (Withholding) Tax Rates Act • Article 10(2) (a) Income Tax (International Agreements) Act 1987. • Article 10(2) (a) Income Tax (International Agreements) Act 1987. • Article 10(2) (a) Income Tax (International Agreements) Act 1987. 	
	15%		
	<ul style="list-style-type: none"> • DTA - Canada 10% 		<ul style="list-style-type: none"> • Article 10(2) Income Tax (International Agreements) Act 1987. • Article 10(1) Income Tax Act (International Agreements) Act 1987. • Article 10 (2) Income Tax Act (International Agreements) Act 1987.
	15%		
	<ul style="list-style-type: none"> • - Australia 10% 		
	10%		
	<ul style="list-style-type: none"> • - Republic of Singapore 10% 		

⁴“DTA” means Double Tax Agreement. Where no rates are stated it is because the rate is same as the Domestic Law (Income Tax Act 1959). PNG has DTAs with Canada, Australia, Singapore, United Kingdom, Malaysia, China, Germany, Korea, Fiji (Indonesia, Thailand and New Zealand pending signing and ratification by Parliament).

Foreign Contractor Withholding Tax Management Fee Withholding Tax Royalty Withholding Tax	<ul style="list-style-type: none"> - United Kingdom 	10%	<ul style="list-style-type: none"> Section 10A, Income Tax & Dividend (Withholding) Tax Rates Act
	<ul style="list-style-type: none"> - China 	10%	<ul style="list-style-type: none"> Article 11(2) Income Tax (International Agreements) Act 1987.
	<ul style="list-style-type: none"> - Germany 	10%	<ul style="list-style-type: none"> Article 11(2) Income Tax (International Agreements) Act 1987.
	<ul style="list-style-type: none"> - Republic of Korea 	10%	<ul style="list-style-type: none"> Article 11(2) Income Tax (International Agreements) Act 1987.
	<ul style="list-style-type: none"> - Fiji 	10%	<ul style="list-style-type: none"> Article 12(2) Income Tax (International Agreements) Act 1987.
		12%	<ul style="list-style-type: none"> Article 11(2) Income Tax (International Agreements) Act 1987.
		17%	<ul style="list-style-type: none"> Article 11(1) Income Tax (International Agreements) Act 1987.
	<ul style="list-style-type: none"> Associated person 	30%	<ul style="list-style-type: none"> Article 11(2) Income Tax (International Agreements) Act 1987.
	<ul style="list-style-type: none"> Not associated person 	10%	<ul style="list-style-type: none"> Article 11(2) Income Tax (International Agreements) Act 1987.

<p>Technical Fees</p>	<ul style="list-style-type: none"> • DTA - Canada 10% • - Australia 10% • - Republic of Singapore 10% • - United Kingdom 10% • - Malaysia 10% • - China 10% • - Germany 10% • - Republic of Korea 10% • - Fiji 10% 	<ul style="list-style-type: none"> • Section 6A, Income Tax & Dividend (Withholding) Tax Rates Act. • Section 6B, Income Tax & Dividend (Withholding) Tax Rates Act. • Section 7 (a), Income Tax & Dividend (Withholding) Tax Rates Act. • Section 7 (b), Income Tax & Dividend (Withholding) Tax Rates Act. • Article 12(2) Income Tax (International Agreements) Act 1987. • Article 12(2) Income Tax (International Agreements) Act 1987. • Article 12(2) Income Tax (International Agreements) Act 1987. • Article 13(2) Income Tax (International Agreements) Act 1987.
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<p>Training Levy</p> <p>Bookmakers Turnover Tax</p> <p>Departure Tax</p> <p>Stamp Duty</p>	<ul style="list-style-type: none"> • DTA - United Kingdom 10% • - Malaysia 10% • - Fiji 15% <p style="text-align: right;">2%</p> <p style="text-align: right;">4%</p> <p style="text-align: right;">K30.00 per person</p> <ul style="list-style-type: none"> • Conveyance or transfer on sale of real property <ul style="list-style-type: none"> - First home buyer, value does not exceed K500,000 Nil - Exceeds K500,000, 5% of the value in excess of K500,000 - Has previously owned a home where the value does not exceed K210,000 – 2% - Exceeds K210,000 K4200 + 5% of the value in excess of K210,000 - Where the property is a mining lease, special mining lease or exploration licence issued under the Mining Act 1998 – 2% of the value • Leases of land & goods <ul style="list-style-type: none"> - Where the consideration is not by way of rent = the greater of K1 or an amount equal to 1% of the value of the lease, whichever is the greater. - Where the consideration is by way of rent where lease term is less than 12months = 1st K240 = K5, the remainder = an amount equal to 0.4% of the 	<ul style="list-style-type: none"> • Article 12(2) Income Tax (International Agreements) Act 1987. • Article 12 (2) Income Tax (International Agreements) Act 1987. • Article 12(1) Income Tax (International Agreements) Act 1987. • Article 12 (2) Income Tax (International Agreements) Act 1987. • Article 12(2) Income Tax (International Agreements) Act 1987. • Article 14(2) Income Tax International Agreements) Act 1987. • Article 13(2) Income Tax (International Agreements) Act 1987. • Article 13(2) Income Tax (International Agreements) Act 1987.
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<p>GST</p>	<p>amount that exceeds K240</p> <ul style="list-style-type: none"> - Where the lease term is greater than 12 months = 1st K240 = K5, for the remainder = an amount equal to 0.4% of the amount that exceeds K240 - Where the lease term is greater than 5 years = 1st K240 = K10, for the remainder = an amount equal to 1% of the amount that exceeds K240 <ul style="list-style-type: none"> • Mineral & Petroleum Farm –ins & transfer of mining or petroleum information <ul style="list-style-type: none"> - The rate is the lesser of K10,000 or the amount assessable under Item 5. • Property transfer under company reconstruction <ul style="list-style-type: none"> - The rate is lesser of K600 per transaction or amount assessable under Items 5,16 and 16A • Share transfers <ul style="list-style-type: none"> - The rate is the greater of 0.10 toea or an amount equal to 1% of the value of the shares. • Acquisition of interests in Landholding company <ul style="list-style-type: none"> -The rate is 2% of the value of land in the case of the “land” which includes mining lease, special mining lease, exploration lease or petroleum prospecting license, not including K10,000 duty for transfer of mining or petroleum information 	<ul style="list-style-type: none"> • Section 196Z(1) of the Income Tax Act • Section 19(1) of the Bookmaking Act • Section 2(2)(a) of the Departure Tax Act • Schedule 1, Stamp Duty Act
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	<ul style="list-style-type: none">• Imports 10%• Domestically 10%	<ul style="list-style-type: none">• Section 6(1), Goods & Services Tax Act• Section 8, Goods & Services Tax Act
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