



INTERNAL REVENUE COMMISSION



Issuance of Certificates of Compliance to Individuals

A sole proprietorship, also known as a sole trader or simply a proprietorship, is a type of business entity that is owned and run by one natural person and in which there is no legal distinction between the owner and the business. The individual must register and pay tax on the income generated from the business. The business name is simply that, a name or tag and is completely different from a company. A company is a separate legal entity which exists in its own right and is registered for tax purposes as a separate entity from its owner(s).

The IRC can only issue a CoC in the name of the legally registered entity. In the case of a sole trader, that will be the individual.

In relation to the matter of bank accounts, a bank which is opening a business account for a sole trader will need to ensure that the individual is the registered owner of the business name. As such, the bank should require that the individuals TIN number is supplied in conjunction with a valid IPA documentation such as the Certificate of Registration of Business Name and the Business Name Extract..

We are currently in discussions with the commercial banks to clarify what the IRC is able to provide to individuals (sole traders) opening business accounts and how their individual TIN can be cross referenced to their registered business name.

In relation to the quotation of your COC in your own name to your clients, you should accompany your COC with evidence of your ownership of a business name such as a valid IPA Certificate of Registration of Business Name and the Business Name Extract. This should satisfy the need to link the two. If there remains uncertainty you can advise your clients to call the IRC's Manager Certificates of Compliance on 322 6832 or email sigtas@irc.gov.pg to confirm the issuance of the COC in your name and not your business name.

**Authorised by
The Commissioner General
Internal Revenue Commission**