

GST Import Deferral Scheme

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Legislation Customs Act – effective 1/1/2016

NEW SECTION 79A.

The Principal Act is amended by inserting after Section 79, the following new section:

**“79A. DEFERRED PAYMENT OF ASSESSED IMPORT GOODS
AND SERVICES TAX.**

Notwithstanding the provisions of this Act and the *Customs Tariff Act 1990*, the payment of assessed import goods and services tax may be deferred pursuant to a deferral scheme operated and administered by the Commissioner General of the Internal Revenue Commission under the *Goods and Services Tax Act 2003*.”.

Legislation Goods & Services Act – effective 1/1/2016

Section 6 of the Principal Act is amended by inserting the following new subsection:

“(6) The Commissioner General may operate and administer a deferral scheme, to apply notwithstanding the provisions of this Act, for the payment of goods and services tax on imported goods.”.

Register

- Taxpayer makes application to IRC to be accepted in the GST Import Deferral Scheme (GST IDS)

IRC
Approval

- IRC confirms approval into scheme and notifies taxpayer and Customs

Import

- The Import Deferred qualifying entity imports

Broker

- The importer engages a broker to do clearance

Goods
Declared

- The broker lodges the entry

Entry
Passed

- Entry assessed and passed
- Import duty collected and GST deferred

Reporting of
Deferred
Liability

- Customs reports Deferred Import GST to IRC

Importer,
Taxpayer
Reports

- The Deferred Liability is recorded on the revised G1 Form as a separate label. The associated input tax credits are recorded as usual.

IRC

- IRC undertake usual post lodgement compliance assurance activities.

HOW THE SCHEME WILL WORK

- * Approved importers will need to quote their TIN to Customs when entering goods for home consumption.
- * Customs will need to ensure that the importer remains a valid participant of the scheme.
- * Customs will then release the goods after payment of customs duty, but record the deferred GST of each shipment as it is cleared.
- * The liability will need to be recorded on the next G1 Form submitted by the importer.

Eligibility for Deferral Scheme

- * Have a TIN and be registered for GST;
- * Enter goods for home consumption all of which will be eligible as an input credit;
- * Lodge its return monthly and electronically;
- * Pay its liability electronically;
- * Have a satisfactory compliance record with both the IRC and Customs ie *be a member of the Import Trusted Trader Scheme (ITTS)*
- * Have written approval from the IRC.

Factors for non inclusion

- * The import is a one off or irregular transaction;
- * The applicant has no compliance history with the IRC ie *new entity*;
- * It relates to low value imports cleared on informal clearance documents;
- * The applicant or associate (public officers, directors, office bearers, partners or trustees of the applicant) has outstanding tax or customs related returns or payments;
- * Where the applicant or associate (public officers, directors, office bearers, partners or trustees of the applicant) have convictions or court penalties relating to taxation requirements, customs requirements, miss-description of goods, trade practices, fair trading or defrauding the National Government.

FORM G3



IRC OFFICE USE ONLY

Goods and Services Tax

PAPUA NEW GUINEA INTERNAL REVENUE COMMISSION

PNGIRC - Your Partner in Nation Building

Taxpayer Identification Number (TIN):

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GOODS AND SERVICES TAX ACT 2003 AS AMENDED

APPLICATION FOR PARTICIPATION IN GST DEFERRAL SCHEME

NAME AND ADDRESS OF TAXPAYER

NAME OF TAXPAYER:					
CONTACT / REPRESENTATIVE:					
PHONE No:					
E-MAIL ADDRESS:					
MAILING ADDRESS	SECTION No:			LOT No:	
	STREET / SUBURB / DISTRICT:				
	P.O. BOX:				
	COUNTRY:			PROVINCE:	
	CITY / POST OFFICE:				
	CARE OF (C/-):				

WHO SHOULD COMPLETE THIS FORM?

This application form should be completed in full by entities wishing to obtain permission to have their GST due on importation of goods deferred to be declared and remitted to the IRC in their next due GST return. Complete all of the questions below and return the form to the Commissioner of Internal Revenue, PO Box 777, Port Moresby, NCD.

TAXPAYER STATEMENT

What was the approximate total value of your imports over the last 12 months?	K	
Are you currently up to date with all your <u>customs obligations</u> and payments?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Has Customs accepted your organisation in their <u>Import Trusted Trader Scheme</u> ?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you engage a <u>broker</u> to undertake your customs clearances?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does your organisation have any <u>outstanding tax returns or forms</u> for GST, Income Tax, SWT, or any other taxes?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does your organisation have any <u>outstanding tax debts</u> owing to the IRC?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you expect that the total GST due on imports will give rise to a subsequent <u>input credit</u> on your next G1 return?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Do you lodge your tax forms and make your tax payments <u>electronically</u> ?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

DECLARATION BY TAXPAYER

I declare that the information that I have provided is true and correct in every detail and discloses a full and complete statement of the facts.
I understand that the law imposes heavy penalties for false and misleading statements.
This declaration applies to all of the information in this return including all accompanying documents and schedules.

SIGNED: _____

DATE: _____

NOTE

Granting of permission to participate in the GST deferral scheme is at the discretion of the Commissioner General of the IRC and completion of this application does not constitute automatic approval for participation. Until such time as this application has been evaluated and a written notice of approval has been issued by the IRC, GST on imported goods remains payable to the Customs Department on the date of clearance.

HOURS FOR PAYMENT: 8:30 A.M. TO 3:30 P.M. MONDAY TO FRIDAY.
CHEQUES SHOULD BE MADE PAYABLE TO COMMISSIONER GENERAL INTERNAL REVENUE AND MARKED 'NOT NEGOTIABLE'.
PAYMENTS MAY BE MADE ELECTRONICALLY THROUGH YOUR BANK WITHOUT NEEDING TO VISIT AN IRC OFFICE. FOR DETAILS SEE www.irc.gov.pg
PAYMENTS MAY ALSO BE MADE VIA EFTPOS. TAX FORMS AND GUIDES ARE AVAILABLE FOR DOWNLOAD FROM THE IRC WEB SITE www.irc.gov.pg

FORM G1



IRC OFFICE USE ONLY

Goods and Services Tax

PAPUA NEW GUINEA INTERNAL REVENUE COMMISSION
PNGIRC - Your Partner in Nation Building

Taxpayer Identification Number (TIN):

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GOODS AND SERVICES TAX ACT 2003 AS AMENDED

GOODS AND SERVICES TAX RETURN

NAME AND ADDRESS OF TAXPAYER

NAME OF TAXPAYER:					
CONTACT / REPRESENTATIVE:					
PHONE No:					
E-MAIL ADDRESS:					
MAILING ADDRESS	SECTION No:			LOT No:	
	STREET / SUBURB / DISTRICT:				
	P.O. BOX:				
	COUNTRY:			PROVINCE:	
	CITY / POST OFFICE:				
	CARE OF (C/-):				

FOR ASSISTANCE IN COMPLETING THIS FORM PLEASE REFER TO THE NOTES ON PAGE 3

TAX PERIOD

TAX PERIOD (MONTH): _____ YEAR: _____

Block 1: CALCULATION OF OUTPUT DEBITS			
1. Total Sales and Income for the Tax Period (including GST charged)		¹⁰⁰ K	1,000.00
2. Less Exempt Sales (see note 1)	¹⁰⁰ K	50.00	
3. Zero Rated Sales (see note 2)	¹⁰⁰ K	25.00	
4. <u>Add</u> lines 2 and 3		¹⁰⁰ K	75.00
5. Total GST Taxable Sales - <u>Deduct</u> the total in line 4 from line 1		¹⁰⁰ K	925.00
6. Output Debits - <u>Divide</u> Taxable Sales (line 5) by Eleven		¹⁰⁰ K	84.09
7. Deferred Import Liabilities (only applicable to approved entities with GST liabilities deferred on imports)		¹⁰⁰ K	16.00
Block 2: CALCULATION OF INPUT CREDITS			
8. GST paid on business inputs bought during the Tax Period (note 3)		¹⁰⁰ K	65.00
9. Less GST paid exempt sales (note 4)	¹⁰⁰ K	5.00	
10. GST paid for private purposes or employee benefits (note 5)	¹⁰⁰ K	15.00	
11. <u>Add</u> lines 9 and 10		¹⁰⁰ K	20.00
12. Input Credits (copy to line 14) - <u>Deduct</u> the total in line 11 from line 8		¹⁰⁰ K	45.00
Block 3: SUMMARY - GST PAYABLE OR REFUNDABLE			
13. Output Debits (add lines 6 and 7 above and write the amount here)		¹⁰⁰ K	100.09