



TAX AGENTS BULLETIN NO. 01 of 2015

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INCOME TAX RETURN LODGEMENT REQUIREMENTS.

1.1 Introduction.

The purpose of this bulletin is to advise tax agents on the requirements for the lodgment of income tax returns for the current year and to keep tax agents up to date with recent changes in relation to Income Tax Forms for the year ended 31 December 2014 or the substituted accounting year. In keeping with section 223 of the Income Tax Act 1959 (hereinafter "the Act"), a notice has appeared in the Gazette advising who is required to lodge returns and when they must be lodged by. That notice states that all income tax returns for the year ended 31 December 2014 (hereinafter "2014 returns") are required to be lodged by **28 February 2015**, or such extended date as the Commissioner General allows. The Commissioner General has subsequently decided to grant an automatic extension of time, until **30 April 2015** for the lodgment of all 2014 year tax returns without requesting an extension of time.

However, most tax agents will be unable to achieve full lodgment of client returns by that date and will need to request an extension of time for lodgment of an element of their clients' returns. This Circular sets out the Commissioner General's guidelines for those tax agents requiring an extension of time to complete their lodgment program.

1.2 Income Tax Form redesign.

New forms have been developed in respect of entities required to lodge Income Tax returns for the year of income commencing on 1st January 2014 and ending on the 31st December 2014 (or the substituted accounting period adopted in lieu of that year pursuant to Section 12A of the Act). Forms relating to this year of income will be referred to as the 2014 Income Tax Returns and will consist of a:

- **2014 C Form** – to be completed by all companies and trust;
- **2014 P Form** – to be completed by all partnerships; and
- **2014 I Form** – to be completed by all Individuals
- **2014 TL1 Form** – to be completed by all employers with an annual payroll in excess of K200,000

These new forms replace the old "A"; "B" and "C" forms used in previous years and will be utilized to input income tax data into the new SIGTAS system. Therefore, we will be unable to accept returns for this period in the old format. Tax returns for earlier years can be lodged in the old format. The new returns are available on our website and can be completed and lodged via email to Sigtas@irc.gov.pg.

If you have any queries on filling out the new returns or suggestions for improvements you can forward them to Sigtas@irc.gov.pg or contact Chris Anderson on 322 6829.

1.3 Lodgment requirement of entities with Tax Exempt income.

The IRC is concerned that some entities in receipt of exempt income are failing to lodge tax returns or are lodging returns which simply declare nil income and deductions. Tax agents representing such entities are reminded that Section 45 clearly requires that such entities are to



lodge an annual tax return in the form and manner prescribed. This should include all income and deductions as detailed by the relevant labels. The exemption of such income would be then accounted for in the reconciliation section of the form and the deductions would be non-deductible.

Where returns are not duly lodged, or do not fully account for the income and deductions of the entity, then the Commissioner General will have no other option than to revoke the exempt status of the income where applicable and take such lodgment and follow up compliance action as deemed necessary.

1.4 The Required Rate of Return Lodgments.

In the past, extensions of time for the lodgment of taxable returns have been granted to **31 August**. This practice will continue, but the concessions will only be granted to those who meet our performance requirements. To monitor this, tax agents will be required to advise what returns they have lodged, from time to time, and those whose lodgments are within 5% of the required percentage of lodgments by the required dates will be granted an extension of time, without fear of late lodgment penalty, to lodge the remainder of their clients returns by a specified date. Those who fail to lodge the required percentage or have totally failed lodgment extension lists will not be granted an extension of time and their clients will face the prospect of being penalized for late lodgment. The required lodgment percentages are as follows:

	<u>Taxable</u>	<u>Non Taxable</u>
By 30 April 2015	30%	20%
By 31 May 2015	50%	30%
By 30 June 2015	75%	50%
By 31 July 2015	90%	75%
By 31 August 2015	100%	90%
By 31 October 2015		100%

These are requirements are unchanged from the last lodgment season.

1.5 Conditions.

There are certain conditions that must be met before IRC will grant extensions for the lodgment of 2014 returns. This year these conditions are:

- i) Strict observance of the lodgment priorities set out in the next section.
- ii) That returns completed and signed be forwarded to the Internal Revenue Commission (hereinafter "the IRC") regularly, and at intervals of not more than a week.
- iii) All required attachments are to be submitted with the signed return. Returns will not be regarded as lodged until such attachments are signed and lodged.
- iv) The 2014 personal income tax returns of the tax agent and/or all nominees thereof are



lodged by 30 June 2015. Any companies or partnerships registered as tax agents, and any service or administration companies or partnerships associated with their practice, are also required to lodge their 2014 returns by 30 June 2015.

- v) Extensions of time for the lodgment of taxable returns for companies will not be granted beyond 30 June 2015 unless the provisional tax installment due by that date has been paid.
- vi) Companies who have an approved substituted accounting period (**SAP**) under section 12A of the Act, extension arrangements will be proportional to taxpayers with a normal December year end. SAP returns prepared by tax agents will be required to be lodged within 4 months of the end of the relevant income year. If requested, extensions will then be considered for a further period of 2 months. When lodging client listings and/or extension requests, agents should specifically highlight any SAP taxpayers in this regard.
- vii) Extensions of time for the lodgment of taxable returns for companies will not be granted beyond 30 April 2015 where the return for the year ended 31 December 2013 was not lodged prior to 31 December 2014.
- viii) That the relevant extension list is received by the IRC by the date specified later in this circular. In this regard, the due date for lists is ten days after the end of the relevant month.
- ix) The tax agent extension program does not cover returns lodged by taxpayers in the Mining, Oil and Gas industries. Any correspondence or enquiries to do with such returns must be first directed to the **Assistant Commissioner – Policy & Advice, Mr Iru Loi, who can be contacted on 322 6870 or e-mail on loii@irc.gov.pg**

1.6 Priorities for Lodgment.

It is not enough to simply lodge the required percentage of returns. To ensure we have the time to issue assessments so that they become payable by 30 September it is necessary to place the following limits on the time for lodgment of some types of returns:

- i) All 2014 partnership or trust returns must be lodged by 30 June 2015. Wherever possible these should be lodged as a set with the returns for the partners or beneficiaries.
- ii) All taxable 2014 company returns with a taxable income in excess of K100,000 must be lodged by 30 June 2015.

2014 returns for individuals with either a taxable income of K30, 000 or a provisional tax credit in excess of K10, 000 are expected to be given priority so that their lodgment percentage equals or better than that of our required lodgment rate.



1.7 Foreign Exchange Rates.

The authorized exchange rates for the 1st & 2nd half and the full year 2014 are as follows:

2014	USD	AUD	NZD	GBP	JPY	EURO
Jan – June	0.4129	0.4516	0.4879	0.2474	42.31	0.3012
Jul – Dec	0.4004	0.4503	0.4934	0.2462	43.68	0.3111
Full Year	0.4067	0.4538	0.4907	0.2468	42.99	0.3062

2014	CAD	SGD	CNY	IDR	MYR
Jan – June	0.4528	0.5206	2.5390	4845.62	1.3491
Jul – Dec	0.4450	0.5097	2.4655	4804.98	1.3122
Full Year	0.4489	0.5152	2.5023	4825.30	1.3307

If the currencies that you require are not included in the above list, you should consult the Bank of PNG.

1.8 Extension Lists.

Tax Agents will be required to submit extension lists detailing the clients in respect of whom they require extensions of time for lodgment. A separate schedule is required for each of the following types of return;

1. Taxable company returns.
2. Non taxable company returns.
3. Individual returns with taxable incomes in excess of K30,000 or provisional tax credits in excess of K10,000.
4. Returns for other individuals.
5. Returns for all parties associated with your tax agent registration, i.e., the partnership, partners, administration company etc.
6. Partnership returns.



7. Trust returns.
8. Training levy returns.
9. Returns for salary or wages earners claiming a Section 214(1) rebate. (This particular extension list should ideally be lodged by February 15 or any due dates accepted by the Commissioner General); and
10. Late lodgers/late payers (see below)

These lists should show each client's name in full and in alphabetical order, with the surname first if for an individual.

In addition, adjacent to the name of each client should be their tax file number or their tax identification number (TIN), if known, and in the case of taxable companies, confirmation or otherwise that any provisional tax installment due has been paid. Where the provisional tax installment has not been paid an explanation should be provided so that we can decide whether an extension should nevertheless be granted.

Late lodgers/late payers are those taxpayers who either did not lodge their 2013 returns by 31 December 2014 or did not pay their 2012 assessments by 31 December 2013. We require a separate extension list in respect of all such taxpayers, as well as an individual explanation for each client whose return cannot be lodged by 30 April 2015, as to why we should permit them to lodge their 2014 return after 30 April 2015 and advise of the date the return will be lodged.

Those tax agents requiring extensions of time beyond 30 April 2015 will be required to lodge up to five extension lists. These should be lodged as follows:

- Extension List No.1 - no later than 10 April 2015
- Extension List No.2 - no later than 10 May 2015
- Extension List No.3 - no later than 10 June 2015
- Extension List No.4 - no later than 10 July 2015
- Extension List No.5 - no later than 10 August 2015

In addition to the details referred to above, each extension list should have a front page in the following format:

<u>Extension List No.1</u>	<u>Taxable</u>	<u>Non Taxable</u>
1. Number of 2014 returns actually lodged to date
2. Total number of 2014 returns to be lodged
3. Percentage lodged to date



Extension List No.2

Taxable

Non Taxable

- | | | | |
|----|--|-------|-------|
| 1. | Number of 2014 returns actually lodged by 30 April | ..... | ..... |
| 2. | Total number of 2014 returns to be lodged | ..... | ..... |
| 3. | Percentage of total lodged by 30 April | ..... | ..... |

Extension List No.3

Taxable

Non Taxable

- | | | | |
|----|--|-------|-------|
| 1. | Number of 2014 returns actually lodged by 31 May | ..... | ..... |
| 2. | Total number of 2014 returns to be lodged | ..... | ..... |
| 3. | Percentage of total lodged by 31 May | ..... | ..... |

Extension List No.4

Taxable

Non Taxable

- | | | | |
|----|---|-------|-------|
| 1. | Number of 2014 returns actually lodged by 30 June | ..... | ..... |
| 2. | Total number of 2014 returns to be lodged | ..... | ..... |
| 3. | Percentage of total lodged by 30 June | ..... | ..... |

Extension List No.5

Taxable

Non Taxable

- | | | | |
|----|---|-------|-------|
| 1. | Total number of 2014 returns actually lodged by 31 July | ..... | ..... |
| 2. | Total number of 2014 returns to be lodged | ..... | ..... |
| 3. | Percentage of total lodged by 31 July | ..... | ..... |



The following issues were experienced with the extension lists provided by tax agents in 2014.

- a) Many did not show the percentage (%) of returns lodged to the end of each month for each category.
- b) In some cases, incomplete returns or returns without signatures were included in the total of returns lodged. This is not acceptable.
- c) Returns lodged after the end of the month were included. The grace period for lodging the lists was not intended to allow this.
- d) Late lodgers/late payers were included with other returns. The instructions clearly state that a separate list is required for returns lodged late in the previous years.

Tax agents are urged to take particular care in the preparation and submission of their extension lists. There is nothing to be gained from either understating the number of returns to be lodged or overstating the number of returns actually lodged. It is obvious to IRC if this has been done. In this regard, we advise that we will now accept additions to Extension List No.4 for new clients but will not accept additions to the extension list number 5.

Please bear in mind that if a new client has not made arrangements for the lodgment of returns prior to June 30 they are not entitled to be included in the extension program nor are they for further extensions. Late lodgment penalties will apply to such taxpayers.

1.9 Other Matters Pertaining to Extension Lists

These include:

- 1. Where extension lists are not lodged, clients will not have an extension of time beyond April 30.
- 2. It is not necessary when lodging a batch of returns to prepare a covering advice listing the returns lodged or to prepare a lodgment advice.
- 3. Each 2014 return lodged after 30 April 2015 should bear the following endorsement:

"Extension to granted"

Failure to do so will result in imposition of late lodgment penalty with an assumption that no extension has been granted.

- 4. Only 2014 returns should be included on the extension lists. If for some reason an extension of time is requested for an earlier year return, a specific request should be made and directed to the attention of our Tax Agent Coordination Officer.
- 5. Where a request for an extension in respect of a taxpayer with tax outstanding (which is



not subject to a dispute) is made, payment for the liability should accompany the request for extension. Notwithstanding this, such extensions will only be granted to 30 June.

6. If a final notice is issued in respect of a particular taxpayer that taxpayer will no longer qualify for any extension. The return must be lodged by the date specified in the final notice. Final notice enquiries should be directed to our Lodgment Enforcement Section (Ph 322 6532).

1.10 Salary or Wages Returns.

Salary or wage earners lodge returns where they;

1. Are claiming a section 214(1) rebate from salary or wages where the expenditure is in excess of K 200. This would include anyone in receipt of non-taxable allowances – their allowances are not exempt income and they would be claiming a deduction for up to the amount of the allowance received,
2. Were in receipt of non-salary or wage income in excess of K 100; or
3. Received a Housing Allowance variation during the financial year;

Salary or Wage earners may lodge a return where they:

1. Wish to claim a school fee rebate or education expenses or section 299E (Vehicle Allowance); or.
2. Did not have correct tax deducted each pay period.

1.11 TAX AGENT REGISTRATION AND RENEWAL

A number of tax agents are being considered for deletion from our list as they have failed to comply with the renewal requirements of section 347 of the Income Tax Act. It is the intention of the Registrar to de-register those tax agents pursuant to **section 348(3)**. Such de-registrations will be advertised in the National papers.

It should be remembered that unregistered tax agents are not permitted to charge fees for preparation of tax returns, objections, or in relation to the transaction of any business on behalf of a taxpayer in the income tax matters. This is an offence under the provisions of **section 349** of the PNG Income Tax Act.

Once a tax agent has been de-registered, they will need to make a **section 346** fresh application, demonstrating that they are fit and proper person in order to become registered.

It is your responsibility to renew your registration every year (due date, 1 April).Renewal forms can be obtained from the IRC Office or from the IRC website. Also note that the prerequisites for having your registration renewed are to lodge your own income tax returns and comply with the annual Lodgment Extension Programs.



It is the IRC's intention to annually publicise a listing of currently registered tax agents to ensure that taxpayers can confirm that they are dealing only with duly registered tax agents.

The **Tax Agent Coordination Officer, Mr Rakatani Helai**, is responsible for all aspects of tax agent registration and review of tax agent extension lists. He may be contacted directly on **phone no. 322 6786; by fax on 3217962; or email - helair@irc.gov.pg**.

2) COMPLIANCE ISSUES

During the course of the IRC's compliance activities through 2014 we have discovered some alarming trends in the preparation of both GST and Income Tax returns lodged. The list below details some of these erroneous claims for the application of input credits in GST returns;

- Medical expenses
- Education expenses
- Bank fees
- Loan repayments
- Provision of housing and motor vehicles to staff
- Entertainment including membership of clubs
- Donations to charities
- International travel, including accommodation, airfares and expenses incurred outside of PNG
- Private expenses including holidays within PNG, rental accommodation, motor vehicle expenses, groceries, funeral expenses and furniture for the use of the owners.
- Payments made to the IRC including; group tax, provisional tax GST etc.- usually 1/11th of the payment but we have seen examples of 100% claimed
- Salary and wages
- Payments to non-registered suppliers
- Claiming 10% of the GST inclusive sale price rather than 1/11th.

Given that many of the claims were made by registered tax agents we are sure you will find these to be errors demonstrating a fundamental lack of understanding of the legislation. It is indeed disturbing to us to have discovered these items and we strongly encourage you to review your staffs and your own understanding of the laws as they apply to the GST and your process for reviewing these returns before you lodge them. To the extent that you do not represent your clients in relation to their GST lodgements we ask that you pass on these matters to them and provide what assistance you can in educating them in the correct application of the legislation.

The Act clearly includes in the definition of 'salary or wages' payments made by way of remuneration to a director of a company. The International Agreements we have with other jurisdictions preserves the taxing right for PNG of directors' fees and similar payments derived by a person who is a resident of that foreign jurisdiction if received in the person's capacity as a member of the board of directors of a PNG company.

Finally, you are further reminded that the definition of 'salary or wage' is extended to include



any remuneration by way of fees or otherwise for professional services or services as an adviser, consultant or manager (whether at piece-work rates or otherwise) where such remuneration is paid wholly or substantially for personal services rendered by that person in Papua New Guinea.

Amongst other things these issues will be focus areas for compliance review in 2015.

3) RECORD KEEPING

You are reminded to re-enforce with your clients that they must maintain sufficient records of their income and expenditure in English in PNG in order to enable assessable income and allowable deduction to be readily ascertained as provided for in the Income Tax Act (S364(1)). These records must be maintained in PNG for seven years and made available to the Commissioner General upon request.

A person who fails to comply with the records keeping is guilty of an offence under subsection 2 of the same Act and a fine of not less than K 500 or not exceeding K 5,000. It may also result in the deductions being disallowed as the burden of proof of such deductions that were incurred rest with the taxpayer.

3.1 OFF-SHORE RECORD KEEPING

We are increasingly seeing taxpayers keeping and maintaining most of their records overseas without the proper authority from the Commissioner General as provided for in section 364 (4) of the Income Tax Act.

Section 364(4) stipulates that permission must be obtained first from the Commissioner General on application in writing before any records are to be kept off-shore including a language other than the English language.

4) OBJECTIONS

Tax agents are reminded that the IRC has created a centralised email address objections@irc.gov.pg to which **ALL** objection requests, irrespective of the tax type, should be forwarded. By emailing your requests to this email box we will be better able to evidence that the request has met the 60 day timeframe required under section 245 of the Income Tax Act 1959. Where you are out of time to lodge an objection the Commissioner General will treat your request as an amendment request. In **ALL** circumstances an objection or amendment request should state fully and in detail the grounds on which you rely.

Your objection **must** contain the following:

- your full details or, if you are not the taxpayer objecting to the decision, the full name and contact details, and tax identification number (TIN) of the taxpayer you represent
- full details of the decision you are objecting to, including the relevant year or tax period,
- include full details of why you think the decision is wrong,



- any supporting documents and information that relates to the decision being reviewed (we may still need to request more information to help us decide your objection)
- all the relevant facts, arguments, information and documents that support the reasons you disagree with the decision – this should include references to legislation, Tax Circulars and case law where this is helpful to your case.
- be signed and dated.

If you are unable to email your objection request then your request should be mailed the following address:

Objections
C/- Policy & Advice
PO Box 777
Port Moresby, NCD 121
Papua New Guinea

5) WITHHOLDING OBLIGATIONS AND REMITTANCES

Tax Agents are asked to remind their clients of their obligations to deduct the appropriate amounts of withholding taxes from salary or wages, GST, interest, dividend, foreign contractor, Business Payments tax and Management fees paid and to remit such payments by the specified due dates. Late payment penalties will be applied to these payments as a matter of course in 2015 and such penalties will only be remitted in line with our published remittance policy. This can be found on the IRC website and is titled *TC 2014/1 Imposition and remission of late lodgement Penalties and Late Payment*.

6) ALLOCATION OF ACTIVITIES AMONG PROVINCES

6.1 Goods & Services Tax

Companies conducting business in more than one province are reminded that they must provide a breakdown of their Sales in each of those provinces in which they operate.

The Intergovernmental Relations (Functions and Funding) Act 2009 requires the Commissioner General to distribute GST to each Province. In order to make an accurate allocation, the Commissioner General relies upon each business to provide an accurate monthly return of GST collected in each Province. Businesses failing to declare a multi provincial breakdown of Sales will be providing incomplete and inaccurate data for the IRC.

The back page of the GST return shows the method of calculation:

6.2) SALARY & WAGES TAX

Employers are reminded of their obligations under section 299G to furnish annual reconciliations of Statements of Earnings. The IRC now requires all large group employers to lodge their SoEs using an Excel template (available on our website) and that these be sent to the IRC as an attachment.



The new SoE Excel template and SoE taxpayer guide are available on our website: www.irc.gov.pg/tax_forms.html

The IRC also reminds agents and their clients that an entity in receipt of exempt income is still required to deduct and remit salary or wage tax from all employees as the exemption does not extend to persons receiving payments from such an entity (section 44). This applies to non-national employees who perform services in PNG and all Directors of PNG resident companies.

Group Employers who have employees based in the Autonomous Region of Bougainville are required to complete a separate remittance each month for Bougainville. The same form should be used as for any other group remittance, but Bougainville should be written bold lettering in red across the top of the remittance form.

Accordingly, where an employer has employees based in Bougainville and other provinces, two remittances of group employer forms will be required for each month. One will have details of employees working in Bougainville and the other will have details of all other employees in other parts of the country. At the end of the year, two separate reconciliation statements must also be completed to cater for the above.

6.3) INCOME TAX

Under the Organic Law on Peace Building in Bougainville, income tax attributable to Bougainville taxpayers needs to be separately identified and ultimately allocated to the Autonomous Bougainville Government. Accordingly, Bougainville taxpayers need to clearly identify themselves on their tax returns as being Bougainville taxpayers.

The cover page of the I, P & C Tax Returns and the Training Levy Return all include a specific question asking you to estimate the gross sales attributed to Bougainville. Taxpayers are reminded to accurately complete their tax returns so that IRC can fulfill its responsibilities.

Where a company has operations across multiple provinces including Bougainville, it will be a Bougainville taxpayer only where its principle place of business, or its main business activity, is in Bougainville. Accordingly, a taxpayer will need to determine this on an annual basis and it is conceivable that this determination may change from year to year depending upon where its main activity is undertaken.

7) LEGISLATIVE AMENDMENTS 2014

The 2015 Budget has made no amendments to either corporate or personal tax rates, however, tax agents should be aware of the following amendments;

7.1) Expansion of Director Penalty Regime to include GST amounts owed

A new Division 2 in Part XIV of the Goods and Services Tax Act 2003 (“the GST Act”) has



been enacted to address the non-payment of Goods and Services Tax amounts. The GST director penalty régime has similar effect to the existing Income Tax Director Penalty Regime and applies from 1 January 2015. The purpose of both régimes is to encourage company directors to ensure that their companies comply with their SWT & GST obligations.

Where a company fails to comply with an obligation to pay an amount by the relevant due date these provisions make directors personally liable for a penalty equal to the amount that remains unpaid.

A **Draft Taxation Circular** has been released for comment on this topic and a copy is available on the IRC website.

7.2) Prescribed Royalty Withholding Tax

Prescribed royalty payments will no longer be treated in the same manner as business income payments. The new division 6C will now impose and collect prescribed royalty withholding tax as a final tax on royalty payments made to customary landowners for certain activities carried out on their land. This is a final tax and is not refundable.

7.3) Stamp Duty – increased compliance for reporting rental income

The Stamp Duty Act has been amended so as to make it compulsory for landlords to provide their TIN number on lease documents prior to them being stamped. An unstamped lease document will have no standing in a Court of law.

7.4) Other Changes

- Section 69K has been repealed and replaced such that now sponsorships as well as gifts to the PNG 2015 Pacific Games Limited will be eligible for a 150% deduction to the extent that the amount is incurred in the 2015 year of income and exceeds K500,000.
- Other minor technical changes were made to Section 68AF to overcome unintended consequences and legislative consistency with the policy intent of the earlier introduction of the thin capitalization provisions.
- Under Section 315, convicted tax offenders who fail to comply with court orders compelling them to do the act that they have failed, refused or neglected to do, can now serve jail time of up to 12 months imprisonment for individuals and public officers of corporate entities.

8) MODERNISATION OF TAX ADMINISTRATION

8.1) Implementation of SIGTAS

Further to our communiqué with the tax agents in 2014, our implementation of SIGTAS continues.

Currently, we have migrated a significant number of taxpayers into all our withholding tax



types, and made significant headway with conversions and registrations of taxpayers into GST. While this work is ongoing, we are now working to convert taxpayers in order to enable them to pay their provisional and advanced payments tax installments, under the SIGTAS system. You and your clients can anticipate receiving the tax installment notice for the 1st Provisional Tax / Advance Payment tax installment in advance of the payment due date of April 30th. Late payment penalty will apply to late PT/APT installment payments as per the Income Tax Act, and similar to the other tax types configured in SIGTAS, late payment penalty calculation has been automated and will be administered by the system.

Variation requests are now to be made using a standard form, which will be available at the website for download. It is imperative that these variation requests are lodged only at the IRC-POM location, or by email to Sigtas@irc.gov.pg, as all processing of these documents requires system input. We are advising all taxpayers to either submit these electronically, or by hand delivery / mail / courier to IRC POM.

By mid-year 2015, taxpayers will then have all their tax accounts managed by one system and we will archive the RAS1 data for legacy compliance purposes. The advantage to taxpayers is that by having one system managing all tax obligations, the ability to use credits in one tax account to offset a debt/obligation in another will be significantly streamlined. Tax agents are likely already familiar with the CR1 form 'Tax Credit Transfer' which has been released for use by taxpayers who are lodging and paying taxes under SIGTAS already.

Furthermore, as part of our ongoing efforts to improve our service, the IRC has created a centralised email address Registrations@irc.gov.pg to which correspondence relating to the issue of Taxpayer Identification Numbers (TIN) can be forwarded. This includes

- Applications for a Taxpayer Identification Number (TIN) - forward a scanned image of the completed, signed TIN application form together with the required supporting documentation;
- Any amendment to an existing registration, such as change of address, contact details or change of Director or shareholder; and
- Any other TIN related enquiries

Other modernization initiatives include improved management of our electronic payments, supported by the IRC's use of the BPNG BSS system. Taxpayers paying electronically, who also correctly follow the lodgement/payment instructions, are now able to have their transaction receipted much more rapidly, as the BSS system gives the IRC a real time view of what transactions have been credited at BPNG, and facilitating our reconciliation process.

Later in 2015, once all this conversion work is well in hand, the attention of the SIGTAS project will turn to providing better functionality for our debt management and audit sections, assisting the IRC in case selection and case management.

Please watch for invitations to attend Tax Agent briefing sessions where we will be discussing new processes in support of assisting you and your clients through this continued period of transition.



8.2 Paying Your Tax By Electronic Transfer

You are asked to inform your clients that the IRC is now able to accept payments of tax electronically. This means taxpayers no longer have to come to our office to make payments but can instead make electronic payments to IRC through their bank.

The IRC's banking details are as follows:

Payee: **Internal Revenue Commission**

SWIFT Code: **BPNGPGPM**

Account Number: **43146577** (Note: there is no BSB number)

Address (if required) **To Revenue Haus, Section 25, Allotment 1, Port Moresby**

In order to ensure that the IRC can appropriately match the payment and credit your account, it is important that you can scan the completed tax form relevant to the payment and attach it to an email to be sent to payments@irc.gov.pg. The following information should be included in the body of the email:

- Taxpayer's Name and Tax File Number (TFN) or TIN number;
- Tax Type being paid (e.g. GST, Income Tax, S & W Tax and etc),
- Tax Period (the month or year the payment relates to); and
- Payment date and Amount.

8.3) Tax Agent Liaison Group

The IRC remains keen and committed to engage more frequently with the tax agent community, tax professionals and other interested stakeholders on administrative matters as well as technical issues.

The purpose of this liaison is to:

- Provide you with regular updates on matters affecting our administration of the tax system, in particular the progress of SIGTAS and the implications that its introduction will have on you as agent and taxpayers;
- Provide an opportunity to consult with you on the ongoing work of the Taxation Circulars Program;
- Provide an opportunity to discuss a range of technical issues which may arise from time to time including presentations on IRC perspective on new legislation; and
- Provide you with an opportunity to raise matters with us and exchange ideas on how we can better develop a functional tax system that meets the needs of all stakeholders.



The IRC is proposing to hold meetings in Port Moresby on Tuesday 21st April 2015 and Lae on Thursday the 23rd April 2015. Further details including venue and time will be conveyed closer to the date but interested agents are asked to keep these dates free should you wish to attend.

If you would like to be included on our mailing list of invitees for these sessions then please send an email to us at taxcircularsconsultation@irc.gov.pg and we will add you to our list.

**Ms Betty PALASO, OBE,
Commissioner General,
Internal Revenue Commission.**



APPENDIX 1 - IRC CONTACTS

<u>Names:</u>	<u>Area of Responsibility:</u>	<u>Telephone:</u>	<u>Email</u>
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