



PUBLIC NOTICE

Applications for Tax Clearance Certificates

The Central Banking Act 2000 together with the Income Tax Act 1959 as amended requires that a Tax Clearance Certificate (TCC) be obtained by a person or a company from the Commissioner-General to remit funds overseas for certain types of transactions over a certain limit to meet their business commitments or for their personal needs. In addition to the Bank of PNG's responsibilities relating to Foreign Exchange Control, it also is to ensure that the PNG tax affairs of the person seeking to remit the funds are up to date and that any taxes that may be due are duly paid.

TCC Transactions and Requirements

Note that not all remittances to be made overseas require a TCC. For the transactions that do require a TCC, the Tables below show what types of transactions require clearance and what the applicant needs to provide with the application form in order for the application to be processed.

Table 1

You will need a Tax Clearance Certificate for all transactions and amounts to be made to the following countries.
Bahamas, Bermuda, British Channel Islands, Gibraltar, British Virgin Islands, Grenada, Hong Kong, The Isle of Man, Liberia, Liechtenstein, Nauru, Netherlands Antilles, Norfolk Islands, Panama, Switzerland, Tonga and Vanuatu.

Table 2

You will need a Tax Clearance Certificate for payments made to any other countries not listed in Table 1 where the total payment/s will exceed K200,000 in a calendar year for the various transaction types mentioned herein.	
Transaction Type	Supporting Documents Required with Application

Capital Funds (Savings)	<ul style="list-style-type: none"> • Salary/Wages Earner Applicant: Copy of 3 latest pay slips and a Statement of Earnings for the previous year. • Copy of employment Contract if employed for less than 3 months. • Company Applicant: A Schedule listing its employees and their salary calculations for the last 12 months and a copy of lodged annual Salary & Wages Tax Reconciliation Form – IRC Form S6. <p>Others: Bank Statements</p>
Branch Profits	<ul style="list-style-type: none"> • Copy of last year’s lodged Income Tax Return and Board of Directors’ resolution.
Payment of Dividends	<ul style="list-style-type: none"> • Copy of Board of Directors’ meeting minutes resolution and a Solvency Certificate.
Payment of Royalties (as defined in the Income Tax Act), License fees, Management fees, or similar Consultancy or Professional service payments.	<ul style="list-style-type: none"> • Copy of duly signed contracts or agreements. • Copies of invoices from service providers and creditors with full detail of the specific service provided • For payments to related overseas entities provide a copy of their company/business extract (similar to that provided by IPA) <p>Where the owner of the related entity is another entity, provide the extract to the level of ultimate owner.</p>
Prescribed Contract payments or the transfer of funds for services provision which are not trade related involving the physical movement of goods.	<ul style="list-style-type: none"> • Copies of invoices from service providers and creditors. • Copies of CSTB approved contracts for suppliers to State entities.
Payment to a Trust Fund.	<ul style="list-style-type: none"> • Copy of the Deed of Trust, with full details of the settlor and names of the beneficiaries
Transfer of proceeds received from the sale Of shares and other securities, land or other property in the country.	Copy of stamped contract of sale or Purchase of land, property or stock and shares.
Transfer of stock or shares from the PNG register to an overseas register.	<ul style="list-style-type: none"> • Letter from Port Moresby Stock Exchange to confirm transfer to overseas

	<p>exchange</p> <ul style="list-style-type: none"> • Copy of Board of Directors resolutions.
Transfer of funds under a Court Order	<ul style="list-style-type: none"> • Copy of Court Order
Payment of Loan including interest payments on borrowings.	<ul style="list-style-type: none"> • Copy of Loan Agreement, Interest repayment schedule and Bank Statement evidencing flow of funds into the country
Prospective Payments on Routine Service Contracts in a Calendar Year	<ul style="list-style-type: none"> • Separate TC Applications with Copies of past invoices with Schedule of details of Amounts, Recipient, Country, Currency etc.
Use of Debit or Credit Cards Overseas	<ul style="list-style-type: none"> • Bank Statements and a Schedule showing payments into the account. • List of all bank accounts linked to the Debit/Credit Card • For individuals, provide confirmation of employment with gross annual salary information.

The list of supporting documents shown above is not an exhaustive list and we may require you to provide additional information. Incomplete applications will be sent back to the applicant.

Compliance Requirements

As a taxpayer, important matters to note here are:

- ✓ You must be registered and have a TIN for tax purposes.
- ✓ Your lodgements for the relevant tax (Income tax, GST, SWT, Training Levy, BPT etc.) must be up to date.
- ✓ There should be no debt or outstanding taxes.
- ✓ TC application be submitted at least 3 weeks prior to date of payment

Further, a fresh application needs to be made where a TCC expires without the remittance of the full amount sought to be remitted and that a restricted blanket TCC may be considered in certain cases for a period of up to 6 months only.

The Application Process

To obtain a TCC, a formal application using the relevant application form will need to be made to the Commissioner-General through the Manager – Tax Clearance or by email at

taxclearance@irc.gov.pg. This application form where all required details such as the transaction type, amounts sought to be remitted and source of funds etc, would need to be filled in by the applicant can be obtained from the IRC at 1st Floor Revenue Haus or through the IRC website at www.irc.gov.pg .

Important Note: The Commissioner General has the authority to refuse the issuing of any Tax Clearance Certificate if the transaction is believed to result in tax avoidance or evasion or is a scheme for money laundering or to fund illegal activities overseas.

Authorised by

**BETTY PALASO, OBE
COMMISSIONER GENERAL**