

FORM R1



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Royalty Tax

PAPUA NEW GUINEA INTERNAL REVENUE COMMISSION

PNGIRC - Your Partner in Nation Building

Taxpayer Identification Number (TIN):

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Effective date: 1 Sep 2014

INCOME TAX ACT 1959 AS AMENDED

ROYALTY TAX REMITTANCE ADVICE FORM - PAYMENTS TO NON-RESIDENTS

NAME AND ADDRESS OF TAXPAYER (WITHHOLDER)

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/-):				

TAX PERIOD

TAX PERIOD (MONTH):	YEAR:

DETAILS OF ROYALTIES PAID TO NON-RESIDENTS

TOTAL ROYALTIES PAID	ROYALTY TAX DEDUCTED	TOTAL REMITTED
³⁰ K	⁴⁰ K	K

NOTE: DO NOT INCLUDE AMOUNTS THAT ARE NOT SUBJECT TO WITHHOLDING TAX DEDUCTIONS

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.

SIGNED: DATE:

NOTICE

A remittance accompanied by this form and signed by or on behalf of the person, partnership, company or Public Authority making the deductions should be forwarded to: Commissioner General, Internal Revenue Commission, P.O. Box 777, Port Moresby.

For additional information please refer to page 2 of this form.

INFORMATION FOR PERSONS MAKING ROYALTY TAX DEDUCTIONS FOR NON-RESIDENTS

These notes are a summary of provisions in the Income Act 1959 relating to the payment of tax on royalties paid to non-residents of Papua New Guinea. For further information please contact the Internal Revenue Commission.

A person liable to pay a "royalty" to a non-resident must deduct Royalty Tax at the rate specified from any royalty paid or credited and must pay the Royalty Tax to the "Commissioner General Internal Revenue Commission" within 21 days after the end of the month in which the royalty was paid, became liable to be paid or was credited.

"Royalty" includes any amount paid or credited as consideration for:

- the use of or right to use any copyright, patent, design or model, plan, secret formula or process, trademark or other like property or right;
- the supply of scientific, technical, industrial or commercial knowledge or information;
- the supply of any assistance that is ancillary and subsidiary to property or rights referred to above and furnished to enable their application;
- the use of or rights to use motion picture films, films or video tapes for use in connection with radio broadcasting;
- a total or partial forbearance in respect of the use of a property or rights referred to above;

but payments relating to the disposal of certain mining or petroleum rights or information are not "royalties".

The amount of Royalty Tax to be paid to Commissioner General Internal Revenue Commission is:

- a) 30% of the royalty, where the recipient is an associated person,
- b) 10% of the royalty, where the recipient is not an associated person, or
- c) an amount determined by the Commissioner General Internal Revenue Commission where the royalty is derived from mining or petroleum operations.

For income tax purposes, the payer and the recipient of a royalty are associated:

- a) if they are natural persons who are related to each other, e.g. parents, grandparents, brother, sister, uncle, aunty, nephew, niece, lineal descendant or adopted child of that person or of his or her spouse; or the spouse of a person previously mentioned,
- b) if one party or a person or persons who own or control that party, is able to exercise control over the other party or has an interest in that other party (e.g. where at least one of the parties is a partnership or company), or
- c) if one party is a trust estate and the other party is the trustee, settlor, or beneficiary of that trust.

Substantial penalties and fines may be imposed for failing to comply with the requirements of the Income Tax Act.

A COPY OF THE ROYALTY AGREEMENT MUST BE LODGED WITH THE INTERNAL REVENUE COMMISSION

IF NO TAX DEDUCTION HAS BEEN MADE FOR THE TAX PERIOD IN QUESTION, THIS FORM SHOULD BE ENDORSED "NIL"
AND FORWARDED TO THE PAPUA NEW GUINEA INTERNAL REVENUE COMMISSION

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. MOST TAX FORMS AND GUIDES ARE AVAILABLE FOR DOWNLOAD FROM THE IRC WEB SITE www.irc.gov.pg