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IRC in the news

As part of its ongoing compliance and taxpayer engagement initiatives, the IRC released several updates and public notices to clarify taxpayer obligations, including:

- The IRC continues to remind taxpayers that complete and accurate payments details are required to ensure tax payments are correctly verified and allocated. When making payments, taxpayers must clearly include their TINs, the tax type, and the relevant tax period in the payment reference. Payments missing any of these details cannot be matched to a taxpayer account and may be recorded as ‘unidentified payments’ until clarified which can cause delays in account updates. Taxpayers are advised to contact the IRC if payments are not reflected in their accounts.

- The recent substantial Mining and Petroleum Tax (MPT) payments reported in the media form part of the IRC’s first quarter 2026 revenue collections. These collections reflect revised revenue projections aligned with higher global oil and gold prices, following movements in international markets, and demonstrate a more vigilant and disciplined revenue administration approach. The IRC indicated it remains on track to meet or exceed its first quarter revenue targets while acknowledging taxpayers who have continued to meet their obligations on time.

- The IRC continues to fucus on Section 65A collections from sub national bodies such as District Development Authorities (DDA). Recent reporting focused on Nakanai DDA, although the pattern of compliance enforcement by regional IRC offices is a continuing story. This also demonstrates the ongoing focus on Section 65A as a collection mechanism. Those suppliers that have had their GST withheld need to continue to monitor the IRC mechanisms by which these amounts are reflected in the suppliers' records.

Transitional period for Income Tax Act 2025 extended

As part of the IRC’s commitment to a smooth transition to the new legislation, the transitional period for implementing the Income Tax Act 2025 and the Tax Administration Act 2017 has been extended to 30 June 2026, following the expiry of the initial transitional period on 31 March 2026. The extension allows time for the passage of amendment bills during the May 2026 Parliamentary sitting and the issuance of supporting regulations. It is important for taxpayers to keep in mind that the Income Tax Act 2025 is the effective tax legislation, and there remains an expectation of compliance with the provisions. It is strongly recommended that taxpayers continue to consider the application and implications of the new act on your business.

Additional IRC guidance on withholding tax requirements

The IRC has issued Guidance Note (GN) 2026/2 clarifying the filing, payment, and reporting obligations of withholding agents under the Income Tax Act 2025. The guidance confirms applicable rates, due dates, compliance requirements, and penalties for non-compliance. While taxpayers will appreciate the continued issue of public guidance, the details of the note may generate some further questions, as well as leave others unanswered.

Continued quarterly estimate and instalment obligations for the extractive sector

Resource companies (mining, petroleum and designated gas) remain required to lodge quarterly income estimates and pay corresponding provisional tax instalments under the Income Tax Act 2025, notwithstanding the legislative transition from the repealed Income Tax Act 1959. The IRC clarified in a recent public notice that the existing advance income estimation and instalment framework continue to apply, with taxpayers expected to prepare reasonable and supportable quarterly estimates, update them for material changes, meet prescribed lodgement and payment timelines, and maintain robust supporting documentation. Resource companies are encouraged to review their estimation methodologies, ensure ongoing compliance with quarterly instalment obligations, and engage early with the IRC or their tax advisers where clarification or support is required.

AML / CTF developments: Key updates and compliance actions for PNG businesses

Recent engagements and public awareness sessions led by the Bank of PNG's Financial Analysis and Supervision Unit (FASU) highlight an increased national focus on AML/CTF compliance, beneficial ownership transparency, and risk-based supervision, particularly following PNG's placement under FATF increased monitoring (i.e. reinstatement on the grey list effective from 13 February 2026). The updates emphasise key vulnerabilities identified across financial institutions and designated non-financial businesses and professions (DNFBPs), including weaknesses in beneficial ownership verification, suspicious matter reporting, and sector-specific risk awareness, alongside the ongoing rollout of national risk assessments and action plans.

Financial institutions, DNFBPs, professional service providers, and businesses operating in higher risk sectors are encouraged to review and strengthen their AML/CTF frameworks, including risk assessments, beneficial ownership verification processes, internal controls, and staff training. Organisations should also ensure readiness for enhanced supervisory engagement and seek professional advice where clarification or remediation support is required, particularly in relation to beneficial ownership, reporting obligations, and sector-specific risk management.

World Bank Public Finance Report

The World Bank recently released a Public Finance Review report. The report notes that while there has been progress for PNG through tax reform and some efficiency gains: without further significant action, the government developmental objectives (of creating jobs and improving health and education outcomes) will unlikely be met. The report notes that increased collections from the resource sector over the past decade remain under scale for the size of the industry as a proportion of GDP. However rather than simply advocating increased tax rates, the report points to elements such as "poor transparency, complex mining contracts, weak institutional coordination, and weak dividend collection" (from state entities) as reducing the sector's effectiveness. The other target of the report is inefficient public spending. The report notes significant allocations are made but these amounts are delivering less benefits than they should. DSIP and PSIP spending is specifically highlighted and the report states that public finance progress can come through more predictable, transparent, and accountable spending.

For more information on these or other topics, reach out to your PwC contact.

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