



PNG Pulse

Keeping you informed

www.pwc.com/pg

June 2026

IRC in the news

The IRC continues to maintain a strong focus on taxpayer engagement and compliance monitoring, with emphasis on strengthening revenue collection and overall tax administration processes. This has been supported by the release of updates and public notices, including:

- The IRC has issued a compliance warning targeting businesses identified as potential Corporate Income Tax (CIT) and Personal Income Tax (PIT) non-filers, urging immediate review and lodgment of outstanding returns. Ongoing enforcement activities include the issuance of default assessments for non-compliance, with taxpayers encouraged to engage proactively and provide proof of lodgment to avoid penalties. The IRC continues to emphasise the need for timely compliance and ongoing engagement to regularise tax affairs of taxpayers.
- The IRC convened a high-level consultation with the commercial bank CEOs and industry representatives to discuss the Common Reporting Standard (CRS) – Automatic Exchange of Information (AEOI) Bill. Bringing this bill into law is part of PNG's long-standing commitment to move towards participation and compliance with the broader OECD BEPS process. Addressing the BEPS agenda would also lead to PNG drafting legislation available for other elements such as Pillar 2 and domestic minimum top up taxes, as well as digital economy taxation. The actual draft bill and the meeting focus was on practical implementation, reporting processes and the rights and roles of the IRC and financial institutions.
- Strengthening regional offices continues to be on the IRC's agenda with training being recently conducted. The programs covered areas such as tax audit, debt management, and the use of the IRC's compliance tools to enhance compliance. The training complements commitments at boosting staff and capacity across regions.

Income Tax Act 2025 – rulings and guidance

Formal guidance for taxpayers on the application of the Income Tax Act 2025 remains limited even as the extended transitional compliance period announced by the IRC concludes on 30 June 2026. Taxpayers should closely monitor further rulings, forms and administrative guidance. Engagement with tax advisers is recommended to manage emerging compliance risks and ensure readiness for implementation.

GST Section 65A regime further extended to the private sector

The IRC has further expanded the list of authorised GST Section 65A withholders, extending the withholding regime to an additional private sector entity as part of ongoing efforts to strengthen tax compliance and improve revenue collection. New Porgera Limited has been added to the list, joining the existing private sector withholders Patrick's Transport Limited, BSP Financial Group Limited and Ok Tedi Mining Limited which are all required to withhold and remit GST in line with the Section 65A requirements. The IRC has reminded all withholders of their obligations, emphasising timely remittance and lodgement compliance. Enforcement action, including penalties, may apply in case of non-compliance. For taxpayers engaging with these entities, care should be taken to understand and monitor the recognition and use of the GST amounts remitted directly to the IRC on their behalf. Challenges remain on the timing and implementation of the system for obtaining use of the remitted amounts.

IRC notice on extension of GST zero rating on essential goods

Following the 2026 PNG Budget outcomes last November 2025, the IRC has released a public notice announcing the extension of the GST zero rating on 13 essential household items from 1 June to 31 December 2026. The extension of the period continues as a government relief measure to help maintain affordability for consumers.

Throughout the extended period, it is recommended that impacted businesses continue to consider ongoing tax compliance and review GST tax credit and refund positions.

ITA25 Transitional period coming to an end

As the transitional period established by the IRC after the introduction of the new income tax act is set to conclude on 30 June 2026, taxpayers in Papua New Guinea should take this chance to review their tax positions. Although final supporting regulations and IRC guidance continue to develop, this milestone presents an opportune moment to ensure compliance and avoid potential disruption. The areas that should be considered include:

- **Salary Packaging Arrangements** - the anticipated approval process for salary packaging policies remains subject to regulatory finalization, but the tax rules around benefits have changed. Taxpayers should have adjusted their processes to cope with these changes.
- **Fixed Asset Depreciation** - the revised depreciation rules under ITA25 necessitate updates to tax fixed asset registers. This review should extend to asset classifications, effective lives, and reconciliation with accounting records, with opening balances correctly reflected as at 1 January 2026.
- **Non-Resident Withholding Tax** – with a potentially expanded the scope of payments subject to withholding tax, businesses should review their cross-border payments against new definitions to ensure timely compliance.
- **Branch Taxation and Permanent Establishments** – with the repeal of the Foreign Contractor Withholding Tax regime and uncertainty over any transitional provisions, branches operating through PNG permanent establishments should be seeking to understand how they should prepare for compliance under the new act.
- **Provisional Tax** - taxpayers should assess whether current provisional tax assessments remain appropriate and consider lodging variations at upcoming instalments.

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

Peter Burnie

Partner

peter.burnie@pwc.com

© 2026 PricewaterhouseCoopers. All rights reserved.

PwC refers to the Papua New Guinea member firm and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.