



PNG Pulse

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IRC in the news

The IRC continues its engagement with external stakeholders and in providing an insight into their day-to-day actions in the community.

- The past month sees the continuing acknowledgement of Section 65A compliance by different district authorities. The efforts at expanding the level of GST compliance within government departments is part of the ongoing efforts on capturing all relevant GST revenue.
- Community awareness has also been a feature with briefings provided by IRC senior officers including the Commissioner General in Lae and with the PNGHRI. While this is in the background of the upcoming introduction of the new income tax act, there remains a gap in formal briefings or releases on technical and transitional items. As taxpayers remain very interested in receiving more practical guidance, it is hoped that the public forums being created by IRC engagement will be ideal venues for rolling out this guidance.
- Demonstrating an interest in understanding how to better engage with taxpayers, the IRC has also launched an online survey on IRC's communication channels. However, the survey link appears to be only available through IRC's social media channels.

Amendments to Infrastructure Tax Credits

Infrastructure tax credits (ITC) remain an important but complex part of the tax environment. The provisions allow certain taxpayers to undertake approved projects and utilise the costs incurred in delivering the project to offset their corporate tax liability. The scope of potential taxpayers able to access ITC provisions is set to shrink with the introduction of the Income Tax Act 2025 – it will now only be available to resource companies and primary producers, although the underlying administration was expected to continue in much the same way.

However, some additional ITC reforms are introduced into the dying weeks of the old Income Tax Act 1959 (and will be carried forward into the new Income Tax Act 2025 (ITA25)). The primary reforms put more structure around the monitoring of projects, with the introduction of a formal Prescribed Infrastructure Board, as well as the acknowledgement that projects can be completed in phases. In another move, the scope for ITC credits is expanded for some taxpayers with the spending cap increasing from 2% to 3% of assessable income (where 0.5% must be allocated to projects in Bougainville). ITCs will remain a complex area and impacted taxpayers should seek advice to understand the implications of the new changes.

GST zero rating on essential goods extended

The PNG National Budget 2026 has extended the GST zero rating on 13 basic household items for an additional six months, now effective from 1 June 2025 to 31 December 2026. The extension of the period continues as a government relief measure to address the effects of inflation and support cost-of-living pressures. While this is welcomed by consumers, it is recommended that impacted businesses continue to consider ongoing tax compliance and review GST tax credit and refund positions.

Oversight board for IRC

The IRC has prided itself on operating as a separate statutory authority and has publicised that it acts to meet its objectives of building a fair and efficient tax administration. However, PNG National Budget 2026 has introduced significant amendments to the Internal Revenue Commission Act 2014 to establish a new IRC Oversight Board, effective 1 January 2026 to create an additional level in the internal governance of the authority. The membership of the Board will include representatives from Treasury, Finance, Bank of PNG, the IRC, a member that will represent the business sector, a non-resident expert on tax administration and a Chairperson. The make-up of the oversight board seems to reflect the desire for a broader range of stakeholders to be part of operations and direction of the IRC which marks a major change in the governance of the IRC.

ICCC role updated

In the depths of the Covid-19 pandemic period, a special measure on price controls was issued providing the basis for the ICCC to undertake price monitoring to prevent price gouging. Although most pandemic related measures had been consigned to history, the price control role of the ICCC was retained through this measure. However, through a recent change to the Price Regulation Act, the function of addressing potential price gouging can now be applied during a declared emergency. The ICCC has now reverted to its usual competition related function as it relates to monitoring pricing, in addition to powers concerning a certain basic goods and services such as PMV and taxi services, fuel and water services. Nevertheless, the ICCC retains a wide remit and has extensive review and control powers.

Effective date for Income Tax Act 2025 approaches

January 2026 will see implementation of ITA25. The significant “first day” issues that will impact most taxpayers are those associated with changes in the taxation of employee benefits, and in particular motor vehicles and private health cover. For private health cover, this becomes an exempt benefit. For motor vehicles, there are changes in the value of the benefit that will be linked to the acquisition cost of the relevant vehicle. Impacted employers will need to have made adjustments to payroll systems, and potentially employment agreements or other policies to get ready. If you have not considered the impact, then time is running out.

Digital initiatives for PNG government

Papua New Guinea is fast-tracking its digital transformation through landmark initiatives aimed at building a secure, inclusive, and innovative digital nation.

The Digital Transformation Summit 2025 (DTS25), held in late November in Port Moresby, was the largest digital policy and innovation gathering ever hosted in PNG. It attracted participants from government, industry, academia, development partners, and youth innovators.

A key outcome of the summit was the launch of the SevisPNG Digital Public Infrastructure Ecosystem, which includes:

- SevisPass: PNG’s Digital ID system
- SevisDEx: The National Secure Data Exchange Platform
- SevisWallet: PNG’s new Digital Wallet for identity credentials and future payment

Supported by government policy and legal frameworks, these platforms mark the beginning of a new era of secure digital identification, streamlined public service access, and enhanced economic participation. Strategic partnerships were formed to advance digital governance and financial inclusion, including collaboration with regional authorities and integration of e-KYC capabilities with financial institutions.

Youth engagement was a prominent feature of DTS25, highlighted through esports tournaments, coding workshops, hackathons, and inspirational talks, showcasing young innovators as key contributors to PNG’s digital future.

Critical discussions during the event covered national cyber resilience, infrastructure connectivity, cloud and datacenter frameworks, the rollout of Microsoft 365 across government, and digital government standards.

Looking ahead, PNG plans to institutionalise DTS as an annual event to monitor progress and maintain momentum.

Businesses and stakeholders should prepare for the rollout of SevisPass integration, evolving data governance requirements, and expanded digital services. Active engagement with these government initiatives will be vital as PNG pursues its vision of a secure and inclusive digital nation.

If you would like to know more about any of these developments or have any other questions, please get in touch with your usual PwC contact.

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