



# PNG Pulse

Keeping you informed

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**March 2026**

## IRC in the news

In recent months, the IRC has maintained strong momentum in its compliance and engagement agenda with a particular focus on ensuring taxpayers are informed of their obligations including:

- IRC Acting Commissioner General Sam Loi continues to highlight the IRC's Digital Transformation Strategy 2026–2028 which is aligned with OECD Tax Administration 3.0. This reform aims to strengthen compliance, system integration and integrity, digitalisation of taxpayer interactions, and a digitally trained workforce.
- The IRC has announced an upcoming Additional Profits Tax (APT) audit focused on the mining sector following government concerns over structural revenue leakages and low tax contributions despite strong export performance. Mining taxpayers are encouraged to ensure full compliance, as the IRC intensifies scrutiny of aggressive tax planning practices and long-standing non-compliance.
- The IRC continues to strengthen its tax crime enforcement capability through a strategic collaboration with the Australian Taxation Office (ATO) supporting the establishment of the IRC's Tax Crime Division, a specialised criminal tax investigation training aligned with OECD and UNDP initiatives with a broader focus on enhanced integrity and enforcement in response to increasingly complex and cross border tax risks.
- A strong reminder has been placed on Provincial Governments, District Development Authorities and related public bodies of their obligations under the relevant GST Section 65A provisions. The IRC has signaled increased enforcement action for ongoing noncompliance, including penalties, recovery of arrears, and potential escalation for repeat offenders.

## Income Tax Act 2025 – rulings and guidance

Formal guidance on the application of the Income Tax Act 2025 remains limited and as the transitional compliance period concludes on 31 March 2026, taxpayers should closely monitor further rulings, forms and administrative guidance and proactively engage with advisers to manage emerging compliance risks.

## Provisional tax reminder

The Income Tax Act 1959 continues to apply to companies with a Substituted Accounting Period (SAP) that commences before 1 January 2026, meaning that the old provisional tax rules – under which the three instalments are due 120 days, 210 days and 300 days after the end of the preceding accounting period – remain in force for that tax year. The upcoming due dates for the more common SAP tax years are therefore as follows:

- Year ended 30 September 2026: 2<sup>nd</sup> instalment is due 28 April 2026 (210 days after prior year-end)
- Year ended 30 June 2026: 3<sup>rd</sup> instalment is due 26 April 2026 (300 days after prior year-end)

For individuals and companies with a standard 31 December tax year, the year commencing 1 January 2026 falls under the Income Tax Act 2025 and this brings the following changes:

- Instalments are based on three instalment periods (the quarters ended on the third, sixth, and ninth months of the tax year) with payment due by the last day of the month following the end of the period (i.e. on 30 April, 31 July and 31 October 2026).

- The amount of provisional tax is based on an uplift of 108% of the tax liability for the most recently assessed tax year (essentially on the same basis as previously, with allowance for foreign tax credits).
- For a taxpayer with a net loss in the most recently furnished income tax return, or who commenced to be a taxpayer in the current year, each instalment is calculated as 2% of the total assessable income (prior to allowable deductions) for the instalment period.
- An election to estimate a lower provisional amount (compared to either the uplift or 2% basis) must be lodged by the first instalment due date (i.e. 30 April 2026)
- Where a taxpayer makes such an election, a 20% underestimation penalty will apply where the actual income for the year exceeds the estimated income by more than 20% (in other words where the estimate is less than 83.33% of the actual - the prior thresholds were 75% for companies and 80% for individuals).
- The above provisions do not apply when the taxable income of the individual is below the tax-free threshold for income tax purposes.

Accordingly, in respect of the tax year ended 31 December 2026 for individuals and companies, the first provisional tax instalment is due for payment by 30 April 2026 and any election to estimate a lower provisional tax amount must be lodged by the same date.

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

**For more information, contact:**

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