



# PNG Pulse

Keeping you informed

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## IRC in the news

The IRC continues to be active in communicating with the wider public, with some notable recent media releases.

### Tax collection highlighted

- IRC announcements in the past weeks have been recognising the commitment to tax compliance obligations by various taxpayers – notably, acknowledging the settlement of Salary and Wages Tax liabilities by the Central Provincial Government, and Lihir Mining’s K330m payment of its third provisional tax instalment. These reports and press opportunities see the IRC continuing to use the broader media as ongoing awareness campaign with respect to compliant taxpayer behaviours. The public recognition of Lihir Mining’s payment also illustrates the continued focus of the IRC on the extractives sector and the importance this sector has for the overall collection of tax revenue.

### Ongoing training

- Investment by the IRC in its people remains a focus, with ongoing training initiatives such as a “Leadership and Influence Program” for IRC divisional leads recently announced and held. With the effective date of the Income Tax Act 2025 rapidly approaching, a point of interest on the training front is how the IRC will approach familiarising its staff for the various changes from 1 January 2026.

## Income Tax Act 2025 – certification and developments

The Income Tax Act 2025 (NITA) was formally certified as legislation on 20 October 2025. This is a welcome development, providing certainty for taxpayers on the final form of the NITA legislation. The certified NITA does not mark the end of the journey, with Treasury and the IRC continuing to engage in consultation on the interpretation of provisions and supporting guidance yet to be issued.

The Regulations supporting the NITA, and the Tax Administration Act, also remain in draft form. Recent indications suggest that revised Regulations may be released around the time of Budget 2026, but this is yet to be formally confirmed. As the Regulations address a number of key topics for taxpayers, such as the Salary Packaging Policy approvals process expected to be introduced by the IRC from 1 January 2026, this remains a significant part of the tax landscape from 2026 to be monitored. We recommend that businesses continue to consider their tax affairs in the context of the NITA to be prepared for its introduction.

## PNG National Budget 2026

The PNG National Budget 2026 is expected to be delivered on 20 November 2025. With significant activity during the year to date with the ITA25 and related matters, further tax developments are not expected to be substantial. Rather, in a turbulent global economic environment, the budget will be key to answering how the Government will look to address wider fiscal concerns and ambitions. High profile statements from political leaders highlight the ongoing challenges with expectations that the relative shortfall in collections highlighted at the time of the MYEFO have continued to persist. This puts pressure on service delivery levels. Although no formal budget strategy paper has been publicly released, the government’s commitment to continuing the 13 year debt reduction strategy, combined with a slowing rate of increase in tax collection will mean that budget choices will be limited.

## AI Security and Governance: What organisations need to know

As artificial intelligence continues to evolve rapidly, businesses are increasingly integrating AI agents (autonomous systems capable of independent reasoning and action) into their operations. Unlike traditional AI tools that require human prompts for every task, these intelligent agents act as digital collaborators, detecting risks, orchestrating responses, and adapting to dynamic environments without constant oversight.

While these AI agents offer exciting benefits, they also bring new challenges, especially in terms of security and governance.

This shift brings unprecedented opportunities for enhanced security operations but also introduces complex challenges. AI agents, with their deep system access and decision-making capabilities, represent a novel form of insider threat if compromised or misaligned. Unlike human insiders, compromised AI agents do not provide obvious warning signs, making traditional cybersecurity defenses insufficient.

Here's what organisations need to keep in mind:

- **Understand the Risks:** AI agents have deep access to systems and data. If misused or hacked, they pose a unique insider threat that traditional security measures might not catch.
- **Set Clear Boundaries:** Define what AI agents are allowed to do. Limits such as restricting high-risk actions and ensuring human approval for critical decisions help keep AI behaviour in check.
- **Continuous Monitoring:** Use tools to constantly observe AI agent activities. Early detection of unusual behaviour is key to preventing security incidents.
- **Adopt Responsible AI Practices:** Build trust with transparent identity management, ethical training, and strong alignment to organisational values.
- **Staff Training:** Equip your staff with the knowledge to work alongside AI agents effectively. This means understanding AI's capabilities, limitations, and how to supervise automated processes.
- **Balance Automation with Oversight:** While AI can accelerate workflows, maintaining human oversight ensures accountability and helps manage risk.

As AI agents become integral to cybersecurity and broader business operations, the balance between autonomy and control is vital. Proactively addressing AI security and governance enables organisations not only to harness the power of intelligent automation but also to safeguard trust and resilience in an increasingly complex digital world.

If your organisation is considering or already using AI agents, now is the time to review your security and governance strategies to meet these new challenges head-on.

For advice on developing AI governance frameworks or assessing your readiness, please get in touch.

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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