



TAX ALERT 11/2017

2017 TAX AMENSTY /TAX CLEARANCE

2017 TAX AMNESTY SCHEME

IRC has issued a [public notice](#) as part of the 100 day 25 point plan of O'Nei/Abel government,

Salient Features?

- Applies to Annual Income tax and monthly withholding taxes like SWT, GST, etc.
- Effective from 1 November to 31 December, 2017
- Amnesty is given to penalties arising out of late payment and late

Who is covered?

All persons who are liable to file returns and pay taxes but have failed to do so including – Individuals, Partnerships, Trust (Private and Public), Joint Ventures -incorporated &

unincorporated, Charitable Institutions,
Companies, Landowner Companies,
Superannuation Funds, Government
Departments, etc.

What tax types are covered?

- Income Tax
- Salary or Wages Withholding Tax
- Business Income Payment Tax
- Royalty Withholding Tax
- Foreign Contractor Withholding Tax
- Dividend Withholding Tax
- Interest Withholding Tax
- Non Resident Insurer Tax
- Management Fee Withholding Tax
- Other Withholding Taxes

What is duration of the Scheme?

1 November to 31 December, 2017

What does the amnesty cover?

Late lodgement and late payment penalties,
due on outstanding tax returns/payments,

What tax periods are covered?

All tax periods lodged within the amnesty period are allowed provided the taxpayer remits all the taxes due and has no tax outstanding on 31 December 2017

What is not covered?

- Existing payment arrangements except where the taxpayer opts in for amnesty and pays entire base tax.
- Existing penalties in relation to tax returns already lodged or taxes already paid are not expected to be covered.

How can Shishya help?

Shishya can review your tax records and confirm which tax types are eligible for amnesty, assist in liaising with IRC and obtain approvals.

Call Hari or Mary at +675 -3202676 /+675- 3202677 /+61-478 094 529 or Email us at admin@shishya.net



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NEW TAX CLEARANCE PROCESS

IRC has issued a [public circular](#) listing the new Tax Clearance application process

Salient Features?

- Clarifies which overseas remittances require tax clearance.
- Clarifies the documentation requirement in relation to each type of overseas remittance
- Clarifies other compliance requirement around tax
- Clarifies other processes like how to

What overseas remittance/ transactions require tax clearance?

- All remittances to following countries - Bahamas, Bermuda, British Channel Islands, Gibraltar, British Virgin Islands,

Grenada, Hong Kong, The Isle of Man, Liberia, Liechtenstein, Nauru, Netherlands Antilles, Norfolk Islands, Panama, Switzerland, Tonga and Vanuatu

- Overseas remittances exceeding K200,000 in a year, to counties other than specified above towards-
 - Capital Funds (Savings) /Branch Profits / Dividends /Royalties and other service payments /Non trade Prescribed Contract payments /Sale proceeds /Transfer of listed securities to overseas register /Transfer of funds under Court Order / Loan repayments /Prospective payments on Routine Service Contracts /Credit or Debit card overseas use

What documents need to be provided?

Refer to Appendix A for supporting documents to be lodged along with the standard tax clearance application (FORM TCC). This list is not exhaustive and IRC may require further details.

Are there any other requirements?

Applicant should satisfy following criteria before applying-

- Should be tax registered i.e. have a TIN
- All tax lodgements must be up to date
- Should have no outstanding taxes
- FORM TCC must be lodged at least 3 weeks prior to the estimated date of payment/ expiry of earlier certificate

How long the certificate will be issue for?

Generally 1 year however in case of restricted blanket TCC only 6 months

How can Shishya help?

Shishya can review your records and confirm which transactions need tax clearance, prepare and lodge TCC application, assist with supporting documentation and related advisory.

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APPENDIX A- SUPPORTING DOCUMENTATION FOR TAX CLEARANCE APPLICATION

OVERSEAS REMITTANCE TOWARDS	INDIVIDUALS-SALARY WAGES EARNER ONLY	COMPANY APPLICANT	ALL OTHER APPLICANTS
Capital Funds (Savings)	<ul style="list-style-type: none"> Last 3 months payslips Last year's Statement of Earnings Employment contract (if employed < 3 months) 	<ul style="list-style-type: none"> Last year's Group Employer Reconciliation Statement (S6) Pay Schedule for last 12 months detailing individual employee 	<ul style="list-style-type: none"> Bank Statements
Branch Profits	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Lodged copy of prior year income tax return 	<ul style="list-style-type: none"> Lodged copy of prior year income tax return
Dividends	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Copy of Board of Directors meeting minutes Solvency Certificate 	<ul style="list-style-type: none"> Not applicable
Royalties and other payments like management fees, licence fees, consulting fees	<ul style="list-style-type: none"> Copies of signed contracts Copies of invoices 	<ul style="list-style-type: none"> Copies of signed contracts Copies of invoices Copy of company/business extract (similar to that provided by IPA) for all related entities including ultimate shareholder 	<ul style="list-style-type: none"> Copies of signed contracts Copies of invoices Copy of company/business extract (similar to that provided by IPA) for all related entities including ultimate shareholder
Non trade Prescribed Contract payments	<ul style="list-style-type: none"> Not applicable 	<ul style="list-style-type: none"> Copies of invoices Copies of CSTB approved contracts for suppliers to State entities. 	<ul style="list-style-type: none"> Copies of invoices Copies of CSTB approved contracts for suppliers to State entities.
Sale proceeds	<ul style="list-style-type: none"> Copy of stamped contract of sale 	<ul style="list-style-type: none"> Copy of stamped contract of sale 	<ul style="list-style-type: none"> Copy of stamped contract of sale



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Transfer of listed securities to overseas register	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Letter from Port Moresby Stock Exchange to confirm transfer to overseas exchange • Copy of Board of Directors resolutions. 	<ul style="list-style-type: none"> • Letter from Port Moresby Stock Exchange to confirm transfer to overseas exchange • Copy of Board of Directors resolutions.
Transfer of funds under Court Order	<ul style="list-style-type: none"> • Copy of Court Order 	<ul style="list-style-type: none"> • Copy of Court Order 	<ul style="list-style-type: none"> • Copy of Court Order
Loan repayments	<ul style="list-style-type: none"> • Copy of Loan Agreement, • Interest repayment schedule • Bank Statement evidencing flow of funds into the country 	<ul style="list-style-type: none"> • Copy of Loan Agreement, • Interest repayment schedule • Bank Statement evidencing flow of funds into the country 	<ul style="list-style-type: none"> • Copy of Loan Agreement, • Interest repayment schedule • Bank Statement evidencing flow of funds into the country
Prospective payments on Routine Service Contracts	<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Separate Tax clearance applications with copies of past invoices/payments and Schedule of details of amounts, recipient, country, currency etc. 	<ul style="list-style-type: none"> • Separate Tax clearance applications with copies of past invoices/payments and Schedule of details of amounts, recipient, country, currency etc.
Credit /Debit card overseas use	<ul style="list-style-type: none"> • Bank/Credit Card Statements and a Schedule showing payments into the account. • List of all bank accounts linked to the Debit/Credit Card • Confirmation of employment with gross annual salary information 	<ul style="list-style-type: none"> • Bank/Credit Card Statements and a Schedule showing payments into the account. • List of all bank accounts linked to the Debit/Credit Card 	<ul style="list-style-type: none"> • Bank/Credit Card Statements and a Schedule showing payments into the account. • List of all bank accounts linked to the Debit/Credit Card