

Unvalidated References:

Value Added Tax Act 1998

Value Added Tax Revenue Distribution Act 1998

This reprint of this Statutory Instrument incorporates all amendments, if any, made before 25 November 2006 and in force at 6 December 1999.

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Legislative Counsel
Dated 25 November 2006

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. 10 of 1999.

Value Added Tax Regulation 1999

ARRANGEMENT OF SECTIONS.

1. Organizations prescribed as foreign aid providers for the purposes of Section 20 of the Act.
2. Organizations prescribed as educational institutions for the purposes of Section 24 of the Act.
3. Percentage of the consideration fixed for the supply of primary products by unregistered vendors.
4. Rules of supply to allocate revenue to provinces.
5. Registration form.
6. Manner of making returns.

SCHEDULE 1

Value Added Tax Regulation 1999

MADE by the Head of State, acting with, and in accordance with, the advice of the National Executive Council under the *Value Added Tax Act 1998*.

Dated 200 .

1. ORGANIZATIONS PRESCRIBED AS FOREIGN AID PROVIDERS FOR THE PURPOSES OF SECTION 20 OF THE ACT.

For the purposes of Section 20(1)(c) of the Act the following organizations are prescribed foreign aid providers:—

- (a) Specialised Agencies of the United Nations, being—
 - (i) The International Labour Organisation (ILO);
 - (ii) The Food and Agriculture Organisation (FAO);
 - (iii) The International Civil Aviation Organisation (ICAO);
 - (iv) The United Nation Education, Scientific and Cultural Organisation (UNESCO);
 - (v) The International Monetary Fund (IMF);
 - (vi) The International Bank for Reconstruction and Development (IBRD);
 - (vii) The World Health Organisation (WHO);
 - (viii) The Universal Postal Union (UPU);
 - (ix) The International Telecommunications Union (ITU);
 - (x) The International Finance Corporation (IFC);

- (xi) The World Meteorological Organisation (IMO);
- (xii) The International Development Association (IDA);
- (xiii) The Inter-Government Maritime Consultative Organisation (GMCO);
- (xiv) The World Trade Organisation (WTO);
- (b) The Commonwealth Secretariat;
- (c) The Government of New Zealand;
- (d) The Government of the United Kingdom;
- (e) The Government of Australia;
- (f) The Japan International Co-operation Agency (JICA);
- (g) The Canadian International Development Agency (CIDA);
- (h) The Norwegian Agency for International Development (NORAD);
- (i) The Asian Development Bank;
- (j) Commission of the European Communities;
- (k) German Agency for Technical Co-operation;
- (l) Kreditanstalt Fur Wiederaufbau (KfW);
- (m) Overseas Economic Co-operation Fund (OECF);
- (n) British Council;
- (o) Australian Agency for International Development (AusAID);
- (p) Save the Children Fund;
- (q) Project Concern International;
- (r) International Planned Parenthood Federation;
- (s) Friedrich Ebert Foundation;
- (t) Hans Seidel foundation;
- (u) Volunteer Service Overseas (VSO);
- (v) Agence Francaise Development.

2. ORGANIZATIONS PRESCRIBED AS EDUCATIONAL INSTITUTIONS FOR THE PURPOSES OF SECTION 24 OF THE ACT.

For the purposes of Section 24(8)(d) of the Act the following organizations are prescribed educational institutions:–

- (a) Port Moresby Business Training Institute.

3. PERCENTAGE OF THE CONSIDERATION FIXED FOR THE SUPPLY OF PRIMARY PRODUCTS BY UNREGISTERED VENDORS.

For the purposes of Section 29(6) of to Act the percentage of the consideration fixed for the supply of primary products by unregistered vendors shall be 1%.

4. RULES OF SUPPLY TO ALLOCATE REVENUE TO PROVINCES.

For the purposes of this Act and the *Value Added Tax Revenue Distribution Act 1998* the following rules of supply shall apply to allocate revenue to provinces:–

“Goods and services shall be deemed to be supplied in a province as follows–

“(1) Services sold by providers of services:– The province in which the service is performed. If no service is physically performed in a province, the province in which the agreement to provide the service was made.

“(2) Goods sold by suppliers of goods:

- (a) The province in which the sale is made. If goods are supplied to a purchaser in one province from a supplier in another province, the sale is made in the province from which the good are actually supplied.
- (b) If goods are supplied by a supplier in the province, the sale is made in that province, regardless from where the supplier sources the goods.

“(3) Transport services:

- (a) For goods; the province to which the goods are consigned for shipment;
- (b) For aircraft or shipping passengers; the province in which the passenger boards the aircraft or ship.

“(4) Manufacturers:

- (a) Manufacturers who make sales in more than one province must arrive at the value added in manufacturing by calculating an ex-factory value added for the goods which are manufactured. That value must be equal to either–
 - (i) the value added to goods, materials and taxable services used in making a manufactured product; or, at the option of the taxpayer;
 - (ii) 60% of the ex-factory price.
- (b) The value for taxable sales of manufactured goods by a manufacturer in each province, other than the province of manufacture of those goods, must be reduced by the amount of value added in manufacturing.

- (c) The total reduction is deemed to be taxable sales of the province in which the goods were manufactured and must be added to taxable sales in that province.”

5. REGISTRATION FORM.

Pursuant to Section 42(4) of the Act, the prescribed registration form for VAT shall be in Form 1 of the Schedule.

6. MANNER OF MAKING RETURNS.

Except as otherwise prescribed, a return under this Act shall—

- (a) be made and furnished in such of the forms provided by the Commissioner as is applicable; and
- (b) contain the information and particulars mentioned or referred to in that form; and
- (c) be verified by declaration as set forth in the form; and
- (d) be accompanied by such statements and other documents as are mentioned in the form or as are requisite.

SCHEDULE 1

PAPUA NEW GUINEA.

Value Added Tax Act 1998.

Form 1 – Application for registration for Value Added Tax.

Reg., Sec 5

You should complete this form once only, it will register you as a taxpayer of Value Added Tax. The necessary information on procedures and forms will be sent to you after you have been registered.

Carefully fill in the form and send it to: **The Commissioner General of Internal Revenue, Internal Revenue Commission, PO Box 777, Port Moresby, NCD.**

An incomplete form may be returned for completion.

PLEASE USE BLOCK LETTERS

FULL NAME OF TAXPAYER	either INDIVIDUAL	SURNAME	GIVEN NAMES	
	or COMPANY UTILICORPORATED BUSINESS GROUP PARTNERSHIP TRUST	FULL AND CORRECT NAME OF ENTITY		
TRADE NAME UNDER WHICH YOU RUN YOUR BUSINESS				
YOUR POSTAL ADDRESS TO WHICH NOTICES CAN BE SENT				
ADDRESS WHERE YOUR RECORDS CAN BE INSPECTED (TOWN, STREET, SECTION AND LOT)				
IF COMPANY OR BUSINESS GROUP, ADDRESS OF REGISTERED OFFICE				
DATE OF START OF BUSINESS .../.../...		DATE FROM WHICH REGISTRATION IS REQUESTED .../.../...	INCOME TAX FILE No.	
HAVE YOU BEEN REGISTERED FOR VAT BEFORE? IF YES		PREVIOUS VAT NUMBER VT	ARE YOU REGISTERED AS A GROUP EMPLOYER? IF YES	GROUP NUMBER GP
APPROXIMATE SALES PER MONTH			APPROXIMATE TAX LIABILITY PER MONTH	
WHAT IS YOUR MAIN BUSINESS				
NAME OF CONTACT PERSON		PHONE	FAX	
DECLARATION: I declare that the above information is true and correct in every detail. NAME: DATE: .../.../...				
OFFICE USE ONLY		Date .../.../...	VT	

Note: All businesses, including clubs, associations and other non-profit enterprises must be registered for Value Added Tax if their total sales exceed K100,000 per year. Failure to register may incur substantial fines and/or penalties. You may voluntarily register for VAT if your sales are less than K 100,000 per year.

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