



# Natural Resource Taxation in the Asia-Pacific Region

[“Administering Fiscal Regimes for the EI”](#)

## Papua New Guinea’s Experience

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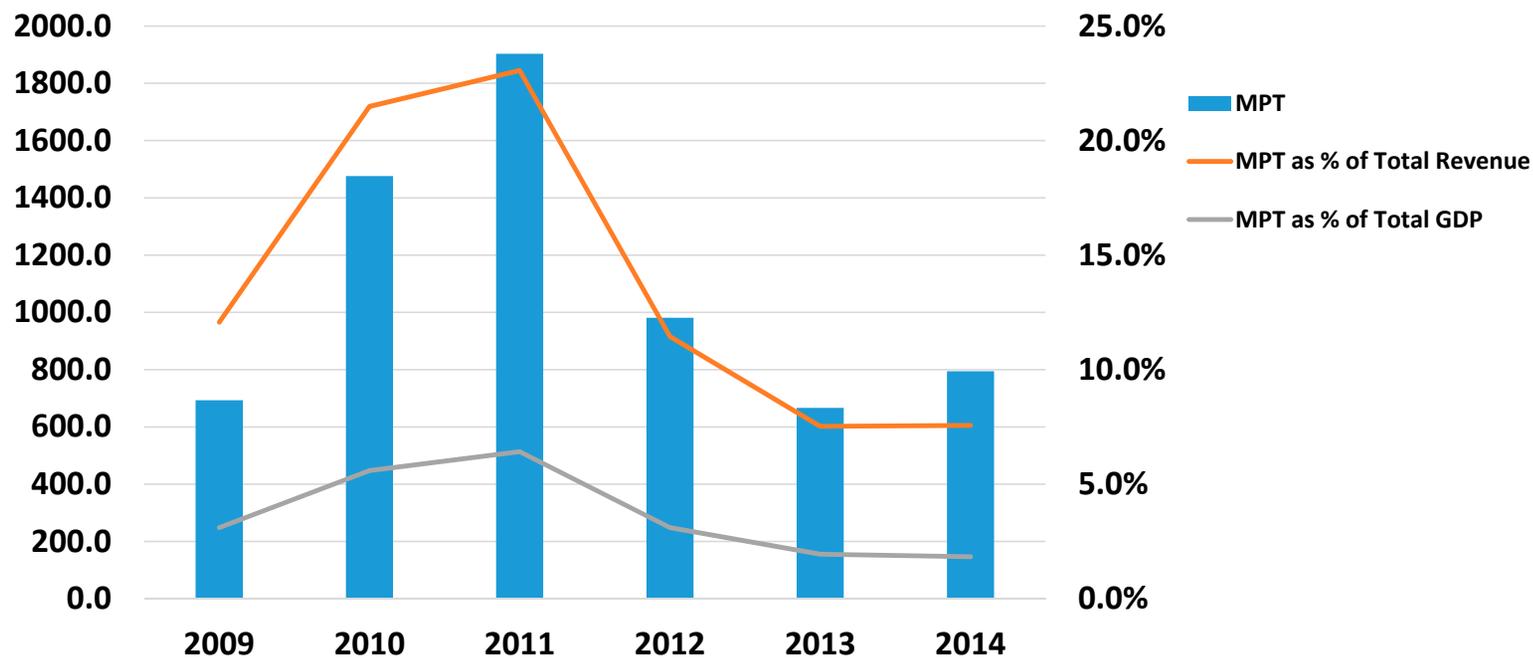
## Outline

- Introduction
- Overview of Fiscal Regimes
- Administrative Structure in PNG
- Challenges; and
- Way Forward



## Overview

- Mining and Petroleum significant *contributors* to economic growth.
- Volatile source of revenue





## ° Brief Overview of Fiscal Regimes

### **Mining Regime**

- 1) Chapter III, Division 10 of the Income Tax Act (ITA) 1959
- 2) Mining Act 1992
- 3) Mineral Resource Authority Act 2005.

### **Petroleum Sector**

- 1) Division 10 of ITA
- 2) Oil and Gas Act 1998 (OGA)

Other related provisions in the Resource Contracts Fiscal Stabilization Act 2000



## Fiscal Instruments for Mining

Corporate Income Tax Rate – 30%

Dividend Withholding Tax – 10%

Royalties – 2%

GST/VAT on exports - zero

Concessionary Stamp Duty rates

Infrastructure Tax Credit



## Administrative Structure in PNG

- The Internal Revenue Commission (IRC) is responsible for administering the ITA 1959.
- Mineral Resources Authority (MRA) – collection of mineral royalties
- Department of Petroleum and Energy (DPE) – collection of oil and gas royalties
- Customs PNG – collects all import duties.

IRC is also responsible for auditing of the Mining and Petroleum Sectors.



## Challenges

### Resource Constraints

- Staffing capacity
- Skillset

### Complexity of Regime

Differential tax treatment

Inter-agency Coordination



## Moving Ahead

PNG Taxation (Non-Taxation) Regime Review 2013-2015

- Its recommendations



Thank you