



PAPUA NEW GUINEA TAX TRAINING 2017

TRAINING SCHEDULE

March 2017



Tax Training Topics

Deloitte PNG runs comprehensive tax training on various tax related subjects on a regular basis in Port Moresby.

If you are interested in participating in any of the 2017 tax training courses listed below, please tick your preferred training areas and email to us. Training delivery will include presentations and case studies. Material will be provided as part of each course. Discounts apply depending on the number of courses attended. Please refer to the below for more information.

Please RSVP to Alice Tembari-Bejigi at atembaribejigi@deloitte.com.pg. If you have any queries, please contact Alice on 308 7069. Our sessions will run from 8:30am to 12:00noon and the cost to attend each session is PGK 650 per person (excluding GST). However, discounts will apply if you book for multiple sessions as shown below. Training sessions will be held at Deloitte Haus, MacGregor Street. Training qualifies for continuing professional development.

Course Type	Duration	Indicative Date	(ü)	Number of course attending	Discount
Assessable income & Allowable deductions	½ day	25/4/17		1	Nil
Depreciation (Tax vs Accounting)	½ day	18/5/17		2	Nil
Salary or Wages Withholding Tax	½ day	15/6/17		3	Nil
SME Statutory & Tax Compliance	½ day	26/7/17		4	5%
Withholding taxes	½ day	17/8/17		5	10%
Reporting and tax compliance for non-for profit organisations	½ day	13/9/17		6	10%
GST & Stamp Duty	½ day	19/10/17		7	15%
Transfer Pricing, Country by Country Reporting & International Taxes	½ day	23/11/17		8	15%
Tax year end planning	½ day	06/12/17			

Assessable Income & Allowable Deduction

Training Background

Each year companies are required to submit an income tax return to the IRC. In doing so, accounting income is adjusted according to the rules in the Income Tax Act 1959 to determine assessable income. Allowable deductions are then made to determine the taxable income from which the final tax income liability for the year is calculated.

Understanding what income is assessable; what items are capital in nature (and so not assessable); what deductions are allowable; and in what year income and allowable deductions are recognised are all crucial in preparing an income tax return. Special rules and exceptions are provided throughout the Income Tax Act 1959, while common law principles are also relevant in determining assessable income.



Training Outcomes

This tax training seeks to:

- Explain what earnings are assessable under the provision of the Income Tax Act 1959 and relationship between assessable income and income tax
- Help participants define allowable deductions and identify the components of general and specific deduction provision under the provisions of the Income Tax Act 1959
- Assist participants to determine whether an income or outgoing is capital and revenue in nature
- Assist participants to determine when income is derived and expense are incurred
- Apply the definition of 'resident' within the tax law to determine the residency status of individuals and companies and apply the relevant principles to determine the source of income for tax purposes

There will be examples, case studies and an opportunity to ask questions throughout each session.

Salary or Wages Withholding Tax



Training Background

The taxation of employees is a crucial area, requiring each employing entity to determine in a short timeframe the correct amount of salary and wages tax due from each employee's remuneration before paying employees and remitting amounts withheld to the IRC. To complicate this, the application of employment taxes is often confused over when and to whom it applies, what remuneration and benefits it actually applies to, what can be effectively salary packaged.

Getting the taxation of employees absolutely right is a necessity. Firstly, this is due to the regular compliance burden on the employer, the size of the amounts involved, and the significant penalties employers face for incorrect calculations and delays in payment. Secondly, it is an area that is of high concern to all employees. Ensuring employees have their remuneration packaged in a way that optimises available tax concessions goes a long way to ensuring your company is an employer of choice in the PNG labour market.

Training Outcomes

This tax training seeks to clarify a number of important employment tax areas.

- The difference between an employee and a contractor
- What is included in taxable salary and wages
- How are different benefits taxed including what benefits can be salary packaged tax effectively
- When salary sacrificing by an employee is effective
- Cross border assignments and taxation issues affecting expatriates
- The application of rebates, tax credits and calculation of salary and wages tax
- Superannuation calculations
- GST and employment
- An overview of employers' compliance requirements as well as requirements for certain employees to lodge individual returns.

There will be case studies and an opportunity to ask questions throughout each session. IRC updates and tax circulars on the taxation of employees will be discussed as well as changes announced during the 2017 Budget.

SME Statutory & Tax Compliance

Training Background

The small to medium enterprise (SME) sector is crucial to Papua New Guinea's economy. Managing the statutory and taxation compliance matters of an SME can be a challenge. This may be due to lack of manpower or in most cases, the lack of awareness on the different reporting requirements for statutory and tax matters.

Statutory and tax compliance plays an important part in the success of an SME. It is important that SMEs in PNG are aware of and comply with the statutory and compliance requirements. Being compliant portrays a good standing with the relevant statutory, tax authorities and potential business partners. Furthermore, it ensures that the SME does not place itself in difficult financial position in future with the statutory or tax authorities.

Training Outcomes

This tax training seeks to clarify a number of important statutory and tax compliance Relevant for SME's.

- Identifying Statutory reporting requirements
- Understanding the taxation of SME, tax planning and other related areas.

There will be examples, case studies and an opportunity to ask questions throughout each session.



Withholding Taxes

Training Background

Papua New Guinea's Income Tax Act 1959 contains a complex myriad of withholding taxes that apply to a range of payments. In effect, withholding taxes require companies to act as tax collectors for the Internal Revenue Commission, with companies not only becoming responsible for withholding and remitting tax levied on payment recipients, but also becoming liable for failing to do so.

PNG's withholding taxes often overlap and vary in application according to different industry sectors and even according to the residency of the payee and whether a double tax agreement applies. As withholding taxes apply to transactions occurring throughout the year, they raise immediate compliance obligations, meaning an omission or misunderstanding of the application of withholding taxes can quickly accumulate into a significant tax debt if left unchecked.

Considering there are strict reporting requirements to the IRC when accounting for withholding taxes, coupled with stringent penalties for non-compliance, this is an area that companies can ill-afford to get wrong. However, it is perhaps the most common area in which mistakes are made. Recent changes to the withholding tax rules also mean now is an opportune time to ensure you are up to date on your understanding of how the rules operate.



Training Outcomes

When it comes with withholding tax errors, prevention is the best cure and most cost effective outcome. In this training session, Deloitte's team of tax experts will guide you through the maze of PNG's withholding taxes, so that you will be armed with the understanding necessary for minimising withholding tax exposures in your company.

- Information on each withholding tax will be broken down, including withholding taxes on: interest; dividends; management and technical fees; foreign contractor payments; royalties; business payments; salary and wages; shipping and insurance.
- Procedures will be clarified and examples given throughout.
- Tax planning opportunities to manage withholding taxes
- Discussion on management/technical fee and interest deductibility restrictions under the PNG Double Tax Agreements.

The latest IRC updates in respect of withholding taxes will also be discussed.

There will be examples, case studies and an opportunity to ask questions throughout each session.

Not for Profit organisations reporting and tax compliance

Training Background

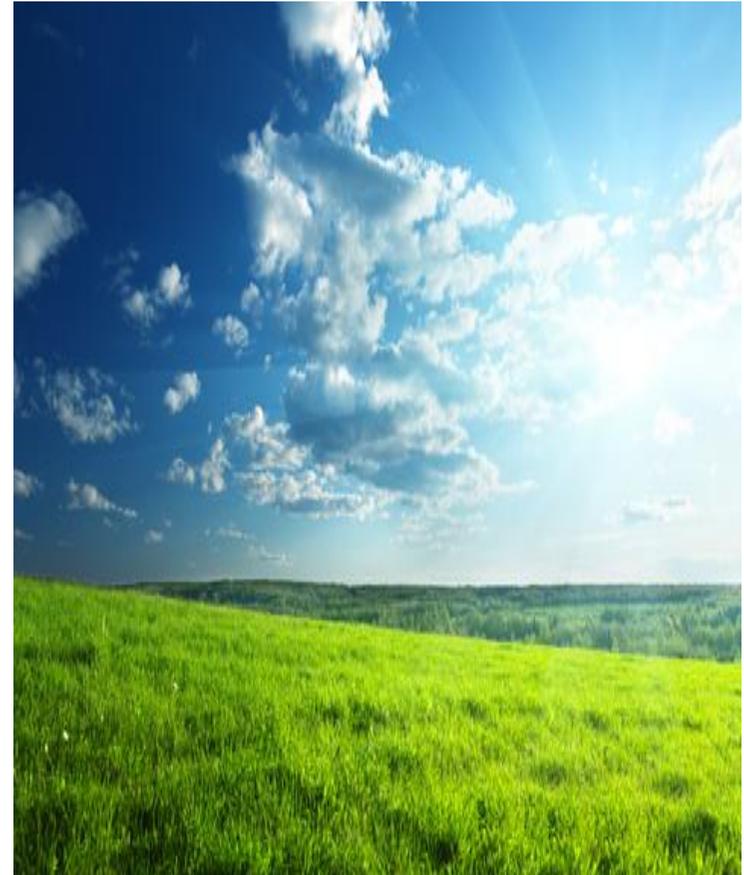
Not for profit organisations are an important element of PNG economy and contributes in various ways to the social development of the country. In order to achieve their objectives they rely heavily on donor funding. There is an unconditional expectation from the donors that the funds provided would be used efficiently.

Financial reports are developed for internal use such as monitoring expenses within the organisation and also for external use such as for submitting reports to donor agencies or relevant government agencies. In many cases, there can be different formats depending on the users and intended use. Nevertheless, it is important that the financial reports are properly developed according to relevant guidelines or standards.

Training Outcomes

- Clarify a number of accounting reporting requirements expected by the donors and understand the applicable IFRS rules
- Statutory requirements of a charitable organisation
- The tax incentives available for the non-for-profit organisations and relevant tax compliance requirements.

There will be examples, case studies and an opportunity to ask questions throughout each session.



Goods & Services Taxes & Stamp Duty

Training Background

GST is a pervasive tax affecting in some way all the supplies a taxpayer makes and receives. Liability arises regardless of a taxpayer's profitability. Despite this and its impact on cash-flow, GST often does not receive the attention it deserves when compared to compliance with other taxes.

Common misconceptions or an underestimating of its complexity means mistakes in calculating liability can arise and quickly accumulate. Errors can be both time consuming and costly to rectify so it is important that taxpayers exercise the necessary due diligence when dealing with their GST affairs. With the monitoring of monthly GST returns on SIGTAS and automation of penalties, it is more important than ever to get GST compliance right the first time.

Training Outcomes

This tax training seeks to provide an overview of GST and clarify a number of important GST areas.

- Meaning of taxable activity
- What is classified as a supply for the purposes of GST
- The place, time and value of a supply
- When is a supply zero or exempt rated
- What is the treatment of imported and exported goods and services including the application of reverse charge GST
- How does the new GST deferral mechanism on imported goods operate
- The methodology for claiming of input tax deductions
- The relationship between GST and other taxes
- Who must be registered for GST and what are the compliance requirements
- Tax invoices and issuing of debit and credit notes and correcting of errors
- GST special topics including GST grouping, company amalgamations and the use of Agents.
- Stamp duty implications

There will be examples, case studies and an opportunity to ask questions throughout each session.



Transfer Pricing, Country by Country Reporting & International Taxes

Training Background

Many jurisdictions have become sensitive to the potential for shifting profits with transfer pricing, and have adopted rules regulating setting or testing of prices or allowance of deductions or inclusion of income for related party transactions with PNG being no exception.

Arm's length principle is the key concept of most transfer pricing rules. The IRC has set out rules to prescribe the methods of testing pricing between related parties and have become strict with the amount of documentation a taxpayer needs to hold to substantiate international dealings with related parties. The key concept of most transfer pricing rules is that prices charged between related enterprises should be those which would be charged between unrelated parties dealing at arm's length. The IRC indicated methods of testing includes comparable uncontrolled transaction prices, resale prices based on comparable mark-ups, cost plus a mark-up, and others.

In addition, multinational groups, including branches of foreign companies and PNG owned companies with foreign overseas may now need to lodge annual country by country reports with the IRC. These reports contain detailed information about the multinational group not previously required.

Training Outcomes

The training will provide an overview of international tax rules, including:

- Discussion on the rules of transfer pricing in PNG
- Examples of the different pricing method and how to complete the international dealing schedule as part of a taxpayer's corporate income tax return.
- International tax concepts, such as the operation and effect of double tax agreements and deductibility of certain withholding taxes.
- The latest on the recommendations of the Taxation Review Committee and IRC updates in respect of transfer pricing
- Basic DTA principles and interpretation
- Understand the requirements of country by country reports and when it needs to be completed.



There will be examples, case studies and an opportunity to ask questions throughout each session.

Year End Tax Planning

Training Background

In preparation of preparing income tax returns, understanding what information is required to confirm tax deductions, credits or adjustments as well understanding basic tax planning before year end occurs is important and will reduce the scope for unwanted surprises or missed opportunities when doing year end reporting.

Depending on budget announcements, taxpayers will also need to be aware of tax reforms that will impact their businesses.

Training Outcomes

The training will provide some guidelines on the basic procedures required for year end tax planning, including:

- Running through a checklist of year end tax planning points to consider before 31 December
- Information required for tax return preparation
- Understanding any changes from the November budget, or other announcements about to take effect.

There will be examples, case studies and an opportunity to ask questions throughout each session.



Deloitte Training

Deloitte Training also offers a holistic and integrated approach to assisting our clients develop their talent by providing human resource development programs. Apart from the specific Tax Training above, we are also committed to providing well designed courses that are truly beneficial to individuals and organisations.

Our experienced team of learning professionals fulfil our clients' training needs relevant to their specific areas of expertise. We subscribe to continuing professional development so we are up to date with the latest best practice in learning and development. The courses provided by Deloitte are client specific, designed specially for you and developed into training materials based on what addresses your identified needs.

We deliver a broad range of training programs including soft skills, technical skills and information management.



Soft skills

- Personal development - including critical thinking, time management, stress management, self-management, corporate grooming and social skills
- Written and verbal communication skills, including presentation skills
- Language literacy programs - including reading, speaking, writing and listening skills
- Customer service and sales skills
- Writing skills - including business correspondence and basic and advanced report writing
- Supervision & management skills training – including managing employee performance, project management, performance coaching basics, team leadership and strategic planning
- Management development programs - including business management, people management, process management, communication management and personal management
- Graduate development programs - including personal management, communication skills and leadership skills



Technical skills

- Financial literacy programs
- Accounting for the non-accountant
- Finance for the non-finance manager
- Human resource management basics
- Training essentials for trainers
- Preparing computer based training modules
- Facilitating a training session
- Preparing a training plan
- Personal assistant training
- Investigation report writing

Specific technical training can be tailored and developed to address your needs and can be delivered in English or Tok Pisin.



Information management skills

- Designing and implementing a records and information management system
- Developing business cases for information management
- Disaster recovery for information management
- Information governance and security
- Information visualisation
- Introduction to records and information management
- Marketing records and information management
- Records and information management frameworks
- Records and information management requirements
- Developing Enterprise Content Management strategies and roadmaps
- Information privacy

The Team

The following are our tax specialists who will be conducting the trainings.



Andrew Harris (Partner)
Andrew has been a tax consultant with Deloitte since 2003. In total he has over seventeen years' experience as a tax advisor working in Australia, the United Kingdom, Uganda, Tanzania and PNG. During this time, Andrew has advised clients across a broad range of taxes, including corporate income taxes, resource taxes, employment taxes, indirect taxes and duties. In particular, Andrew has a focus on cross border structuring and taxation of the resource industry in emerging markets.

Relevant client experience
Since joining Deloitte PNG in June 2014, Andrew has been involved in compliance and advisory work for a number of energy clients. He advises a number of clients, both in and out of the country, on employee international assignments, remuneration packaging and the operation of employment and personal taxes. Andrew has conducted trainings for various clients.

Andrew is a sitting Councillor on the PNG Chamber of Mines and Petroleum.



Sanchika Sutharshan (Director)
Sanchika has been with Deloitte as a tax practitioner since 2012. She has over 9 years of financial management experience and has worked in Sri Lanka, United Kingdom and Papua New Guinea. During this time, Sanchika has advised clients across a broad range of taxes, including corporate income and employment taxes.

Relevant client experience
She has wide experience in personal taxes and remuneration packaging advice. She has also conducted various client trainings in POM, Lae and Kimbe on employment taxes and remuneration packaging.

In addition to the above trainers there would also be subject matter specialist who would be presenting.



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