

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 2018 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. We will also be running specialised topics on demand. If you are interested in attending these topics please express your interest via email.

Course Type	Duration	Indicative Date	(ü)	Number of courses attending	Discount
Assessable income & Allowable deductions	½ day	02/5/18		1	Nil
Introduction to International taxes	½ day	23/5/18		2	Nil
Salary or Wages Withholding Tax	½ day	13/6/18		3	Nil
Fixed asset registers, Repair and Maintenance expenditure and Depreciation	½ day	18/7/18		4	5%
Withholding taxes	½ day	08/8/18		5	10%
GST & Stamp Duty	½ day	19/9/18		6	10%
Introduction to Tax Administration Act	½ day	24/10/18		7+	15%
Specialised topics					
Resources Taxes	On demand				
International tax					
Business Structures					
Deferred Taxes					

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 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.

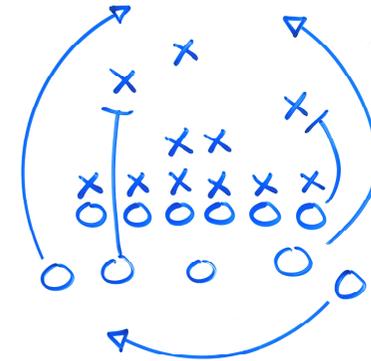
Understanding what income is assessable; what items are capital in nature (and so not assessable); what deductions are allowable; and in what year income and allowable deductions are recognised are all crucial in preparing an income tax return. Special rules and exceptions are provided throughout the Income Tax Act, 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 and the relationship between assessable income, taxable income and income tax
- Help participants define allowable deductions and identify the components of general and specific deductions under the provisions of the Income Tax Act
- Assist participants to determine whether an income or outgoing is capital or revenue in nature (and assessable or deductible)
- Assist participants to determine when income is derived and expenses are incurred
- Define the concepts of necessarily incurred and private expenditure
- 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.



Introduction to International Tax

Training Background

Many jurisdictions have become sensitive to the potential for shifting profits with transfer pricing, and have adopted rules regulating, setting or testing prices under related party transactions for the purpose of the allowing of deductions or inclusion of income.

The “arm's length” principle is the key concept of most transfer pricing rules. The IRC has set out guidelines to determine the methods of testing pricing between related parties and have set out the basis for documentation a taxpayer needs to hold to substantiate the pricing of 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, transactional net margin method and others.

In addition, multinational groups, including branches of foreign companies and PNG owned companies with foreign overseas subsidiaries 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 methods 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 Treasury and IRC updates in respect of transfer pricing
- Basic Tax Treaty principles and interpretation
- Understanding 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.

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 or 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, and 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 or 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 2018 Budget.

Depreciation (Accounting vs Tax)

Training Background

The calculation of accounting profit or loss for a particular period usually does not equal the calculation of assessable income/taxable income for that same period. This is because accounting profit or loss is determined under international accounting standards, whereas assessable income/taxable income is determined in accordance with the taxation laws applicable in PNG. There is a need to account for these differences in a set of financial statement. The most common accounting and taxation difference is depreciation.

The Income Tax Act contains a section that applies to the tax treatment of depreciation. Although, depreciation is treated as an allowable deduction for tax purposes, computing the correct depreciation expense for tax purposes differs slightly from accounting. The provision of the Income Tax Act also allows taxpayers to claim additional depreciation under special conditions.

Reporting of depreciation for book and tax purposes is the most problematic issue encountered by taxpayers. Hence, it is important that taxpayers understand the reporting requirements of depreciation for both book and tax purposes so the correct amounts are reported and tax benefits from depreciation can be utilised where applicable.

Training Outcomes

The approach taken in this training is to demonstrate the typical situations likely to be encountered in practice in dealing with depreciation.

- Define a depreciable asset and what is its depreciable value
- Explain depreciation method per IAS 16, Property, plant and Equipment
- Discussion of the requirement of IAS 12
- Calculate and analyse effect of the difference in depreciation per accounting and tax
- Calculate and account for deferred tax in relation to temporary difference in depreciation
- The methods for calculating depreciation for tax purposes and how to consider the most appropriate method suitable for a business entity
- The depreciation schedule setting out depreciation rates for tax purposes
- The application of the rules for ascertaining a taxable gain (balancing charge) or loss (balancing deduction) on the disposal of depreciated assets
- Roll forward a balancing charge against the tax book value of Assets retained.
- Cases where additional/accelerated depreciation is allowed and how it is calculated
- Calculation of depreciation for leased assets
- Pooling assets for depreciation purposes
- What is a separate unit of plant (or single plant) and an improvement to an existing plant for depreciation purposes

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 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 to penalties 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, including when they are due, 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 and penalties 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.

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.

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. With a potential increase in GST rate on the cards, it is also important to discuss the impact a change in the GST rate will have on business system processes and existing contracts.

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 and what are the implications in claiming input credits
- What is the treatment of imported and exported goods and services including the application of reverse charge GST
- How does the 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.

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



Introduction to Tax Administration Act

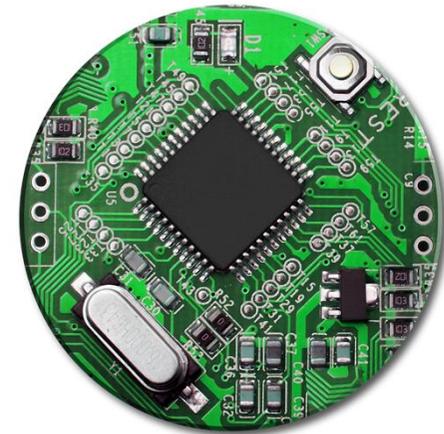
Training Background

The Tax Administration Act will come into effect from 01 January 2019. The legislation is now available and it is important that tax payers know the implications and affects on their business. The Tax Administration Act covers some broad headings such as Tax Identification Number (TIN), record keeping, tax returns and assessments, objections and appeals etc.

Training Outcomes

This tax training seeks to provide an overview of the tax administration provisions of the Act. It will help guide participants in the following areas.

- Required books and records
- The power of the commissioner general to obtain information
- Assessments appeals and objections processes
- Collecting and recovery of tax
- Interest and penalties
- The importance of public and private rulings
- 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 twenty 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 clients in a number of industries. He advises clients, both in and out of the country, on employee international assignments, remuneration packaging, the operation of employment and personal taxes, income tax, GST, stamp duty and cross border taxation issues.



Declan Mordaunt (Principal)

Declan has over 40 years of Tax experience in New Zealand, Australia, Ireland, the Middle East and Papua New Guinea specialising in providing tax advice to clients on complex business issues including restructures, M&A and product development. He was previously a Tax Partner in a Big 4 firm in NZ and the Middle East.

Relevant client experience

Over the years Declan's clients have ranged across the broad spectrum of industries and service sectors. In M&A and structuring his clients have included Private Equity, Financial Institutions and trade buyers.



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.



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This communication is for internal distribution and use only among personnel of Deloitte Touche Tohmatsu Limited, its member firms, and their related entities (collectively, the “Deloitte network”). None of the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2018. For information, contact Deloitte Touche Tohmatsu Limited