



## PAPUA NEW GUINEA TAXATION REVIEW (2013 – 2015)

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### **RELEASE OF *THE CASE FOR TAX REFORM AND BROAD DIRECTIONS ISSUES PAPER***

The Tax Review Committee, on Friday 3<sup>rd</sup> of October 2014, released the third in its series of issues papers entitled "*The Case for Tax Reform and Broad Direction*" as part of the Fiscal Regime (Taxation and Non-Taxation) Review.

This Issues Paper makes the case for tax reform and explains how a better tax system can play a key role in Papua New Guinea's future prosperity and development and better distribute the tax burden fairly across our nation. It also presents an initial, overarching assessment of PNG's tax system that includes a number of possible broad reform directions taking into account five principles of good tax policy. The paper highlights how a simpler, fairer and more competitive tax system can make a real contribution to the future of PNG's development.

To date, the Tax Review has received five formal written submissions in response to the release of the paper. Three of these submissions are available on the Review's website ([www.taxreview.gov.pg](http://www.taxreview.gov.pg)) and the authors of the other two requested that they be kept confidential.

Most submissions agreed that the principles of good tax policy outlined in the issues paper (equity, simplicity, revenue, transparency & accountability and competitiveness & efficiency) were sound. There was particular support for initiatives that would continue to attract foreign investors and the value of simplicity, particularly for SMEs that may otherwise struggle to engage with the complexity of the tax system.

There was wide support for all necessary steps to be taken towards improving the effectiveness of PNG's revenue administration – with notable support for the introduction of a formal self-assessment system.

There was also wide support for tax reform to be undertaken as a staged process.

The Tax Review Committee wishes to acknowledge and thank those who have made their submission not only for the Context setting paper but for other series of released issue paper in 2014.

Whilst the formal date for submissions has now closed, the Tax Review Committee remains open to receiving submissions to this Issues Paper and for any interested parties to have their say in the future of PNG's tax system.

To obtain hard copy of the paper or for any other enquiries, please contact the Secretariat via email [info@taxreview.gov.pg](mailto:info@taxreview.gov.pg) or by phone (3255977) and can also download a copy on the website ([www.taxreview.gov.pg](http://www.taxreview.gov.pg))

Authorised by:

**Sir Nagora Bogan, KBE.**  
Chairman, Tax Review Committee