



26 March 2015

Ms. KESSY SAWANG
Head of Secretariat
Tax Review Secretariat
c/o Department of Treasury
P. O. Box 542, Waigani, NCD
Email: papers@taxreview.gov.pg

Re: **Taxing Capital Gains**

Dear Ms. Sawang,

I am writing to submit my views on the proposed Tax on Capital Gains.

PNG is a long way to go to join the develop countries in Asia and the Pacific wherein the tax systems are mature and efficient. The government should first strive to improve the implementation of existing tax systems like income tax and GST before thinking of adding another tax system that is expected to be a burden to the common Papua New Guinean. I believe that the Internal Revenue Commission should first concentrate its efforts on improving the collection of existing taxes.

As a small time businessman, I have observed that many small time businesses have recently sprouted ran by Chinese from mainland China. These foreigners have joined with local partners to open small businesses but disappear after a few years. I am unsure if these foreigners were able to pay the correct taxes for the income they earned while doing business in PNG or if the IRC are able to monitor their activities.

In increasing the revenue stream of the government, it should not be so much on the imposition of new taxes but rather ensuring that everyone, especially foreigners, pays the correct taxes to the government.

Thank you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Amos Yalkiabo".

AMOS YALKIABO
Lae, Morobe Province