

EXPLANATORY MEMORANDUM

Goods and Services Tax (2018 Budget)(Amendment) Bill 2017

The Bill proposes an amendment to:

- tighten the definition of Resource Company to ensure the zero rated incentive only applies to operating license holders. This measure is intended to prevent abuse and revenue leakage;
- address abuse of GST zero rated status by educational institutions by repealing their GST zero rated status; and
- introduce a minor amendment to remove a redundant references for ease of administration.



INDEPENDENT STATE OF PAPUA NEW GUINEA

No: of 2017

Goods and Services Tax (2018 Budget)(Amendment) Bill 2017

ARRANGEMENT OF CLAUSES.

1. Interpretation (Amendment of Section 2).
2. Exemption of Imported Goods (Amendment of Section 7).
3. Calculation of Tax Payable (Amendment of Section 31).



INDEPENDENT STATE OF PAPUA NEW GUINEA

A BILL

for

AN ACT

entitled

Goods and Services Tax (2018 Budget)(Amendment) Act 2017

Being an Act to amend the *Goods and Services Tax Act 2003*.

MADE by the National Parliament and deemed to come into operation:-

- (a) in respect of Section 1 and 3 - on 1 January 2018;
- (b) in respect of Section 2 – on 1 January 2016;

1. INTERPRETATION (AMENDMENT OF SECTION 2).

Section 2 of the Principal Act is amended in Subsection (1) by repealing the definition of “*resource company*” and replacing it with the following definition:-

““*resource company*” means-

- (a) an “*operator*” as defined in Section 3 of the *Oil and Gas Act 1998*; or
- (b) a holder of a special mining lease, mining lease or exploration license issued under the provisions of the *Mining Act 1992*,”.

2. EXEMPTION OF IMPORTED GOODS (AMENDMENT OF SECTION 7).

Section 7 of the Principal Act is amended by repealing Paragraphs (c).

3. CALCULATION OF TAX PAYABLE (AMENDMENT OF SECTION 31).

Section 31 of the Principal Act is amended by repealing Subsection (16).