COMPLIANCE WITH NATIONAL TAXES IN THE AUTONOMOUS REGION OF BOUGAINVILLE (ARoB)

An IRC Presentation at the Bougainville Revenue and Tax Summit, 27th September 2017
Hutjena High School, Buka, ARoB
Presentation Outline

- Current State of Tax Collections
- Compliance Barriers and Challenges
- Remedies to Challenges
- Partnership between IRC and ABG Tax Office
Current State of Tax Collections

- SIGTAS rolled out in 2013 to assist in enforcing increased voluntary compliance under the four pillars of tax compliance

- Taxpayers in the ARoB are closely monitored to ensure they meet their tax obligations which include registration, filing and payments
Some Statistics

- Total number of taxpayers in the ARoB

  Corporate entities – 504

  Individuals – 1,029
Statistics

- Lodgements – Corporates
  – Individuals

- Non Lodgers – Corporates
  – Individuals

- Payments – Corporates
  – Individuals

- Non Payments – Corporates
  – Individuals
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<th>2016</th>
<th>2015</th>
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Compliance Barriers and Challenges

- Inadequate taxpayer outreach programs
- Poor record keeping by businesses
- Insufficient resources
- Isolation of Arawa and Buin from Buka
- High cost of doing business with the IRC
- One tax rule for all taxpayers
Remedies to Challenges

- Conduct more taxpayer outreach programs
- Mobilise resources
- Open an IRC office in Arawa
- Consideration of Buka as a Tax Centre
IRC/ABG Tax Office Partnership

- Continued implementation of the MoU
- Quarterly meetings in future to involve stakeholders and dependencies
Opportunities into the Future

- Bougainville Incentive
- Consideration of Rural Development Incentive
- Varying of corporate income tax rate under the Financial Arrangements of the BPA
- Introduction of presumptive taxes
- Branch profits tax
- Withholding tax on commodities
- Review the Financial Arrangements under the BPA
- Build townships for future large investments
Questions and Discussion

IRC contacts on IRC/ABG Tax Matters.

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