

No. 44 of 2002.

Stamp Duties (2003 Budget Provisions) Act 2002.

Certified on: 16.01.03



INDEPENDENT STATE OF PAPUA NEW GUINEA

No. of 2002.

Stamp Duties (2003 Budget Provisions) Act 2002.

ARRANGEMENT OF SECTIONS.

1. New Divisions III.16 and III.17.

"Division 16. – Debits Tax.

"81CA. DEFINITIONS."

"81CB. STAMP DUTY PAYABLE."

"81CC. RECOVERY OF DEBITS TAX BY FINANCIAL INSTITUTION."

"81CD. LODGEMENT OF RETURNS."

"81CE. OFFENCE."

"81CF. ADDITIONAL TAX FOR OFFENCE."

"81CG. COLLECTOR MAY RECOVER DEBITS TAX."

"Division 17. – Gas Project.

"81DA. INTERPRETATION."

"81DB. GAS PROJECT TRANSFERS."

"81DC. GAS PROJECT LOANS OR SECURITIES."

2. Amendment of Schedule 1.



INDEPENDENT STATE OF PAPUA NEW GUINEA

AN ACT

entitled

Stamp Duties (2003 Budget Provisions) Act 2002,

Being an Act to amend the *Stamp Duties Act* (Chapter 117).

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with, and in accordance with, the advice of the Minister.

1. **NEW DIVISIONS III.16 AND III.17.**

The Principal Act is amended in Part III by inserting after Division 15 the following new Divisions:-

"Division 16. – Debits Tax.

"81CA. DEFINITIONS.

In this division –

“account” means an account held with a financial institution, being an account to which payments by the institution to an account holder, or persons nominated by the account holder, may be debited, whether electronically or by cheque, bill of exchange payable on demand or payment order, but does not include passbook accounts;

“taxable debit” means a debit (other than an exempt debit) made to an account;

Stamp Duties (2003 Budget Provisions)

“exempt debit” means a debit made to an account kept with a financial institution by –

- (a) a person who would be entitled, by virtue of any other law of Papua New Guinea, to exemption from the debits tax, being a debit made in respect to a transaction not related to activities that constitute the carrying on of a business in Papua New Guinea; or
- (b) a government of a country other than Papua New Guinea; or
- (c) another financial institution, to the extent the debits relate to a banking business carried on by that institution; or
- (d) that financial institution and are –
 - (i) made in the country by bankers solely for the purpose of settling or clearing accounts ; or
 - (ii) are made for accommodation purposes between two financial institutions; or
- (e) a charity or non-profit organisation exempt from income tax under the provisions of the *Income Tax Act 1959*;

“financial institution” means the Bank of Papua New Guinea or a bank or licensed financial institution licensed under the *Banks and Financial Institutions Act 2000*.

"81CB. STAMP DUTY PAYABLE.

There shall be charged, levied, collected and paid a stamp duty, in this Division referred to as a ‘debits tax’, at the rate of 0.01% on each taxable debit.

"81CC. RECOVERY OF DEBITS TAX BY FINANCIAL INSTITUTION.

A financial institution may charge to and recover from the holder of an account any amount of debits tax it is liable to pay in respect of transactions, chargeable with debits tax under this division, in that account.

"81CD. LODGEMENT OF RETURNS.

Not later than the 14th day of each month, each financial institution shall –

- (a) lodge with the Collector of Stamp Duties, a return in a form approved by the Commissioner General, showing –
 - (i) the total amount of taxable debits made to accounts held in that financial institution during the previous calendar month; and
 - (ii) the amount of debits tax payable on those debits; and
 - (iii) such other particulars as are prescribed; and
- (b) pay to the Collector of Stamp Duties the amount of debits tax charged in the previous calendar month.

Stamp Duties (2003 Budget Provisions)

"81CE. OFFENCE.

A financial institution which –

- (a) fails to lodge a return as required under Section 81CD; or
- (b) lodges a return that is false in any particular; or
- (c) fails to charge debits tax as required under Section 81CB; or
- (d) fails to pay the debits tax as required under Section 81CD,

is guilty of an offence.

Penalty: A fine of not less than K5,000.00 and not exceeding K10,000.00.

"81CF. ADDITIONAL TAX FOR OFFENCE.

(1) In addition to any penalty under Section 81CE, a financial institution that is guilty of an offence under that section is liable to pay as debits tax an amount equivalent to twice the debits tax that would have been payable had a return been lodged and payment made in accordance with this Division.

(2) Amounts payable under this section are not recoverable from the holder of an account.

"81CG. COLLECTOR MAY RECOVER DEBITS TAX.

The Collector of Stamp Duties may recover, in any Court of competent jurisdiction, any amount of unpaid debits tax.

"Division 17. – Gas Project.

"81DA. INTERPRETATION.

In this division –

"gas agreement" means the *Gas Agreement* between the State, the Bank of Papua New Guinea and the Project Developers signed in Port Moresby on the 6th of June 2002;

"gas project" means the gas project as defined in Clause 1. of the *Gas Agreement*.

"81DB. GAS PROJECT TRANSFERS.

Notwithstanding any other provision of this Act, the stamp duty on transfers referred to in Clause 14.10(a) of the *Gas Agreement* shall be an amount of K5,000.00.

"81DC. GAS PROJECT LOANS OR SECURITIES.

Notwithstanding any other provision of this Act, loans or securities referred to in Clause 14.10(b) of the *Gas Agreement* shall be exempt from stamp duty."

2. AMENDMENT OF SCHEDULE 1.

Schedule 1 of the Principal Act is amended in Item 2 by repealing the words "Bills of exchange payable on demand 0.20" and replacing them with the following:-

"Bills of exchange payable on demand – Nil."

Stamp Duties (2003 Budget Provisions)

I hereby certify that the above is a fair print of the *Stamp Duties (2003 Budget Provisions) Act 2002* which has been made by the National Parliament.

Clerk of the National Parliament.

I hereby certify that the *Stamp Duties (2003 Budget Provisions) Act 2002* was made by the National Parliament on 10 December 2002.

Acting Speaker of the National Parliament.