

Papua New Guinea

1. Papua New Guinea was first reviewed during the 2018/2019 peer review. This report is supplementary to that previous report (OECD, 2018^[2]).
2. The first filing obligation for a CbC report in Papua New Guinea applies to reporting fiscal years commencing on or after 1 January 2017. Papua New Guinea also allows its MNE groups to file a CbC report on a voluntary basis for reporting fiscal years beginning between 1 January 2016 and 31 December 2016.

Summary of key findings

3. Papua New Guinea's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017^[3]), except that:
 - It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard. This recommendation remains in place since the 2018/2019 peer review.
 - It is recommended that Papua New Guinea amend its legislation or otherwise take steps to ensure that provisions to enforce the effective implementation of CbC reporting requirements are provided for. This recommendation remains in place since the 2018/2019 peer review.
4. It is recommended that Papua New Guinea take steps to put in place an exchange of information framework that allows automatic exchange of information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2018/2019 peer review.
5. It is recommended that Papua New Guinea take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information. This recommendation remains in place since the 2018/2019 peer review.
6. It is recommended that Papua New Guinea take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information. This recommendation remains in place since the 2018/2019 peer review.

Part A: The domestic legal and administrative framework

7. Papua New Guinea has legislation in place to implement the BEPS Action 13 minimum standard.
 - (a) **Parent entity filing obligation**
8. No changes were identified.
 - (b) **Scope and timing of parent entity filing**
9. No changes were identified.

(c) Limitation on local filing obligation

10. No changes were identified.

(d) Limitation on local filing in case of surrogate filing

11. No changes were identified.

(e) Effective implementation

12. No changes were identified.

Conclusion

13. It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard.

14. It is recommended that Papua New Guinea amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for.

Part B: The exchange of information framework**(a) Exchange of information framework**

15. As of 31 March 2020, Papua New Guinea has no bilateral relationships in place for the exchange of CbC reports. It is recommended that Papua New Guinea take steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions and with which Papua New Guinea has an international exchange of information agreement in effect that allows for the automatic exchange of tax information.

(b) Content of information exchanged

16. No changes were identified.

(c) Completeness of exchanges

17. No changes were identified.

(d) Timeliness of exchanges

18. No changes were identified.

(e) Temporary suspension of exchange or termination of QCAA

19. No changes were identified.

(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance

20. No changes were identified.

(g) Format for information exchange

21. No changes were identified.

(h) Method for transmission

22. No changes were identified.

Conclusion

23. It is recommended that Papua New Guinea take steps to have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which Papua New Guinea has an international exchange of information agreement in effect that allows for the automatic exchange of tax information. This recommendation remains in place since the 2018/2019 peer review.

24. It is recommended that Papua New Guinea take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of its first exchanges of information. This recommendation remains in place since the 2018/2019 peer review.

Part C: Appropriate use

Appropriate use

25. No changes were identified.

Conclusion

26. It is recommended that Papua New Guinea take steps to ensure that the appropriate use condition is met ahead of its first exchanges of information.

Summary of recommendations on the implementation of Country-by-Country Reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	It is recommended that Papua New Guinea take steps to amend its legislation or otherwise alter the threshold condition to bring it in line with the Action 13 minimum standard.
Part A	Domestic legal and administrative framework	It is recommended that Papua New Guinea amend its legislation or otherwise take steps to ensure that enforcement provisions relating to the CbCR's effective implementation are provided for as required by the terms of reference as soon as possible.
Part B	Domestic legal and administrative framework	It is recommended that Papua New Guinea take steps to put in place an exchange of information framework that allows Automatic Exchange of Information and have QCAAs in effect with jurisdictions of the Inclusive Framework which meet the confidentiality, consistency and appropriate use prerequisites and with which they have an international exchange of information agreement in effect that allows for the automatic exchange of tax information
Part B	Exchange of information framework	It is recommended that Papua New Guinea take steps to implement processes or written procedures to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework ahead of the first exchanges of information.
Part C	Appropriate use	It is recommended that Papua New Guinea take steps to ensure that the appropriate use condition is met ahead of the first exchanges of information.

References

OECD (2018), *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 1): Inclusive Framework on BEPS: Action 13*, OECD/G20 Base Erosion and Profit Shifting Project, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264300057-en>.

[2]

OECD (2017), *Terms of reference for the conduct of peer review of the Action 13 minimum standard on country-by-country reporting*, OECD Publishing,
<https://www.oecd.org/tax/beps/beps-action-13-on-country-by-country-reporting-peer-review-documents.pdf>.

[3]



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