



PAPUA NEW GUINEA

Papua New Guinea - Mixed (Common and Customary law)

★ [Incorporate Now](#)

📞 [Consultation](#)

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Papua New Guinea

Papua New Guinea taxes

If you want to incorporate in Papua New Guinea, reading this will help you becoming knowledgeable on the specific tax laws and rates for a LLC which is the most common company structure in Papua New Guinea.

Papua New Guinea taxes corporate income earned outside the borders in the same way that earned within the country. The usual tax rate for offshore income, from our research, and these things do change, is 30%. Papua New Guinea may not have major incentives to remit offshore income back. Taxes are high in Papua New Guinea as the highest corporation tax rate is 30%. This ranks Papua New Guinea as 136th overall with regards to corp. taxation rate internationally.

The VAT rate is 10.00%, which ranks Papua New Guinea as 47th when compared to VAT taxation rate internationally. In terms of other taxation, an employer will contribute 8.00% to the equivalent of a social security fund and an employee will contribute 6.00%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 8hours. Contributing to this is the number of yearly labor tax payments, which is 2 in PG.

Thin cap standards are in play. This refers to any sort of requirements on given company with respect to debt-to-asset ratios. Dividends received are included in taxable income and subject to corporate income tax standard rates. A dividend is a payment of earnings of the legal entity, passed by the board, to a class of its shareholders. Dividends can be one of the following shares of stock, cash payments, or other property. There is no capital gains tax, however certain gains from the sale of property acquired for the purpose of resale, or from the carrying out of a profit-making scheme, are taxable as ordinary income. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 15%. This means that the tax authorities expects LLC's to automatically withhold 15% of interests paid to non-residents. The dividends withholding tax rate is 15%. Which means that the taxman expects to automatically withhold 15% of dividends remitted abroad. The royalties withholding tax rate 10%. This means that the tax authorities expects relevant legal entities to automatically withhold 10% of payments abroad on royalties. Withholding tax rates may be reduced under a tax treaty.

There is no known tax on wealth in Papua New Guinea. There are no known inheritance, real property and transfer taxes in Papua New Guinea. There are not many frequently implemented R&D initiatives that provide tax relief here.

The above is not tax or legal advice for your particular circumstances. We are able to refer you to an accountant in Papua New Guinea who will advise you. Ready to get started? Click the free consultation button above or press incorporate now if you are in a hurry.

The vat rate in Papua New Guinea is 10% which ranks 46 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ✗ Transfer taxes
- ✗ Asset taxes
- ✗ Capital duties

- 9 Tax treaties
- 30% Offshore Tax
- 30% Corp rate
- Loss carryback years
- 153 Corporate time
- 10% VAT rate
- 30% Capital gains
- No AEOI planned

Papua New Guinea Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Papua New Guinea is mixed (common and customary law) law. You will want to get some local advice as to how to best structure a company in Papua New Guinea. Electronic signatures are permitted.

The country code PG is for Papua New Guinea and the most common legal entity type in Papua New Guinea is a LLC.

It typically takes about 8 weeks to setup a LLC in PG. The minimum share cap is 0, This means you don't have any minimum share capital. The types of currencies you can use to fund your company is frequently any legal tender.

There must be at least 1 shareholder. This makes it possible for you to own a LLC in PG by yourself. Corporate Shareholders are encouraged, which means you can have a corporate shareholder. Foreign ownership is permitted, up to % of the ownership of the legal entity.

A company is only required to have one director. Moreover, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a body of law which requires companies to hold an annual meetings of shareholders.

A registered agent is normally required, which means the company will have to pay a fee on a yearly basis, for a legal services company which can receive any official legal correspondence on behalf of the registered legal entity. Furthermore, a corporate secretary is not a requirement.

There is a requirement to file accounts to relevant authorities. Furthermore, there is oftentimes a requirement to have these accounts audited.

Overall we think Papua New Guinea is a ok option and have given it a score of 44 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✗ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✓ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✓ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 1 Directors required**
- 8 weeks to form**



PAPUA NEW GUINEA

Papua New Guinea - Mixed (Common and Customary law)

★ Incorporate Now

☎ Consultation

Click request a call for a free, no obligation consultation.
In a hurry? Click incorporate now, and startup your company immediately.

Country Info



🚩 National Flag of

**Independent State of
Papua New Guinea
(eng)**

**Independen Stet bilong
Papua Niugini (hmo)**

**Independen Stet bilong
Papua Niugini (tpi)**

\$ Currency

PGK

☎ Area Code

+675

🏛 Capital

Port Moresby

📍 Region

Melanesia

🗣 Native Languages

English

Hiri Motu

Tok Pisin