

Rec'd
14/8/2001

No. 60 of 2000

Value Added Tax (Budget Provisions 2001) Act 2000.

Certified on: 02/02/2001

INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. 60 of 2000

AN ACT

entitled

Value Added Tax (Budget Provisions 2001) Act 2000,

Being an Act to amend the *Value Added Tax Act 1998,*

MADE by the National Parliament to come into operation on 1 January 2001.

1. INTREPRETATION (AMENDMENT OF SECTION 2).

Section 2 of the Principal Act is amended by inserting, immediately after the definition of "local authority", the following new definitions:-

"'mining company' means a 'gas project' or a 'licensee' as defined in Section 3 of the *Oil and Gas Act 1998* or a holder of a special mining lease or exploration licence issued under the provisions of the *Mining Act 1992*; and

'mining operations' means 'gas operations' or 'mining operations' or 'petroleum operations' as defined in Section 4(1) of the *Income Tax Act 1959* and includes exploration by a mining company for the purpose of discovery;"

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

Section 7 of the Principal Act is amended by inserting, immediately after Paragraph (e) the following new Paragraph:-

"(f) imports of goods, other than cars, by a mining company for use in mining operations."

3. NEW SECTION 14A.

The Principal Act is amended by inserting immediately after Section 14 the following new section:-

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“14A. REVERSE CHARGE ON EXEMPT SUPPLIES PROVIDED BY MINING COMPANIES.

(1) Subject to Subsection (2) and notwithstanding Sections 7(f) and 20(1)(d), where a mining company makes supplies exempted under Section 24 all the consequences shall follow under this Act (and particularly charges to tax on supply and deduction for import tax) as if the mining company had supplied the goods and services necessary to make those exempt supplies.

“(2) The provisions of this Act relating to the deduction of import tax shall apply in respect of supplies, which are treated as made by a mining company under Subsection (1), although those supplies themselves shall not be treated as being taxable supplies made by that person for determining the input tax payable under Section 30(2).

(3) For the purposes of this Act, where Subsection (1) treats a supply as being made by a mining company in the course or furtherance of that person’s taxable activity –

- (a) subject to Section 17(5) the value of that supply is for whatever consideration was paid or payable for the relevant services; and
- (b) the supply takes place where the relevant services are either paid for or an invoice is issued to the mining company for the supply of goods and services necessary to make the exempt supplies, or where the consideration is not in money, on the last day of the taxable period in which the supplies were made.”.

4. OTHER ZERO RATED GOODS (AMENDMENT OF SECTION 20).
Section 20(1) of the Principal Act is amended –

(a) by repealing the reference “Section 8” and replacing it with the following:-

“Section 6 or 8”; and

(b) by adding the following new Paragraph:-

“(d) the supply is the supply of goods or services, other than cars, to a mining company for use in mining operations.”.

5. EXEMPTION TO ZERO RATING OF GOODS (AMENDMENT OF SECTION 21).

Section 21 of the Principal Act is amended by repealing Paragraph (c).

6. EXPORTED SERVICES (AMENDMENT OF SECTION 22).

Section 22(2) of the Principal Act is amended by inserting, immediately after Paragraph (b) the following new Paragraph:-

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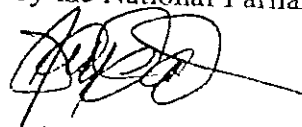
“(b) the services are supplied directly in connection with goods imported for re-export under the provisions of Section 107 of the *Customs Act* (Chapter 101).”.

7. **EXEMPTION SUPPLIES (AMENDMENT OF SECTION 24).**

Section 24 of the Principal Act is amended –

- (a) by repealing Subsection (4); and
- (b) by repealing Subsection (5).

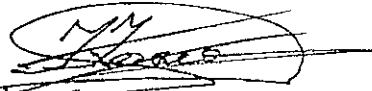
I hereby certify that the above is a fair print of the *Value Added Tax (Budget Provisions 2001) Act 2000* which has been made by the National Parliament.



Acting Clerk of the National Parliament.

02 FEB 2001

I hereby certify that the *Value Added Tax (Budget Provisions 2001) Act 2000* was made by the National Parliament on 7 December 2000.



Acting Speaker of the National Parliament.

02 FEB 2001