

# 1.3 Papua New Guinea Customs Information

- [Duties and Tax Exemption](#)
  - [Emergency Response:](#)
  - [Exemption Regular Regime \(Non-Emergency Response\):](#)
    - [Exempted Goods](#)
    - [Diplomatic and Consular Privileges](#)
    - [Customs Tariff Act](#)
    - [Bi-lateral Treaties and Agreements](#)
  - [Exemption Certificate Application Procedure:](#)
  - [Exemption Certificate Document Requirements](#)
- [Customs Clearance](#)
  - [General Information](#)
  - [Customs Clearance Document Requirements](#)
  - [Outline of Import Clearance](#)

## Duties and Tax Exemption

For contact information regarding government custom authorities, please follow the link below:

### [4.1 Papua New Guinea Government Contact List](#)

Information on Customs Offices and Main Offices in the Region listed by entry points can be found in the following document:

### [Papua New Guinea Customs Information by Entry Point and Clearing System](#)

### [Papua New Guinea Customs Information for Ports](#)

## Emergency Response:

[Note: This section contains information which is related and applicable to 'crisis' times. These instruments can be applied when an emergency is officially declared by the Government. When this occurs, there is usually a streamlined process to import goods duty and tax free.]

In the following table, state which of the following agreements and conventions apply to the country and if there are any other existing ones

Agreements / Conventions Description	Ratified by Country? (Yes / No)
WCO (World Customs Organization) member	Yes
Annex J-5 Revised Kyoto Convention	Yes
OCHA Model Agreement	No
Tampere Convention (on the Provision of Telecommunication Resources for Disaster Mitigation and Relief Operations)	n/a
Regional Agreements (on emergency/disaster response, but also customs unions, regional integration)	n/a

## Exemption Regular Regime (Non-Emergency Response):

### Exempted Goods

The owner must still report the import of such goods to Customs in the same way every other person is required to report imports, but where the goods would normally have attracted duty, Customs instead applies a zero rate. The power to exempt goods from duty lies with the Head of State who applies his powers, acting on advice, as stated in legislation such as the Diplomatic and Consular Privileges and Immunities Act, the Aid Status (Privileges and Immunities) Act and the Customs Tariff Act. Goods imported under any of these exemption laws are relieved from taxes and duties, irrespective of their normal classification or normal liability, provided that they are imported in specified circumstances and for specific purpose.

### Diplomatic and Consular Privileges

Papua New Guinea is a signatory to the international agreement that governs the diplomatic relations between countries. This is known as the Vienna Convention. The privileges and immunities offered to foreign diplomats based in this country, including an exemption to paying Customs duties and other taxes, is exactly the same as those enjoyed by Papua New Guinea's diplomats based in overseas missions.

### Customs Tariff Act

Section 9 of the Act allows the Head of State, acting on advice, to either exempt from duty any goods provided that they are not being imported in relation to a commercial project or to substitute a reduced rate of duty for imported goods that would otherwise have attracted duty. The Head of State has advised that the following exemptions apply with respect to:

- Goods which are imported by a community organisation, certified by the Secretary of the Department of Prime Minister as an organisation that is not engaged in any commercial activity but exclusively devoted to the public interest and relating to the advancement of education and vocational training; or the provision of medical services; and
- Goods for educational or training purposes: to be used by the education institutions or training institutions officially recognized by the Secretary for Education or the Commissioner for Higher Education; and not for sale, exchange or trade within 5 years; and which are imported on a firm and specific order; and which in the opinion of the Commissioner-General cannot be locally produced or manufactured; and certified by the Secretary for Education or the Commissioner for Higher Education to be necessary for the purposes of approved curriculum or of education or training institutions themselves; and if such exempt goods be disposed of within 5 years from the date of import without prior written approval of the Commissioner-General the duty apportioned in relation to the remaining unused period shall be payable; and when purchased on the basis of duty free quotation/tender, the sale price shall not exceed 120% of the C.I.F. value and is supported by import documents.

**Other Exemptions under the Tariff Act**

The Head of State has also reduced the tariff rates of duty in respect of specified goods originating from certain countries in the Pacific region and on other goods the importation of which assists local industry. For further details of these exempted goods importers are asked to contact the Tariff and Trade Branch of Customs.

**Bi-lateral Treaties and Agreements**

Papua New Guinea has Bilateral Trade Agreement/ Multilateral Agreements with countries and international organisations. Clauses or Articles included in the content of these agreements as per the provisions of section 8 of the Loans and Assistance Act provide for an exemption to pay Customs duties and other Tax under certain conditions. Such agreements usually impose an end use obligation where exempt duties or taxes become liable if those conditions are not met certain conditions are met.

<b>Organizational Requirements to obtain Duty Free Status</b>
<b>United Nations Agencies</b>
<p>An organisation and personnel attached to those organisations may be granted by the Head of State, acting on advice, designated aid status. Such status frees the organisation or individual from the requirement to pay Customs duties or other taxes under certain conditions but imposes an end use obligation where such duties or taxes must be paid if those conditions are not met. The privileges and immunities offered to designated aid status organisations ensures aid being provided to Papua New Guinea by foreign aid organisations is not impeded or restricted by Papua New Guinea's domestic laws.</p> <p>Contractors or Subcontractors to designated aid agencies may not be exempt from import duty and other taxes unless the contract with the aid agency specifically provides for it as per the provisions of section 8 of the Loans and Assistance Act. Further advice can be obtained by contacting the Tariff and Trade Branch of Customs.</p>
<b>Non Governmental Organizations</b>
<p>An organisation and personnel attached to those organisations may be granted by the Head of State, acting on advice, designated aid status. Such status frees the organisation or individual from the requirement to pay Customs duties or other taxes under certain conditions but imposes an end use obligation where such duties or taxes must be paid if those conditions are not met. The privileges and immunities offered to designated aid status organisations ensures aid being provided to Papua New Guinea by foreign aid organisations is not impeded or restricted by Papua New Guinea's domestic laws.</p> <p>Contractors or Subcontractors to designated aid agencies may not be exempt from import duty and other taxes unless the contract with the aid agency specifically provides for it as per the provisions of section 8 of the Loans and Assistance Act. Further advice can be obtained by contacting the Tariff and Trade Branch of Customs.</p>

**Exemption Certificate Application Procedure:**

<b>Duties and Taxes Exemption Application Procedure</b>
<b>Generalities (include a list of necessary documentation)</b>

So that exemption requests can be considered and a reply given within a suitable time period applicants are advised to submit their written applications together with supporting documentation prior to the intended arrival date of the goods.

Supporting documentation may include:

- Commercial invoice/s with the description of all goods
- Bill of lading or airway bill
- The inventory list of the goods in the consignment
- A copy of the Contractual Agreement between the Loan Provider and the contractor or Agreement with the Loan Provider and the State
- A copy of the Project Agreement between the State and the AID Provider.

Applications should be submitted to Customs marked for the attention of the Director- Tariff and Trade Branch. Customs will confirm receipt of your application and will process it as quickly as possible, although this may take a few days especially if Customs asks for further documentation in respect of the application.

If your application is successful you will be advised in writing and this advice must be produced with supporting documentation when your Customs agent lodges your import entry formally reporting the goods to Customs at the port of discharge.

Normal clearance formalities still apply to exempt goods and Customs or Quarantine may still inspect the goods. Goods are of a type that can only be imported under a permit or license will only be released on its production to Customs even if the goods are exempt goods. The importer is responsible for ensuring the importation of the goods meets the requirements of Customs. Although the goods may be exempt Customs duty and other taxes, any charges levied by Quarantine or handling charges levied by the wharf or transport company are the responsibility of the importer and must be paid. This applies to any fees levied by the customs agent in clearing the goods through Customs formalities. Delays in clearing exempt goods will occur if either the application for exemption is not made prior to the arrival of the goods and in sufficient time for Customs to properly consider the application or if the exemption approval letter is not lodged with the import entry. Customs is not responsible for any wharf charges or other costs incurred as a result of any delays in clearing exempt goods unless the importer can demonstrate that the delay occurred because of the neglect or willful act of an officer

#### **Process to be followed (step by step or flowchart)**

The owner must still report the import of such goods to Customs in the same way every other person is required to report imports, but where the goods would normally have attracted duty, Customs instead applies a zero rate.

#### **Import Clearance Procedures**

The owner of the goods and anyone who causes the goods to be imported must retain all relevant records in relation to those goods for a period of 5 years from the date of import. If the owner or other person is selected for an audit these records will be examined to ensure compliance with the Customs Act. Failure to retain these records carries severe penalties including a term of imprisonment. [http://www.customs.gov.pg/customs\\_act\\_2006.html](http://www.customs.gov.pg/customs_act_2006.html)

- Lodging an import declaration: The first stage of the import clearance procedure is to lodge an entry (Customs Form 15) through the DTI system. The entry can only be lodged by a licensed customs agent authorized in writing by the owner of the goods to act on his/her behalf. The customs agent will deal with all the requirements needed to clear the goods through Customs and Quarantine formalities.
- Documents to Be Submitted: The second stage is for the customs agent to print a hard copy of the entry and produce it to Customs at a designated Customs office with the following documents.
  - a. Invoice showing the correct value, quantity, description, etc.
  - b. Bill of Lading or Air Waybill
  - c. Packing List;
  - d. Customs Valuation Declaration
  - e. Certificate of origin and value (if applicable)
  - f. Import Permits/ Licenses/ Applications, etc (if prohibited/restricted)
  - g. Any other documents as may be required by Customs.
- Check the Declaration and Supporting Documents: The third stage is the checking and verification of the declaration and the attached documents submitted to ensure the goods have been correctly classified using the Customs tariff, the correct value of the goods has been calculated and declared and the correct rate of duty has been applied. At a future date this check will only be required on nominated entries, all other will be electronically cleared.
- Payment of Duties and Taxes: The fourth stage is payment of applicable duties and taxes as detailed on the notice of assessment. There are currently two means for payment of import duties and taxes; these are by cash or by approved company or Bank cheques, payable at a Customs office. At a future date Electronic funds transfer will be a third payment option.
- Release of Cargo: Once payment has been made to Customs the owner of the goods may only take possession of the imported goods once all transport, wharfage and other fees have been paid. Goods remain under the control of Customs until they are lawfully removed from a Customs Controlled Area.
- Inspection: At any time up to the release of cargo from a Customs Controlled Area, Customs has the right to examine the imported goods to determine the nature, origin, condition, quantity and value of the goods declared to Customs. Customs may also examine consignments where intelligence and risk assessment indicates they may contain prohibited or restricted imports.

## **Exemption Certificate Document Requirements**

### **Duties and Taxes Exemption Certificate Document Requirements (by commodity)**

	Food	NFI (Shelter, WASH, Education)	Medicines	Vehicles & Spare Parts	Staff & Office Supplies	Telecoms Equipment
<b>Invoice</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>AWB/BL/Other Transport Documents</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>Donation/Non-Commercial Certificates</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>Packing Lists</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>Additional Notes</b>						
<b>Other Documents required:</b> <ul style="list-style-type: none"> <li>• Customs Valuation Declaration</li> <li>• Certificate of origin and value (if applicable)</li> <li>• Import Permits/ Licenses/ Applications, etc (if prohibited/restricted)</li> <li>• Any other documents as may be required by Customs.</li> </ul>						

## Customs Clearance

### General Information

Customs Information	
<b>Document Requirements</b>	<ol style="list-style-type: none"> <li>1. Invoice showing the correct value, quantity, description, etc.</li> <li>2. Bill of Lading or Air Waybill</li> <li>3. Packing List</li> <li>4. Customs Valuation Declaration</li> <li>5. Certificate of origin and value (if applicable)</li> <li>6. Import Permits/ Licenses/ Applications, etc (if prohibited/restricted)</li> <li>7. Any other documents as may be required by Customs.</li> </ol>
<b>Embargoes</b>	n/a
<b>Prohibited Items</b>	Restrictions and prohibitions generally apply to goods such as dangerous weapons including firearms, illicit drugs, pornographic materials and copyright infringing goods. For further information please contact any Customs office.
<b>General Restrictions</b>	Quarantine procedures are strongly enforced in the PNG. For detailed information, please refer to <a href="http://www.customs.gov.pg">www.customs.gov.pg</a>

### Customs Clearance Document Requirements

Customs Clearance Document Requirements (by commodity)						
	Food	NFI (Shelter, WASH, Education)	Medicines	Vehicles & Spare Parts	Staff & Office Supplies	Telecoms Equipment
<b>D&amp;T Exemption Certificate</b>	-	-	-	-	-	-
<b>Invoice</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>AWB/BL/Other Transport Documents</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>Donation/Non-Commercial Certificates</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs
<b>Packing Lists</b>	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs	Yes, Original, applies to UN and NGOs

<b>Phytosanitary Certificate</b>	-	-	-	-	-	-
<b>Other Documents</b>	-	-	-	-	-	-
<b>Additional Notes</b>						
<p><b>Additional Documents required:</b></p> <ul style="list-style-type: none"> <li>• Customs Valuation Declaration</li> <li>• Certificate of origin and value (if applicable)</li> <li>• Import Permits/ Licenses/ Applications, etc (if prohibited/restricted)</li> <li>• Any other documents as may be required by Customs.</li> </ul> <p><b>For medicines:</b></p> <ul style="list-style-type: none"> <li>• Additional permit from Department of Health</li> </ul> <p><b>For telecoms equipment,</b></p> <ul style="list-style-type: none"> <li>• Additional permit from Telecom department and form Licensing Board</li> </ul> <p><b>Quarantine</b></p> <ul style="list-style-type: none"> <li>• The import of all animals, plants, and the products of the same into Papua New Guinea is subject to prior written approval</li> <li>• Chief Quarantine Officer (Animals and Plants), Agricultural Protection Division, P.O. Box 2141, Boroko, Papua New Guinea.</li> </ul> <p><b>PROHIBITED / restricted IMPORTS</b></p> <ul style="list-style-type: none"> <li>• Radio Transmitters including "Walkie Talkies" and Telephones <ul style="list-style-type: none"> <li>• Some radio transmitting equipment and telephones offered for sale overseas, while not a prohibited import is restricted and may not comply with Papua New Guinea Post and Telecommunications licensing conditions.</li> <li>• If you are intending to import any such equipment it is advisable to first check with the Controller, Spectrum Radio Licensing Branch, Port Moresby.</li> </ul> </li> <li>• Examples of Agricultural Items <ul style="list-style-type: none"> <li>• All kinds of food, both fresh, smoked, canned bottled or manufactured.</li> </ul> </li> <li>• Examples of Plants: <ul style="list-style-type: none"> <li>• Plants (live/dry) bulbs, flowers, straws, all wooden articles, bamboo, cereals, noodles, sea weeds, cuttings etc.</li> </ul> </li> <li>• Examples of Animals: <ul style="list-style-type: none"> <li>• Animal products include semen, meat, salami, sausages, ham, poultry, butter, cheese, feathers, hair, skins, eggs, baby food.</li> <li>• Biological specimens, vaccines, cultures, blood etc.</li> <li>• Equipment used with all the animals or other agricultural purposes.</li> </ul> </li> <li>• Department of Agriculture and Livestock Quarantine Section P O Box 2141 Boroko NCD Papua New Guinea</li> </ul>						

## Outline of Import Clearance

When a shipment of goods is imported into Papua New Guinea whether it is by sea, air or land, the owner of those goods must declare them to Customs. The owner or his agent (known as a Customs Agent or Customs Broker) is required to prepare and lodge with Customs an import declaration (known as an entry) describing the nature, quantity, value, supplier and country of origin of the goods imported or to be imported. This entry, containing the name, address and Tax File Number of the owner, is a legal document and any errors may attract the imposition of administrative penalties. Deliberately making a false declaration to Customs may cause the goods to be seized and the owner or agent prosecuted. The owner of imported goods should be aware that the import of some goods is restricted in that they may only be imported under the authority of a permit or license without which the goods are prohibited. The import of some other goods is prohibited absolutely.

Restrictions and prohibitions generally apply to goods such as dangerous weapons including firearms, illicit drugs, pornographic materials and copyright infringing goods. For further information please contact any Customs office.

Customs is currently modernizing its business processes and migrating to the electronic reporting system called Asycuda++, which provides Electronic Data Interchange (EDI) clearance process. This system is replacing the need to physically lodge paper-based reports and supporting documents for each shipment although at present only Port Moresby is fully electronic. Other ports are slowly being upgraded to accept the system in a graduated roll out across the country. When fully functional up to 80% of entries will be cleared without Customs intervention at the time of import, the remaining 20% either being subject to documentary or physical checks at the time of import to ensure compliance with the Customs Act. In addition to targeted cargo inspections, Post Clearance Audit (PCA) teams will conduct audits at importers premises at any time within 5 years after the goods have been imported as part of a strategy to ensure importers are honest with Customs. Customs' compliance strategy commences with education of importers and customs agents and progresses through administrative penalties to seizure and prosecution action. Customs aim is to achieve voluntary compliance within the importing industry, which in turn will be reflected in a lesser need for Customs intervention at the time of import.