



DEPARTMENT OF FINANCE
Office of the Secretary

FINANCE INSTRUCTION 1/2021

29th JANUARY 2021

SUBJECT: COLLECTION AND ADMINISTRATION OF FEES AND CHARGES UNDER THE *PUBLIC FINANCES (MANAGEMENT) ACT* FOR THE *CLIMATE CHANGE (MANAGEMENT) ACT*

1.0 INTRODUCTION

1.1 Authority

This Financial Instruction (hereafter FI), is issued under Section 117 of the *Public Finances (Management) Act 1995 (PFMA)* (as amended) whereby the Finance Departmental Head may issue Financial Instructions that are necessary or desirable for carrying out or giving effect to this Act and in general for the better control and management of public monies and public property.

1.2 Legality & Enforcement

Pursuant to Section 4 (1) of the PFMA, the Finance Secretary has control and direction of all matters relating to the management of the financial affairs of the State.

2.0 PURPOSE & INSTRUCTION

2.1 Collection of Fees and Charges Determined under the *Public Finances (Management) Act* for the *Climate Change (Management) Act*.

This Instruction is designed to ensure that the fees and charges determined under the *Public Finances (Management) Act* in respect of the *Climate Change (Management) Act* are collected and administered under the laws of Papua New Guinea.

2.2 Application of Financial Instruction

This Finance Instruction applies to –

- (a) All public and statutory bodies;
- (b) Papua New Guinea Customs Service
- (c) PNG Immigration and Citizenship Service Authority; and

- (d) Any domestic producer or manufacturer of motor spirit (gasoline) including aviation spirit, Jet A1, kerosene, diesel or heavy fuel oils.

2.3 Application of Financial Instruction to Collection of Fees and Charges Determined under the *Public Finances (Management) Act* for the *Climate Change (Management) Act*

This Financial Instruction applies to the collection of fees and charges determined ("the determination") by the Minister for Finance and Rural Development under the *Public Finances (Management) Act* for the *Climate Change (Management) Act* as was published in the National Gazette G673 of 12th October 2020, a copy of which is attached to this Financial Instruction.

2.4 Carbon Levies on Imports of Fossil Fuels

- (a) Any person submitting for customs clearance by the Papua New Guinea Customs Service an importation of imported fossil fuels shall, prior to the submission to the Papua New Guinea Customs Service, pay the relevant fees and charges in respect of those fossil fuels under the determination.
- (b) The fees and charges shall only be paid to the Climate Change Development Authority (CCDA) at its office to the Department of Finance Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.
- (c) A person to whom this paragraph applies shall make application to the CCDA for the issue of a Carbon Levy Import Receipt on a form available on request from the CCDA, supported by the documentation required by the CCDA that will allow for the calculation of the applicable fees and charges.
- (d) The CCDA shall issue to a person to whom this paragraph applies a Carbon Levy Import Receipt on receipt of the application for the issue of a Carbon Levy Import Receipt, the supporting documentation and evidence of payment of the fees and charges.
- (e) Payment of fees and charges can only be made directly to the Department of Finance Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.
- (f) The Papua New Guinea Customs Service shall not provide a customs clearance on imported fossil fuels to which this Financial Instruction applies unless the person to whom this paragraph applies submits to the Papua New Guinea Customs Service a copy of the Carbon Levy Import Receipt issued by the CCDA.

2.5 Carbon Levies on Locally Produced Fossil Fuels

- (a) Any domestic producer or manufacturer of motor spirit (gasoline) including aviation spirit, Jet A1, kerosene, diesel or heavy fuel oils ("the producer") shall pay the relevant fees and charges in respect of those fuels under the determination.
- (b) The fees and charges shall only be paid to the Climate Change Development Authority (CCDA) at its office to the Department of Finance

Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.

- (c) A person to whom this paragraph applies shall make application to the CCDA for the issue of a Carbon Levy Domestic Production Receipt on a form available on request from the CCDA, supported by the documentation required by the CCDA that will allow for the calculation of the applicable fees and charges.
- (d) The CCDA shall issue to a person to whom this paragraph applies a Carbon Levy Domestic Production Receipt on receipt of the application for the issue of a Carbon Levy Domestic Production Receipt, the supporting documentation and evidence of payment of the fees and charges.
- (e) Payment of fees and charges can only be made directly to the Department of Finance Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.
- (f) The producer liable to make a payment under this Financial Instruction shall provide the Climate Change and Development Authority, as and when and in the form requested by the Climate Change and Development Authority, with the details of all fuels produced or manufactured by the producer and reconcile all payments made under the determination to that production or manufacture.
- (g) Applications for a Carbon Levy Domestic Production Receipt by a producer under this Financial Instruction shall be made no later than 30 days after the end of the calendar month within which those fuels were produced or manufactured.

2.6 Carbon Levies on Imports of Nitrogen Synthetic Fertilizers

- (a) Any person submitting for customs clearance by the Papua New Guinea Customs Service an importation of imported nitrogen synthetic fertiliser shall, prior to the submission to the Papua New Guinea Customs Service, pay the relevant fees and charges in respect of those nitrogen synthetic fertiliser under the determination.
- (b) The fees and charges shall only be paid to the Climate Change Development Authority (CCDA) at its office to the Department of Finance Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.
- (c) A person to whom this paragraph applies shall make application to the CCDA for the issue of a Carbon Levy Import Receipt on a form available on request from the CCDA, supported by the documentation required by the CCDA that will allow for the calculation of the applicable fees and charges.
- (d) The CCDA shall issue to a person to whom this paragraph applies a Carbon Levy Import Receipt on receipt of the application for the issue of a Carbon Levy Import Receipt, the supporting documentation and evidence of payment of the fees and charges.
- (e) Payment of fees and charges can only be made directly to the Department of Finance Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.
- (f) The Papua New Guinea Customs Service shall not provide a customs clearance on imported nitrogen synthetic fertiliser to which this Financial

Instruction applies unless the person to whom this paragraph applies submits to the Papua New Guinea Customs Service a copy of the Carbon Levy Import Receipt issued by the CCDA.

2.7 Green Fees

- (a) The PNG Immigration and Citizenship Service Authority shall collect from every person departing by whatever means from Papua New Guinea the relevant fees and charges in respect of those persons under the determination.
- (b) The fees and charges shall only be paid electronically to the Department of Finance Climate Change and Development Authority Revenue Account at the Bank of the South Pacific, Account Number 7012975186.
- (c) The PNG Immigration and Citizenship Service Authority shall provide the Climate Change and Development Authority, as and when and in the form requested by the Climate Change and Development Authority, with the details of all persons departing Papua New Guinea to which the determination applies and reconcile all payments made under the determination to those applications.

3.0 DATE OF IMPLEMENTATION

This Finance Instruction is effective as of the date of signing by the Secretary.

4.0 HELP DESK

Should you require further information the following officers should be contacted: First Assistant Secretary, Financial Reporting and Compliance Division, Department of Finance. Telephone number 79986000. Email: Samson Metofa, First Assistant Secretary, Financial Reporting and Compliance Division, samson_metofa@finance.gov.pg.


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