

FMM 03.10 Waiver of Fees

10.1 Authority and Prescribed Requirements

- Public Finances (Management) Act (PFMA) 1995
 - Section 109 – Waiver of Fees
 - Section 5 – Requires Departmental Heads to establish financial controls over revenue and waivers.
 - Section 71B and 71C – Governs the review and adjustment of fees and charges by government agencies.

10.2 Standards and Supporting Documentation

Nil

10.3 Minimum Responsibilities

Finance Minister is the authority for Fee Waivers.

Department of Finance (DoF) supports the Finance Minister and reviews fee waiver requests and ensures they are justified and maintains a record of all approved waivers for financial reporting.

Departmental Heads are the authority to submit waiver requests with full justification and financial impact assessment.

Heads of Finance Must record waived fees in IFMS under the correct revenue classification and ensure financial reporting reflects lost revenue due to waivers.

Internal Auditors must view waiver transactions to ensure compliance with PFMA.

10.4 Mandated Policy

- 1. All waivers of fees must be properly justified, approved, and recorded in compliance with PFMA. Fee waivers should only be granted in exceptional circumstances, such as financial hardship or public benefit.**
- 2. Waiver requests must be in writing and approved by the Finance Minister and must be published in the National Gazette to take effect.**

3. A fee waiver is recognised in the accounts when it is published in the National Gazette.
4. Although fees are waived, the waiver is still recorded in IFMS (or approved accounting system) under an established fee waiver account. All waived fees must be recorded and reported to track revenue loss.
5. The Finance department head for IFMS (or Head of Finance for alternative approved accounting system) is required to establish a Fee Waiver Account as a contra-revenue account in the chart of accounts.
6. No government agency may waive fees without formal approval under Section 109 of the PFMA.

10.5 Non-Mandatory Guidance

10.5.1 Requesting a Fee Waiver

The agency must submit a formal request to the Finance Minister, including, The reason for the waiver, The financial impact of the waiver on government revenue, Any supporting documentation (e.g., policy justification, public benefit analysis).

10.5.2 Approval and Publication

The Finance Minister reviews and approves or rejects the waiver. The approved waiver is published in the National Gazette before it takes effect. The Finance Minister informs NEC at the next meeting.

10.5.3 Recording and Financial Reporting

Finance Officers must record waived fees in IFMS or approved finance system, by raising the normal fee and these applying a credit note using the Fee Waiver account as a debit.

Further Information	frcd@finance.gov.pg
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