



REPUBLIC INDONESIA

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF THE INDEPENDENT STATE
OF PAPUA NEW GUINEA
FOR
THE AVOIDANCE OF DOUBLE TAXATION
AND
THE PREVENTION OF FISCAL EVASION
WITH RESPECT TO TAXES ON INCOME

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF
THE INDEPENDENT STATE OF PAPUA NEW GUINEA

Desiring to conclude an Agreement for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

HAVE AGREED AS FOLLOWS:

CHAPTER I
SCOPE OF THE AGREEMENT

Article 1
PERSONS COVERED

This Agreement shall apply to persons who are residents of one or both of the Contracting States.

Article 2

TAXES COVERED

1. This Agreement shall apply to taxes on income imposed on behalf of a Contracting State, irrespective of the manner in which they are levied.
2. There shall be regarded as taxes on income all taxes imposed on total income, or on elements of income, including taxes on gains from the alienation of movable or immovable property.
3. The taxes which are the subject of this Agreement are:
 - (a) in the case of Indonesia:
 - the income tax
 - (hereinafter referred to as "Indonesian tax").
 - (b) in the case of Papua New Guinea:
 - the income tax imposed under the law of Papua New Guinea, including:
 - (i) the salary or wages tax;
 - (ii) the additional profits tax upon additional profits from mining operations;
 - (iii) the additional profits tax upon additional profits from petroleum operations;
 - (iv) the additional profits tax upon additional profits from gas operations;
 - (v) the dividend withholding tax upon taxable dividend income;
 - (vi) the foreign contractor withholding tax;
 - (vii) the management fee withholding tax;
 - (viii) the business payments tax; and
 - (ix) the interest withholding tax.
 - (hereinafter referred to as "Papua New Guinea tax").
4. The Agreement shall apply also to any new or substantially similar taxes which are imposed after the date of signature of the Agreement in addition to, or in place of, the existing taxes. The competent authorities of the Contracting States shall notify each other of any significant changes which have been made in their respective taxation laws.

CHAPTER II

DEFINITIONS

Article 3

GENERAL DEFINITIONS

1. For the purposes of this Agreement, unless the context otherwise requires:
 - (a) the term "Indonesia" comprises the territory of the Republic of Indonesia as defined in its laws and parts of the continental shelf and adjacent seas over which the Republic of Indonesia has sovereignty, sovereign rights or jurisdiction in accordance with International Law;
 - (b) the term "Papua New Guinea" means the Independent State of Papua New Guinea and, when used in a geographical sense, includes any area adjacent to territorial limits of Papua New Guinea in respect of which there is, consistent with international law, a law of Papua New Guinea dealing with the exploitation of any of the natural resources of the Continental Shelf, its seabed and subsoil;
 - (c) the terms "a Contracting State" and "the other Contracting State" mean Indonesia or Papua New Guinea as the context requires;
 - (d) the term "person" includes an individual, a company and any other body of persons;
 - (e) the term "company" means any body corporate or any entity which is treated as a body corporate for tax purposes;
 - (f) the terms "enterprise of a Contracting State" and "enterprise of the other Contracting State" mean respectively an enterprise carried on by a resident of a Contracting State and an enterprise carried on by a resident of the other Contracting State;
 - (g) the term "tax" means Indonesian tax or Papua New Guinea tax as the context requires;
 - (h) the term "national" means:

