Presentation on Timor Leste Management of Petroleum Tax Revenue

By:

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Laws and Regulations Administered By NDPR

1. Timor Sea Treaty
2. Certain Maritime Arrangement in Timor Sea (CMAT 2006)
3. Greater Sunrise Unitization Agreement
4. Timor-Leste Taxes and Duties Act 2008
5. Taxation on Bayu-Undan Contractors Act (ToBUCA)
6. UNTAET Regulation 2000/18 (partly for administrative purpose) till enactment of draft Procedures and Offences Acts
8. Indonesian Law on Value Added Tax on Goods and Service and Sales Tax on Luxury Goods (as on 25 October 1999);
10. Indonesian Ministry of Finance Decree, Director General of Tax Decree and Circular Letters etc. (as on 25 October 1999)
Taxes Administered by National Directorate for Petroleum Revenue

**Income Tax:**
Payable by the Contractors in all JPDA and Timor-Leste sovereign areas and payable by Sub-contractors in Bayu-Undan, and Greater Sunrise Areas

**Additional Profit Tax:**
Payable by Bayu-Undan Contractors

**Branch Profit Tax:**
Payable by Greater Sunrise Contractors and Sub-contractors

**Value Added Tax:**
Payable by the Operators of the PSCs within JPDA area

**Non-final withholding taxes:**
Payable by Contractors and Sub-contractors within Bayu-Undan and Greater Sunrise PSC areas

**Final Withholding Tax:**
Payable by Contractors and Sub-contractors in JPDA and Timor-Leste sovereign PSC areas

**Employee Wages Tax:**
Payable by Contractors and Sub-contractors in all JPDA and TL sovereign PSC areas

**Supplemental Petroleum Tax:**
Payable by Contractors within Non-Annex-F JPDA and TL sovereign PSC areas
Timor-Leste Petroleum Tax Regimes

**JPDA**
- 90% subject to Timor-Leste tax,
- 10% subject to Australian tax

**‘TL Sovereign Area’**
(new regime)

**TST Annex F**
(old regimes)

- Non-Annex F JPDA
  - (new regime)
  - Kitan fields & other exploration areas

**Bayu Undan**
- Indonesian Law + ToBuCA

**Greater Sunrise**
- Indonesian Law & CMAT
Different Timor Leste Petroleum Tax Regimes

Timorese Sovereign Waters

TL Sovereign Waters

JPDA
Timor Leste
Sovereign Waters

JPDA (Joint Petroleum Development Area)

JPDA annex F (Greater Sunrise)

JPDA annex F (Bayu Undan)
Bayu-Undan Field
Petroleum Tax Collection 2000-2009

<table>
<thead>
<tr>
<th>Year</th>
<th>Petroleum Tax Collection (in Million USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>2.5</td>
</tr>
<tr>
<td>2001</td>
<td>9.5</td>
</tr>
<tr>
<td>2002</td>
<td>13.4</td>
</tr>
<tr>
<td>2003</td>
<td>26.8</td>
</tr>
<tr>
<td>2004</td>
<td>137.4</td>
</tr>
<tr>
<td>2005</td>
<td>254.2</td>
</tr>
<tr>
<td>2006</td>
<td>504.1</td>
</tr>
<tr>
<td>2007</td>
<td>398.0</td>
</tr>
<tr>
<td>2008</td>
<td>888.0</td>
</tr>
<tr>
<td>2009</td>
<td>661.3</td>
</tr>
</tbody>
</table>
Estimated share of different types of Timor-Leste Revenue flows through out the Bayu-Undan project life

- Income tax: 22%
- Additional Profits Tax: 18%
- Other: 3%
- Profit Petroleum: 48%
- First Tranche Petroleum: 9%
## 2009 Petroleum tax collection by tax types

<table>
<thead>
<tr>
<th>Income Tax (M $)</th>
<th>APT (M $)</th>
<th>VAT (M $)</th>
<th>WHT (M $)</th>
<th>Wages Tax (M $)</th>
<th>Other (M $)</th>
<th>Total (M $)</th>
</tr>
</thead>
<tbody>
<tr>
<td>280.5</td>
<td>346.2</td>
<td>15.1</td>
<td>9.3</td>
<td>9.7</td>
<td>0.5</td>
<td>661.3</td>
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