

## **Regulations regarding reporting and reconciliation of cash flows from petroleum activities**

Laid down by Royal Decree 26 June pursuant to Act 29 November 1996 no 72 relating to petroleum activities (the Petroleum Act), section 10-18 first paragraph. Put forward by the Ministry of Petroleum and Energy.

### **Section 1 Objective**

The objective of these regulations is to contribute to transparency in cash flows from the petroleum activities to the State. These regulations implement the Extractive Industries Transparency Initiative (EITI) in Norway.

### **Section 2 Definitions**

In these regulations the following definitions shall apply:

- a) the Ministry, the Royal Ministry of Petroleum and Energy,
- b) the Petroleum Act, Act 29 November 1996 no 72 relation to petroleum activities.

The definitions of the Petroleum Act are applicable to these regulations.

### **Section 3 Reporting of payments**

The licensees shall within 1 August each year separately report all payments in the previous calendar year which is made in connection with the petroleum activities pursuant to the following legislation:

- Act 13 June 1975 no 35 relating to the Taxation of Subsea Petroleum Deposits etc.
- Act 21 December 1990 no 72 relating to CO<sub>2</sub> tax in the petroleum activity on the continental shelf
- Regulation 11 December 2001 no 1451 relating to special duties chapter 3-19 regarding emission of NO<sub>x</sub>
- the Petroleum Act section 4-10.

Petoro AS shall, as a company responsible for managing the State's participating interests in accordance with the Petroleum Act chapter 11, within 1 August each year separately report all payments made in the previous calendar year to the State in connection with the State's participating interests.

StatoilHydro ASA shall within 1 August each year separately report all payments made in the previous calendar year to the State as a consequence of the company's sale and marketing of the State's petroleum, cf the sales and marketing instruction laid down in Statoil's General Meeting 25 May 2001 with subsequent amendments.

Entities obliged to report in accordance with this section shall also report all other payments to the State or to state employees made in the previous calendar year in connection with the petroleum activities.

Reporting pursuant to this section shall be done to the administrator appointed pursuant to section 6.

#### **Section 4**

##### **Reporting of received payments**

Norwegian Tax Administration, Norwegian Petroleum Directorate, The Customs and Excise Authorities, Petoro AS and Central Bank of Norway shall within 1 August each year report to the administrator appointed pursuant to section 6, all payments they have received in the previous calendar year based on the payment obligations which are dealt with in section 3 first to fourth paragraph.

#### **Section 5**

##### **The Multi Stakeholder Group**

The King shall appoint a group which task is to monitor and evaluate the implementation of these regulations.

The group shall comprise no less than 5 representatives from companies, organizations and public authorities, and also individuals possessing specific knowledge, who have interests in connection to transparency of payments to the states from the petroleum activities.

An alternate may be appointed for each of the representatives. The representatives and the alternates shall be appointed for 2 years. The group is chaired by the representative from the Ministry. The Ministry holds the secretariat for the group.

#### **Section 6**

##### **The administrator**

The King shall appoint an administrator, after consulting the Multi Stakeholder Group, which shall reconcile payments and revenues, and also prepare a report as mentioned in section 7.

#### **Section 7**

##### **Preparation of report**

The administrator shall reconcile revenues and payments as mentioned in section 3 and section 4. If any discrepancies are discovered, the administrator shall seek to clarify the reasons for the discrepancies.

The administrator shall prepare an annual report where the administrator gives an account of reported payments and revenues, cf section 3 and section 4, and for possible discrepancies and other issues which need to be highlighted to give a correct picture of the cash flows from the petroleum activities.

A draft report shall be presented to the Multi Stakeholder Group within 1 October. The group shall within 1 November present their comments on the draft, if any. The administrator shall thereafter finalize the report within 15 November. The administrator shall provide for publication of the final report.

#### **Section 8**

##### **Validation**

The Ministry shall, after consultation with the Multi Stakeholder Group, engage a validator who shall review how these regulations are put into practice and the report mentioned in section 7. Such validation shall take place every fifth year.

## **Section 9**

### **Reporting form, supplementing provisions and dispensation**

The Ministry may, after consultation with the Multi Stakeholder Group, lay down forms for reporting of payments and received payments in accordance with these regulations.

The Ministry may, after consultation with the Multi Stakeholder Group, by individual decision or regulation lay down provisions implementing, supplementing and defining the provisions in these regulations.

The Ministry may grant dispensation from the time limits in these regulations.

## **Section 10**

### **Entry into force**

These regulations enter into force 1 July 2009.