

## **QUESTIONNAIRE TO NATIONAL RESOURCE COMPANIES**

### **FISCAL TRANSPARENCY IN RESOURCE MANAGEMENT**

This questionnaire has been designed to provide information on the management of natural resources, with a focus on natural resource revenues. It is based on the IMF's Code of Good Practices on Fiscal Transparency, the supporting Manual on Fiscal Transparency, and the Guide on Resource Revenue Transparency (all available on the IMF external website).

#### **Activities and legal framework**

1. Please describe the activities of your company.
2. Please describe the legal framework that governs ownership over the natural resources with which your company is involved in mining or extracting.

#### **Fiscal management authority**

3. Which organization (e.g., finance ministry, energy ministry, state-owned enterprise) has the legal authority over your company? In which laws and regulations is this authority stipulated?
4. What is the involvement of your company in determining tax/royalty laws that apply to your company? Are all changes in the laws incorporated into the annual budgetary process or can they be changed on a more frequent basis?
5. Does your company pay all revenues to the treasury/budget, to the ministry of energy, or otherwise? If not, please describe what types of revenues are handled by other organizations and how.
6. Does your company have the right to borrow domestically and externally for resource-sector specific purposes? Does your company have the right to borrow on behalf of the government? On what basis? Does the legislature have to approve such borrowing? How are such borrowing operations disclosed to the public?
7. Please describe the relative roles of the government, the regulatory body (if it exists) and your company in policy making, monitoring compliance with the regulatory

framework, and commercial operations in resource sectors (including energy price setting). Please indicate in which laws these roles are determined.

### **Equity participation**

8. Please describe the form and extent of government equity participation (directly and through other state-owned enterprises) in your company.

9. How is equity participation of the government in your company disclosed?

### **Licensing procedures**

10. Please describe your company's role in licensing procedures for natural resources that have been used predominantly in the past and characterize them as either (i) open bids with fixed terms, (ii) open bids with variable terms, or (iii) negotiated deals.

11. If licensing procedures have evolved over time, and have varied for different projects, please describe licensing procedures on a project-by-project basis.

12. Please explain how interested bidders are informed about tenders.

13. What information about successful bids is disclosed to (i) the executive branch; (ii) and the legislature; and (iii) the general public?

### **Fiscal regime and contracts**

14. Are payments to the government for your natural resources primarily based on taxes/royalties or production sharing contracts?

15. Please describe the main features regarding fiscal payments that are determined in contracts with natural resource companies. Are actual contracts published in their entirety or partially? If partially, which parts are published, and which parts are not? Does this ensure that all the major terms of contracts are publicly disclosed? If actual contracts are not published, who has access to them? If not published, how is accountability ensured vis-à-vis the public?

16. Please provide any model contracts and copies of key actual production sharing agreements or contracts between natural resource companies and governments as well as reports or analyses related to these.

17. Are financing arrangements included in production sharing contracts? If so, are these published? Does legislation and other documents contain specific regulations covering financing arrangements? If so, please describe..

18. Please describe the requirements for payment of royalties and other specific tax or nontax instruments applicable to your natural resource production (e.g., production shares, special oil fee, dividends from equity participation, or other payments, including bonuses).

19. Please explain any differences between resource revenue taxation applicable to your natural resource products and the standard tax system that applies to other sectors or activities (e.g., corporate profit tax, taxation of dividends or interest, capital gains tax, personal income tax).

20. Describe main tax incentives that exist for your company in the natural resource sector.

21. Please describe indirect taxes (value added tax, excises, and customs duties on imports or exports) applicable to your natural resource production. Are there any differences between the indirect tax treatment of natural resources or products made predominantly from natural resources (such as gasoline) and other activities (e.g., rate of import duties or excises)?

22. Do government agreements with your company include “fiscal stability clauses” (to protect investors against unforeseen changes to the financial assumptions underlying the project)? If so, please describe them? Are these publicly known? How prevalent are these?

23. Please explain if ring-fencing is used to limit the ability of your company to consolidate income or deductions for tax purposes across different activities, projects, or license areas.

24. How is transfer pricing dealt with in general and specifically with regard to production sharing contracts and in the corporate income tax?

### **Accounting and audit, assurances of integrity**

25. Please describe rules and mechanisms of internal controls and internal audit for your company.

26. Please indicate the following features of accounting and audit regulation for your company:

- Is your company subject to the same standards of accounting and audit as the private sector in general?
- Are accounting standards for national resource companies in law consistent with international accounting standards (IAS), and are these standards complied with in fact?

- Is a consolidated financial report covering all subsidiaries prepared and audited?
- Have audited annual accounts been completed within six months after the end of the financial year?
- Are financial accounts provided to the public annually (if more frequently, please specify), and within six months of year-end?

If the answer is “no” to any of the above questions, please describe the current system of accounting and audit.

### **Price regulation**

27. Are domestic wholesale and retail prices of your natural resource products administered by government or a regulatory body? If so, what formulae are used to determine these prices, and are these known to the public? How do domestic prices relate to international market or reference prices? What is the frequency with which domestic prices are adjusted?

### **Quasi-fiscal activities and payment arrears**

28. What noncommercial/quasi-fiscal activities are carried out by your company and other resource-sector companies, including international companies? (Such activities include health and education services, employment, housing, infrastructure, domestic sales of energy products at below market price, borrowing on behalf of the state.) Please describe major activities and indicate, where possible, the estimated annual cost, noting also the source of such information and data.

29. Are there any payment arrears of the government or government agencies to your company? If so, are these regularly updated, publicly disclosed, and considered in the government budget?

30. Are there any tax or payment arrears of your company to the government? If so, are these monitored regularly and publicly disclosed?

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