

Trinidad to unveil new oil and gas fiscal regime

by The Oil and Gas Year

PORT OF SPAIN, January 16, 2017 – Acting Ministry of Energy and Energy Industries Colm Imbert on Monday signalled an overhaul of Trinidad’s oil and gas fiscal regime in an effort to increase investment in the industry.

The new regime, which is scheduled to be finalised in the first quarter of 2017, will serve two purposes. According to Imbert, it is designed to “motivate investors companies to get involved in exploration and development” as well as “maximise” Trinidad’s returns from its oil and gas industry.

“We [presently] have the standard exploration production license where taxation is based on petroleum profits tax, supplementary profits tax oil levy and then there is the production-sharing license,” the minister said, adding that the supplementary petroleum tax would be revised too.

The latter move comes as a response to small and medium-sized companies complaining that the measure affects their profit margin in light of increasing oil prices.

“We are going to address the way in which the SPT kicks in to make it a profit based tax rather than a volume or revenue based tax so that there would be a more equitable increase in the equity,” Imbert was quoted as saying by local media, adding that this should encourage “some of our local companies to engage in greater production and in exploration.”

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