



DIRECÇÃO GERAL DE RECEITAS
DIRECÇÃO NACIONAL DE RECEITAS PETROLIFERAS E MINERAIS
Building #5 (Ground Floor), Palácio do Governo RDTL, Avenida do Presidente de Nicolau Lobato
P.O. Box 18, Díli, Timor-Leste, Phone- +(670) 333 9542; Web: <http://www.mof.gov.tl/en/rc/DPR>
<https://www.mof.gov.tl/taxation/petroleum-tax/?lang=en>

Supplemental Petroleum Tax (SPT) Return
JPDA Non Annex F (KITAN) & Timor-Leste Exclusive Area
For the Year Ended 31 December 2016

| | |
|--------------------------------------------------|--------------------------|
| Taxpayer Name: | |
| Taxpayer Identification Number (TIN): | |
| Contact Name and Email Address: | |
| Postal Address: | |
| PSCs Number: | |
| PSC Area (JPDA/ Timor-Leste Sovereign Territory) | <input type="checkbox"/> |
| Percentage Interest in PSC: | |

| |
|------------------------------------------------------------------|
| Acreage Block Number and description of main activities in 2016: |
|------------------------------------------------------------------|

If you were not in business for the whole year, or if you had an approved substituted accounting period, specify the period that this return relates to : ___/___/___ to ___/___/___ (dd/mm/yyyy)

Will you be completing a tax return for the year commencing January 2016?

Yes ☐ No ☐ Unsure ☐

If 'No', reason: **Business ceased** ☐ Date of cessation:

Business Sold ☐ Date of sale:

Other ☐ Provide details

Regarding the following issues the interpretation of the tax law is not obvious and contractors opinion is that the following SPT treatment is to prefer and has been followed (please attach separate details if necessary):

Issues of Interpretation:

Separate Documents Attached to the Tax Return:

TAXPAYER'S DECLARATION:

Important: First check that all income and expense has been disclosed as per law and that the tax return is true and correct in every detail.

Under penalties of perjury, I (full name) (designation)
declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.

Signature: Date: ___/___/___ (dd/mm/yyyy)

Part-I

Accumulated Net Receipts

Show all amounts in US Dollars only and do not show cents

Opening Balance of Accumulated Net Receipts as Multiplied by 116.5% and Adjusted for interest expenses

| | Line | USD \$ |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|
| Balance of Accumulated Net Receipts (ANR) as on 31/12/2016 [negative balance carried forward (Line 70 of the last years return), or zero if SPT applied last year on a positive balance of accumulated net receipts] For the first year where the SPT is payable, the Operator must attach a detailed calculation from the inception of the project until the first day of commercial production that is consistent with Public Ruling 2011/02. | 05 (-) | |
| Opening balance of ANR multiplied by 116.5% [Line 05 multiplied by 116.5%] | 10 | |
| Interest and other Financial Charges paid during the year | 15 (+) | |
| 70% of Interest and other Financial Charges paid during the year [Multiply Line 15 by 70%] - Note 3 | 20 | |
| Opening balance of ANR multiplied by 116.5% less adjusted interest and financial charges [add Line 20 as a positive value (+) with Line 10 as a negative value (-)] - Note 4 | 25 | |
| Opening balance of grossed up and adjusted ANR- as per Section 84.3 of Taxes and Duties Act [copy amount of Line 05, if negative value in Line 25 is lower than the negative value in Line 05, otherwise copy value of Line 25] - Note 5 | 30 | |

Part-II

Current Year's Net Receipts = Gross Receipts– Deductible Expenditure

2016 Gross Receipts

Gross Receipts excluding interest income X 90% - please attach summary of revenues 35

2016 Deductible Expenditure (90% of total deductible Expenses)

Any tax deductible expenses incurred during the year including interest and fin: charges
- please attach expense summary 40

Capital expenditure incurred during the year - please attach expense summary 45

Operating expenses, in connection with the project, incurred during the year
- please attach expense summary 50

Corporate income tax @ 30% of 90% of taxable income before deducting Supplemental Petroleum Tax
- Note 6 55

2016 Total Deductible Expenditure [Add Line 40 to Line 55] 60

Net Receipts of the Year [Deduct Line 60 from Line 35] 65

Part III

Closing Balance of Accumulated Net Receipts

| | Line | USD \$ |
|-------------------------------------------------------------------------------|------|--------|
| Accumulated Net Receipts as on 31/12/2016 [Add Line 30 with Line 65] - Note 7 | 70 | |

Does Supplemental Petroleum Tax (SPT) apply or not?

If value in Line 70 is positive SPT is payable, if negative SPT does not apply

Supplemental Petroleum Tax Computation

| | | |
|----------------------------------------------------------------------------------------------------------------|-----|--|
| Accumulated Net Receipts (A) as on 31/12/2016 [Copy amount in Line 70, if it is a positive value] | 75 | |
| SPT Payable [Amount in Line 75 x 22.5%/70%] - Note 8 | 80 | |
| SPT Installments Paid - please attach detail -month to month | 85 | |
| SPT refund due in last tax year [B/F from last year, if not refunded till the date of lodgment of this Return] | 90 | |
| Total [Add Line 80 and Line 85] | 95 | |
| SPT due (Deduct Line 95 from Line 80); [If Line 100 > Line 80, go to Line 110] | 100 | |
| Overpayment\Underpayment of SPT [Deduct Line 80 from Line 95] | 105 | |

Electronic Payment of SPT to TL Petroleum Fund Bank Account

| | | |
|-----------------------------------------------------------------------------|-----|--|
| Residual SPT paid [This should be the same as the amount at line 100 above] | 110 | |
| Date of Payment _____ [dd/mm/yyyy] | | |

Notes:

- Supplemental Petroleum Tax (SPT) is payable by a Contractor (including Joint Venture Partner) engaged in petroleum operation in Non-Annex F JPDA or in Timor-Leste Exclusive Area and, is to be computed and paid in accordance with the provisions of Chapter IX of the Taxes and Duties Act 2008.
- $1 \times (1-r)$ which is a part of the formula $[(Ax116.5\%) - (1 \times (1-r))]$ as prescribed in Section 84 of the Taxes and Duties Act, require an adjustment of the grossed up ANR; this require interest and financial charges (1) to be multiplied by 70% [$1 - \text{rate of corporate tax } (r)$] or $1 - 30\% = 70\%$;
- Addition of Line 20 (as a positive value) with Line 10 (as a negative value) in Line 25 will effectively reduce the negative value shown in Line 10 ;
- The amount in Line 30 demonstrates the first part of the formula $[(Ax116.5\%) - (1 \times (1-r))]$ described in Section 84 of the Taxes and Duties Act, and the condition laid out in Section 84.3. If the negative value in Line 25 is lower than the negative value in Line 05 than the amount in Line 05 is to be copied in Line 30, otherwise the value of Line 25 is to be copied in Line 30;
- This calculation of corporate income tax is for the purpose of the computation of SPT only and is to be calculated @ 30% on 100% of the taxable income; corporate income tax which would be actually payable is to be calculated after deducting the actual SPT paid during the year. Please attach the summary of notional taxable income (before deducting SPT) and income tax calculation;
- The amount in Line 70 demonstrates the entire formula $((Ax116.5\%) - (1 \times (1-r))) + B$ described in Section 84 of the Taxes and Duties Act 2008;
- The SPT rate that has been prescribed in Section 83.2 of the Taxes and Duties Act $[Ax22.5\% / (1-r)]$ which is to be applied in computing SPT payable in Line 90;
- SPT owing in Line 110 must be paid in favour of 'Banking & Payment Authority of East Timor – Petroleum Fund Account' within 25th day of the third month from the end of a Tax Year;
- Account Name: Banking & Payment Authority of East Timor - Petroleum Fund Account; A/C Number: 021080973
Bank: The Federal Reserve Bank of New York; SWIFT Code: FRNYUS33; Bank Address: 33 Liberty Street, New York 10045
- Please attach copy of EFT bank transfer instruction form in favour of electronic transfer of above APT to the TL Petroleum Fund bank account.