

LEGAL NOTICE NO. 163

REPUBLIC OF TRINIDAD AND TOBAGO

THE PETROLEUM ACT, CHAP. 62:01

REGULATIONS

MADE BY THE PRESIDENT UNDER SECTION 29 OF THE PETROLEUM ACT
AND SUBJECT TO NEGATIVE RESOLUTION OF PARLIAMENT

THE PETROLEUM (AMENDMENT) REGULATIONS, 2017

1. These Regulations may be cited as the Petroleum (Amendment) Regulations, 2017. Citation
2. In these Regulations “the Regulations” means the Petroleum Regulations. Interpretation
G.N. 5/1970
3. Regulation 2 of the Regulations is amended— Regulation 2
amended
 - (a) by inserting the following definitions in the appropriate order:
 - “arms-length” means the relationship that exists between two or more entities, where neither of the entities exerts, or is in a position to exert, significant influence on any of the other entities having regard to all relevant factors;
 - “contractor” means a person to whom a production sharing contract is granted, and includes his successors and permitted assignees;
 - “contract area” means, subject to subregulation (2), an area (whether a submarine area or on land) which is described by a production sharing contract; and
 - “fair market value” means the price at the point of sale for crude oil or natural gas at which independent third parties under no compulsion to buy or sell are trading on an arms-length basis;”;
 - (b) by renumbering regulation 2 as regulation 2(1); and
 - (c) by inserting after regulation 2(1), the following new subregulation:
 - “ (2) A reference to a contract area shall be read and construed, where such is the case, so as to refer to such part or parts thereof as remain at the disposal of the contractor from time to time in accordance with the terms of the production sharing contract.”.

- Regulation 61 amended 4. Regulation 61 of the Regulations is amended by revoking subregulation (1) and substituting the following subregulation:
 “ (1) Every Exploration and Production (Public Petroleum Rights) Licensee or contractor under a production sharing contract shall pay a royalty at a rate of 12.5% on the net petroleum won and saved from the licensed area or contract area.”.
- Regulation 63 amended 5. Regulation 63 of the Regulations is amended by deleting the words “reduce the rate of royalty specified in the licence for any period if such reduction” and substituting the words “vary the rate of royalty for any period if such variation”.
- Regulation 64 amended 6. Regulation 64 of the Regulations is amended—
 (a) in subregulation (2), by inserting after the word “licensee”, the words “or contractor”;
 (b) in subregulation (3), by inserting after the word “licensee”, the words “or contractor”; and
 (c) in subregulation (4), by deleting the words “licensee at the same prices as apply” and substituting the words “licensee or the contractor at fair market value”.
- Regulation 65 revoked 7. The Regulations are amended by revoking regulation 65 and substituting the following regulation:
 “Sampling and analysis of crude oil **65.** The sampling and analysis of crude oil shall be conducted from time to time as directed by the Minister.”.
- Regulation 66 revoked 8. The Regulations are amended by revoking regulation 66 and substituting the following regulation:
 “Value of crude oil **66.** The value of crude oil for the purposes of payment of royalties shall be the net volume of crude oil won and saved at the fair market value from the licensed area or contract area.”.
- Regulations 67, 67A and 68 revoked 9. The Regulations are amended by revoking regulations 67, 67A and 68.
- Regulation 69 amended 10. Regulation 69 of the Regulations is amended—
 (a) by revoking subregulation (1) and substituting the following subregulation:
 “ (1) The value of natural gas for the purposes of payment of royalties shall be the net volume of natural gas won and saved at the fair market value.”; and
 (b) by revoking subregulation (2).

11. Regulation 70 of the Regulations is amended— Regulation 70
amended
- (a) by inserting after the word “licensee”, wherever it occurs, the words “or the contractor”; and
 - (b) by inserting after the word “licence”, wherever it occurs, the words “or production sharing contract”.
12. Regulation 71 of the Regulations is amended— Regulation 71
amended
- (a) by inserting after the word “licensee” the words “or contractor”;
 - (b) by inserting after the word “licence” the words “or production sharing contract”; and
 - (c) by inserting after subregulation (1), the following new sub regulation:
 - “ (1A) The final determination of fair market values for royalties shall be made by the Minister with responsibility for finance in accordance with the Chap. 75:04 Petroleum Taxes Act.”.
13. These Regulations come into effect on the 1st day of January, Commencement 2018.

Dated this 29th day of December, 2017.

L. RODRIGUEZ
Secretary to Cabinet