Overview and Learning Objectives
This course is designed to provide participants with in-depth analyses of international taxation issues related to oil and gas and other mining activities. It starts with an overview of relevant international tax considerations in this field and how the tax risks are managed. The tension between source and residence taxation of multinational enterprises and their employees involved in oil and gas and other mining activities is explored further in sessions dealing with offshore exploration activities, permanent establishments, treaty characterization of various types of income that are associated with this industry and the taxation of expatriate employees. The course concludes with analyses of transfer pricing issues that are commonly found in the oil and gas and other mining industries and provides insights into how these issues are managed.

This is an interactive course with a maximum of 32 participants. Prior to the course, participants will be given access to a documentation platform which provides them with additional pre-course reading material and supplementary material (e.g. legal documentation, case law and related articles/literature). During the course, participants will be provided with a course binder containing documents relevant to the course.

Who Should Attend?
The course is ideal for in-house tax managers, advisers and government officials working with enterprises or individuals involved in the oil and gas and other mining industries.

Course Level and Prerequisites
This is an intermediate-level course. Participants should be familiar with the basic tax treaty concepts and the domestic law of at least one country, in particular as it relates to cross-border situations.
Day 1

08.30 - 09.00 Registration

09.00 - 09.20 Welcome and IBFD Overview

09.20 - 10.40 International Taxation of Oil and Gas and Other Mining Activities
- Introduction – special features of the industry
- Domestic tax rules and relation to cross-border activities
- Array of taxes and other forms of government recovery from natural resources
- Relationship between tax treaties, domestic law and EU law
- Overview of issues relating to cross-border activities and typical approaches to them
- Examples of regimes for taxation and regulation of resources

10.40 - 11.00 Break – Refreshments

11.00 - 11.30 International Taxation of Oil and Gas and Other Mining Activities (continued)

11.30 - 12.45 Major Concepts and Trends in Oil and Gas Taxation
- Producer considerations
- Investment context and analysis for producer companies
- Fiscal stability
- Domestic natural resource tax law
  - identification of the taxpayer
  - regimes for upstream, midstream and downstream assets and activities
  - exit and unsuccessful projects
- International and cross-border tax issues
  - character of income
  - jurisdiction and disputes
  - tax and other treaty applications
- Current trends in investment and tax regimes
  - deep-water exploration and production: impact of Brazil
  - onshore: impact of fracking in the United States

12.45 - 14.00 Lunch

14.00 - 15.40 PE Concepts
- Importance of the PE concept
- Construction site PEs
- Service PEs
- PEs and exploration and extraction activities
- PEs in offshore activities
- PEs and pipelines
• How to minimize your PE exposure
• Attribution of profits

15.40 - 16.00  Break – Refreshments
16.00 - 17.00  PE Concepts (continued)
Day 2

09.00 - 10.40  Offshore Exploration Activities

- Limits on taxing jurisdiction
- Exploration and exploitation of natural resources
- Sourcing rules
- Characterization of offshore activities and methods of taxation
- Practical examples
- Case study

10.40 - 11.00  Break – Refreshments

11.00 - 12.45  Characterization of Income

- Importance and impact of treaty characterization
- Residence vs source state taxation
- Business profits
- Royalties
- Management and technical services fees
- Personal services
- Transportation income
- Leasing and rental income
- Bareboat and time charters
- Supply of equipment
- Contract fees
- Subcontractors
- Practical examples
- Case law examples

12.45 - 14.00  Lunch

14.00 - 14.30  Characterization of Income (continued)

14.30 - 15.30  Taxation of Expatriate Employees

- General trends in the taxation of cross-border employment income
  - secondment agreements
  - international hiring-out of labour
  - use of expatriate employment entities
- Taxation of expatriates in the offshore industry
  - offshore clauses
  - activities onboard a vessel
  - construction activities
  - drilling activities
- Taxation of expatriates in the oil and gas industry and the mining sector
  - mining and oil concessions and regulations
- Taxation of employment income under the OECD Model 2010
  - default rule
  - exemption period
- directors’ fees
- PE situations
- changes brought by the OECD Model 2010

• Practical examples and case studies

15.30 - 15.50 Break – Refreshments
15.50 - 17.00 **Taxation of Expatriate Employees (continued)**
Day 3

09.00 - 10.40 Transfer Pricing Issues in the Oil and Gas Industry – Part 1
- Importance of transfer pricing in international oil and gas and mining activities
- Transfer pricing of commodities, use of marketing / trading structures in the resources sector
- Pricing of core services and IP
- Financing issues
- Practical examples
- Case studies

10.40 - 11.00 Break – Refreshments

11.00 - 12.45 Transfer Pricing Issues in the Oil and Gas Industry – Part 1 (continued)

12.45 - 14.00 Lunch

14.00 - 15.30 Transfer Pricing Issues in the Oil and Gas Industry – Part 2
- Transfer pricing issues in the oilfield services sector
- Equipment leasing – focus on vessel chartering
- Exploration activities and transfer pricing – e.g. global exploration groups, early-stage financing issues
- Tax authority experiences
- Practical examples
- Case studies

15.30 - 15.50 Break – Refreshments

15.50 - 17.00 Transfer Pricing Issues in the Oil and Gas Industry – Part 2 (continued)