



## **Prior Information Notice**

### **Oil and Gas – Finance and Taxation Advisor**

The Isle of Man Government invites submissions from suitably qualified and experienced businesses or individuals in respect of this Prior Information Notice (PIN) for the Department of Infrastructure (the Department). The Department wishes to explore the availability of services with regard to the provision of advice and assistance in respect of fiscal matters relating to its interest in the exploration and exploitation of hydrocarbons within Isle of Man Territorial Waters.

The underlying requirement is for short-term capacity building with regard to providing financial analysis of petroleum field development and taxation.

#### **Principal Objectives**

- To provide advice to government regulators on petroleum operations, petroleum exploration, extraction and production, and petroleum processing as required;
- Assist government regulators with regard to the development and evaluation of a petroleum taxation regime;
- Assist in setting up programs to assess regulatory compliance of petroleum operations.

#### **Provisional Specification**

- Assess financial capability of Developer as part of its programme of drilling exploration, appraisal, field development or production wells;
- Review the Isle of Man Royalty model for hydrocarbons and provide a set of definitions and equitable rules so that the Isle of Man can realise its fair share of the value of Manx oil and gas production, including but not limited to:
  - Calculation of revenue and costs;
  - The scope, interpretation, payment and refund of royalty;
  - Allocation of costs within a licence area, including if there are multiple fields;
  - Transportation / delivery expenditure.
- Review if there is a need to introduce a Petroleum Production Tax Bill for Petroleum Production Tax (PPT) calculated on the same basis as royalty.
- There are a number of income tax complexities associated with hydrocarbon extraction. To resolve these, will require work to accommodate any desired change to income tax including any system for taxation of profits arising from oil / gas extraction which would require drafting of new legislation.
- Review the future corporate income tax rate for companies extracting hydrocarbons.
- Model field economics and challenge the Operator(s) in its / their regular Reserve updates.
- Assist with review of the field income and expense returns.

## Responding to this Prior Information Notice

Interested parties are invited to submit a brief summary of their experience and capabilities and proposed solution which should cover the elements identified in the Provisional Specification above.

Responses must include details of indicative hourly rates broken down by activities.

By responding to this request it must be understood that, at this stage, the Department is only exploring options, no commitment is intended or implied and this request may or may not progress through to a competitive tender exercise. An invitation to tender may follow this Prior Information Notice, but the Department is not under any obligation to issue invitations to responders to the Prior Information Notice.

Please be aware that the Department, Procurement Services nor any other part of Isle of Man Government or any other organisation assisting the Government with the Prior Information Notice, will not accept any liability nor any charges for expenses or losses incurred by any interested party as a result of responding to this enquiry.

Any questions or points of clarification relating to this Prior Information Notice are to be submitted via the Procurement Portal. Note: all questions will be anonymised and then distributed together with the written answer to all interested parties.

Responding parties *may* be invited to give a presentation in support of their submission. Presentations will take place at Isle of Man Government premises in the, Isle of Man (full details will be supplied with any invitation to present). Allocated presentation times will be confirmed, in writing, after the closing date for PIN Responses has passed

Should you wish to receive more information and participate in this Prior Information Notice, your organisation must be registered on the Isle of Man Government's Procurement Portal. If not previously registered, please visit <https://in-tendhost.co.uk/iomg/asp/Home> and select 'Register' from the menu on the left side of the Home Page.

Once you have registered, please select this PIN from the list of 'Current Tenders' and 'View Details' then click 'Express an Interest' at the bottom of the page. Once you have clicked on 'Express an Interest' a 'Form of Acknowledgement' tab will appear. This tab provides a copy of the 'Appeals Procedure' to be downloaded. In order to progress to the next stage, please select 'Opt-In' and complete the 'Form of Acknowledgment' questionnaire and click 'Submit Return' before the Expression of Interest deadline shown below.

Should you have any difficulty in using the website or registering your interest in this way, please e-mail [procurement@gov.im](mailto:procurement@gov.im)

Expressions of interest must be submitted through the above Portal by **noon on 20 September 2019.**

Submissions in response to this PIN must be submitted where indicated on the Procurement Portal no later than **noon on Friday 27 September 2019.**