

News-Service of the presstext news agency
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Publication: 24.03.2023 11:00

Source: <https://www.presstext.com/news/20230324019>

Keywords: No Keyword

Report on payments to government agencies according to article 128 BörseG

OMV Aktiengesellschaft: Consolidated Report on the Payments Made to Governments acc. to Sec 128 Stock Exchange Act

Vienna (pta/24.03.2023/11:00) -

Section 267c of the Austrian Commercial Code (UGB) requires that large undertakings and public interest entities that are active in the extractive industry or logging of primary forests prepare the following consolidated report on payments to governments. This section implements Chapter 10 of the EU Accounting Directive (2013/34/EU). The "Basis of preparation" paragraph provides information to the reader about the contents of the report. This also includes information on the type of payment for which disclosure is required and how OMV has implemented the regulations in the preparation of the report.

Basis of preparation

Reporting entities

Under the requirements of the regulation, OMV Aktiengesellschaft is required to prepare a consolidated report covering payments made to governments for each financial year in relation to extractive activities by itself and any subsidiary undertakings included in the consolidated Group financial statements.

Activities within the scope of the report

Payments made by the OMV Group (hereafter OMV) to governments that arose from exploration, prospecting, discovery, development, and extraction of minerals, oils, and natural gas deposits or other materials within extractive activities are presented in this report.

Government

A "government" is defined as any national, regional, or local authority of a country or a department, agency, or undertaking that is controlled by that authority and includes national oil companies.

In cases where a state-owned entity engages in activities outside its designated home jurisdiction, it is not deemed to be a reportable governmental body for these purposes, and thus payments made to such an entity in these circumstances are not reportable.

Project definition

The regulation also requires payments to be reported on a "project" basis as well as on a government and governmental body basis. A project is defined as the operational activities that are governed by a single contract, license, lease, concession, or similar legal agreement and form the basis for payment liabilities to the government. Where these agreements as per the aforementioned definition are substantially interconnected, these agreements are treated for the purpose of these regulations as a single project.

"Substantially interconnected" is defined as a set of operationally and geographically integrated contracts, licenses, leases, concessions, or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities. Such agreements can be governed by a single contract, joint venture agreement, production sharing agreement, or other overarching legal agreement.

There may be instances, for example, corporate income taxes, where it is not possible to attribute the payment to a single project and therefore these payments are shown at the country level.

Cash and payments in kind

In accordance with the regulation, payments have to be reported on a cash basis. This means that they are reported in the period in which they are paid and not in the period in which they are accounted for on an accruals basis.

Refunds are also reported in the period in which they are received and will either be offset against payments made in the period or be shown as negative amounts in the report.

Payments in kind made to a government are converted to an equivalent cash value based on the most appropriate and relevant valuation method for each payment type. This can be at cost or market value and an explanation is provided in the report to help explain the valuation method. Where applicable, the related volumes are also included in the report.

Payment reporting methodology

The regulation requires that payments are to be reported where they are made to governments by OMV. It is required that the report reflect the substance of each transaction and activity. Based on these requirements, OMV has considered its reporting obligation as follows:

- Where OMV makes a payment directly to the government, these payments will be reported in full, irrespective of whether this is made in the sole capacity of OMV or in OMV's capacity as the operator of a joint operation.
- In cases where OMV is a member of a joint operation for which the operator is a state-owned entity (i.e., a government), payments made to that state-owned entity will be disclosed where it is possible to identify the reportable payment from other cost recovery items.
- For host government production entitlements, the terms of the agreement have to be considered; for the purpose of reporting in this report, OMV will disclose host government entitlements in their entirety where it is the operator.

Materiality

Payments made as a single payment or a series of related payments that are below EUR 100,000 within a financial year are excluded from this report.

Reporting currency

Payments made in currencies other than euros are translated for the purposes of this report at the average rate of the reporting period.

Payment types disclosed

Production entitlements

Under production sharing agreements (PSAs), the host government is entitled to a share of the oil and gas produced and these entitlements are often paid in kind. The report will show both the value and volume of the government's production entitlement for the relevant period in barrels of oil equivalent (boe).

The government share of any production entitlement will also include any entitlements arising from an interest held by a state-owned entity as an investor in projects within its sovereign jurisdiction. Production entitlements arising from activities or interests outside a state-owned entity's sovereign jurisdiction are excluded.

Taxes

Taxes levied on income, production, or profits of companies are reported. Refunds will be netted against payments and shown accordingly. Consumption taxes, personal income taxes, sales taxes, property taxes, and environmental taxes are not reported under the regulation. Although there is a tax group in place, the reported corporate income taxes for Austria relate entirely to the extractive activities in Austria of OMV's subsidiaries, with no amounts being reported relating to OMV's non-extractive activities in Austria.

Royalties

Royalties relating to the extraction of oil, gas, and minerals paid to a government are to be disclosed. Where royalties are paid in kind, the value and volume are reported.

Dividends

In accordance with the regulations, dividends are reported when paid to a government in lieu of production entitlements or royalties. Dividends that are paid to a government as an ordinary shareholder are not reported, as long as the dividends are paid on the same terms as that of other shareholders.

For the year that ended December 31, 2022, OMV had no such reportable dividend payments to a government.

Bonuses

Bonuses include signature, discovery, and production bonuses in each case to the extent paid in relation to the relevant activities.

Fees

These include license fees, rental fees, entry fees, and all other payments that are paid in consideration for access to the area where extractive activities are performed.

The report excludes fees paid to a government that are not specifically related to extractive activities or access to extractive resources. In addition, payments paid in return for services provided by a government are also excluded.

Infrastructure improvements

The report includes payments made by OMV for infrastructural improvements, such as the building of a road or bridge that serves the community, irrespective of whether OMV pays the amounts to non-government entities. These are reported in the period during which the infrastructure is made available for use by the local community.

Payments overview

The overview table below shows the relevant payments to governments that were made by OMV in the year that ended December 31, 2022.

Of the seven payment types that are required by the Austrian regulations to be reported upon, OMV did not pay any dividends, bonuses, or infrastructure improvements that met the defined accounting directive definition, and therefore these categories are not shown.

Payments overview

In EUR 1,000

	Production entitlements	Taxes	Royalties	Fees	Total
Country					
Austria	—	37,418	166,805	—	204,223
Malaysia	393,267	36,234	104,314	27,265	561,081
Norway	—	2,172,496	—	1,509	2,174,004
New Zealand	—	66,518	50,741	7,985	125,244
Romania	—	1,052,059	418,654	24,760	1,495,473
Tunisia	—	31,255	17,665	201	49,122
United Arab Emirates	—	628,147	298,809	1,556	928,512
Yemen	44,369	—	4,222	2,327	50,919
Total	437,637	4,024,127	1,061,210	65,603	5,588,577

No payments have been reported for Libya for the year 2022 as OMV was not the operator.

On January 31, 2019, OMV and Sapura Energy Berhad closed the agreement to form a strategic partnership. The new entity, SapuraOMV Upstream Sdn. Bhd., and its subsidiaries are fully consolidated in OMV's Group financial statements.

There were no major acquisitions or divestments during 2022.

Payments by country

Austria

In EUR 1,000

	Production entitlements	Taxes	Royalties	Fees	Total
Governments					
Federal Ministry of Agriculture, Regions and Tourism	—	—	99,858	—	99,858

Austria**In EUR 1,000**

		Production entitlements	Taxes	Royalties	Fees	Total
Federal Ministry of Finance	—		37,418	66,947	—	104,365
Total	—		37,418	166,805	—	204,223
Projects						
Lower Austria	—		37,418	166,805	—	204,223
Total	—		37,418	166,805	—	204,223

Malaysia**In EUR 1,000**

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Petroleum Nasional Berhad	128,902 (1)		—	104,314 (3)	27,265	260,481
Ketua Pengarah Hasil Dalam Negeri	—		36,234	—	—	36,234
PETRONAS Carigali Sdn Bhd	264,366 (2)		—	—	—	264,366
Total	393,267		36,234	104,314	27,265	561,081
Projects						
Block SK408/SK310	393,267 (4)		36,234	104,314 (3)	27,265	561,081
Total	393,267		36,234	104,314	27,265	561,081

(1) Includes payments in kind for 2,843,354 bbl of oil equivalent valued using the average monthly price per boe

(2) Includes payments in kind for 9,077,553 bbl of oil equivalent valued using the average monthly price per boe

(3) Includes payments in kind for 3,430,118 bbl of oil equivalent valued using the average monthly price per boe

(4) Includes payments in kind for 11,920,907 bbl of oil equivalent valued using the average monthly price per boe

Norway**In EUR 1,000**

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Oljedirektoratet	—		—	—	1,435	1,435
Skatteetaten	—		2,172,496	—	49	2,172,544
Miljødirektoratet	—		—	—	24	24
Total	—		2,172,496	—	1,509	2,174,004
Projects						
Gulfaks	—		49	—	—	49
Gudrun	—		49	—	—	49
Aasta Hansteen	—		6	—	—	6
Norway exploration projects	—		—	—	1,509	1,509
Payments not attributable to projects	—		2,172,393	—	—	2,172,393
Total	—		2,172,496	—	1,509	2,174,004

New Zealand**In EUR 1,000**

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Inland Revenue	—		66,518	—	—	66,518
Ministry of Business, Innovation and Employment	—		—	50,741	7,813	58,554

New Zealand
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Environmental Protection Authority	—	—	—	—	171	171
Total	—	66,518	50,741	7,985	125,244	
Projects						
Maari	—	—	10,418	20	10,439	
M?ui	—	—	9,411	7,899	17,310	
Pohokura	—	—	30,912	13	30,925	
New Zealand exploration projects	—	—	—	52	52	
Payments not attributable to projects	—	66,518	—	—	66,518	
Total	—	66,518	50,741	7,985	125,244	

Romania
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
State budget	—	1,052,059	418,654	—	1,470,713	
Local councils	—	—	—	4,672	4,672	
National Agency for Mineral Resources (ANRM)	—	—	—	2,660	2,660	
National Company of Forests	—	—	—	15,512	15,512	
CONPET SA	—	—	—	106	106	
National Authority for Electricity Regulation (ANRE)	—	—	—	1,441	1,441	
Offshore Operations Regulatory Authority (ACROPO)	—	—	—	370	370	
Total	—	1,052,059	418,654	24,760	1,495,473	
Projects						
Onshore production zones	—	—	327,343	22,913	350,256	
Onshore Joint Operations	—	—	345	—	345	
Offshore Black Sea	—	156,142	90,966	407	247,514	
Payments not attributable to projects	—	895,917	—	1,441	897,358	
Total	—	1,052,059	418,654	24,760	1,495,473	

Tunisia
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Receveur des Finances	—	30,040	—	201	30,241	
Receveur des Douanes	—	1,216	—	—	1,216	
Entreprise Tunisienne d'Activités Pétrolières	—	—	12,938 (1)	—	12,938	
Trésorerie Générale de Tunisie	—	—	4,726	—	4,726	
Total	—	31,255	17,665	201	49,122	
Projects						
South Tunisia	—	31,255	17,665 (1)	201	49,122	
Total	—	31,255	17,665	201	49,122	

(1) Includes payments in kind for 148,529 bbl of oil equivalent valued using the average monthly price per boe

United Arab Emirates
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Abu Dhabi National Oil Company (ADNOC)	—	—	—	—	1,556	1,556
Emirate of Abu Dhabi – Finance Department	—	—	628,147	298,809	—	926,957
Total	—	—	628,147	298,809	1,556	928,512
Projects						
Umm Lulu und SARB	—	—	628,147	298,809	962	927,919
United Arab Emirates exploration projects	—	—	—	—	594	594
Total	—	—	628,147	298,809	1,556	928,512

Yemen
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Ministry of Oil & Minerals	44,369 (1)	—	4,222 (2)	2,327	50,919	
Total	44,369	—	4,222	2,327	50,919	
Projects						
Block S2	44,369 (1)	—	4,222 (2)	285	48,877	
Yemen exploration projects	—	—	—	2,042	2,042	
Total	44,369	—	4,222	2,327	50,919	

(1) Includes payments in kind for 450,435 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

(2) Includes payments in kind for 42,865 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

Vienna, March 9, 2023

The Executive Board

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Stock Exchange(s): Official Trade in Vienna



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