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Josefstädter Straße 44, 1080 Vienna, Austria, phone: +43 1 81140-0

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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

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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, 2023, 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, if these are 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, 2023.

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	—	197,539	109,322	—	306,861
Malaysia	357,127	28,616	93,705	16,436	495,884
Norway	—	2,351,124	—	1,741	2,352,865
New Zealand	—	31,713	49,265	9,972	90,950
Romania	—	897,803	219,899	25,990	1,143,692
Tunisia	—	8,921	15,329	103	24,352
United Arab Emirates	—	568,380	272,576	1,560	842,515
Yemen	2,895	—	275	277	3,448
Total	360,022	4,084,095	760,370	56,079	5,260,566

No payments have been reported for Libya for the year 2023 as OMV was not the operator.

There were no major acquisitions or divestments during 2023.

Payments by country

Austria

In EUR 1,000

	Production entitlements	Taxes	Royalties	Fees	Total
Governments					
Federal Ministry of Finance	—	197,539 (1)	109,322	—	306,861
Total	—	197,539	109,322	—	306,861
Projects					
Lower Austria	—	197,539 (1)	109,322	—	306,861
Total	—	197,539	109,322	—	306,861

1 Includes payments for solidarity contribution of kEUR 79,198

Malaysia

In EUR 1,000

	Production entitlements	Taxes	Royalties	Fees	Total
Governments					
Petroliaam Nasional Berhad	129,351 (1)	—	93,705 (3)	16,436	239,492
Ketua Pengarah Hasil Dalam Negeri	—	28,616	—	—	28,616
PETRONAS Carigali Sdn Bhd	227,776 (2)	—	—	—	227,776
Total	357,127	28,616	93,705	16,436	495,884
Projects					
Block SK408/SK310	357,127 (4)	28,616	93,705 (3)	16,436	495,884
Total	357,127	28,616	93,705	16,436	495,884

1 Includes payments in kind for 4,221,157 bbl of oil equivalent valued using the average monthly price per boe

2 Includes payments in kind for 8,736,182 bbl of oil equivalent valued using the average monthly price per boe

3 Includes payments in kind for 3,498,470 bbl of oil equivalent valued using the average monthly price per boe

4 Includes payments in kind for 12,957,339 bbl of oil equivalent valued using the average monthly price per boe

Norway

In EUR 1,000

	Production entitlements	Taxes	Royalties	Fees	Total
Governments					
Fylkesmannen i Rogaland	—	—	—	1	1
Oljedirektoratet	—	—	—	897	897
Skatteetaten	—	2,339,570	—	54	2,339,624
Miljødirektoratet	—	—	—	21	21
Equinor ASA	—	11,554	—	768	12,322
Total	—	2,351,124	—	1,741	2,352,865
Projects					
Gulfaks	—	7,395	—	239	7,634
Gudrun	—	2,470	—	483	2,952
Aasta Hansteen	—	1,989	—	46	2,035
Berling	—	—	—	250	250
Norway exploration projects	—	—	—	723	723
Payments not attributable to projects	—	2,339,271	—	—	2,339,271
Total	—	2,351,124	—	1,741	2,352,865

New Zealand

In EUR 1,000

	Production entitlements	Taxes	Royalties	Fees	Total
Governments					
Inland Revenue	—	31,713	—	—	31,713
Ministry of Business, Innovation and Employment	—	—	49,265	9,845	59,110
Environmental Protection Authority	—	—	—	125	125
Ministry of Health	—	—	—	2	2
Total	—	31,713	49,265	9,972	90,950
Projects					
Maari	—	—	13,688	53	13,741

New Zealand
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
M?ui	—	—	—	9,489	9,853	19,341
Pohokura	—	—	—	26,089	12	26,101
New Zealand exploration projects	—	—	—	—	54	54
Payments not attributable to projects	—	—	31,713	—	—	31,713
Total	—	—	31,713	49,265	9,972	90,950

Romania
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
State budget	—	—	897,803 (1)	219,899	—	1,117,701
Local councils	—	—	—	—	4,607	4,607
National Agency for Mineral Resources (ANRM)	—	—	—	—	2,924	2,924
National Company of Forests	—	—	—	—	16,318	16,318
CONPET SA	—	—	—	—	90	90
National Authority for Electricity Regulation (ANRE)	—	—	—	—	1,451	1,451
Offshore Operations Regulatory Authority (ACROPO)	—	—	—	—	600	600
Total	—	—	897,803	219,899	25,990	1,143,692
Projects						
Onshore production zones	—	—	313,454	180,414	23,884	517,751
Offshore Black Sea	—	—	32,321	39,485	655	72,461
Payments not attributable to projects	—	—	552,028 (1)	—	1,451	553,479
Total	—	—	897,803	219,899	25,990	1,143,692

1 Includes payments for solidarity contribution on refined crude oil of kEUR 300,154

Tunisia
In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Receveur des Finances	—	—	8,347	6,396	103	14,846
Receveur des Douanes	—	—	573	—	—	573
Entreprise Tunisienne d'Activités Pétrolières	—	—	—	8,326 (1)	—	8,326
Trésorerie Générale de Tunisie	—	—	—	607	—	607
Total	—	—	8,921	15,329	103	24,352
Projects						
South Tunisia	—	—	8,921	15,329 (1)	103	24,352
Total	—	—	8,921	15,329	103	24,352

1 Includes payments in kind for 122,885 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
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Governments					
Abu Dhabi National Oil Company (ADNOC)	—	—	—	1,560	1,560
Emirate of Abu Dhabi – Finance Department	—	568,380	272,576	—	840,955
Total	—	568,380	272,576	1,560	842,515
Projects					
Umm Lulu und SARB	—	568,380	272,576	965	841,920
Gasha	—	—	—	596	596
Total	—	568,380	272,576	1,560	842,515

Yemen

In EUR 1,000

		Production entitlements	Taxes	Royalties	Fees	Total
Governments						
Ministry of Oil & Minerals	2,895 (1)	—	275 (2)	277		3,448
Total	2,895	—	275	277		3,448
Projects						
Block S2	2,895 (1)	—	275 (2)	277		3,448
Total	2,895	—	275	277		3,448

1 Includes payments in kind for 38,514 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

2 Includes payments in kind for 3,665 boe valued at prices set by the Yemen Crude Oil Marketing Directorate

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The Executive Board

Emitter: OMV Aktiengesellschaft
Trabrennstraße 6-8
1020 Wien
Austria

Contact Person: Thomas Hölzl

Phone: +43 1 40440/23760

E-Mail: compliance@omv.com

Website: www.omv.com

ISIN(s): AT0000743059 (Share)

Stock Exchange(s): Vienna Stock Exchange (Official Trade)



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