

Timor-Leste EITI Multi Stakeholder Group

MINUTES

28 March 2014

09:30 – 11:47

Farol Office

Participant Members*

Carlos A. B. Florindo	Manager of ETADEP, CSO Representative
Elda Guterres da Silva	National Coordinator TL-EITI (MPMR)
Filipe Nery Bernardo	Petroleum Fund Analyst- MoF
Angelina Branco	Eni Country Representatives
Jose Amaral	Deputy of FONGTIL
Agostinho G. Ramos	MoF/ DNPMR
Luis Martins	Timor Gap E.P
Antonio C. Santos	Woodside Country Representative
Jose Lobato	Country Manager ConocoPhillips Timor-Leste

Alternatives, and Non-Voting

Remigio Viera Laka, Alternate	Director of FSG, CSO Rep
Trifonio Flor Sarmiento	Outreach Officer TL-EITI (MPRM)
Francisco Alegria	Timor Gap E.P
David de Araujo	ConocoPhillips External Relations
Timoteo G. Pires	BCTL
Oscar S. Faria	ANP
Jacinta P. Bernardo	Timor Gap E.P

Absent:

Angelo Lay	Director of Commerce, ANP
Honesia Araujo	Marketing and Revenue Management Officer (ANP)
Martinha da Silva	Director FHF, CSO Representative
Venancio Alves	BCTL
Fernando Carvalho	BCTL

Chair by: Elda Guterres da Silva National Coordinator TL-EITI

The agenda for discussion

1. Review meeting minutes on 14 March 2014
2. Decision for Reporting Templates
3. Continue engage MS or opening tender for AB
4. Other Business
 - Work Plan
 - Replacement of Joao Demetrio (DNPMR)

1) Review meeting minutes on 14 March 2014

The Minutes approved subject to mini revision

2) Decision for Reporting Templates

Industry (ConocoPhillips) has expressed its view that the decision on template by MSG can be made much early the better to allow sufficient time for Industry to consult internally, if MSG agree with the industry (ConocoPhillips) proposal for amendment of the templates then industry (ConocoPhillips) can provide information, if MSG did not agree with propose templates then it is difficult for Industry (ConocoPhillips) to participate in the EITI process.

Industry (ConocoPhillips) has sent an email on 27 March 2014 a proposed amended for reporting templates as following:

1. **Template A and B** in Industry point of view
 - Reporting templates A and B should combine (FTP, Royalties + Profit Oil and Gas).
 - Oil and Gas should combine.
 - Companies present in BU and Kitan combine.
2. **Templates C:** COP proposed to leave out details of company name while disaggregate type of taxes.

Second proposal is to combine reporting companies of BU and Kitan as companies,

On the “additional taxes” it should include penalty of tax assessment paid by companies or any reimbursement or deduction of penalty payments back by government to the companies as footnote explanation.

3. **Template F:** Industry (ConocoPhillips) assume that part A for Cost recovery and part B is for non recovery, In Part A particularly in employment column industry can only present in dollars which is compose training and employment.

As you may aware that such as PSC, petroleum regulation, and EITI was made available to the public. If disclose information in disaggregate will enabling peoples to find out the other commercial sensitivity information.

Both Government entity and Civil Society (CS) has informed that just received the proposed amendment yesterday therefore request time to consult with their representatives and update back the outcome, it was accepted

Government entity has suggested maintaining Template A for *FTP/Royalties* and Template B for *Profit Oil and Gas*, because both revenue streams are different from the fiscal point of view. In addition, the Philosophy of EITI standard has changes which require that EITI data present by individual company and revenue stream.

CS has express that will not accept the templates A and B to be combine, and in templates C not mentioned companies names which means it's not align with EITI standard, does it also because of sensitivity issues then need to be explain in which part.

in addition to that both CS and Government entity has express that if MSG disclose more information in details will enabling community to understanding the revenue stream though the commercial sensitivity information will be considering but need to explain, we think the reporting templates that has provide by government entity have minimize some of sensitivity information.

Government entity explained that the tax assessment carry out by government for JPDA operator and sub contractor (SB) with PE and non PE, for Subcontractor should they report as well under EITI report, if that occur it will take a little of time for AB to collect the data from SC, as some of companies is not register in TL, no contact details.

Regarding **GAP MHS Lda** and **TIMORGAP PSC 11-106 Unipessoal Lda**, which are subsidiaries companies from TIMOR GAP, E.P. , both are subject to the Petroleum Tax regime. The tax regime to be applicable to **TIMOR GAP, E.P.** , the company itself, still under discussing with DNPMR as it is not defined.

CS suggested at any MSG meeting, all key decision maker with voting right should present, MSG have discussed this reporting templates for several times and show no result, with the new proposed template from industries it seems that we are not moving forward but back word, because some part we have considered to be aggregated due to fact that the situation in Timor Leste is not the same with other countries. CS informed that the need to improve this reporting templates. As reflect in EITI standard required disclose disaggregate information.

Notifications: MSG members with voting power should present, however if delegate alternate to be vote on behalf of each members should have authorization or an official letter. Gov entity propose to review the ToR for MSG and revise accordingly.

3) Continue engage MS or Opening tender for AB

Industries position to maintain the engagement of AB through public tendering, industries preferences to establish confidential agreement in the future with AB or even with MS if that is the case,

Industries (ConocoPhillips) stated that the implementation of EITI in Timor-Leste is voluntarily basis, it is not compulsory, however to ensure it mandatory in the future then government shall create new law.

Government entity preferred to continue engaging MS, or other option is to engage Delloite directly to produce 5th and 6th report with following reasons:

1. Deloitte has audit Petroleum Fund according to the international standard,
2. Article 35 of the Petroleum fund law (PFL) Delloite empower to request information from Industries.
3. Deloitte has already collected some of the figures that were required by EITI.

Industry argues that by PFL of course it is require industry to give sufficient information however with the EITI industry will give information accordingly. The two issues are different of it nature.

Government entity will have its internal discussion and will provide response through email whether to engage with MS or opening tender, it was accepted

CS and Timor Gap have not decided as well, they will let MSG know as well through email, it was accepted

Draft ToR for Aggregator Body from EITI international Secretariat was circulated and industries request TL-EITI secretariat to fill out in empty box, and re-circulate to MSG for further comment and revision, it was accepted

4) Other Business

- Work Plan

EITI International Board has inform that Timor – Leste EITI work plan need to be review by MSG because it does not reflect to the National Priority, as the time is limited MSG proposed to review it in the next meeting, it was accepted

Replacement of Mr. Joao Demetrio

- Mr. Joao Demetrio, Member of MSG from MoF, DNPMR, has pass away on 20 March 2014, from now on Mr. Agostinho Ramos will be substitute. Secretariat requests an official letter from DNPMR for his substitution. It was accepted.

5) Next meeting

Next meeting will be held in the TL-EITI Secretariat office Farol, on 11 April 2014