

**THE OFFICIAL GAZETTE 17TH SEPTEMBER, 1991**  
**LEGAL SUPPLEMENT – B**

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GUYANA

No. 47 of 1991

**ORDER**

Made Under

**THE PETROLEUM (EXPLORATION AND PRODUCTION)  
ACT 1986**

Act No. 3 of 1986)

**IN EXERCISE OF THE POWERS CONFERRED UPON THE MINISTER  
BY SECTION 51 OF THE PETROLEUM (EXPLORATION AND PRO-  
DUCTION) ACT 1986, I HEREBY MAKE THE FOLLOWING ORDER:-**

1. This Order may be cited as the Tax Laws (Modifica-      Citation  
tion) Order 1991.

2. In this Order:—

Interpreta-  
tion,

- (a) "Agreement" means the Petroleum Agreement between the Government of the Co-operative Republic of Guyana of the one part and Mobil Exploration Guyana Inc. of the other part dated 9th day of January, 1991;
- (b) "cost oil" means the proportion of crude oil production which the licensee utilises in any year of assessment for the recovery of costs pursuant to the Agreement;
- (c) "profit oil" means the share of crude oil production to which the licensee and the Minister respectively are entitled under the Agreement, in any year of assessment, after deduction of cost oil, determined as provided in the Agreement;

Payment of  
income tax  
and corpora-  
tion tax.

3. (1) The company, Mobil Exploration Guyana Inc., being a licensee under the Agreement and within the meaning of the Act, shall pay income tax and corporation tax in accordance with the Agreement.

Cap, 81:01

Cap, 81:03

(2) The provisions of the Income Tax Act and the Corporation Tax Act shall, subject to this Order and the Agreement, apply to, and in relation to the company.

(3) The income arising in each year of assessment under the Agreement with the company, for the purpose of the Income Tax Act and the Corporation Tax Act, shall include the amount of income tax and corporation tax paid pursuant to the Agreement and shall be determined by the following formula —

$$P \times (1 \text{ divided by } (1 - R))$$

where R is the effective or composite tax rate due on income or profits under the Income Tax Act and the Corporation Tax Act; and where P is equal to:

- (i) the total value of cost oil taken by the company to which it is entitled pursuant to the Agreement; plus
- (ii) the total value of profit oil taken by the company to which it is entitled as determined in accordance with the Agreement; and minus
- (iii) the costs and expenses of the company which are allowed to be recovered in such respective tax year under the Agreement.

4. To the extent that in any year of assessment the assessment of tax based on gross income less cost( and expenses computed under the Agreement exceeds the total value of the Minister's share of profit oil the Minister responsible for finance shall waive such excess.

Waiver of tax,

5. The Property Tax Act shall not apply to, and in relation to, the company, which is a party to the Agreement; it being a licensee under the Agreement and within the meaning of the Act.

Non application of Property Tax Act. Cap. 81:21

Made this 16th day of September, 1991.

*W. S. Murray,*  
Deputy Prime Minister, Trade, Tourism  
and Industry performing the duties of Minister  
of Finance.