

Ministry of Finance in Bucharest said that, in September, the Government of Romania would forward the Draft Law on Mining Leasing Rates for Oil and Natural Gas Production to the Parliament for adoption.

Deputy Minister of Finance, Dan Manolesku, said that the new tax system would include various mining leasing rates for the production on land and at sea, and it would be applied only to new contracts.

A levy on the profit from upstream activities (exploration and production) has also been envisaged, as an addition to the general tax rate amounting to 16 percent of the profit, as well as a system for reducing these burdens depending on investments.

The companies in Romania are currently paying the taxes amounting to 3.5 to 13.5 percent for oil and gas production, depending on the produced quantity. Manolesku said that the level of the mentioned additional levies on profit i.e. profit reduction had not been defined yet.

Romania has not changed the level of the mining leasing rate since 2004, which was one of the conditions under which the Austrian OMV bought the Romanian oil and gas group Petrom that year.

Source; ESIASEE