

LEGAL ALERT

AMENDMENTS TO THE REGULATION OF THE SPECIFIC REGIME OF TAXATION AND TAX BENEFITS OF OIL OPERATIONS

It was recently approved the Decree no. 77/2022, of November 30, which amends the Regulation of the Specific Regime of Taxation and Tax Benefits of Oil Operations (Regulation), approved by Decree no. 32/2015, of December 31, aiming to adapt this legal provision to the amendments introduced by Law no. 14/2017, of December 31 (which amends and republishes the specific regime of taxation and tax benefits of oil operations). Therefore, articles 9, 10, 11, 14 and 24, all of the Regulation, were amended, consisting of the following:

- Regarding the assessment of the Petroleum Production Tax (PPT), the Regulation establishes that the PPT declaration must be accompanied, additionally, by a copy of the monthly production report, submitted to the regulatory entity;
- The Regulation also provides for additional settlement in the following cases:
 - Mistakes of fact or law or omissions in any settlement that results in losses to the State;
 - Examination of the taxpayer's accounts;
 - The declared value is lower than the sale or disposal in any form;
- As for the tax payment criteria, in the case of oil for export, the taxpayer is now required to present proof of payment of the PPT or to provide a guarantee;
- Additionally, in the scope of the PPT specific rules, the Regulation establishes that the taxpayers who hold more than one concession area must create a legal entity held by them

and have a Tax Number and organized accounting for each area of the Concession Agreement, as well as being jointly and severally liable for the tax obligations of the entities mentioned in the same Regulation;

- Regarding the supervision, the following should be noted:
 - Compliance with the obligations set forth in these Regulations is monitored by the Tax Administration, under the terms of the regulations for Tax and Customs inspection procedures, and all entities, within the limits of reasonableness, must provide the collaboration requested of them by the competent services, within the scope of the exercise of their respective powers;
 - IPP taxpayers, whenever they change the conditions of sale or of other form of onerous disposal of the oil produced, declared in the assessment, must communicate to the Tax Authorities and submit the relevant aspects to the Tax Authorities, regardless of where it takes place;
 - The provisions of the previous number are, also, applicable in situations of sale or of other form of indirect disposal or through an intermediary.

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