

Upstream Oil

Tax and Accounting Training



The upstream oil and gas industry in Kenya has seen renewed interest prompted by the discovery of oil in the Ngamia well in Turkana County operated by Tullow with its partner Africa Oil. This interest has emphasized the need for an understanding of the existing tax and accounting regimes unique to the oil and gas industry in Kenya through the phases of exploration, development and production.

It is also an opportunity for the industry to be aware of areas where efforts can be made to influence future tax legislation and understand recent and impending changes to accounting conventions affecting the industry.

It is with this in mind that PwC warmly invites you to a two day training to:

- *Update on industry events and hot button issues;*
- *Equip you with relevant technical knowledge to make informed decisions from the onset of operations;*
- *Discuss cross border tax issues relating to personnel, goods and services;*
- *Consider tax and accounting implications and planning options relating to farm ins and farm outs and other significant oil and gas transactions.*

The training will be a good time for you as an industry player to network and share experiences on doing business in Kenya during breaks and group exercises. You will also engage in interactive discussions and case study reviews to enhance knowledge of the subject matter.

The training targets Finance Managers, Chief and Senior Accountants, Tax Accountants, Human Resource Managers and Commercial managers. Participants will represent contractors, subcontractors and independent service providers who

wish to understand how their business will be impacted by upstream oil activities.

The training facilitators are drawn from our team of senior practitioners with years of extensive experience handling specialised tax and accounting oil and gas matters.



Training topics include:

Income tax and Withholding tax

- Tax treatment of qualifying expenditure and intangible assets
- Income tax considerations during exploration, development and production phases
- Tax considerations in farm ins and farm outs per the Ninth schedule of the Income Tax Act (ITA)
- When to apply withholding tax on payments
- Compliance requirements and common pitfalls

Employee taxes

- Employees' chargeability to tax: residency and source principles, distinguishing between an employee and an independent contractor and tax planning opportunities
- Taxation of expatriates: Employee rotations and the impact of expatriate immigration status on taxation
- Immigration issues surrounding visas, work permits and cross border movement of employees in East Africa
- Other obligations: NSSF, NHIF and ITL

Accounting considerations

- Overview of accounting considerations for oil and gas upstream activities
- Highlight of significant accounting issues in relation to upstream activities and other sector wide issues
- Convergence of accounting requirements and tax
- Common pitfalls

Value Added Tax (VAT) and Customs

- Overview of VAT legislation relevant to both contractors and subcontractors
- Recovery of input VAT including for partially VAT exempt businesses
- VAT compliance requirements including procedure for VAT remission for oil and gas companies
- Understand the impact of the proposed VAT Bill 2012 including
 - Tax representatives
 - Place of supply rules
 - Private/public rulings
 - Customs valuation and classification of oil and gas goods and equipment
- Temporary importation of goods

Where: Norfolk

When: 6 & 7 September 2012

Timing: Registration from 8am to 8.30am. The sessions will run up to 4.30pm with tea and lunch breaks in between

Fee: KES 70,000+VAT per person

If you have more than two delegates attending the same seminar from the same organization, each additional delegate will get a 10% discount on the fees.

(Payment will be required to confirm your booking. Cancellations less than 24 hours before the seminar are subject to an administration fee.)

For booking and queries please contact **Sophia on 020 - 2855352 or sophia.ndungu@ke.pwc.com**. Kindly speak to **Sophia** so as to ensure that we keep a place for you as spaces are limited.