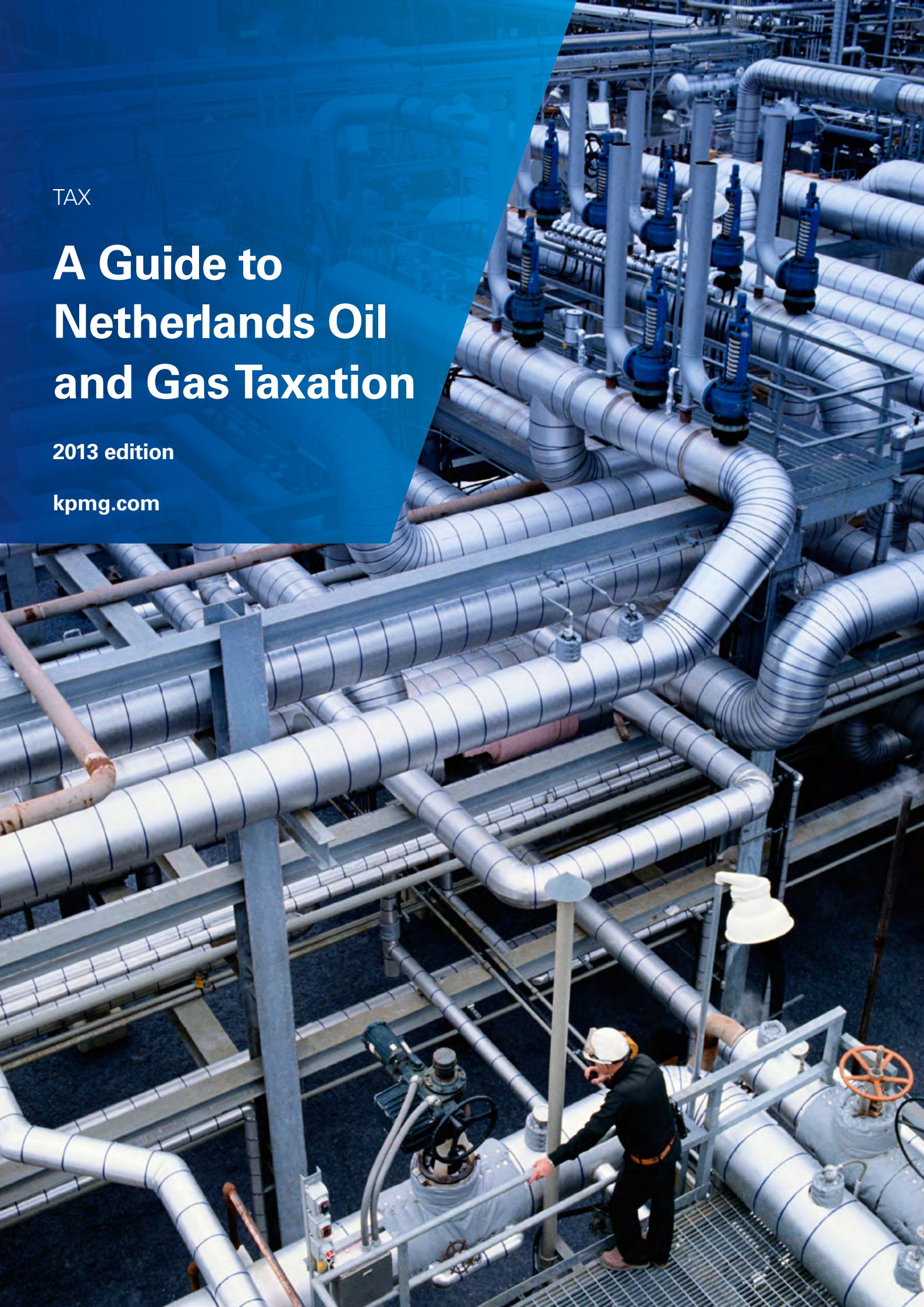


TAX

A Guide to Netherlands Oil and Gas Taxation

2013 edition

kpmg.com



About this book

The relevant rules are laid down in a number of tax laws. Most importantly, any company doing business in the Netherlands, including businesses taking part in the Dutch upstream sector, are subject to corporate income tax (or "CIT") based on the Corporate Income Tax Act of 1969 (the "CITA"). Also, value added taxes, wages taxes and various other levies need to be considered when doing business in the Dutch oil and gas industry.

Part I covers the most relevant generally applicable rules and regulations for the Netherlands, starting with CIT (1.1). A brief outline of other relevant taxes will be summarized from 1.2 onwards. These rules are especially relevant when international investment projects are positioned around business activity in the Netherlands.

Specifically for upstream activities, the Mining Act of 2003 provides for a well-developed tax regime, akin to CIT. This is largely due to the State profit share (or "SPS") levied on upstream business profits. In addition, surface rentals and royalties may be levied based on this Mining Act. These special levies including SPS are explained in Part II.

Part III provides a number of basic tax planning opportunities involving Dutch and non-Dutch oil and gas investments.

This publication aims to provide general information only, and it cannot, therefore, be relied upon as sufficient advice for actual investment decisions. It has been last updated in June 2013.

Foreword

The Netherlands have significant oil and gas resources onshore and offshore compared to the relative modest size of the country. Although the domestic exploration and production activities are more or less stable, the Netherlands continues to attract investors in the industry. This can amongst others be explained by the attractive tax regime for cross-border investments and well developed infrastructure that complete the politically and economically stable country as many investors perceive it.

This publication provides an overview of the relevant tax rules that a typical investor in the oil and gas industry would take into account when considering to invest in or via the Netherlands.

For information on any aspect of oil and gas taxation, please ask your usual contact at KPMG Meijburg & Co who will be happy to assist. Alternatively, please contact any of the Netherlands firm's specialists:

[André Boekhoudt](#)

Head of Global Energy & Natural Resources Tax Practice

Tel: +31 20 656 1358

Email: boekhoudt.andre@kpmg.nl

[Niels Boef](#)

Tel: +31 20 656 1276

Email: boef.niels@kpmg.nl

[Erik Michielsens](#)

Tel: +31 20 656 1262

Email: michielsens.erik@kpmg.nl



CONTENTS

Part - I

Dutch Tax Regime

Corporate income tax ("CIT")	2
Value added tax	18
Insurance tax	22
Real estate (transfer) tax	22
Wages withholding tax and social security contributions	23
Import duties	25
Excise duties	25
Withholding taxes	26
Other taxes	26

Part - II

Taxation of Dutch oil and gas assets

State profit share ("SPS")	27
State participation	31
Royalties	31
Surface rentals	32
Compliance and collection	33



Part - III Basic tax planning for oil and gas investments

Introduction	34
Structure A - Basic Dutch oil and gas ownership structure	35
Structure B - Mixture of activities structured through the Netherlands	36
Structure C - Tax consolidation of international oil and gas results	37
Structure D - Joint venture with tax consolidation benefits	38
Structure E - Holding international oil and gas assets	39
Appendix A. Unofficial translation of the Dutch Mining Act of 2003	40
Appendix B. Example calculation for SPS	52
Appendix C. Tax treaties (containing offshore provisions)	53

for more information, please visit

www.meijburg.com

www.kpmg.com

The background of the top section of the document is a photograph of an oil rig at sunset. The sun is a large, bright yellow circle in the upper right corner. The rig's structure, including a derrick and various pipes, is silhouetted against the orange and yellow sky. The water in the foreground is dark and calm.

WANT TO

Receive the full publication? Please follow these steps

To receive the full publication, please send an e-mail to Sander Derksen, Practice Manager of the Global ENR Tax Team at KPMG Meijburg & Co.

Please click the following link for the automated mailer: derksen.sander@kpmg.nl

If this doesn't work, please send an e-mail with the subject line "A Guide to Netherlands Oil and Gas Taxation" to derksen.sander@kpmg.nl.

kpmg.com/socialmedia



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2013 KPMG Meijburg & Co, Tax Lawyers, is an association of limited liability companies under Dutch law, registered under Chamber of Commerce registration number 53753348 and is a member of KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International.

Publication name: A Guide to Netherlands Oil & Gas taxation

Publication number: 2013/1

Publication date: June 2013