IADC Tax Committee Meeting Minutes  
4 December 2020 @ 7:30 am CST, Virtual Meeting

I. Welcome, Opening Remarks, Safety Briefing, IADC Antitrust Guidelines and Introductions:

IADC Tax Committee Chair, Linda Ibrahim, opened the meeting welcoming everyone. Stephanie Carling, IADC, next reviewed the Antitrust Guidelines. Following review of those guidelines, Linda explained that the 2-year service as Tax Committee Chair has concluded. She asked for any other volunteers. Stephanie Carling requested volunteers by Wednesday, 9 December. Also, Liz Craddock has left IADC. Leesa Teel will serve as the IADC Tax Committee staff liaison. After that explanation, there were brief introductions. Due to the virtual nature, we omitted a safety briefing.

II. Country by country updates:

Norway - Morten Nielsen/Richard Lindley
Norwegian WHT affecting bareboat charters. During 2020, the IADC Tax Committee, NSA and PwC held various meetings with Norwegian Politicians to relay the impact of the WHT proposal. The Norwegian government agreed to postpone the effective date by 6 months, (now effective October 2021). PwC has been assisting the IADC Tax Committee and expect future meetings with the authorities and NSA in early 2021. The revised budget should be final by May 2021. PwC to come back with comments early January 2021. IADC Tax Committee members are encouraged to participate in discussions; please contact Linda Ibrahim.

Angola - Morten Nielsen
Is anyone else having issue with currency conversion? No comments made by committee members.

Mayer Brown confirmed the proposal to reduce the rate tax rate back to 6.5% effective January 1, 2021. The 14% tax rate will remain for Aug-Dec. 2020.

Saudi Arabia (“SA”) - Richard Lindley
Issue on flagging: A law was passed that requires all vessels operating in SA to be flagged in SA by March 2021 (rigs will be deemed vessels). In addition, the rules appear to also require the assets to be 51% owned by a Saudi National. Mike DuBose from IADC has a group working on this issue. IADC Tax Committee has reached out to Mike and offered up our assistance.

Mexico - Nadia Durant/Javier Hernandez
Recent changes in law are making the use of manpower companies illegal. The government’s goal is to avoid employers from circumscribing their labor obligations and Profit sharing rules. If the rules become effective, they are likely to apply by January 2021, no transition period is included in the current language. What will industry impact be? Not targeted to O&G but will be affected. EY says the no-transition may be unconstitutional. 22.5% tax threshold.
PIT Implications due to COVID and lack of employee mobility
Senegal – Jane Munoz
No ruling from IRB. Employees on board for over 180 days.
Myanmar – Jane Munoz
Facing many issues with Visas, quarantine, COVID complications.
India - Adrian Mar
Companies must be careful with documentation. Due to COVID, due dates being extended.
Brexit - Morten Nielsen
There are currently a significant number of issues being further analyzed due to Brexit, e.g. Customs, Duties, amongst others.
US – Linda Ibrahim
Janet Yellen, clean air initiative and Climate Leadership Council. Discussion on carbon dividend given by lowering of consumption of petroleum products. May develop a Tax Committee work group if there is interest. Anyone interested in looking into this issue, please contact Linda Ibrahim.

III. 2021 IADC International Tax Seminar – New Orleans, LA
   a. Will offer hybrid registration (in-person and virtual).

IV. Location for 2022 Conference
   a. Denver suggested.

V. Quarterly Meetings
   a. Will schedule morning CST meeting times, similar date pattern to 2020/

Meeting adjourned at 8:36 am CST.

Attendees:
Adrian Mar, Seadrill
Irina Schatz, Vantage
Jane Munoz, Diamond Offshore
Javier Hernandez, Seadrill
Linda Ibrahim, Vantage
Marie Absher, Nabors
Morten Nielsen, Maersk
Nadia Durant, Borr Drilling
Richard Lindley, Seadrill