

Ministerial Regulation Prescribing rules and procedures in the adjustment of annual petroleum revenue  
Issued under the provisions of the Petroleum Act B.E. 2514  
No.19 (B.E. 2534)

In exercise of the power conferred by Section 14 (5) of the Petroleum Act B.E. 2514 and Section 100 sex , the third paragraph (a), of the Petroleum Act B.E. 2514 as amended by the Petroleum Act (No.4) B.E. 2532, the Minister of Industry hereby issues the following Ministerial Regulation:

1. In this Ministerial Regulation:

"Consumer Price Index" means the monthly consumer price index in general of Thailand as prepared by the Department of Business Economics.

"Consumer Price Index of the Concession-awarded Year" means the average value consumer price index of the twelve-month period of the year the concession is awarded.

"Consumer Price Index of the Accounting Period" means the average value of the consumer price index of the accounting period the filing of the form for Calculating Special Remuneratory Benefit is made.

"Wholesale Price Index" means the monthly wholesale price index of Thailand as prepared by the Department of Business Economics.

"Wholesale Price Index of the Concession-awarded Year" means the average value of the wholesale price index of the twelve-month period of the year the concession is awarded.

"Wholesale Price Index of the Accounting Period" means the average value of the wholesale price index of the accounting period the filing of the Form for Calculating Special Remuneratory Benefit is made.

"Rate of Exchange of the Month" means the monthly average value of minimum buying rate and maximum selling rate of currency prescribed daily by the Rate of Exchange Maintenance Level Fund for the commercial banks to exchange with the customers in accordance with the rate of baht currency against the foreign currency used in the calculating for the adjustment of petroleum revenue of the concessionaire and shall average only the working days of the month of the Rate of Exchange Maintenance Level Fund.

"Rate of Exchange of the Concession-awarded Year" means the average value of the rate of exchange of the month in the twelve-month period of the year the concession IS awarded.

"Rate of Exchange of the Accounting Period" means the average value of the rate of exchange of the month in the accounting period the filing of the Form for Calculating Special Remuneratory Benefit is made.

"The Twelve-month Period of the Concession-awarded Year" means the period of twelve months commencing from the five months prior to the month the concession is awarded.

"Accounting Period" means the period of account under the laws on petroleum income tax.

2. The adjustment of the petroleum revenue of the concessionaire which derived from each exploration block during the year with an inflation factor and a variation in currency exchange rate factor under Section 100 sex , the third paragraph (a), shall be as follows:

$$\text{Rev (adj)} = \text{Rev} \times I/Ia \times 0.5 [ C/Ca + W/Wa]$$

whereby

Rev (adj) = Adjusted petroleum revenue.

Rev = Petroleum revenue from each exploration block during the year in Thai currency for the accounting period the filing of the Form is made.

I = Rate of exchange of the year the concession is awarded.

Ia = Rate of exchange of the accounting period.

C = Consumer price index of the year the concession is awarded.

Ca = Consumer price index of the accounting period.

W = Wholesale price index of the year the concession is awarded.

Wa = Wholesale price index of the accounting period.

For the calculation under the first paragraph, six decimal points shall be used and the sixth decimal points shall be increased to the next higher should the seventh decimal point have a value of five or higher.

3. In the case where the Department of Commercial Economics announces the change of year base used in the calculation of Consumer Price Index or Wholesale Price Index, the said price indices of the year the concession is awarded and of the accounting period shall be adjusted to the same year base before the calculations under paragraph 2 are made.

4. In the case where the concessionaire wishes to use a foreign currency in the calculation for the adjustment of the petroleum revenue, the concessionaire shall give a written notice of the foreign currency he wishes to use to the Director-General for approval within one year from the date the concession is awarded, whereby such foreign currency shall be the currency which the Rate of Exchange Maintenance Level Fund has prescribed.

5. For those concessionaires who do not specify any foreign currency required to use in the calculation for the adjustment of their petroleum revenue within the period of time prescribed under paragraph 4 or 7, it shall be deemed that the concessionaires wish to use Thai currency in the calculation. The concessionaire who uses Thai currency in the calculations for the adjustment of the value of petroleum revenue, the value of the rate of exchange of the year the concession is awarded (I) as divided by the rate of exchange of the accounting period (Ia) in the formula under paragraph 2 shall be equivalent to one.

6. The concessionaire who is using one currency in calculating adjustment for the petroleum revenue, but wishes to use another currency in such calculation shall have appropriate grounds and approval from the Director-General.

7. In the case where the Rate of Exchange Maintenance Level Fund ceases to prescribe the rate of exchange for the foreign currency specified by the concessionaire, the concessionaire shall specify another foreign currency he desires to use in the calculation to The Director-General within six months from the date the Rate of Exchange Maintenance Level Fund ceases to prescribe the rate of exchange for such foreign currency.

8. In such cases where the concessionaire has had the consent of the Minister under Section 36 of the Petroleum Act (No.4) B.E. 2532 to be under the provisions of the Petroleum Act B.E. 2514 as amended by the Petroleum Act (No.4) B.E. 2532, the period of time which the concessionaire is required to notify the kind of foreign currency under paragraph 4 shall commence on the date of issuance of the supplementary petroleum concession under Section 36. the fourth paragraph, of the Petroleum Act (No.4) B.E. 2532.

Given on this 6th Day of December B.E. 2534

Signature

Sippanond Ketudat

Minister of Industry