

# **PSC ACCOUNTING AND TAXATION**

Discussion of New Accounting Manual and Tax Impact

**by  
LDI Instructor**

## **Course Objectives**

Providing in-depth insights about :  
PSC Philosophy of Integrated Financial Aspect  
Conceptual and implementation of Production Sharing Contract  
Fiscal Aspect of Oil and Gas Law Foundation  
Fundamentals of Petroleum Accounting  
Taxation and its Implications on the Field Development Economic Calculation

## **Discussions Areas**

PSC Framework  
New Accounting Manual – proposed and impact  
Principals in Oil and Gas Exploration Agreement  
Financial Aspect of Oil and Gas Law Foundation and Acquisition Process in Indonesia  
Petroleum Taxation  
Financial Economic Case

## **Course Subjects**

**Petroleum Operation Investment Consideration**  
Petroleum operation - Project base consideration  
Economic consideration of exploration  
Cost management and control of project development  
Risk and investment assessment

## **Principals in Oil and Natural Gas Exploration Agreement**

Land Acquisition

Control mechanism of host country operation

Mineral Right ownership

## **Production Sharing Contracts**

The Philosophy and Basic Principals

First Tranche Petroleum

Investment Credit

Cost Recovery: the truth

Domestic Market Obligation

Management Control

Accounting Procedure implementation and problem

Work Agreement Contract

Technical Assistance Contract (TAC), JOB & KSO

Organization & Joint Operating Agreement

## **New Accounting Manual**

What and why

Detail items: the next generation

Problem solving: implementation

Impact to PSC signing before and after GR 79

The complexity – anticipating the problems

## **Comparison of Accounting Methods**

IFR 6 and PSAK 64

Successful Effort

Full Costing

## **Oil and Gas Mining Taxation**

Fundamentals oil and gas tax issues

Tax treaty: what is the background?

VAT of sharing facilities

Land and Building Tax Vs Earth and Building Tax

## **Case Study: PSC calculation**

## **Who Should Attend**

Accountants

Lawyers

Financial analysts and planners

Company executives

Consultants  
Economists  
Engineering managers  
Exploration managers

LDI's Outline /PSC Accounting and Taxation/