

## **GHANA OIL CONTRACTS:**

### **16 PRESCRIPTIONS FOR STANDARD MINIMUM PSA FISCAL REGIME**

1	Annul/amend Act 919.
2	Suspend all new oil contracts with immediate effect.
3	Require transparent, open-competitive bidding. Prohibit minister’s purview to over-rule process.
4	Require cash bonus for every oil/gas contract/lease, paid into national bank account. Establish MINIMUM \$\$\$/Amount per Block. Add as part of open, competitive bid process.
5	Require royalty on gross production shall not be less than 12.5%. Peg to progressively increasing number of barrels.
6	FOC/contractor is entitled to a predetermined share of production, cost oil, for cost recovery, per site.
7	Profit oil will be shared between government (55%) and IOC (45%) at prespecified levels.
8	FOC/contractor pays statutory income tax on its share of profit and cost oil combined.
9	Surface rental income to be accumulated and saved, with interest, for decommissioning and pollution avoidance/mitigation, training, emergency, and public service equipment.
10	State participation interest shall not be less than 15% for any oil contracts signed during the next 5 years; goes to 20%, thereafter.
11	Additional Oil Entitlement (AOE) shall be replaced with Domestic Market Obligation (DMO) - government option to buy portion of contractor’s share at a price lower than the market price, and still at profit to FOC.
12	Ring-fence oil and gas activities. Prevent transfer of costs to or from non-related areas/activities/countries.
13	FOC/contractor will provide Ghana-specific report about intended CSR projects and actual expenditures, if any, and an annual report for transmittal to PIAC, GNPC, and Parliament on anniversary of the contract/deed.
14	Publish oil contracts and deeds as part of requirements for Petroleum Register within 30 days of approval.
15	Publish beneficial owners of oil contracts/blocks, as part of requirements for Petroleum Register within 30 days of approval.
16	Revise Model PSA and tailor to prescription 1 - 15. Post to GNPC, PC, PIAC websites as statutory minimum requirement for all petroleum contracts within 30 days of approval by Parliament. Post document to Petroleum Register within 30 days of approval. (Review every 5 years - approved by Parliament).