GUYANA EXTRACTIVE INDUSTRY TRANSPARENCY INITIATIVE

Proposal for approval: Definition for Project-Level Reporting

A. Background

It is required that EITI data are disaggregated by each individual project, company, government entity and revenue stream. According to the EITI Standard, a project is defined as operational activities that are governed by a single contract, license, lease, concession or similar legal agreement, and form the basis for payment liabilities with a government.

Nonetheless, if multiple such agreements are substantially interconnected, the multi-stakeholder group must clearly identify and document which instances are considered a single project. Substantially interconnected agreements are a set of operationally and geographically integrated contracts, licenses, leases or concessions or related agreements with substantially similar terms that are signed with a government, giving rise to payment liabilities.

Such agreements can be governed by a single contract, joint venture, production sharing agreement or other overarching legal agreement. Where a payment covered by the scope of EITI disclosures is levied at entity level rather than at project level, the company may disclose the payment at the entity level.

B. Guyana's Context

The Ministry of Natural Resources (MNR) holds information on project cost and revenue, whereas the Guyana Revenue Authority holds information on revenue as recorded on the unique taxpayer identification number (TIN) assigned to a taxpayer.

Below are the operational realities provided by the Ministry of Natural Resources (MNR):

- **TIN Identifies the Entity, Not the Project:** A TIN is assigned to the corporate entity or operator). Individual licences, leases, and permits do not have distinct TINs.
- **One Entity, Multiple Titles:** A single entity holding one TIN may govern multiple exploration and production activities across different areas and phases.
- **Distinct Legal Identifiers:** Every agreement, licence, and permit is assigned an individual public identifier, registration number (e.g., registered at the Deeds and Commercial Registry), and/or official reference name.
- **Sectoral Differentiation:** Work programs, cost approvals, budgets, and operational phases differ significantly between exploration/prospecting phases and commercial production operations.

Therefore, comprehensive project-level reporting requires linking the corporate taxpayer to the specific authorizing instrument governing rights and payment liabilities.

C. Proposed Definition of "Project"

For the purposes of GYEITI reporting, a *Project* is defined as the operational activities governed by a distinct legal agreement, licence, permit, lease, or contract to the Government of Guyana, identified at the intersection of the reporting entity's Taxpayer Identification Number (TIN) and the

official identifier/name of the relevant authorizing instrument. Where substantially interconnected or integrated agreements form the basis for payment liabilities, the Ministry of Natural Resources' definition of "Project" will be applied.

C. Recommended Decision for the MSG:

1. **Request the MSG approval of the definition of Project Level reporting as stated as item C as follow:**

   "A Project is defined as the operational activities governed by a distinct legal agreement, licence, permit, lease, or contract to the Government of Guyana, identified at the intersection of the reporting entity's Taxpayer Identification Number (TIN) and the official identifier/name of the relevant authorizing instrument. Where substantially interconnected or integrated agreements form the basis for payment liabilities, the Ministry of Natural Resources' definition of "Project" will be applied."

3. The MSG directs the Independent Administrator (IA) to proceed with the compilation of data and information in accordance with the adopted definition of Project.