

**Ministerial Regulation No. 4, B.E. 2517 (1974) -Discount for determining the tax reference price for petroleum produced**

Issued under the provisions of the Petroleum Tax Act B.E. 2514

**Translation**

In exercise of the power conferred by Section 18 of Petroleum Income Tax Act, B.E. 2514 as amended by the Petroleum Income Tax Act (No.2), B.E. 2516 and Section 19 of Petroleum Income Tax Act B.E. 2514 the Minister of Finance hereby issues the following Ministerial Regulation:

1. The Ministerial Regulation (B.E. 2514) issued under the provisions of the Petroleum Income Tax Act, B.E. 2514 shall be hereby repealed.

2. Discounts for the purpose of determining tax reference price for each year in the period of the first nine years beginning from the date the company begins its petroleum production from each exploration block which the Department of Mineral Resources has not prescribed as an offshore exploration blocks with water depth in excess of two hundred meters under the law on petroleum shall be as follows:

	Percentage of posted price
The first to the fourth year	7
The fifth to the seventh year	5
The eighth to the ninth year	3

3. The discounts for determining the tax reference price for every barrel of petroleum produced in the first nine years from the date the company begins its petroleum production from each exploration block which the Department of Mineral Resources has prescribed as an offshore exploration block with water depth in excess of two hundred meters under the law on petroleum shall be equal to the basic discount rate multiplied by the volume of standard production per day, divided by the Volume of average actual production per day; provided, however, that the volume of standard production per day shall not exceed the volume of average actual production per day.

The basic discount rate under paragraph 1 is equal to 1.05 per cent multiplied by the average depth in meter of the sea as measured at the mean sea level from the production well in the production area and divided by 30; provided, however, that the basic discount rate obtained shall not exceed 30 per cent. The volume of standard production per day under the first paragraph shall be equal to 150 barrels multiplied by the number of production wells in the production area, then multiplied by the average depth in meter of the sea as measured at the mean sea level from the production wells, divided by 30; provided, however, that the volume of production per-day obtained shall not exceed 5,000 barrels multiplied by the number of production wells in such production area. The volume of average actual production per day under the first paragraph shall be equal to the total actual production during the accounting period divided by the number of actual production days in the accounting period.

Given on this 5th Day of March B.E. 2517

Boonma Wongsawan

Minister of Finance

Government Gazette, special issue, vol. 91, part 45, dated 14th March B.E. 2517