APPLIES TO ACADEMIC YEAR 2014/2015

GRA 8195 Energy Law, Taxation and Corporate Governance

Programme
Executive Master of Management in Energy (EMME)

Responsible for the course
Cathrine Bjune

Department
Department of Accounting - Auditing and Law

Term
According to study plan

ECTS Credits
6

Language of instruction
English

Introduction
This course is part of the Executive Master of Management in Energy in cooperation with BI Norwegian Business School and IFP School.

Learning outcome
The objective of this course is to provide understanding of energy companies' corporate social responsibility (CSR), governance, law, accounting and tax issues. CSR policy is discussed to function as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. Responsible business models and how innovation in a sustainable future can be performed is focused. Petroleum governance, legal and contractual relationships are discussed and how they affect stakeholder interests in exploration and production of petroleum resources. What legal mechanisms affect and protect their interests, reduce their risks and secure their revenues? Will competition and anti trust laws have an affect of their businesses possibilities to merge or cooperate or acquire other businesses? The interface between maritime law and energy law is demonstrated, and concessions and production sharing agreements are discussed within an accounting and taxations framework. Common concepts, clauses and contracts used when shipping energy as a commodity are shown. The governance of particular countries energy business is discussed.

Acquired knowledge:
Participants will acquire an understanding of energy companies' corporate social responsibility, the governance, law, accounting and tax issues, which are all factors part in determining the channels and rules of the of the energy sector - it's strengths and shortcomings in a broad perpective.

Acquired skills:
The course will enable the students to understand how CSR influence companies' decision making, how to interact with governments in formal and informal ways and government's legal role to regulate and interact with the energy industry. It further enables to students to understand and identify rules applicable to the industry, and how laws, accounting and tax issues affect the companies reporting rutines, strategic planning and results.

Reflection:
The participants will develop the ability to critically reflect on development of energy company and government strategies and through this gain an understanding of the companies' ability to demonstrate corporate social responsibility, the public sector's governance and legal and tax and accounting maters that interact with these matters interact.

Prerequisites
Granted admission to the Executive Master of Management in Energy Management programme.

Compulsory reading
Books:
Al-Kasim, Farouk. 2006. Managing Petroleum Resources. Oxford Institute for Energy Studies. Ch 12: The Norwegian Model: Summary and Conclusions, pp 241 -251. ISBN l-901795-454
Falkanger, Thor, Bull, Hans Jacob Bull og Brautaset, Lasse. 2010. Introduction to Scandinavian Maritime Law. 3rd ed. Oslo. Universitetsforlaget. Ch 1: Introduction, pp. 23-44
G. Picton-Turbervill. 2009. Oil and Gas - A Practical Handbook. Globe Business Publishing. Ch 2: Licenses, concessions, production sharing contracts
and service contracts, by Jubilee Easo, pp 2-39. Ch 15: Decommissioning of upstream oil and gas facilities, by

Flavia Kaczelnik and Mark Osa Igiehon, pp 257-268. ISBN 978- I -9057 83 -23-6
Jørgensen, S. og Pedersen, L.J.T. 2013. “Cermaq: from activist target to sustainability leader”, in P.N. Gooderham, B.G. Grogaard og O. Nordhaug (red.), International Management. Cheltenham: Edward Elgar
Macartan Humphrys, Jeffry D. Sachs and Joseph E. Stiglitz (eds.). 2007. Escaping lhe Resource Czrse. Columbia University Press. Ch 2: The role of the State, by Joseph E. Stiglitz, pp 23-46. ISBN 0231 141963
Midttun, Atle (ed). 2013. CSR and Beyond, A Nordic Perspective. Oslo: Cappelen Damm. Ch. 1, 2, 4 and 7
Mukherjee, P.K. and Brownrigg, M. 2013. ”Understanding the sectors in order to understand the ships and cargoes involved” In: Prosantho K. Mukhererjee (ed.): Farthing on International Shipping. 4th ed. London: Springer Verlag. Ch 3, pp. 19-27
Pål Brun & Hanne Thornam. 2013. Corporate Sustainability Reporting”, Beyond CSR: from a Nordic Perspective. Cappelen Damm
Sandevaern, Arne, Gorton, Lars & Ihle, Rol. 2009. “Charter forms” – general remarks about chartering” In: Shipbroking and Chartering Practice, LLP Informa Law. 7th ed. London: Routledge. Ch 7
Taverne, Bemard. 2008. Petroleum, Industry and Governments. 2rd ed. Kluwer Law International B.V. Ch 2:The Petroleum Industry, pp 19-26 and 39-43. Ch 3: Petroleum and the Economy, pp 43 -50. Ch 4: Govemment Petroleum Policies, pp 79-83. Ch 5: Petroleum Legislation of States, pp 115-123. ISBN 978-9041t-26634

Articles:
Selected additional readings may be provided before the course starts

Journals:
Johnson, M.W., Christensen, C.M. og Kagermann, H. 2008. "Reinventing Your Business Model”. Harvard Business Review. Issue 86. pp. 1-11
Jørgensen, S. og Pedersen, L.J.T. 2011. “The Why and How of Corporate Social Responsibility”. Beta: Scandinavian Journal of Business Research, 25, 02. pp. 121-137

Other:
BIMCO, bimco.org: Selected contracts used for chartering vessels and transporting the use of vessels. App. 10 pages
Hanne Thornam, Adelheid Sæther og Tine Fossland. Fra rapportering på samfunnsansvar mot bærekraftig virksomhetsstyring – Erfaringer fra Flytoget. Praktisk Økonomi og Finans/EY quarterly. Oktober 2014
Norwegian Ministry of Petroleum and Energy and the Norwegian Petroleum Direclorate. Facts 201 3 – The Norwegian Petroleum Sector. Ch 2: Framework and Organisation, pp 14-17 and Ch 7: Gas transportation, pp 44-47
Zolotukhin, Anatoly. “Regional & Global Solutions for Sustainable Gas Supply: Russia Perspective. Presentation at the 10th Plenary session of the 25th International gas conference, Kuala Lumpur, Malaysia, 4-9 June 2012.

Recommended reading

Journals:
Michael E. Porter and Mark R. Kramer. “Creating Shared Value. How to reinvent capitalism - and unleash a wave of Innovation and growth”. Harvard Business Review January-February 2011

Other:
Ernst & Young. Cleantech and climate change
Ernst & Young. Institutional International investor survey 2014, 4th quarter
Ernst & Young: Sustainability Reporting - The time is now - GRI Conference Report_A4_V1....pdf

Course outline
- Corporate Social Responsibility
- Responsible business models.
- Petroleum governance, legal and contractual relationships.
- The interface between maritime law and energy law.
- The governance of foreign energy business.
- Competition law and anti trust law
- Accounting reporting and specific tax issues – seen in a CSR context.
- Concession. Under a concession, an oil and gas company is granted exclusive rights to exploration and production of the concession area and owns all oil and gas production. Under concession an oil and gas company typically pays

• royalties and
• corporate income tax

Other payments to the government may be applicable, such as

• bonuses
• rentals
• resource taxes
• special petroleum or windfall profit taxes,
• export duties
• state participation, and others

- Production Sharing Agreement (PSA). Under a PSA, a national oil company (NOC) or a host government enters into a contract directly with an oil and gas company. A company finances and carries out all E&P operations and receives a certain amount of oil or gas for the recovery of its costs along with a share of the profits. Sometimes PSA requires other payments to the host government, such as

- royalties,
- corporate income tax,
- windfall profit taxes, etc.

In this course, we will focus on the outline of the concession and PSA tax regimes, and touch upon various fiscal instruments for O&G upstream activities.

Computer-based tools

It's Learning and e-mail.

Learning process and workload

1 ECTS credit corresponds to a workload of 26-30 hours.
Sessions include lectures, seminars and group work.

Attendance to all sessions in the course is compulsory. If you have to miss part(s) of the course you must ask in advance for leave of absence. More than 20% absence in a course will require retaking the entire course. It's the student's own responsibility to obtain any information provided in class that is not included on the course homepage/ It's learning or other course materials

Examination

The course evaluation will be based on:
- Group assignment with presentation, counts 40%
- Individual paper, counts 60%

All evaluations must be passed to obtain a certificate for the degree.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course.

Students are subject to individual evaluation through a homework, one policy-paper discussing pros and cons for a specific decision maker dealing with different regulatory, interventionary and fiscal policy measures after the course on a subject treated in the course. Furthermore, considering that parts of the analytical work as experts of the energy sector is conducted in groups; students will also be subject to evaluation through one group assignment and presentation before the course ends.

Examination code(s)

GRA 81951 - Continuous assessment ; accounts for 100% of the final grade in the course GRA 8195, 6 ECTS credits

The course is a part of the Executive Master of Management in Energy (EMME) and all evaluations must be passed to obtain a certificate for the degree.

Examination support materials

Exam aids at examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. http://www.bi.edu/studenthandbook/examaids

Re-sit examination

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or continuous assessment, the whole course must be re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

Additional information