

REPSOL Group

**2019**

Presence in Tax  
havens and  
Controversial  
Tax Jurisdictions



# Tax Havens

## Transparency

We publish information on taxes paid and our Country-by-Country report. [Repsol.com](https://www.repsol.com)

The Repsol Group undertakes the commitment to have no presence in tax havens, except for legitimate business reasons.



Our tax policy disallows the use of opaque or artificial structures that conceal or reduce the transparency of activities. Therefore, the Repsol group undertakes the commitment to have no presence in tax havens and, if any, to be transparent in the activities performed over there.

Repsol's presence in these territories does not respond to the purpose of limiting transparency of activities or performing unlawful or undesirable practices, but rather it is guided by legitimate business reasons and follows ordinary standards of the sector.

The definition of tax haven is not a peaceful matter. Repsol considers "tax havens" those jurisdictions classified as such by the regulations of Spain<sup>1</sup> and the European Union<sup>2</sup>, as well as those identified by the OECD as unco-operative tax havens in light of their lack of commitments to transparency and exchange of information<sup>3</sup>.

Numerous legislators make an effort to maintain lists of territories that, either by allowing the avoidance of taxes or by facilitating the opacity of investments, qualify as "tax havens"<sup>4</sup>. Not all correspond with those listed by Spain, the European Union or the OECD.

On the other hand, some non-governmental organizations concerned with responsible business practices also prepare their own lists of tax havens using different standards and objectives. At Repsol we have selected some of these listings, because of their public projection or representativeness, and we have called them "controversial jurisdictions". In an exercise of enhanced transparency, in this report we have also identified Repsol companies and activities in these controversial territories with additional information about them (see Annex).

**GSP 2020 Objective:**  
Eliminate tax havens presence



1. In Spain, we refer to the list of tax havens contained in RD 1080/1991 of July 5.  
2. In the European Union, we refer to the list of non-cooperative jurisdictions from a tax point of view, prepared by the Council of Economic and Financial Affairs -ECOFIN- of the European Union and whose last update was published on February 20, 2020.  
3. We carry out an exhaustive follow-up of the existing international initiatives on the matter and their possible impact on the definition of the concept of tax haven and therefore, potential extension of the list to other countries or territories.

4. Repsol follows domestic regulations regarding tax havens in all countries where we operate.

## Repsol Group Companies in Tax Havens

Only three entities of the Repsol Group<sup>1</sup> have presence in tax havens: two are engaged in hydrocarbon exploration and production activities in Trinidad and Tobago and the third one, in Bermuda, is inactive.



The Repsol Group only has an active presence in one tax haven: Trinidad and Tobago.

Country	2018	2019	Entity name	Commentary
Bermuda	1	1	Greenstone Assurance, Ltd.	Insurance company, inactive since 2013. It is currently limited to the liquidation of the risks assumed in the past ("run off" situation in insurance terminology).
Trinidad and Tobago	2	2	Repsol Angostura, Ltd.	Company that provides technical support and services to other Group entities in Trinidad and Tobago (T&T) with local staff. Profits are taxed at a rate of 55%.
			Repsol Exploración Tobago, S.A. (Spanish Company with a branch in T&T)	Spanish company with a branch in T&T that carries out hydrocarbon exploration and production (E&P) activities in the country. Profits are taxed at a rate of 55%.

### Activities and magnitudes information<sup>2</sup>

Repsol discloses information about its activities in tax havens. That activity has no significant importance.

Entity	Country	Activity	Income	Profits	Tax paid	Tax Due	Social Capital	Accumulated results	Tangible assets	Employees
Greenstone Assurance Ltd.	Bermuda	Inactive insurance company; under the process of liquidating remaining risks assumed in the past ("run off" situation).	0.0	0.2	0.0	0.0	0.4	-0.1	0.0	1
Repsol Exploración Tobago, S.A. (T&T branch)	T&T	Spanish company, with a branch in T&T that carries out hydrocarbon E&P activities in the country.	0.0	0.0	0.0	0.0	0.0	0.0	14.5	0
Repsol Angostura, Ltd.	T&T	Entity under liquidation domiciled in the country, supplying through its local staff technical and support services to other Group entities in the country.	2.0	-2.0	0.0	0.0	33.3	-30.3	2.6	10

1. Repsol Group entities are considered, both its parent Repsol S.A., and its controlled subsidiaries that consolidate their financial statements according to International Financial Reporting Standard number 10 and article 42 of the Spanish Commercial Code.

2. Magnitudes extracted from the Country-to-Country Report (CbC) for tax year 2018, available on our website.

Transparency is one of the pillars of our tax policy

## Companies in tax havens with minority participation of the Repsol Group

Repsol has some minority interests in companies with presence in tax havens. Repsol does not have the control or operational management of these entities, but seeks to apply similar standards of transparency and management, as well as the principles of our Code of Ethics and Conduct.

Entity name	Country	Activity	Participation	Operational detail
<b>BP Trinidad &amp; Tobago, LLC (Trinidad and Tobago branch)</b>	T&T	Hydrocarbon exploration and production (E&P)	30%	T&T branch of a US company owned by Repsol and BP. The branch carries out hydrocarbon E&P activities in T&T; It is the largest producer of hydrocarbons in the country, with more than half of the country's gas and crude oil (110,000 barrels / day @ Repsol).
<b>Oil Insurance Ltd.</b>	Bermuda	Insurance	5.54%	Mutual insurance of the oil & gas sector that covers Group risks. Being a mutual, the coverage of risks requires participation in the entity. It carries out its activity in Bermuda, typical jurisdiction for the realization of the reinsurance activity of E&P business assets. It has more than 50 international partners among which are: CNOOC Ltd., Electricité de France (EDF), Equinor ASA, Eni S.p.A., Galp Energia SGPS, S.A., TOTAL S.A., ConocoPhillips Company, OCP, etc.).
<b>Oleoducto de crudos pesados (OCP), Ltd.</b>	Cayman Islands	Holding E&P Ecuador	29.66%	Company that incorporates an international partnership agreement (joint venture that also includes groups such as Sinopec, China National Petroleum Corporation, Perenco, Occidental Petroleum ...) in an Ecuadorian company that builds and currently manages infrastructure for oil activity in that country (Crude Oil Pipeline Heavy -485- km). It receives dividends from profits of the Ecuadorian company and, in turn, distributes the dividends to international partners.
<b>Transasia Pipeline Co.</b>	Mauritius Islands	Holding E&P Indonesia	15%	Joint Venture with international partners (Groups such as Conoco, Sinopec, Petronas ...) that participates in an Indonesian company managing infrastructures for oil activity in that country (Duri -536 km Grissik - and Singapore Pipeline -478 km Grissik-). It receives dividends derived from profits of the Indonesian operating company.

# Appendix



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## Repsol Group companies in “other controversial jurisdictions”

### Introduction

By its commitment to transparency, Repsol Group provides information about other jurisdictions considered “controversial” by unofficial lists of non-governmental organizations.



In recent years, an intense social and political debate has evolved over the equity and transparency of tax systems and the tax contribution of multinational companies.

Repsol participates in this debate and defends the principles of corporate taxation. We participate in working groups promoted by governments and international organizations (UN, OECD ...) while maintaining an active dialogue with non-governmental organizations concerned with the application of tax systems and taxpayers' practices.

In this context, some organizations and social action platforms have developed lists of countries or territories with tax regimes or administrative practices that, in their opinion, can facilitate tax avoidance or opacity. These lists are heterogeneous, serve diverse objectives and, at times, are based on questionable criteria and assessments. In any case, it should be noted that some lists include countries that are not in any official list of tax havens, as they do not fulfil their characteristic features.

In Repsol we have selected some of these listings (due to their public projection or representativeness) and, although we may not share some of the criteria established to characterize these jurisdictions, we have referred to them as “controversial jurisdictions”. Specifically, to determine the “other controversial jurisdictions” we have used the lists prepared by Intermon OXFAM, Tax Justice Network and the Corporate Social Responsibility Observatory in Spain<sup>1</sup>.

In an exercise of enhanced transparency, we identify in this report Repsol entities and activities in these controversial territories together with additional related information.

<sup>1</sup>. Intermon OXFAM (“Diferencias abismales. El papel de las empresas del IBEX-35 en la desigualdad”), Tax Justice Network (“Identifying tax havens and offshore finance centers”) and Corporate Social Responsibility Observatory (“Corporate social responsibility in Annual reports of IBEX 35 companies”).

## Summary and relevant jurisdictions

We identify in this report Repsol entities and activities in “other controversial jurisdictions” together with additional related information.

### Country by Country report (CbCr)

available in the Repsol corporate **website**, you may get additional information on the Group's activity in these territories.

Other controversial jurisdictions	N° 2017	N° 2018	N° 2019		Jurisdiction
	Total	Total	Total	Actives	
Unofficial Lists	61	55	48	31	The Netherlands 31; Luxembourg 6; Barbados 5; Singapore 2; Aruba 1; U.S.-Delaware 1; Ireland 1; Switzerland 1.

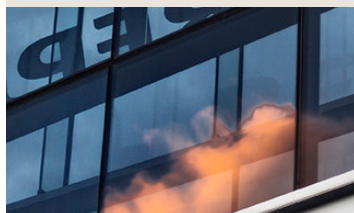
#### The Netherlands



Repsol has been present in this country since 1990 and performs financial (issuance of corporate debt - EMTN - under the supervision of regulatory authorities in the European Union) and holding activities.

The Group does not benefit from preferential tax regimes in the Netherlands and the effective tax rate of the income tax is aligned with the nominal tax rate of the jurisdiction.

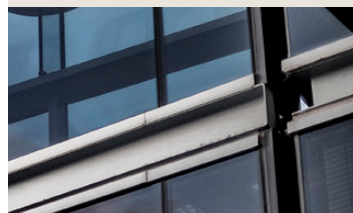
#### Luxembourg



Repsol carries out reinsurance activities (supervised by regulatory authorities in the European Union - CAA Luxembourg), and financing and holding activities.

Luxembourg is a typical jurisdiction to carry out reinsurance activities. Companies are subject to taxation and do not benefit from preferential regimes.

#### Barbados



The Group's presence in Barbados is a legacy from the corporate purchasing structure of the Canadian Talisman group in 2015.

One of the companies acquired was a reinsurer company, that is currently inactive. The rest of companies are Upstream business holdings where employees and assets are located in the countries where E&P activity takes place.

## Companies with activity

Jurisdiction	N°	Entity name	Activity	% Particip.	Commentary
Barbados	4	Fortuna International Petroleum Corporation	Upstream Malaysia y Vietnam	100%	Holding company established for Upstream business management in Malaysia and Vietnam.
		Repsol Oil&Gas Malaysia (PM3) Ltd.	Holding Upstream Malaysia	100%	Entity established in 2001 performing Upstream operations in Malaysia, through a PE in that country.
		Repsol Oil&Gas Malaysia Ltd.		100%	Entity incorporated in Bermuda that was migrated to Barbados in 2001. Upstream activity in Malaysia through a PE.
		Talisman Vietnam Ltd.	Holding Upstream Vietnam	100%	Entity incorporated in Bermuda that was migrated to Barbados in 2001. Upstream activity in Vietnam through a PE.
U.S. (Delaware)	1	Talisman Vietnam 07/03-CRD Corporation LLC	Upstream Vietnam	100%	Entity from the Talisman Group with Upstream activity in Vietnam through a PE in that country.
Luxembourg	6	Gaviota RE, S.A.	Reinsurance	100%	Reinsurance Company.
		Albatros, S.à.r.l.		100%	100% holding company of Gaviota, RE, S.A.
		FEHI Holding S.à.r.l.	Holding Upstream U.S.	100%	Holding company, head office of the TLM group of companies in the US.
		TE Holding S.à.r.l.	Holding Upstream	100%	Holding company of Upstream (US) and financial activities (Talisman Group assets in the US).
		Talisman International (Luxembourg), S.à.r.l.	Holding Upstream Indonesia	100%	Parent company investment structure in Corridor field. Migrated from Barbados to Luxembourg with effect from December 2016.
		Repsol Transgasindo S.à.r.l.		100%	Entity established in 2002. Migrated to Luxembourg from Barbados with effect from December 2019. The company owns 15% of Transasia Pipeline Co. Pvt Ltd
Singapore	2	Repsol Trading Singapore Pte. Ltd.	Trading	100%	Company that develops hydrocarbon trading activity in the Asian market.
		Repsol Oil & Gas SEA Pte Ltd.	Southeast Asia Corporate services center	100%	Entity that carries out regional center activities for the Upstream in the Southeast Asian region (business and market development, administration and technical training, among others).
Switzerland	1	Repsol Exploration Advance Services, A.G. (REAS).	International Staff	100%	Company that provides international assignment services (highly qualified employees for Upstream activity).



Jurisdiction	N°	Entity name	Activity	% Particip.	Commentary
The Netherlands	17	Repsol International Finance, B.V.	Financing	100%	Fundraising financial company in international markets (Bonds and Commercial paper).
		Repsol Perú, B.V.	Holding Downstream Peru	100%	Historical structure of investment in Downstream that at the time was articulated through a JV with partners (JV with BBV).
		Repsol Exploración 17, B.V.	Holding Upstream Indonesia	100%	Entity of the Netherlands whose activity is focused on the exploration, development, production, transport and sale of oil and gas and other derivatives or similar products, with activities in Indonesia.
		Repsol Exploración Karabashsky, B.V.	Holding Upstream Russia	100%	Holding company that channels Group investment to Upstream subsidiaries in Russia.
		Talisman (Block K39), B.V.	Holding Upstream Iraq (Kurdistan)	100%	Company that formerly realized Upstream operations in Kurdistan (Block operated by K39 Topkhana, 60% stake).
		Talisman (Algeria), B.V.	Holding Upstream Algeria	100%	Entity of the Netherlands, with Upstream operations in Algeria, where it has a PE.
		Talisman Andaman, B.V.		100%	Entity in the Netherlands. Maintains Upstream operations in Indonesia through a PE (Andaman III PSC).
		Talisman East Jabung, B.V.	Holding Upstream Indonesia	100%	Entity with Upstream operations in Indonesia, a country where it has a PE (51% stake in the East Jabung PSC).
		Talisman Sakakemang, B.V.		100%	Entity that participates in oil contracts in Indonesia (40% in the PSC of Sakakemang) where it has a PE.
		Repsol Exploración South East Jambi, B.V.		100%	Company that performs Upstream activities in Indonesia through a PE in that country.
		Fortuna International (Barbados), Inc.	Holding Upstream Indonesia	100%	Holding entity, indirect owner of Corridor's assets, as well as a percentage of participation in gas pipelines in Indonesia (between Grissik and Singapore and Duri). It has tax residence in the Netherlands.
		Talisman (Corridor), Ltd.		100%	Entity established in 1983 in Alberta (Canada). It migrated residence to Barbados in 1996. It is currently tax resident in the Netherlands. Entity with Upstream operations in Indonesia, where it has a PE.
		Talisman Vietnam 135-136, B.V.		100%	Company that owns a 40% stake in block 135-136 in Vietnam. It has a PE in that country.
		Talisman Vietnam 146-147, B.V.	Holding Upstream Vietnam	100%	Company that owns an 80% stake in block 146-147 and has a PE in Vietnam.
		Talisman Vietnam 07/03, B.V.		100%	Entity with a 30% stake in block 07/03 and has a PE in Vietnam.
		Vung May 156-159 Vietnam, B.V.		100%	Company that has production distribution contracts (PSC) on exploratory blocks in Vietnam.
		Talisman International Holdings, B.V.	Holding Upstream Indonesia, Vietnam and Papua New Guinea	100%	Holding entity with participation in Upstream activities in Indonesia, Vietnam and Papua New Guinea.

## Dormant companies and in dissolution process.



Jurisdiction	Nº	Entity name	Activity	% Particip	Comentarios
<b>Aruba</b>	1	Repsol Aruba, B.V. PE in Aruba	Upstream Aruba	100%	PE that in the past carried out hydrocarbon exploration activities in Aruba. Under de-registration process.
<b>Barbados</b>	1	Oleum Insurance Company Ltd.	Reinsurance	100%	Former reinsurer of the Talisman Group. Currently in run-off.
<b>Ireland</b>	1	PE of Repsol Exploración Irlanda, S.A.	Upstream Ireland	100%	Company that in the past realized Upstream activities through a PE in Ireland.
		Repsol Angola 22, B.V.		100%	Companies that performs Upstream activities in Angola through PEs in that country.
		Repsol Angola 35, B.V.	Holding Upstream Angola	100%	
		Repsol Angola 37, B.V.		100%	
		Repsol Bulgaria, B.V.	Holding Upstream Bulgaria	100%	Company that in the past realized Upstream activities through a PE in Bulgaria.
		Talisman (Block K9), B.V.	Holding Upstream Iraq	100%	Company that in the past owned a stake in the K9 vessel in Kurdistan, already returned to the local government.
		Repsol Aruba, B.V.	Holding Upstream Aruba	100%	Company that in the past realized Upstream activities through a PE in Aruba.
<b>The Netherlands</b>	14	Repsol Expl. East Bula, B.V. Repsol Exploración Seram, B.V. Repsol Expl. Cendrawasih III, B.V. Repsol Expl. Cendrawasih I, B.V. Repsol Expl. Cendrawasih IV, B.V. Talisman Banyumas, B.V.	Holding Upstream Indonesia	100%	Companies that in the past realized Upstream activities through PEs in Indonesia.
		Repsol Corridor, B.V. (before Talisman Java, B.V.)	Holding Upstream Indonesia	100%	The company participated in Joint Studies. (Feasibility studies of Upstream activities in Indonesia without involving participation in PSC or exploratory assets).
		Talisman South Sageri, B.V.			Company with a 35% participation in the PSC of South Sageri. It has a PE in Indonesia, pending de-registration.

## Country-by-Country report 2018 Magnitudes<sup>1</sup>

Repsol discloses information about the taxes that it pays in all countries where there are group companies (Tax Contribution Report and Country-by-Country report in relation to the Corporate Income Tax, [Repsol.com])

Jurisdiction	Activity	Income	Profits	Tax paid	Tax Due	Social Capital	Accumulated results	Tangible assets	Employees
<b>Singapore</b>	Marketing activities of crude oil and derivatives in the Asian market. Administrative and technical services are also provided to support exploration and production activities in the region.	3,116.7	-5.8	0.1	0.1	5.1	-20.3	0.1	43
<b>The Netherlands</b>	Financial activities (issuance of corporate debt - EMTN - under the supervision of regulatory authorities in the EU) and holding activity.	338.6	47.9	12.5	18.9	3,386.0	-3,940.3	0.0	12
<b>Luxembourg</b>	Reinsurance activities (supervised by regulatory authorities in EU – CAA Luxembourg), financing and holding activities.	145.3	60.2	4.6	0.5	4,325.9	-5,913.3	0.0	6
<b>Barbados</b>	Holding company of hydrocarbon exploration and production businesses where employees and assets are located in the countries where the activity takes place.	15.4	-76.4	0.1	0.9	408.0	520.9	0.0	0
<b>Switzerland</b>	International assignment services (highly qualified employees for Upstream activity).	1.3	0.0	0.0	0.0	0.0	0.0	0.0	3
<b>Aruba</b>	Branch of a company in the Netherlands that performed hydrocarbon exploration activities. Under de-registration process.	1.1	-11.0	0.0	0.0	0.0	0.0	0.8	1
<b>Ireland</b>	Branch of a Spanish company that performed hydrocarbon exploration activities. Under de-registration process.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0

1. Magnitudes extracted from the 2018 Country-to-Country Report (CbCr), available on our corporate website.

# Self-assessment of profit location in tax havens and “other controversial jurisdictions”.

## Tax Responsibility Thermometer



Using the evaluation model called the Corporate Tax Responsibility Thermometer<sup>1</sup> as a reference, we have carried out a self-assessment of our tax contribution and the profit allocation in tax havens and other controversial jurisdictions of the Repsol Group companies. The result is adequate, in the terminology of the model.

1. Only the main quantitative dimensions of the Thermometer have been used, to make clear the absence of displacement of benefits to controversial territories. The complete Thermometer model, developed by the “Alliance for Fiscal Responsibility” working group, in which organizations such as OXFAM Intermon, ESADE, the Association of State Treasury Inspectors and Sustentia were integrated, is available at [www.oxfamintermon.org](http://www.oxfamintermon.org)

Dimension	Ratio	Assessment scales				
		REPSOL	adequate	acceptable	improvable	deficient
Tax contribution and geographical distribution	1. Global effective rate (three years average)	30%	>20%	15% - 20%	10% - 15%	< 10%
	2. Global effective rate as percentage of average global nominal rate (three years average)	91%	>90%	75% - 90%	50% - 75%	<50%
Allocation of benefits	3. Turnover (in tax controversial territories over the total)	3%	0 - 10%	10% - 20%	20% - 30%	> 30%
	4. Profits (in tax controversial territories over the total)	1%	0 - 10%	10% - 20%	20% - 30%	> 30%
	5. Profitability (in tax controversial territories compared to other countries)	0.2	<1.5x	1.5x - 2x	2x - 3x	> 3x

## Companies with minority participation of the Repsol Group in “other controversial jurisdictions”

Jurisdiction	Nº	Entity name	Business	% Particip.	Commentary
Andorra	1	Carburants i Derivats, S.A.	Marketing	33%	Owner of two service stations in Andorra and with exclusively on the distribution of fuels and LPG.
		Occidental de Colombia, LLC Occidental Crude Sales, LLC	JV Colombia	25%	JV with the Occidental Petroleum Group that channels participation in Upstream activities in Colombia.
U.S. (Delaware)	6	Ample, Inc.	Corporate Venturing	4.84%	Minority participation in Swiss startup specialized in advanced solutions based on artificial intelligence.
		Dynasol, LLC	Chemistry	50%	Entities that sell rubber in the US through a Joint Venture (JV) with the KUO group.
		BPRY Caribbean Ventures, LLC	JVT&T	30%	JV with the BP Group that channels participation in Upstream activities in T&T.
		BP Trinidad & Tobago, LLC		30%	
The Netherlands	6	Guará, B.V.		15%	JV with Petrobras for asset management for the development of two oil blocks (Guara and Albacora Leste).
		Lapa Oil & Gas, B.V.	Holding Upstream Brazil	15%	JV with Petrobras. Entities involved in the purchase, sale, machinery rental and equipment for exploration and production of hydrocarbons including drilling rigs, storage and ship loading.
		Agri Development, B.V.		6%	
		Repsol Sinopec Brasil, B.V.		60%	JV with Sinopec for the development of activities in Brazil in the Upstream sector.
		AR Oil & Gaz, B.V.	Holding Upstream	49%	Company resulting from the JV with Alliance, which owns certain Upstream assets in Russia.
		Akakus Oil Operation, B.V.	Holding Upstream Libya	49%	Entity that provides operator services in productive blocks in Libya established by the majority partner in the project (the state company NOC, with a 51% stake).
Switzerland	1	Nnaisense A.G.	Corporate Venturing	2.72%	Minority participation in Swiss startup specialized in advanced solutions based on artificial intelligence.
Singapore	1	United Oil Company	Lube oils	40%	Entity owner of a lubricant manufacturing plant in Singapore.

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