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## Intangible Benefit Assessment

The tables on the following pages assess the non-measurable benefits that could be derived from viable royalty regimes. The intangible benefits and corresponding criteria are as follows:

- **Strategic issues**

- Policy related issues*

- S1 Optimize and clarify role of government
  - S2 Certainty around fiscal period revenues
  - S3 Allowable cost principles consistent with business practices
  - S4 Encourage rationalization and efficiency

- Information related issues*

- S5 Quality and timely volumetric information
  - S6 Data requirement costs, complexity and redundancy
  - S7 Information gathering processes facilitate compliance
  - S8 Standard industry-to-industry reporting

- **Economic criteria**

- E1 Immediate distributional impact (3 to 5 years)
  - E1 Future distributional impact
  - E2 Maintains cash flow to Crown
  - E3 New rules reflect costs incurred
  - E4 New rules have forecastable impacts
  - E5 Benefits of changes shared between Crown and industry
  - E6 Maintains the Crown's share of liquids' values
  - E7 Robust to changes in environment
  - E8 Minimizes risk of unplanned distribution of revenue to or from Crown
  - E9 Rewards efficiency of operations

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- **Administrative criteria**

- A1 Key factor updating is possible and not costly
- A2 Transaction number reduced in short term
- A3 Transaction number reduced in long term
- A4 No significant new administrative resources required
- A5 Handles changes in production technology in industry
- A6 Rules are simple, clear and easy to communicate
- A7 Rules have few areas of discretion
- A8 Reworks are reduced
- A9 Solution scalable to business situation complexity
- A10 Minimizes government involvement in business
- A11 Deals with freehold mineral rights tax

- **Transition criteria**

- T1 Easy transition
- T2 Transition mechanism exists
- T3 New rules can be implemented readily within 1 or 2 years
- T4 Impact on existing information systems and processes
- T5 Solution meets non-royalty information requirements
- T6 New system costs are minimized
- T7 Results in reliable information on a timely basis
- T8 Benefits outweigh costs
- T9 Solution meets non-Crown administration needs