

## 7. Advance Rulings

An advance ruling is the Department's statement on how it will interpret the applicable legislation, policies and guidelines with respect to proposed business arrangements or specific allowed costs that relate to oil sands royalty projects. An advance ruling is not for the purpose of issuing "tentative project approvals".

Project owners or operators must submit a written request each time an advance ruling is required.

The issuance of advance rulings is based on full disclosure of all relevant information. Failure to meet this requirement invalidates the ruling.

Once it has issued an advance ruling, the Department complies with the stated terms until such time as the ruling is rescinded. (see 7.4, "Rescinding an Advance Ruling")

*The Department will only issue an advance ruling if the business issue or transaction is one that applies to an actual or proposed oil sands royalty project.*

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Advance rulings regarding research and development costs are called **concept audits**. For details, see 5.6.4, "Concept Audits"

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### 7.1 Requesting an Advance Ruling

Requests for advance rulings must be made by project owners or their designees. They must be submitted in writing and directed to the attention of the Business Unit Leader, Oil Sands Development. (See Appendix J, "Contact Information")

The request must be clearly identified as a "request for advance ruling" and signed by an authorized designee of the project owner.

### 7.2 Required Information

A request for advance ruling must include the following information:

- a clear statement of the issue for which the ruling is required
  - This might include an explanation of the purpose of a proposed business arrangement or research project, or a description of the costs of a proposed capital asset.
- a comprehensive analysis of the effect of each relevant fact
- detailed references to pertinent legislation, regulations or authorities
- the applicant's interpretation of the pertinent legislation
- contact information

Additional details may be provided, as appropriate.

### 7.3 Review and Approval

Requests for advance rulings are processed in the order in which they are received. The Department reviews the submitted material, and in some cases, requests additional information or clarification. In most cases, it issues its ruling within 45 days. More time may be needed for the Department to rule on particularly complex issues.

*A request for an advance ruling may be withdrawn at any time before the ruling is issued.*

### 7.4 Rescinding an Advance Ruling

The Department may retroactively revoke an advance ruling if

- the applicant has misrepresented or omitted relevant information in describing the issue
- the business arrangement for which advance ruling was sought is substantially different from what actually transpired

The Department may also revoke an advance ruling if

- the law upon which the ruling was based changes
  - In this situation, the ruling will likely be rescinded as of the date of the change in law, unless the law specifies a different date.

The Department may also revoke an advance ruling if

- government policy changes
  - In this situation, the ruling is rescinded as of the date when the applicant is notified.