

SUBSIDIARY LEGISLATION

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THE PETROLEUM ACT

(CAP. 392)

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Made under section 53(1)

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THE PETROLEUM ACT
(CAP. 392)

REGULATIONS

THE PETROLEUM (GENERAL) REGULATIONS, 2011

Made under section 53(1)

PART I

PRELIMINARY PROVISIONS

- | | |
|---|---------------------|
| 1. These Regulation may be cited as the Petroleum (General) Regulations, 2011. | Citation |
| 2. In these Regulations unless the context otherwise requires: | Interpre-
tation |
| “Act” means the Petroleum Act; | Cap. 392 |
| “Authority” means the Energy and Water Utilities Regulatory Authority established under the Energy, Water Utilities Regulatory Authority Act; | Cap. 414 |
| “authorised officer” means any person authorised by the Authority to perform any of its functions; | |
| “environmental impact study” means a systematic examination conducted to determine whether or not a programme, activity or project have or would have any adverse impacts on the environment; | |
| “environmental management plan” means a proposal for the prevention of air, soil or water pollution, the treatment of wastes, the protection and reclamation of land and water resources, and for eliminating or minimising other adverse effects on the environment; | |
| “EWURA Act” means the Energy and Water Utilities Regulatory Authority Act; | Cap. 414 |
| “Minister” means the Minister responsible for petroleum matters; | |
| “petroleum emergency supply plan” means a plan prepared under regulation 5; | |
| “petroleum and petroleum products” shall have the meaning ascribed to it under the Act; | |

- "petroleum strategic reserve" means a petroleum reserve maintained by TPDC pursuant to Section 30 (3) of the Act;
- "Petroleum Supply Technical Committee" means the technical committee established under regulation 5(1);
- "Supplier" means an institution selected by the Petroleum Importation Coordinator to import petroleum and petroleum products in bulk quantity to Tanzania;
- Cap. 130 "TBS" means the Tanzania Bureau of Standards established under the Standards Act;
- Cap. 257 "TPDC" means the Tanzania Petroleum Development Corporation established under the Public Corporation Act;
- Cap. 399 "TRA" means the Tanzania Revenue Authority established under the Tanzania Revenue Authority Act;
- "Transport Unit" means a road tanker, a pipeline, a railway wagon or a barge;
- "wholesale business" means the sale or importation of petroleum or petroleum products in bulk quantity;
- "wholesaler" means a person engaged in the supply or importation of petroleum or petroleum products in bulk quantity for the purpose of wholesale business in Tanzania.

PART II

PETROLEUM EMERGENCY SUPPLY PLAN

Licensee
to inform
Author-
ity on
accidents,
etc.

3.-(1) Every wholesaler shall, within twenty four hours of the occurrence of an accident, natural disaster or any other event which caused or could cause a sustained interruption or substantial reduction of the petroleum supply operations or which causes or poses the risk of causing major damages to occupational health, public safety or the environment, inform the Authority.

(2) Every wholesaler shall be under the obligation to inform the Authority fifteen days in advance of temporary suspension for scheduled maintenance and thirty days in advance of permanent closure of all or substantial part of operations for reasons beyond his control.

(3) A wholesaler shall file a written report to the Authority immediately and, in any case not later than fourteen days, stating the cause and consequences of the event and the remedial and preventive measures taken in cases of:

- (a) temporary interruptions;
- (b) reductions of the petroleum supply operations; or
- (c) events which cause or pose risk of damages to third parties.

4-(1) The Authority shall, on a weekly basis, inform the Minister on the available petroleum stock.

Authority
to inform
the
Minister

(2) Notwithstanding the provisions of sub-regulation (1), the Authority shall, immediately and not later than forty-eight hours, after being informed of the occurrence of accident, natural disaster, interruptions or distortions which has resulted into the shortage of a petroleum product, inform the Minister.

(3) Upon receipt of information pursuant to sub-regulation (2), the Minister shall deal with or cause to be dealt with such emergency situation in accordance with the National Petroleum Emergency Supply Plan.

5.-(1) There is established a Petroleum Supply Technical Committee which shall be responsible for preparing the Petroleum Emergency Supply Plan.

Establish-
ment of a
Petroleum
supply
Technical
Commit-
tee

(2) The Petroleum Supply Technical Committee shall be composed of:

- (a) two representatives from the Ministry responsible for petroleum affairs one of whom shall be a Chairman;
- (b) one representative from the Ministry responsible for ports affairs;
- (c) one representative from the ministry responsible for finance;
- (d) two representatives from the Authority, one of whom shall be the Secretary;
- (e) one representative from the TPDC;
- (f) one representative from the Tanzania Revenue Authority;
- (g) one representative from the Tanzania Ports Authority; and
- (h) any other person as the Minister may appoint.

(3) During preparation of the Plan under subregulation (1), the committee shall consult stakeholders from public and private sectors.

(4) Subject to sub-regulation (1), the Petroleum Emergency Supply Plan shall be updated at least once a year.

(5) The Petroleum Emergency Supply Plan shall include:

- (a) the listing of all individual contingency plans which the licensees are obliged to establish including an inventory of all special equipment, materials and other provisions for emergencies; and
- (b) in case of emergency, potential measures of temporary intervention, institutional responsibilities, logistical, organisational and operational preparations.

PART III

MAINTENANCE OF MINIMUM PETROLEUM STOCKS

Mainten-
ance of a
minimum
physical
stocks

6. Every wholesaler shall, at all time and depending on its respective market share for the previous year, maintain physical operational stocks in quantities of not less than fifteen days requirements.

Purpose
for the
Minimum
Opera-
tions
Stocks

7. The minimum operations stocks shall be maintained by each wholesaler to ensure short term supply security in the event of national petroleum supply disruptions.

Minimum
physical
opera-
tional
stock
levels

8. The minimum physical operational stock levels referred to in regulation 6 shall not include the following:

- (a) petroleum products in the petroleum strategic reserve;
- (b) transit stocks held by any petroleum company the minimum physical stocks of which is over and above any transit stocks held;
- (c) petroleum and petroleum products in the high seas;
- (d) off-specification petroleum products;
- (e) petroleum product stock in any company's retail network (service and filling stations); and
- (f) petroleum products in transit from one depot to another.

Checking
of
compli-
ance

9. For the purposes of determining consumption levels in respect of regulation 6, the consumption figures for the previous year shall be used to check compliance by every petroleum company of the requirements of these Regulations.

10.-(1) Any Authorized officer may, for purposes of compliance with these Regulations, conduct unscheduled inspections at any time.

Conduct
of
unsched-
uled
checks

(2) Every petroleum company shall, in order to facilitate inspection of the said premises, grant the authorized officer access to premises and any facilities used for storage of petroleum.

11. The Authority may, after consultation with the Minister, issue other directions to petroleum companies for the better bringing into effect the provisions of these Regulations.

Authority
to issue
other
directions

12. Any person who contravenes the provisions of regulation 6 or 7 commits an offence and shall on conviction be liable to a fine of ten million shillings or to imprisonment for a term of five years or to both.

Offence

PART IV

COMPLIANCE WITH SPECIFICATIONS

13. Every wholesaler, distributor and transporter of petroleum and petroleum products shall import, transport, distribute, store, handle or sell petroleum or petroleum products that comply with specifications issued by Tanzania Bureau of Standards.

Compli-
ance to
specifica-
tion

14. Every person operating petroleum installation or facility shall maintain and operate such installation and facility in compliance with specifications issued by the Tanzania Bureau of Standards.

Installations and
facilities
to
comply
with
specification

15. Transporters of a petroleum and petroleum products shall maintain and operate a transport unit that complies with specifications issued by the Tanzania Bureau of Standards.

Transportation
of
petroleum and
petroleum
products
to
comply
with
specifications

Offences 16. Any person who contravenes the provisions of this Part commits an offence and upon conviction shall be liable to a fine not exceeding five million shillings or to imprisonment for a term not exceeding two years or to both.

Compensation 17. Without prejudice to regulation 16 and the powers of the Authority to impose other type of penalty, any person who contravenes the provisions of this part may be ordered to:

- (a) compensate any person for damages caused by such contravention; or
- (b) correct or dispose, at its expense all off specification petroleum and petroleum products in accordance with good petroleum industry practises and the Environmental Management Act; and
- Cap. 119 (c) pay compensation in respect of any damage resulting from such correction or disposal.

PART V

CORRECTIONS OF OFF SPECIFICATION PETROLEUM PRODUCTS

Non-conforming petroleum or petroleum products 18. Any person found with off-specification petroleum or petroleum products shall, without prejudice to penalties provided under any other written laws, correct the non conforming petroleum or petroleum products to meet TBS standards in a manner provided by the Authority and applicable law.

Disposal of non-conforming petroleum or petroleum products 19. Without prejudice to regulation 17, where the off specification petroleum or petroleum products is beyond correction levels, the regulated supplier shall immediately dispose of the petroleum or petroleum products at its expense in accordance with good petroleum industry practices and the Environmental Management Act.

PART VI

QUALITY CONTROL OF PETROLEUM PRODUCTS

Cap. 119 Quality control norms 20.-(1) The Minister shall, in collaboration with the Tanzania Bureau of Standards, make official denomination, technical specifications and quality control norms for all petroleum and petroleum products imported into, produced or sold in Mainland Tanzania.

(2) For the purpose of implementation of the provisions of sub regulation (1), the Minister shall consult with the relevant stakeholders in the downstream petroleum sub-sector.

(3) For the purpose of facilitating quality control of petroleum and petroleum products, all invoices, other relevant documents and public advertisements used by the licensees shall comply with the official denominations.

(4) The term "petroleum product" as used in this Part includes any additives to a petroleum or petroleum product.

21.-(1) Where a licensee intends to import, produce or sell a petroleum or petroleum product, which has not been approved in accordance with the provisions of the Act or to change the approved specifications of a product, he shall, in written, file application with the Authority accompanied by:

Importation,
production or
selling of
product
not
approved

- (a) a description of the technical, environmental and economical reasons for the introduction of the petroleum and petroleum product or the change of specifications;
- (b) two samples of the product prepared in accordance with good petroleum industrial practices; and
- (c) a certificate of quality with a detailed description of the proposed specifications issued by a laboratory of international recognition.

2. The Authority may, within sixty days after receipt of an application in sub-regulation (1), recommend to the Minister for consideration of grant of an approval of the new specifications.

(3) The Minister may, after receipt of a recommendation from the Authority in sub-regulation (2) and in consultation with the TBS, approve the new or the change in specification.

(4) Where there is dispute amongst participants in the chain of supply or between the participants and the Authority, each party shall be entitled to seek redress according to section 51 of the Act.

22. The Petroleum (Interim) Regulations, 2000 are hereby revoked.

Renovation G.N.
No. 297

Dar es Salaam,
23rd May, 2011

HON. WILLIAM M. NGELEJA(MP),
Minister for Energy and Minerals