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THE PETROLEUM ACT (CAP 392)

RULES

THE PETROLEUM (SAMPLING AND TESTING) RULES, 2010 (Made under section 5 (3))

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THE PETROLEUM ACT (CAP. 392)

RULES

(Made under section 5(3))

THE PETROLEUM (SAMPLING AND TESTING) RULES, 2010.

PART I PRELIMINARY PROVISIONS

Citation

1. These Rules may be cited as the Petroleum (Sampling and Testing) Rules, 2010.

Application

2. These Rules shall apply to all operators dealing with the supply of a petroleum product in Mainland Tanzania.

Interpretation

3. In these Rules, unless the context otherwise requires-

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"Act" means the Petroleum Act;

rapplicable law means any principal law, treaty, proclamation, regulation, order, rule and by-law that is customarily treated in Tanzania as having legally binding force and which is relevant to matters pertaining to the supply of a petroleum product;

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"Authority" means the Energy and Water Utilities Regulatory
Authority established under Section 4 of the EWURA

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"approved specification" means any specification or standard applied by the Authority on a petroleum product and approved pursuant to the Standards Act or any other standards that are widely used for good petroleum

industry practices;

- "bulk quantity" means a single quantity of two hundred litres of a petroleum product or more:
- "COCO" stands for company owned company operated which means an arrangement where a retail outlet is owned and operated by the same company;
- "CODO" stands for company owned dealer operated which means an arrangement where a retail outlet is owned by a company be it a wholesaler or not but operated by a separate dealer and includes an arrangement where a natural person owns a retail outlet but lets it to a dealer;
- "complaint" means a written or oral statement comprising of the facts of a matter or act complained of, related to a licensed activity, that invokes the regulatory power or jurisdiction of the Authority, and specifying the relief sought;
- "complainant" means a person that has filed a complaint with the Authority pursuant to these rules;
- "conforming products" means a petroleum product that meets the approved specifications;
- "dealer" means the operator of a retail outlet:
- "driver" means any person who is in command of a transport unit;
- "DODO" stands for dealer owned dealer operated which means an arrangement where a retail outlet is owned and operated by the same dealer:
- "EWURA Act" means the Energy and Water Utilities Regulatory Authority Act;
- "Good Petroleum Industry Practices" means any action related to a petroleum product intended to preserve product quality and meeting generally accepted health, safety and environmental requirements;
- "habitual offender" means a retailer who has been found with non-conforming products for more than two times within a licence period;

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- Cap. 414
- "inspector" means any person appointed or authorized by the Authority under the EWURA Act to act as such;
- "licence" means an authorization issued by the Authority to an operator to conduct a licensed activity;
- "licensed activity" means the importation, transformation, storage, wholesale trade, retail sale and distribution of a petroleum product;
- "licensed facility" means a depot, a warehouse a consumer installation facility, a building or a retail outlet in respect of which an operator conducts its licensed activity;
- "non- conforming products" means a petroleum product that does not meet the approved specifications;
- "operator" means any person or entity that operates a licensed facility or owns a transport unit;
- "Order" means an order issued in writing by the Authority;
- "petroleum" means petroleum crude and any liquid or gas made from petroleum crude, coal, schist, shale, tree, peat or any produce of petroleum crude and includes condensate:
- "petroleum products" means organic compounds, pure or blended, which are derived from the refining or processing of petroleum crude oils, biofuels, or synthetic fuels and includes:
 - (a) asphalts, bitumen, petroleum coke and other residual products;
 - (b) bunkers or heavy residual fuel oils for combustion engines or industrial heat processes, such as burners for boilers or heating furnaces;
 - (c) commercial gases—methane, ethane, propane, butane and other similar petroleum gases, biogas or mixtures of these gases, whether in gaseous or liquefied state;
 - (d) gasoil or automotive diesel, biodiesel, industrial marine diesels or synthetic diesel;

- (e) gasolines petrol or bionaptha or bioethenol products';
- (f) kerosene or other similar oils for illumination or combustion applications;
- (g) lubricating oils, base oils or refined and blended finished oils;
- (h) turbo fuels for jet propulsion engines; and other products or by-products of petroleum crude processing having a Flash Point lower than 120 degrees Celsius, and determined in a Pensky-Martens closed test apparatus;

"retailer" means the operator of a retail outlet;

- "retail outlet" means any place from which a petroleum product is sold or offered for sale to an end user on a retail basis;
- "Sample Collection Form" means the document issued by the Authority as appended in the First, Second and Third Schedules that is to be completed by an inspector during the collection of a sample;

"supervisor" means a person who is deemed to have the authority and the ability to:

- (a) grant inspectors access to a licensed facility to carry out their duties;
- (b) in all circumstances, identify any defect or fault within a licensed facility and make a binding determination regarding its suitability for further use;
- (c) answer questions raised by the inspectors; and
- (d) witness the sampling process.
- "TRA" means the Tanzania Revenue Authority established under the provisions of the Tanzania Revenue Authority Act;

"transport unit" means a road tanker, a railway wagon or a barge that an operator uses to transport a petroleum product but shall not include a pipeline;

"wholesaler" means any person engaged in the supply or importation of a petroleum product in bulk quantity for

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the purpose of wholesale business in Tanzania; and "wholesale business" means the sale or importation of a petroleum product in bulk quantity.

PART II PETROLEUM SAMPLING PROCESS

- Sampling to be done in accordance with the Act and these Rules
- 4.-(1) The Authority shall conduct sampling procedures in accordance with the Act and these rules.
- (2) The Authority shall sample and test any petroleum product from any licensed facility or a docking ship:
 - (a) upon receipt of any complaint; or
 - (b) on its own motion.
- (3) An operator shall ensure that a supervisor is present at a licensed facility at all times.

Preliminaries to sampling

- 5.-(1) Upon arrival at a licensed facility or a transport unit and having identified themselves, inspectors shall deliver to a supervisor, driver, or in their absence, to any employee working at a licensed facility or a transport unit the Sample Collection Form.
- (2) A supervisor, a driver or, in their absence, any employee working at a licensed facility or a transport unit shall be required to-
 - (a) co-operate with inspectors;
 - (b) comply with any instructions or requests made by inspectors pursuant to their mandate; and
 - (c) grant inspectors unhindered access to any document, the licensed facility and the transport unit as appropriate.

How samples will be taken

- 6. (1) Inspectors shall, in each sampling process, take three samples of any type of a petroleum product from a licensed facility or a transport unit.
 - (2) A sample of a petroleum product referred in sub-

rule (1) may be taken from-

- (a) an above-ground storage tank, either at the top, middle or bottom;
- (b) from each compartment in a transport unit;
- (c) an underground storage tank, either at the top, middle or bottom or, in the case of a retail outlet, directly from the dispensing pump nozzle; and
- (d) in all tanks of the docking ships, either at the top, middle or bottom.
- (3) Petroleum products samples for testing shall only be taken by an inspector using a container that meets approved specifications.
- (4) The Authority shall ensure that each sample taken is-
 - (a) properly labelled:
 - (b) witnessed by a supervisor, driver or in their absence any other employee and an inspector; and
 - (c) sealed properly with the seal of the Authority.
- 7.-(1) The Inspector shall complete the Sample Collection Form as appropriate that shall then be countersigned by a supervisor.

Sample Collection Forms to be signed

- (2) Inspectors shall in the event that a supervisor, driver or, in their absence, any employee working at a licensed facility or in a transport unit refuses or fails to counter- sign the Sample Collection Form, note that such supervisor, driver or employee has failed or refused to sign the form.
- (3) An inspector shall, in respect of the samples described in sub-rule (1)-

- (a) deliver one sample to a supervisor, driver or in their absence, any employee working at a licensed facility or a transport unit to be conserved for possible re-testing;
- deliver one sample to one of the laboratories listed pursuant to rule 10 (1) for testing; and
 - (c) conserve one sample in the Authority's storage facility for possible re-testing.
- (4) The Authority shall properly document the chain of custody of the samples described in sub-rule (3).

A supervisor or a driver to witness and facilitate the sampling exercise

- 8.-(1) A supervisor, a driver or in their absence any employee working at a licensed facility or the transport unit as the case may be shall, during the sampling process-
 - (a) be entitled to witness the entirety of the sampling process; and
 - (b) facilitate the sampling process in any way that the inspectors may require.
- (2) Petroleum products samples shall be retained by the Authority and the operator not longer than two months after the date of collection.

Offence

- 9. Any person who contravenes the provisions of rule 5 and 7 shall-
 - (a) for a wholesaler, be liable to a fine of ten million shillings; and
 - (b) for other operators, be liable to a fine of seven million shillings.

PARTIII

PETROLEUM TESTING AND RE-TESTING PROCEDURES

The authority to maintain a list of qualified laboratories 10.-(1) The Authority shall, at all times, maintain a list of laboratories qualified to analyze petroleum products samples in accordance with the approved specification.

- (2) The Authority shall select laboratories in sub-rule (1) on the basis of the following criteria-
 - (a) the ability of the laboratory to conduct specific tests pursuant to the approved specification;
 - (b) whether the laboratory is equipped with up-todate and calibrated instruments, and supplies consistent with the scope and volume of tests to be conducted;
 - (c) the laboratory's reputation in the community on matters of professionalism and ethical behaviour;
 - (d) information related to the laboratory's participation in voluntary accreditation programme and its current certification status;
 - (e) ease of communication, particularly in respect of questions arising; and
 - (f) timely delivery of test results.
- (3) The costs for sampling and testing a petroleum product shall be borne by the Authority.
- (4) The Authority shall, not more than seven working days after receiving the results from a laboratory, notify the operator in writing of the results whether conforming or non-conforming, and it shall thereafter-
 - (a) take no further action where test results indicate that a sample is conforming to approved specifications; or
 - (b) deal with the operator in accordance with rule 18 (1) where the test results indicate that a sample is non-conforming to approved specifications.
- 11.-(1) The Authority may In the event that any person disputes the results under rule 10 (4), conduct a re-test of the samples pursuant to these rules and the costs of retesting shall be borne by the person disputing the first results.
 - (2) Notwithstanding the provisions of sub-rule (1) the

Re-testing Process

re-test of the samples shall only be done where-

- (a) the Authority has received a request in writing for a re-test;
- (b) the seals of the sample to be tested remain intact and the samples are not tempered with;
- (c) re-test costs have been fully paid by the disputing person.
- (3) In the event that the Authority determines to retest a sample, the Authority shall recover the sample conserved by the operator pursuant to rule 7(3) (b) and the sample conserved by the Authority pursuant to rule 7 (3) (c) to be re-tested in two separate laboratories selected by the Authority pursuant to rule 10 (1); provided, however, that no testing shall be conducted by a laboratory that was involved in the first testing process.

Right to witness a re-

- 12.-(1) The operator, the complainant or their representatives shall have the right to witness a re-test.
- (2) The event that an operator, complainant or their representatives refuse or fails to appear for the re-testing described in sub-rule (1), such operator, complainant or their representative shall be deemed to have-
 - (a) waived its right to witness the re-test; and
 - (b) authorized the Authority to proceed with the re-testing in their absence.
- (3) After receipt of the results of the re-testing, the Authority shall-
 - (a) make a final determination on the test results from the two laboratories taking into account the results of the first test; and
 - (b) notify the operator or any other person disputing the results of such determination.
- (4) The results of the re-testing process shall be final.

PART IV

PROCEDURES FOR INSPECTION OF A TRANSPORT UNIT

Procedure for inspection of a licensed facility or a transport unit

- 13.-(1) An inspector may, at any time, inspect a licensed facility, a transport unit or any document related to the conduct of a licensed activity to ensure compliance with applicable law.
- (2) An operator shall render all necessary assistance to facilitate any inspection of its licensed facility or a transport unit pursuant to sub-rule (1).
 - (3) During inspection an inspector may-
 - (a) take a sample of any substance relating to loading, handling, offloading or delivery of a petroleum product; or
 - (b) make a copy or take an extract from any book, data base, account or record kept at the licensed facility, transport unit or any other place.
- (4) An inspector may, during the course of an inspection, break any seal for the purpose of taking a sample, provided, however, that such inspector shall thereafter affix the Authority's seal.
- (5) No person shall offload any petroleum product from a licensed facility or transport unit which is affixed with the Authority's seal without prior authorization from the Authority.
- (6) The Authority may seek the assistance of law enforcement authorities, including the police force, in earrying out an investigation, inspection or impoundment of a transport unit.

Offence

14. Any person who contravenes the provisions of rule 13 (2) and (5) commits an offence and shall upon conviction be liable to a fine of five million shillings or imprisonment for a period of three years or to both.

PART V

PROCEDURES FOR IMPOUNDMENT OF A TRANSPORT UNIT

Procedures for impounding a transport Unit

- 15.-(1) An inspector may impound any transport unit where he determines that-
 - (a) the results are found to be non-conforming and where the products are not yet offloaded; or
 - (b) continued operation of such transport unit poses an imminent risk of injury to life or damage to property and the environment
- (2) The Authority shall affix its seal on any transport unit after impounding it and no person shall offload any petroleum product from such transport unit without prior authorization of the Authority.
- (3) The Authority may seek the assistance of law enforcement authorities, including the police force, in impounding a transport unit.
- (4) After the Authority has impounded a transport unit pursuant to sub-rule (1) it shall without prejudice to the penalties spelt out in these rules and the Act, order the operator to blend such products in accordance with Good Petroleum Industry Practices and environmental laws.

Release of an impounded transport Unit

- 16.- A transport unit which has been impounded under the provisions of rule 12 (1) shall only be released upon the Authority being satisfied that-
 - (a) the non-conforming petroleum products therein have been disposed of or blended in accordance with Good Petroleum Industry Practices and environmental laws;
 - (b) TRA has certified in writing that it has no objection to such release if the matter was referred to it pursuant to rule 22;
 - (c) the operator has paid the appropriate fine

pursuant to these rules; and

(d) the Authority has issued an Order in writing for the release of such unit.

Exemption from liability

17. Notwithstanding the provisions of rules 15 and 16 the Authority is exempted from any liability arising from the impoundment of any transport unit, and all the costs associated with the impoundment and safe keeping of such transport unit shall be borne by an operator.

PART VI PENALTIES FOR NON CONFORMING PRODUCTS

Penalties for nonconforming products

- (18)-(1) In the event that the sample testing results are found to be non-conforming to approved specification, the Authority shall order the operator found with such non-conforming products to-
 - (a) close or quarantine its licensed facility either in whole or in part;
 - (b) dispose or blend the non-conforming petroleum product in accordance with Good Petroleum Industry Practices and environmental laws; and
 - (c) compensate any person who has lodged and proved a complaint for any damage caused by such non-conforming petroleum products.
- (2) An operator shall, after receiving an Order for closing or quarantining a licensed facility, comply with such Order and the Authority shall thereupon fix a yellow tape or a signage around the licensed facility indicating that such facility has been closed under the Order of the Authority.
- (3) Notwithstanding the provisions of sub-rule (1) and (2) and any other penalties prescribed in the Act, any person found in possession of non-conforming petroleum

products shall be liable to the penalties specified in the Fourth Schedule.

- (4) Notwithstanding the provisions of sub-rule (1) and (2) the Authority shall:
 - (a) revoke a licence of any habitual offender; or
 - (b) deregister any transport unit which has been found with non-conforming petroleum product for more than two times within a registration period.

A Licensed facility to which a licence has been revoked

- 19. Any licensed facility of which a licence has been revoked pursuant to rule 18 (4) (a) shall-
 - (a) for DODO and COCO, remain closed and not be eligible for issuance of a licence for a period of twelve months from the date of revocation; and
 - (b) for CODO, be eligible for issuance and continuation of operation by another operator.

A transport unit which has been deregistered 20. Any transport unit that has been deregistered pursuant to rule 18 (4) (b) shall not be eligible for registration by the Authority for a period of twelve months from the date of deregistration

Temporary closure of a facility or impounding of a transport unit

- 21. The Authority may, upon taking a petroleum product sample pursuant to these rules, order the temporary closure of the licensed facility or part thereof, or impound a transport unit pending release of the test results of the samples taken where-
 - (a) the Authority determines that continuing the operations of a licensed facility or the transport unit will pose an imminent risk of injury to life or damage to property and the environment;

- (b) the Authority finds that several complaints have been filed with the Authority against the same operator;
- (c) the Authority has obtained provisional results indicating that the tested petroleum products are non-conforming; or
- (d) the operator admits that the sample petroleum products are non-conforming.

The authority to refer to TRA and other institutions where there are attempts to defraud the government of its revenue

22. Notwithstanding the provisions of this rule and any other penalties prescribed in the Act the Authority shall refer to TRA or any other relevant authority any person found with non-conforming petroleum products where it believes that there were attempts by such person to defraud the Government of its revenue.

PART VII PROCEDURES ON REOPENING OF DEQUARANTINING OF A LICENSED FACILITY

Procedure on re-opening or dequarantining of a licensed facility

- 23.-(1) A licensed facility that has been closed or quarantined pursuant to rule 18 (1) shall be reopened or dequarantined upon the Authority being satisfied that:-
 - (a) the non-conforming petroleum products therein have been disposed of or blended in accordance with Good Petroleum Industry Practices and environmental laws;
 - (b) the operator has paid the appropriate fine pursuant to these rules; and
 - (e) the Authority has issued an order in writing for a re-opening or de-quarantining.
- (2) For the purpose of sub-rule (1) (a), a petroleum product shall be deemed to have been disposed of from a

retail outlet if the inspector certifies in writing that all petroleum products in such retail outlet have been sold by the time of closing or quarantining.

(3) The operator shall, upon receipt of an order to reopen or de-quarantine a licensed facility and under direct supervision of an inspector, be allowed to remove the yellow tape or signage indicating that the licensed facility has been allowed to continue with operations.

PART VIII GENERAL PROVISIONS

Penalties for tampering, cutting seals and tapes no removing any signage to a licensed facility or a transport unit

- 24. Any person who-
- (a) tampers with or cuts a seal or a yellow tape affixed by the Authority at a licensed facility or a transport unit; or
- (b) removes any signage affixed by the Authority at a licensed facility or a transport unit.

commits an offence and shall on conviction be liable to a fine of five million shillings or imprisonment for a term not exceeding two years, or to both.

Penalty for continued defiance

- 25. Any person who is in continuous breach of these rules shall be liable to a fine of five million shillings for everyday on which the contravention occurs or continues.
- 26. Any operator who fails or refuses to pay a fine as ordered by the Authority, shall have its licensed facility as appropriate closed or remain closed until the fine is paid in fully.

Authority to supplement procedure as needed

27. Where procedures are not provided for in these rules, the Authority may do whatever is necessary and permitted by law to enable it to effectively and completely exercise its powers in sampling and testing the petroleum products.

Revocation of GN No. 31 of 2008

- 28.-(1) The EWURA (Petroleum products Sampling and Testing) Rules are hereby revoked.
- (2) Notwithstanding the revocation of the EWURA (Petroleum products Sampling and Testing) Rules, all orders, exemptions or directives made or issued or deemed to have been made or issued under those rules shall be deemed to have been made under these rules, and shall remain in force until revoked or they respectively otherwise expire or cease to have effect.

G.N.No.31 of 2008

FIRST SCHEDULE

SAMPLE COLLECTION FORM (For Wholesalers)

(Made Under Rule 3)

DATE:			TIME:
NAME OF THE COMPANY:	· · · · · · · ·		
DEPOT NAME/LOCATION			
PLOT NO BLOCK:	STRI	EET/VILLAGE:	
DISTRICT	REGION:		
SAMPLE NO:			
MOTOR SPIRIT PREMIUM (UNLEADED		TANK NO.	
GAS OIL (DIESEL) IK (ILUMINATING KEROSENE		TANK NO. TANK NO.	
OTHERS (SPECIFY)		TANK NO.	************
EWURA REPRESENTATIVE (S) (NAMES):		SIGNATUR	Ε:
I			
2			
OPERATOR(S) (NAMES):		SIGNATURI	E:
l			
2			
REMARKS BY INSPECTOR (S)			
••••••			

SECOND SCHEDULE

SAMPLE COLLECTION FORM (For Retailers)

(Made under Rule 3)

DATE:	TIME:			
NAME OF THE COMPANY:				
PETROL STATION NAME/LOCATION:				
PLOT NO BLOCK:	STREET/VILLAGE:			
DISTRICT	REGION:			
SAMPLE NO:				
MOTOR SPIRIT PREMIUM (UNLEADED)		TANK NO. PUMP NO.		
GAS OIL (DIESEL)		TANK NO. PUMP NO.		
IK (ILUMINATING KEROSENE)		TANK NO. PUMP NO.		
OTHERS (SPECIFY)		TANK NO. PUMP NO.		
EWURA REPRESENTATIVE (S) (NAMES):		SIGNATURE:		
1. 2 OPERATOR (S) (NAMES):			SIGNATURE:	
1				
REMARKS BY INSPECTOR (S)				

THIRD SCHEDULE

SAMPLE COLLECTION FORM (For Transporters)

(Made under Rule 3)

DATE:		TIME:		
NAME OF THE COMPANY:				
TRUCK/WAGON/BARGE NO.:				
VILLAGE STREET:	WA	WARD:		
DISTRICTSAMPLE NO:	REGION:			
	1	COMPARTMENT NO		
MOTOR SPIRIT PREMIUM (UNLEADED)		COMPARTMENT NO.	***************************************	
GAS OIL (DIESEL)		COMPARTMENT NO.		
IK (ILLUMINATING KEROSENE)		COMPARTMENT NO.		
OTHERS (SPECIFY)		COMPARTMENT NO.		
EWURA REPRESENTATIVE (S) (NAMES):		SIGNATURE:		
1				
OPERATOR(S) (NAMES):		SIGNATURE:		
12				
REMARKS BY INSPECTOR (S)				

FOURTH SCHEDULE

LIST OF FINES (Made under Rule 18 (3))

S/N	Operator Category	1 st Offence	2 nd Offence	3 rd Offence
1	Retailer/Owner of Consumer Installation	Fine of seven million shillings	Fine of twenty five million shillings.	Licence Revocation
2	Wholesaler	Fine of ten million shillings	Fine of one hundred million shillings or twenty percent of the value of non-conforming petroleum product, whichever is higher.	Closure of a licensed facility or part thereof for a period of twelve months plus payment of a fine of one hundred million shillings.
3	Transporter	Fine of seven million shillings	Fine of fifteen million shillings or twenty percent of the value of non-conforming petroleum product whichever is higher.	Deregistration of a transport unit found with non-conforming products.

Dar es SalaamJune, 2010

Haruna Masebu, Director General