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THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY ACT
(CAP.414)

RULES

(Made under section 40(1)(c)(d) and (j))

THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY
(PETROLEUM PRODUCTS PRICE SETTING) RULES, 2022

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(PETROLEUM PRODUCTS PRICE SETTING) RULES, 2022

PART I
PRELIMINARY PROVISIONS

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|---------------------------|---|
| Citation | 1. These Rules may be cited as the Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) Rules, 2022. |
| Application | 2. These Rules shall govern the regulation of petroleum prices for diesel, petrol and kerosene in Mainland Tanzania. |
| Interpretation
Cap.414 | 3. In these Rules, unless the context otherwise requires:
“Act” means the Energy and Water Utilities Regulatory Authority Act;
“Applicable law” means laws governing production, distribution and regulation of petroleum products and includes the Act;
“Authority” means the Energy and Water Utilities Regulatory Authority (EWURA) established under section 4 of the Act;
“bulk quantity” means a single lot of not less than five hundred metric tonnes of a petroleum product;
“bulk customer” means any person supplied or having a contract to be supplied with a petroleum product in bulk quantity;
“customer” means any person supplied or applied to be supplied with petroleum product;
“FOB cost” means an average of the cost of procuring a petroleum product at its source as determined in the pricing formula; |

- Cap.392 “indicative price” means a price of a petroleum product computed by using the pricing formula;
- “landed costs” means a total cost of FOB cost and weighted average premium;
- “licence” means an authorization issued by the Authority to conduct a licensed activity pursuant to these Rules;
- “licensed activity” means an activity related to wholesale and retail business;
- “National Petroleum and Gas Information System” also described as “NPGIS” means a system established under section 124 of the Petroleum Act;
- “petroleum product” means an organic compound, pure or blended, which is derived from the refining or processing of petroleum crude oils, bio-fuels, or synthetic fuels and include:
- (a) asphalts, bitumen, petroleum coke and other residual product;
 - (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 which include methane, ethane, propane, butane and other similar petroleum gases, biogas or mixture of these gases, whether in gaseous or liquefied state;
 - (d) gasoil or automotive diesel, biodiesel, industrial marine diesels or synthetic diesel;
 - (e) gasoline, bio-naphtha or a bio-ethanol product;
 - (f) kerosene or other similar oils for illumination or combustion applications;
 - (g) lubricating oils, base oil or refined and blended finished oil;
 - (h) turbo fuels for jet propulsion engines; and
 - (i) other product or by-products of petroleum crude processing having a Flash Point lower than 120 degrees Celsius, and determined in a Pensky-Martens Closed Cup (PMCC) test apparatus;
- “pricing formula” means a formula developed by the Authority for the purpose of regulating a wholesale price or pump price under these Rules;
- “pump price” means the maximum price at which a retailer offers

- a petroleum product for sale, to a customer at a retail outlet, computed by the Authority by using the pricing formula;
- “regulated supplier” means any person engaging in an activity in relation to regulated service, and includes any person whom the Authority declares as such under section 40(6) of the Act;
- “retail outlet” means any place where petroleum product is sold or offered for sale to a customer on retail basis, it includes the buildings, storage tanks and dispensing pumps in respect of which a retailer is conducting a retail business;
- “retailer” means any person conducting a retail business of petroleum product;
- “retail sale” means the sale or offer for sale of petroleum product at a retail outlet;
- “supplier” means any person who has won the tender to supply petroleum products in the country;
- “weighted average premium” means the amount of freight charges, insurance and the profit of the supplier;
- “wholesaler” means a person licensed to undertake importation of a petroleum product in bulk quantity for the purpose of wholesale busin;
- “wholesale business” means the importation of petroleum product in bulk quantity and selling of petroleum products to licensed retailers and consumers and includes transit trade in petroleum product;
- “wholesale price” means the maximum and minimum prices at which a wholesaler sells a petroleum product to a retail or bulk customer, as computed by the Authority using the pricing formula;
- “wholesale cap price” means the maximum prices at which a wholesaler sells a petroleum product to a retail or bulk customer, as computed by the Authority using the pricing formula; and
- “wholesale floor price” means the minimum wholesale price that shall be equal to landed cost and all other costs except margins.

PART II
PRICING FORMULA

Developme
nt of
Pricing
Formula
Cap. 414

4.-(1) For effective implementation of the purposes of sections 7(1), 17 and 19 of the Act, the Authority shall determine appropriate wholesale and pump prices in accordance with the Pricing Formula specified in the First, Second and Third Schedule to these Rules.

(2) The wholesale and pump prices to be determined in terms of subrule (1) shall be based on the costs of petroleum products received in the previous month which shall be indicated in the Pricing Formulas as (m-1).

(3) The wholesale and pump prices determined under subrule (1) shall be in use for a period specified by the Authority in a notice to the public published in daily newspapers of wide circulation in both Kiswahili and English language.

(4) Notwithstanding the provision of subrule (2), where the Authority considers that there are special circumstances which could not have otherwise been foreseen or controlled, it may take appropriate measures as deems necessary to ensure the effective protection of efficient suppliers, Government interests and the interest of consumers.

(5) The Pricing Formula referred to under subrule (1) shall contain the following information:

- (a) landed costs;
- (b) Local charges, fees and levies;
- (c) Government taxes;
- (d) transportation costs; and
- (e) wholesale and retail margins.

(6) The Authority may, upon the request of a regulated supplier or on its own motion, amend the Pricing Formula.

(7) The Authority may make periodic adjustment of petroleum margin in the Pricing Formula:

Provided that such adjustment shall be dependent upon changes in non-food and non-energy consumer price index of those items as may be published by the National Bureau of Statistics.

PART III
MARKET MANIPULATION

Prohibition

5.-(1) A person shall not, in connection with the delivery of a regulated service, employ or use any device or contrivance to do any fraudulent, manipulative or deceptive act.

(2) No person shall, in matters relating to the delivery of a regulated service, directly or indirectly:

- (a) use or employ any device, scheme or artifice to defraud;
- (b) make any untrue statement of a material fact or omit to state a material fact necessary in order to make statements made, in the light of the circumstances under which they were made, appear as not misleading; or
- (c) engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon any person.

(3) No person shall provide information to the Authority, in relation to a regulated service, where the person:

- (a) knew, or within the circumstance ought to have known that such information was false or misleading; or
- (b) intended information should affect the data compiled by the Authority for statistical or analytical purposes with respect to the market for petroleum products.

(4) For the purpose of these Rules, fraudulent, manipulative or deceptive acts shall include or be implied to include:

- (a) false reporting; or
- (b) misleading announcements made by a regulated supplier.

(5) Any person who contravenes the provision of this Rule commits an offence and shall, on conviction, be liable to a fine of not less than three million shillings or imprisonment for a term of not less than five years or to both.

Offence
against
pricing,
business
manipulation

6. Any person who-

- (a) offers or sells a petroleum product at a price which:
 - (i) exceeds wholesale cap price;
 - (ii) is below the wholesale floor price; or

- (iii) exceeds the pump price;
 - (b) either individually or jointly with another person creates an artificial shortage of a petroleum product; or
 - (c) willfully refuses to carry on business in accordance with the law and licence terms and conditions,
- Commits an offence and shall, on conviction, be liable to a fine of not less than three million shillings or to imprisonment for a term of not less than five years or both.

PART IV MONITORING AND ENFORCEMENT

Monitoring

7.-(1) The Authority shall conduct investigation to determine whether any regulated supplier has violated a provision of the Rules, and upon such finding take appropriate action as provided for under these Rules or any other applicable laws.

(2) A regulated supplier shall at all times be required to maintain and keep information related to its licensed activity as per the National Petroleum and Gas Information System.

(3) A retailer shall, at all times, ensure that pump prices at the retail outlet are displayed in a conspicuous manner that is clearly visible from the road.

(4) The pump price boards shall be located in clearly visible places in front of petrol stations and shall show prices charged at the pump.

(5) Any person who contravenes the provisions of sub-rules (4) and (5) commits an offence and shall, on conviction be liable to a fine of not less three million shillings or imprisonment for a term of not less than five years or to both.

PART V GENERAL PROVISIONS

Powers to
summon

8.-(1) The Authority may summon any person it believes to be capable of supplying information necessary to assist the Authority to discharge its duties or perform its functions.

(2) Summons issued under sub-rule (1) may require a person to:

- (a) furnish information in writing;

- (b) produce any document to the Authority; or
- (c) appear before the Authority to give evidence.

(3) Any person who without lawful excuse refuses or fails to comply with a summons to provide information commits an offence and shall, on conviction, be liable to a fine of not less than three million shillings or imprisonment for a term of not less than five years or both.

Suspension
or
revocation
of licence
Cap.392

9. Notwithstanding any penalty prescribed in these Rules, the Authority may suspend or revoke the licence of any regulated supplier who contravenes the provisions of these Rules subject to the provisions of the Petroleum Act.

General
penalties

10.-(1) Any person who contravenes the provisions of these Rules where no specific penalty is prescribed commits an offence and shall, on conviction, be liable to a fine of not less than three million shillings or to imprisonment for a term of not less than five years or to both.

(2) Where a person charged with an offence under these Rules is a body corporate, every person who, at the time of the commission of the offence was a director, manager or officer of the body corporate may be charged jointly in the same proceedings with such body corporate.

(3) Where the body corporate is convicted of an offence under these Rules, every such director, manager or officer of the body corporate shall be deemed to be guilty of the offence, unless he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of the offence.

(4) For the purpose of these Rules, any partner of a firm shall be jointly and severally liable for the acts or omissions of any other partner of the same firm done or omitted to be done in the course of such firm's business.

Revocation
and
Savings
GN No.
5/2009

11.-(1) The Energy and Water Utilities Regulatory (Petroleum Products Price Setting) Rules, 2009 are hereby revoked.

(2) Notwithstanding the revocation of the Energy and Water Utilities Regulatory (Petroleum Products Price Setting) Rules, all orders, exemptions or directives made or issued or

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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 otherwise expire or cease to have effect.

Authority
to
supplement
procedures
as needed

12. 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 adjudicate on any matter before it.

SCHEDULE

FIRST SCHEDULE

(Rule 4(1))

**PRICING FORMULA FOR PETROLEUM PRODUCTS IMPORTED
THROUGH DAR ES SALAAM PORT**

Weighted Average of Actual Exchange Rates of the Previous Month (M-1) plus the Difference between the Weighted Average of Actual Exchange Rates of the Previous Month (M-1) and that of the three months ago (M-3)		Exchange Rate		
Exchange Rate				
WT Average Actual Conversion Factors of the Previous Month (M-1):				
		Petrol	Diesel	Kerosene
DESCRIPTION	UNIT	PRICE	PRICE	PRICE
	Weighted Average Platt's FOB	TZS/L		
Plus	Weighted Average Premium as Per Quotation (Freight+ Insurance+ Premium)	TZS/L		
Sub Total	DAP COST	TZS/L		
Plus	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES			
	Wharfage TZS 15/L	TZS/L	15.00	15.00
	Customs Processing Fee (TZS 20 million/Vessel)	TZS/L		
	Weights & Measures Fee (TZS 7 million/Vessel)	TZS/L		
	TBS Charge (TZS 12.8 million/Vessel)	TZS/L		
	TASAC Fee (TZS 20 million/Vessel)	TZS/L		
	Regulatory Levy	TZS/L	5.20	5.50
Sub Total	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES	TZS/L		
Plus	GOVERNMENT TAXES			
	Fuel Levy	TZS/L	413.00	413.00
	Excise Duty	TZS/L	379.00	255.00
	Petroleum Fee	TZS/L	100.00	100.00
	Railway Development Levy (1.5% DAP)	TZS/L		

Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting)
GN No. 57 (Contd)

Sub Total	GOVERNMENT TAXES	TZS/L			
	WHOLESALE OPERATION COSTS AND PROFIT				
	OMC's Overheads & Margin	TZS/L	123.00	123.00	123.00
	Petroleum Marking Cost	TZS/L	7.00	7.00	7.00
	Financing Cost (1.00% DAP)	TZS/L			
	Evaporation Losses (0.5% MSP, 0.30% GO % IK) DAP	TZS/L			
	Actual Demurrage Cost (Petrol & Diesel & Kerosene \$/MT)	TZS/L			
	Charges payable to Executive Agencies	TZS/L	1.03	1.03	1.03
	Surveyors Cost	TZS/L			
Sub Total	WHOLESALE OPERATION COSTS AND PROFIT	TZS/L			
	WHOLESALE PRICE CAP (DSM)	TZS/L			
Plus	RETAIL OPERATION COSTS AND PROFIT				
	Retailers Overheads and Margin	TZS/L	108.00	108.00	108.00
	Service Levy payable to LGAs (0.3% of turnover net of excise duty and VAT in wharfage, petroleum marking cost and TASAC fee)	TZS/L			
	Charges payable to Executive Agencies	TZS/L	5.44	5.44	5.44
	Transport Charges (Local)	TZS/L	10.00	10.00	10.00
	RETAIL OPERATION COSTS AND PROFIT	TZS/L			
	ACTUAL PUMP PRICE CAP (DSM)	TZS/L			

SECOND SCHEDULE

PRICING FORMULA FOR PETROLEUM PRODUCTS IMPORTED THROUGH TANGA PORT

Weighted Average of Actual Exchange Rates of the Previous Month (M-1) plus the Difference between the Weighted Average of Actual Exchange Rates of the Previous Month (M-1) and that of the three months ago (M-3)		Exchange Rate		
Exchange Rate				
WT Average Actual Conversion Factors of the Previous Month (M-1):				
		Petrol	Diesel	Kerosene
DESCRIPTION	UNIT	PRICE	PRICE	PRICE

Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting)

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	Weighted Average Platt's FOB	TZS/L			
Plus	Weighted Average Premium as Per Quotation (Freight+Insurance+Premium)	TZS/L			
Sub Total	DAP COST	TZS/L			
	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES				
	Way Leave Charges \$3/MT + 18% VAT	TZS/L			
	Customs Processing Fee (TZS 20 million/Vessel)	TZS/L			
	Weights & Measures Fee (TZS 7 million/Vessel)	TZS/L			
	TBS Charge (TZS 12.8 million/Vessel)	TZS/L			
	TASAC Fee (TZS 20 million/Vessel)	TZS/L			
	Regulatory Levy	TZS/L	5.20	5.50	3.20
Sub Total	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES	TZS/L			
	GOVERNMENT TAXES				
	Fuel Levy	TZS/L	413.00	413.00	-
	Excise Duty	TZS/L	379.00	255.00	465.00
	Petroleum Fee	TZS/L	100.00	100.00	250.00
	Railway Development Levy (1.5% DAP)	TZS/L			
Sub Total	GOVERNMENT TAXES	TZS/L			
	WHOLESALE OPERATION COSTS AND PROFIT				
	OMC's Overheads & Margin	TZS/L	123.00	123.00	123.00
	Petroleum Marking Cost	TZS/L	7.00	7.00	7.00
	Financing Cost (1.00% DAP)	TZS/L			
	Evaporation Losses (0.5% MSP, 0.30% GO % IK) DAP	TZS/L			
	Actual Demurrage Cost (Petrol & Diesel& Kerosene \$/MT)	TZS/L			
	Charges payable to Executive Agencies	TZS/L	1.03	1.03	1.03
	Surveyors Cost	TZS/L			
Sub Total	WHOLESALE OPERATION COSTS AND PROFIT	TZS/L			
	WHOLESALE PRICE CAP (TANGA)	TZS/L			
	RETAIL OPERATION COSTS AND PROFIT				
	Retailers Overheads and Margin	TZS/L	108.00	108.00	108.00
	Service Levy payable to LGAs (0.3% of turnover net of excise duty and VAT in wharfage, petroleum marking cost and TASAC fee)	TZS/L			
	Charges payable to Executive Agencies	TZS/L	5.44	5.44	5.44
	Transport Charges (Local)	TZS/L	10.00	10.00	10.00

Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting)
GN No. 57 (Contd)

	RETAIL OPERATION COSTS AND PROFIT	TZS/L			
	ACTUAL PUMP PRICE CAP (TANGA)	TZS/L			

THIRD SCHEDULE

**PRICING FORMULA FOR PETROLEUM PRODUCTS IMPORTED
THROUGH
MTWARA PORT**

Weighted Average of Actual Exchange Rates of the Previous Month (M-1) plus the Difference between the Weighted Average of Actual Exchange Rates of the Previous Month (M-1) and that of the three months ago (M-3)			Exchange Rate	
Exchange Rate				
WT Average Actual Conversion Factors of the Previous Month (M-1):				
			Petrol	Diesel
DESCRIPTION		UNIT	PRICE	PRICE
	Weighted Average Platt's FOB	TZS/L		
Plus	Weighted Average Premium as Per Quotation (Freight+Insurance+Premium)	TZS/L		
Sub Total	DAP COST	TZS/L		
Plus	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES			
	Wharfage TZS 15/L	TZS/L	15.00	15.00
	Customs Processing Fee (TZS 20 million/Vessel)	TZS/L		
	Weights & Measures Fee (TZS 7 million/Vessel)	TZS/L		
	TBS Charge (TZS 12.8 million/Vessel)	TZS/L		
	TASAC Fee (TZS 20 million/Vessel)	TZS/L		
	Regulatory Levy	TZS/L	5.20	5.50

Sub Total	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES	TZS/L		
Plus	GOVERNMENT TAXES			
	Fuel Levy	TZS/L	413.00	413.00
	Excise Duty	TZS/L	379.00	255.00
	Petroleum Fee	TZS/L	100.00	100.00
	Railway Development Levy (1.5% DAP)	TZS/L		
Sub Total	GOVERNMENT TAXES	TZS/L		
	WHOLESALE OPERATION COSTS AND			

Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting)
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	PROFIT			
	OMC's Overheads & Margin	TZS/L	123.00	123.00
	Petroleum Marking Cost	TZS/L	7.00	7.00
	Financing Cost (1.00% DAP)	TZS/L		
	Evaporation Losses (0.5% MSP, 0.30% GO % IK) DAP	TZS/L		
	Actual Demurrage Cost (Petrol & Diesel& Kerosene \$/MT)	TZS/L		
	Charges payable to Executive Agencies	TZS/L	1.03	1.03
	Surveyors Cost	TZS/L		
Sub Total	WHOLESALE OPERATION COSTS AND PROFIT	TZS/L		
	WHOLESALE PRICE CAP (MTWARA)	TZS/L		
	RETAIL OPERATION COSTS AND PROFIT			
	Retailers Margin	TZS/L	108.00	108.00
	Service Levy payable to LGAs (0.3% of turnover net of excise duty and VAT in wharfage, petroleum marking cost and TASAC fee)	TZS/L		
	Charges payable to Executive Agencies	TZS/L	5.44	5.44
	Transport Charges (Local)	TZS/L	10.00	10.00
	RETAIL OPERATION COSTS AND PROFIT	TZS/L		
	ACTUAL PUMP PRICE CAP (MTWARA)	TZS/L		

Dodoma,
19th January, 2022

GODFREY H. CHIBULUNJE
Director General