WHOLESALE GAS SUPPLY LICENCE

REQUIREMENTS

This Wholesale Gas Supply Licence Requirements is made pursuant to the provisions of Sections 142 to 145 of the Petroleum Industry Act, 2021 (hereinafter referred to as the "Act"), which mandated the Nigeria Midstream and Downstream Petroleum Regulatory Authority (hereinafter referred to as the "Authority") to grant and issue a ***qualified person*** a wholesale gas supply licence upon approval of an application and payment of the prescribed fees. Detailed below are the proposed requirements for evaluating the eligibility of wholesale gas supply licence applicants:

1 ELIGIBLE APPLICANTS

Eligible applicants:

a. Lessees

b. Third-Party Companies

c. Independent Companies Seeking to Trade Natural Gas in Wholesale Volume

2 COMPANY INFORMATION OBLIGATION

d. Copy of Certificate of Incorporation

e. Memorandum and Articles of Association with clearly defined clauses in wholesale supply

f. Company Tax Clearance Certificate *(For Three (3) Years)*

g. Completed Application Form

h. Proof of Technical Competence – Company Organogram

i. List and Particulars of Shareholders

j. List and Particulars of Directors

k. Authorized Representative

l. Staff list

m. Other Supporting Documents (if any)

3 FINANCIAL OBLIGATION

i. Receipt of Payment for Licence and Processing Fees

j. Three (3) years financial projections, to include all recurrent and capital costs

k. Three (3) years Audited financial statement

4 TECHNICAL OBLIGATION

l. Evidence of licence, permit or approval issued by the Authority/Commission such as but not limited to; PPL, PML OGISP etc.

m. Submission of Natural Gas Production & Supply Plan (NGPSP) pursuant to Section 110(12) of PIA (not later than 31-Mar-Every Year).

n. Wholesale Gas Supply licence applicant is required to submit list of prospective wholesale customers and lessee/third-party suppliers (where applicable).

o. Clearly defined Standard Operating procedure for the Company

p. Compliance with the PIA and all necessary regulations and guidelines issued by the Authority

5 LICENCE FEES

S/N	Licence Category	Description (Supply Volume)	Validity Period	Applicable Fees	
				Processing ($)	Statutory ($)
5.1.	Wholesale Gas Supply Licence GS-1	Above 500MSCF/D supply	2 Years	0.25 per MSCF/D	25,000
5.2.	Wholesale Gas Supply Licence GS-2	500 – 25 MSCF/D supply	2 Years	0.5 per MSCF/D	12,500
5.3.	Wholesale Gas Supply Licence GS-3	below 25MSCF/D supply	2 Years	5,000	5,000

Note: Kindly refer to the gazetted Midstream and Downstream Petroleum Operations Regulations 2023 for any additional information.

WHOLESALE PETROLEUM LIQUIDS SUPPLY LICENCE

REQUIREMENTS

This Wholesale Petroleum Liquids Supply License Requirements is made pursuant to the provisions of Sections 111, 174, 175 and 197 of the Petroleum Industry Act, 2021 (hereinafter referred to as the "Act"), which mandated the Nigerian Midstream and Downstream Petroleum Regulatory Authority (hereinafter referred to as the "Authority") to grant and issue a ***qualified person*** a wholesale petroleum liquids supply license upon approval of an application and payment of the prescribed fees. Detailed below are the requirements for the eligibility of wholesale petroleum liquids supply license applicants:

6 ELIGIBLE APPLICANTS

i. Lessees
ii. Crude oil refining Companies

7 COMPANY INFORMATION OBLIGATION

i. Copy of Certificate of Incorporation *(not applicable to Lessee)*
ii. Memorandum and Articles of Association with clearly defined clauses in wholesale supply *(not applicable to Lessee)*
iii. Company Tax Clearance Certificate *(For Three (3) Years) - (not applicable to Lessee)*
iv. Completed Application Form
v. Proof of Technical Competence – Company Organogram and staff list
vi. List and Particulars of Shareholders *(not applicable to Lessee)*
vii. List and Particulars of Directors *(not applicable to Lessee)*
viii. Authorized Representative
ix. Other Supporting Documents *(if any)*

8 COMMERCIAL OBLIGATION

i. Evidence of Payment for License and Processing Fees
ii. Three (3) years financial projections, to include all recurrent and capital costs
iii. Three (3) years Audited financial statement
iv. Evidence of valid Economic Viability certificate issued by the Authority
v. List of wholesale customers with a copy of their supply agreement and lessee/third-party suppliers (where applicable)

vi. Commercial allowable for production

9 TECHNICAL OBLIGATION

i. Evidence of license, permit or approval issued by the Authority/Commission such as but not limited to; PPL, PML, MDOGISP, etc.
ii. Previous year annual production data(volume) and current annual projection
iii. Technical allowable for production
iv. Copy of clearly defined Standard Operating procedure for the Company
v. Evidence of License to Operate
vi. Previous quarter performance record (for renewal)
vii. Submission of quarterly commercial activity report.

10 LICENCE FEES

S/N	CATEGORY	RATE
1	Wholesale Petroleum Liquids (Crude Oil) Supply for volumes <50,000 BBLs	USD 1 per BBL
2	Wholesale Petroleum Liquids (Crude Oil) Supply for volumes ≥50,000 to 200,000 BBLs	USD 0.85 per BBL
3	Wholesale Petroleum Liquids (Crude Oil) Supply Volumes ≥200.000 BBLS	USD 0.5 per BBL
4	Wholesale Petroleum Liquids (Products) Supply	50 Kobo per liter

GAS TRADING AND SETTLEMENT LICENCE REQUIREMENTS

The Gas trading and settlement licence requirement is made pursuant to the provisions of Sections 126 & 159 of the Petroleum Industry Act, 2021.

Licence Validity: Ten (10) years

1 GENERAL / COMPANY INFORMATION

a. Evidence of Registration with Security and Exchange Commission (SEC)
b. Copy of Certificate of Incorporation
c. Memorandum and Articles of Association with clearly defined clauses on Gas trading & settlement
d. Company's Tax Clearance Certificate *(For Three (3) preceding) Years)*
e. Duly completed Application Form
f. Detailed Company business plan
g. Proof of Technical / Commercial competence – Company organogram

2 FINANCIAL REQUIREMENT

a. Evidence of payment of applicable license fee and processing fees.
b. Three (3) years financial projections, to include all recurrent and capital costs.
c. Three (3) years Audited financial statements.
d. Detailed Project Viability plan with the following details:
    I. Requirement of the capital expenditure of the proposed Gas trading platform or the Clearing Corporation,
    II. Funding sources of the proposed Gas Trading Platform.
    III. Management and administrative structure of the proposed Gas Trading and the manpower requirement.
    IV. Infrastructural facilities available/ proposed to be acquired by the trading and settlement platform.

3 TECHNICAL REQUIREMENT

a. Evidence of establishment of a Natural Gas Management model

b. Clearly defined Standard Operating procedure for the Company
c. Evidence of licenses, permits or approvals issued by the Authority/Commission such as but not limited to: MDPGISP, etc.
d. Nigeria Social Insurance Trust Fund (NSITF) Certificate
e. Membership requirements, draft detailed by-laws and market trading rules on platforms covering the aspects specified in the Gas Trading and Settlement Regulations, 2023.

4. CLEARING HOUSE AUTHORISATION

a. Detailed statement on the clearing and settlement system of clearing house.
b. Details of the clearing and settlement charges and other charges, if any, levied by your Clearing Corporation or clearing house.
c. Detailed Risk Management and margin Mechanism that will ensure market safety and integrity.
d. Evidence of establishment of a SGF Account
e. Details of contract types such as intra-day, day ahead, term ahead, and like other contract proposed to be cleared and settled in your Clearing Corporation or clearing house. State the period of delivery, payment, and the settlement mechanism in each case.
f. Details of business continuity plan including details of disaster recovery site.

5. LICENSE FEES

1. The following fees specified in Table I, shall be payable for the issuance of a gas exchange licence or clearing house authorisation by the Authority —

TABLE I

S/N	ACTIVITY	FEE (USD)
1	**Gas Trading Licence**	100,000
2	**Clearing House Authorisation**	100,000

2. The annual administrative charges specified in Table II, shall be payable by a gas exchange or a clearing house for every subsequent financial year after issuance of the licence or authorisation granted by the Authority, and

shall be based on commissions received on all transactions taking place on the exchange.

TABLE II

S/N	Particulars	Amount (USD)
1	Annual Administrative Charges	
	To be paid by the Gas Exchange	a) 100,000 or 20% of the exchange commission on value of transaction, excluding taxes, during the relevant financial year, whichever is higher ;and (b) 20% of the application or renewal fee, paid by members of the exchange, excluding taxes, during the relevant financial year.
2.	To be paid by the Clearing House	50,000 or 20% of the commission, excluding taxes, during the relevant financial year, whichever is higher