MIDSTREAM AND DOWNSTREAM PETROLEUM SEPARATION OF LICENSED ACTIVITIES AND SURRENDER OF LICENCE OR PERMIT REGULATIONS, 2023

PETROLEUM INDUSTRY ACT, NO. 6, 2021
MIDSTREAM AND DOWNSTREAM PETROLEUM SEPARATION OF LICENSED ACTIVITIES AND SURRENDER OF LICENCE OR PERMIT REGULATIONS, 2023

Arrangement of Regulations

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[ ]	Commencement
In the exercise of the powers conferred on it by sections 33, 119 and 212 of the Petroleum Industry Act, No. 6, 2021 ("Act") and all other powers enabling it in that behalf, the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("Authority"), makes these Regulations —	
1. The objectives of these Regulations are to — (a) set forth the procedure for the separation of licensed activities in the Nigerian midstream and downstream petroleum industry; and (b) outline the process for the surrender of licence and permit in the Nigerian midstream and downstream petroleum industry.	Objectives
2. These Regulations shall apply to licence and permit holders undertaking midstream and downstream operations in Nigeria.	Application
3. (1) No entity shall hold licences for both midstream and downstream petroleum operations at the same time. (2) Each licensee and permit holder shall carry out only the specific activities for which its licence or permit was issued. (3) Any licensee or permit holder who wishes to engage in additional midstream or downstream petroleum activities shall obtain a separate licence or permit for that specific activity. (4) The Authority may, from time to time, publish on its website, a list of activities considered as overlapping.	Prohibition of Overlapping Activities
4. From the commencement of these Regulations, each licensee shall: (a) keep separate accounts for each licensed activity it conducts; (b) submit an annual audit of separated activities to the Authority for review.	Separate Accounting & Annual Audit
5. (1) Where a licensee or permit holder holds multiple licences or permits for overlapping midstream and downstream petroleum activities, the Authority shall order the licensee or permit holder to unbundle its operations within a period of 6 months. (2) The Authority may grant an extension of time for the unbundling upon the licensee or permit holder showing a justifiable reason.	Power to Order Unbundling of Activities

6. (1) A licensee or permit holder may, at any time, apply to the Authority in writing, for the surrender of its licence or permit. (2) The application for surrender shall be accompanied by a report containing: (a) a detailed reason for the surrender; (b) evidence of settlement of all outstanding liabilities and obligation relating to the licence or permit; and (c) a detailed plan for decommissioning and environmental remediation, where applicable. (3) The Authority may accept the surrender of a licence or permit if: (a) all obligations, financial or otherwise relating to the licence or permit are settled; (b) the environment and public safety are not jeopardised by the surrender; and (c) the entity has made appropriate arrangements for the cessation of activities including but not limited to the decommissioning of facilities, rehabilitation of sites and settlement of obligations to employees. (4) Upon receipt of the application for surrender, the Authority shall issue an acknowledgement and may request from the licensee or permit holder, additional information, documents, or actions necessary to ensure a safe discontinuation of the licensed or permitted activity. (5) The Authority shall review the application and notify the licensee or permit holder of its approval or refusal within 14 days of receipt of the application. (6) Where the Authority does not communicate its decision to the licensee or permit holder within 90 days, the application of the licensee or permit holder shall be deemed to have been approved.	Voluntary Surrender
7. The Authority may direct any licensee or permit holder to surrender its license or permit if: (a) the licensee or permit holder is in continuous breach of the terms and conditions of the licence or permit; (b) the licensee or permit holder is declared bankrupt or insolvent;	Mandatory Surrender

(c) it is in the interest of public safety, environmental conservation, or national security.	
8. (1) A licensee or permit holder whose surrender application is approved by the Authority, shall: (a) Immediately cease all operations under the surrendered licence or permit; (b) comply with decommissioning and environmental remediation plan, (c) within 7 days of the approval of its application, return the original licence or permit to the Authority for cancellation. (2) The surrender of a licence or permit does not absolve the licensee or permit holder of any existing obligations or liabilities incurred under the licence or permit unless expressly agreed by the Authority in writing. (3) The Authority may, at its discretion, initiate an audit or review of the petroleum operation or activities conducted under the surrendered license or permit.	Obligations and Consequences upon Surrender
9. The Authority shall, within 30 days of the effective date of the surrender, publish a notice including particulars of the surrendered licence or permit in the Federal Gazette and on the website of the Authority.	Publication of Surrender
10. A person who — (a) fails to provide information required under these Regulations; or (b) makes a false declaration to the Authority, or wilfully furnishes any information so required which is in any respect false or insufficient; or (c) fails to comply with any provisions of these Regulations, shall, in addition to the sanctions, fines and penalties contained in the Act, be liable to an administrative penalty of NGN250,000.00 for each day of such default.	Offences & Penalties
11. The Authority may issue guidelines, directives, and notices for effective implementation of these Regulations.	Guidelines
12. In these Regulations — "Act" means the Petroleum Industry Act, No. 6, 2021; "entity" means any company, firm, or individual holding or seeking a licence or permit in the midstream and downstream petroleum industry;	Interpretation

"licensee" means a holder of licence issued by the Authority for midstream or downstream petroleum operations in Nigeria; "NGN" means Nigerian Naira; "permit holder" means a holder of a permit or authorization issued by the Authority for midstream or downstream petroleum operations in Nigeria.	
13. These Regulations may be cited as the Midstream and Downstream Petroleum Separation of Licensed Activities and Surrender of Licence or Permit Regulations, 2023.	Citation

Made at Abuja this ..... day of 2023

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Engr. Farouk Ahmed
Authority Chief Executive
Nigerian Midstream and Downstream Petroleum Regulatory Authority