PETROLEUM INDUSTRY ACT, NO. 6, 2021

MIDSTREAM AND DOWNSTREAM PETROLEUM PREVENTION OF ANTICOMPETITIVE PRACTICES AND BEHAVIOUR REGULATIONS, 2026

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Commencement:

In the exercise of the powers conferred on it by sections 32(o)(u)(z)(aa),33(w), 113(6), (116),164,210,211, 212, 213, 214 and 215 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 the following Regulations:

PART I—SCOPE AND OBJECTIVES

1. Objectives

1. The objectives of these Regulations are to:
   a. Implement a comprehensive competition framework for the midstream and downstream petroleum sectors in Nigeria, ensuring a level playing field for all market participants and preventing practices that may prevent, restrict, or distort competition.
   b. Promote Fair Competition among participants and prevent any individual or group from abusing a dominant position or creating an unhealthy monopoly in the supply chain.
   c. Protect consumer interests by preventing collusive price-fixing, market allocation, or other manipulative practices that lead to higher prices or reduced supply.
   d. Ensure open and non-discriminatory access to essential midstream infrastructure (pipelines, depots, storage, terminals) for all qualified operators, thereby fostering efficient use of assets and entry of new participants.
   e. Mandate transparency in pricing, capacity information, and other market data to prevent information asymmetry, rumours of shortages, and other forms of market manipulation.
   f. Align the Nigerian midstream and downstream petroleum sectors competition regime with international best practices.
   g. Create a competitive environment that attracts investment and innovation across the oil and gas value chain by assuring investors that anti-competitive conduct will be prevented or penalized, thus ensuring long-term market stability and growth.

2. Application

(1) These Regulations apply to all midstream and downstream petroleum operations in Nigeria, including but not limited to: transportation of crude oil and petroleum products through pipelines, storage and terminal operations, wholesale supply of petroleum liquids and natural gas, retail distribution of fuels, petrochemical production, and any related commercial activities licensed under the Petroleum Industry Act.

(2) They bind all holders of licences, permits, authorisations or approvals issued by the Authority for midstream or downstream petroleum activities, as well as any affiliates or persons who engage in commerce

in the sector. They also apply to industry associations or collaborations insofar as their activities affect competition in the sector.

PART II-GENERAL PROHIBITION OF ANTICOMPETITIVE PRACTICES OR CONDUCTS

3. Prohibition of Anticompetitive Conducts

1. General Prohibition

No licensee, operator, or participant in the midstream or downstream petroleum sector shall engage in any conduct, arrangement, agreement, understanding, decision, or practice which has the object or effect of preventing, restricting, or distorting competition in any part of the market.

2. Prohibited Practices

The prohibition in subregulation (1) includes, but is not limited to—

(a) agreements or concerted practices between competitors to fix prices, limit output, allocate markets or customers, or rig bids;

(b) abuse of a dominant position, including unfair pricing, discriminatory access, refusal to deal, or margin squeeze;

(c) exclusive dealing, tying, bundling, or other contractual restrictions that foreclose market access;

(d) collusive tendering or coordinated bidding;

(e) conduct that obstructs or undermines open access, third-party access, or competitive procurement;

(f) misuse of public service obligations to distort competition;

(g) tacit coordination or parallel conduct that achieves equivalent anti-competitive effects.

3. Burden of Proof

Where conduct appears likely to substantially lessen competition, the burden shall be on the licensee to demonstrate legitimate efficiency gains or pro-competitive benefits.

4. Guidance

The Authority may issue supplementary guidelines or sector-specific examples to clarify the scope and application of this Regulation.

5. Enforcement and Sanctions

Any failure to comply with the requirements under this Regulation shall constitute a breach of licence conditions and may result in regulatory sanctions, including administrative penalties, licence suspension, or revocation, in accordance with Parts XVI and XVII of these Regulations.

4. Invalidity of Anticompetitive Agreements

1. General Rule

Any agreement or arrangement prohibited under Regulation 3 shall be deemed invalid, void, and unenforceable ab initio, whether written, oral, formal, or tacitly implemented.

2. Types of Invalid Agreements

This includes—

(a) horizontal agreements between competitors to fix prices, allocate territories, or limit production;
(b) vertical agreements that result in resale price maintenance, market foreclosure, or tying;
(c) collusive tendering or bid-rigging;
(d) any contractual provision that waives or limits competition obligations under these Regulations, the Act, or the Federal Competition and Consumer Protection Act.

3. Liability

All parties to an agreement falling within subregulation (1) are jointly and severally liable for the infringement and subject to sanctions under Parts XVI and XVII.

4. Reporting Obligation

Any licensee aware of such agreements shall promptly notify the Authority; voluntary disclosure may be considered a mitigating factor.

5. No Immunity by Consent

The validity of a contractual term shall not be justified on the basis of mutual consent, commercial custom, or industry practice if it violates competition law principles.

6. Enforcement and Remedial Powers

The Authority may:

(a) prohibit the making or performing of an agreement or arrangements to which these Regulations relate;

(b) declare specific provisions of an agreement or contract unlawful and direct their removal or amendment;

(c) Investigate any licensee that knowingly includes such terms in its agreements;

(d) Impose penalties or administrative sanctions as provided in Parts XVI and XVII of these Regulations.

7. Obligation to Review and Amend Contracts

Licensees shall review and, where necessary, amend existing contracts to ensure alignment with the competition obligations under these Regulations. The Authority may issue further guidance on compliance expectations and transitional periods.

5. Obligation to Maintain Competitive Market Conditions

1. General Duty

Every licensee or permit holder operating in the midstream and downstream petroleum sector shall conduct its business in a manner that promotes effective competition, supports market entry, and avoids conduct or practices that lead to or reinforce monopoly, dominance, or exclusionary outcomes.

2. Market Conduct Standards

Without prejudice to Regulation 3, licensees shall—
(a) set prices and service terms independently;
(b) compete fairly on product quality, service delivery, location, and efficiency;

(c) refrain from practices that create artificial price uniformity or allocate customers.

3. Internal Governance and Contractual Safeguards

The Authority may require licensees to—

(a) incorporate competition compliance clauses in corporate governance policies and third-party contracts;

(b) implement internal audit, legal review, and compliance monitoring for competition obligations;

(c) include specific provisions in third-party contracts such as access agreements, supply arrangements, and infrastructure service contracts to ensure adherence to Competition Regulations and to prevent anti-competitive terms or effects;

(d) maintain operational separation between monopoly facilities and competitive activities in line with Regulation 6.

4. Reporting

In line with the provisions in Part XIX of these Regulations, licensees shall:

(a) provide periodic competition compliance reports or attestations concerning their adherence to competition obligations in the form prescribed by the Authority.

(b) submit evidence of staff training, board oversight, and internal controls on compliance with the Act, these Regulations, FCCPA Competition Regulations.

5. Enforcement and Sanctions

Any failure to comply with the requirements under this Regulation shall constitute a breach of licence conditions and may result in regulatory sanctions, including administrative penalties, licence suspension, or revocation, in accordance with Parts XVI and XVII of these Regulations.

6. Non-Discrimination and Affiliate Neutrality

1. Non-Discrimination Duty

All licensees owning or operating, or controlling any facility, infrastructure, or provide services that are essential to other participants in the midstream and downstream petroleum sector including but not limited to pipelines, depots, jetties, terminals, processing facilities, or storage systems shall grant access and provide such services on transparent, objective, and non-discriminatory terms in accordance with Sections 116, 161, 162,179,180, 185 and 213 of the Act.

2. Equal Treatment

There shall be no unjustified discrimination between similarly situated parties in relation to—

(a) access rights;

(b) tariffs and pricing terms;

(c) service quality and reliability;

(d) technical or commercial conditions.

3. Affiliate Neutrality

Vertically integrated licensees shall not—

(a) grant preferential access or scheduling rights to affiliates;

(b) allocate capacity in a manner favouring related parties;

(c) withhold commercially reasonable information from non-affiliates;
(d) design infrastructure or protocols to disadvantage competitors.

4. Permissible Differentiation

Differences in tariffs, access rights, or service terms may only be permitted where such differentiation is:

(a) Based on verifiable, objective, and legitimate operational differences; and

(b) Justified by criteria such as:

(c) Volume or quantity of service requested;

(d) Distance of transportation;

(e) Duration or firmness of the contract;

(f) Load factor or delivery profile;

(g) Interruptible versus firm service;

(h) Creditworthiness or risk exposure; or

(i) Any other distinguishing condition expressly approved by the Authority.

5. Operational Safeguards

The Authority may require—
(a) operational firewalls;
(b) identical service standards for affiliates and non-affiliates;
(c) independent management of monopoly facilities.

6. Any failure to comply with the requirements under this Regulation shall constitute a breach of licence conditions. The Authority shall have the power to: (i) Audit infrastructure operators and service providers for compliance; (ii) Investigate complaints of discriminatory treatment; (iii) Impose administrative penalties or corrective orders, licence suspension, or revocation, in accordance with Parts XVI and XVII of these Regulations.

7. Tariff and Access Transparency

1. Publication Obligation

All licensees providing midstream or downstream services shall publicly disclose tariffs, fees, and general service terms—
(a) on an official website or platform approved by the Authority; and
(b) in writing upon request.

2. Prohibited Practices

Licensees shall not—
(a) apply hidden surcharges, unlisted fees, or unannounced changes to published tariffs;
(b) grant secret discounts, rebates, or preferential terms to selected parties;
(c) offer informal side agreements or off-record commercial arrangements that materially alter the published access terms;
(d)create informal barriers or delays that functionally restrict access to and downstream services.

3. Permitted Variations

Any variation from published tariffs or standard service terms shall only be valid if:

(a) based on objective and non-discriminatory criteria as provided in Regulation 6(4) of these Regulations; and
(b) approved in writing by the Authority with justification and documentation retained for audit purposes.

4. Record-Keeping and Audit Compliance

Licensees shall:
(a) maintain a complete and verifiable record of all access agreements, including pricing schedules and discount justifications;
(b) submit periodic tariff compliance reports or declarations to the Authority;
(c) cooperate with the Authority in the regulatory audits to confirm consistency between published terms and actual practices.

5. Enforcement and Remedies

Any violation of this Regulation shall constitute an offence under this Regulation and may attract:

(a) Administrative penalties or fines under Part XVII of these Regulations;

(b) Orders to reimburse affected customers for discriminatory charges;

(c) Licence suspension or additional transparency requirements under Parts XVI and XVII of these Regulations.

8. Misuse of Public Service Obligations

1. Good Faith Performance of Public Service Obligations

Where the government or the Authority imposes public service obligations on licensees such as requirements to maintain strategic petroleum product stocks, ensure supply to underserved or remote areas, or participate in regulated pricing or emergency supply programmes licensees shall perform such obligations in good faith and strictly for the public interest, in accordance with Sections 3,(3),171 and 209 of the Act, or any other applicable law.

2. Prohibition Misuse

Licensees shall not misuse the existence, terms, or conditions of public service obligations to:

(a) Engage in collusive behaviour (e.g. joint price-setting);

(b) Justify the exclusion of competitors or denial of access to infrastructure;

(c) Create artificial supply shortages to manipulate price control levels;

(d) Misrepresent compliance costs to extract unjustified economic advantage.

3. Prohibited Conduct

The following practices shall be deemed violations of this Regulation:

(a) Two or more licensees coordinating to inflate costs or under-supply designated regions under the guise of a mandated supply programme;

(b) Using strategic stock obligations to refuse supply to third parties without technical or logistical justification;

(c) Artificially inflating volumes or reimbursement schemes;

(d) Claiming undue preference or exemption from open access, market rules, or competition obligations by invoking public service mandates.

4. Transparency and Audit Requirements

Licensees subject to public service obligations shall:

(a) Maintain transparent records of all relevant transactions, logistics, and compliance costs;

(b) Submit periodic reports to the Authority detailing performance against imposed obligations;

(c) Cooperate fully with any audit or investigation into the application of pricing frameworks, or supply mandates.

5. Enforcement and Sanctions

Violation of this Regulation shall attract regulatory sanctions, including administrative penalties, recovery of subsidy overpayments, suspension of public service privileges, or revocation of licence under Parts XVI and XVII of these Regulations.

9. Application of Open Access and Third-Party Access Principles

1. Incorporation of Statutory Principles

Open access, third-party access, and non-discrimination shall be implemented in accordance with the relevant provisions of the Act, principally but not limited to Sections 116, 161, 162, 163, 179, 180, 185 and 213, and any subsequent regulations, directives, or guidelines issued by the Authority pursuant to the Act.

2. Interpretive Standards

For the purposes of this Regulation:

(a) Open access has the meaning specified in Sections 161, 162, 180, 185 and 318 of the Act.

(b) Third-party access has the meaning stipulated in Sections 179, 185, 318 and other relevant provisions of the Act.

(c) Non-discrimination has the meaning stated in Sections 116 and 213 of the Act.

3. Objectives

These provisions shall be applied in a manner that:

(a) Promotes fair competition and market entry;

(b) Prevents exclusionary or monopolistic practices;

(c) Facilitates the efficient utilisation of infrastructure;

(d) Encourages investment and innovation while protecting customer rights.

4. Regulatory Guidance

The Authority may issue further guidelines or interpretations to clarify the scope and application of these provisions. In the event of any ambiguity, reference shall be made to the objects and intent of the Act and prevailing international best practices in the regulation of essential infrastructure.

SPECIFIC PROHIBITED ANTI-COMPETITIVE PRACTICES

PART III: INFRASTRUCTURE ACCESS ABUSE AND FORECLOSURE

10. Duty to Grant Open and Non-Discriminatory Access to Essential Facilities

(1) Prohibition of Unjustified Refusal

An operator or licensee controlling or operating an essential facility or strategic infrastructure — including petroleum pipelines, storage terminals, jetties, bulk loading facilities, or related midstream assets — shall not refuse, delay, or unreasonably hinder access to such facility by any competent third party, except on objectively justifiable technical, safety, or credit grounds approved by the Authority.

(2) Access Entitlement Criteria

Access shall be granted to any requesting party that —

(a) meets Authority-approved technical compatibility and operational safety requirements;

(b) demonstrates satisfactory financial and credit standing;

(c) requests access for legitimate commercial purposes; and

(d) seeks to utilise available capacity, or capacity that can reasonably be made available through operational adjustments or commercially reasonable expansion.

(3) Principle of Non-Discriminatory Access

All eligible users, including unaffiliated competitors, shall be offered equivalent services, terms, and quality standards as those applied to the operator's own affiliates or internal divisions.

(4) Prohibited Conduct

Without prejudice to other provisions of these Regulations on access conditions, the following acts constitute a breach of this Regulation —

(a) artificial withholding, overbooking, or hoarding of capacity;

(b) imposing unjustified technical or procedural barriers to delay or prevent access;

(c) obstructing good-faith negotiations with eligible third parties.

(5) Transparency and Records

Operators shall maintain complete and auditable records of all access requests, approvals, refusals, and the reasons therefor, and shall submit periodic reports to the Authority in the prescribed form.

(6) Regulatory Oversight and Sanctions

The Authority may:

(a) Investigate any alleged denial of access or discriminatory conduct;

(b) Order immediate access, capacity sharing, or infrastructure expansion;

(c) Impose administrative penalties, structural remedies, or licence conditions under Parts XVI and XVII of these Regulations and the relevant provisions of the Act and Federal Competition and Consumer Protection Act.

11. Tariffs and Service Conditions for Open or Third-Party Access

(1) Non-Discriminatory Tariff Application

All tariffs, fees, and service conditions for access to midstream or downstream petroleum facilities shall be applied uniformly to all users, including affiliates and unaffiliated parties, without preference or disadvantage, except where objectively justified by transparent criteria approved by the Authority.

(2) Tariff Structure and Approval

Tariffs for access to facilities —

(a) shall be transparent, cost-reflective, and based on the efficient cost of providing the service;

(b) may permit a reasonable return on capital investment; and

(c) shall be subject to prior review and approval by the Authority in accordance with section 124(1)(a) of the Act and the applicable Tariff Regulations.

(3) Prohibition of Cross-Subsidisation and Hidden Advantages

Facility owners or operators shall not —

(a) charge an unaffiliated user a higher tariff than that effectively applied to an affiliate for the same service; or

(b) use internal transfer pricing or cost allocation mechanisms to confer hidden advantages on affiliates or disadvantage competitors.

(4) Transparency of Discounts and Priority Terms

Any discounts, rebates, or premium access arrangements shall —

(a) be based on published, objective criteria such as volume, load factor, or payment terms;

(b) be made available equally to all similarly-situated users; and

(c) be disclosed in the published tariff schedule or service agreement.

(5) Enforcement

The Authority may —

(a) audit pricing practices and affiliate transactions to detect discriminatory or unfair charges;

(b) order tariff adjustments, restitution to affected users, or capacity-sharing arrangements where a breach of this Regulation is found; and

(c) impose penalties, licence conditions, or structural remedies in accordance with these Regulations, the Act, and the Federal Competition and Consumer Protection Act.

12. Prohibition of Anti-Competitive Technical or Capacity Barriers

1. Scope and General Duty

No owner or operator of midstream or downstream petroleum infrastructure or facilities—including pipelines, storage terminals, jetties, bulk loading facilities, or other essential assets—shall impose technical requirements, capacity management practices, investment strategies, or disclosure practices that are not objectively necessary for safe, efficient, reliable, and transparent operation, where such practices have the effect or intent of excluding, deterring, or disadvantaging competitors.

2. Objective Justification and Transparency Requirement

All technical access criteria, design specifications, service thresholds, capacity allocation rules, and access terms must be:

(a) transparent, clearly documented, publicly available, and accompanied by standard contract terms and conditions;

(b) non-discriminatory, applying equally to affiliated and unaffiliated users;

(c) objectively justified on verifiable safety, operational, environmental, efficiency, or legitimate commercial grounds; and

(d) approved by the Authority where deviation from standard criteria is sought or challenged.

3. Prohibited Conduct

Without prejudice to other provisions of these Regulations, prohibited practices include:

(a) Technical Barriers:

(i) arbitrarily high minimum batch sizes or shipment volumes without operational justification;

(ii) exclusive or non-standard specifications only affiliates can meet without legitimate safety/environmental rationale;

(iii) undue delays in interconnection citing unsupported technical reviews or pretexts;

(iv) excessive or redundant compliance documentation inconsistent with published standards.

(b) Capacity Hoarding and Foreclosure:

(i) intentionally withholding available capacity, delaying nominations, or limiting throughput to disadvantage competitors;

(ii) pre-booking capacity without actual use or foreseeable need;

(iii) repeated failure to utilise reserved capacity without justification;

(iv) strategic underinvestment in maintenance or expansion to restrict market access.

(c) Strategic Withholding and Underinvestment

(i) strategic underinvestment in maintenance in facility or economically justify expansion for the purpose or effect of market foreclosure or exclusion;

(ii) allow deterioration or operational bottlenecks to persist where feasible investment would remove the restriction.

(d) Non-Disclosure or Opaque Practices:
(i) failure to publish access terms, applicable tariffs, pricing schedules, volume-based discounts (if any), and surcharges;
(ii) failure to make operational policies governing scheduling, nomination, curtailment, and maintenance publicly available;
(iii) refusal to provide, upon request from a bona fide third-party access seeker, relevant technical specifications, interconnection criteria, interface protocols, operational manuals, or standard operating procedures necessary to evaluate or plan access, subject to confidentiality protections where appropriate.

4. Use-It-Or-Lose-It Rule
The Authority may implement and enforce a "use-it-or-lose-it" regime, under which:
(a) Reserved or contracted capacity underutilized below a defined threshold (e.g., 60%) over a rolling period (e.g., 90 or 180 days) may be reclaimed and reallocated to eligible third parties;
(b) Operators shall provide periodic proof of utilization for all contracted or reserved capacity;
(c) Unused capacity released under this rule shall be transparently re-offered to the market under non-discriminatory terms.

5. Capacity Reservation Caps
The Authority may, where necessary to prevent market foreclosure, impose a cap on the total volume or percentage of infrastructure capacity that a single company or affiliated group may reserve on strategically important infrastructure segments, subject to:
(a) public or stakeholder consultation and periodic review of market conditions;
(b) adjustment based on demand trends, entry prospects, or abuse risk.

6. Directed Expansion or Third-Party Investment
If the Authority determines that an operator is deliberately stagnating capacity growth, refusing to invest where market demand and technical feasibility support expansion, or withholding expansion-related information, it may:
(a) in accordance with section 32(t) of the Act, direct the operator to undertake capacity expansion or upgrades within a specified timeline; or
(b) in line section 113(4) of the Act, allow third parties to invest in or finance expansion of the facility under regulatory oversight and shared access arrangements.

7. Transparency, Recordkeeping, and Reporting Obligations
Operators shall:
(a) publish and apply uniform access protocols, standards, thresholds, and tariffs, including any surcharges or volume-based discounts;

(b) maintain comprehensive and auditable records of all access requests, criteria used for evaluation, timelines for response, and decisions made;
(c) provide written reasons for any denial, deferment, or conditional approval of access;
(d) submit periodic reports to the Authority containing capacity utilization statistics, booked versus actual throughput, maintenance schedules, outage durations, and any significant changes to infrastructure capability, integrity, ownership, or configuration;
(e) retain all records for a minimum period as prescribed by the Authority and make them available for inspection upon request.

8. Regulatory Oversight and Compliance
The Authority may:
(a) issue further guidelines on the form, content, and frequency of disclosures and reports;
(b) conduct audits or request supporting documentation from operators;
(c) investigate any non-compliance, refusal to disclose, or use of technical or capacity criteria to foreclose competition;
(d) amend or suspend the offending criteria or practices;
(e) order immediate access or reallocation of capacity;
(f) impose fines, penalties, or structural remedies;
(g) revoke approvals or capacity rights;
(h) grant interim access to affected competitors pending full corrective measures.

Part IV: Collusive Agreements and Anticompetitive Coordination

13. Prohibition of Collusive Agreements and Practices

1. General Prohibition

No licensee, market participant, or group of undertakings in the midstream or downstream petroleum sector shall enter into any agreement, arrangement, understanding, or concerted practice—whether formal or informal, written or oral, explicit or tacit—that has the object or effect of preventing, restricting, or distorting competition.

2. Specific Prohibited Conduct

Without limiting sub-regulation (1), the following conduct is strictly prohibited:
(a) Price-Fixing or Coordinated Pricing Behaviour – agreeing, aligning, or coordinating prices or any pricing element, including pump prices, ex-depot prices, margins, discounts, surcharges, freight/delivery charges, or pricing formulas/benchmarks.
(b) Market Allocation and Territorial Sharing – dividing customers, territories, product lines, or classes of trade; agreeing to refrain from entering certain geographic areas or serving particular customers; coordinating the siting of outlets to avoid competition.

(c) Bid-Rigging and Collusive Tendering – including cover bidding, bid suppression, bid rotation, or allocation of tenders or customers in procurement processes.
(d) Collective Output or Supply Restriction – jointly deciding to reduce production, imports, throughput, or supply to manipulate prices, create scarcity, or alter market conditions.
(e) Tacit Collusion, Price Signalling, and Anticompetitive Information Exchange – using public statements, trade association platforms, or other indirect communications to influence competitors' pricing or output decisions, or to exchange competitively sensitive information (e.g., current/future prices, production plans, customer lists, bidding strategies).

3. No Defence of Custom, Stability, or Tradition

The fact that conduct is customary, intended to stabilize the market, prevent price wars, preserve margins, or is carried out via trade associations or informal channels shall not exempt it from liability.

4. Permitted Collaboration and Exceptions

This Regulation does not prohibit:
(a) Legitimate joint ventures, consortium bids, or collaborative projects that are necessary, genuinely pro-competitive, and approved by the Authority or FCCPC where required;
(b) Information exchange that is aggregated, anonymized, and historical, and cannot reasonably reduce market uncertainty among competitors;
(c) Intra-firm arrangements or lawful franchise management that do not involve coordination with external competitors.

5. Public Interest and Government Mandate Exception

Supply coordination or output reductions are permitted only when expressly authorized by law, Presidential Order, or Government directive under national interest provisions, and subject to independent oversight by the Authority.

6. Regulatory Oversight

The Authority shall monitor press releases, investor calls, trade association meetings, and public statements by dominant or major market actors for conduct facilitating prohibited coordination.

7. Enforcement and Sanctions

Any breach of this Regulation is a per se violation and may result in:
(a) Administrative fines, corrective orders, and cease-and-desist directives;
(b) Nullification of affected agreements, contracts, or bid awards;
(c) Public naming of violators;
(d) Disqualification from procurement processes; and
(e) Referral for civil or criminal enforcement under the Act and the FCCPA.

PART V – ANTI-COMPETITIVE SUPPLY AND TRADING PRACTICES

14. General Prohibition and Common Principles

1. General Prohibition

(1) No licensee, market participant, or group of undertakings in the midstream or downstream petroleum sector shall engage in any contractual

arrangement, commercial practice, or trading condition that has the object or effect of substantially lessening competition, unless:

(a) The arrangement is expressly approved by the Authority under Part XII of these Regulations, pursuant to the exemption mechanism in Section 211(2) of the Act; or

(b) The arrangement is demonstrably justified by verifiable efficiency gains, proportional to the commercial objective, and results in tangible consumer benefit without unduly foreclosing competition.

2. Application

(1) This Part applies to, but is not limited to:

(a) Exclusive supply or purchase agreements;

(b) Long-term contracts, take-or-pay obligations, or minimum volume commitments;

(c) Tying and bundling of products or services;

(d) Loyalty rebates, fidelity discounts, and retroactive pricing incentives;

(e) Resale price maintenance and other price-fixing arrangements;

(f) Unfair trading terms imposed by dominant suppliers;

(g) Anti-competitive restrictions in branded franchise agreements.

3. Common Assessment Criteria

The Authority shall, in determining whether an arrangement is anti-competitive, consider:

(a) Duration and scope of the arrangement;

(b) Market share and concentration levels;

(c) Structure and characteristics of the relevant market;

(d) Barriers to entry or expansion;

(e) Availability of alternative suppliers, infrastructure, or distribution channels;

(f) Foreclosure effects on competitors' access to essential facilities or customers;

(g) Impact on consumer choice and effective market access.

4. Enhanced Scrutiny for Dominant Firms

Where a licensee possesses significant market power, the conduct or arrangement shall be presumed anti-competitive unless the licensee demonstrates compliance with subregulation 1(b).

5. Notification and Approval

(1) Any arrangement falling under this Part that may raise competition concerns shall:

(a) Be notified to the Authority in writing with full disclosure of all terms;

(b) Include evidence of pro-competitive justifications and consumer benefit; and

(c) Receive written approval or exemption before implementation.

6. Enforcement and Remedies

Where a contravention is found, the Authority may:

(a) Declare the arrangement void and unenforceable;

(b) Order amendment or termination;

(c) Impose administrative penalties under Part XVII.

(d) Refer matters to the Federal Competition and Consumer Protection Commission.

15. Exclusive Supply, Long-Term Contracts, and Take-or-Pay Obligations

1. Prohibition

(1) No licensee, wholesaler, infrastructure operator, or supplier shall enter into any exclusive supply agreement, long-term contract, or take-or-pay obligation that has the object or effect of foreclosing market access or excluding competitors, without legitimate and proportionate justification under Section 211(2) of the Act and Regulation 56 of these Regulations.

2. Specific Prohibited Conduct

Without limiting subregulation (1), prohibited conduct includes:

(a) Obligating a counterparty to source exclusively from one supplier to the exclusion of others;

(b) Imposing punitive take-or-pay terms disproportionate to investment recovery needs;

(c) Entering excessively long-term contracts that foreclose competitor access;

(d) Restricting or deterring lawful termination, supplier switching, or new-entrant engagement.

3. Authority Oversight

The Authority may:

(a) Set maximum permissible contract durations for different categories of market participants;

(b) Mandate the inclusion of escape clauses or periodic review rights in long-term agreements (e.g., triennial re-opening or competitive tender rights);

(c) Require the disclosure and registration of standard-form exclusive contracts for review.

16. Tying and Bundling Practices

1. Prohibition

No licensee with market power shall condition the sale, lease, or supply of one product or service on the purchase of another unrelated product or service (tying) or offer bundled packages or service packages that result in market foreclosure, restrict buyer choice, or exclude effective competition in the tied or bundled markets.

(2) Presumptively Unlawful Conduct

Tying or bundling shall be presumed unlawful where:

(a) The products or services are not technically or functionally dependent on each other;

(b) The tied or bundled arrangement is not objectively necessary or efficiency-enhancing;

(c) The conduct limits the ability of the buyer to choose alternative suppliers for any component of the bundle;

(d) The overall effect is to exclude or disadvantage competitors in any affected market.

(3) Prohibited Conduct

Prohibited conducts under these Regulation include but are not limited to the following:

(a) Compelling independent fuel retailers to purchase non-fuel products such as lubricants, branded uniforms, point-of-sale systems as a condition for fuel supply, where those products are independently available;

(b) Requiring a buyer who wishes to purchase Product A (for example petrol) to also purchase Product B (e.g., diesel or branded additives) in fixed or tied quantities;

(c) Offering pipeline transport plus storage plus wholesale supply as a bundle, where the discounted price of the bundle undercuts the standalone cost of any single service, making it uneconomical for customers to deal with competitors offering only a subset;

(d) Tying retail branding or franchise access to exclusive contracts for other services or supplies that could be competitively sourced.

(4) Permissible Bundling

Tying or bundling may be permitted only if the licensee can demonstrate that:

(a) The arrangement results in substantial efficiencies, cost savings, or quality improvements that benefit the buyer;

(b) The bundling is genuinely optional, with transparent unbundled prices offered for each component;

(c) It does not foreclose a substantial portion of the market for the tied product or service.

17. Loyalty Rebates and Minimum Volume Commitments

1. Prohibition

No licensee or supplier in the midstream or downstream petroleum sector shall implement or enforce loyalty rebate schemes, fidelity discounts, or minimum volume commitments that have the object or effect of inducing exclusivity or quasi-exclusivity, thereby restricting customer freedom to source from alternative suppliers and substantially lessening competition.

(2) Presumptively Anti-Competitive Practices

The following practices shall be presumed anti-competitive, particularly when adopted by a licensee:

(a) Offering loyalty or fidelity rebates that require buyers to source most or all their needs from the supplier in order to qualify for the rebate;

(b) Imposing retroactive rebates that apply to past purchases once a total volume threshold is met, thereby creating a financial penalty for switching to a competitor mid-period;

(c) Setting minimum annual purchase commitments so high that they effectively prevent the buyer from doing business with any other supplier;

(d) Using non-linear discount structures with sharp cliffs, such that a small reduction in volume results in disproportionate loss of discount.

(3) Permissible Schemes

Volume-based discounts or commitments may be permissible where:

(a) Discounts are linearly proportional to actual volume or documented cost savings;

(b) The terms are non-exclusive, and customers retain meaningful access to competing suppliers;

(c) The arrangement is time-limited, clearly documented, and not tied to retroactive rewards based on all-or-nothing targets.

(4) Buyer Protections

Buyers who believe they have been subject to exclusionary loyalty schemes may:

(a) File a complaint with the Authority;

(b) Seek a determination that the relevant clauses are unenforceable under this Regulation;

(c) Request Authority assistance in accessing alternative sources of supply.

18. Resale Price Maintenance

(1)Prohibition:

No wholesale or retail licensee shall fix, impose, or dictate the resale price at which independent distributors, marketers, or retail stations sell products to end consumers. Licensees must not: set a fixed resale price; impose minimum resale prices or pricing floors; use contract clauses or operational policies to restrict pricing freedom.

(2) Freedom to Compete

All independent distributors and retail outlets shall retain full freedom to set their own resale prices, including offering discounts or promotions, in accordance with the provisions of the Act and the market conditions. Any attempt to limit this pricing autonomy shall be deemed an anticompetitive restriction.

(3) Prohibition of Direct and Indirect Price Controls

The following are deemed unlawful: contractual provisions requiring the dealer to sell at a prescribed price or within a narrow price band; verbal or written directives, circulars, or operating manuals that mandate a resale price; threats, coercion, denial of supply, withdrawal of branding, financial penalties, or incentives designed to pressure dealers to adhere to a "recommended" price.

(4) Permissible Recommendations

The following may be permitted under Authority oversight:

(a) non-binding recommended prices or suggested retail price guidance (SRPs), provided, dealers are clearly informed that such guidance is entirely voluntary, and no penalty, reward, or operational pressure is associated with adherence or deviation.

19. Branded Franchise and Ancillary Restrictions

(1) Applicability

This Regulation applies to all agreements between major oil companies (brand owners) and their franchisee or branded retail stations, including supply, franchise, co-branding, and site operation agreements within the downstream petroleum sector.

(2) Permissible Branding and Quality Requirements

It is recognized that oil companies may impose reasonable standards related to brand image, fuel quality, safety, and service levels on their franchisees. These may include:

(a) Use of approved uniforms, signage, and station appearance;

(b) Adherence to fuel quality control standards;

(c) Safety and operational protocols consistent with regulatory and brand requirements.

(3) Prohibition of Anticompetitive Franchise Restrictions

No franchise agreement shall:

(a) Require a franchisee or branded dealer to source non-fuel products (e.g., lubricants, beverages, convenience store inventory) solely from the brand owner or an affiliated supplier, unless there is clear operational or quality justification;

(b) Impose exclusivity or sourcing restrictions on non-core petroleum-related goods or services (for example, car wash supplies, retail snacks, telecom services, etc.) in a manner that limits competition in those markets;

(c) Extend exclusivity beyond fuel supply and essential brand standards without clear pro-competitive efficiencies.

(4) Competition Review and Invalidity of Restrictive Clauses

All franchise agreements shall be subject to review by the Authority upon request by the dealer or during periodic audits. The Authority may:

(a) Require submission of standard franchise and supply agreements for compliance screening;

(b) Declare void and unenforceable any clause or condition found to:

(i) Substantially lessen competition in any ancillary market (such as bottled water, food & beverages, lubricants, fintech services);

(ii) Foreclose competitors from accessing distribution outlets;

(iii) Impose unjustified exclusive dealing beyond what is necessary to protect brand integrity.

(5) Justification of Ancillary Exclusivity

Where a brand owner seeks to justify exclusive or preferential arrangements for non-fuel goods or services, it must demonstrate:

(a) Verifiable quality or safety rationale, or;

(b) Substantial efficiency benefits that outweigh the restrictive effect on competition;

(c) That alternative suppliers are not unduly foreclosed, and that dealers retain some flexibility in non-core business sourcing.

(6) Dealer Protections

Dealers who believe they are being subjected to unlawful exclusivity or tying within their franchise relationship may:

(a) Lodge a complaint with the Authority;

(b) Seek interim relief or exemption from specific contractual obligations;

(c) Request a formal ruling on the legality of a clause under this Regulation.

20. Unfair Trading Terms by Dominant Suppliers

1. Prohibition

No dominant supplier shall impose on counterparties, unfair, exploitative, or unjustifiable contractual terms, or conditions, including but not limited to:

(a) Tying arrangements, as defined in Regulation 16 of these Regulations, where the purchase of one product or service is made conditional upon the purchase of another unrelated product or service. Also as stipulated in Section 72(d)(iii) of Federal Competition and Consumer Protection Act and Regulation 12(1) of the Abuse of Dominance Regulations, 2022;

(b) Non-compete clauses imposed on independent retailers or dealers that restrict them from sourcing products from alternative suppliers without commercial justification;

(c) Forced data sharing requirements where independent stations or counterparties are required to disclose competitively sensitive information, such as customer lists, pricing structures, or sales volumes, that could be used to undermine their competitive position;

(d) Unilateral amendment clauses, excessive termination penalties, or exclusivity requirements that lack transparency, symmetry, or legitimate efficiency justification;

(e) Commercial terms imposed solely for the purpose of raising rivals' costs, locking-in buyers, or preventing market entry.

(2) Assessment for Standard Legitimacy

Any potentially restrictive or burdensome contractual term shall be evaluated by the Authority on whether:

(a) It serves a legitimate business rationale such as protecting intellectual property, brand quality, credit risk, or investment recovery;

(b) It is proportionate to the legitimate interest being protected;

(c) It does not substantially lessen competition in any segment of the petroleum supply chain.

PART VI— PROHIBITION OF ANTI-COMPETITIVE PRICING PRACTICES

21. General Prohibition

1. No Licensee shall engage in pricing conduct, directly or indirectly, that has the object or effect of preventing, restricting, or distorting competition in the midstream or downstream petroleum industry.

2. Prohibited conduct includes, but is not limited to:

(a) Margin squeeze;

(b) Predatory pricing, including targeted predatory pricing and "fighting brand" schemes;

(c) Discriminatory or preferential pricing without objective justification;

(d) Internal price manipulation between vertically integrated business units that disadvantages unaffiliated competitors.

3. These practices are prohibited regardless of short-term consumer benefit, where they undermine market structure, reduce choice, or impair long-term competition.

22. Prohibition of Margin Squeeze by Vertically Integrated Dominant Licensees

(1) Prohibition:

A dominant vertically integrated Licensee operating at both midstream (such as processing, transportation, storage) and downstream (wholesale or retail marketing) levels shall not set wholesale or midstream access prices, or impose charges, that make it unduly difficult for an equally efficient unaffiliated downstream competitor to operate profitably.

(2) Definition of Margin Squeeze

For the purposes of this Regulation, margin squeeze refers to a situation where:

(a) A vertically integrated licensee sets its midstream or wholesale price at a high level relative to its own downstream retail price;

(b) The margin between the wholesale price charged to competitors and the retail price offered by the licensee's own affiliated outlets is insufficient to allow an equally efficient rival to compete viably;

(c) The conduct has the effect or intent of excluding independent downstream operators or limiting effective competition.

(3) Assessment Criteria by the Authority

In assessing whether a margin squeeze exists, the Authority shall:

(a) Compare the wholesale price charged by the dominant vertically integrated licensee to unaffiliated downstream retailers;

(b) Compare this price with the retail price offered by the licensee's own downstream operations;

(c) Evaluate whether a competitor as efficient as the dominant licensee could profitably operate under such conditions;

(d) Take into account the downstream operator's average operating costs, cost of capital, and industry benchmarks;

(e) Examine evidence of intent or strategic pricing behaviour designed to foreclose or discipline rivals.

(4) Examples of Prohibited Margin Squeeze Conduct

Examples of conduct that may constitute a margin squeeze include:

(a) A dominant gas wholesaler selling to independent industrial customers at a price nearly equal to or higher than its own bundled gas-retail offering;

(b) A dominant retail fuel supplier offering pump prices below the wholesale price it charges independent retailers;

(c) An integrated pipeline or depot operator charging high access or handling fees that make independent distribution uneconomic.

(5) Remedies

Where a margin squeeze is established, the Authority may:

(a) Order the licensee to lower its wholesale or midstream price to a cost-reflective level;

(b) Require the licensee to maintain a minimum margin that enables downstream rivals to compete (based on an equally efficient competitor test);

(c) Impose structural or functional separation between the licensee's midstream and downstream business units;

(d) Mandate publication of non-discriminatory wholesale prices and access terms;

(e) Impose penalties in accordance with Part XVII of these Regulations.

(6) Transparency and Reporting Obligations

Dominant vertically integrated licensees shall:

(a) Submit wholesale and retail price schedules to the Authority upon request;

(b) Maintain detailed internal cost and margin reports to enable regulatory audit;

(c) Certify annually that pricing structures comply with this Regulation and do not result in margin squeeze against competitors.

23. Prohibition of Predatory Pricing

(1) Prohibition

No Licensee shall sell below cost for a sustained period with the intent or effect of eliminating competitors, disciplining market rivals, deterring entry, and thereafter recouping losses through increased prices or market power.

(2) Definition of Predatory Pricing

For the purposes of this Regulation, predatory pricing means:

(a) Deliberately setting prices below an appropriate measure of cost—such as average variable cost, marginal cost, or any other cost benchmark determined by the Authority;

(b) Sustaining such pricing for a sufficient period to impair or eliminate competitors; and

(c) Demonstrating the ability and intent to recoup the resulting losses through subsequent price increases or market power once competition is reduced.

(3) Illustrative Examples

Conduct that may constitute predatory pricing includes, but is not limited to:

(a) A dominant pipeline operator drastically under-pricing its transport tariffs in corridors served by a new entrant pipeline, subsidizing losses with profits from monopoly routes;

(b) A major branded retail chain offering fuel at unrealistically low prices in a specific locality with the objective of driving out independent retail stations, followed by subsequent price hikes once rivals are eliminated;

(c) A wholesale gas distributor offering temporary below-cost rates targeted specifically at regions where new competitors have recently entered, with no commercial justification tied to efficiency or scale.

(4) Assessment Criteria by the Authority

In determining whether predatory pricing has occurred, the Authority shall consider, inter alia:

(a) Evidence of prices persistently below cost;

(b) Internal documents, communications, or business plans that show an intent to eliminate or discipline competitors;

(c) Market structure and dominance, indicating the licensee has the capacity to distort competition and recoup losses in the long term;

(d) The absence of a valid commercial justification for below-cost pricing (e.g., promotional campaign with clear scope and duration tied to cost-efficiency or inventory turnover);

(e) Patterns of price suppression followed by sharp increases once competitors exit or reduce scale.

(5) Prohibition Irrespective of Short-Term Consumer Benefit

Predatory pricing is prohibited under this Regulation even where consumers benefit in the short term, as it ultimately undermines competition, reduces market choice, discourages investment, and harms long-term consumer welfare.

(6) Remedies

Where predatory pricing is found:

(a) The Authority may issue cease and desist orders, impose administrative fines, or require price restructuring;

(b) Contracts and sales made pursuant to a predatory strategy may be declared void or unenforceable;

(c) The Authority may refer the matter to the Federal Competition and Consumer Protection Commission for joint enforcement or prosecution.

(7) Compliance Obligations

Dominant or integrated licensees or operators shall:

(a) Maintain auditable cost records;

(b) Submit pricing rationale documents upon request;

(c) Refrain from any pricing structure that cannot be commercially justified by operational costs or competitive efficiency.

24. Prohibition of Targeted Predatory Pricing and Fighting Brand Schemes

(1) No licensee shall implement temporary, localised below-cost pricing or introduce lower-priced "fighting brands" in specific areas with the intent or effect of eliminating or disciplining competitors, followed by withdrawal or price increases once competition is weakened.

(2) Targeted Predatory Pricing

It is prohibited for any dominant or large market participant to:

(a) Implement price cuts only in areas where a new entrant or independent competitor operates;

(b) Sustain prices below cost or marginal cost in those targeted areas while maintaining higher prices elsewhere;

(c) Deploy "fighting brands" or differentiated discount schemes in localized markets with the intent to suppress new competitors;

(d) Use internal budgets, temporary promotional campaigns, or conditional volume discounts with the intent to displace a specific competitor, rather than to reflect actual cost reductions or excess capacity.

(3) Assessment Criteria

The Authority shall assess the existence of predatory intent or exclusionary effect based on:

(a) The duration, magnitude, and geographic scope of the price reduction;

(b) Whether the pricing was below an appropriate cost benchmark, including average variable cost or incremental cost;

(c) Whether the conduct was limited to areas where competitors recently entered or operate;

(d) The presence of internal communications, business plans, or sales strategies evidencing a desire to drive out competitors or deter entry;

(e) The absence of legitimate commercial justification such as: Economies of scale; Inventory liquidation; and Oversupply in the market.

(4) Indicators of Fighting Brand Scheme

Conduct shall be deemed anti-competitive where:

(a) The licensee introduces a lower-priced brand or product variant only in regions where a new entrant is active;

(b) Withdraws or raises the price of the same product once the competitor has exited;

(c) The product or pricing was never made available nationally or without competitive pressure.

(5) Remedies

Where targeted predatory pricing or fighting brand schemes are established, the Authority may:

(a) Order immediate cessation of the pricing strategy;

(b) Require the licensee to restore price levels to cost-reflective and non-discriminatory benchmarks;

(c) Impose penalties and sanctions under Part XVII of these Regulations;

(d) Mandate separation of marketing operations or internal controls to prevent recurrence;

(e) Refer the matter to the Federal Competition and Consumer Protection Commission for coordinated enforcement.

(6) Transparency and Oversight

The Authority may require any licensee under investigation for suspected predatory pricing to:

(a) Provide transaction-level sales data, cost and pricing justifications;

(b) Disclose regional pricing policies and discount programmes;

(c) Submit internal documentation used in competitive response planning.

25. Prohibition of Discriminatory or Preferential Pricing

1. Prohibition:

A Licensee shall not impose discriminatory prices, terms, or conditions on similarly situated customers without objective cost-based or commercially reasonable justification. All pricing policies must be transparent, cost-reflective, and non-discriminatory across similarly situated customers.

2. Prohibited Practices:

The following practices are prohibited unless objectively justified:

(a) Charging different prices for the same product or service to different customers or classes of customers without cost-based or commercially reasonable justification;

(b) Granting preferential rates to affiliated entities or related parties while imposing higher prices or more onerous terms on independent competitors for equivalent services or transactions;

(c) Imposing hidden surcharges, non-transparent rebates, or unfavourable contractual terms selectively on unaffiliated parties;

(d) Providing volume-based discounts or payment terms only to affiliates, even where unaffiliated customers meet the same volume or credit thresholds.

(3) Permissible Pricing Differentiation

Differentiation in pricing or commercial terms is allowed only where it is based on objective and verifiable factors, such as:

(a) Volume or load profile;
(b) Distance of transportation;
(c) Creditworthiness and payment risk;
(d) Contract duration;
(e) Interruptibility of service;
(f) Operational complexity or technical customisation requirements.

(4) Related-Party Transactions

All transactions between a licensee and its affiliates must be:

(a) Conducted at arm's length;

(b) Priced no more favourably than the terms offered to unaffiliated competitors for equivalent services;

(c) Fully disclosed to the Authority upon request, with supporting cost and pricing data.

If an investigation reveals that related-party transactions consistently occur on better-than-market terms, the Authority shall presume anti-competitive price discrimination unless the licensee proves otherwise.

(5) Monitoring and Record-Keeping

All licensees shall:

(a) Maintain a pricing policy manual documenting the methodology for setting tariffs or charges;

(b) Record all discounts, rebates, waivers, and surcharges, including their beneficiaries and justification;

(c) Submit to the Authority, upon request, a comparison of prices, terms, and conditions offered to affiliates and third parties for equivalent transactions.

(6) Enforcement

Where discriminatory pricing is established, the Authority may:

(a) Declare such practices unlawful and void;

(b) Order the cessation and rectification of the discriminatory conduct;

(c) Require restitution of overcharges to affected third parties;

(d) Impose administrative penalties and other enforcement measures under Part XVI and XVII of these Regulations;

(e) Direct the licensee to implement remedial structural or behavioural measures, including tariff re-submission and affiliate firewalls.

PART VII- ENTRY BARRIERS AND ANTI-COMPETITIVE MERGER TACTICS

26. Prohibition of Regulatory Manipulation, Capture, and Bad-Faith Participation

1. General Prohibition

No licensee, market participant, industry association, or group of undertakings shall engage in any act, omission, or influence that exploits, manipulates, or improperly interferes with regulatory, licensing, standards-setting, or legislative processes with the intent or effect of hindering entry, delaying competition, protecting incumbent market power, or excluding rivals.

2. Forms of Prohibited Conduct

The following are expressly prohibited:

(a) Abusing licensing or permit procedures to delay or obstruct applications, including frivolous objections or petitions;

(b) Lobbying for or supporting restrictive technical rules, licensing criteria, or compliance obligations without objective public interest justification;

(c) Filing vexatious litigation or complaints to stall entry or raise costs of competitors;

(d) Misrepresenting or concealing material facts in regulatory submissions;

(e) Offering, promising, or providing inducements to regulatory officials to secure favourable rules or decisions;

3. Public Interest Standard

Any rule, standard, or administrative measure lacking legitimate safety, environmental, or public interest rationale and having the effect of restricting market entry or creating artificial compliance barriers shall be deemed a violation.

4. Enforcement

Conduct under this Regulation may be deemed an abuse of dominance or concerted anti-competitive action. The Authority may impose penalties, corrective directives, nullify affected measures, or refer matters to the appropriate anti-corruption Institutions.

27. Prohibition of Market Manipulation through False, Misleading, or Withheld Information

1. Duty of Transparency

All licensees especially those with significant market power or who operate critical infrastructure must provide timely, accurate, complete, and non-misleading information to the Authority and, where applicable, to the market regarding operational conditions and key commercial variables.

2. Scope of Required Disclosures

Licensees shall disclose, in accordance with regulatory directives or guidelines, the following information:

(a) Available capacity and throughput levels of storage, pipelines, loading bays, or other facilities;

(b) Inventory levels of petroleum products or natural gas at terminals, depots, or storage sites;

(c) Maintenance schedules, unplanned outages, and force majeure declarations that may affect facility availability or market supply;

(d) Import schedules, anticipated shortfalls, or supply constraints by importers, wholesalers, or major traders.

3. Prohibited Conduct

It is a violation of this Regulation for any licensee to:

(a) Withhold or delay disclosure of critical operational or commercial information that may significantly impact market decisions or pricing;

(b) Falsely declare full capacity at a facility (e.g., pipeline or storage terminal) to deter new entrants or deny third-party access, when such capacity is in fact available;

(c) Disseminate false or misleading information—whether directly, through intermediaries, or through public channels—about market availability, supply disruptions, or competitor conditions;

(d) Fail to notify the Authority and affected customers of anticipated supply shortages or disruptions, and exploit the resulting artificial scarcity to manipulate prices or conditions in the market.

4. Prohibited Market Manipulation

Prohibited market-distorting conduct includes, but is not limited to:

(a) A pipeline operator falsely asserting a lack of capacity to avoid granting third-party access, while reserving capacity for its affiliate;

(b) A terminal operator failing to disclose a planned maintenance outage that affects loading availability, while secretly advancing its own shipment schedules;

(c) An importer failing to notify the Authority of missed cargo deliveries and then capitalizing on the shortage to drive up wholesale prices or manipulate margins.

5. Verification Obligations

Licensees must:

(a) Submit regular capacity and inventory reports to the Authority as prescribed;

(b) Maintain accurate operational logs and audit trails of capacity utilization and access requests;

(c) Notify the Authority without delay of any material change in facility status or supply that could impact market stability;

(d) Cooperate with compliance inspections and data verification audits by the Authority or its appointed agents.

(e) verify accuracy, cite official sources before making public supply or price statements and notify the Authority where material impact is possible.

6. Enforcement and Penalties

If the Authority finds that a licensee has violated this Regulation:

(a) The conduct shall be deemed a market manipulation offence under these Regulations;

(b) The licensee may be subject to administrative fines, suspension of rights, or revocation of license as provided under Part XVII of these Regulations;

(c) The Authority may order corrective disclosures, initiate market remedies, or impose behavioural conditions to prevent recurrence;

(d) Affected market participants may also seek regulatory redress where quantifiable harm is demonstrated.

28. Prohibition of Exclusionary Conduct and Foreclosure

1. General Prohibition

No licensee or permit holder with a dominant position or significant market power in any segment of the midstream or downstream petroleum industry shall engage in conduct which has the object or effect of excluding, foreclosing, or unfairly limiting market participation by competitors.

2. Prohibited Practices

Includes, but is not limited to:

(a) Exclusive or long-term arrangements that substantially foreclose market access;

(b) Unjustified denial or withholding of access to crude oil or condensate feedstock required for processing by modular refineries or small-scale processing facilities without demonstrable proportionate commercial justification reasons such as: (a) it is necessary to mitigate demonstrable operational, safety, or integrity risks; (b) it is applied non-discriminatorily and transparently to similarly situated parties; (c) it reflects reasonable, proportionate commercial considerations (creditworthiness, technical capacity, performance history); and (d) it does not exclude competitors more than is proportionate to the justification.

(c) Predatory oversupply or dumping of products or services at a scale or in a manner that has the effect of artificially depressing prices, creating oversupply conditions and eliminate competitors.

3. Dominance Assessment

(a) The Authority will consider any strategic behaviour that has no purpose other than to entrench incumbency as anticompetitive conduct and a potential violation of the Act and these Regulations as it may be intended to keep out new entrants.

(b) The Authority shall determine dominance or significant market power based on: Market share, capacity control, access to infrastructure, contractual networks, or other structural indicators.

4. Burden of Proof

The burden of proving that the conduct is objectively justified or pro-competitive shall rest with the licensee or permit holder alleged to have engaged in the exclusionary conduct.

5. Enforcement

Any licensee found in breach of this Regulation shall be subject to: Administrative penalties as provided under XVII of these Regulations; Orders for cessation or modification of the conduct; Structural remedies or divestiture, where necessary to restore competition.

29. Prohibition of Collective Refusal to Deal and Coordinated Boycott Practices

(1) Prohibition:

No Licensee, whether individually or in concert with others, shall engage in any practice or behaviour that has the object or effect of collectively refusing to deal with, or denying access to, any competitor, including new entrants, in a manner that substantially lessens competition or distorts market access in the midstream and downstream petroleum industry.

(2) Concerted Boycott and Coordinated Conduct**:**

Without prejudice to the generality of subregulation 1 of this Regulation, it shall be unlawful for two or more Licensees or Operators, whether directly or indirectly:

(a) To jointly or in parallel, refuse to supply, lease, allow access to, or otherwise transact with any competitor, including independent importers, marketers, or new entrants requiring access to critical petroleum infrastructure such as jetties, storage depots, pipelines, or transportation facilities;

(b) To adopt or implement concerted actions or coordinated strategies whether formal or informal, written or oral that result in a pattern of simultaneous or near-simultaneous denial of access, suspension of supply, or exclusion of a competitor without legitimate, objective, and commercially justifiable grounds;

(c) To engage in or facilitate practices, through trade associations, third parties, or other indirect means, that encourage or reinforce a collective refusal to deal with a specific competitor or class of competitors.

(3) Assessment of Conduct**:**

In assessing conduct under this Regulation, the Authority shall consider whether:

(a) There exists a discernible pattern of coordinated or parallel refusals among major operators to transact with the affected party;

(b) The refusal to deal is not based on objectively verifiable commercial criteria such as demonstrable credit risk, proven operational incapacity, or documented safety concerns;

(c) The conduct, even absent explicit agreements, has the effect of substantially lessening competition or erecting barriers to entry in the relevant market.

(4) Independent Commercial Decision Requirement:
Each Licensee shall ensure that its decision to supply, grant access, or transact with another market participant is made independently and on the basis of objective, transparent, and commercially reasonable criteria.
(5) Investigative and Enforcement Powers:
Where the Authority observes or receives credible complaints regarding suspected coordinated refusal to deal, the Authority shall:
(a) Initiate a formal investigation, including powers to compel the production of internal communications, supply records, meeting minutes, and other relevant documents;
(b) Impose interim measures, where necessary, to prevent irreparable harm to competition or market integrity;
(c) Pursue enforcement actions, including administrative penalties, orders to cease the offending conduct, and structural or behavioural remedies, as provided under the relevant provisions of the Act, Federal Competition and Consumer Protection Act and these Regulations.
(6) Penalties and Sanctions
Any Licensee found to have violated this Regulation shall be subject to:
(a) Administrative fines which shall not exceed 5% percentage of annual turnover in the relevant market segment;
(b) Orders to provide access or supply on non-discriminatory and fair terms;
(c) Any additional sanctions or remedies as provided under the Act, the Federal Competition and Consumer Protection Act, or other applicable laws.
(7) Non-Exemption
No exemption, waiver, or justification under commercial freedom of contract or infrastructure ownership shall apply to conduct prohibited under this Regulation.

PART VIII- DIGITAL MARKET PRACTICES AND DATA TRANSPARENCY OBLIGATIONS

30. Market Data Provision, Shared Platform Access, and Prohibition of Data Manipulation

(1) Duty to Provide Accurate and Timely Data to the Authority
All licensees shall furnish the Authority with complete, accurate, and timely data or information as required for the effective exercise of its market oversight, monitoring, and competition enforcement functions. This obligation includes, but is not limited to:

(a) Prices charged (wholesale, retail, and transfer prices);

(b) Sales volumes, capacity utilization, stock levels, and throughput data;

(c) Import/export figures, supply obligations, and affiliate transactions;

(d) Other data relevant to market behaviour, dominance assessment, or competitive effects.

(2) Mandated Periodic Reporting by Major Market Participants

The Authority may issue directives mandating dominant or significant market participants to periodically submit structured data reports including:

(a) Transaction-level data;

(b) Infrastructure availability and usage;

(c) Pricing schedules;

(d) Tariff offers and discounts;

(e) Third-party access requests and denials;

(f) Any other data required to detect and deter anticompetitive practices.

(3) Shared Platforms and Digital Exchanges

Where a shared digital platform or common data exchange system is established—such as a:

(a) Fuel delivery tracking platform;

(b) Pipeline or storage capacity bulletin board;

(c) Tariff publication database;

(d) Third-party access application portal—

then all qualified market participants shall be granted non-discriminatory access.

(4) Prohibited acts

No licensee shall:

(a) Restrict, delay, or withhold access to such shared infrastructure or digital tool;

(b) Impose unjustified technological or procedural barriers to other users;

(c) Modify data fields or interfaces in a way that advantages affiliates or selected parties.

(5) Prohibition on Data Manipulation or Obstruction

No licensee shall:

(a) Tamper with, manipulate, or otherwise distort digital data feeds, monitoring tools, or market information platforms;

(b) Provide false, inaccurate, or misleading information to the Authority or other market participants;

(c) Withhold data that the Authority lawfully seeks;

(d) Conceal or misreport transactions, especially those involving affiliates, with the intention of avoiding regulatory scrutiny or distorting competitive assessments.

(6) Power of the Authority to Audit and Verify Data

The Authority shall have the power to:

(a) Audit, verify, and cross-check data provided by licensees;

(b) Inspect digital systems, logs, and databases relevant to market conduct;

(c) Require data re-submission, clarification, or rectification of any discrepancies;

(d) Engage independent auditors or experts to review submissions and system integrity.

(7) Sanctions for Non-Compliance

Any breach of this Regulation, including but not limited to:

(a) Refusal to provide data;
(b) Provision of false or misleading data;
(c) Tampering with shared platforms;
(d) Obstruction of access by other qualified users;

shall constitute a serious violation of this Regulation and of Sections 228(2)(C) and 230 of the Act, and may attract:

(e) Administrative penalties;
(f) Revocation or suspension of relevant access rights or licence;
(g) Mandated disclosure orders;
(h) Referral for prosecution under applicable laws, including the Federal Competition and Consumer Protection Act.

31. Prohibition of Insider Trading and Improper Use of Inside Information

1. General Prohibition

(a) No Licensee, Market Participant, Operator, or Affiliate shall engage, directly or indirectly, in the purchase, sale, exchange, or any other trading activity involving petroleum commodities, petroleum products, or petroleum-derived financial instruments where such activity is based on Inside Information that:

(i) Is not generally available to the public; and (ii) Would likely have a material impact on prices, trading decisions, or market conditions if made public.

(b) The prohibition under this Regulation applies to trading activities conducted in: (i) Midstream and downstream petroleum trading hubs; (ii) Physical commodity exchanges; (iii) Bilateral or over-the-counter (OTC) petroleum transactions; and (iv) Any other petroleum-related physical or financial trading platforms regulated by the Authority.

2. Definition of Inside Information

(a) For the purposes of this Regulation, "Inside Information" means information of a precise nature that: (i) Relates directly or indirectly to one or more petroleum commodities, products, market infrastructures, or participants; (ii) Is not generally available to the public; and (iii) Would, if made public, be likely to materially affect the price or trading conditions of petroleum commodities or petroleum-derived financial instruments.

(b) Inside Information includes, but is not limited to: (i) Outage or downtime, unscheduled shutdowns or maintenance of pipelines, refineries, storage terminals, or transportation networks; (ii) Changes in regulatory policies, tariffs, or export/import bans; (iii) Strategic stockpile releases or acquisitions; (iv) Major market player defaults, insolvencies, or force majeure declarations; (v) Contract awards, tenders, or government allocations not yet disclosed to the public.

3. Prohibition of Improper Disclosure and Tipping

(a) No Licensee, Market Participant, Operator, or Affiliate shall disclose Inside Information to any other person, unless such disclosure: (i) Is made in the normal course of the exercise of employment, profession, or duties; and (ii) Complies with applicable confidentiality, regulatory, and fair trading requirements.

(b) It is prohibited to recommend or induce any person to engage in petroleum commodity trading based on Inside Information.

4. Compliance and Reporting Obligations

(a) All Licensees and Market Participants shall implement internal compliance policies to: (i) Detect and prevent insider trading and misuse of Inside Information; (ii) Ensure timely public disclosure of any inside and material information.

(b) Market Participants must report any suspected or actual insider trading violations to the Authority within two (2) business days of discovery.

32. Prohibition of Anticompetitive Abuse of Dominant Digital Platforms

1. Obligation of Fair Platform Conduct

A licensee operating a digital platform essential to petroleum market and that is widely relied upon by market participants or consumers—such as fuel procurement marketplaces, consumer payment applications, digital loyalty schemes, or fleet and logistics management systems shall not abuse such control to distort or restrict competition in any midstream or downstream petroleum market.

(2) Definition of Platform Control

For the purposes of this Regulation, a licensee shall be deemed to exercise platform control if the digital infrastructure in question:

(a) is indispensable for competitive participation in the relevant market segment;

(b) has no practical alternative due to scale, network effects, or regulatory integration; or

(c) is used by a significant proportion of consumers or counterparties to transact or make decisions.

(3) Prohibited Conduct:

A licensee in control of such a digital platform shall not without objectively justifiable technical or legal reasons engage in any of the following practices:

(a) Exclude or de-list independent or competing operators from the platform;

(b) Impose discriminatory terms or conditions that favour its own operations or affiliates;

(c) Delay or degrade interoperability or data visibility for competitors;

(d) Tie or bundle the use of the platform with mandatory use of the licensee's other services;

(e) Manipulate consumer-facing features (such as search rankings, pricing visibility, or service ratings) to suppress or disadvantage rival offerings.

(4) Presumption of Competitive Harm:

Where a licensee's digital platform is shown to function as a gatekeeper or essential facility, any exclusionary conduct as described above shall give rise to a rebuttable presumption of anticompetitive harm.

(5) Regulatory Oversight

The Authority shall:

(a) Monitor digital platform operations within the midstream and downstream petroleum sectors;
(b) Require dominant digital service providers to publish platform access criteria, interoperability protocols, and non-discrimination policies;
(c) Investigate complaints of exclusionary digital conduct and, where appropriate, order interim measures, impose administrative penalties, or mandate interoperability or access remedies.

(6) Reporting Obligation

Any licensee operating a digital platform serving more than 10% of market participants or consumers in a relevant product or geographic market shall annually report to the Authority, disclosing:
(a) The number of third-party participants or users;
(b) Access criteria and technical integration requirements;
(c) Any refusals or suspensions of access and the reasons therefor.

33. Regulation of Algorithmic and Artificial Intelligence (AI)-Based Pricing

1. Permitted Use

Algorithmic or artificial intelligence (AI)-based systems pricing tools are permitted to set or adjust prices in the midstream and downstream petroleum industry, provided such systems are not used deliberately or inadvertently in a manner that facilitates anticompetitive behaviour, price coordination, or collusive outcomes.

(2) Prohibited Conduct and Outcomes:

A licensee shall be deemed to have engaged in anticompetitive conduct if its algorithmic pricing systems:
(a) Cause prices to adjust in a coordinated manner with competitors without independent business justification;
(b) Are designed or allowed to follow competitor price signals automatically;
(c) Rely on shared third-party software or inputs known to produce synchronized or stable high-price outcomes;
(d) Result in conscious parallelism that mirrors the effects of a price-fixing agreement, including price stability not explained by market fundamentals.

(3) Duty to Program for Compliance

Every licensee using algorithmic pricing tools shall:
(a) Ensure that the algorithms are designed and regularly tested to comply with the Act, Federal Competition and Consumer Protection Act and these Regulations;
(b) Maintain sufficient human oversight and intervention protocols to override any collusive effects or feedback loops;
(c) Avoid reliance on pricing systems that react primarily to the price movements of competitors without reference to the costs of the licensee, market strategy, or independent parameters.

(4) Presumption of Tacit Collusion by means of Algorithms

Where multiple competitors adopt the same or similar pricing software or AI systems and such adoption results in non-competitive market outcomes such as persistent high prices or synchronized changes without communication this

shall constitute a rebuttable presumption of tacit collusion, subject to investigation under this Regulation.

(5) Obligations on Shared or Outsourced Systems

Licensees relying on third-party software vendors or shared algorithmic platforms must ensure:

(a) That such tools are not designed to coordinate pricing or optimize collective market behaviour;

(b) That contractual terms include warranties of compliance with the Act, Federal Competition and Consumer Protection Act, and this Regulation; and

(c) That data inputs and outputs do not create real-time transparency or signalling that enables collusive behaviour.

(6) Monitoring and Audit Powers:

The Authority may:

(a) Require submission of algorithmic pricing methodologies, decision rules, and change logs for review;

(b) Conduct audits of AI pricing systems to detect coordination risks;

(c) Direct licensees to modify or suspend use of any pricing tool found to have anticompetitive effects.

(7) Penalties and Remedial Measures: A violation of this Regulation shall attract the following regulatory measures:

(a) Administrative fines as stipulated in Part XVII of these Regulations;

(b) Mandatory reprogramming or suspension of the algorithmic system;

(c) Public disclosure and notification obligations where harm to market competition is proven.

34. Prohibition on Misuse of Competitively Sensitive Information

(1) Obligation of Confidentiality and Fair Use

Any licensee, particularly those in a dominant or vertically integrated position, who obtains access to competitively sensitive information of actual or potential rivals including through joint ventures, shared infrastructure, supply relationships, or industry coordination mechanisms—shall not misuse such information to distort, restrict, or unduly influence competition in any petroleum market.

(2) Definition of Competitively Sensitive Information

For purposes of this Regulation, competitively sensitive information includes but is not limited to:

(a) Non-public data on rivals' shipping schedules, product volumes, or infrastructure access requests;

(b) Market expansion strategies, pricing intentions, or investment plans obtained through contractual, operational, or regulatory interfaces;

(c) Technical, commercial, or customer data disclosed under confidentiality obligations or joint market operations.

(3) Prohibited Conduct

The following actions shall constitute a violation of this Regulation where based on misuse of sensitive information:

(a) Pre-emptive or retaliatory market actions by affiliated business units based on non-public rival data;

(b) Sharing or internal transmission of such information across separate business units or affiliated entities not authorized to access or use it;
(c) Using infrastructure access requests, service scheduling data, or joint project intelligence to distort market outcomes, block entry, or undermine competitor strategies.

(4) Functional separations and Internal Safeguards

Where a licensee is vertically integrated or simultaneously operates in infrastructure, logistics, and marketing segments, the Authority may direct that it establish:
(a) Functional separation to prevent internal transmission of sensitive competitor information;
(b) Information handling protocols ensuring that competitively sensitive data is accessed solely for its intended operational purpose;
(c) Compliance monitoring systems, including access logs, internal audits, and staff training, to prevent breaches.

(5) Reporting and Disclosure Obligations

A licensee that becomes aware of a potential or actual misuse of sensitive market data within its organization or between affiliates must:
(a) Immediately notify the Authority;
(b) Disclose the nature of the data involved and business units affected;
(c) Submit a remedial plan to prevent recurrence, including possible structural or operational reforms.

(6) Investigative and Enforcement Powers:

The Authority shall have the power to:
(a) Audit internal communications, system logs, and compliance structures of integrated firms;
(b) Impose interim measures, including suspension of specific operational permissions or access to competitor data;
(c) Require the licensee to implement enforceable undertakings or submit to third-party oversight.

(7) Sanctions:

Any breach of these Regulations constitutes a material violation of the Act, the Federal Competition and Consumer Protection Act and may result in:
(a) Administrative penalties as prescribed in Part XVII;
(b) Orders for functional or legal separation of business units;
(c) Suspension or modification of the access rights, infrastructure operations, or joint market participation privileges of the licensee.

35. Protection of Consumer Data and Prohibition of Anticompetitive Data Sharing

(1) Obligation to protect Consumer Data

All licensees shall collect, store, use, and share consumer data in compliance with the Nigeria Data Protection Act 2023 and applicable Regulations on privacy and in a manner that does not restrict competition or harm consumer welfare in the midstream and downstream petroleum industry.

(2) Prohibition of Anticompetitive Data Pooling

No licensee shall, directly or indirectly, enter into any arrangement, agreement, or understanding—formal or informal—with competitors for the purpose of:
(a) Sharing, pooling, or jointly analysing detailed consumer purchase histories, personal behavioural profiles, or transaction-level data;
(b) Using such data to fix prices, allocate markets, target consumers in a discriminatory or exclusionary manner, or create artificial barriers to switching;
(c) Coordinating or aligning marketing strategies based on shared consumer data in a way that distorts competitive dynamics or harms consumer choice.

(3) Examples of Prohibited Conduct

The following shall be presumed to violate this Regulation unless justified under a legitimate public interest and approved by the Authority:
(a) Competitors establishing or operating a joint database of individual consumer fuel purchases, fleet refuelling logs, or loyalty programme behaviour for strategic commercial use;
(b) Sharing insights derived from consumer data to suppress competition, deter market entry, or reduce price transparency;
(c) Utilizing consumer data obtained through co-marketing or loyalty partnerships to engage in collusive behaviour or consumer exploitation.

(4) Data Sharing Between Affiliates

Any data sharing between affiliated companies under common ownership or control must:
(a) Be consistent with the stated purpose for which consumer data was collected;
(b) Not result in market foreclosure, collusion, or unfair targeting of rival customers;
(c) Be subject to internal safeguards and documented policies to prevent misuse.

(5) Regulatory Oversight and Compliance

The Authority may require licensees to:
(a) Submit data governance and consumer privacy policies for review;
(b) Disclose any arrangements involving data sharing or joint analytics platforms with competitors;
(c) Undergo compliance audits where consumer data is being used in pricing, loyalty, or behavioural targeting systems.

(6) Sanctions and Remedies:

A violation of this Regulation constitutes a breach of the Act, the Federal Competition and Consumer Protection Act and a potential violation of consumer protection or Nigeria Data Protection Act 2023, and may result in:
(a) Administrative penalties as outlined in Part XVII;
(b) Orders to cease and desist any unlawful data sharing practices;
(c) Referral to the Nigeria Data Protection Commission (NDPC) for further enforcement;
(d) Mandatory deletion or anonymization of improperly acquired or shared data.

PART IX: MARKET DOMINANCE

36. Prohibition of Abuse of Dominant Position

(1) General Prohibition

No licensee or market participant shall abuse a dominant position in any relevant midstream or downstream petroleum market. Dominance is not prohibited; however, its abuse constitutes a violation of the Act, this Regulation and Section 72(2) of the Federal Competition and Consumer Protection Act.

(2) Forms of Abuse

An abuse of dominance shall include, but not be limited to:

(a) Imposing unfair purchase or selling prices or other unfair trading conditions;

(b) Limiting production, markets, or technical development to the prejudice of consumers or the efficient operation of the market;

(c) Engaging in conduct that directly or indirectly imposes discriminatory conditions on equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage;

(d) Making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which, by their nature or according to commercial usage, have no connection with the subject of such contracts;

(e) Engaging in conduct that has the effect of foreclosing the market to actual or potential competitors, including refusal to deal, margin squeezes, predatory pricing, or exclusive dealing arrangements;

(f) Exploiting consumers or small market players through unfair, opaque, or discriminatory terms, including data practices or contractual coercion.

(3). Unfair Trading Terms

Without prejudice to subregulation (2), the following contractual practices by a dominant firm are prohibited unless objectively justified—

(a) tying arrangements;

(b) unjustified non-compete clauses;

(c) forced disclosure of competitively sensitive information;

(d) unilateral amendments, excessive penalties, or exclusivity without legitimate basis;

(e) terms aimed at raising the costs of competitors or locking-in customers.

37. Presumptively Unlawful Conduct by Dominant Firms

(1) Application and Scope:

Without limiting the general prohibition in Regulation 36, any of the following conduct by a licensee found to be in a dominant position under this Regulation shall be presumed unlawful unless the licensee can demonstrate, to the satisfaction of the Authority, that the conduct is objectively justified, proportionate, and does not have the purpose or effect of restricting, distorting, or preventing competition.

(2) Presumed Abusive Conduct:

The following conduct, when engaged in by a dominant firm, shall raise a rebuttable presumption of abuse of dominance:

(a) Limiting Production or Technical Development: The deliberate operation of refineries, pipelines, storage depots, or other petroleum infrastructure below efficient capacity, or the undue delay or avoidance of upgrades, expansions, or technological innovations, with the intent or effect of:

(i) Reducing market supply to raise prices;

(ii) Constraining access for competitors;

(iii) Preserving artificial scarcity or inefficiency.

Example: Refusing to debottleneck a pipeline segment where the added capacity would allow a competing transporter to serve underserved markets.

(b) Excessive Pricing: Charging prices or fees that are grossly disproportionate to the economic value of the product or service provided, particularly where:

(i) The firm enjoys local monopoly or captive market conditions;

(ii) There is evidence of persistent supra-competitive profits without investment justification;

(iii) The price lacks relation to cost or reasonable margin expectations.

Example: A lone petroleum depot operator in a remote region imposes extreme throughput charges far above benchmark rates for similar services elsewhere, absent infrastructure constraints.

(c) Unjustified Refusal to Supply: Denying the supply of petroleum products, infrastructure services, or other essential inputs to a willing and qualified buyer, without objective and proportionate justification, especially where the buyer lacks viable alternative sources.

Example: A dominant refinery refuses to sell low-sulfur diesel to a downstream distributor who has satisfied all contractual terms, in order to favour an affiliate or exclude a competitor.

(d) Obstructing Innovation or Market Entry: Engaging in conduct that hinders technological development, innovation, or the entry of new market participants, including:

(i) Coercing or incentivizing third parties (e.g. suppliers, banks, trade partners) to withhold support from new entrants or disrupt alternative business models;

(ii) Denigrating new technologies to preserve market dominance.

Example: A dominant PMS marketer uses its market leverage to discourage pump manufacturers or financial institutions from supporting a biofuels retail start-up.

(e) Any Conduct Prohibited Under Parts II-X of these Regulations, when carried out by a dominant firm, shall be considered especially suspect. Practices such as exclusive dealing, tying and bundling, information misuse, or coordinated refusals to deal may constitute abuse when implemented by a dominant operator even if such practices might be benign when employed by smaller market players.

(3) Obligation to Seek Clarification:

Dominant firms are advised to seek legal counsel or a formal advisory opinion from the Authority prior to engaging in any conduct that may raise competition concerns. The Authority may issue non-binding guidance or formal clearance based on full disclosure of the proposed conduct and its likely market effects.

38. Investigation and Determination of Market Dominance

(1) Regulatory Oversight

The Authority shall monitor the market for signs of abuse of dominance and may initiate investigations where warranted.

(2) Authority to Determine Dominance:

The Authority may, either on its own initiative or upon complaint, investigate and determine whether a licensee, or a group of licensees under common ownership or control, holds a dominant position in any relevant midstream or downstream petroleum market.

(3) Assessment Criteria:

In determining the existence of dominance, the Authority shall assess all relevant facts and circumstances, including but not limited to:

(a) The market share of the licensee over time and relative to competitors;

(b) The existence and magnitude of barriers to market entry or expansion;

(c) The availability and interchangeability of substitute products or services;

(d) The degree of countervailing buyer power in the relevant market;

(e) Access to critical infrastructure, data, inputs, or distribution channels;

(f) The overall structure, conduct, and performance of the market.

(g) Access to competitively sensitive information or strategic inputs;

(h) Barriers to entry or expansion for competitors;

(i) Evidence of pricing power or ability to unilaterally influence market outcomes

(4) Market Definition:

As part of its assessment, the Authority shall define the relevant product and geographic market based on commercial substitutability, functional equivalence, and competitive dynamics. The definition shall be consistent with economic and legal principles and may be updated from time to time.

(5) Publication of Finding:

Where the Authority determines that a licensee or group of licensees is dominant in a relevant market, it shall issue a formal finding which shall include:

(a) The identity of the dominant firm(s);

(b) A summary of the factual and economic basis for the finding;

(c) The defined relevant market(s); and

(d) Any obligations or recommendations applicable to the dominant firm(s).

The finding may be published on the website of the Authority or through other public notices, subject to confidentiality protections.

(6) Notice of Special Responsibility: A licensee found to be dominant shall be formally notified by the Authority that, by virtue of its market position, it bears a special responsibility not to conduct its operations in a manner that impairs, restricts, or distorts competition. Any conduct by a dominant firm that has the effect of foreclosing the market, excluding rivals, or exploiting customers shall be closely scrutinized and may constitute abuse under this Regulation.

(7) Review and Reconsideration: A licensee may request a review or reconsideration of a dominance finding by submitting new evidence or changed market circumstances to the Authority. The Authority shall consider such request for reconsideration and issue a reasoned decision within ninety (90) days.

39. Defences and Justifications for Conduct by Dominant Firms

(1) Right to Defence:

A licensee or group of licensees found to be in a dominant position may defend alleged anti-competitive conduct by demonstrating that:

(a) The conduct did not occur as alleged; or

(b) The conduct, though prima facie restrictive or exclusionary, is objectively justified, efficiency-enhancing, or competitively neutral.

(2) Acceptable Justifications:

Without limiting the generality of sub-regulation (a), the following shall be considered potentially valid defences, subject to strict scrutiny by the Authority:

(i) Cost-based Rationalisation: The conduct reflects genuine cost efficiencies or economies of scale or scope, such as:

(A) A loyalty rebate that is proportional to actual logistics or administrative cost savings from bulk orders;

(B) Volume discounts that do not foreclose access to smaller rivals or new entrants.

(b) Objective Business Risk: The refusal to supply a product or service is based on objective, verifiable grounds, such as:

(i) Proven insolvency risk or history of default by the counterparty;

(ii) Safety or technical incapacity of the counterparty to receive the product or service under applicable regulatory standards.

(c) Pro-competitive Effects or Efficiency Gains: The conduct leads to demonstrable gains in production, distribution, investment, innovation, or service quality, and:

(i) The benefits are passed on to consumers in whole or in substantial part; and

(ii) There is no less restrictive alternative available to achieve the same benefits.

(d) Legal or Regulatory Compliance: The conduct is mandated or reasonably undertaken to comply with legal, contractual, safety, or environmental obligations.

(3) Burden of Proof: The burden of proof shall lie squarely and heavily on the dominant firm to:

(a) Demonstrate with credible evidence that the alleged conduct did not occur as stated; or

(b) Prove that the conduct is objectively justified and proportionate in light of its alleged anti-competitive effects.

(4) Assessment Criteria of the Authority:

In evaluating a defence, the Authority shall consider:

(a) The credibility and completeness of evidence presented;

(b) The proportionality between the conduct and the claimed justification;

(c) Whether the claimed efficiencies could have been achieved through less exclusionary means;

(d) The actual or likely harm to market structure, rivals, and consumers.

(5) Rejection of Sham or Pretextual Defences:

Where the Authority finds that the stated justification is pretextual, speculative, or unsupported by evidence, such defence shall be summarily rejected and appropriate enforcement action may be pursued.

40. Interim Measures in Abuse of Dominance Investigations

(1) Power to Impose Interim Measures: Where the Authority, upon preliminary investigation, forms a prima facie opinion that a licensee or group of licensees in a dominant position may be engaging in conduct that constitutes an abuse of dominance under this Regulation, it may impose interim measures as necessary to:

(a) Prevent serious and irreparable harm to competition;

(b) Protect the interests of consumers or market participants; or

(c) Preserve the integrity of the investigation process.

(2) Conditions for Interim Orders: An interim order may be issued where:

(a) There is credible evidence of potentially abusive conduct by a dominant firm;

(b) The alleged conduct is ongoing or imminent;

(c) Delay in final adjudication would risk causing irreversible damage to market structure, customer access, or fair competition; and

(d) The interim order is proportionate and necessary in the circumstances.

(3) Types of Interim Measures: The Authority may issue any appropriate "cease and desist" or affirmative interim order, including but not limited to:

(a) Requiring the continuation of supply or service to a customer pending investigation;

(b) Ordering the suspension or modification of a rebate, pricing, or discount scheme;

(c) Requiring access to essential infrastructure or information systems on fair, reasonable, and non-discriminatory terms;

(d) Preventing the execution of exclusive or restrictive agreements that may foreclose competition during the pendency of the case.

(4) Legal Effect and Enforcement

(a) Interim orders issued under this sub-regulation shall have immediate effect upon service and shall remain binding until revoked, varied, or replaced by a final determination or further order of the Authority.

(b) Failure to comply with an interim order shall constitute a breach of this Regulation and may attract sanctions as provided in Parts XVI and XVII of these Regulations.

(5) Review and Variation: A party subject to an interim order may, within seven

(7) days of its issuance, submit a written application for review or variation, accompanied by supporting evidence. The Authority shall consider such application and issue a reasoned decision within ninety (90) days.

41. Enforcement Measures in a finding of Abuse of Dominance:
Where the Authority makes a finding of abuse after investigation, the Authority may:

(a) Issue cease and desist orders;

(b) Impose financial penalties in accordance with Part XVII of these Regulations;

(c) Mandate structural or behavioural remedies, including divestitures or access obligations;

(d) Refer the matter to the Federal Competition and Consumer Protection Commission or relevant prosecutorial authorities for further action.

42. Guidance and Interpretation
The Authority may issue guidelines or directives elaborating on the assessment of dominance, examples of abusive conduct, or methodologies for defining relevant markets and calculating market shares, consistent with the Federal Competition and Consumer Protection Act and international best practices.

PART X — REGULATION OF VERTICALLY INTEGRATED OPERATIONS, AFFILIATE CONDUCT, AND INTRA-GROUP TRANSACTIONS

43. Equal Treatment and Prevention of Discriminatory Conduct by Vertically Integrated Licensees

1. General Non-Discrimination Obligation

(a) A vertically integrated licensee engaged in multiple levels of the petroleum value chain — including, but not limited to, refining, pipeline transportation, storage, and downstream marketing — shall conduct all commercial dealings in a non-discriminatory manner.

(b) No licensee shall use information, strategic control, or operational privileges gained from one part of its operations to distort competition or disadvantage unaffiliated competitors in another part of the value chain.

2. Equal Treatment of Affiliates and Third Parties

(a)The licensee shall offer the same access conditions, tariffs, service quality, and scheduling priority to unaffiliated competitors as it does to its own affiliated entities.

(b) No preferential treatment may be granted to an affiliated business unit that is not equally and transparently available to similarly situated third parties.

(c) All dealings involving access to pipelines, jetties, storage terminals, bulk loading facilities, or any other midstream infrastructure shall be governed by the principles of open access, third-party access, and non-discrimination,

which apply equally to internal transfers and transactions with independent licensees.

3. Data and Operational Safeguards
The Authority may require the establishment of internal firewalls, compliance protocols, or ring-fencing measures to prevent the misuse of commercially sensitive information obtained through one part of the operations of a licensee in ways that could distort competition in another part.

4. Pricing, Terms, and Conditions
(a) Prices, terms, and conditions for intra-group transactions—including but not limited to the sale, transfer, or supply of petroleum products, infrastructure services, or other regulated inputs—shall reflect prevailing market conditions and be transparent, cost-reflective, and commercially reasonable.
(b) Internal charges and transfer prices shall be no more favourable than those offered to independent third parties for comparable products, services, or access under similar circumstances.
5. Scope of Application
This obligation applies to all forms of intra-group transactions, including but not limited to:

(a) Transfer pricing between divisions or business units (e.g., midstream pipeline to downstream retail);

(b) Shared services and internal supply arrangements;

(c) Infrastructure access and capacity allocation within the corporate group.

6. Documentation and Auditability
All such transactions must be fully documented, supported by verifiable records, and maintained in a form that is readily auditable by the Authority. Documentation shall be sufficient to demonstrate compliance with market-based, transparent, and cost-reflective standards.

7. Statutory Basis
This Regulation shall be applied in accordance with Sections 116, 161, 162, 163, 179, 180, 185, and 213 of the Act and any other applicable provisions of these Regulations.

44. Prohibition of Anti-Competitive Cross-Subsidisation, Transfer Pricing Integrity, and Separation Obligations for Integrated Licensees

(1) Application and Determination of Dominance
(a) This Regulation shall apply to any licensee that the Authority, after due process of investigation and hearing, formally determines to be a monopoly service provider or an excessively dominant supplier in a specific licensed activity, as stipulated under Section 205(2) of the Act.

(b) The obligations and prohibitions herein shall become binding on a licensee upon receiving written notification of such a determination from the Authority.

(2) General Prohibition
(a) A licensee subject to this Regulation is prohibited from using revenues, profits, or cost advantages derived from its regulated monopoly or dominant market activities to subsidise its operations in any competitive market segment.

(b) Conduct is prohibited where such use:
(i) results in predatory or below-cost pricing;
(ii) gives an undue competitive advantage over non-integrated or independent competitors;
(iii) leads to exclusion, foreclosure, or a distortion of competition; or
(iv) constitutes discriminatory pricing or margin squeeze.

(3) Transfer Pricing Obligations
(a) All transactions between affiliated entities or between business units within an integrated licensee shall be conducted on a transparent, arm's-length basis in accordance with sections 170, 206(1) and 212(2) of the Act.

(b) Internal transfer prices shall:
(i) reflect prudent and efficiently incurred costs used in the provision of the relevant activity;
(ii) incorporate a reasonable return on capital in accordance with section 207 of the Act where applicable;
(iii) be consistent with the disaggregated, cost-reflective and non-discriminatory pricing principles in section 170(a)–(d);
(iv) not discriminate between affiliated and unaffiliated parties under comparable commercial and operational circumstances.

(c) The Authority may prescribe or approve methodologies or benchmarks for intra-group transfer pricing including refinery-to-wholesaler transfers, pipeline transportation charges, depot handling fees, storage or jetty charges, and any other relevant intra-group transactions.

(4) Prohibition of Cross-Subsidisation
(a) A licensee shall maintain systems demonstrating that regulated activities and competitive activities are financially and operationally independent to the extent required under this Regulation.
(b) Without prejudice to the generality of sub-paragraph 3(a), a licensee shall not:
(i) allocate the costs of competitive activities to a regulated activity;
(ii) cross-fund competitive activities using tariff-regulated revenues;
(iii) conceal subsidies or cost-shifting through internal transfer prices;
(iv) provide internal discounts, rebates, or advantages not available to unaffiliated parties on equivalent terms.

(c) Illustrative examples of prohibited conduct include—
(i) using regulated pipeline transportation revenue to sell petroleum products below cost in retail markets;
(ii) financing discounted storage, handling or logistics services using regulated terminal returns;
(iii) inflating internal transfer prices to raise the costs of the competitors or to enable margin squeeze.

(5) Accounting, Documentation, and Disclosure Requirements
A licensee subject to this Regulation shall:
(a) maintain separate accounting records for each licenced activity as may be required under section 212(1) of the Act;
(b) document all internal pricing policies, methodologies and intra-group transactions including contracts, invoices, and benchmarking data;
(c) disclose cost allocations, transfer pricing arrangements, and intra-group transactions in formats prescribed by the Authority;
(d) provide such records or information as may be required by the Authority for monitoring, audit or investigation;
(e) submit annual statements of compliance certified by an external auditor, confirming adherence to transfer pricing, accounting separation and cross-subsidisation requirements under this Regulation.

(6) Separation Measures
(a) Where the Authority determines that integration creates a risk of anti-competitive conduct, conflict of interest or discriminatory access, the Authority may require structural, managerial, operational or accounting separation of activities pursuant to section 212 of the Act.

(b) Measures that the Authority may impose include:
(i) separate management and decision-making structures;
(ii) separate accounting or cost-allocation systems;
(iii) physical or operational separation of monopoly infrastructure from competitive functions;
(iv) legal separation of particular licenced activities into distinct corporate entities;
(v) prohibition on the holding of specified categories of licences within the same corporate group.

(7) Burden of Proof
The licensee bears the burden to demonstrate that:
(a) all pricing in competitive segments is based on commercially justifiable costs;
(b) no unfair internal advantage is conferred through cross-segment transfers; and
(c) transfer pricing and cost allocations are reasonable, documented, and verifiable comply with sections 170, 206, 207 and 212 of the Act and these Regulations.

(8) Regulatory Powers and Enforcement
The Authority may, pursuant to sections 170, 205(2), 206, 207 and 212 of the Act:
(a) conduct transfer pricing audits;
(b) mandate functional or accounting separation between regulated and competitive activities;
(c) require prior approval of intra-group pricing policies;
(d) disallow improper cost transfers or hidden subsidies;
(e) invalidate affected contracts or tariffs;
(f) impose administrative fines or penalties under Parts XVI and XVII of these Regulations;
(g) require adjustments to pricing practices, divestiture, or structural separation; and
(h) refer matters to the Federal Competition and Consumer Protection Commission for joint investigation or enforcement.

45 Code of Conduct for Affiliate Relations
(1) Authority to Issue Code of Conduct
The Authority may, by directive or guideline, issue a Code of Conduct for Affiliate Relations as a Schedule to this Regulation or as a separate binding instrument, setting out minimum governance, operational, and transparency standards for interactions between affiliated entities within integrated petroleum companies.

(2) Purpose and Scope of the Code of Conduct
The Code shall be designed to:
(a) mitigate anti-competitive risks arising from vertical or horizontal integration;
(b) regulate internal transactions and governance between monopoly (e.g., pipeline, terminal) and competitive (e.g., retail, marketing) business units;
(c) prevent cross-subsidization and unfair leveraging of infrastructure control;
(d) ensure information firewalls, functional and management separation, and independent decision-making;
(e) guarantee fair and non-discriminatory access for third parties to shared infrastructure or services.
(3) Mandatory Compliance with the Code of Conduct
Every licensee that operates within an integrated structure or engages in intra-group transactions across regulated and competitive segments shall:
(a) comply with the provisions of the Code upon its issuance or as subsequently updated;
(b) establish and maintain internal compliance protocols and reporting frameworks;
(c) designate a responsible officer or compliance unit to oversee adherence to the Code.
(4) Publication of the Code of Conduct
The Code shall be published on the official website of the Authority and may be incorporated into these Regulations as a Schedule.

(5) Revision of the Code of Conduct
The Authority may revise or update the Code from time to time to reflect evolving market conditions, international best practices, and regulatory experience.
(6) Legal Effect of the Code of Conduct
Any breach or non-compliance with the Code of Conduct issued under these Regulation shall be deemed a breach of this Regulation and shall attract penalties and enforcement actions as set forth in the relevant sections of these Regulation and the Act.
(7) verification of Compliance with the Code of Conduct
The Authority may conduct periodic audits, require self-assessment reports, or undertake investigations to verify compliance with the Code.
(8) Enforcement
In the event of persistent or material breach, the Authority may impose sanctions including:
(a) administrative fines;
(b) structural separation orders;
(c) suspension or non-renewal of licences held by the offending affiliate or group.

46. Compliance Reporting and Verification for Separated Operations
1. Periodic Compliance Reporting Obligation
Any licensee subject to structural, operational, accounting, or legal separation requirements under this Regulation or any directive issued by the Authority shall submit periodic compliance reports as prescribed by the Authority. Such reports shall include, but not be limited to:
(a) Separate audited financial statements for each division or affiliate subject to separation;
(b) A Certification of Non-Discrimination and affiliate neutrality measures, signed by a designated compliance officer;
(c) Separation measures and governance safeguards or a detailed organisational chart reflecting distinct management structures and reporting lines;
(d) Certification of compliance with the Code of Conduct or a statement of compliance with the Code of Conduct for Affiliate Relations;
(e) Transfer pricing policies and intra-group transactions or any related-party transaction registers or internal transfer pricing disclosures;
(f) Cross-subsidisation prevention measures.
2. Reports must be certified by an independent auditor.
3. Compliance reports shall be filed annually, or at such frequency as the Authority may specify.

47. Audit and Inspection
(1) The Authority may at any time conduct targeted or general audits of the separated business segments of a licensee to verify:
(a) the independence of operations between regulated and competitive segments;

(b) compliance with transfer pricing, firewall, and internal governance obligations;

(c) absence of cross-subsidization or undue influence across divisions.

(2) Such audits may include, without limitation:

(a) review of employee contracts to determine whether performance incentives of personnel in regulated businesses are based exclusively on the performance of that business unit;

(b) physical or IT access audits to confirm existence and effectiveness of information firewalls;

(c) interviews with key managers and finance personnel to assess operational autonomy.

48. Enforcement for Non-Compliance or Misrepresentation

(1) Where a licensee fails to submit required compliance reports or is found to have misrepresented facts, the Authority may impose any or all of the following measures:

(a) Administrative fines;

(b) Direction to implement remedial internal separation measures;

(c) Suspension or non-renewal of the relevant licences or approvals;

(d) Referral to the Federal Competition and Consumer Protection Commission or other law enforcement bodies for further action.

PART XI – APPROVAL OF MERGERS, ACQUISITIONS, CROSS-OWNERSHIP AND SIGNIFICANT JOINT VENTURES

49. Prohibition of Unapproved Merger, Acquisition of interest, or changes in control and Joint Venture

(1) (a) In accordance with Section 212(3) of the Act, no licensee shall, whether directly or indirectly, acquire or hold any ownership interest, controlling stake, whether involving an affiliate or independent party or effective influence in another licensee operating in a different licence category or market segment within the midstream and downstream petroleum industry, without the prior written consent of the Authority.

(b) Any acquisition, shareholding arrangement, or strategic partnership that may confer significant influence over the management, operations, or commercial decisions of another licensee shall be subject to the same requirement.

(2) The following transactions require prior written consent of the Authority:

(a) mergers, amalgamations, or consolidations involving one or more licensees or their affiliates;

(b) the sale, transfer, or assignment of any licence or material part thereof;

(c) direct or indirect acquisition of shares, partnership interests, or other ownership interests in a licensee or its holding company;

(d) transfer of operational control through management agreements, voting trusts, shareholder agreements, or similar arrangements;

(e) internal restructurings within a corporate group where control of a licensee changes hands.
(f) any joint venture, strategic alliance, or collaborative arrangement between two or more Licensees or their Affiliates operating in the midstream or downstream petroleum sector shall be subject to prior notification and competition assessment by the Authority where the arrangement:

(i) Is formed between actual or potential competitors; and

(ii) Involves a significant integration of business activities, infrastructure, or strategic functions; and

(iii) Has the effect or potential effect of substantially reducing independent competitive conduct between the participating undertakings.

(3) Where applicable, prior clearance from the Federal Competition and Consumer Protection Commission shall also be obtained.

50. Application for Approval of Merger, Acquisition of interest, or changes in control and Joint Venture

1. Application for approval shall include all information necessary for competition assessment, including details of the parties, transaction structure, market shares, turnover, and relevant infrastructure.

2. Covered transactions include:

(a) Horizontal mergers between Licensees in the same market segment.

(b) Vertical mergers between Licensees at different levels of the petroleum value chain.

(c) Cross-ownership conferring significant influence over another Licensee in a different licence category.

(d) Joint ventures between actual or potential competitors.

3. An application for the written consent under this Regulation shall be made using the prescribed Form in Schedule 1 to these Regulations and submit in five (5) copies with the Authority upon the payment of the prescribed fees specified in Regulation 9 of Assignment of Transfer of Licence or Permit Regulations 2023.

4. Any party that submits false, incomplete, or misleading information in a merger application shall be subject to sanctions, including fines, revocation of approvals, or reversal of the transaction.

51. Assessment of the Application by the Authority

1. Upon receipt of a complete application, the Authority shall conduct a substantive competition assessment of the proposed transaction to determine whether it is likely to substantially prevent or lessen competition in any relevant midstream or downstream petroleum market.

(2) Factors to be Considered

In evaluating the likely effects of the transaction on competition, the Authority shall consider, without limitation, the following:

(a) The degree of horizontal overlap between the merging parties, including their respective market shares and market concentration;

(b) The extent of vertical integration and whether the transaction may enable the merged entity to foreclose competitors' access to critical inputs, infrastructure, or customers;

(c) Whether the transaction eliminates an actual or potential competitor, especially in nascent or developing segments;

(d) The possibility of coordinated behaviour or collective dominance arising post-merger;

(e) The barriers to entry and expansion that may be reinforced by the transaction;

(f) The impact on consumer prices, product availability, service quality, and technological innovation;

(g) The extent to which efficiencies or public interest benefits are substantiated and passed through to consumers;

(h) The acquisition or strengthening of control over an essential facility or bottleneck infrastructure.

(3) For the purposes of assessing any merger under these Regulation, the provisions relating to merger assessment set forth in the Federal Competition and Consumer Protection Act Merger Review Regulations, 2020] ("Merger Review Regulations 2020") shall apply, with necessary modifications for petroleum sector considerations, as if set out fully in these Regulations. All definitions, criteria, procedures, and standards established in Part V of the Merger Review Regulations 2020 shall be deemed to form part of these Regulations for the purpose of evaluating mergers, unless expressly provided otherwise herein.

(a) Supplementary Application:

Where specific sectoral considerations apply to mergers in the midstream and downstream petroleum industry—such as access to critical infrastructure, public interest grounds, or potential foreclosure of market access—the Authority may issue additional sector-specific guidelines or apply enhanced assessment criteria consistent with the objectives of this Regulation.

(b) Harmonisation and Consistency:

In the event of any conflict between the provisions of the Merger Review Regulations 2020 and the provisions of these Regulation, the Authority shall interpret both instruments in a manner that harmonises their application, provided that where irreconcilable, the provisions of the Act and this Regulation shall prevail in respect of petroleum sector-specific matters.

(c) Modifications:

Any amendments to the Merger Review Regulations 2020 after the issuance of these Regulation shall automatically form part of this incorporation, unless expressly excluded by subsequent Regulations.

(d) Effect and Enforceability:

All assessments, determinations, and remedies imposed by the Authority in merger cases under these Regulation shall have the same legal effect and enforceability as if conducted directly under the Merger Review Regulations 2020, and shall be binding on the merging parties, their affiliates, and successors.

(4) The Authority shall coordinate with the Federal Competition and Consumer Protection Commission, share non-confidential information, and align timelines and remedies where possible. The stricter decision shall prevail. In accordance with the provisions of the Federal Competition and Consumer Protection Act, any merger, acquisition, or significant joint venture that meets the thresholds for mandatory notification shall be notified to the Federal Competition and Consumer Protection Commission. For transactions within the midstream and downstream petroleum sector, the notifying parties shall also notify the Authority in accordance with the provision of Section 212(3) of the Act and these Regulation.

(5) Coordination and Information Sharing

The Authority shall cooperate and coordinate with the Federal Competition and Consumer Protection Commission in the assessment of notifiable mergers, acquisitions, and joint ventures in the petroleum sector. Such coordination may include:

(a) Joint reviews or parallel assessments of the proposed transaction;

(b) Exchange of non-confidential or lawfully shareable information and market data;

(c) Alignment of timelines, decision criteria, and remedies where feasible;

(d) Participation in joint hearings, consultations, or stakeholder engagements.

(6) Consistency and Prevailing Decision

Where both the Authority and the Federal Competition and Consumer Protection Commission issue decisions on the same transaction, the stricter outcome—whether in the form of conditions, prohibitions, or remedial requirements—shall generally prevail, in recognition of the sensitive and strategic nature of the petroleum sector and the need to uphold both competition and sector-specific regulatory objectives.

(7) Compliance Obligations of the Parties

Notifying parties must ensure full compliance with the requirements of both the Authority and the Federal Competition and Consumer Protection Commission, including the submission of complete information, adherence to timelines, and observance of any imposed remedies or conditions. No transaction shall be implemented unless and until clearance or approval has been granted by both regulators (the Authority and Federal Competition and Consumer Protection Commission).

(8) Supplementary Protocols

The Authority may issue additional guidelines or enter into Memoranda of Understanding (MoUs) with the Federal Competition and Consumer Protection Commission to formalize procedures for coordinated review, dispute resolution, and confidentiality safeguards during inter-agency collaboration.

52. Interim Measures and Hold-Separate Orders

(1) The Power of the Authority to Impose Interim Measures

While a merger, acquisition, or takeover transaction is under review and prior to the issuance of a final decision by the Authority, the Authority may, where

necessary to prevent serious and irreparable harm to competition, impose interim measures or hold-separate obligations on the parties to the transaction.
(2) Hold-Separate Obligations
The Authority may require the merging parties, by written order, to:

(a) Maintain the operational, financial, and managerial independence of their respective businesses;
(b) Refrain from integrating or coordinating any part of their operations, systems, marketing, pricing, procurement, or distribution channels;
(c) Prohibit the exchange or access to any competitively sensitive or confidential business information, including pricing models, customer data, procurement strategies, and strategic plans;
(d) Cease any joint decision-making or coordination of commercial conduct;
(e) Maintain separate branding, communication, and public representation.

(3) Purpose and Duration
Such interim measures are intended to preserve the competitive status quo and prevent irreversible harm pending the Authority's competition assessment. These measures shall remain in effect until:

(a) The Authority issues a final decision approving or prohibiting the transaction;
(b) The measures are modified or lifted by the Authority on application by the parties, with justification.

(4) Monitoring and Compliance
The Authority may appoint an independent monitor or require periodic reports from the parties to ensure compliance with interim measures. Non-compliance shall attract enforcement actions, including monetary penalties, injunctive relief, and potential rejection of the transaction.

53. Decision of the Authority on the Review of Mergers, Acquisitions or Transfer of interest

(1) Decision of the Authority
Upon completion of the competition assessment of a notifiable merger, acquisition, or takeover transaction under this Regulation, the Authority shall issue a formal decision, which may be one of the following:
(a) Unconditional Approval
The Authority may approve the transaction without conditions where it determines that the proposed transaction is not likely to substantially prevent or lessen competition in any relevant petroleum market segment.
(b) Conditional Approval (Remedial Clearance)
Where the Authority finds that the transaction raises competition concerns but such concerns can be effectively addressed, it may approve the transaction subject to structural and/or behavioural conditions. These may include, but are not limited to:

(i) Divestiture of specified assets, business units, or operational control;

(ii) Mandatory third-party access to key infrastructure on fair, reasonable, and non-discriminatory (FRAND) terms;

(iii) Termination or modification of exclusive supply, purchase, or distribution agreements;

(iv) Imposition of conduct remedies such as price regulation in line with sections 205(2) and 207 of the Act, supply obligations, or ring-fencing arrangements for a defined period;

(v) Compliance monitoring, periodic reporting, or the appointment of an independent trustee.

(c) Prohibition of the Transaction

Where the Authority concludes that the proposed transaction is likely to result in substantial harm to competition and that such harm cannot be adequately mitigated by conditions, it shall prohibit the transaction.

(2) Effect of Prohibition

In the event of a prohibition decision:

(a) The parties shall not implement or give effect to any part of the transaction;

(b) Any agreement, arrangement, or instrument executed in furtherance of the transaction shall be deemed unenforceable;

(c) If any steps have been taken toward implementation, the parties shall immediately take all necessary actions to unwind, reverse, or nullify such steps, including the restoration of the pre-transaction status quo, to the satisfaction of the Authority.

(3) Notification of Decision

The Authority shall issue a written decision setting out:

(a) The basis of its findings;

(b) Any conditions or remedies imposed;

(c) The timeline and procedures for compliance or appeal, if applicable.

54. Prohibition of Gun-Jumping and Sanctions for Unapproved Mergers, Acquisitions or Transfer of interest

(1) Prohibition of Premature Implementation

No Licensee, its parent company, Affiliate, or related undertaking shall implement, give effect to, or consummate any merger, acquisition, or significant joint venture that is subject to mandatory notification under this Regulation prior to obtaining formal approval from the Authority, and, where applicable, the Federal Competition and Consumer Protection Commission. Any attempt to complete such a transaction without prior clearance shall constitute premature Implementation or "gun-jumping" and a violation of the Act and these Regulations.

(2) Failure to Notify

Where a Licensee or party to a transaction fails to notify a notifiable transaction, whether intentionally or negligently, the Authority may, upon discovery or investigation, treat such failure as a breach of statutory and regulatory obligations under the Act and these Regulations.

(3) Sanctions and Remedies

In the event of premature Implementation or gun-jumping or non-notification, the Authority may impose one or more of the following remedies or sanctions:

(a) Administrative fines proportional to the gravity of the offence, including up to 10% of the turnover of the infringing party in the preceding financial year;

(b) Disgorgement of any gains or benefits derived from the unapproved transaction, including excess profits, market share advantages, or strategic positioning obtained;

(c) Orders for unwinding or reversing the transaction, including divestiture of acquired assets or restoration of independent control and operations;

(d) Suspension or revocation of operating licenses, where the conduct is found to be wilful, deceptive, or in bad faith;

(e) Referral of the matter to the Federal Competition and Consumer Protection Commission for concurrent or complementary enforcement action under the Federal Competition and Consumer Protection Act, including the imposition of additional financial or legal penalties.

(4) Cumulative Liability

Sanctions imposed by the Authority under these Regulation are without prejudice to any penalties, fines, or corrective measures imposed by the Federal Competition and Consumer Protection Commission or any other competent agency. The parties remain liable to comply with all merger control laws in full.

(5) Supplementary Measures

The Authority may issue further guidelines on enforcement procedures for premature Implementation or gun-jumping, including reporting obligations, restitution mechanisms, and compliance undertakings required for reinstatement of licenses or approvals.

55. Post-Merger Approval Monitoring, Compliance, and Review Powers

(1) Ongoing Oversight of Approved Mergers

For all mergers, acquisitions, or joint ventures approved by the Authority particularly those approved subject to structural or behavioural conditions the Authority shall maintain oversight of the transaction's implementation and post-merger market outcomes to ensure that the intended competition objectives are preserved.

(2) Monitoring of Compliance with Conditions

The Authority shall actively monitor the merging parties' compliance with any conditions imposed as part of the merger approval, including but not limited to:

(a) Timely execution of asset divestitures;

(b) Fulfilment of third-party access obligations;

(c) Observance of price caps, supply guarantees, or exclusive dealing prohibitions;

(d) Maintenance of ring-fencing, information firewalls, or operational separation as required.

(3) Periodic Reporting Obligations

The merging parties shall submit periodic compliance reports and relevant market data to the Authority for a period to be specified in the approval decision or guideline. Such data may include:

(a) Pricing structures and changes;
(b) Volumes of output, throughput, or storage;
(c) Customer numbers and regional supply footprints;
(d) Market share estimates and competitor dynamics;
(e) Evidence of compliance with access or conduct remedies.

(4) The Power of the Authority to Reopen Review

The Authority reserves the power to reopen the merger review process where:

(a) There is evidence of non-compliance with approved conditions;
(b) The merger produces material and unforeseen anti-competitive effects;
(c) New facts or market developments emerge that alter the basis of the original assessment.

(5) Modification of Conditions and New Remedies

Where appropriate, the Authority may:

(a) Modify, extend, or replace existing conditions;
(b) Impose new structural or behavioural remedies;
(c) Require additional undertakings to restore or protect competition;
(d) In severe cases, initiate proceedings to unwind or partially reverse the merger.

(6) Sanctions for Non-Compliance

Any breach of merger approval conditions shall be treated as a regulatory offence, and may attract administrative sanctions, including:

(a) Monetary penalties;
(b) Public warning or censure;
(c) Suspension or withdrawal of licenses or approvals;
(d) Orders for corrective action or appointment of a monitoring trustee.

(7) Supplementary Guidelines

The Authority may issue further guidelines specifying the format and frequency of post-merger reporting, monitoring procedures, and criteria for reopening merger reviews.

PART XII- PROCEDURE FOR OBTAINING THE APPROVAL OF THE AUTHORITY IN THE NATIONAL INTEREST OR FOR MARKET FUNCTIONALITY

56. Approval by the Authority based on the National Interest or for Market Functionality

Pursuant to Section 211(2) of the Act, the Authority may, upon written application and following a reasoned decision, authorise conduct or agreements that may otherwise contravene Section 211(1) of the Act and these Regulations, provided that:

(a) such authorisation is necessary in the national interest, or
(b) the conduct is required to preserve or enhance market functionality, and
(c) the pro-competitive or public interest benefits demonstrably outweigh any potential harm to competition.

57. Application for Approval
(1) A licensee or other person or undertaking seeking authorisation shall submit a completed Notification/Exemption Request using the form prescribed in Schedule 2.
(2) Applications shall be submitted in writing to the Authority.
(3) Such approval shall constitute a legal exemption and shall be granted only where the pro-competitive or public interest benefits of the conduct clearly outweigh any potential harm to competition.

58. Content of Application
An application under Regulation 57 shall include:
(a) Full details of the applicant(s).
(b) A comprehensive description of the proposed conduct, agreement, or arrangement.
(c) A detailed justification explaining how the proposed conduct meets the criteria in Regulation 56.
(d) An assessment of the potential anti-competitive effects of the proposed conduct and any proposed measures to mitigate such effects.
(e) Evidence supporting the claims made, including economic analysis, market data, and impact assessments.
(f) The duration for which approval is sought.
(g) Any proposed terms and conditions for the approval.
(h) A declaration that all information provided is true and accurate.
(i) A non-refundable application fee as may be prescribed by the Authority.

59. Assessment Criteria for National Interest
In assessing whether a proposed conduct is in the "national interest," the Authority shall consider, inter alia:
(a) Contribution to energy security and reliability of supply of petroleum products.
(b) Promotion of investment in critical midstream or downstream infrastructure.
(c) Enhancement of indigenous participation and local content development.
(d) Facilitation of responses to national emergencies or crises.
(e) Significant positive impact on employment or regional development.
(f) Promotion of innovation, research, and development in the petroleum sector.
(g) Contribution to environmental sustainability or public safety objectives.
(h) The extent to which the benefits to the national interest outweigh any potential harm to competition.

60. Assessment Criteria for Preserving or Promoting Benefits of a Functional and Effective Competitive Market

In assessing this criterion, the Authority shall consider whether the proposed conduct is necessary to:

(a) Prevent the failure of an undertaking whose exit from the market would lead to a significant deterioration of market conditions (failing firm defence) or create microeconomic instability, provided there are no less anti-competitive alternatives.

(b) Enable collaborations that generate significant efficiencies (e.g., cost savings, improved quality, innovation) that are likely to be passed on to consumers and could not be achieved through less anti-competitive means, and where such efficiencies outweigh the competitive harm.

(c) Address specific market failures that impede the proper functioning of the market.

61. Procedure for Review and Determination of Applications

(1) Upon receipt of a complete application, the Authority shall acknowledge it within 30 working days.

(2) The Authority may publish a summary of the application (excluding commercially sensitive information) and invite comments from interested third parties within a specified period of 21 working days.

(3) The Authority shall conduct a thorough review, which may involve requesting additional information, consulting with other government agencies and conducting its own economic analysis.

(4) Where a dual exemption is required under the Federal Competition and Consumer Protection Act, the Authority shall advise the applicant accordingly and coordinate with the Federal Competition and Consumer Protection Commission to prevent jurisdictional inconsistencies.

(5) The burden of proof to demonstrate that the criteria for approval are met lies with the applicant.

(6) The Authority shall make a determination on the application within 90 working days of receiving a complete application, or such longer period as may be notified to the applicant with reasons.

(7) The decision of the Authority shall be in writing and provide reasons.

62. Grant of Written Approval and Imposition of Terms and Conditions

(1) If the Authority grants approval, it shall be in writing and may be subject to such terms and conditions as the Authority deems appropriate.

(2) Conditions may include, but are not limited to:

(a) Duration of the approval.

(b) Price controls or caps.

(c) Supply obligations.

(d) Requirements for transparency.

(e) Measures to mitigate negative impacts on competitors or consumers.

(f) Commitments regarding investment or service levels.

(g) Divestiture of certain assets or operations.

(h) Information sharing firewalls or separation undertakings

(i) reporting obligations
(k) Open access obligations or equal participation rights;
(l) cost-sharing restrictions;
(m) Performance or investment commitments;

63. Issuance of Directions to Prevent or Mitigate Unlawful Exercise of Market Power

(1) Concurrently with or subsequent to granting an approval under Regulation 118 of these Regulations, the Authority may issue directions to the applicant to prevent or mitigate any conduct that is likely to lead to an unlawful exercise of market power detrimental to customers.
(2) Such directions shall be specific, measurable, achievable, relevant, and time-bound.
(3) The Authority shall monitor compliance with such directions and may require periodic reports or audits from the approved parties.

64. Withdrawal of Approval

(1) Grounds for Withdrawal of Approval
The Authority may withdraw an approval granted under this Regulation or Section 211(2) of the Act if:
(a) The approval was granted based on materially false or misleading information provided by the applicant.
(b) The licensee or person has breached any term or condition of the approval.
(c) There has been a material change in circumstances since the approval was granted, such that the original justification for the approval no longer exists or the conduct is having a significantly greater anti-competitive effect than anticipated.
(d) The conduct under approval is found to be contrary to the public interest or detrimental to the functional and effective competitive market in ways not foreseen at the time of approval.
(e) The licensee or person fails to comply with directions issued under Regulation 63 of these Regulations.

65. Procedure for Withdrawal of Approval

(1) Before withdrawing an approval, the Authority shall issue a written notice to the affected licensee or person, stating:
(a) Its intention to withdraw the approval.
(b) The grounds for the proposed withdrawal.
(c) The facts and evidence supporting the grounds.
(2) The licensee or person shall be given a reasonable opportunity within 30 working day] to make written and/or oral representations as to why the approval should not be withdrawn.
(3) After considering any representations, the Authority shall make a final decision and notify the licensee or person in writing, providing reasons.

66. Effects Terms and Conditions of Withdrawal

(1) A decision to withdraw an approval granted under this Regulation or Section 211(2) of the Act may specify:

(a) The date on which the withdrawal becomes effective.

(b) Any transitional arrangements necessary to unwind the approved conduct or agreement in an orderly manner, minimizing disruption to the market and consumers.

(c) Obligations on the licensee or person to restore, to the extent practicable, the competitive conditions that existed prior to the approval, or to implement alternative measures to promote competition.

(d) Requirements for the licensee or person to notify affected third parties of the withdrawal.

(e) Any ongoing monitoring or reporting obligations during the transition period.

(2) The Authority may, where appropriate, instead of a full withdrawal, modify the terms and conditions of the original approval if this is sufficient to address the concerns leading to the review.

67. Register of Exemptions

(1) The Authority shall maintain a public register, published on its website and/or in the official gazette, listing all exemptions or approvals granted under this Regulation.

(2) The register shall include:

(a) the names of parties involved;

(b) the general nature of the conduct;

(c) the decision date and expiry (if any); and

(d) any key conditions imposed.

(3) The Authority may redact confidential business information, but the existence and scope of the exemption shall be made public.

68. Prohibition of Hardcore Restrictions

(1) No exemption shall be granted under this Regulation for any agreement or conduct involving:

(a) horizontal price-fixing;

(b) market or customer allocation;

(c) bid-rigging among competitors; or

(d) other conduct deemed hardcore restrictions without transferring national or consumer benefits under the Federal Competition and Consumer Protection Act or international best practices.

(2) Such conduct remains per se unlawful and ineligible for exemption.

PART XIII-MARKET MONITORING AND SURVEILLANCE, INVESTIGATION, AND DETERMINATION OF ANTI-COMPETITIVE BEHAVIOUR

69. Market Monitoring and Surveillance

(1) The Authority shall proactively monitor the structure, conduct, and performance of the midstream and downstream petroleum markets on a continuous basis to:

(a) Determine the degree of competition or market concentration in any market segment;

(b) Identify and prevent anti-competitive behaviour, abuse of dominant position, or restrictive business practices;

(c) Assess the efficiency, openness, and accessibility of market infrastructure and trading arrangements;

(d) Detect early signs of market failure or the erection of barriers to entry;

(e) Ensure compliance with the provisions of the Act, Federal Competition and Consumer Protection Act, these Regulations and other relevant laws on competition and market regulation.

70. Scope of Monitoring Activities

The market monitoring activities of the Authority shall include, but not be limited to:

(1) Data Collection and Analysis: Obtaining and analysing economic and operational data from licensees and market participants relating to:

(a) Pricing and margins at wholesale and retail levels;

(b) Sales volumes, production output, throughput and market shares;

(c) Capacity utilization and infrastructure access;

(d) Supply chain arrangements including import schedules, terminal use, transportation and storage;

(e) Affiliate transactions, discounts, and rebate structures;

(f) Costs of production, importation, or transportation;

(g) Entry and exit behaviour of market participants.

(2) Market Studies and Sector Reviews: Conducting market studies, competition assessments, and ex-post evaluations of mergers or structural changes in specific segments or regions.

(3) Review of Public Sources: Analysing industry reports, price bulletins, academic research, and independent market intelligence for supplementary insights.

(4) Consumer and Stakeholder Feedback: Gathering and incorporating reports, complaints, or feedback from consumers, trade associations, and public interest groups.

71. Licensee Reporting Obligations

(1) All licensees and permit holders in the midstream and downstream petroleum sectors shall:

(a) Submit to the Authority complete, accurate, and timely information relevant to market monitoring in the form, frequency, and manner prescribed by the Authority;

(b) Provide any supplemental information reasonably required by the Authority for monitoring and investigation purposes, including internal price-setting policies, volume allocation methodologies, or third-party access arrangements;

(c) Certify the authenticity of submitted data through responsible officers, and cooperate in any audit or verification exercise initiated by the Authority.

(2) Failure to provide requested information or submission of false or misleading information shall constitute a violation of this Regulation and attract sanctions in accordance with Parts XVI and XVII of these Regulations.

72. Market Surveillance Focus Areas

The Authority shall place particular surveillance attention on the following areas and behaviours:

(1) Concentrated market segments where one or a few entities control substantial market share;

(2) Entry barriers created by vertical integration, infrastructure control, licensing restrictions, or commercial practices;

(3) Discriminatory access to infrastructure or manipulation of third-party access conditions;

(4) Excessive pricing, predatory pricing, margin squeezes, and cross-subsidization;

(5) Long-term exclusive contracts or bundling that deter market entry;

(6) Coordinated conduct or parallel pricing patterns suggestive of collusion;

(7) Any other behaviour that restricts fair competition or consumer welfare.

73. Market Reporting and Transparency

(1) The Authority shall publish a Midstream and Downstream Market Monitoring Report, at least once every calendar year, summarising:

(a) Market concentration indicators;

(b) Price levels and pricing trends;

(c) Level of market entry and exit;

(d) Infrastructure access data;

(e) Competition concerns and remedial actions taken;

(f) Recommendations for policy or structural reforms.

(2) Reports shall be made publicly available, except where the disclosure of specific information may compromise commercial confidentiality or ongoing investigations.

74. Enforcement Support Function

Market monitoring reports, sector studies, or data submissions under this Regulation may serve as grounds for:

(1) Commencing an investigation into anti-competitive conduct under Part XIV;

(2) Requiring behavioural or structural remedies under Part XVI;

(3) Modifying licence conditions or access mandates under Regulation 91.

(4) Referring matters to other authorities, including the Federal Competition and Consumer Protection Commission (FCCPC), where appropriate.

PART XIV COMPLAINTS, PRELIMINARY ASSESSMENTS, AND INVESTIGATIONS OF ANTI-COMPETITIVE BEHAVIOUR

75. Mode of Filing Complaints

(1) Any person, including a licensee, industry association, consumer group, or member of the public, who believes that anti-competitive conduct has occurred in contravention of the Act, Federal Competition Consumer Protection Act or these Regulations may submit a complaint to the Authority.
(2) The complaint shall be submitted in writing using the prescribed Competition Complaint Form in Schedule 3 to these Regulations and must include:
(a) The name and contact details of the complainant.
(b) The identity of the person or licensee alleged to have engaged in the anti-competitive conduct.
(c) A description of the facts, including relevant dates, markets, and conduct.
(d) Any supporting documents or evidence.
(e) Reference to any provision of this Regulation or the Act alleged to have been violated.
(3) Complaints may be submitted electronically or in hard copy, and the Authority shall issue a written acknowledgment within seven (7) working days of receipt.
(4) Anonymous complaints may be entertained if accompanied by credible, verifiable information.

76. Authority-Initiated Monitoring and Investigations

(1) The Authority may, on its own initiative, monitor market conduct and initiate inquiries where it suspects a violation of the Act, Federal Competition Consumer Protection Act or these Regulations.
(2) Such monitoring may include:
(a) Market surveillance of pricing trends and structural changes.
(b) Analysis of entry barriers and concentration.
(c) Review of data obtained from regulated entities.

77. Preliminary Assessment

(1) Upon receipt of a complaint or discovery of relevant information, the Authority shall undertake a preliminary assessment to determine whether:
(a) There are reasonable grounds to believe an infringement has occurred; or
(b) Further formal investigation is warranted.
(2) During this stage, the Authority may:
(a) Request clarifications or additional materials from the complainant.
(b) Seek an initial written response from the party alleged to have contravened the Regulation.
(c) Engage relevant technical or legal experts.

(3) A decision on whether to proceed to investigation shall be made within thirty (30) working days, and the complainant shall be notified accordingly.
(4) Where no further action is taken, the Authority shall state the reasons in writing, unless it compromises enforcement or ongoing inquiries.

78. Initiation of Investigation
(1) An investigation may be initiated:
(a) Following a preliminary assessment under these Regulations.
(b) By the Authority ex officio, where sufficient grounds exist.
(2) Except where prejudicial to the investigation, the Authority shall notify the party under investigation of:
(a) The subject matter and conduct in question.
(b) The provisions of the law and Regulation alleged to be breached.
(c) The powers of the Authority and procedural steps.

79. Conduct of Investigations
(1) The Authority shall conduct investigations fairly, objectively, and in accordance with due process.
(2) The respondent shall be given the opportunity to:
(a) Review the allegations and supporting materials.
(b) Submit evidence in defence.
(c) Be represented by legal counsel.
(d) Attend hearings or make oral representations as directed.
(3) The Authority shall maintain written records of its investigation, including interviews, submissions, site visits, and correspondence.

80. Powers of the Authority During Investigations
(1) The Authority may exercise the following powers in accordance with these Regulations and Section 211(1)(c)(ii)–(iii) of the Act:
(a) Require any person to furnish documents, contracts, internal communications, or other relevant data.
(b) Summon and examine persons under oath or affirmation.
(c) Conduct on-site inspections, including dawn raids, upon obtaining a warrant where required.
(d) Seize documents, hardware, or digital records suspected to contain evidence of violations.
(e) Engage in joint inspections with other government agencies or foreign competition authorities in cases with cross-border elements.

81. Confidentiality and Protection of Whistleblowers
(1) Information obtained during an investigation shall be treated as confidential, except where disclosure is necessary for enforcement or pursuant to legal obligations.
(2) Parties may request confidential treatment of submitted information, accompanied by justification.
(3) The Authority shall implement safeguards for whistleblowers and informants, including:

(a) Confidentiality of identity.
(b) Non-retaliation assurance.
(c) Leniency where appropriate, as provided in Part XVIII of these Regulations.

82. Opportunity to Respond
(1) Before issuing any final determination or enforcement order, the Authority shall notify the respondent(s) in writing with:
(a) A Statement of Objections outlining the alleged infringements.
(b) Key evidence relied upon.
(c) A period within which to submit a defence or request a hearing.

83. Interim Measures
(1) Where necessary to prevent serious and irreparable harm to competition or consumers, the Authority may issue interim orders, including:
(a) Cease and desist orders.
(b) Temporary supply directives.
(c) Suspension of restrictive agreements or exclusionary practices.
(2) Interim measures shall remain in effect until:
(a) Lifted by the Authority.
(b) Replaced by final remedial orders.
(c) The investigation is concluded.

PART XV- DETERMINATION OF ANTI-COMPETITIVE CONDUCT AND ABUSE OF MARKET POWER

84. Determination of Substantially Lessening of Competition
(1) In determining whether any conduct or agreement has the purpose or effect of substantially lessening competition in any segment of the midstream or downstream petroleum industry, the Authority shall:
(a) Define the relevant product market and the relevant geographic market;
(b) Assess the level of market concentration and any changes therein resulting from the conduct;
(c) Evaluate the height and nature of barriers to entry and expansion in the market;
(d) Consider the extent of countervailing buyer power;
(e) Analyse the degree and competitive implications of vertical integration by the concerned parties;
(f) Assess any efficiencies or benefits claimed to result from the conduct, provided such efficiencies are verifiable, pro-competitive, and passed on to consumers;
(g) Examine the likely impact on price, output, innovation, consumer choice, and product or service quality.

(2) For the purpose of this Regulation, a conduct or arrangement "substantially lessens competition" if it materially and persistently reduces competitive rivalry or impairs the competitive structure of the relevant market.

85. Determination of Anti-Competitive or Discriminatory Conduct and Abuse of Market Power

(1) The Authority shall consider the following as anti-competitive conduct, including but not limited to:

(a) Horizontal agreements such as price-fixing, bid-rigging, market allocation, or output restriction;

(b) Collusive tendering or manipulation of bidding processes;

(c) Vertical restraints that have the effect of foreclosing competitors or harming consumer welfare.

(2) Discriminatory conduct shall be deemed to occur where a licensee or operator:

(a) Applies dissimilar conditions to equivalent transactions with other trading parties;

(b) Places certain parties at a competitive disadvantage without objective justification.

(3) Unlawful exercise of market power shall include any conduct by an undertaking with market power that prevents, restricts, or distorts competition, including:

(a) Charging excessive or exploitative prices;

(b) Engaging in predatory pricing or below-cost selling intended to exclude competitors;

(c) Refusing to supply an essential input or access to critical infrastructure without objective justification;

(d) Imposing unfair trading terms, contractual coercion, or abusive rebate structures;

(e) Tying or bundling unrelated services in a manner that restricts market access or competition.

86. Determination of Practices Excluding, Deterring or Crippling Entry or Expansion

In determining whether conduct constitutes exclusionary, deterring, or market-crushing behaviour, the Authority shall consider:

(1) Evidence of predatory strategies designed to drive existing or potential competitors out of the market;

(2) Practices aimed at raising rivals' costs without efficiency justification;

(3) Abuse or manipulation of regulatory processes to impose compliance burdens on competitors;

(4) Exclusive dealing arrangements or loyalty-inducing rebates that substantially foreclose market access;

(5) Unjustified refusal to grant access to essential facilities or infrastructure on fair, transparent, and non-discriminatory terms.

87. Determination of Abuse of Dominant Position

(1) The Authority shall determine whether an undertaking holds a dominant position in a relevant market by examining:

(a) Market share, longevity, and control over essential facilities or inputs;

(b) Ability to act independently of competitors, customers, or consumers;

(c) Barriers to entry and expansion faced by other undertakings.

(2) Where dominance is established, abuse shall be deemed to occur if the undertaking:

(a) Directly or indirectly imposes unfair pricing or other exploitative terms;

(b) Limits production, innovation, or market access to the detriment of consumers;

(c) Applies discriminatory terms without objective justification;

(d) Imposes tying or supplementary obligations unrelated to the contract's main subject matter;

(e) Engages in predatory pricing or exclusionary discount schemes;

(f) Refuses to deal, license, or grant access without legitimate business reasons.

88. Consideration of Competition in Licensing and Price Regulation Decisions

(1) The Authority shall consider the potential impact on competition and the risk of abuse of market power or competition-related factors in evaluating and approving:

(a) Licence applications, renewals, amendments, and transfers;

(b) Conditions attached to midstream and downstream petroleum licences.

(2) Where a proposed licence, term, or conduct raises competition concerns, the Authority may:

(a) Impose behavioural or structural conditions to prevent or mitigate anti-competitive effects;

(b) Deny the licence or approval if the conduct is likely to significantly lessen competition.

(3) Where the Authority regulates prices for services in competitive markets deemed insufficiently competitive, it shall:

(a) Ensure the regulated price replicates a competitive market outcome;

(b) Prevent the abuse of market power;

(c) Promote efficiency, innovation, investment, and consumer protection.

For avoidance of doubt, the provisions of these Regulation shall apply mutatis mutandis to the determination of violations under Section 211, 212, 230, and 317(6),(8), (9) and(10) of the Act, 2021, and any relevant provision of the Federal Competition and Consumer Protection Act, 2018, where applicable.

PART XVI- ENFORCEMENT AND REMEDIAL ACTIONS REGARDING ANTI-COMPETITIVE BEHAVIOUR

89. Issuance of Cease and Desist Orders

(1) Where the Authority, following an investigation, determines that a licensee, operator, or any other person has engaged, is engaging, or is likely to engage in conduct that violates the provisions of this Regulation, the Act, or applicable competition laws, it may issue a written Cease and Desist Order requiring the immediate cessation of the offending conduct.

(2) The Authority shall, prior to issuing a final Cease and Desist Order:

(a) Serve a Notice of Intention to issue the order, specifying the alleged conduct, preliminary findings, and proposed terms of the order;

(b) Provide the respondent with a reasonable opportunity to make written or oral representations, not less than 14 working days from the date of the notice.

(3) The Authority may issue an interim Cease and Desist Order without prior notice where it considers it necessary to prevent serious and irreparable harm to competition, market access, or consumers. The respondent shall be granted a right to be heard within 10 working days of such order.

90. Content and Nature of Cease and Desist Orders

(1) All Cease and Desist Orders shall:

(a) Be in writing and specify the conduct to be ceased, the reasons for the order, and any deadlines for compliance;

(b) Be enforceable immediately upon issuance or as stated therein;

(c) State whether it is interim or final in nature.

(d) Remain binding until expressly revoked, amended, or superseded by the Authority or a court of competent jurisdiction.

91. Remedial Actions and Corrective Measures

In addition to or instead of a Cease and Desist Order, the Authority may impose any of the following remedial measures, as necessary to restore or preserve competitive conditions:

(a) Contractual Modifications: Require a party to remove or amend exclusionary terms (such as tying arrangements, exclusivity clauses, or unfair pricing provisions);

(b) Access Orders: Direct a facility operator or infrastructure owner to provide access to third parties on fair, reasonable, and non-discriminatory (FRAND) terms. This may include setting interim access terms where negotiations fail;

(c) Divestiture: Order the divestment of assets, business units, or equity interests, where structural separation is required to remedy substantial harm to competition;

(d) Structural or Licensing Remedies: Impose operational separation obligations or recommend licence suspension or revocation to relevant authorities;

(e) Consumer Redress: Where appropriate, facilitate restitution mechanisms such as price reductions, compensation schemes, or refunds to affected

consumers, in coordination with the Federal Competition and Consumer Protection Commission (FCCPC).

92. Appointment of Monitoring Trustee
The Authority may appoint an independent Monitoring Trustee to oversee implementation of the order and ensure ongoing compliance. The costs of such monitoring shall be borne by the respondent or infringing Party, unless otherwise directed.

93. Duration, Review, and Modification of Orders
(1) Orders may be of fixed or indefinite duration, as specified therein.
(2) A respondent may apply for modification, suspension, or termination of an order after a reasonable period, demonstrating that compliance has been achieved or that competitive conditions have materially changed.
(3) The Authority may on its own, review, revise, or extend orders if the original remedy proves ineffective or if violations persist.

94. Enforcement and Penalties
Failure to comply with a Cease and Desist Order or any remedial action constitutes a separate and continuing offence, and may attract administrative penalties under Part XVII of these Regulation, including fines, licence suspension, or other enforcement measures.

95. Publication of Orders
Final Cease and Desist Orders, and summaries of remedial measures, shall be published on the website of the Authority, excluding commercially confidential information. Interim orders may be withheld from publication where immediate publication could undermine market stability or investigative integrity.

96. Interface with Other Agencies
The Authority may refer matters to the Federal Competition and Consumer Protection Commission or the Office of the Attorney General for further enforcement, especially where the conduct constitutes a criminal violation under the Federal Competition and Consumer Protection Act or other legislation. The Authority may also seek court enforcement of its orders or compliance injunctions where necessary.

PART XVII –ADMINISTRATIVE PENALTIES AND FINES FOR ANTI-COMPETITIVE CONDUCT

97. Authority to Impose Fines
(1) Where the Authority determines, after investigation and due process, that a licensee or any other person has engaged in anti-competitive conduct or breached any provision of this Regulation or the Act, it may impose administrative fines as provided herein.

(2) The maximum administrative fine shall not exceed five percent (5%) of the annual turnover of the offending undertaking for the preceding financial year.
(3) For purposes of these Regulation, "annual turnover" means gross revenues or sales derived from the regulated business activities in Nigeria. Where multiple entities or group structures are involved, the Authority may consider the turnover of the group, subsidiary, or segment most directly involved in the infringement.

98. Procedure Prior to Imposition of Fine

(1) Before imposing a fine, the Authority shall issue a Notice of Intention to Fine, specifying:
(a) The facts, findings, and nature of the infringement;
(b) The basis for the proposed fine, including its calculation; and
(c) The proposed deadline for payment.
(2) The respondent shall be granted no fewer than 30 days to make written representations or request a hearing.
(3) Following consideration of any representations, the Authority shall issue a Final Penalty Order in writing, specifying the:
(a) Violation established;
(b) Rationale for the fine;
(c) Amount payable; and
(d) Deadline and payment instructions.

99. Calculation of Fines

In determining the amount of a fine, the Authority shall consider:
(a) The nature, gravity, and duration of the infringement;
(b) Whether the conduct was intentional or negligent;
(c) The role of the undertaking in the infringement (instigator, facilitator, follower);
(d) Any economic benefit or unfair advantage gained;
(e) The market share and economic strength of the undertaking;
(f) Aggravating factors, including:

- Repeat violations or recidivism;
- Obstruction of investigations;
- Continuation of the infringement after the intervention of the Authority;

(g) Mitigating factors, including:

- Voluntary termination of conduct;
- Self-reporting or cooperation beyond legal obligations;
- Implementation of effective internal compliance programmes;
- Evidence of acting under duress or third-party coercion;

(h) The need to ensure deterrence, especially in cases of systemic or high-impact conduct.

100. Penalty Categories and Guidelines
(1) Schedule 3 to these Regulations categorizes violations and provides indicative fine ranges:

- Category A – Severe Infringements (e.g., cartels, abuse of dominance): up to 5% of turnover.
- Category B – Moderate Infringements (e.g., exclusive dealing, first-time offences): 1–3% of turnover.
- Category C – Minor/Technical Infringements (e.g., failure to notify merger): fixed sum or <1% of turnover.

(2) In assessing fines, the Authority shall apply the categorization in Schedule 3 but may depart from guideline ranges with justification.

101. Daily Penalties for Continuing Non-Compliance
(1) Where a licensee or person fails to comply with an order or directive of the Authority, a daily penalty may be imposed for each day the violation continues.
(2) Such daily penalties shall be calculated in accordance with Schedule 3 and may be cumulative, but the total shall not exceed the overall 5% turnover cap, unless a separate offence is found to exist.

102. Personal Sanctions
(1) Directors, managers, or officers who knowingly and directly participate in serious violations (e.g., cartels) may be subject to:
(a) Referral to the Federal Competition and Consumer Protection Commission for personal liability under the Federal Competition and Consumer Protection Act;
(b) Disqualification from holding management positions in regulated entities; and
(c) Criminal prosecution where applicable under the applicable law.

103. Licence Consequences
(1) In accordance with Section 215 of the Act, persistent or serious violations may result in:
(a) Suspension or revocation of the offender's licence or permit; or
(b) Imposition of specific licence conditions to prevent recurrence.
(2) Such actions shall comply with due process under Section 217 of the Act, including the issuance of a default notice and opportunity to remedy.

104. Payment, Recovery, and Appeals
(1) Penalties shall be payable within 30 days of the issuance of the Final Penalty Order, unless otherwise specified.
(2) Unpaid fines constitute debts recoverable by the Authority in a court of competent jurisdiction or by deduction from any entitlement due to the entity.
(3) The imposition of a fine does not preclude the right to appeal of the offender under Part XX of these Regulations, though the fine shall remain payable unless a stay is granted.

(4) For transparency, the Authority may publish the names of fined entities and amounts, subject to the exhaustion of appeal timelines or decisions.

105. Designated Account for the Payment of Penalty Proceeds
Penalty proceeds shall be paid into the designated account of the Authority, in accordance with applicable laws and financial procedures.

PART XVIII- LENIENCY PROGRAMME, SETTLEMENTS, AND COMMITMENT DECISIONS

106. Leniency Programme for Cartel Disclosure
(1) The Authority may establish a Leniency Programme to detect and deter cartels and other secret anti-competitive agreements.
(2) Under the Leniency Programme, an undertaking or individual that voluntarily discloses its participation in a cartel may qualify for immunity from fines or a reduction thereof, where it:
(a) Is the first to provide evidence sufficient to trigger or advance an investigation;
(b) Terminates its participation in the cartel immediately;
(c) Provides full, continuous, and truthful cooperation throughout the proceedings of the Authority;
(d) Has not coerced others to join or remain in the cartel.
(3) Full immunity may be granted to the first qualifying applicant. Subsequent cooperating undertakings may receive fine reductions, as specified in the Leniency Policy of the Authority.
(4) The Authority shall ensure the confidentiality of the identity and submissions of the applicant for leniency, to the extent possible under applicable laws.
(5) Immunity shall not apply if the undertaking:
(a) Fails to cooperate fully;
(b) Provides false or misleading information; or
(c) Is not the first to come forward and fails to meet the conditions of reduced leniency.

107. Settlements in Non-Cartel Cases
(1) In matters involving suspected abuse of dominance, vertical restraints, or other non-cartel infringements, the Authority may, at its discretion, enter into settlement discussions with the concerned party.
(2) A settlement agreement may include commitments to cease the alleged conduct, implement specific remedies, and pay a reduced fine in exchange for expedited resolution.
(3) Settlements shall:
(a) Be voluntary and not amount to admission of liability unless explicitly stated;
(b) Be approved by the Authority and published in summary form;
(c) Be binding as if issued by the Authority in a final decision.

(4) Breach of a settlement shall entitle the Authority to reopen proceedings and impose the maximum applicable penalties.

108. Commitment Decisions

(1) A party under investigation may propose voluntary commitments to remedy the competition concerns identified by the Authority.

(2) Where the Authority finds that such commitments are sufficient to address the concerns without finding an infringement, it may adopt a decision making those commitments legally binding.

(3) No fine shall be imposed under a commitment decision.

(4) Breach of a commitment decision shall constitute a separate violation, punishable by a fine and re-opening of the original investigation.

109. Transparency and Procedural Safeguards

(1) Incorporation of FCCPC Leniency Rules and Schedules to these Regulations

The Federal Competition and Consumer Protection Commission (FCCPC) Leniency Rules, 2022 shall apply to the administration of the Leniency Programme by the Authority and, by reference, are deemed to form part of these Regulations for the purpose of establishing qualification criteria, cooperation obligations, fine reductions, and related matters.

(a) For the effective administration of these Regulations, the following instruments namely: Leniency Policy and Settlement Procedure Guidelines set out in Schedules to these Regulations and shall have binding effect:

(i) Schedule 4 to these Regulations – Leniency Policy (with Sub-Schedules 4(A)–I(F) providing operational instruments); and

(ii) Schedule 5 to these Regulations – Settlement Procedure Guideline.

(b) The Authority shall interpret and apply these Regulations, including the Schedules, in a manner that harmonises them with the FCCPC Leniency Rules, 2022; provided always that where any inconsistency or irreconcilable conflict arises, the provisions of the Act and these Regulations shall prevail in respect of petroleum sector–specific matters.

(2) Transparency and Procedural Fairness

(a) Before concluding a settlement, the Authority may invite observations from third parties, including complainants and affected market participants, where it considers such consultation necessary to ensure that the settlement preserves effective competition and protects market integrity.

(b) Where third-party observations are invited, the Authority shall ensure that the process is proportionate, time-bound, and consistent with the confidentiality obligations set out in the Schedules.

(3) Confidentiality of Leniency and Settlement Applications

(a) All applications for leniency and settlement, including documents, testimony, and related evidence, shall be treated with strict confidentiality by the Authority.

(b) Such confidentiality shall be subject only to:

(i) Applicable data protection legislation;

(ii) Due process requirements necessary to preserve the rights of defence of other parties; and

(iii) Mandatory legal disclosure obligations under applicable law.

(c) Confidentiality obligations and disclosure procedures shall be implemented in accordance with the provisions of Schedule 4 – Leniency Policy and Schedule 5 – Settlement Procedure Guideline.

(4) Collaboration with Other Authorities

(a) The Authority may collaborate with the Federal Competition and Consumer Protection Commission (FCCPC), other Nigerian regulatory bodies, or international competition authorities in the administration, enforcement, and monitoring of the Leniency Programme and settlement procedures under these Regulations.

(b) Such collaboration may include:

(i) Exchange of non-confidential information;

(ii) Coordinated investigations and joint enforcement actions; and

(iii) Mutual recognition of leniency or settlement benefits, subject to applicable laws and confidentiality safeguards contained in the Schedules.

PART XIX– COMPLIANCE PROGRAMMES AND REPORTING

110. Compliance Obligations

(1) Every licensee shall establish and maintain a compliance programme on the competition provisions of the Act, Federal Competition and Consumer Protection Act and these Regulations proportionate to its size, nature of operations, and market influence.

(2) Such programme shall include, at a minimum:

(a) Regular training for management and staff on competition obligations under these Regulation and relevant laws;

(b) Internal controls to prevent or detect anti-competitive conduct, including legal review protocols for contracts and market behaviour;

(c) An internal escalation and response mechanism to report suspected violations.

111. Annual Compliance Report

(1) The Authority may, by written directive or guideline, require any licensee—especially one operating essential facilities or with significant market share—to submit an Annual Competition Compliance Report in the format prescribed in Schedule 6 to these Regulations.

(2) The report shall contain, at a minimum:

(a) A declaration regarding exclusive agreements, mergers, or other covered conduct and their compliance status;

(b) Statistics on third-party access requests, including the number received, granted or denied, and the reasons thereof;

(c) Summary of pricing complaints alleging discriminatory conduct;

(d) Record of internal training, audits, and remedial actions undertaken;
(e) A compliance certificate signed by the Chief Executive Officer or other senior officer, affirming truthfulness and adherence to this Regulation under penalty of false declaration.

112. Appointment of Competition Compliance Officer
(1) The Authority may direct any licensee meeting specified thresholds to designate a Competition Compliance Officer, who shall be responsible for:
(a) Ensuring implementation of internal compliance measures;
(b) Liaising with the Authority on all matters relating to competition compliance; and
(c) Promptly reporting any potential violations.
(2) The name and contact details of the appointed Compliance Officer shall be communicated to the Authority and updated as necessary.

113. Record-Keeping Obligations
(1) All licensees shall retain records relevant to competition oversight—including contracts, correspondence, pricing and volume data, and access logs—for a minimum period of ten (10) years.
(2) The destruction, alteration, or concealment of relevant records, especially where an investigation is known or reasonably anticipated, shall constitute an offence punishable under this Regulation.

114. Compliance Audits
(1) The Authority may conduct compliance audits on any licensee either randomly or based on risk indicators.
(2) Such audits may involve interviews with personnel, review of contracts and digital records, and assessment of compliance controls.
(3) The Authority may issue post-audit compliance recommendations. If the findings are minor and corrected promptly, no enforcement action shall be initiated. However, material violations uncovered during audits may trigger formal investigations and sanctions.

115. Industry Guidance and Advisory Opinions
(1) The Authority shall periodically engage stakeholders through workshops, publications, or sectoral guidelines to foster a culture of competition compliance.
(2) Licensees may seek non-binding advisory opinions from the Authority on proposed arrangements or conduct with potential competition implications.
(3) While not constituting legal clearance, such advisory opinions shall be taken into consideration by the Authority in determining the good faith efforts of the licensee.

PART XX– APPEALS

116. Right to Appeal

Any person or entity aggrieved by a decision, order, directive, or penalty imposed by the Authority pursuant to these Regulation or under the applicable provisions on competition and anticompetitive behaviour or conducts in the Act or Federal Competition and Consumer Protection Act may appeal such decision.

117. Jurisdiction and Forum

Unless otherwise provided by any other law, appeals shall lie in the first instance to the Federal Competition and Consumer Protection Commission under section 47(2) of the FCCPA, and thereafter to the Competition and Consumer Protection Tribunal.

118. Appeal Procedure and Timelines

(1) The appellant shall file a notice of appeal within 30 (thirty) days from the date of the decision using the prescribed Form in Schedule 7 to these Regulations.
(2) The notice of appeal shall be served on the Authority and shall clearly state:
(a) the decision or order being appealed;
(b) the legal and factual grounds for the appeal;
(c) the reliefs sought.
(3) Upon receipt of the notice, the Authority shall compile and transmit the administrative record to the Federal Competition and Consumer Protection Commission within 60 (sixty) days, unless otherwise directed.

119. Effect of Appeal – No Automatic Stay

(1) The lodging of an appeal shall not, in itself, operate as a stay of execution of the Authority's decision.
(2) An appellant may apply to the Federal Competition and Consumer Protection Commission for a stay of execution pending appeal, which may be granted only upon demonstration of:
(a) serious questions going to the merits; and
(b) risk of irreparable harm in the absence of a stay.
(3) The Authority may consent to or oppose such application, considering the balance of public interest, including the need to prevent continuing anti-competitive conduct that may cause market distortion or harm.

120. Standard of Review

(1) The FCCPC shall afford due deference to the factual findings of the Authority where they are supported by substantial evidence.
(2) Legal and jurisdictional questions shall be reviewed de novo.
(3) The Federal Competition and Consumer Protection Commission may affirm, modify, reverse, or set aside the decision of the Authority, or remit the matter to the Authority with directions.

121. Finality and Enforcement of Un-appealed Decisions

(1) Where no appeal is filed within the prescribed period, the decision or order of the Authority shall become final and enforceable.

(2) The Authority may, where necessary, initiate enforcement proceedings for recovery of penalties or implementation of directives, including through the appropriate court of competent jurisdiction.

122. Alternative Dispute Resolution

(1) The Authority may, in appropriate cases and subject to public interest considerations, provide for or approve mediation, conciliation, or arbitration to resolve commercial or compliance-related disputes arising under these Regulations, including but not limited to access terms, service standards, and information sharing.

(2) Regulatory enforcement matters involving findings of anti-competitive conduct or imposition of penalties shall not be subject to private arbitration.

123. Compliance During Pendency of Appeal

(1) The Authority encourages voluntary compliance with its regulatory decisions during the pendency of appeal to preserve regulatory integrity.

(2) In the event the appeal is successful, the Authority shall comply with the decision of Federal Competition and Consumer Protection Commission and, where applicable, reverse or modify the relevant measures, including refund of any penalties paid.

(3) Until such time, all parties are required to act in good faith and in accordance with the objectives of these Regulations.

124. Guidelines

The Authority may issue Guidelines on the Alternative Dispute Resolution Mechanisms, setting out further details on timelines, format, and procedure as specified in Schedule 8 to these Regulations.

PART XXI- RELATIONSHIP WITH OTHER LAWS AND COORDINATION WITH OTHER AUTHORITIES

125. Concurrent Jurisdiction and Regulatory Coordination

(1) The provisions of these Regulation shall be read and applied in a manner that is consistent with the Act, the Federal Competition and Consumer Protection Act 2018, and any other applicable laws of the Federal Republic of Nigeria.

(2) The Authority recognises the Federal Competition and Consumer Protection Commission as the principal authority on competition law and consumer protection in Nigeria. However, pursuant to Sections 210, 211, and 212 of the Act, the Authority exercises jurisdiction on sector-specific competition matters within the midstream and downstream petroleum industry, such as petroleum infrastructure, operations, and market conduct.

(3) Where a matter involves concurrent jurisdiction, the Authority shall cooperate and coordinate with the FCCPC to:
(a) Avoid regulatory duplication, inconsistency, conflicting remedies, or enforcement gaps or regulatory gaps;
(b) Exchange relevant information, including market intelligence, complaints, or enforcement findings; and
(c) Establish joint investigation protocols or memoranda of understanding as appropriate.

(4) In the event of an inconsistency between these Regulation and a general Regulation issued under the Federal Competition and Consumer Protection Act, the matter shall be referred jointly to the Authority and the Federal Competition and Consumer Protection Commission for resolution. In resolving such inconsistency, both Regulatory Authorities shall act in a manner that ensures the objectives of sector-specific competition oversight and general competition law and policy are harmonised.

126. Joint Oversight of Competition and Consumer Protection
(1) Where conduct in the midstream and downstream petroleum sector constitutes anti-competitive behaviour with adverse consumer impact, the Authority shall coordinate with the Federal Competition and Consumer Protection Commission to jointly address or refer such matters for enforcement, including conduct such as:
(a) price fixing, price gouging, or any pricing practice resulting in excessive or unfair consumer charges;
(b) collusive arrangements or supply restrictions that result in artificial scarcity of petroleum or gas products;
(c) deceptive, misleading, or false announcements or representations that impair informed consumer choice.
Matters Falling Outside Competition Scope
(2) Where the issue pertains to matters not directly constituting anti-competitive behaviour but which affect consumer welfare—such as:
(a) product quality and adulteration;
(b) metering accuracy and the reliability of measurement systems;
(c) billing errors, disconnection practices, or deficient customer service—
the Authority shall assume full regulatory oversight and enforcement responsibility under its mandate in Section 164(1) of the Act, or, where appropriate, refer such matters to the Federal Competition and Consumer Protection Commission.
Metering and Measurement Oversight
(3) Pursuant to Section 164(1)(e)(i) of the Act, the Authority shall require licensees to adhere to approved customer service codes and technical standards relating to the installation, maintenance, testing, and accuracy of metering systems, including petroleum dispensing pumps and flow meters. The Authority may impose penalties for non-compliance as prescribed in the relevant regulations.

Institutional Cooperation with the Federal Competition and Consumer Protection Commission

(4) In accordance with Section 164(5)(b) of the Act, the Authority shall, in the development and enforcement of customer protection regulations, take into account established consumer protection standards, procedures, and practices issued by the Federal Competition and Consumer Protection Commission, and consult relevant stakeholders to ensure regulatory coherence and minimise duplication of oversight.

127. Alignment with Sectoral Regulations

(1) These Regulations shall be applied in conjunction with other regulations issued by the Authority, including those on tariff, licensing, access, and technical operations.

(2) Where any provision in another petroleum regulation is capable of interpretation in a manner that restricts competition—such as granting exclusive rights or imposing barriers to entry—it shall be interpreted narrowly and in a way that does not defeat the objectives of these Regulations.

(3) The Authority shall ensure consistency across its regulatory instruments and may initiate amendments to other regulations or standard licence conditions to incorporate:

(a) Non-discrimination obligations;

(b) Infrastructure access requirements;

(c) Pro-competitive licensing conditions.

128. Compliance with International Obligations

The Authority shall implement and enforce this Regulation in a manner consistent with Nigeria's obligations under international agreements to which it is a party, including but not limited to the ECOWAS Competition Framework, the African Continental Free Trade Area (AfCFTA), and other applicable bilateral or multilateral arrangements. The Authority shall cooperate with any relevant regional or international authority addressing cross-border anti-competitive conduct.

129. Complementarity with Anti-Corruption and Other Laws

(1) Nothing in these Regulations shall preclude the enforcement of other applicable laws concerning anti-corruption, procurement, criminal conduct, or financial offences.

(2) Where anti-competitive conduct also constitutes a breach of anti-corruption or public procurement laws (such as collusive tendering or abuse of influence), the Authority shall:

(a) Refer the matter to the relevant investigative or prosecutorial agencies;

(b) Share relevant evidence or findings under a confidentiality protocol; and

(c) Coordinate enforcement timelines to avoid prejudicing proceedings under either law.

(3) Compliance with these Regulations shall not be a defence to a violation of another law, and conversely, compliance with other laws does not exempt a person from liability under these Regulations.

130. Review and Harmonisation

The Authority shall conduct a periodic review of this Regulation and related instruments to ensure consistency with evolving legal, economic, and regulatory frameworks, and may engage with other regulators, stakeholders, and the public to facilitate such review.

PART XXII -POWER TO ISSUE GUIDELINES, CODES OF CONDUCT, AND SCHEDULES

131. Issuance of Guidelines

(1) The Authority may from time to time, issue guidelines, bulletins, technical notes, practice directions, explanatory notes or memoranda to facilitate the interpretation and application of this Regulation.

(2) Without prejudice to the generality of sub-regulation (1), such instruments may include:

(a) Market definition, dominance assessment, or substantial lessening of competition;

(a) analytical techniques to assess market conduct, including but not limited to methods for determining predatory pricing or margin squeeze or market share thresholds;

(b) safe harbour thresholds, de minimis exceptions, and indicative criteria for assessing the likelihood of competitive harm;

(c) procedural guidance relating to investigations, for submitting a leniency application, requesting an exemption, compliance reporting, or dispute resolution.

(3) Guidelines issued under these Regulations shall not have the force of law but shall be persuasive in interpreting the application of these Regulations by the Authority and its statutory powers.

(4) The Authority shall, where appropriate, engage in stakeholder consultation before issuing or revising any significant guideline.

132. Codes of Conduct and Sectoral Instruments

(1) The Authority may, by public notice develop and issue Codes of Conduct, either as Schedules to this Regulation or as separate instruments, to govern specific conduct or sub-sectors, licensees, or regulated activities within the midstream and downstream petroleum industry.

(2) Such Codes may include, but are not limited to:

(a) a Retail Franchise Code regulating fair dealing obligations between brand owners or oil marketing companies and station operators or their franchisees;

(b) a Terminal Access Code governing open, transparent and non-discriminatory access to bulk storage terminals;

(c) a Pipeline Access Code setting minimum procedural and commercial standards for third-party access.

(3) Compliance with such Codes shall be mandatory once issued and referenced under these Regulations.

133. Amendment of Schedules

(1) The Authority may, by official notice published in the Gazette or its designated medium, amend any Schedule annexed to these Regulations.
(2) Schedules are deemed to form an integral part of these Regulations but may be revised more frequently to reflect evolving market conditions.
(3) Such amendments may include the adjustment of penalty amounts, modification of notification forms, updating of compliance templates, or other procedural matters.
(4) Where any proposed amendment materially affects the rights or obligations of licensees or stakeholders, the Authority shall conduct stakeholder consultation, except where urgent public interest or market stability considerations require immediate action.

134. Incidental and Ancillary Powers

(1) The Authority may exercise all incidental, supplementary, or consequential powers necessary or expedient to give effect to the provisions of this Regulation, including issuing supplementary instruments, establishing compliance mechanisms, or clarifying interpretive questions, provided such acts are within the statutory mandate of the Authority under the Act.
(2) This includes the power to issue directives, notices, or decisions necessary for the enforcement or implementation of any provision in these Regulations.

135. Interpretation in consonance with the objectives of the Act

(1) In interpreting any provision of these Regulation:
(a) reference may be made to the relevant provisions of the Act, particularly Sections 116, 210, 211,212 and 213;
(b) the Regulation shall be construed to promote and give effect to the competition and market regulation objectives of the Act.
(2) In the event of any ambiguity or silence in the Regulation, reference may be made to the Act and its Explanatory Memorandum to ensure consistency with its competition and market development objectives.

136. Savings and Preservation of Broader Regulatory Powers

(1) Nothing in these Regulations shall preclude the Authority from enforcing any condition of a licence or any provision of another regulation where such enforcement advances competition, market access, or consumer welfare.
(2) The absence of an express clause addressing a particular form of anti-competitive behaviour does not imply permissibility thereof; the Authority retains the discretion to act where such conduct is inconsistent with the competition objectives of the Act or these Regulations.
(3) A conduct not explicitly prohibited under these Regulations may still be subject to enforcement where it contravenes the broad competition principles enshrined in the Act or related regulatory instruments.

PART XXIII -MISCELLANEOUS

137. Interpretation

In these Regulations terms defined in the Act shall have the same meanings as in the Act and in addition to the following:-

"Act" means the Petroleum Industry Act 2021 and includes any amendments thereto.

"Authority" means the Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA) established under the Act, or any successor entity responsible for regulating midstream and downstream petroleum operations.

"Affiliate" means any entity that directly or indirectly controls, is controlled by, or is under common control with, a licensee.

"Dominant Position" refers to a position of economic strength enjoyed by an undertaking which enables it to prevent effective competition being maintained in a relevant market, by giving it the power to behave to an appreciable extent independently of competitors, customers, or consumers. (Indicatively, a market share of 40% or above in a relevant market may raise a presumption of dominance, though the Authority will consider all relevant circumstances, including market structure and competitor behaviour.)

"Essential Facility" means infrastructure or resources that are critical for participation in the petroleum market (such as pipelines, storage depots, jetties, loading facilities, or digital platforms for exchange of petroleum products) and which cannot reasonably be duplicated or substituted, such that denial of access to the facility would hinder competition.

"Licensee" means any holder of a licence, permit or authorisation issued by the Authority for midstream or downstream petroleum operations. This includes holders of pipeline transportation licences, bulk storage facility licences, wholesale supply licences, retail outlet licences, refining or processing licences, and others as defined under the Act or regulations.

"Relevant Market" refers to the market for particular products or services in a defined geographic area, as determined by characteristics of the products/services and the possibility of substitution by consumers. The Authority will determine relevant product and geographic markets on a case-by-case basis when assessing competition issues.

"Anti-competitive behaviour/practice" includes any agreement, conduct or course of action that improperly prevents, restricts or distorts competition in the petroleum midstream or downstream sector. This encompasses both anti-competitive agreements (between separate firms) and abuses of dominance (unilateral conduct by a firm with market power), as detailed in these Regulation.

"Undertaking" as defined in Section 167 of the Federal Competition and Consumer Protection Act.

138. Citation

These Regulations may be cited as the Midstream and Downstream Petroleum Prevention of Anti-Competitive Practices and Behaviour Regulations, 2026

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RABIU A. UMAR
Authority Chief Executive

SCHEDULES:

SCHEDULE 1

Regulation 50(3)

MERGER/ACQUISITION NOTIFICATION FORM (To be submitted under Regulations 50(3) of these Regulations)

SECTION A: GENERAL INFORMATION

A1. Name of Filing Party:
- Legal Name:
- Address of Registered Office:
- Country of Incorporation:
- Contact Person (Name, Title):
- Phone:
- Email:
- Company Registration Number:

A2. Nature of Filing:
☐ Initial Notification
☐ Corrected Notification
☐ Supplementary Information Submission
☐ Notification of Change in Transaction Structure

A3. Type of Transaction:
☐ Merger
☐ Acquisition of Control (Majority/Minority)
☐ Joint Venture
☐ Asset Acquisition
☐ Restructuring/Integration
☐ Others (specify):

A4. Date of Intended or Actual Transaction Execution:

A5. Date of Notification Submission:

SECTION B: PARTIES TO THE TRANSACTION

B1. Acquiring Party (Party Gaining Control):
- Legal Name:
- Business Address:
- Company Profile:
- Parent Companies and Ultimate Beneficial Owners:
- Principal Activities in the Petroleum Sector (Midstream/Downstream):
- Group Structure (Attach organizational chart):

- Annual Turnover (last 3 years):
- Market Segments Participated In:
- Licences Held under the Petroleum Industry Act:

B2. Target Party (or Parties):
- Legal Name:
- Business Address:
- Shareholding Structure (Pre-merger):
- Parent Companies and Ultimate Beneficial Owners:
- Principal Activities in the Petroleum Sector (Midstream/Downstream):
- Licences Held under the PIA:
- Annual Turnover (last 3 years):
- Market Segments Participated In:
- Key Infrastructure Owned/Controlled (e.g., depots, pipelines, gas distribution networks):

B3. Other Parties (Joint Venture Partners, Minority Owners, etc.):
- Provide legal names, roles, and shareholdings.

SECTION C: TRANSACTION STRUCTURE AND PURPOSE

C1. Description of the Transaction:
Provide a detailed narrative including:
- Form of the transaction (share purchase, asset transfer, merger, etc.)
- Corporate steps to be undertaken
- Nature and degree of control being acquired
- Whether full-function joint venture or partial acquisition
- Transfer of operational control, voting rights, or board influence

C2. Transaction Rationale and Strategic Purpose:
Explain the commercial rationale (e.g., market expansion, infrastructure optimization, downstream integration).

C3. Value of Transaction:
- Purchase Price/Transaction Value (in Naira/USD):
- Basis of Valuation:
- Attach Sale and Purchase Agreement (SPA), Memorandum of Understanding (MoU), Board Resolutions, or other legal documents.

C4. Timing:
- Expected Timeline for Closing:
- Regulatory and Shareholder Approvals Required (Local and International):
- Any Conditions Precedent:

SECTION D: MARKET IMPACT AND COMPETITIVE ASSESSMENT

D1. Relevant Markets Affected:
For each party, specify:

- Market(s) in which they operate (e.g., LPG retail, pipeline transmission, storage terminals, fuel depots)
- Product Market Definitions
- Geographic Market Definitions (National, Regional, Local)
- Vertical Links or Integration Points (e.g., from refining to distribution)

D2. Market Shares (Pre- and Post-Merger):
Provide the following for each relevant market:

- Estimated market size (volume and value)
- Individual market shares of each party (last 3 years)
- Projected combined market share
- Top 5 competitors and their estimated shares
- Attach any market study or economic data relied on

D3. Horizontal and Vertical Effects:
Explain:

- Whether the merger combines two competitors in the same market (horizontal)
- Whether the merger creates or enhances vertical integration (e.g., pipeline + depot ownership)
- Potential for foreclosure of access to infrastructure or inputs
- Potential for customer lock-in or exclusive dealing

D4. Likelihood of Anti-Competitive Effects:
☐ Price increase
☐ Capacity restriction
☐ Infrastructure foreclosure
☐ Input foreclosure
☐ Abuse of dominant position
☐ Margin squeeze
☐ Access discrimination

Explain mitigation measures, if any.

D5. Countervailing Factors:

- Are there credible competitors that constrain market power?
- Ease of market entry or expansion?
- Existence of regulation (tariff, access rules) that limit market power?

D6. Public Interest Considerations:

- Impact on employment
- National energy security
- Local content or Nigerian ownership
- Technology transfer or efficiency gains

- Infrastructure investment plans

SECTION E: DOCUMENTS TO BE ATTACHED

Please attach the following (tick all that apply):

☐ Board Resolutions or Shareholder Agreements
☐ Transaction Agreement (SPA/MoU)
☐ Financial Statements (last 3 years)
☐ Corporate Group Chart (Pre- and Post-Merger)
☐ Licences and Permits under the Petroleum Industry Act
☐ Market Research/Data on Affected Markets
☐ Organisational and Management Structures
☐ List of Infrastructure or Assets Involved
☐ Valuation Reports or Due Diligence Summaries
☐ Tariff or Pricing Schedules (if applicable)
☐ Third-Party Contracts (customers, suppliers, transporters)
☐ Any Submission to Other Competition or Regulatory Bodies (FCCPC, SEC, NERC, etc.)

SECTION F: DECLARATION

I/We declare that the information provided in this form and all attached documents is complete, true, and accurate to the best of our knowledge and belief.

Name of Authorized Representative:
Position:
Date:
Signature:
Company Stamp (if applicable):

SECTION G: OFFICIAL USE ONLY

- Date Received:
- Assigned Case Number:
- Review Officer(s):
- Request for Additional Information (Y/N):
- Clearance Decision: ☐ Approved ☐ Conditional ☐ Prohibited
- Date of Decision:
- Decision Signed by:

SCHEDULE 2

Regulation 57(1)

Notification/Exemption Form (To be submitted Pursuant to Regulation 57(1) under Part XII of these Regulations)

APPLICATION FOR APPROVAL UNDER SECTION 211(2) OF THE ACT

SECTION A: APPLICANT DETAILS

1. Name of Applicant(s): _____
2. Registered Address: _____
3. Contact Person: _____
4. Phone Number / Email: _____
5. Legal Representative (if any): _____

SECTION B: NATURE OF PROPOSED CONDUCT OR ARRANGEMENT

6. Description of the conduct/arrangement for which exemption is sought (attach supporting documents):

_____

7. Parties involved: _____

8. Type of conduct (tick as applicable):

☐ Joint venture ☐ Infrastructure sharing ☐ Supply coordination ☐ Standardisation agreement

☐ Emergency supply agreement ☐ Transitional arrangement ☐ Other (specify): _____

SECTION C: MARKET AND PUBLIC INTEREST JUSTIFICATION

9. Relevant product and geographic markets affected:

_____

10. Description of impact on market structure, price, innovation, output or access:

_____

11. Justification for exemption in the public interest or for market functionality:

_____

12. Expected consumer benefits:

_____

SECTION D: DURATION AND CONDITIONS

13. Proposed duration of exemption (in months/years): _____

14. Any proposed conditions or limitations (if any): _____

SECTION E: DECLARATION

I/We declare that the information provided is complete, accurate, and not misleading.

Signature: _____

Name: _____

Date: _____

SCHEDULE 3

Regulation 75(2)

Competition Complaint Form (To be submitted Pursuant to Regulation 75(2) under Part XIV of these Regulations)

Complaint Reference Number: _____

Date of Submission: _____

Section A: Complainant Information

1. Name of Complainant: _____

2. Organization (if applicable): _____

3. Address: _____

4. Phone Number: _____

5. Email Address: _____

Section B: Respondent Information

6. Name of Alleged Offending Party: _____

7. Address or Known Contact: _____

8. Sector/Segment Involved: _____

Section C: Description of Alleged Conduct

9. Detailed description of the alleged anti-competitive conduct:

_____

_____

Include dates, locations, relevant transactions or contracts involved.

Section D: Legal and Regulatory Breach

10. Identify the provision(s) of the Competition Regulation or PIA allegedly breached:

_____

Section E: Supporting Evidence

11. List and attach any supporting documentation or evidence:

☐ Emails ☐ Contracts ☐ Price Lists ☐ Market Reports ☐ Other: _____

Section F: Confidentiality and Whistleblower Declaration

12. Do you wish to remain anonymous?

☐ Yes ☐ No

13. Do you request confidential treatment of any submitted documents?

☐ Yes ☐ No — If yes, specify documents and reasons:

_____

Section G: Declaration

I declare that the information provided above is true and correct to the best of my knowledge.

Signature: _____ Date: _____

SCHEDULE 3

Regulation 100

SCHEDULE ON PENALTIES TABLE ON ANTI-COMPETITIVE CONDUCT. (To be used for Regulation 100 under Part XVII of these Regulations)

This table classifies infringements into **Category A (Severe)**, **Category B (Moderate)**, and **Category C (Minor/Technical)** offenses, along with guideline penalty ranges, examples, and notes on aggravating/mitigating factors.

PENALTIES TABLE – GUIDELINE FINES FOR COMPETITION INFRINGEMENTS

Category	Nature of Offense	Examples	Indicative Fine Range	Aggravating Factors	Mitigating Factors
A(Severe Offenses)	Hardcore anti-competitive conduct with significant market harm or intent	- Cartel agreements: price-fixing, bid-rigging, market allocation- Abuse of dominance with foreclosure effects (e.g., predatory pricing, refusal to supply essential facility)- Repeated or coordinated exclusionary behaviour by dominant firm or group	**3% – 5% of annual turnover** of the offender for the preceding financial year	- Repeat offender (recidivist)- Leader or instigator of the conduct- Obstruction of investigation - Large market share or significant harm caused	- Voluntary self-reporting- Cooperation beyond legal duty- Early cessation of conduct- Established compliance program
B(Moderate Offenses)	Single-firm conduct or restrictive practices with limited impact or lower intent	- Exclusive dealing without clear foreclosure- Tying/bundling with minor market harm- Unfair discrimination between trading partners-	**1% – 3% of annual turnover**	- Continuing breach after warning- Moderate financial gains from conduct- Lack of cooperation during investigation	- First-time offense- Limited market impact- Voluntary compliance after Authority intervention

Category	Nature of Offense	Examples	Indicative Fine Range	Aggravating Factors	Mitigating Factors
C(Minor or Technical Offenses)	Procedural or compliance breaches with no significant market harm	Failure to submit required competition reports - Failure to notify a merger with no competition impact- Delay in submitting compliance reports- Inadvertent data omissions or misstatements	**Fixed-sum penalty (e.g., ₦5 million – ₦50 million)** or **< 1% of turnover**, at Authority's discretion	- Repeat procedural breaches- Non-cooperation when rectifying issue	- Error was unintentional - Prompt rectification- Transparency with Authority

Daily Penalties for Continuing Non-Compliance

Offence	Daily Penalty	Notes
Failure to comply with final cease and desist order	₦5 million – ₦25 million per day	Until compliance is achieved; capped by total 5% turnover limit unless otherwise specified
Non-submission of ordered data/reports	₦1 million – ₦5 million per day	May be escalated with notice after 14 days
Continuation of prohibited conduct after Final Order	₦10 million – ₦50 million per day	Subject to court enforcement or licence action if non-compliance persists

Application Notes:

1. These penalty ranges are **indicative** and not binding. The Authority may impose higher or lower fines based on the specific facts, legal framework, and procedural fairness.
2. The **turnover base** shall be defined as total revenues from regulated petroleum activities in Nigeria for the last audited financial year.

3. If **turnover is not available or not indicative**, the Authority may apply a fixed-sum fine commensurate with the seriousness of the offense and size of the undertaking.
4. Fines **do not preclude** the Authority from taking additional administrative actions, including licence suspension or referral for criminal sanctions.

SCHEDULE 4

Regulation 109(1)(a)

LENIENCY POLICY FOR THE MIDSTREAM AND DOWNSTREAM PETROLEUM INDUSTRY

(Issued by the Nigerian Midstream and Downstream Petroleum Regulatory Authority pursuant to the Petroleum Industry Act, 2021, the Midstream and Downstream Petroleum Industry Competition Regulations, 2025, and harmonised with the FCCPC Leniency Rules, 2022)

Part I – Preliminary Provisions

1. Title and Citation

This document may be cited as the Leniency Policy for the Midstream and Downstream Petroleum Industry, 2025.

2. Objectives

The objectives of this Policy are to:
(a) Encourage self-reporting of cartel conduct and other anti-competitive practices by market participants;
(b) Deter collusive behaviour and promote compliance with the Act and Midstream and Downstream Petroleum Industry Competition Regulations;
(c) Provide clear guidance on the qualification criteria, cooperation obligations, and benefits available to applicants for leniency;
(d) Harmonise sector-specific competition enforcement with the FCCPC Leniency Rules, 2022, while preserving petroleum industry–specific regulatory authority.

3. Scope of Application

This Policy applies to:
(a) All licensees, operators, service providers, and other market participants engaged in midstream and downstream petroleum activities;
(b) All forms of anti-competitive agreements and concerted practices, including price fixing, market allocation, output restriction, bid-rigging, and collusive tendering;
(c) Any conduct investigated by the Authority which may also constitute an infringement under the Act, these Regulations, FCCPA 2018 and the FCCPC Leniency Rules, 2022.

Part II – Legal Basis and Harmonisation

4. Incorporation of FCCPC Leniency Rules

(1) The FCCPC Leniency Rules, 2022 shall apply by reference to this Policy and are deemed to form an integral part of it.
(2) The Authority shall interpret and apply this Policy in a manner consistent with the FCCPC Leniency Rules, 2022, ensuring harmonisation and avoidance of duplication.
(3) Provided always that, in cases of irreconcilable conflict, the provisions of the Petroleum Industry Act, 2021 and the Midstream and Downstream Petroleum Industry Competition Regulations shall prevail in relation to petroleum sector–specific matters.

Part III – Eligibility and Qualification Criteria

5. General Eligibility

(1) Leniency shall be available to any undertaking or individual that:
(a) Has participated in a cartel or prohibited anti-competitive conduct;
(b) Provides the Authority with full, truthful, and continuous cooperation throughout the investigation; and
(c) Ceases participation in the infringing conduct immediately upon disclosure.

(2) Leniency shall not be available to an undertaking that:
(a) Initiated or coerced other parties into participating in the cartel;
(b) Conceals or destroys evidence;
(c) Provides false or misleading information to the Authority.

6. Marker System

(1) The Authority shall operate a marker system to preserve priority for the first applicant who discloses cartel activity.
(2) An applicant who applies first shall be granted conditional immunity, subject to fulfilling cooperation obligations.

(3) Other applicants may qualify for leniency with reduced penalties depending on the value and timing of their disclosures.

7. Qualification for Full Immunity

A party shall qualify for full immunity from fines and penalties where:
(a) It is the first to provide information that enables the Authority to:
  (i) Initiate a cartel investigation; or
  (ii) Establish an infringement;
(b) It provides sufficient, credible, and verifiable evidence;
(c) It admits its participation in the conduct; and
(d) It maintains continuous and complete cooperation until the conclusion of the case.

8. Qualification for Partial Leniency

Where full immunity is not available, an applicant may qualify for partial leniency (fine reduction) where it:
(a) Provides additional significant evidence that strengthens the Authority's case;
(b) Ceases participation in the conduct; and
(c) Cooperates fully with the Authority.

Part IV – Cooperation Obligations

9. Duty of Full Cooperation

Applicants must:
(a) Provide complete and truthful disclosure of all facts, documents, data, and information within their possession;
(b) Make employees, officers, and agents available for interviews and testimony;
(c) Not destroy, conceal, or tamper with evidence;
(d) Maintain confidentiality and refrain from disclosing the application without prior consent of the Authority; and
(e) Implement internal compliance measures to prevent recurrence.

10. Ongoing Obligations

Applicants must continue cooperation until:
(a) The Authority issues a final decision; or
(b) The Authority certifies completion of the investigation.

11. Revocation of Leniency

The Authority may revoke leniency where an applicant:
(a) Fails to disclose material information;

(b) Provides false or misleading information;
(c) Fails to cease participation in the cartel; or
(d) Breaches confidentiality or cooperation obligations.

Part V – Fine Reductions and Benefits

12. Fine Reductions Framework

(1) The level of fine reduction shall depend on the timing and value of information provided, as follows:

- First Applicant (Full Immunity): Up to 100% reduction of financial penalties;
- Second Applicant: Up to 50% reduction;
- Third Applicant: Up to 30% reduction;
- Subsequent Applicants: Up to 20% reduction.

(2) Fine reductions shall also consider:
(a) The significance of the evidence;
(b) The timing of disclosure;
(c) The applicant's role in the cartel (leader vs follower);
(d) The applicant's degree of cooperation; and
(e) The applicant's corrective measures.

13. Non-Monetary Benefits

In addition to fine reductions, applicants may benefit from:
(a) Reduced duration of proceedings;
(b) Consideration of compliance commitments in future licensing or tariff reviews;
(c) Reduced reputational harm through acknowledgement of cooperation.

Part VI – Procedure and Timelines

14. Initial Application

(1) An undertaking may submit a Leniency Application in writing at any time prior to the conclusion of the Authority's investigation.
(2) The application must include:
(a) Identity of the applicant;
(b) Description of the conduct;
(c) Names of other participants;
(d) Evidence in possession;
(e) Request for marker (if first applicant).

15. Conditional Leniency

(1) The Authority shall issue a Conditional Leniency Letter within 30 days of receiving a complete application.
(2) This shall confirm the applicant's provisional eligibility subject to compliance with cooperation obligations.

16. Final Leniency Decision

(1) Upon conclusion of proceedings, the Authority shall issue a Final Leniency Decision confirming the level of immunity or fine reduction granted.
(2) The decision shall be binding and enforceable.

Part VII – Confidentiality and Protection

17. Confidential Treatment

(1) All leniency applications, evidence, and communications shall be treated as confidential.
(2) Disclosure shall only occur where:
(a) Required by law or court order;
(b) Necessary for ensuring due process to other parties; or
(c) Agreed by the applicant.

18. Protection of Leniency Applicants

(1) Information disclosed by leniency applicants shall not be used as the sole basis for initiating criminal prosecution, except in cases of fraud or deliberate deception.
(2) The Authority may recommend mitigation of collateral consequences (e.g., disqualification from public procurement) for cooperating applicants.

Part VIII – Relationship with FCCPC and Other Authorities

19. Cooperation with FCCPC

The Authority shall:
(a) Notify and liaise with the FCCPC on leniency applications of mutual concern;
(b) Exchange information consistent with data protection and confidentiality obligations; and
(c) Ensure harmonised treatment under both regimes.

20. International Cooperation

Where applicable, the Authority may share information with foreign competition authorities in line with international cooperation agreements and safeguards.

Part IX – Miscellaneous Provisions

21. Interaction with Settlement Procedures

(1) Leniency may be combined with settlement to provide greater fine reductions.
(2) Applicants may elect to apply for both leniency and settlement, subject to fulfilling obligations under each framework.

22. Review and Amendment

The Authority shall review this Policy every three (3) years, or earlier where necessary, to reflect changes in law, policy, or international best practice.

(Harmonised with FCCPC Leniency Rules, 2022)

Sub-Schedules to Schedule 4 (Operational Instruments):

- Schedule 4(A): Leniency Application Form Template
- Schedule 4B): Fine Reduction Table
- Schedule 4(C): Cooperation Obligations Checklist
- Schedule 4(D): Confidentiality and Disclosure Protocol
- Schedule 4(E): Model Conditional Leniency Letter
- Schedule 4(F): Final Leniency Decision Template

Leniency Application Form Template

(Issued pursuant to the Leniency Policy for the Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

SECTION A – APPLICANT DETAILS

1. Name of Applicant (Undertaking/Individual): _____
2. Business Registration Number (if applicable): _____
3. Registered Address: _____
4. Contact Person:

Name: _____
Position: _____
Telephone: _____
Email: _____

5. Legal Counsel (if represented):

Firm: _____
Contact: _____

SECTION B – DESCRIPTION OF CONDUCT

6. Type of Anti-Competitive Conduct (tick as applicable):

☐ Price Fixing
☐ Market Allocation
☐ Output Restriction
☐ Bid-Rigging/Collusive Tendering
☐ Abuse of Dominance
☐ Other (please specify): _____

7. Detailed Description of Conduct:

8. Timeframe of Conduct (start date – end date):

9. Geographic Scope (national/regional/local):

SECTION C – PARTIES INVOLVED

10. Names of Other Participants in the Conduct (companies/individuals):

11. Nature of Relationship with Other Participants:

SECTION D – EVIDENCE PROVIDED

12. List of Documents/Data Submitted with this Application:

☐ Meeting minutes
☐ Emails/communications
☐ Agreements/contracts
☐ Financial records
☐ Other (please specify): _____

13. Location of Additional Evidence (if not submitted):

SECTION E – COOPERATION UNDERTAKINGS

14. The Applicant undertakes to:

(a) Cease participation in the infringing conduct immediately;

(b) Provide full and truthful disclosure of all relevant information;

(c) Make officers, employees, and agents available for interviews and testimony;

(d) Maintain confidentiality regarding this application;

(e) Comply with any further obligations imposed by the Authority.

Applicant's Initials: _____

SECTION F – REQUEST FOR MARKER (if applicable)

15. Marker Request:

The Applicant requests to be granted priority status as the first applicant to disclose the conduct.

☐ Yes ☐ No

SECTION G – DECLARATION

I/We hereby declare that the information provided in this application is true, accurate, and complete to the best of my/our knowledge, and acknowledge that providing false or misleading information may result in the revocation of leniency and imposition of full penalties.

Signed: _____
Name: _____
Position: _____
Date: _____

OFFICIAL USE ONLY (to be completed by the Authority)

- Application Reference Number: _____
- Date of Receipt: _____
- Marker Status Granted: ☐ Yes ☐ No
- Conditional Leniency Letter Issued: ☐ Yes ☐ No
- Reviewing Officer: _____

Schedule 4(B): Fine Reduction Table

Fine Reduction Table for Leniency Applicants

(Issued pursuant to the Leniency Policy for Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

1. General Principles

1.1 Fine reductions shall be granted to undertakings or individuals who apply for leniency under this Policy, subject to fulfilment of cooperation obligations.

1.2 The level of reduction shall depend on:
(a) The order of application (first, second, third, or subsequent applicant);
(b) The timing of disclosure relative to the Authority's investigation;
(c) The value of evidence provided; and
(d) The degree of cooperation maintained throughout the proceedings.
1.3 The Authority shall retain discretion within the ranges provided to determine the exact level of reduction, based on the facts of each case.

2. Fine Reduction Ranges

Applicant Position	Timing of Application	Reduction Range	Conditions
First Applicant (Immunity)	Before the Authority initiates investigation OR before a Statement of Objections is issued	Up to **100%**	Must provide sufficient information to allow the Authority to initiate proceedings or establish an infringement. Full cooperation required.
First Applicant (Late)	After Statement of Objections but before final decision	60–80%	Must provide substantial added value to the case and admit liability.
Second Applicant	Early stage (before Statement of Objections)	40–60%	Must provide additional significant evidence strengthening the Authority's case.
Second Applicant (Late)	After Statement of Objections	30–50%	Must provide useful corroborating evidence and admit liability.
Third Applicant	Early stage	20–40%	Evidence must contribute materially to the case.
Third Applicant (Late)	After Statement of Objections	10–30%	Must provide relevant corroboration.
Subsequent Applicants	Any stage	Up to 20%	Must provide cooperation and useful corroboration.

3. Cooperation Multiplier

3.1 The base reduction range shall be adjusted upwards or downwards depending on the quality of cooperation:

- Exceptional cooperation: +10% additional reduction within the applicable range.
- Incomplete cooperation: –10% downward adjustment within the applicable range.
- Breach of obligations: Revocation of leniency.

4. Interaction with Settlement

4.1 Where an applicant combines leniency with settlement, additional reductions shall apply:

- Early Settlement (before Statement of Objections): +10% additional reduction.
- Late Settlement (after Statement of Objections): +5% additional reduction.

4.2 The combined benefit of leniency and settlement shall not exceed 100% immunity from fines.

5. Exclusions

5.1 No reduction shall be granted where:
(a) The applicant was the ringleader or coercer of the cartel;
(b) The applicant provides false or misleading information; or
(c) The applicant fails to cease participation in the infringing conduct

Schedule 4(C): Cooperation Obligations Checklist

Cooperation Obligations Checklist for Leniency Applicants

(Issued pursuant to the Leniency Policy for the Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

1. Purpose

This Checklist sets out the cooperation obligations that a leniency applicant must fulfil in order to qualify for and retain leniency benefits under the Midstream and Downstream Petroleum Industry Competition Regulations. Compliance with these obligations shall be monitored continuously by the Authority, and failure to meet any requirement may result in reduction or revocation of leniency benefits.

2. General Obligations

Requirement	Description	Compliance Status (Tick Box)
Immediate Cessation	Applicant has ceased participation in the anti-competitive conduct upon filing the application.	☐ Complied ☐ Not Complied
Full Disclosure	Applicant has made a full and truthful disclosure of all facts known to it relating to the infringement.	☐ Complied ☐ Not Complied
Submission of Evidence	Applicant has submitted all documentary, electronic, financial, and testimonial evidence in its possession.	☐ Complied ☐ Not Complied
Admission of Liability	Applicant has provided a clear written admission of its role in the infringement.	☐ Complied ☐ Not Complied
No Concealment	Applicant has not destroyed, concealed, or tampered with evidence.	☐ Complied ☐ Not Complied
No Misrepresentation	Applicant has not provided false or misleading information.	☐ Complied ☐ Not Complied

3. Ongoing Cooperation

Requirement	Description	Compliance Status (Tick Box)
Availability of Staff	Applicant has made officers, employees, and agents available for interviews and testimony as requested by the Authority.	☐ Complied ☐ Not Complied
Continuous Disclosure	Applicant has provided additional documents or information discovered after the initial application.	☐ Complied ☐ Not Complied
Confidentiality	Applicant has maintained confidentiality of the leniency application and has not disclosed its existence without prior consent of the Authority.	☐ Complied ☐ Not Complied
Compliance Measures	Applicant has implemented or strengthened internal compliance programmes to prevent recurrence.	☐ Complied ☐ Not Complied
No Obstruction	Applicant has not obstructed or interfered with the Authority's investigation.	☐ Complied ☐ Not Complied

4. Procedural Cooperation

Requirement	Description	Compliance Status (Tick Box)
Timely Responses	Applicant has responded to all Authority requests within prescribed deadlines.	☐ Complied ☐ Not Complied
Marker Preservation	Applicant has confirmed priority marker status (if first applicant) by submitting required materials within stipulated timelines.	☐ Complied ☐ Not Complied
Settlement Integration (if applicable)	Applicant has complied with obligations under the Settlement Procedure Guideline if applying for combined leniency and settlement.	☐ Complied ☐ Not Complied

5. Final Stage Obligations

Requirement	Description	Compliance Status (Tick Box)
Final Verification	Applicant has signed a verification statement confirming the completeness and truthfulness of its disclosures before issuance of the Authority's final decision.	☐ Complied ☐ Not Complied
Implementation of Remedies	Applicant has complied with remedial, structural, or behavioural commitments imposed by the Authority.	☐ Complied ☐ Not Complied

6. Declaration

The applicant acknowledges that failure to comply with any of the above obligations may result in:
(a) Reduction of fine reduction benefits;
(b) Revocation of leniency status; and
(c) Exposure to full penalties under the Petroleum Industry Act, 2021, the FCCPA, and applicable Regulations.

Schedule 4(D): Confidentiality and Disclosure Protocol

Confidentiality and Disclosure Protocol for Leniency Applications

(Issued pursuant to the Leniency Policy for the Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

1. Purpose

1.1 This Protocol establishes the framework governing the handling, protection, and disclosure of information provided to the Authority by applicants under the Leniency Policy.
1.2 Its objectives are to:
(a) Protect the integrity of leniency applications;
(b) Safeguard sensitive commercial information and trade secrets;
(c) Ensure compliance with data protection and due process obligations; and
(d) Promote trust in the Authority's leniency programme.

2. Scope

2.1 This Protocol applies to all:
(a) Leniency applications submitted under the Regulations;
(b) Documents, data, and evidence provided in support of such applications; and
(c) Communications between the Authority, applicants, and cooperating third parties in the context of leniency proceedings.

3. General Rule of Confidentiality

3.1 All leniency applications and related evidence shall be treated as strictly confidential by the Authority.
3.2 Confidentiality shall extend to:
(a) The identity of the applicant;
(b) The fact that an application has been made;
(c) The content of documents and testimony provided; and
(d) Any internal deliberations or draft decisions of the Authority.

4. Permitted Disclosure

The Authority may disclose leniency-related information only under the following circumstances:

4.1 Statutory or Legal Obligation
(a) Disclosure required by a court order, statutory provision, or lawful directive.
(b) In such cases, the Authority shall notify the applicant in advance, unless prohibited by law.

4.2 Due Process to Other Parties

(a) Where disclosure is strictly necessary to preserve the rights of defence of other investigated parties.

(b) The Authority shall, where possible, provide non-confidential versions or summaries.

4.3 Inter-Agency Cooperation

(a) Disclosure to the Federal Competition and Consumer Protection Commission (FCCPC) or other national agencies pursuant to cooperation agreements.

(b) Disclosure to foreign competition authorities, subject to safeguards under international cooperation frameworks and applicant notification.

4.4 Public Interest Exception

Disclosure may be made where overriding public interest justifies it, provided that the Authority ensures proportionality and minimises harm to the applicant.

5. Data Protection

5.1 All information shall be processed in compliance with the Nigeria Data Protection Act, 2023.

5.2 Applicants' personal and corporate data shall be:

(a) Collected for the limited purpose of enforcement;

(b) Stored securely; and

(c) Retained only for the duration necessary to complete proceedings, subject to statutory archiving obligations.

6. Handling of Confidential Information

6.1 The Authority shall establish a Confidential Information Register identifying documents designated by applicants as confidential.

6.2 Applicants must submit non-confidential versions of documents (redacted for sensitive data) for use in public records or third-party access.

6.3 Any disputes regarding confidentiality claims shall be resolved by the Authority, balancing the need for protection with principles of transparency and due process.

7. Publication Rules

7.1 The Authority may publish:

(a) Summaries of decisions granting or rejecting leniency;

(b) Aggregate statistics on leniency applications; and

(c) General compliance guidance based on anonymised cases.

7.2 The identity of applicants and details of evidence shall not be published unless:

(a) The applicant consents; or

(b) Disclosure is mandated by law or required for deterrence in cases of egregious conduct.

8. Applicant's Obligations

8.1 Applicants must:

(a) Clearly identify and justify claims of confidentiality at the time of submission;

(b) Provide both confidential and non-confidential versions of documents; and

(c) Refrain from unauthorised disclosure of their own leniency application.

9. Breach of Confidentiality

9.1 If the Authority breaches its confidentiality obligations, the applicant may:

(a) Seek review or appeal under applicable law; and

(b) Be entitled to mitigation of any prejudice suffered, including adjustments to settlement or enforcement measures.

9.2 If an applicant breaches confidentiality (e.g., discloses its own application without authorisation), the Authority may revoke leniency status.

10. Review and Amendment

This Protocol shall be reviewed every three (3) years, or earlier if required by legal developments, international practice, or operational necessity.

Schedule 4(E): Model Conditional Leniency Letter

Model Conditional Leniency Letter

(Issued pursuant to the Leniency Policy for the Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

[Official Letterhead of the Authority]

Ref No.: _____
Date: _____

To:
[Name of Applicant / Company]
[Registered Address]

Subject: Conditional Leniency Letter – Petroleum Midstream and Downstream Competition Regulations

1. The Nigerian Midstream and Downstream Petroleum Regulatory Authority (the "Authority"), acting under the Petroleum Industry Act, 2021, the Midstream and Downstream Petroleum Industry Competition Regulations, 2025, and the Leniency Policy (harmonised with the FCCPC Leniency Rules, 2022), hereby acknowledges receipt of your Leniency Application dated _____ (the "Application").

2. Based on the information provided to date, the Authority has determined that you are provisionally eligible for conditional leniency status, subject to full compliance with the obligations outlined below.

A. Provisional Benefits

3. Subject to final determination, the Applicant shall be entitled to:

(a) Priority marker status as the [First/Second/Third/Subsequent] Applicant;

(b) Potential fine reduction within the range of _____% (as set out in Schedule II of the Leniency Policy);

(c) Consideration for immunity from prosecution or sanctions to the extent permitted by law; and

(d) Recognition of cooperation in any related settlement proceedings.

B. Applicant's Obligations

4. In order to maintain eligibility for leniency, the Applicant must:

(a) Cease all participation in the anti-competitive conduct immediately;

(b) Provide full, continuous, and truthful cooperation with the Authority, including disclosure of all relevant facts, documents, and witnesses;

(c) Make officers, employees, and agents available for interviews and testimony as requested;

(d) Submit both confidential and non-confidential versions of documents;

(e) Refrain from destroying, concealing, or falsifying any evidence; and

(f) Maintain strict confidentiality regarding this Application and this Letter.

C. Confidentiality Assurances

5. The Authority shall treat all information provided in connection with this Application as confidential, subject to:

(a) Legal obligations under court order or statutory requirement;

(b) Disclosure strictly necessary to safeguard rights of defence of other parties; or

(c) Information-sharing with the FCCPC or other authorities, consistent with applicable confidentiality protocols.

D. Conditions and Revocation

6. This Conditional Leniency Letter does not constitute a final grant of immunity or fine reduction. Final benefits shall be determined upon conclusion of the investigation and issuance of the Authority's decision.

7. The Authority reserves the right to revoke conditional leniency status where the Applicant:

(a) Fails to comply with cooperation obligations;

(b) Provides false, misleading, or incomplete information;

(c) Continues to engage in the prohibited conduct; or

(d) Breaches confidentiality requirements.

E. Next Steps

8. The Applicant must, within [14] days of receipt of this Letter, confirm acceptance of the obligations set out herein by returning a duly signed copy of this Letter to the Authority.

For and on behalf of the Authority

Name: _____
Title: _____
Nigerian Midstream and Downstream Petroleum Regulatory Authority

Acknowledgement by Applicant

I/We, the undersigned, acknowledge receipt of this Conditional Leniency Letter and confirm acceptance of the obligations and conditions contained herein.

Signed: _____
Name: _____
Position: _____
Date: _____

Schedule 4(F): Final Leniency Decision Template

Final Leniency Decision Template

(Issued pursuant to the Leniency Policy for the Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

[Official Letterhead of the Authority]

Ref No.: _____
Date: _____

To:
[Name of Applicant / Company]
[Registered Address]

Subject: Final Leniency Decision – Petroleum Midstream and Downstream Competition Regulations

1. Background

1.1 The Nigerian Midstream and Downstream Petroleum Regulatory Authority ("the Authority"), acting pursuant to the Petroleum Industry Act, 2021, the Midstream and Downstream Petroleum Industry Competition Regulations, 2025, and the Leniency Policy (harmonised with the FCCPC Leniency Rules, 2022), received a Leniency Application from [Applicant] dated _____.

1.2 A Conditional Leniency Letter was issued to the Applicant on _____, granting provisional eligibility subject to cooperation obligations.

1.3 Following the completion of the Authority's investigation and adjudication process, the Authority now issues this Final Leniency Decision.

2. Findings of Fact

2.1 The Authority finds that:
(a) The Applicant participated in [description of anti-competitive conduct: e.g., cartel agreement, bid-rigging, market allocation, price fixing, etc.];
(b) The Applicant has admitted liability and provided detailed information regarding the nature, scope, and duration of the conduct;
(c) The Applicant provided substantial cooperation, including disclosure of documents, testimony of employees, and access to relevant records; and
(d) The Applicant ceased participation in the infringing conduct as of [date].

3. Legal Basis

3.1 This Decision is made under:
(a) Section [insert relevant section] of the Petroleum Industry Act, 2021;
(b) Part [insert part] of the Midstream and Downstream Petroleum Industry Competition Regulations, 2025; and
(c) The Leniency Policy, 2025, consistent with the FCCPC Leniency Rules, 2022.

4. Final Leniency Determination

4.1 Based on the findings and cooperation provided, the Authority hereby determines that the Applicant is entitled to the following leniency benefits:

Option A – Full Immunity (if applicable):

- The Applicant is granted 100% immunity from financial penalties under the Regulations.

Option B – Partial Leniency (if applicable):

- The Applicant is granted a fine reduction of [XX]%, as determined under the Fine Reduction Table (Schedule II).

4.2 This leniency benefit is conditional upon continued compliance with any outstanding obligations set forth in this Decision.

5. Additional Obligations

The Applicant shall:
(a) Implement and maintain an effective compliance programme to prevent recurrence;
(b) Submit periodic compliance reports to the Authority for a period of [X years];
(c) Cooperate with the Authority in any related proceedings against other parties to the infringement.

6. Confidentiality

6.1 The identity of the Applicant and the information provided shall remain confidential, subject to the Confidentiality and Disclosure Protocol (Schedule IV).
6.2 Where disclosure is legally required or necessary for due process, the Authority shall apply proportional safeguards.

7. Effect of Non-Compliance

7.1 Any breach of the Applicant's obligations, including provision of false or misleading information, non-cooperation, or recurrence of anti-competitive conduct, shall result in:
(a) Revocation of leniency;
(b) Reinstatement of full penalties; and
(c) Additional sanctions under the Petroleum Industry Act, 2021.

8. Publication

8.1 The Authority shall publish a non-confidential summary of this Decision, indicating that leniency was granted, without disclosing sensitive information unless:
(a) The Applicant consents; or
(b) Disclosure is required by law.

9. Conclusion

The Authority confirms that [Applicant] has satisfied the requirements for leniency under the Leniency Policy, and is hereby granted the benefits specified in paragraph 4 of this Decision.

For and on behalf of the Authority

Name: _____
Title: _____
Nigerian Midstream and Downstream Petroleum Regulatory Authority

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SCHEDULE 5

Regulation 109(1)(a)(ii)

Schedule 5 – SETTLEMENT PROCEDURE GUIDELINE

(Conditions, timelines, disclosure requirements, and procedural safeguards for settlements in the midstream and downstream petroleum industry)

(Issued by the Nigerian Midstream and Downstream Petroleum Regulatory Authority pursuant to the Petroleum Industry Act, 2021 and the Midstream and Downstream Petroleum Industry Competition Regulations, 2025)

Part I – Preliminary Provisions

1. Title and Citation

This Guideline may be cited as the Settlement Procedure Guideline, 2025, and shall be read together with the Petroleum Industry Act, 2021, the Midstream and Downstream Petroleum Industry Competition Regulations, 2025, and, where applicable, the FCCPC Leniency Rules, 2022.

2. Objectives

The objectives of this Guideline are to:
(a) Establish clear procedures for the settlement of competition and regulatory enforcement cases within the petroleum midstream and downstream sectors;
(b) Ensure timely resolution of cases while preserving effective competition and consumer protection;
(c) Promote transparency, predictability, and procedural fairness in settlement processes; and
(d) Harmonise sector-specific settlement procedures with national competition law and international best practice.

3. Application

This Guideline shall apply to all licensees, operators, service providers, and other regulated entities under the jurisdiction of the Authority in respect of:
(a) Anticompetitive conduct cases;
(b) Consumer protection violations;
(c) Breaches of market rules, open access rules, or tariff obligations; and
(d) Any matter designated by the Authority as suitable for settlement.

Part II – Eligibility and Conditions for Settlement

4. General Eligibility

(1) A regulated entity subject to investigation or enforcement proceedings may apply for settlement provided that:
(a) The application is made before the Authority issues a final decision;
(b) The applicant admits liability, in whole or in part, for the conduct in question;

(c) The applicant undertakes to cease the infringing conduct and implement corrective measures; and

(d) The application does not materially prejudice the Authority's ability to ensure deterrence and effective enforcement.

(2) Settlement shall not be available where the conduct:

(a) Involves fraud, corruption, or wilful obstruction of justice;

(b) Causes substantial and irreparable harm to market participants or consumers; or

(c) Raises issues of overriding public interest requiring full adjudication.

5. Conditions for Settlement

The following conditions must be satisfied before a settlement may be concluded:

(a) Full and truthful disclosure of all facts relevant to the case;

(b) Written acknowledgement of the facts and legal basis of the infringement;

(c) Cooperation with the Authority, including disclosure of internal documents, data, and testimony;

(d) Agreement to proposed remedies, compliance undertakings, or corrective actions; and

(e) Agreement to the payment of any settlement sum, penalty, or fine reduction determined by the Authority.

Part III – Procedural Steps and Timelines

6. Initiation of Settlement Process

(1) A regulated entity may submit a written Notice of Settlement Interest within 14 days of receiving:

(a) A Statement of Objections; or

(b) A Notice of Investigation Findings.

(2) The Authority may, at its discretion, invite a party to consider settlement where it deems the case suitable.

7. Submission of Settlement Application

(1) A formal Settlement Application must be filed within 30 days of submitting a Notice of Settlement Interest.

(2) The application shall include:

(a) Full admission of facts and liability;

(b) Proposal for settlement terms, including corrective measures;

(c) Evidence of internal compliance improvements;

(d) A statement of willingness to cooperate with the Authority; and

(e) Confidentiality requests, if any.

8. Review by the Authority

(1) The Authority shall review the application within 45 days and may:
(a) Accept the application and propose draft settlement terms;
(b) Request additional information or clarifications; or
(c) Reject the application, in which case proceedings continue.

9. Negotiation Phase

(1) The Authority and the applicant shall enter a Settlement Negotiation Phase, which shall not exceed 60 days, extendable once for a further 30 days in exceptional cases.
(2) Negotiations shall cover:
(a) The scope of admitted conduct;
(b) The level of penalties and fine reductions;
(c) Proposed remedies, compliance undertakings, or structural commitments;
(d) Disclosure and publication obligations.

10. Draft Settlement Agreement

(1) The Authority shall prepare a Draft Settlement Agreement reflecting agreed terms, which shall be signed by the applicant within 14 days.
(2) Failure to sign within this period shall terminate the settlement process.

11. Public Consultation (Optional)

(1) Where the Authority considers it necessary to preserve transparency or safeguard public interest, it may invite third-party observations from complainants or market participants.
(2) The period for public observations shall not exceed 21 days.

12. Final Decision and Publication

(1) Upon successful conclusion, the Authority shall issue a Settlement Decision within 30 days of signing the Settlement Agreement.
(2) The decision shall:
(a) State the admitted facts, legal basis, and penalties;
(b) Outline remedies and compliance obligations; and
(c) Provide a summary for publication on the Authority's website, subject to confidentiality obligations.

Part IV – Fine Reductions and Benefits

13. Fine Reductions

(1) Parties that settle may receive a reduction in financial penalties of up to:
(a) 50% where settlement is combined with leniency under the FCCPC Leniency Rules, 2022;
(b) 30% where settlement is sought at an early stage;
(c) 20% where settlement is sought after the Statement of Objections but before a final decision.

(2) The exact percentage shall depend on:
(a) Timing of application;
(b) Level of cooperation; and
(c) Value of compliance commitments undertaken.

14. Benefits of Settlement

Settlements shall:
(a) Reduce the length and cost of proceedings;
(b) Provide certainty to parties and markets;
(c) Demonstrate good faith cooperation; and
(d) Enable quicker restoration of effective competition.

Part V – Confidentiality and Disclosure Requirements

15. Confidentiality

(1) Settlement applications and related documents shall be treated as confidential, subject to:
(a) Statutory disclosure obligations;
(b) Data protection requirements; and
(c) Court-ordered disclosure.

(2) Confidential information shall not be disclosed to third parties without the applicant's consent, except where required by law.

16. Disclosure Requirements

(1) Applicants must disclose all relevant information, including:
(a) Documents, records, and data relating to the conduct;
(b) Financial accounts showing gains or losses from the conduct;
(c) Names of individuals or affiliates involved; and
(d) Compliance measures implemented.

(2) Any false or misleading disclosure shall void the settlement.

Part VI – Termination and Enforcement

17. Termination of Settlement Process

(1) The Authority may terminate the settlement process at any stage where:
(a) The applicant fails to cooperate;
(b) The applicant provides false or misleading information;
(c) The applicant fails to comply with agreed timelines; or
(d) Public interest requires continuation of enforcement proceedings.

18. Enforcement of Settlement Agreement

(1) A Settlement Agreement shall have binding legal effect as if issued in a final decision of the Authority.
(2) Breach of a Settlement Agreement shall expose the applicant to reinstatement of the original investigation, full penalties, and additional sanctions.

Part VII – Miscellaneous

19. Collaboration with Other Authorities

The Authority may, in administering this Guideline, collaborate with the FCCPC, sector regulators, or international competition authorities in order to ensure effective enforcement.

20. Review and Amendment

The Authority may review and amend this Guideline periodically to reflect changes in law, international best practice, or sectoral developments.

SCHEDULE 6

Regulation 111(1)

ANNUAL COMPETITION COMPLIANCE REPORT TEMPLATE
(To be submitted annually by all licensees operating in the midstream and downstream petroleum sectors)

PART A: COMPANY PROFILE AND MARKET OPERATIONS

1. **Name of Licensee/Operator**:
   [Insert full legal name of company]
2. **Corporate Registration Number**:
   [Insert RC number or business registration identifier]
3. **Address of Principal Office**:
   [Insert office address, email, phone number]
4. **Designated Compliance Officer**:
   - Name:
   - Title:
   - Email and Phone:
   - Date of Appointment:
5. **Reporting Period**:
   [Insert calendar year (e.g., January 1 – December 31, 2025)]
6. **Business Segments Operated** (Tick all applicable):
   ☐ Natural Gas Processing
   ☐ Gas Transportation
   ☐ Gas Distribution
   ☐ Petroleum Products Storage
   ☐ Pipeline Transportation
   ☐ Wholesale Marketing
   ☐ Retail Sales
   ☐ Import/Export
   ☐ Others (specify):
7. **Licences Held (as at year-end)**:
   - Type of Licence(s):
   - Licence Number(s):
   - Issuing Date(s):
8. **Changes in Corporate Structure** (if any during the year):
   ☐ Merger
   ☐ Acquisition
   ☐ Divestiture
   ☐ Entry/Exit of Business Segment
   ☐ Others (describe):
   Provide description and effective dates:

PART B: INTERNAL COMPLIANCE SYSTEMS

9. **Summary of Internal Compliance Measures Taken During the Reporting Year**:

Action Area	Description
Training Programmes	Number of training sessions, topics covered, departments targeted, attendance records
Compliance Audits	Date(s) of internal or external audits; summary of key findings and follow-up actions
Policies Updated	Any updates to internal competition compliance manuals or reporting protocols
Compliance Officer Actions	Notable compliance monitoring, alerts raised, or internal queries received
Remedial Measures	Any corrective or disciplinary measures undertaken for potential non-compliance

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PART C: SPECIFIC DISCLOSURES

I. THIRD-PARTY INFRASTRUCTURE ACCESS

Date of Request	Requesting Party	Type of Facility	Service Requested	Volume	Outcome	Reason for Denial (if applicable)
[dd/mm/yyyy]	[Name]	e.g., Depot	e.g., Storage	[X MT]	Granted/Denied	e.g., Capacity full, maintenance

Attach supporting logs, if available.

II. EXCLUSIVE SUPPLY OR PURCHASE AGREEMENTS

1. **Exclusive Agreements in Force** (tick and complete):
    - ☐ Yes – attach summary table below.
    - ☐ No

Counterparty	Product/Service	Duration	Date Signed	Justification (efficiency, legal exemption, etc.)

Attach copy of exemption from the Authority where applicable.

III. PRICING PRACTICES AND CONDUCT

1. **Did the company sell below cost at any point?**
   ☐ Yes ☐ No
   If yes, provide reason and volume affected:

2. **Was differential pricing applied between third parties and affiliated entities?**
   ☐ Yes ☐ No
   If yes, provide commercial justification and attach cost-basis explanation.

3. **Summary of any pricing-related complaints received or investigated**:

Complainant	Nature of Complaint	Date Received	Outcome	Corrective Action (if any)

IV. INTERACTIONS WITH COMPETITORS

1. **Were there any joint ventures, cooperation agreements, or collaborations with competitors during the year?**
   ☐ Yes – provide description below
   ☐ No

Counterparty	Type of Agreement	Market Segment	Date	Authority Exemption/Legal Review Conducted

2. **Were any prohibited agreements (e.g., cartels, price-fixing, bid-rigging) entered into or suspected?**
   ☐ No ☐ Yes – provide explanation and internal response.

V. MERGERS, ACQUISITIONS & STRUCTURAL CHANGES

Transaction Type	Entity Involved	Stake/Asset	Date of Execution	Notification to Authority	Justification for Non-notification (if any)

Attach merger clearance or exemption decisions where applicable.

VI. COMPLAINTS, INVESTIGATIONS OR LEGAL PROCEEDINGS

1. **Has the company been the subject of any competition-related complaint or investigation (domestic or international)?**
   ☐ No
   ☐ Yes – provide details below:

Agency/Complainant	Nature of Complaint	Jurisdiction	Date	Outcome or Status

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VII. FUTURE OUTLOOK

(Optional – for pre-consultation purposes)

1. **Are there any planned initiatives for the coming year that may raise competition concerns?**
   ☐ Yes – describe potential collaborations, acquisitions, or exclusive arrangements being considered.
   ☐ No

PART D: CERTIFICATION

Chief Executive Officer or Equivalent Senior Officer Certification

I, the undersigned, hereby certify that the information contained in this Competition Compliance Report is true, accurate, and complete to the best of my knowledge, and prepared in good faith. I acknowledge that any false or misleading statement herein may result in regulatory penalties, including revocation of licence or legal proceedings under the Petroleum Industry Act and applicable competition law.

Name: _____
Position: _____
Signature: _____
Date: _____

CONFIDENTIALITY AND SUBMISSION NOTES

- All data submitted will be treated as confidential, in accordance with Regulation [XX] of these Regulations.
- Aggregated industry statistics (e.g., number of access denials, types of complaints) may be published by the Authority in non-identifiable form.
- Submit completed report in both electronic and hard copy to:
  Authority Chief Executive,
  Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)
  [Insert Official Submission Address and Portal Link]

SCHEDULE 7

Regulation 118(1)

FORM FOR NOTICE OF APPEAL (To be submitted Pursuant to Regulation 118(1) under Part XX of these Regulations)

A. Appellant Details

1. Name of Appellant (Company or Individual):
2. License Number (if applicable):
3. Address for Service:
4. Telephone Number(s):
5. Email Address:
6. Authorized Representative (if any):
   - Name:
   - Designation/Firm:
   - Contact Details:

B. Decision Being Appealed

1. Reference Number of Authority's Decision/Order:
2. Date of Decision:
3. Nature of the Decision (Tick as applicable):

☐ Penalty Imposed
☐ Order or Direction Issued
☐ Finding of Violation
☐ Other (Please specify): _____

C. Grounds of Appeal

(Attach additional pages if necessary)
Please state each ground clearly. Indicate whether it concerns a question of fact, law, or procedure.
E.g.:

1. The Authority erred in fact by concluding that the agreement had the effect of lessening competition.
2. The penalty imposed was disproportionate to the alleged violation.
3. The procedure followed by the Authority denied the appellant a fair hearing.

D. Reliefs Sought

Specify the outcome you are requesting from the appellate body.
E.g.:

- That the penalty be set aside or reduced.
- That the finding of a violation be reversed.
- That the matter be remitted to the Authority for reconsideration.

E. Application for Stay (Optional)

☐ Yes – An application for stay of execution is attached.
☐ No – The appellant will comply pending appeal.

Signature of Appellant/Representative: _____
Date: _____
Official Stamp (if corporate):

SCHEDULE 8

Regulation 124

Guideline on Mediation and Alternative Dispute Resolution (ADR) Procedures

(To be issued as a regulatory implementation under Regulation 124 of these Regulations)

1. Purpose and Scope

This Guideline provides procedures for the use of mediation or other ADR mechanisms as a means of resolving certain disputes under the Competition Regulation, where such disputes do not involve direct findings of violation or penalties.

2. Types of Disputes Eligible for ADR

ADR may be used for:

- Third-party access terms (e.g., pricing, timelines, technical standards).
- Disagreements on compliance implementation (e.g., format of separation of accounts, data reporting protocols).
- Non-adversarial disagreements between licensees.
- Interim commercial arrangements pending regulatory ruling.

ADR shall not apply to:

- Final determinations on violation of anticompetitive conducts or practices by the Authority or Federal Competition and Consumer Protection Commission.
- Imposition or enforcement of penalties.
- Abuse of dominance investigations.

3. Initiation of ADR

- A party may submit a written Request for ADR to the Authority using the prescribed form.
- The Authority may refer a matter to ADR if it determines that:

(a) The matter is suitable for resolution through mediation or conciliation; and
(b) ADR would not compromise public interest or regulatory authority.

4. ADR Procedures

1. Appointment of Mediator:

- The Authority shall maintain a roster of approved mediators or ADR neutrals.
- Parties may agree on a mediator from this list or allow the Authority to assign one.

2. Timelines:

- ADR should commence within 14 days of approval and conclude within 30 working days, unless extended for cause.

3. Process:

- Mediation sessions shall be confidential and informal.
- Parties shall act in good faith and may be represented by counsel.

4. Outcome:

- Any agreement reached shall be documented in a Settlement Agreement.
- The Authority may endorse the agreement as binding, provided it does not contravene public policy.

5. Effect of ADR on Enforcement

- Initiating ADR shall not halt ongoing investigations or enforcement unless expressly approved.
- If ADR fails, regulatory processes shall continue uninterrupted.
- Any admission or concession made in ADR shall be inadmissible in formal proceedings unless otherwise agreed.

6. Costs

- Each party shall bear its own costs.
- Mediator's fees, if any, may be split equally unless otherwise agreed.

MADE at Abuja this …… day of ……, 2025.

ENGR. FAROUK AHMED
Authority Chief Executive
Nigerian Midstream and Downstream
Petroleum Regulatory Authority.