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PETROLEUM INDUSTRY ACT, NO. 6, 2021

PETROLEUM (TRANSPORTATION AND SHIPMENT) REGULATIONS, 2023

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S. I. No. 3 of 2023

PETROLEUM INDUSTRY ACT, NO. 6, 2021

PETROLEUM (TRANSPORTATION AND SHIPMENT) REGULATIONS, 2023

[27*th Day of February*, 2023] Commencement.

In exercise of the powers conferred on it by sections 33, 113(6) and 175 of the Petroleum Industry Act, No. 6, 2021 ("the Act") and all other powers enabling it in that behalf, the Nigerian Midstream and Downstream Petroleum Regulatory Authority ("the Authority"), make the following Regulations —

PART I — OBJECTIVES AND APPLICATION

Objectives.

1.—(1) The objectives of these Regulations are to —

(*a*) regulate activities relating to the transportation, loading, lifting, shipment and export of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids in Nigeria ;

(*b*) prohibit illegal and unauthorised activities connected with natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids in the Petroleum industry ; and

(*c*) provide sanctions, penalty and administrative fines for failure to comply with the provisions of these Regulations.

Application.

2. These Regulations shall apply to the activities connected with transportation, shipment or export of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, and any other form of petroleum liquids through channels such as terminals, ports, jetties, refineries, depots and tank farms in Nigeria, whether such channels are onshore or offshore.

PART II — LIFTING SCHEDULE AND LIFTING IDENTIFICATION MANAGEMENT

Advance Lifting Schedule.

3.—(1) A person who intends to carry out shipment or export of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids, shall not later than five working days before the expected time of arrival of the vessel, submit to the Authority an Advance Lifting Schedule in the form prescribed by the Authority.

(2) The Advance Lifting Schedule shall be endorsed by two designated representatives of the person carrying out the shipment or export and shall contain, the —

(*a*) type, source and producer of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids to be lifted or exported ;

(*b*) statement on volume, valid export permit, details of the exporter, destination, the terminal or location from which the natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids to be lifted ;

(*c*) evidence of measurement, method of measurement and laycan of lifting of the natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids to be lifted or exported ;

(*d*) estimated time of arrival of the ship or vessel ;

(*e*) valid Wholesale Natural Gas Supply Licence or Petroleum Liquids Supply Licence ;

(*f*) details of the buyer ; and

(*g*) details of the agent of the ship or cargo owner.

(3) The Authority may, upon review of Advance Lifting Schedule, issue a notice to the person who submitted the Advance Lifting Schedule, specifying the default in the information submitted and give the person twenty-four hours within which to rectify and re-submit the information.

Lifting Identification Management.

4.—(1) Natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids shall not be lifted from or within Nigeria without a Lifting Identification Number issued by the Authority.

(2) The Authority shall, prior to lifting, inspect and verify the content of any cargo against declaration in the Advance Lifting Schedule and upon satisfactory verification, the Authority shall issue a Lifting Identification Number for the cargo.

(3) Where the Authority on inspection of a cargo discovers that information supplied in the Advance Lifting Schedule is false, the person responsible for the false declaration shall be liable under these Regulations.

(4) A Lifting Identification Number shall be specific to and valid for the cargo it relates and no other.

Part III — Verification and Certification

Verification and certification by the Authority, etc.

5.—(1) A declaration relating to a ship, tanker or vehicle in which natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids is to be carried, shall be verified by the Authority.

(2) The Authority shall certify at the port of loading, measurement systems, and volumes of lifting and shipment of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids loaded into a ship, tanker or vehicle designated and approved for that purpose.

Part IV — Restriction and Prohibition

Restriction on a ship, tanker or vehicle from carrying part cargo or dead freight.

6. A ship, tanker, or vehicle carrying natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum products, or any other form of petroleum liquids shall not carry part cargo or dead freight, except —

(*a*) within the limits of operational practice ;

(*b*) where such ship, tanker, or vehicle is loading full complement from two or more terminals within Nigeria ; or

(*c*) with the prior written authorisation of the Authority.

Restriction on ship, tanker or vehicle not to depart without full documentation.

7. A ship, tanker or vehicle in which natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids is carried, shall not depart from Nigeria or its territorial waters from where cargo operations are conducted without —

(*a*) complete documentation in the prescribed manner by the appropriate authorities ; and

(*b*) specific authorisation by the Authority and any other Government agency having authority in that regard.

Prohibition of topping.

8. A ship, tanker, or vehicle in which natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum products or any other form of petroleum liquids is carried, shall not make, demand or receive any topping within or outside any loading port or terminal in Nigeria.

Prohibition of loading, offloading, importation or trans-shipment in an unauthorised location.

9. Loading, unloading or trans-shipment of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids shall not be carried out at any location within Nigeria or its territorial waters, except at the point authorised or designated by the Authority for that purpose.

Prohibition of loading petroleum into ballast tank.

10. Natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids shall not be loaded into a ballast tank or any other tank, container or receptacle of a ship or tanker other than those designated, dedicated and designed for its storage and transportation.

PART V — MISCELLANEOUS PROVISIONS

Enforcement and compliance measures.

11. Where there is a breach of any of the provisions of these Regulations, the Authority may —

(*a*) arrest or seize the cargo, ship or vehicle involved in the breach ;

(*b*) cause to be arrested, such person involved in the breach ;

(*c*) withdraw the licence, permit or authorisation granted by the Authority to such person or body ;

(*d*) enter or direct the entry into any premises, where the breach occurred and take possession of any document, instrument or material used in connection with the breach ;

(*e*) cause an inquiry to be conducted into the affairs of a person connected with the breach of any of these Regulations ;

(*f*) order the closure of any premises where such breach occurs ; or

(*g*) generally take such other action as the Authority may consider necessary for the purpose of preventing any further breach of these Regulations.

Contraventions and administrative penaties.

12.—(1) A person who —

(*a*) engages in topping without due authorisation from the Authority shall forfeit the cargo to the Authority and pay an administrative penalty of 10% of the value of the entire cargo to the Authority ;

(*b*) loads natural gas and its derivatives, crude oil and its derivatives, condensate, petroleum products or any other forms of petroleum liquids into a ballast tank or any other tank, container or receptacle of a ship or tanker other than as designated, dedicated and designed for the storage and transportation shall be liable to pay to the Authority an administrative penalty equal to the monetary value of the natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum products or any other forms of petroleum liquids so loaded, and shall also forfeit the natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum products or any other forms of petroleum liquids ;

(*c*) fails to provide information relating to Advance Lifting Schedule to the Authority in the manner prescribed, the ship, tanker, or vehicle shall be denied access to load ;

(*d*) lifts natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids,petroleum products, or any other form of petroleum liquids without a Lifting Identification Number is liable to pay to the Authority an administrative penalty of USD$100,000.00 ;

(*e*) makes a false declaration regarding the quantity, quality and capacity of a ship, tanker, vehicle, cargo in which natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids is liable to pay an administrative penalty of 10% of the undeclared quantity of the cargo to the Authority ;

(*f*) alters any document or conceals information required under these Regulations is liable to pay a penalty of USD$1,000,000.00 to the Authority ;

(*g*) engages in unauthorised loading, unloading and trans-shipment of natural gas and its derivatives, crude oil and its derivatives, condensate, petroleum products or any other form of petroleum liquids in an unauthorised location shall forfeit the cargo and be liable to pay a penalty of 10% of the value of the cargo to the Authority ; and

(*h*) fails to comply with any of the provisions, directives given or condition of any licence, permit or authorisation issued pursuant to these Regulations shall, in addition to the sanctions, fines and penalties prescribed by the Act, pay to the Authority an administrative penalty not exceeding US$1,000,000.

(2) Notwithstanding the provisions of subregulation (1) of this regulation, the authority may, in addition to the penalties prescribed in these Regulations, cancel the licence, permit or authorisation issued to the person.

Revocation and savings.

13.—(1) The Crude Oil (Transportation and Shipment) Regulations, 1984 is revoked.

(2) The revocation of the Regulations specified in subregulation (1) of this Regulation shall not affect anything done or purported to be done under the revoked Regulations.

Interpretation.

14. In these Regulations, —

"*Act*" means the Petroleum Industry Act, No. 6, 2021 ;

"*Advance Lifting Schedule*" means a written submission to the Authority (in the prescribed form) made by a person who intend to carry out shipment, lifting or export of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids in Nigeria ;

"*Appropriate government authority*" means any other government agency having authority for clearance of ships before departure from the Nigerian waters ;

"*Authority*" means the Nigerian Midstream and Downstream Petroleum Regulatory Authority ;

"*Crude Oil*" has the meaning ascribed to it in the Act ;

"*Natural Gas*" has the meaning ascribed to it in the Act ;

"*Petroleum*" has the meaning ascribed to it in the Act ;

"*Petroleum liquids*" has the meaning ascribed to it in the Act ;

"*Petroleum Products*" has the meaning ascribed to it in the Act ;

"*Regulations*" means these Petroleum (Transportation and Shipment) Regulations ;

"*Topping*" means any further loading of petroleum in any available space on the ship, tanker or vessel after loading the nominated quantity of petroleum at any designated terminal ; and

"*Vehicle*" means rail wagons, articulated tankers and trucks used for the conveyance of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids in Nigeria.

Citation.

15. These Regulations may be cited as the Petroleum (Transportation and Shipment) Regulations, 2023.

MADE at Abuja this 27th day of February, 2023.

ENGR. FAROUK AHMED
Authority Chief Executive
Nigerian Midstream and Downstream Petroleum Regulatory Authority

EXPLANATORY NOTE

(*This Note does not form part of the above Act but is intended to explain its purport*)

These Regulations seeks to regulate activities relating to the transportation, loading, lifting, shipment and export of natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids in Nigeria, prohibit illegal and unauthorised activities connected with natural gas or its derivatives, crude oil or its derivatives, condensate, petroleum liquids, petroleum products, or any other form of petroleum liquids and provide sanctions, penalty and administrative fines for failure to comply with the provisions of these Regulations.