



Department of Petroleum Resources

GUIDELINES

FOR

BUNKERING OPERATIONS IN NIGERIA

Department of Petroleum Resources

2016

SECTION 1.0

1.1 DEFINITIONS

- i. **Bunkering** means the process of supplying fuels, including but not limited to, Automotive Gas Oil (AGO), Fuel Oil, Liquefied Natural Gas (LNG) & lubricating oils to users in the marine environment.
- ii. **Licensed Bunker Supply Vessel** refers to bunker vessel, ship, or barge licensed by the Department of Petroleum Resources to deliver or dispense bunker fuels and /or lubricating oils to ocean-going vessels.
- iii. **Bunker Receiving Vessel** refers to the vessel receiving bunker fuels and lubricating oils.
- iv. **Bunker Fuels** include but not limited to Fuel Oils, Automotive Gas Oil (AGO), Liquefied Natural Gas (LNG) and lubricating oils used in the marine environment.
- v. **Licensed Bunker Supplier or Bunkerer** refers to a company licensed by the Department of Petroleum Resources to supply bunker fuels to end users within Nigerian waters.

1.2 GENERAL REQUIREMENTS

Applicants shall be eligible to be licensed under these Guidelines upon satisfying the following requirements:

- i. Applications for licence to engage in bunker fuel supply and trading shall be made in the manner described in Section 1.3 below and in the form prescribed in Appendix I.
- ii. All companies shall be duly incorporated and registered for Bunkering business in Nigeria.
- iii. Applicants for Bunkering Licences may have Memorandum of Understanding (MOU) with reputable Bunker Fuel trade partners, locally or internationally.
- iv. Applicants for Bunkering Licences must show evidence of technical and financial capabilities which will be verified by the DPR.
- v. Bunkering licence applicants shall have functional offices with technically efficient communication equipment/ facilities capable of supplying operational data in real time to a portal created by DPR in a format to be specified by the Department.
- vi. All bunkering companies shall have a well-equipped laboratory for quality control of their products.
- vii. Applicants shall submit an Oil Spill Contingency Plan.
- viii. Applicants shall submit an Emergency Response Plan.
- ix. Vessels owned or leased for operations must meet applicable International Bunkering Safety Standards.
- x. Ship/ Vessels to be utilized for mobile Bunkering Operations in Nigeria MUST be listed in the Lloyds, Bureau-Veritas or any of the internationally recognized Classifications, and evidence of such registration shall be provided by the applicant.
- xi. Design of static or jetty based bunkering facility including architectural, engineering, foundation safety and all other designs that would assist the DPR in determining the suitability of the facility.

- xii. Motorised barges to be utilized for Bunkering Operations must be registered with the Nigerian Maritime Administration and Safety Agency (NIMASA) and evidence of such registration shall be provided by the applicant.
- xiii. Only double hull vessels shall be used in bunkering operations.
- xiv. All bunkering companies shall have tracking and automatic sampling devices installed on their vessel(s).

1.3 PROCEDURE FOR LICENSING BUNKERING COMPANIES

Licences issued under these guidelines shall have a validity of one calendar year and all fees paid herein are non-refundable.

1.3.1 NEW APPLICATION

Applicants shall be required to make a presentation to the DPR on planned bunkering operations. This shall include, but not limited to, a comprehensive Health, Safety and Environment (HSE) plan, proposed business plan, and Nigerian Content plan for next three years. The following shall apply to new applications:

- a. Application for a NEW Licence shall be made on the prescribed form (Appendix I) issued by the DPR.
- b. Application fee of US\$ 10,000 (or equivalent in Naira), Accreditation fee of US\$ 50,000 (or equivalent in Naira) and Vessel/ Motorised Barge License fee of US\$ 10,000 (or equivalent in Naira). All these fees should be made payable to **Federal Government of Nigeria - DPR Fees Account**.
- c. Administrative fee of US\$ 5,000 (or equivalent in Naira) payable to the **Department of Petroleum Resources**.
- d. Bunkering Vessel Inspection/ Verification fee of US\$ 1,000.00 (or equivalent in Naira) per vessel payable to the **Department of Petroleum Resources**.
- e. The following documents shall accompany the application form:
 - i. Evidence of payment of taxes in the last three (3) years (tax clearance certificate).
 - ii. List of approved communication equipment installed in the various offices and business premises with proof of ownership.

- iii. Certificate of Incorporation, Memorandum & Article of Association and form CAC 07 & CAC 02.
- iv. Locations, addresses and capacities of facilities to be used for storage. The minimum requirement is 5,000 MT.
- v. Full description of vessel owned/ leased by applicant, including name, age, tonnage, flag, etc. The maximum deadweight of a bunkering vessel allowed is 5,000 MT.
- vi. Request for vessels tank calibration shall be made to DPR. The calibration exercise shall be mandatorily witnessed by DPR representative(s) and the table generated shall be forwarded to the DPR for approval. The calibration exercise shall be carried out every five (5) years
- vii. Current firefighting certification of vessels by the relevant regulatory agencies.
- viii. Certification of inspection of the vessel by NIMASA.
- ix. Nigerian Ports Authority (NPA) Certification or Permit for every vessel.
- x. An annual report on state of the vessel from a DPR accredited inspector (surveyor).
- xi. Copy of certificate of insurance for pollution liability with coverage of a minimum of twenty million US dollar (US\$ 20 million) (or equivalent in Naira)
- xii. Evidence of competence in bunkering operations relating to trained personnel, equipment by NIMASA
- xiii. Bunkering operations procedure manual.

1.3.2 RENEWAL APPLICATION

The following shall apply to renewal applications:

- a. Application for renewal of licence shall be made on the prescribed form (Appendix 1) issued by DPR.
- b. Renewal fee of US\$ 25,000 (or equivalent in Naira) per annum and Vessel/ Motorised Barge License fee of \$10,000 (or equivalent in Naira) per annum payable to **Federal Government of Nigeria - DPR Fees Account**.
- c. Administrative fee of US\$10,000 (or equivalent in Naira) payable to the **Department of Petroleum Resources**.
- d. Bunkering Vessel Inspection/ Verification fee of US\$ 500 (or equivalent in Naira) per vessel to the **Department of Petroleum Resources**.
- e. Every licensee shall file an application for the renewal of a licence at least one calendar month before the expiry date of the current licence. Failure to comply shall attract penalty as specified in Section 5.0
- f. All licensed bunkering companies will be required to submit evidence of the quantities of bunker fuels supplied in the last twelve months (by --presentation of copies of bunker receipts with corresponding distribution data for each delivery)
- g. The following documents shall accompany the renewal application form:
 - i. Copy of the expired licence.
 - ii. Annual returns of bunker fuels volumes, locations/positions with bills of lading for all cargoes loaded.
 - iii. Evidence of payment of taxes in the past three (3) years (tax clearance certificate).
 - iv. Current fire-fighting certification of vessels by the relevant regulatory agencies.
 - v. Certification of vessel's inspection by NIMASA
 - vi. Nigerian Ports Authority (NPA) Certification or Permit for every vessel.
 - vii. An annual report on the state of the vessel from a DPR accredited inspector (surveyor)
 - viii. Copy of certificate of insurance for pollution liability.
 - ix. Copy of vessel re-certification if due.

1.4 CONSTRUCTION OF BUNKERING FACILITIES

Facilities to be used for bunkering activities shall be fixed or mobile. The fixed facilities for the storage of bunker fuel shall include but not limited to depots and dump-barges (tied to jetties) while the mobile facilities are motorized vessels and barges.

1.4.1 MOBILE FACILITIES

In addition to standard requirements for bunker vessels and barges, all mobile facilities shall satisfy the following conditions:

- i. Double hull with steel or fiber glass body.
- ii. Equipped with modern tracking devices as specified by DPR
- iii. Automated sampling system with real time monitoring capability.
- iv. The transfer/ dispensing hose shall be equipped with emergency disconnect system.
- v. Shall have well calibrated dispensing system that clearly indicates price of products which occasionally shall be checked for correctness by the DPR.
- vi. They shall be equipped with adequate firefighting equipment.
- vii. Shall be equipped with automatic emergency shutdown system
- viii. The word "**BUNKERING**" shall be boldly inscribed on the body of the vessel or barge.
- ix. Shall have a minimum of two fenders.

1.4.2 FIXED FACILITIES

i. Intending operator of a field facility shall submit application to DPR for suitability inspection. The inspection shall among other things report on: -

- a. Location & size of site/jetty/barge
- b. indication of similar facility within 2km stretch
- c. Topographic survey of site/jetty as appropriate
- d. Drainage from the site will be checked and certified by the DPR
- e. Environmental Impact Assessment (EIA)

ii. Fixed facilities shall go through the process of Approval To Construct (ATC) and Approval to Operate (ATO) as contained in these guidelines

iii. In addition to standard requirements for depots and dump-barges (tied to jetties) all fixed facilities shall satisfy the following conditions:

- a. Shall be made of steel, glass fiber or any material that satisfies acceptable international codes and standards.
- b. Equipped with automated sampling system with real time monitoring capability.
- c. The transfer hose shall be equipped with emergency disconnect system.
- d. Equipped with automatic emergency shutdown system
- e. The word "BUNKERING" shall be boldly inscribed on the jetty and the prices of products displayed.
- f. They shall be equipped with adequate firefighting equipment.
- g. Dedicate storage tank(s) for bunker fuel.
- h. Dedicate line(s) with back-loading facilities.
- i. Be equipped with a minimum of two fenders; if dumb-barges are used.

1.5 BUNKERING OPERATIONS

- i. No person shall carry out a bunkering operation by operating a fixed or floating bunkering facility unless in possession of a valid license issued by the Honourable Minister of Petroleum Resources (HMPR) in accordance with the provisions of these Guidelines.
- ii. A company shall not be eligible for a license, unless it owns a vessel adequately fitted with well calibrated dispensing facility or a fixed bunkering facility constructed in accordance with DPR guidelines as contain herein and;
 - (a) In the opinion of the Director of Petroleum Resources the company possesses the requisite facilities and capabilities to provide such service within Nigerian waters; and
 - (b) is incorporated under the Laws of the Federal Republic of Nigeria.
- iii. Bunkering license issued under these Guidelines shall not be transferable or sublet to a third party.

- iv. The holder of any licence under these guidelines shall comply with all instructions, orders or directives given by the Director of the Department of Petroleum Resources from time to time in relation to bunkering operations.
- v. Every company licensed under these Guidelines shall display such licence during operations and produce same to an officer authorized by the Director of Petroleum Resources on demand.
- vi. No licence shall be issued to a vessel unless it is duly registered in accordance with the NIMASA Cabotage Act, 2003.
- vii. The Director of Petroleum Resources may require the owner, who has applied for a licence or prior renewal of a licence, to bring the vessel to a place at an appointed date and time for inspection by a surveyor or any other person appointed by him.
- viii. The Department of Petroleum Resources shall publish detailed Procedure Guides for Bunkering Operations in Nigeria, which shall be the working template for those Inspectors who will be involved in monitoring & supervision of the operations.

SECTION 2.0

2.1 CRITERIA FOR EVALUATION AND APPROVAL

Evidence of Company's technical capacity, capability and track record shall be appraised based on:

- i. Information provided on the application form,
- ii. Technical presentation / work program
- iii. Inspection and assessment of the applicant's facilities and operational location.

2.2 PROCEDURE FOR BUNKER FUEL SUPPLIES AND VESSEL / BARGE CLEARANCE

2.2.1 Vessel / Barge Clearance

- i. DPR will clear each and every vessel/ barge before being allowed to berth. Such clearance shall attract a non-refundable administrative fee of US\$ 500 (or equivalent in Naira) per vessel/ barge.
- ii. Clearance to load “Bunker Fuel” to a vessel/barge from onshore storage must be obtained from the Department of Petroleum Resources.

SECTION 3.0

SUPPLY OF BUNKER FUEL TO BUNKERING COMPANIES

- i. Companies will source for their bunker fuel independently.
- ii. If imported, the procedure shall conform to the current guidelines on importation of petroleum products as contained in DPR Guidelines for the importation of petroleum products.
- iii. The recertification analysis of the product composite sample is conducted in the presence of a DPR official and the result certified on-spec. A vessel shall therefore not discharge until the laboratory recertification of the product is conducted.

SECTION 4.0

4.1 MONITORING AND REPORT

- i. It is mandatory for all bunkering companies to submit weekly and monthly returns of their activities in formats to be provided by DPR.
- ii. The DPR shall periodically inspect all bunkering companies’ facilities and equipment in order to discourage illegal business and unsafe operations. Breaches or infringements of this provision shall be sanctioned.

SECTION 5.0

PENALTIES

- i. Any person operating bunkering facilities or carrying out bunkering operations without a license shall pay a penalty of US\$ 1,000,000 (or equivalent in Naira) in addition to being liable for prosecution
- ii. Any person operating bunkering facilities or carrying out bunkering operations without a valid license shall pay a penalty of US\$ 500,000 (or equivalent in Naira) in addition to being liable for prosecution
- iii. Failure to submit notice of renewal of bunkering license as prescribed in Section 1.3.2 (e) above shall attract a penalty of US\$ 5,000 (or equivalent in Naira equivalent)
- iv. Any vessel found to supply adulterated bunker fuel would have its licence suspended and banned from bunkering business in Nigeria.

All rights reserved. This document is the property of the Department of Petroleum Resources (DPR) and it is not to be sold or reproduced by any person whatsoever.

APPENDIX I

DEPARTMENT OF PETROLEUM RESOURCES

BUNKER FUEL TRADE APPLICATION AND ACCREDITATION FORM

1. Name of Company.....

2. EVIDENCE OF REGISTRATION IN NIGERIA

(A) Certificate of Incorporation (attach copy)

(i) Number:.....Date:.....

(ii) Authorized Share Capital:.....

(iii) Paid-Up Share Capital:.....

(B) Certified true copy of Memorandum and Articles of Association (Attach copy)

Names of Directors and their respective Share Holding:

DIRECTORS	SHARE (%)

3. Address for Correspondence in Nigeria:.....

.....

Email Address.....

Telephone Number.....

4. Name/Address of Subsidiary or Affiliate:.....

5. Name of contact person & phone No.....

(Company to promptly inform the DPR any change in name / information of the contact person)

6. ADDRESSES OF OPERATIONAL/FIELD/PORT OFFICES OF COMPANY
- i.
 - ii.
 - iii.
 - iv.

7. LIST OF NAMES/ADDRESS(ES) OF REPUTABLE BUNKER FUEL TRADE PARTNER(S) (LOCAL/FOREIGN) IN POSITION TO DIRECT VESSELS TO APPLICANT COMPANY.

.....

8. BUNKERER TO INDICATE THE NATURE OF SERVICE:-

Static: Located at jetty or port

or

Dynamic: Defined by suitable vessel equipped to disperse fuel

or

Both:

9. ADDRESS OF DEDICATED STORAGE FACILITIES AND CAPACITY:

.....

10. NAMES OF PROFESSIONAL/TECHNICAL PERSONNEL FOR BUNKERING

.....

11. LIST OF VESSELS FOR BUNKERING OPERATION, SHOWING NAME, TONNAGE, AGE, FLAG, SUITABILITY, ETC.

S/NO	VESSELS	TONNAGE	AGE	FLAG

--	--	--	--	--

12. IS THE VESSEL(S) COMPANY OWN/LEASE?.....

13. LIST OF FUNCTIONAL COMMUNICATION EQUIPMENT FOR BUNKERING OPERATION; AND LOCATIONS.

.....

NEW/RENEWAL (Please tick as appropriate)

(A) If NEW, please provide all the required documents as listed in section 1.3.1 (e) of the guidelines for bunkering operations

(B) If RENEWAL, please provide all the required documents listed in section 1.3.2 (f) of the guidelines for bunkering operations

14. BUNKERING VESSEL(S) LICENCE AND SHORE FACILITIES REQUIREMENTS:

A. Particulars of Vessels to be used in rendering Bunkering services

(i) Name of Ship.....

(ii) Net Capacity:.....

(iii) Identification Numbers:.....

(iv) Port of Registration:.....

(v) Dead Weight of Vessels:.....

(vi) Calibration Tables (To Accompany Above Particulars on Submission)

(vii) Registration Number/Dates:.....

B. Date of Construction, or last date of Dry Docking:.....

C. Builders Yard Address:.....

B. Contract Address of Vessels/Barge Owners:.....

.....

E. Types of Charter (Tick As Appropriate)

(i) Time (ii) Volume (iii) Voyage

F. Address/Telephone No. of Insurance Company:.....

.....

G. Locations/Capacities of Storage Facilities
Shore Tank/Floating Storage Fuel Storage Capacity (MT)

i. Automotive Gas Oil
(AGO).....

ii. Fuel Oil.....

iii. Others.....

.....

.....

Name/Signature of Company's Official Official Stamp/Date

FOR DPR USE ONLY

❖ APPLICATION FEE

Bank Draft Reference

Number:.....

Date:.....

Amount (in words).....

Recommendation of Committee:.....
.....

❖ BUNKERING COMPANY ACCREDITATION

Bank Draft Reference Number:.....

Date:.....

Amount (in words):.....

Recommendation of Committee:.....
.....

❖ VESSEL LICENCE FEE

Bank Draft Reference Number:.....

Date:.....

Amount (in words):.....

Recommendation of Committee:.....
.....