

# **GENERAL GUIDELINES**

PETRONAS LICENSE AND REGISTRATION APPLICATIONS



Web: https://www.petronas.com ► Join Us I Be Our Partner I <u>Our Licensing & Registration</u> (https://www.petronas.com/join-us/be-our-partner/our-licensing-registration)

Email: Irs\_enquiries@petronas.com

## IMPORTANT NOTICE FOR APPLICANT

This General Guidelines is complimentary.

Applicant is advised to study and understand the content of this General Guidelines. Clear understanding is important to ensure that the application submitted is complete and will be given due consideration. Requirements and procedures in this General Guidelines may be updated from time to time.

Applicant is also advised to contact the Licensing and Registration Section (LRS) directly for any general enquiry, including application matters as per the following contact details:

# **Licensing & Registration Counter:**

Level 9, Tower 1, PETRONAS Twin Towers Kuala Lumpur City Centre, 50088 Kuala Lumpur

Tel: 603-23313330

Email: Irs\_enquiries@petronas.com

All applications related to PETRONAS License & Registration is based on <u>self-service concept</u> via online submission. Applicant must ensure that all information submitted is correct and true.

PETRONAS does not appoint nor endorse any third party for the above purposes. PETRONAS shall not be liable for any problem that may arise in the event that the applicant engages a third party for submitting applications of PETRONAS License or Registration.

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#### 1 INTRODUCTION

#### 1.1 License

- 1.1.1 Issuance of PETRONAS License is based on the Petroleum Development Act 1974 and Petroleum Regulations 1974. Based on this Act, an entity that wishes to provide goods / services to the upstream sector in the oil and gas industry in Malaysia must have a valid license. Upstream sector includes but not limited to exploration, development and production of oil and gas.
- 1.1.2 Issuance of License is <u>subject to license fee</u> as stipulated in the Petroleum Regulations 1974. Please refer to Item 8.2 for details.

## 1.2 Registration

- 1.2.1 PETRONAS' policy requires an entity to register with PETRONAS before participating in tender for supply of goods / services to the downstream sector for PETRONAS Group of Companies.
- 1.2.2 Registration fee is not applicable.
- 1.3 Purpose of a valid License / Registration
  - 1.3.1 A valid **License** enables an entity to supply goods / services **to both sectors**:
    - <u>Upstream sector</u> in the oil and gas industry in Malaysia
       AND
    - <u>Downstream sector</u> for PETRONAS Group of Companies
  - **1.3.2** A valid **Registration** enables an entity to supply goods / services **to 1 sector only**:
    - Downstream sector for PETRONAS Group of Companies

# 2 GENERAL REQUIREMENTS OF PETRONAS LICENSE / REGISTRATION

Company must comply with all general requirements below:

- 2.1 Locally incorporated:-
  - 2.1.1 Registered with the Companies Commission of Malaysia (SSM) as "Sdn Bhd" (private limited) or "Berhad" (public limited) company.

The minimum Paid-up Capital is RM100,000 (for License) or RM10,000 (for Registration). Paid-up Capital is in the form of ordinary shares.

OR

2.1.2 Registered with the relevant professional bodies i.e. **Board of Land Surveyor** for 'Land Surveyor', **Board of Valuers, Appraisers and Estate Agents Malaysia** for 'Valuer', **Board of Architects Malaysia** for 'Architectural firm' or other relevant professional bodies.

The minimum Capital or Total Value of Contribution is RM100,000 (for License) or RM10,000 (for Registration).

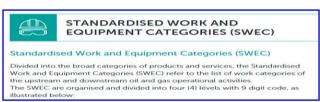
2.2 Positive Shareholders' Fund.

#### 3 STANDARDISED WORK & EQUIPMENT CATEGORY (SWEC)

3.1 The SWEC list and 'Minimum Technical Requirements' (MTR) can be found in the link below:

https://www.petronas.com/join-us/be-our-partner/our-licensing-registration





- Application Information
  - Registration of Suppliers (ROS)
- Service Counter Information
  - Suppliers Self Service (SUS)
- Frequently Asked Questions (FAQs)
- Standardised Work and Equipment Categories (SWEC)

- 3.2 SWECs are divided into 2 types:-
  - 3.2.1 Product SWEC PXXXXXXXX (Code begins with 'P')
  - 3.2.2 Service SWEC SXXXXXXXX (Code begins with'S')
- 3.3 Company must comply with the respective SWEC's requirements below:-
  - 3.3.1 Meet minimum Bumiputera requirement at 4 levels, for the applied SWEC:
    - Equity
    - Board of Directors
    - Management
    - Employees

The SWEC's minimum Bumiputera requirements range from <u>100%</u>, <u>51%</u> and <u>30%</u>. There are also SWECs with no requirement on Bumiputera participation.

# Notes:

- i) Flexibility is given for 'Berhad' (public-listed) company or 'Sdn Bhd' company which is owned at least 51% by a Berhad company to hold a minimum of 35% Bumiputera equity when applies for SWECs with minimum 51% Bumiputera requirement. However, the Bumiputera requirement at the Board of Directors, Management and Employees levels shall follow the respective SWEC's requirement.
  - In the case where the applicant is a 'Berhad' company and is also owned at least 51% by a 'Berhad' (public-listed) company, the total Bumiputera equity of the applicant shall be at a minimum of 17.85% in order to be eligible to apply for SWECs with minimum 30% and 51% Bumiputera requirements.
- ii) For SWEC which requires 100% Bumiputera participation, the 100% requirement is only referred to "Equity", while the minimum Bumiputera requirements for the other levels are as follows:

Equity: 100% Bumiputera

Board of Directors: Minimum 75% Bumiputera participation

Management:

Minimum 75%
Bumiputera
participation

Employee:

Minimum 51%

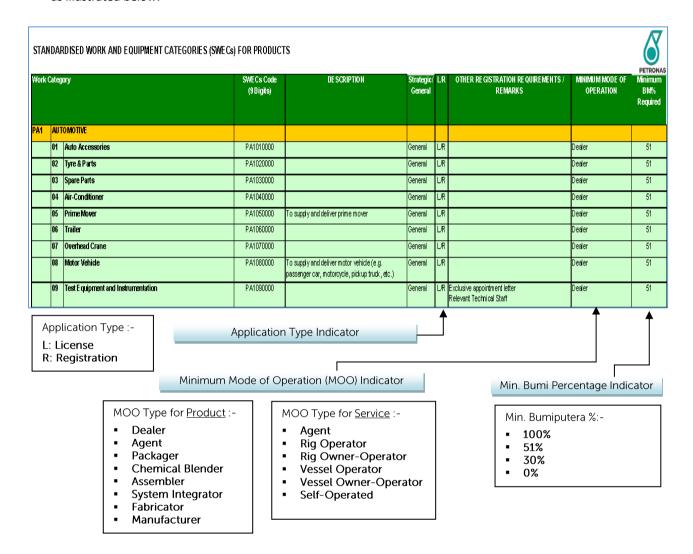
Bumiputera

participation

3.3.2 **Meet other SWEC requirements** including MTR and certification by external bodies as specified in the respective SWEC.

Applicant is advised to always refer to the latest SWEC and MTR Lists as per item 3.1 above, as they may be updated from time to time.

3.4 Each SWEC is indicated by <u>Application Type</u>, <u>Minimum Mode of Operation</u> and <u>Minimum Bumiputera Percentage</u> as illustrated below:



## 4 APPLICATION INVOLVING FOREIGN COMPANY

- 4.1 Foreign company may also participate in tender in the Malaysian oil and gas industry by either:
  - 4.1.1 **Appointing a local company as Agent** to serve as local representative and service provider. The appointed Agent must apply for the PETRONAS License / Registration by complying with the General Guidelines, as per Item 2 and Item 3 above.

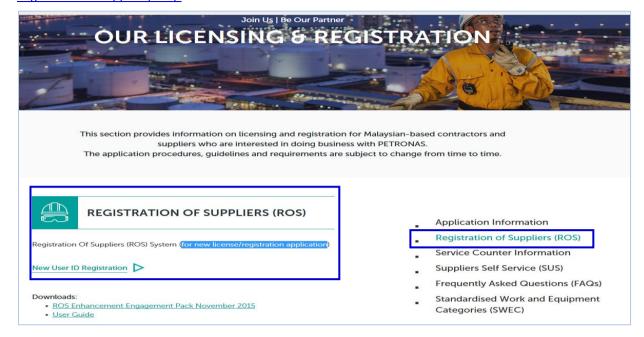
OR

4.1.2 Forming a Joint Venture (JV) company with a local company/individual. The JV company must apply for the PETRONAS License / Registration by complying with the General Guidelines, as per Item 2 and Item 3 above.

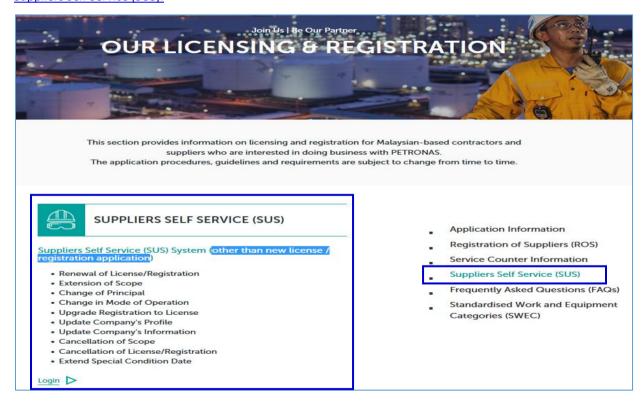
# 5 PROCEDURE FOR APPLICATION OF LICENSE / REGISTRATION

- 5.1 All types of applications for PETRONAS License / Registration are **based on <u>self-service concept</u> via ONLINE submission through PETRONAS website** based on the following categories:
  - a) Registration of Supplier (ROS): <u>For New License / Registration application</u>
    OR
  - b) Suppliers Self Service (SUS): <u>All applications</u>, other than New License / Registration application

# Registration of Supplier (ROS):



## Suppliers Self Service (SUS):



- 5.2 Only 1 application can be submitted at any one time.
- 5.3 PETRONAS License certificate will be issued to Company upon application approval of at least 1 Licensed SWEC.
- 5.4 There is no limitation on number of SWEC to be applied per application (applicable for new, renew or extension of scope) in the interim period until roll-out of new licensing requirements in 2019/2020 where there may be a limit set on the number of SWECs applied.

#### **6 TYPES OF APPLICATION**

# 6.1 New License / Registration

6.1.1 Applicable for Company which has never been licensed / registered with PETRONAS.

## 6.2 Renewal of License / Registration

- 6.2.1 Applicable for Company to <u>renew its License / Registration</u> that is near expiry date or its validity period had expired.
- 6.2.2 Company must submit this application **within three (3) months** before the expiry date of the License / Registration. Delay in renewing the License / Registration will affect the company's chances in participating in tender.
- 6.2.3 Company is allowed to add new scope or delete existing scope during the License / Registration renewal application.

## 6.3 Upgrade Registration to License

6.3.1 Applicable for Company **to upgrade** its eligibility to be <u>involved in both upstream and downstream</u> activities.

## 6.4 Extension of Scope

6.4.1 Applicable for Company to add new SWEC(s) to the existing Licensed / Registered scopes.

# 6.5 Change of Principal

6.5.1 Applicable for Company to change the existing principal to other principal.

# 6.6 Change in Mode of Operation

6.6.1 Applicable for Company to change the mode of operation for a particular SWEC, e.g. change from 'Agent' mode to 'Manufacturer' mode (for Product SWECs) or 'Self-Operated' mode (for Service SWECs).

# 6.7 Update Company's Profile

- 6.7.1 Company is required to update Company's profile and its relavent documents via 'Update Company's Profile (UCP)' application when there is a change in:
  - a) Company's name
  - b) Shareholders' equity
  - c) Board of Directors
  - d) Management
  - e) No. of Employee
  - f) MTR compliance to SWEC requirements
  - g) Shareholders' Fund (if Company's Shareholders' Fund becomes negative during License / Registration period)

Updating must be done within fourteen (14) days from the date of such change. Failure to do so may result in consequence management of the License / Registration.

6.7.2 Company is also required **to update the Bank Details via UCP**, as and when required. The Bank Account must be verified by the respective bank.

6.7.3 Company is required **to comply with the License / Registration Special Conditions** (if any), by submitting the required documentation via UCP application. Special Condition is stated in SUS and virtual certificate as shown in the example below:



Company must adhere to PETRONAS License / Registration Special Conditions to ensure that the company's name is listed in the PETRONAS' List of Licensed / Registered Companies (LLRC) throughout the License / Registration validity period.

## 6.8 Updating Company's Information

- 6.8.1 Licensed / Registered company is required to update company's information if there is a change in:
  - a) Registered / Business / Branch address (including Branch's bank details)
  - b) Telephone number / Fax number
  - c) Company's website
  - d) E-mail address
- 6.8.2 This application does not require approval from PETRONAS.

#### 6.9 Cancellation of SWEC

- 6.9.1 Applicable if Company no longer supplies product / service under the SWEC which has been approved earlier.
- 6.9.2 Company is required to attach an official letter (to be emailed concurrently to license.management@petronas.com) stating the reason for SWEC cancelation and varifying that there is no on-going contract under the SWEC. The letter is to be signed by the majority shareholder and Top Management.

# 6.10 Cancellation of License / Registration

- 6.10.1 Applicable if Company no longer wishes to supply product / service to PETRONAS Group of Companies (for Registration) or/and the Petroleum Arrangement Contractors (PAC) (for License).
- 6.10.2 Company is required to provide an official letter ((to be emailed concurrently to license.management@petronas.com) stating the reason for License / Registration cancelation and varifying that there is no on-going contract. The letter is to be signed by the majority shareholder and Top Management.

# 7 APPLICATION PROCESS

7.1 Evaluation and approval of Company's application is based on 2-tiers:-



- 7.1.1 For 1<sup>st</sup> Tier (Company Level), Company will receive email notification on approval or rejection at company level, i.e. whether the application meets the general requirements.
- 7.1.2 For 2<sup>nd</sup> Tier (SWEC Level), Company will receive email notification on approval or rejection for each SWEC applied.

Company will also receive email notification on license fee payment upon first Licensed SWEC approved.

Note: There is no fee imposed if Company only applies SWEC(s) under 'Registration' category.

## 7.2 Average duration for application process

Application Type	Average duration
New / Renew / Upgrade Registration to License	2-4 weeks from date of submission (depending on the number and complexity of SWECs applied)
Extension of Scope / Change in Principal / Change in Mode of Operation	1 week from date of submission (depending on the number and complexity of SWECs applied)
Cancellation of SWEC / License / Registration	1 week from date of submission
Update Company's Profile (UCP)	3 working days

If Company does not receive any email with regards to the approval of the application after the stipulated processing time, Company may check the application's status in the ROS / SUS system.

#### **8 APPLICATION RESULT**

- 8.1 Validity period for PETRONAS License and Registration is three (3) years.
  - 8.1.1. For Company incorporated less than 18 months from the date of `New' application submission, validity period for PETRONAS License and Registration is **two (2) years.**
- 8.2 License fee is imposed on a <u>licensed entity</u> based on Paid-up Capital or Total Value of Contribution as follows:

Paid-up Capital / Total Value of Contribution	Annual license fee
RM100,000 - RM1,000,000	RM250
Above RM1,000,000 - RM5,000,000	RM500
Above RM5,000,000	RM1,000

- 8.3 License fee is only applicable for 'New License', 'License Renewal' and 'Upgrading from Registration to License' applications.
- 8.4 License fee payment must be made within 14 days from the date of email notification sent to the Company.
- 8.5 License fee payment can be made via online payment.
- 8.6 License fee payment via <u>cash</u>, money order or <u>personal cheque</u> is **not acceptable**.
- 8.7 Registration certificate is issued virtually via SUS system once application is approved, while License certificate is issued virtually once the application is approved and license fee payment has been made.

#### 9 OPPORTUNITY TO PARTICIPATE IN TENDERS

- 9.1 Only Company that has valid License / Registration for the relevant SWEC is eligible to participate in PETRONAS Group of Companies and Petroleum Arrangement Contractors (PAC) tenders as the Company's name is listed in the PETRONAS 'List of Licensed / Registered Companies (LLRC)'.
- 9.2 Although the Company is licensed / registered with PETRONAS, it does not guarantee for the Company to be invited to participate in tender. Company is encouraged to promote and introduce their products / services to PETRONAS Group of Companies and PAC.
- 9.3 If a licensed / registered company is invited to participate in a tender, the Company is required to duly respond to the invitation. Failure to either respond or decline without valid reason repeatedly in a particular SWEC code may result in the Company not being invited for future tenders for that particular scope or may have impact on the Company's License / Registration.
- 9.4 If Company fails to comply with **Special Conditions imposed**, the Company shall be **excluded from PETRONAS' LLRC** <u>even though the Company's License / Registration is still valid</u>.

#### **10 REMINDER**

- 10.1 Applicant is advised to understand this General Guidelines thoroughly before submitting application through ROS / SUS system. Application will be rejected if information submitted is:
  - incomplete; or
  - missing required documents; or
  - non-compliance with general and/or SWEC requirements
- 10.2 For SWEC which was disapproved during 'New' or 'Renewal' application, applicant may re-apply the SWECs via 'Extension of Scope' application to comply with the requirements that have been set.
- 10.3 Application by Company which has the <u>same shareholder(s)/directors(s)</u> of another licensed / registered company in the same SWEC shall not be considered, to avoid any conflict of interest.
- 10.4 During the application process, Licensing and Registration personnel may contact the applicant if clarification is required. Applicant is required to give their best cooperation.
- 10.5 Successful applicant is requested to observe the general terms and conditions of License / Registration and the Special Conditions (if any) as stipulated in Company's License / Registration certificate. Refer to 'PETRONAS License / Registration General Conditions' as stated in the Appendices to General Guidelines, including but not limited to maintaining:-
  - validity of required certificates at all times as per the SWEC's requirements (i.e.: agency appointment letter, external bodies registration e.g. Construction Industry Development Board Malaysia (CIDB), Board of Engineers Malaysia (BEM), Institute of Materials, Malaysia (IMM), etc.)
  - annual audited accounts of Company
- 10.6 Company is required to give their co-operation to PETRONAS representative(s) during audit visit to Company's business premise and to allow them to check / copy documents required as well as interviewing the company's employees.

- END OF GENERAL GUIDELINES

Note: Please refer to 'Appendices to General Guidelines –
PETRONAS License / Registration Applications' for detailed application processes.

