

GUIDELINES FOR THE IMPORTATION OF PETROLEUM PRODUCTS INTO NIGERIA

These guidelines are made pursuant to the provisions of the Petroleum (Amendment) Decree No. 37 of 1977, and are intended to facilitate the DEREGULATION of the Petroleum Products sector as enunciated by the Federal Government of Nigeria

A. ELIGIBILITY

The following categories of companies may apply for PERMIT to import Petroleum products.

- (i) Pipelines and Products Marketing Company (PPMC) Ltd
- (ii) Major Petroleum Products Marketing Companies
- (iii) Independent Petroleum Marketing Companies (IPMAN Companies) with current licensed receptacles/Storage facilities (i.e. Jetties/Depots)
- (iv) Independent Petroleum Marketing Companies (DAPPMA) Companies with current licensed receptacle/Storage facilities (i.e jetties/depots).

B CONDITIONS FOR IMPORTATION OF PETROLEUM PRODUCTS

- (i) Application for import Permit which must be made on company's letter headed paper and on DPR's prescribed form shall be forwarded to the Director, Department of Petroleum Resources (DPR), 7, Kofo Abayomi Street, Victoria Island, Lagos
- (ii) All applications must be accompanied with;
 - (a) A copy of the Certificate of Incorporation of the applicant's company.
 - (b) A copy of the company Article and Memorandum of Association (original to be sighted by DPR)
 - (c) A Copy of the current Storage/Sales licence issued by the DPR.
 - (d) A Bank reference with committed and explicit statements
 - (e) 3-Years Tax Clearance Certificate
 - (f) An application fee of Seventy five Thousands Naira (N75,000.00) only shall be charged per 30,000MT of each product . All fees shall be in Bank Drafts and made payable to the **Federal Government of Nigeria (DPR FEES Account)**. Bank Drafts written "FGN" shall not be honoured. A DPR service charge of Fifty Thousands Naira (N50,000.00) only per application shall also be charged and made payable to the **Department of Petroleum Resources**.
- (iii) Every import Permit shall have duration of 90 days from the date of issue.

- (iv) Each importer of petroleum products shall be required to submit returns on the previous importation for which permit was granted, along with copies of all relevant invoices and shipping documents, before any subsequent application for an Import Permit can be approved.

Such documents shall include:-

- a) Relevant Invoices
 - b) Bill of Lading
 - c) Photocopy of Approved Form "M"
 - d) Clearance or Import duty payment from Nigeria Customs & Excise
 - e) Import Clearance Form duly certified by DPR representative at the jetty.
 - f) Detail cargo information, such as direct shipment, ship to ship, name of mother vessel, certificate of quality, last port of call e.t.c
 - g) A copy of the "Certificate of Quantity" and "Certificate of Quality" of previous imported and delivered products duly authenticated by DPR (to be made available (for renewal of import permit).
 - h) Evidence of utilization of the quantity of products for which import permit was previously granted.
- (v) For every new application for a permit, the permit granted to a company for a previous importation must be surrendered to the Department of Petroleum Resources.
- (vi) All imported Petroleum products must meet the acceptable International Standard quality specifications as approved by the Department of Petroleum Resources.
- (vii) At least 7 days prior to the arrival of the imported cargo at a Nigerian Port, the importer shall ensure that the **Certificate of Quality** of the consignment issued by the exporting refinery or a competent authority in the country of origin is submitted to the DPR.

C. FACILITIES INSPECTION AND CERTIFICATION

All facilities for the storage of imported petroleum products must be inspected by the DPR prior to licensing. The facilities must meet the specification for the storage of class 'A' petroleum products (Gasoline and Kerosene) and class 'B' petroleum products (AGO). All permanently placed bulk storage tanks containing class 'A' petroleum products shall be installed within a bundwall capable of containing the contents of the largest of the storage tanks plus ten per cent of the capacity of the

remaining tanks and where there is only one tank, the bundwall shall be capable of containing the content of the tank. In addition such tanks shall:

- (i) Be fitted with access doors sufficiently large to enable easy access and vents capable of relieving any excess pressure or vacuum.
- (ii) Have access to the roofs by means of a ladder or staircase of a type approved by the Director, Petroleum Resources and all floating roof tanks shall have adequate wind girders.
- (iii) Have provision for containing any leakage to prevent oil contaminating the water when located above water.
- (iv) Be provided with efficient electrical resistance not exceeding ten ohms when measured by an earth resistance tester of the "Mega" or similar type.
- (v) Facilities must conform to all safety and environmental standards for receiving and storing petroleum products.
- (vi) All bulk storage facilities/receptacles (depots) must be equipped with a well furnished quality control laboratory.

D. CONDITIONS FOR CARGO DISCHARGE AT THE JETTIES

A vessel laden with imported petroleum products shall only be allowed to discharge where:

- i. There is an evidence of import permit used in importing the product.
- ii. The imported product has been fiscalised in the presence of a DPR official and "Certificate of Quantity" issued.
- iii. A re-certification 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 a product is conducted.
- iv. The importing company complies with the one week mandatory submission of the "Certificate of Quality", bill of lading and other relevant documents in respect of the imported products.
- v. Documents received from the vessel are not in conflict with those submitted by the importer of the product.

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DEPARTMENT OF PETROLEUM RESOURCES

OTHER ISSUES FOR PETROLEUM PRODUCTS IMPORTATION

- I. Import Permit document shall henceforth carry a **Security Seal**
- II. All imports should now be tied to a specific import permit until the total quantity applied for in the import has been utilized. Therefore, Permit holders are henceforth mandated to make a formal report on the utilization or non-utilization of permit within the three months.
- III. All importers of Petroleum Products must provide detailed account of all volume of product imported and corresponding monetary value so as to cross-check product quantity requisition and utilization compliance.
- IV. The Department of Petroleum Resources should make it mandatory for the CBN to always demand for the “Certificate of Quantity” as a prerequisite for granting subsequent allocation of foreign exchange. The CBN currently relies on this document while processing foreign exchange, however, the bank does not follow same for other importers of petroleum products.
- V. On the import permit application form, the DPR should provide a portion for certifying the official stamp of the importer on the document.
- VI. All applicant companies should state their proposed sources of foreign exchange in their applications.
- VII. All imported products must carry “Certificate of Quantity” duly authenticated by DPR
- VIII. Article of Association shall now be compulsory

DEPARTMENT OF PETROLEUM RESOURCES
APPLICATION FOR PETROLEUM PRODUCTS IMPORT PERMIT

1. NAME OF APPLICANT.....
2. REGISTERED ADDRESS IN NIGERIA.....
.....
3. LOCATION OF RECEIVING DEPOT.....
4. TYPE OF PRODUCT BEING IMPORTED.....
5. ESTIMATED QUANTITY (M. TONS).....
6. ESTIMATED VALUE (\$)..... (=N=).....
7. PORT OF ORIGIN.....
8. PORT OF DISCHARGE IN NIGERIA.....
9. FEES PAID (=N=.....)
.....
(In words)

I DECLARE THAT ALL THE PARTICULARS SET OUT IN THIS APPLICATION ARE TRUE IN THE KNOWLEDGE THAT IF FOUND TO BE FALSE OR WRONG IN ANY MATERIAL RESPECT, THIS PERMIT WILL NOT BE VALID.

10. DATE.....
NAME/SIGNATURE OF APPLICANT

11. SECTION B FOR DPR USE ONLY

(I) BANK DRAFT REF. No.....

(ii) AMOUNT PAID (=N=).....RECEIPT No.....

.....
NAME/SIGNATURE OF RECEIVING OFFICER

.....
DATE/STAMP

12. RECOMMENDATION.....

.....
NAME/SIGNATURE

.....
DATE

13. EXPIRY DATE OF PERMIT

14. APPROVED BY
NAME/SIGNATURE DATE

DECEMBER 2003
DEPARTMENT OF PETROLEUM RESOURCES