

*Upstream Petroleum Regulatory Authority (Annual Levy,
Fees and Charges)*

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THE PETROLEUM ACT,
ARRANGEMENT OF REGULATIONS

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SCHEDULES

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GN No. 959 (contd)

THE PETROLEUM ACT,
(CAP.392)

REGULATIONS

(Made under section 258)

THE UPSTREAM PETROLEUM REGULATORY AUTHORITY (ANNUAL LEVY,
FEES AND CHARGES) REGULATIONS, 2019

Short title and Commencement	1. These Regulations may be cited as Petroleum Upstream Regulatory Authority (Annual levy, fees and charges) Regulations, 2019 and shall come into operation on such date as the Minister may, by Notice published in the Gazette, appoint.
Application	2. These Regulations shall govern the collection of annual levies, fees and charges payable by upstream contractors and or subcontractor to the Authority for the purpose of financing PURA direct and indirect operational costs in the conduct of its Regulatory functions.
Interpretation	3. In these Regulations, unless the context requires otherwise:
Cap, 392	“Act” means the Petroleum Act; “Annual Levy” means the levies payable to the Authority under Regulation 5; "Authority" means The Petroleum Upstream Regulatory Authority or in its Acronym PURA; “Contractor” means a second party or an entity to which any interest on a license may be transferred in the application of the provisions of the relevant agreement; "License" means a license granted under the Act;
Cap.212	"Local Company" means a company or subsidiary company incorporated under Companies Act, which is one hundred percent owned by Tanzanian citizen or a company that is a joint venture partnership with a Tanzania citizen or citizen whose participating share is not less than fifteen percent; "Minister" means the Minister for the time being responsible for

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Petroleum affairs;

"Petroleum operations" means any or all operations in connections with reconnaissance, explorations, appraisal, development, production, processing or liquefaction and includes activities in connection with decommissioning of petroleum facilities;

"Wellhead" means the component or point at the surface of an oil or gas well and includes any such other point determined by the Authority to be the wellhead for the purpose of calculating annual levy in accordance with these regulations.

Fees for
reconnaissance
permit

4. Subject to section 34(2) of Petroleum Act, an applicant for reconnaissance permit shall pay the fee as prescribed in the Second Schedule to these Regulations.

Payment of
annual levy in
respect of
licence

5. There shall be an annual levy imposed on the following licenses:

- (a) exploration license;
- (b) development license; and
- (c) liquefaction license.

(2) The annual levy imposed under subsection (1) shall be payable to the Authority by the contractor in the following manner:

- (a) the contractor of an exploration license will be liable to pay 70,000 USD per annum;
- (b) the contractor of a development license will be liable to pay one percent (1%) of natural gas or crude oil gross sales accrued at delivery point per annum; and
- (c) a contractor of a liquefaction license, is liable to pay 300,000 USD per annum.

(3) Where the contractor is more than one person the liability to pay levy shall be joint and several

charging
period

6. The charging period shall be annually, beginning annual on 1st January of each year, paid in four equal installments at the end of each quarter.

demand note

7. The Authority shall, within ten days after the

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- for payment of annual levy commencement of each charging period, send payment demand notes to the contractors containing the following;
- (a) the amount of the levy for which that contractor is liable to pay;
 - (b) details of where the payment should be made.
- Payment to be made to Authority 8. The levy shall be paid to the Authority within thirty (30) days after date of notification in writing of the amount thereof.
- Registration for provision of goods and services 9.-(1) A person engaging in provision of goods and services in Upstream Petroleum-sub sector in Tanzania shall be verified and registered into the Authority suppliers and service providers database.
- (2) The registration under subregulation (1) shall be done upon payment of the prescribed fees in as prescribed in the Second Schedule.
- (3) A registered suppliers or service provider shall obtain a certificate of recognition from the Authority which shall be renewable annually upon payment of respective fees as prescribed in Second Schedule.
- Requirements for registration 10. For the purpose of registrations with the Authority as stipulated under regulation 9, an applicant shall produce the following:
- (a) certificate of incorporation or compliance annexed with Memorandum and Articles of Association
 - (b) physical address;
 - (c) tax clearance certificate;
 - (d) audited financial statements of the Company for the past 3 years before registration with the Authority and upon renewal for the past year;
 - (e) in case of a new formed company, a declaration of its financial capacity and annual turnover forecast; and
 - (f) any other information, as may be required by the authority.

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Refund for
supervision,
inspection and
safety
measures

11.-(1) The Authority shall recover from the contractor the expenses incurred in the performance of regulatory and supervisory services which are of emergence nature.

- (2) Emergency regulatory supervisory service includes:
- (a) follow-up on hazards and emergencies that have occurred;
 - (b) supervision of emergency preparedness exercises;
 - (c) dealing with reports in connection with hazards and emergencies; and
 - (d) any other activity in relation to the above.

Invoicing of
refunds

12.-(1) A regulatory supervisory service which is carried out in accordance with regulation 11 shall be invoiced based on actual cost incurred which includes transport, man hours and other entitlements in accordance with the Authority's policy.

- (2) When calculating working time spent-
- (a) working time up to thirty minutes or less, shall be counted as half an hour; and
 - (b) working time in excess of thirty minutes shall be counted as one full hour.

Engagement of
experts

13.-(1) The Authority may engage an expert to assist in carrying out the activities provided for under regulation 11.

(2) Where an expert assists the Authority in the performance of activities under regulation 13 (1), the Authority shall determine the amount of remuneration to be paid to the said expert.

(3) Where the Authority submits an invoice for refund, the Contractor shall reimburse the Authority within thirty (30) days from the submission of the invoice.

(4) Where the amount due in respect of an invoice is not refunded, an interest shall be payable on the amount due at the prevailing Bank of Tanzania interest rate.

Interest
Payable on late
payment

14.-(1) Where any due amount remains unpaid after a

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service of demand note, the contractor shall be liable to pay to the Authority an interest on the outstanding amount.

(2)The interest referred to under subregulation (1) shall be simple interest at the rate of 10 per cent per annum, as determined by the Bank of Tanzania published base rate, for the current year.

Levy to be
recovered as
civil debt

15.-(1) Where any amount of the levy notified to the contractor is not paid in accordance with a notice under regulation 7, that unpaid amount together with any due interest shall be as civil debt due to Petroleum Upstream Regulatory Authority.

(2)Notwithstanding the generality of subregulation (1), failure to pay the prescribed levy under this regulations shall be treated as breach of licence conditions issued under the Act.

FIRST SCHEDULE

(Made under regulation 9)

PART I: FEES FOR VERIFICATION AND REGISTRATION OF OIL AND GAS
LOCAL SUPPLIERS AND SERVICE PROVIDERS

CATEGORY	ANNUAL TURNOVER EARNED FROM PETROLEUM SECTOR (TZS '000')	REGISTRATION (TZS '000')	RENEWAL(TZS '000')
LSC1	Above 2,000,000	5,000	2,500
LSC2	Above 1,000,000 but not more than 2,000,000	4,000	2,000
LSC3	Above 700,000 but not more than 1,000,000	3,000	1,500
LSC4	Above 500,000 but not more than 700,000	2,000	1,000
LSC5	Above 300,000 but not more than 500,000	1,500	750

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LSC6	Above 100,000 but not more than 300,000	1,250	500
LSC7	Above 40,000 but not more than 100,000	750	375
LSC8	40,000 or less	250	300

LSC: Local Suppliers Class

PART II: FEES FOR VERIFICATION AND REGISTRATION OF FOREIGN OIL
AND GAS SUPPLIERS AND SERVICE PROVIDERS

CATEGORY	ANNUAL TURNOVER (US\$)	REGISTRATION USD	RENEWAL (US\$)
FSC1	Above 20 million	100,000	85,000
FSC2	About 10 million but not more than 20 million	80,000	70,000
FSC3	About 7 million but not more than 10 million	60,000	50,000
FSC4	About 5 million but not more than 7 million	40,000	35,000
FSC5	About 2 million but not more than 5 million	25,000	20,000
FSC6	About 1 million but not more than 2 million	18,000	15,000
FSC7	About 1 million or less	10,000	8,000

FSC: Foreigner Suppliers Class.

SECOND SCHEDULE

(Made under regulation 4)

FEES FOR RECONNAISSANCE PERMIT APPLICATION

ITEM	AMOUNT (US\$)
Application fees for a reconnaissance permit	20,000

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Dodoma,
27th November, 2019

MEDARD M. C. KALEMANI
Minister for Energy