
GENERAL NOTICE

NOTICE 807 OF 2006

DEPARTMENT OF MINERALS AND ENERGY

DRAFT GUIDELINES FOR RECOMMENDATIONS ON THE IMPORTATION AND EXPORTATION OF CRUDE OIL AND PETROLEUM PRODUCTS FOR PUBLIC COMMENT

1. I, Ms. Buyelwa P. Sonjica, Minister of Minerals and Energy, hereby invite comments to be submitted to the Department on the Draft Guidelines for Recommendations on the Importation and Exportation of Crude Oil and Petroleum Products.
2. Comments must be submitted in writing.
3. Comments can be hand-delivered, posted, facsimiled or e-mailed to the Department.
4. Physical address: Department of Minerals and Energy
Mineralia Centre
234 Visagie Street (c/o Andries and Visagie Streets)
Pretoria
(For attention of Mr. M. Mkhize, Room C 419)
5. Postal address: Department of Minerals and Energy
Private Bag X 59
Pretoria
0001
(For attention of Mr. M. Mkhize, Room C 419)
6. Facsimile Number: (012) 322-8570 / (012) 317-8539 (For attention of Mr. M. Mkhize)
7. E-mail address: muzi.mkhize@dme.gov.za
8. Comments must be submitted to the Department of Minerals and Energy not later than 16h30 on 17 July 2006.

DRAFT GUIDELINES FOR RECOMMENDATIONS ON THE IMPORTATION AND EXPORTATION OF CRUDE OIL AND PETROLEUM PRODUCTS

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PREAMBLE

Whereas the control of imports and exports of petroleum products is an integral part of the regulatory dispensation of the South African liquid fuels sector in that it advances the objectives of licensing under the Petroleum Products Act, 1977;

Whereas the importation and exportation of crude oil and petroleum products is controlled by the International Trade Administration Act, 2002 (Act No. 71 of 2002), which is administered by the International Trade Administration Commission;

Whereas the Department of Minerals and Energy advises the International Trade Administration Commission in the administration of the International Trade Administration Act, 2002 (Act No. 71 of 2002), as contemplated in section 21 of the said Act; and

Whereas these Guidelines form the basis on which the Department of Minerals and Energy will make recommendations to the International Trade Administration Commission.

DEFINITIONS

In these Guidelines for Recommendations for approval of import and export permits, unless the context indicates otherwise—

“**the Act**” means the Petroleum Products Act 1977, (Act No. 120 of 1977) as amended;

“**blending component**” means any petroleum product component that is added, without further refining, when manufacturing petroleum products in order to enable such products to meet the required fuel specifications and standards. Such components include but are not limited to ethanol, butane, sweet naphtha, isomerate, alkylate, reformate and platformate;

“**HDSA wholesaler**” means a licensed wholesaler, in terms of section 2B of the Act that is owned and controlled by historically disadvantaged South Africans, which operate on a basis to meet all aspects of the Liquid Fuels Industry Charter and for the purposes of this definition-

1. own means a majority shareholding position (i.e. 50% + 1 share); and

2. control means the right to make unilateral and binding decisions;

“**ITAC**” means the International Trade Administration Commission established under section 7 of the International Trade Administration Act, 2002 (Act No. 71 of 2002);

“**levy**” means money payable in terms of the Central Energy Fund Act, 1977 (Act No. 38 of 1977), the Road Accident Fund Act, 1996 (Act No. 56 of 1996) and the Customs and Excise Act, 1964 (Act No. 91 of 1964);

“**manufacture**” means the manufacture of petroleum products as defined in the Act;

“**permit**” means a permit issued by ITAC in accordance with the provisions of the International Trade Administration Act, 2002 (Act No. 71 of 2002);

“**petroleum product**” means a petroleum fuel product as defined in the Act;

“**recommendation**” means a written recommendation from the Department of Minerals and Energy, signed by a duly authorised official and countersigned by the responsible Director, to ITAC, for an import or export permit to be issued;

“**wholesale**” means the wholesale of petroleum products as defined in the Act;

IMPORTATION OF CRUDE OIL, PETROLEUM PRODUCTS AND BLENDING COMPONENTS

- 1 The importation of crude oil, petroleum products and blending components will only **be** permitted if such importation will not conflict with the objectives under section **2B(2)** of the Act.
- 2 No person may import crude oil, petroleum products or blending components without a permit issued by ITAC.
- 3 A permit for the importation of crude oil, petroleum products or blending components must not be issued unless ITAC is in receipt of a recommendation from the Department of Minerals and Energy.

- 4 Only licensed manufacturers and licensed HDSA wholesalers may apply for a recommendation to import petroleum products or blending components unless elsewhere specified in these Guidelines.
- 5 Any person may import crude oil.
- 6 Licensed manufacturers may only be permitted to import types of petroleum products that they have been licensed to manufacture.
- 7 A permit may only be issued to the person in respect of whom the recommendation was made.

IMPORTATION OF JET FUEL

- 8 Licensed manufacturers and licensed HDSA wholesalers may apply for a recommendation to import jet fuel unless elsewhere specified in these Guidelines
- 9 Any airline company or representative thereof may apply for a recommendation to import jet fuel for their own consumption.

IMPORTATION OF LIQUEFIED PETROLEUM GAS

- 10 Licensed manufacturers and licensed wholesalers may apply for a recommendation to import liquefied petroleum gas.

EXPORTATION OF CRUDE OIL AND PETROLEUM PRODUCTS

- 11 The Department of Minerals and Energy must issue a recommendation to an applicant seeking to export petroleum products or blending components unless, in the opinion of the Department of Minerals and Energy—
 - 11.1 such export will result in a shortage of the petroleum product or blending component concerned; or
 - 11.2 it is not in the public interest to issue such a recommendation.

APPLICATIONS FOR IMPORT OR EXPORT RECOMMENDATIONS

- 12 Applications for import or export recommendations must be made in writing to the Department of Minerals and Energy, by completing, in full, the relevant form supplied by ITAC.
- 13 Separate applications in respect of each petroleum product and each blending component must be submitted.
- 14 The procedure for the processing of applications, **which is** subject to change from time to time, is outlined in **Annexure A**.
- 15 The Department of Minerals and Energy must **within 24 hours** of receipt of an application issue a recommendation to **ITAC** and a copy thereof to the applicant, or decline to do so, with reasons.

PAYMENT OF FUEL LEVIES

- 16 All local fuel levies applicable on petrol, diesel and illuminating paraffin, except Value Added Tax, must be paid to the South African Revenue Services in line with its provisions as stipulated in "Part 2- EXCISE ACCOUNT (DA 159 and DA 160) AND PAYMENT TERMS" of the Regulations "Excise Procedures for the oil industry" promulgated in terms of the provisions of the Customs and Excise Act, 1964 (Act No. 91 of 1964).

REPORTING

- 17 Licensed manufacturers and licensed wholesalers, in possession of a recommendation and permit to import or export the consignment contemplated in such recommendation and permit must inform the Department of Minerals and Energy, within seven (7) days of the petroleum product or blending component concerned entering or leaving South Africa, of the nature of such product or

blending component, its CIF (Cost, Insurance and Freight) price **and the volumes** of the consignment concerned.

REVIEW

18 These Guidelines will be reviewed –

18.1 from time to time; and

18.2 in consultation with stakeholders and affected parties.

COMMENCEMENT

19 These Guidelines commence on the date on which they are signed by the Minister of Minerals and Energy. They supersede all documents of the Department of Minerals and Energy, which pertain to the issuing of permits for the importation and exportation of crude oil and petroleum products.

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MINISTER OF MINERALS AND ENERGY

DATE/.../ 2006

ANNEXURE A**PROCEDURE FOR THE PROCESSING OF APPLICATIONS BY THE DEPARTMENT OF MINERALS AND ENERGY**

- A box will be allocated for the dropping of the application forms
- This box will be emptied at 12h00 daily.
- These application forms will be ready for collection the following day at reception;
- These forms will be dealt with within 24 hours, after which the applicants can come to collect the authorized applications and submit them to ITAC for final approval and further processing.
- Any application forms received after 12h00, will be considered to have been dropped the following day, and will only be dealt with together with the batch received the following day;
- In the case of applications received on a Friday-
 - for application forms received after 12h00, the authorized forms would have to be collected on the next Monday; and
 - application forms received after 12/10 shall be treated as having been received on a Monday before 12h00; and
- Should the recommendation be declined a written response will be attached to the application form with motivation for the decline