

**Assignment and Transfer of Licence or Permit Regulations, 2022
Pursuant to Sections 117 of the Petroleum Industry Act, No. 6, 2021**

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1. Objectives

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PART ONE
Objectives

1(1). The objectives of these Regulations are :

- (i) to establish the manner in which a holder of a licence or permit may transfer or assign a licence or permit granted by the Authority for Midstream and Downstream operations pursuant to section 117 of the Petroleum Industry Act, 2021.
- (ii) to prescribe fees for such assignment or transfer.
- (iii) to provide applicable penalties for failure to comply with these Regulations.

(2). The Authority may publish Guidelines under these Regulations.

PART TWO
General

- 2. A holder of a licence or permit shall not, without the prior written consent of the Authority, assign or transfer its licence or permit or any right or obligation arising from the licence or permit to any company.
- 3. Subject to Regulation 2, an assignment or transfer of licence or permit shall include, but not limited to:
 - (a) Assignment or transfer by exchange or transfer of shares.
 - (b) Assignment or transfer by private placement or public listing.
 - (c) Assignment or transfer by merger.
 - (d) Assignment or transfer by acquisition.
 - (e) Assignment or transfer to a company in a group of which the Assignor is a member and is to be made for the purpose of re-organisation in order to achieve greater efficiency and to acquire resources for more effective petroleum operations.
 - (f) Assignment or transfer to a new company.

- (g) Assignment or transfer by reason of devolution of ownership of shares or interest in ownership of shares by operation of law or testamentary device.

4(1). Notwithstanding the provision of Regulation 3, a change of name by a company arising from a corporate restructuring or rebranding without involving a Merger, Acquisition, Takeover, new company or change in ownership or control of a company shall not require an assignment or transfer of licence or permit application.

(2). A holder of licence or permit under Regulation 4 (1) shall however, apply for new licence(s) or permit(s) for its facility or facilities in its new name as a change in name invalidates any licence or permit in the previous name of the company.

PART THREE

Assignment, transfer, and application of licence

5(1). A holder of a licence or permit for Midstream and Downstream facilities shall notify the Authority prior to the assignment or transfer of its licence or permit.

(2) The holder of licence or permit shall:

- (a) state the reason(s) and the method for the conduct of the assignment or transfer, and the possible technical and economic value such assignment or transfer;
- (b) not proceed with any process incidental to the assignment or transfer of licence or permit, including making announcements, advertisements, publications or press releases, in respect of the assignment or transfer, without the prior consent of the Authority;
- (c) In the case of a public company, publish a notice of the application in the form and manner prescribed by the Authority;
- (d) provide original of its Valid licence or permit; and
- (e) provide or submit any other information and documents stipulated in the guidelines.

- (3) the Authority shall respond within ten working days from date of receipt of the notification, failing which the holder of licence or permit may proceed to the next stage of the transaction.
6. After notification to the Authority, and upon the completion of the transaction, an applicant shall:
 - (a) apply for an assignment or transfer of the licence or permit to its company;
 - (b) submit a copy of the title documents which shall be certified by a court of competent jurisdiction.
 - (c) where required, make presentation to the Authority as to the technical and financial capability and experience of the applicant to operate such facility; and
 - (d) Provide any other information as may be directed by the Authority
7. The Applicant shall pay application and processing fees as prescribed in these Regulations.
- 8(1). The Authority shall inform the applicant in writing its consent or refusal of the application within sixty (60) days from the date the application was received by the Authority; and
 - (2). Where the Authority refuses the grant of an application, it shall inform the applicant in writing the reason for the refusal and the applicant may further represent the application within the validity period of the licence.
9. Upon the grant of approval for the assignment or transfer of the licence or permit by the Authority, the Authority shall notify the applicant in writing subject to any approval or transaction fees and additional conditions to be prescribed by the Authority.
10. Where the Authority does not approve or refuse an application and fails to communicate its decision to an applicant within sixty days, the application shall be deemed approved.
11. After the grant of approval and upon the fulfilment of any additional conditions stipulated by the Authority, the applicant shall apply for a new

licence or permit in its own name in accordance with the provisions of the Midstream and Downstream Petroleum Operations Regulations, the guidelines made thereto and other relevant laws.

PART FOUR FEES

12(1). The applicant shall be required to pay the following application fees:

S/NO.	Facility	Application Fees
A	Petrol liquids/gas retail outlets	₦20,000.00
B	Depots	₦150,000.00
C	Blending Plants/Waste Recycling Plants/Bitumen Emulsion Plants/Refilling plants/ Thermal Desorption Units	₦250,000.00
D	Hydrocarbon Processing Plant (Refineries, Petrochemicals and Gas Processing facilities)	USD 5000 for capacities < 1,000 BPSD or 6MMSCFD
		USD 10,000 for capacities between 1,000 and 30,000 BPSD or 180MMSCFD
		USD 20,000 for capacities above 30,000 BPSD or 180MMSCFD
E	Pipeline	US\$30,000.00
F	Pipeline Network	USD 50,000
G	Terminals	USD 20,000
H	CNG Compression Station/ Small Scale LNG Installations	NGN 250,000

(2). The applicant shall be required to pay an assignment or transfer of licence or permit processing fee of five per cent (5%) of the transaction cost or applicable fees below, whichever is higher:

S/NO.	Facility	Processing Fees
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A	Petrol liquids/gas retail outlets	₦200,000.00
B	Depots	₦5,000,000.00
C	Blending Plants/Waste Recycling Plants/Bitumen Emulsion Plants/Refilling Plants/Thermal Desorption Units	₦3,000,000.00
D	Hydrocarbon Processing Plant (Refineries, Petrochemicals and Gas Processing facilities)	USD 10,000 for capacities < 1,000 BPSD or 6MMSCFD
		USD 50,000 for capacities between 1,000 and 30,000 BPSD or 180MMSCFD
		USD 150,000 for capacities above 30,000 BPSD or 180MMSCFD
E	Pipeline	US\$50,000.00
F	Pipeline Network	USD 150,000
G	Terminals	USD 200,000
H	CNG Compression Station/Small Scale LNG Installations	NGN 500,000

PART FIVE OFFENCES

13. Any person who:

- a. Fails to comply with any provisions of these Regulations or any directives given or condition of any permit or licence issued under these Regulations; or
- b. Makes a false declaration to the Authority or wilfully furnishes information so required which is in any respect false or insufficient.

Is liable to a penalty of not more than One Hundred Thousand United States Dollars (\$100,000.00) or its equivalent in Naira issued by the Authority and in addition any permit, licence or authorisation granted to that person may be suspended, cancelled, or terminated.

PART SIX MISCELLANEOUS

14. **“Acquisition”** means a corporate transaction where one company purchases all or a substantial interest, portion, shares, or facility of another company, such that the acquired company becomes a subsidiary or division of the acquiring company.

“Applicant” means the company applying for transfer of licence in the Midstream or Downstream Sector arising from an Acquisition, Mergers, Takeover, or a Lease.

“Assignment” means the transfer of a licence or permit or an interest, power or right therein by any company or person with equity, participating, contractual or working interest in the said licence or permit through merger, acquisition, take-over, divestment of shares or property, or any such transaction that may alter the ownership, equity, rights or interest of the assigning company in question, not minding the nature of business arrangement that the assigning company may be involved in.

“Assignment or transfer by acquisition” means direct or indirect takeover or acquisition of the entire rights or interest in a licence or permit, and associated assets of the assigning company, including acquisition of interest by an entity in a parent company whose affiliate has interest in a licence or permit, or associated assets in Nigeria.

“Assignment or transfer by exchange or transfer of shares” means the acquisition of part or all the shares of a company which holds a licence or permit in Nigeria.

“Assignment or transfer by merger” means company which holds a licence or permit combines with one or more companies to form another company by way of payment, exchange of shares or by any other means whatsoever.

“Assignment or transfer through private placement or public listing” means Private Placement or Public listing in Stock Exchange, of a part or of the whole of the shares of a company which holds a licence or permit.

“Change in Ownership or Control” means a change in ownership or control of a permit or licence to operate a midstream or downstream facility or

a change in ownership or control of an interest or rights therein either through Lease, Lien, Assignment, Mortgage or a change in ownership or control of an interest or rights therein of a corporate body either through Merger, Acquisition, Takeover, shares divestment in part or whole or similar transaction.

“Merger” means the fusion of two or more companies into one new legal entity.

“Takeover” means a transfer or purchase of the shares of a publicly listed company by an individual or company and which gives the acquirer control over management and affairs of the company.

“Operation of law” refers to a judgment by a competent court of law, an award by an Arbitration Panel, the appointment of a Receiver, Receiver/Manager or Administrator under the Companies and Allied Matters Act Cap C20 LFN 2004 or any comparable legislation in a foreign jurisdiction.

“Testamentary device” refers to the transfer of shares through a Will or Letters of Administration.

Citation

15. These Regulations may be cited as the Assignment and Transfer of Licence or Permit Regulations

Made at Abuja this day of 2022

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Explanatory Note

These Regulations are to regulate the assignment and transfer of licence or permit in in the midstream and downstream petroleum operations.