




ANNEXTURES FOR THE REPORT OF THE COMMITTEE ON DELEGATED LEGISLATION ON ITS CONSIDERATION OF TEN REGULATIONS UNDER THE PETROLEUM ACT (CAP 308).

1. TEN (10) REGULATIONS UNDER THE PETROLEUM ACT (CAP 308);
2. REGULATORY IMPACT STATEMENTS AND THE EXPLANATORY MEMORANDA FOR THE TEN (10) REGULATIONS;
3. SUBMISSIONS BY THE INDEPENDENT GAS DEALERS' ASSOCIATION OF KENYA ON PETROLEUM; AND
4. CORRESPONDENCES

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 16 OCT 2025	
DAY: Thur	
TABLED BY:	Hon. Robert Gichimu, MP Vice-Chairperson
CLERK-AT THE-TABLE:	V. Wambui



REPUBLIC OF KENYA
MINISTRY OF ENERGY AND PETROLEUM

① DLPS
14/07/25
② SL
for tables
14/7/25

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OFFICE OF THE CABINET SECRETARY
KAWI COMPLEX
P. O. Box 30582-00100
NAIROBI

Ref No.: MOEP/P/CONF/1/3

Date: 12th June 2025

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly,
Off Parliament Road
Parliament Buildings
NAIROBI

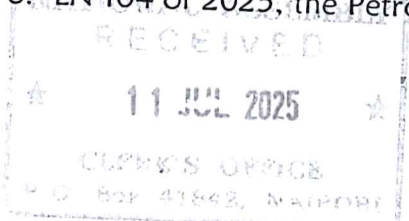
Dear *Hon. Clerk*


LAYING OF THE DOWNSTREAM PETROLEUM REGULATIONS PUBLISHED UNDER THE PETROLEUM ACT, (CAP 308) TO PARLIAMENT FOR SCRUTINY

Reference is made to the above matter.

The following Regulations were published on 30th May, 2025 under the following Legal Notices.

1. LN 95 of 2025, the Petroleum (Business Licensing and Petroleum Logistics Facility Construction Permit) Regulations, 2025;
2. LN 96 of 2025, the Petroleum (Licensing of Petroleum Road Transportation Business) Regulations, 2025;
3. LN 97 of 2025, the Petroleum (Operation of Common User Petroleum Facilities) Regulations, 2025;
4. LN 98 of 2025, the Petroleum (Information and Statistics) Regulations, 2025;
5. LN 99 of 2025, the Petroleum (Lubricants Facility Construction and Business Licensing) Regulations, 2025;
6. LN 100 of 2025, the Petroleum (Retail Dispensing Site Construction and Licensing) Regulations, 2025;
7. LN 101 of 2025, the Petroleum (Liquefied Petroleum Gas) Regulations, 2025;
8. LN 104 of 2025, the Petroleum (Products Quality Management) Regulations, 2025;



 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 JUL 2025	DAY. 1145 TUESDAY
TABLED BY:	30th May, 2025
CLERK-AT THE-TABLE:	LEADER OF MAJORITY ITZOFU MWALE

SPECIAL ISSUE

Kenya Gazette Supplement No. 77

(Legislative Supplement No. 46)

LEGAL NOTICE NO. 95

THE PETROLEUM ACT

(Cap. 308)

**THE PETROLEUM (PETROLEUM BUSINESS LICENSING AND
 PETROLEUM LOGISTICS FACILITY CONSTRUCTION PERMIT)
 REGULATIONS, 2025**

ARRANGEMENT OF REGULATIONS

Regulation

PART I—PRELIMINARY

- 1— Citation.
- 2— Interpretation.
- 3— Application of these Regulations.

**PART II—PETROLEUM LOGISTICS FACILITY CONSTRUCTION
 PERMIT**

- 4— Prohibition against construction without a construction permit.
- 5— Application for a construction permit.
- 6— Validity of construction permit.
- 7— Extension of validity of construction permit.
- 8— Obligations of a holder of a construction permit.
- 9— Suspension or revocation of a construction permit.

PART III—PETROLEUM BUSINESS LICENCE

- 10— Application for a licence.
- 11— Validity of licence.
- 12— Renewal of licence.
- 13— Amendment of licence.
- 14— Transfer of a licence.
- 15— Obligations of holder of a licence.
- 16— Suspension or revocation of a licence.

PART IV—MISCELLANEOUS

- 17— Display of construction permit or licence at premises.
- 18— Ownership of licence and construction permit.

THE PETROLEUM ACT

(Cap. 308)

IN EXERCISE of the powers conferred by section 101(b) and (m) of the Petroleum Act the Cabinet Secretary for Energy and Petroleum, on the recommendation of the Energy and Petroleum Regulatory Authority makes the following Regulations—

THE PETROLEUM (PETROLEUM BUSINESS LICENSING AND PETROLEUM LOGISTICS FACILITY CONSTRUCTION PERMIT) REGULATIONS, 2025

PART I—PRELIMINARY

1. These Regulations may be cited as the Petroleum (Petroleum Business Licensing and Petroleum Logistics Facility Construction Permit) Regulations, 2025. Citation.

2. In these Regulations, unless the context otherwise requires— Interpretation.
“agent” means a person appointed in writing by the Authority to perform any of its functions;

“Authority” means the Energy and Petroleum Regulatory Authority established under section 9 of the Energy Act;

“construction permit” means an authorisation to construct or modify a petroleum logistics facility issued under regulation 5 or 19; Cap. 314.

“emergency works” means construction works undertaken—

(a) to prevent the occurrence or further deterioration or damage from a disaster, accident or incident that affects persons, property or the environment;

(b) to prevent escalation of loss of containment in the event of an oil spill or gas release and fires; or

(c) in any other situation which if escalates, may pose a risk to the petroleum logistics facility;

“environment liability policy” means a statement of the commitment to comply with the laws and other policy implementation mechanisms concerning environmental issues in relation to the respective petroleum logistics facility;

“environmental impact assessment study report” means an environmental impact assessment study report issued under section 58(2) of the Environmental Management and Coordination Act;

“licence” means a petroleum business licence issued under regulation 10, 12, 13, 19 or 20; Cap. 387.

“maintenance” means the conduct of an action that is necessary to retain petroleum infrastructure or a facility in a state that is as close as possible to its original state, but does not include rehabilitation or renewal;

5. (1) A person who intends to construct or modify a petroleum logistics facility shall—
- Application for a construction permit.
- (a) apply to the Authority for a construction permit in Form 1 set out in the First Schedule;
 - (b) attach the documents in Table 1 set out in the Second Schedule to the application under sub-paragraph (a);
 - (c) execute an environment liability policy in Form 2 set out in the First Schedule; and
 - (d) remit to the Authority the application fees in the Third Schedule.
- (2) Within forty-five days of receipt of the application made under paragraph (1), the Authority shall—
- (a) assess the suitability of location of the petroleum logistics facility; and
 - (b) notify the applicant of the nature of the conditions that may be imposed on the issuance of the construction permit.
- (3) On receiving the notification under paragraph (2), an applicant shall within fifteen days, submit an undertaking to comply with the conditions imposed on the issuance of the construction permit in Form 3 set out in the First Schedule.
- (4) On receiving the undertaking submitted under paragraph (3), the Authority shall issue a successful applicant a construction permit in Form 4 set out in the First Schedule.
- (5) The Authority shall notify the applicant of the rejection of an application made under paragraph (1) and specify the reasons of the rejection within seven days of the rejection.
6. A construction permit shall be valid for twelve months from the date the construction permit was issued and include the period that may be extended under regulation 7.
- Validity of construction permit.
7. (1) A holder of a construction permit who intends to extend the validity of a construction permit shall—
- Extension of validity of construction permit.
- (a) apply to the Authority for the extension of the period in Form 1 set out in the First Schedule; and
 - (b) remit to the Authority the application fees in the Third Schedule.
- (2) An extension granted upon consideration of an application made under paragraph (1) shall not exceed twenty-four months from the date the construction permit was issued.
8. The holder of the construction permit shall—
- Obligations of a holder of a construction permit.
- (a) comply with the conditions of the construction permit;

(5) Within thirty days after an application being made under paragraph (2), the Authority shall issue a successful applicant with a petroleum business licence in Form 6 set out in the First Schedule.

(6) Where an application being made under paragraph (2) is rejected, the Authority shall notify the applicant of the reasons for the rejection in writing within seven days of the rejection.

(7) A person who contravenes paragraph (1) commits an offence and shall on conviction be liable to the penalty under section 24 (5) of the Statutory Instruments Act.

11. (1) A licence issued to an applicant who conducts the importation, exportation and wholesale of refined petroleum products shall be valid for twelve months from the date of issue.

Cap. 2A.
Validity of
licence.

(2) A licence issued to an applicant who conducts the exportation and wholesale of refined petroleum products shall be valid for thirty-six months from the date of issue.

(3) A licence issued to an applicant who conducts the storage of refined petroleum products shall be valid for thirty-six months from the date of issue.

(4) A licence issued to an applicant who conducts the transportation of refined petroleum products via pipeline shall be valid for twelve months from the date of issue.

(5) A licence issued to an applicant who conducts the exportation and wholesale of crude oil shall be valid for twelve months from the date of issue.

(6) A licence issued to an applicant who conducts the importation, exportation and wholesale of bitumen, fuel oils or lubricant shall be valid for twelve months from the date of issue.

12. (1) A person who intends to renew a licence shall—

- (a) apply to the Authority for renewal of a petroleum business licence in Form 5 set out in the First Schedule;
- (b) attach the documents in Table 4 set out in the Second Schedule to the application under paragraph (a); and
- (c) execute an environment liability policy in Form 2 set out in the First Schedule; and
- (d) remit to the Authority the application fees in the Third Schedule.

Renewal of
licence.

(2) An application under paragraph (1) shall be made a least thirty days before the expiry of the licence.

(3) An applicant who conduct the importation, wholesale and exportation of refined petroleum products shall attach the additional documents in Table 5 set out in the First Schedule to the application made under paragraph (1).

(7) Upon considering an application made under paragraph (1), the Authority shall issue a successful applicant with an amended petroleum business licence in in Form 6 set out in the First Schedule.

14. (1) A person who intends to transfer a licence shall—

Transfer of a licence.

(a) submit a request in writing to the Authority specifying the proposed changes;

(b) remit to the Authority the fees in the Third Schedule.

(2) Within thirty days after receiving the request submitted under paragraph (1), the Authority shall issue the person a written consent to transfer the licence.

(3) Where a request submitted under paragraph (1) is rejected, the Authority shall notify the person of the reasons for the rejection in writing within seven days of the rejection.

15. (1) Upon being issued with a licence, the holder shall—

Obligations of holder of a licence.

(a) operate the facility on which the petroleum business is being conducted in compliance with the Act;

(b) engage a third party to utilise or maintain servicing the facility on which the petroleum business is being conducted;

(c) comply with the Kenya Standards for refined petroleum products, the facility on which the petroleum business is being conducted, the equipment used at the facility and the operations at the facility;

(d) unless importing petroleum, only purchase petroleum from a holder of a licence; and

(e) only sell petroleum in Kenya to a holder of a licence, or a consumer for own consumption.

(2) A holder of a licence who does not comply with paragraph (1) commits an offence and shall be liable on conviction to the penalty under section 24 (5) of the Statutory Instruments Act.

16. (1) The Authority may suspend or revoke a licence if the holder does not comply with the Act, these Regulations or the conditions of the licence.

Cap. 2A.
Suspension or revocation of a licence.

(2) Where the Authority believes that the holder of a licence has not complied with the Act, these Regulations or the conditions of the licence, the Authority shall issue the holder a notice of fourteen days to show cause why the licence should not be suspended or revoked.

(3) The Authority shall determine whether the holder of a licence has not complied with the conditions of the licence within thirty days after expiry of the notice period referred to in paragraph (2).

(4) Where the Authority determines that a holder of a licence has not complied with the conditions of the licence the Authority issue the

- (b) attach a police abstract detailing the tampering with or defacement of the licence or construction permit;
- (c) attach a sworn affidavit on the circumstances leading to the tampering with or defacement of the licence or construction permit; and
- (d) remit to the Authority the fees in the Third Schedule.

(3) Within thirty days after receiving the request submitted under paragraph (2), the Authority shall issue the holder—

- (a) a licence in Form 6 set out in the First Schedule; or
- (b) a construction permit in Form 4 set out in the First Schedule.

(4) Where a request submitted under paragraph (2) is rejected, the Authority shall notify the holder of the reasons for the rejection in writing within seven days of the rejection.

21. (1) A holder of a construction permit shall submit to the Authority a report of an accident or incident that occurs at the facility on which the construction or modification is being conducted.

Reporting of accidents and incidents.

(2) A holder of a licence shall submit to the Authority a report of an accident or incident that occurs at the facility on which the holder is conducting petroleum business.

(3) The report referred to in paragraphs (1) and (2) shall be submitted within forty-eight hours of the occurrence of an accident or incident in Form 8 set out in the First Schedule.

(4) An accident or incident referred to in this regulation shall be one that causes—

- (a) loss of life or permanent total disability to any person;
- (b) damage to property or to the environment whose value exceeds million shillings;
- (c) an oil spill of at least one hundred litres;
- (d) an accidental gas release of at least one hundred kilograms; or
- (e) a fire or explosion that causes an accident or incident referred to in sub-paragraph (a) or (b).

(5) A holder of a licence or construction permit who does not comply with paragraphs (1), (2) or (3) commits an offence and shall be liable on conviction to a fine not exceeding twenty thousand shillings.

22. (1) A holder of a licence or a construction permit shall conduct an investigation into an accident or incident reported under regulation 21 within fourteen days of the occurrence of the accident or incident.

Investigation of accidents and incidents.

(2) Upon conclusion of the investigation conducted under paragraph (1), the holder of a construction permit or licence shall submit to the Authority a report and specify—

FIRST SCHEDULE

FORMS

FORM 1—APPLICATION FOR CONSTRUCTION PERMIT

(r. 5(1)(a), 7(1)(a))

1. Type of application (tick as appropriate)
- (a) New application
- (b) Extension
- Extension details.....
2. Name of applicant.....
3. Details of applicant.....
- (a) applicant's Kenya Revenue Authority Personal Identification Number.....
- (b) postal address....
- (c) email address....
- (d) telephone number.....
- (e) date of registration.....
- (f) registration number.....
- (g) proposed location of the business premises
- (i) plot number....
- (ii) building name....
- (iii) street.....
- (iv) town.....
- (v) county
4. Location:
- Longitude: Latitude:.....
5. Details of proprietors or partners owning the business or directors or shareholder of the applicant

Name	Nationality	Number of shares	Passport or identity card number
.....
.....
.....

- (h) pursue a programme of continuous improvement by reviewing our Environmental Management System and related objectives and targets, policies and practices; and
- (i) report to the relevant authorities, accidents or incidents causing pollution of the environment, investigating the accidents or incidents and clean up or restore the affected areas.

Signature:.....

Designation:.....

Stamp or Seal:.....

Date:.....

FORM 3 – WRITTEN UNDERTAKING TO COMPLY WITH CONDITIONS OF CONSTRUCTION PERMIT

(r. 5(3))

I/We(name of applicant) of P.O. Box..... being an applicant for a Petroleum Logistics Facility Construction Permit warrants to comply with the conditions of the Petroleum Logistics Facility Construction Permit.

The particulars of the which are as follows –

Permit no.:	Petroleum logistics facility:
Plot no.:	Location:
Street:	Town:
County:	
Permit expiry date:	
Full name of applicant:	Phone number:
Signature of applicant:	Date:
If the name of the applicant not the owner of the land on which the petroleum logistics facility insert owner's signature here:	Phone number:
	Date:

(ii) building name....

(iii) street.....

(iv) town.....

(v) county

4. Location:

Longitude: Latitude:.....

5. Details of proprietors or partners owning the business or directors or shareholders of the applicant

Name	Nationality	Number of shares	Passport or identity card number
.....
.....
.....

6. Category of petroleum business licence:

(a) petroleum logistics facility business licence;(b) importation, wholesale and export of refined petroleum products;(c) wholesale and export of refined petroleum products; or(d) storage, refining and pipeline transportation of refined petroleum products.

7. Tank capacity and refined petroleum products

Tank	Refined petroleum product	Tank capacity
Tank 1
Tank 2

Signed: _____

Date: _____

FORM 8 – ACCIDENT OR INCIDENT REPORTING FORM

(r. 21(3))

1. Name of owner of the premises:.
 2. Name of operator of the premises...
 3. Name of holder of licence or construction permit:.....
 4. Motor Vehicle registration number....
 5. Accident or incident location:
 - (a) County.....
 - (b) Sub-County.....
 - (c) Location.....
 - (d) Village
 6. Geographical spread of the accident or incident
.....
.....
 7. Time and date of accident or incident
 8. Date reported to the holder of the licence or construction permit.....
 9. Date reported to the Authority....
 10. Most probable cause of accident or incident
.....
.....
 11. Accident or incident impact:
.....
.....
 12. Police reference and reported date (where applicable)....
 13. Reported by:
 - (a) Name.....
 - (b) Postal address....
 - (c) Email address.....
 - (d) Telephone....
 14. Number of injuries....
 15. Number of fatalities.....
 16. Scale of environmental damage
.....
.....
 17. Period the facility may be out of service...
 18. Description of the events leading to the accident or incident
.....
.....
- Signed: _____
Date: _____

12.	A certified copy of the practicing certificate issued under the Engineers Act for the engineer preparing the documents in paragraphs 9, 10 and 11.
13.	Drawings of the design of a fire suppression system and calculations showing adequacy of the system prepared by professional engineer licensed under the Engineering Act.
14.	An environmental impact assessment study report for the construction or modification.

TABLE 2—DOCUMENTS ATTACHED TO APPLICATION FOR PETROLEUM BUSINESS LICENCE

(r. 10(2)(b))

1.	Any of the following:
	(a) The certificate of incorporation of the applicant issued under the Companies Act;
	(b) The certificate of registration of the applicant issued under the Societies Act;
	(c) The certificate of registration of the applicant issued under the Co-operative Societies Act; or
	(d) The certificate of registration of the applicant issued under the Registration of Business Names Act.
2.	The particulars of the shareholders and directors of the applicant company issued by the Registrar of Companies in accordance with section 854 of the Companies Act within the preceding twelve months prior to making the application.
3.	Copies of identity cards or passports of the shareholders and directors of the applicant company.
4.	Where a director of the applicant is a foreign national, a work permit issued under the Kenya Citizenship and Immigration Act.
5.	A Tax Compliance Certificate for the applicant issued under the Tax Procedures Act.
6.	A trade licence issued by the respective County Government.
7.	A certificate of title, certificate of lease or other form of proof indicating that the applicant has title over the land on which the petroleum business is to be conducted.
8.	An environmental impact assessment study report for the petroleum business.
9.	A development permission issued under the Physical Land Use and Planning Act.

3.	Where a director of the applicant is a foreign national, a work permit issued under the Kenya Citizenship and Immigration Act.
4.	A trade licence issued by the respective County Government.
5.	A Tax Compliance Certificate for the applicant issued under the Tax Procedures Act.
6.	A certificate of title, certificate of lease or other form of proof indicating the that the applicant has title over the land on which the petroleum business is to be conducted.
7.	An acknowledgement from the National Environment Management Authority of having received an annual environmental audit report of the previous year for the facility on which the petroleum business is being conducted submitted under the Environmental Management and Co-ordination Act.
8.	A certificate of registration of the facility on which the petroleum business is to be conducted as a work place issued under the Occupational Safety and Health Act.
9.	An inspection report of the storage prepared in accordance with the Standards Act
10.	Certificates issued under the Industrial Training Act certifying that at least four employees of the applicant have been trained in the safe handling of petroleum.

TABLE 5— ADDITIONAL DOCUMENTS ATTACHED TO APPLICATION FOR RENEWAL OF PETROLEUM BUSINESS LICENCE FOR IMPORTATION, WHOLESALE AND EXPORTATION OF REFINED PETROLEUM PRODUCTS

(r. 12(3))

1.	Any of the following—
	(a) Proof of having conducted petroleum business in Kenya as a wholesaler with an annual sales volume of at least six thousand, six hundred cubic metres of petroleum;
	(b) A certificate of title, certificate of lease or other form of proof indicating the that the applicant has title for the preceding five years over the land on which at least five facilities where retail petroleum business has been conducted;
	(c) A certificate of title, certificate of lease or other form of proof indicating the that the applicant has title for the preceding five years over the land which is used as a petroleum bulk storage depot in Kenya; or
	(d) Where an applicant conducts petroleum business outside Kenya, certified audited accounts for the preceding three years indicating an annual turnover of at least ten million United States dollars for applicants with operations outside Kenya.
2.	Proof of membership in good standing to an oil spill contingency group.

	(d) Request for replacement	20,000
	(e) Request for transfer	20,000
6.	A licence for the exportation and wholesale of crude oil	
	(a) Application for issuance	8,000
	(b) Application for renewal	5,000
	(c) Application for amendment	1,000
	(d) Request for replacement	8,000
	(e) Request for transfer	8,000
7.	A licence for the importation, exportation and wholesale of bitumen, fuel oils or lubricant	
	(a) Application for issuance	20,000
	(b) Application for renewal	10,000
	(c) Application for amendment	1,000
	(d) Request for replacement	20,000
	(e) Request for transfer	20,000

Made on 23rd May, 2025.

JAMES OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

LEGAL NOTICE NO. 96

THE PETROLEUM ACT

(Cap. 308)

THE PETROLEUM (LICENSING OF PETROLEUM ROAD
TRANSPORTATION BUSINESS) REGULATIONS, 2025

ARRANGEMENT OF REGULATIONS

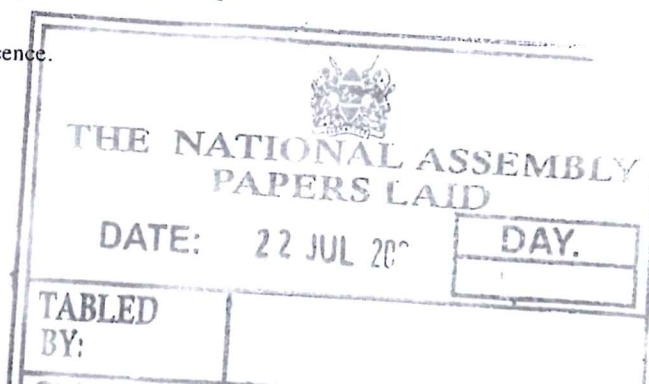
Regulation

PART I—PRELIMINARY

- 1— Citation.
- 2— Interpretation.
- 3— Limitation of the application of these Regulations.

PART II—PETROLEUM ROAD TRANSPORTATION BUSINESS
LICENCE

- 4— Prohibition against petroleum road transportation business without licence.
- 5— Application for licence.



THE PETROLEUM ACT

(Cap. 308)

IN EXERCISE of the powers conferred by section 101(b), (p) and (aa) of the Petroleum Act, the Cabinet Secretary for Energy and Petroleum, on the recommendation of the Energy and Petroleum Regulatory Authority makes the following Regulations—

THE PETROLEUM (LICENSING OF PETROLEUM ROAD TRANSPORTATION BUSINESS) REGULATIONS, 2025

PART I—PRELIMINARY

1. These Regulations may be cited as the Petroleum (Licensing of Petroleum Road Transportation Business) Regulations, 2025. Citation.
2. In these Regulations, unless the context otherwise requires— Interpretation.
 - “Authority” means the Energy and Petroleum Regulatory Authority established under section 9 of the Energy Act; Cap. 314.
 - “certificate” means a petroleum road tanker driver’s certificate issued under regulations 18, 20 or 21;
 - “designated parking” means a suitable place set aside for parking of petroleum tankers in accordance with section 98 of the Act;
 - “environment liability policy” means a statement of commitment by a party to the laws, regulations and other policy mechanisms concerning environmental issues;
 - “licence” means a petroleum road transportation business licence issued under regulation 5, 7 or 8;
 - “permit” means a petroleum tanker permit issued under regulation 12, 14 or 15; and
 - “petroleum road transportation business” means a concern to carry on the transportation of petroleum or refined petroleum products by road.
3. Except as otherwise provided, these Regulations shall not apply to— Limitation of the application of these Regulations.
 - (a) the refined petroleum products consumed by a motor vehicle; and
 - (b) petroleum and refined petroleum products transported in containers whose combined volume does not exceed one thousand litres.

PART II—PETROLEUM ROAD TRANSPORTATION BUSINESS LICENCE

4. A person shall not conduct petroleum road transportation business unless that person has a petroleum road transportation business licence. Prohibition against petroleum road transportation business without licence.

(2) Within thirty days of any of the change referred to in paragraph (1) taking effect, a holder of a licence shall make an application in Form 1 set out in the First Schedule and remit to the Authority the fees in the Third Schedule.

(3) Upon considering an application made under paragraph (1), the Authority shall issue a successful applicant with an amended licence in Form 3 set out in the First Schedule.

(4) Where an application being made under paragraph (1) is rejected, the Authority shall notify the applicant of the reasons for the rejection in writing within seven days of the rejection.

9. (1) Upon being issued with a licence, the holder of the licence shall—

Obligations of holder of licence.

- (a) transport refined petroleum products that meet the Kenya Standard;
- (b) enter into contracts for the transportation of refined petroleum products with persons who holds a licence to carry out that petroleum business issued in accordance with the Act;
- (c) use the routes designated by the Authority;
- (d) load refined petroleum products from facilities which have a licence to carry out that petroleum business issued in accordance with the Act;
- (e) discharge refined petroleum products to facilities which have a licence to carry out that petroleum business issued in accordance with the Act or to consumers;
- (f) discharge refined petroleum products intended for export, at the consigned destination outside the territory of Kenya;
- (g) transport refined petroleum products in petroleum tankers that have permits;
- (h) only transport refined petroleum products in petroleum tankers which are driven by persons who hold certificates;
- (i) develop and implement an emergency preparedness and response plan;
- (j) conduct pre-loading vehicle inspections; and
- (k) only park their petroleum road tankers at designated parking areas.

(2) Pre-loading inspection conducted in accordance with paragraph (1)(j) shall be to verify—

- (a) the date of the inspection,
- (b) the registration number of the petroleum tanker;
- (c) the name and licence of the owner of the petroleum tanker;

- (e) the route of the transportation including the designated stopping and resting places;
- (f) the maximum time that an individual driver of the petroleum tanker may continuously drive, which time shall not exceed four hours;
- (g) the maximum time that an individual driver of the petroleum tanker may rest after continuous driving, which time shall be at least thirty minutes; and
- (h) the combined time that an individual driver of the petroleum tanker may take to transport a consignment, which time shall not exceed ten hours in every twenty-four hours.

(3) A holder of a licence who contravenes paragraph (1) commits an offence and shall on conviction be liable on conviction to the penalty under section 24 (5) of the Statutory Instruments Act.

Cap. 2A.

PART III—PETROLEUM ROAD TANKER PERMIT

11. (1) A person shall not operate a petroleum tanker without a petroleum tanker permit.

Prohibition against operating petroleum tanker without permit.

(2) A person who contravenes paragraph (1) commits an offence and shall on conviction be liable to a fine of not less than one million shillings.

12. (1) A person who intends to operate a petroleum tanker shall—

Application for permit.

- (a) apply to the Authority in Form 1 set out in the First Schedule;
- (b) attach the documents in Table 2 set out in the Second Schedule to the application under sub-paragraph (a);
- (c) execute an environment liability policy in Form 2 set out in the First Schedule; and
- (d) remit to the Authority the fees in the Third Schedule.

(2) Within thirty days after an application being made under paragraph (1), the Authority shall issue a successful applicant with a permit in Form 4 set out in the First Schedule.

(3) Where an application being made under paragraph (1) is rejected, the Authority shall notify the applicant of the reasons for the rejection in writing within seven days of the rejection.

13. A permit shall be valid for twenty-four months from the date of issue.

Validity of permit.

14. (1) A person who intends to renew the validity of a permit shall—

Renewal of the validity of permit.

- (a) apply to the Authority in Form 1 set out in the First Schedule;

(2) A person who contravenes paragraph (1) commits an offence and shall on conviction be liable to penalty under section 24 (5) of the Statutory Instruments Act..

Cap. 2A.

18. (1) A person who intends to operate a petroleum tanker shall—

Application for certificate.

- (a) apply to the Authority in Form 5 set out in the First Schedule;
- (b) attach the documents in Table 3 set out in the Second Schedule to the application under sub-paragraph (a); and
- (c) remit to the Authority the fees in the Third Schedule.

(2) Within thirty days after an application being made under paragraph (1), the Authority shall issue a successful applicant with a certificate in Form 6 set out in the First Schedule.

(3) Where an application being made under paragraph (1) is rejected, the Authority shall notify the applicant of the reasons for the rejection in writing within seven days of the rejection.

19. A certificate shall be valid for twenty-four months from the date of issue.

Validity of certificate.

20. (1) A person who intends to renew the validity of a certificate shall—

Renewal of the validity of certificate.

- (a) apply to the Authority in Form 5 set out in the First Schedule;
- (b) attach the documents in Table 3 set out in the Second Schedule to the application under sub-paragraph (a); and
- (c) remit to the Authority the fees in the Third Schedule.

(2) Within thirty days after an application being made under paragraph (1), the Authority shall issue a successful applicant with a certificate in Form 6 set out in the First Schedule.

(3) Where an application being made under paragraph (1) is rejected, the Authority shall notify the applicant of the reasons for the rejection in writing within seven days of the rejection.

(4) An application under paragraph (1) shall be made a least thirty days before the expiry of the certificate.

21. (1) A holder of a certificate may apply to the Authority for an amendment to the certificate for the following reasons—

Amendment of certificate.

- (a) an error in the text of the certificate;
- (b) a change in the name of the holder; or
- (c) a change in the address of the holder.

(2) Within thirty days of any of the change referred to in paragraph (1) taking effect, a holder of a certificate shall make an application in Form 5 set out in the First Schedule and remit to the Authority the fees in the Third Schedule.

(k) comply with the journey plan that has been put in place by the holder of the licence who owns the refined petroleum product that is being transported; and

(l) not carry unauthorized passengers or cargo.

(2) A person who fails to comply with the requirements listed in sub-regulation (1) commits an offence and shall on conviction be liable to the fines and penalties as set out in the Sixth Schedule.

PART V—MISCELLANEOUS

24. (1) A holder of a permit, licence or certificate shall not park a petroleum road tanker in an area other than a designated parking for petroleum tankers.

Designated parking.

(2) Where a holder of a permit or licence has developed an exclusive parking area for their own petroleum tankers, the holder shall construct the parking area in such a manner as to minimise the impact of the parking area on safety, health and the environment.

(3) A holder of a permit, licence or certificate shall not park a petroleum road tanker within one hundred metres from a residential area.

(4) A holder of a permit, licence or certificate who contravenes paragraph (2) or (3) commits an offence and shall on conviction be liable on conviction to the penalty under section 24 (5) of the Statutory Instruments Act.

Cap. 2A.

25. (1) A holder of a construction permit shall submit to the Authority a report of an accident or incident that occurs at the facility on which the construction or modification is being conducted.

Reporting of accidents and incidents.

(2) A holder of a licence shall submit to the Authority a report of an accident or incident that occurs at the facility on which the holder is conducting petroleum business.

(3) The report referred to in paragraphs (1) and (2) shall be submitted within forty-eight hours of the occurrence of an accident or incident Form 7 set out in the First Schedule.

(4) An accident or incident referred to in this regulation shall be one that causes—

- (a) loss of life or permanent total disability to any person;
- (b) damage to property or to the environment whose value exceeds million shillings;
- (c) an oil spill of at least one hundred litres;
- (d) an accidental gas release of at least one hundred kilograms; or
- (e) a fire or explosion that causes an accident or incident referred to in sub-paragraph (a) or (b).

(5) A holder of a licence, permit or certificate who does not comply with paragraph (1), (2) or (3) commits an offence and shall be

FIRST SCHEDULE

FORMS

FORM I – APPLICATION FOR ISSUANCE, RENEWAL OF VALIDITY OR AMENDMENT OF PETROLEUM ROAD TRANSPORTATION BUSINESS LICENCE OR PETROLEUM TANKER PERMIT

(r. 5(1)(a), 7(1)(a), 8(2), 12(1)(a), 14(1)(a), 15(2))

8. Type of application (tick as appropriate)

- (c) New application
- (d) Renewal of validity application
- (e) Amendment application

Amendment details.....

9. Biodata

- (a) Name of applicant.....
- (h) postal address.....
- (i) email address.....
- (j) telephone number.....
- (k) physical address.....
- (l) registration number.....
- (m) date of registration.....
- (n) registration number.....
- (o) category of applicant as business entity.....
- (p) contact person:
 - (i) Name:
 - (ii) Designation:
 - (iii) Mobile number:

(q) County...

10. Details of proprietors or partners owning the business or directors or shareholders of the applicant

Name	Nationality	Number of shares	Passport or identity card number
.....
.....
.....

- 3 Promote and continually invest in technologies that provide alternatives to business travel and transport;
- 4 Adopt a procurement programme which considers the environmental impact of refined petroleum products and services;
- 5 Promote the protection and enhancement of biodiversity and ecosystems through employee awareness programs and stakeholder engagement;
- 6 Ensure our staff are aware of the environmental impacts of their work activities and encouraging them through regular awareness and training to minimize those impacts;
- 7 Communicate our environmental commitment and efforts to our customers, staff and the community;
- 8 Pursue a programme of continuous improvement by reviewing our environmental management system and related objectives and targets, policies and practices; and
- 9 Report to the relevant authorities, accidents or incidents causing pollution of the environment, investigating the accidents or incidents and clean up or restore the affected areas.

Signature:.....

Designation:.....

Stamp or Seal:.....

Date:.....

FORM 3— PETROLEUM ROAD TRANSPORTATION BUSINESS LICENCE

(r. 5(2), 7(3), 8(3))

LICENCE NUMBER _____

This Petroleum Road Transport Business Licence is hereby granted to _____ (Insert Name of Applicant) of P. O. Box _____ to carry on the following petroleum businesses:

(PETROLEUM BUSINESS NAME)

On premises situated at: _____

Plot number: _____

Building: _____

Street: _____

Town: _____

County: _____

This Petroleum Road Transport Business Licence expires on _____

- (a) Name of applicant.....
- (b) postal address....
- (c) email address....
- (d) telephone number....
- (e) physical address.....
- (r) Date of birth.....
- (s) Driving licence number.....
- (t) passport number or national identity card number.....

3. Work experience of the applicant

Institution	Business type	Starting date	Ending date	Position
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

4. Academic qualifications

Institution	Location	Academic Level	Summary of qualification	Date awarded
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

5. Reason for amendment (*tick as appropriate*)

- (a) an error in the text of the certificate;
- (b) a change in the name of the holder; or
- (c) a change in the address of the holder.

Signed: _____

Date: _____

29. Accident or incident impact.....
30. Police reference and reported date (where applicable).....
31. Reported by:
- (e) Name.....
- (f) Postal address.....
- (g) Email address.....
- (h) Telephone.....
32. Number of injuries....
33. Number of fatalities.....
34. Scale of environmental damage.....
35. Period the facility may be out of service...
36. Description of the events leading to the accident or incident

Signed: _____

Date: _____

SECOND SCHEDULE

TABLES

TABLE 1—DOCUMENTS ATTACHED TO APPLICATION FOR PETROLEUM
PETROLEUM ROAD TRANSPORTATION BUSINESS LICENCE

(r. 5(1)(b), 7(1)(b))

15	The particulars of the shareholders and directors of the applicant company issued by the Registrar of Companies in accordance with section 854 of the Companies Act within the preceding twelve months prior to making the application.
16	Copies of identity cards or passports of the shareholders and directors of the applicant company.
17	Where the shareholders or directors of the applicant company are a company, the particulars of the shareholders and directors of the shareholder or director company issued by the Registrar of Companies in accordance with section 854 of the Companies Act within the preceding twelve months prior to making the application.
18	Where a director of the applicant is a foreign national, a work permit issued under the Kenya Citizenship and Immigration Act.
19	A Tax Compliance Certificate for the applicant issued under the Tax Procedures Act.

TABLE 3—DOCUMENTS ATTACHED TO APPLICATION FOR ISSUANCE OR RENEWAL OF VALIDITY OF PETROLEUM ROAD TANKER DRIVER CERTIFICATE

(*r. 18(1)(b), 20(1)(b)*)

1.	A copy of the identity card or passport of the applicant.
2.	A copy of a certificate or diploma issued to the applicant in accordance with the Technical and Vocational Education and Training Act or a certificate issued in accordance with National Industrial Training Act.
3.	A driving licence issued to the applicant for the petroleum tanker in accordance with the Traffic Act.
4.	A colour Passport size photo of the applicant.

THIRD SCHEDULE

FEEES

(*r. 5 (1)(d), 7(1)(d), 8(2), 12(1)(d), 14(1)(d), 15(2), 18(1)(c), 20(1)(c), 21(2)*)

	Category of authorisation	Amount in Ksh
8.	Licence	
	(c) Application for issuance	10,000
	(f) Application for renewal	5,000
	(g) Application for amendment	1,000
9.	Permit	
	(a) Application for issuance	1,000
	(b) Application for renewal	500
	(c) Application for amendment	250
10	Certificate	
	(a) Application for issuance	1,000
	(b) Application for renewal	500
	(c) Application for amendment	250

Made on 23rd May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

THE PETROLEUM ACT

(Cap. 308)

IN EXERCISE of the powers conferred by section 101 the Petroleum Act, the Cabinet Secretary for Energy and Petroleum on the recommendation on the Energy and Petroleum Regulations Authority, makes the following Regulations—

THE PETROLEUM (OPERATION OF COMMON USER PETROLEUM FACILITIES) REGULATIONS, 2025.

PART I—PRELIMINARY

1. These Regulations may be cited as the Petroleum (Operation of Common User Petroleum Facilities) Regulations, 2025. Citation.

2. In these Regulations, unless the context otherwise requires— Interpretation.

Act” means the Petroleum Act;

Cap 308

“Authority” means the Energy and Petroleum Regulatory Authority established under section 9 of the Energy Act;

Cap 314

“Cabinet Secretary” means the Cabinet Secretary responsible for matters relating to petroleum;

“capacity utilisation contract” means a contract developed by a common user petroleum facility licensee and submitted to the Authority in accordance with regulation 7;

“common user facility” has the meaning assigned to it under the Act;

“tariff” means a set of prices, rates, charges and costs associated with capacity, supply and delivery of petroleum products as approved by the Authority;

“user” means a petroleum business licensee that has entered into a capacity utilisation contract with an owner or operator of a common user facility; and

“wholesale depot” means a petroleum receipt, storage and truck loading facility owned by a licensee carrying out petroleum business.

3. The following may be licensed as common user petroleum facilities upon meeting the terms and conditions set by the Authority under Part II— Application.

- (a) petroleum bulk storage facilities;
- (b) petroleum pipeline transportation systems;
- (c) petroleum marine jetty systems;
- (d) aviation refueling hydrant systems and dispensers;
- (e) petroleum truck loading facilities;
- (f) liquidified petroleum gas pipeline systems, storage facilities and cylinder refilling facilities;

storage facilities

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 22 JUL 2025 DAY.

TABLED BY:

CLERK-A72

(8) A renewed licence shall maintain the original licence number.

(9) A licence issued by the Authority for a common user facility shall be valid for thirty –six months from the date of issue.

(10) Where an application for the renewal of a licence is made thirty days before expiry and the Authority has not made a determination by the date of expiry, the licence shall be deemed to be valid until a determination on the application for renewal is made.

6. (1) In considering the application for a common user petroleum facility, the Authority shall take into account the following—

Determination of an application for licence.

- (a) current capacity utilization;
- (b) outcome of key stakeholder engagements;
- (c) ease of supply logistics to the facility;
- (d) operational efficiency of the facility;
- (e) that the contractual rights, privileges, liabilities, and obligations accrued to an existing licensee or any other person are not materially adversely affected;
- (f) economic and financial benefits to the country or area of supply of the undertaking;
- (g) the cost of the undertaking and financing arrangements;
- (h) the applicant's proposed tariff; and
- (i) any other matter that the Authority may consider likely to have a bearing on the undertaking.

(2) A licence for a common user petroleum facility shall be issued in the form set out in the Third Schedule.

7. (1) The licensee of a common user petroleum facility shall develop and submit to the Authority for approval, a capacity utilisation contract to be signed by users.

Capacity utilisation contract.

(2) The contract in sub-regulation (1) shall apply the following key principles—

- (a) open access to the common user petroleum facility upon users meeting the requisite terms and conditions as stipulated in the capacity utilisation contract; and
- (b) non-discrimination between users or classes of users on access, tariffs and conditions of service.

(3) The tariffs, charges payable and any subsequent reviews of the tariffs and charges shall be subject to approval by the Authority.

(4) The capacity utilisation contract shall contain the minimum requirements set out in the Fourth Schedule.

(5) In the case of pipeline systems, the approved tariff shall be designated separately for pipeline transportation, storage and loading.

(6) The tariffs shall be calculated in accordance with the method set out in the Fifth Schedule.

11. The allowable operating stock loss for a common user facility shall in any case not exceed zero point two five percent (0.25%) of the volume of petroleum handled.

Allowable
operating stock
loss.

PART III— MISCELLANEOUS

12. (1) Any complaints or disputes under these Regulations shall be resolved as provided for in the capacity utilisation contract between the user and the common user petroleum facility licensee.

Complaints and
disputes.

(2) Notwithstanding sub-regulation (1), the right of a user or licensee of a common user petroleum facility to lodge a complaint with the Authority shall not be limited or qualified.

13. (1) A common user petroleum facility licensee shall within forty-eight hours of an accident or incident notify the Authority in the form set out in the Sixth Schedule.

Reporting of
accidents or
incidents.

(2) The threshold of accidents or incidences to be reported under these Regulations shall include those that cause—

- (a) loss of life or permanent total disability;
- (b) damage to property or to the environment of a value exceeding one million shillings;
- (c) an oil spill of one hundred litres or more, or accidental gas release of one hundred kilograms or more; or
- (d) a fire or explosion resulting in the incidents in paragraphs (a) or (b).

(3) The information to be submitted to the Authority in sub-regulation (1) shall include the following—

- (a) name of the owner and operator of the premises involved;
- (b) date and time of the incident or accident;
- (c) location and geographical spread of the incident or accident;
- (d) number of injuries or fatalities, if any;
- (e) scale of environmental damage, if any;
- (f) damage to the common user facility or the property of a third party, if any;
- (g) in case of a petroleum logistics facility, the number of days the infrastructure continues to be out of service; and
- (h) description of events leading to and the most probable cause of the incident or accident.

(4) A common user petroleum facility licensee who fails to report an accident or incident as required under sub-regulation (1)

FIRST SCHEDULE

r. 5 (1)

APPLICATION FORM FOR A LICENCE FOR A COMMON USER PETROLEUM FACILITY

(A separate application form must be completed in respect of each separate business establishment)

1. Application Type (*Tick as appropriate*):
- a. New Application
- b. Renewal Application
2. Name of business/applicant: _____
3. Details of applicant: _____
- (a) Petroleum Facility Business Licence No: _____
- (b) Storage Capacity: _____
- (c) Income Tax Person & Identification Number(s): _____
- (d) Business/applicant KRA pin: _____
- (e) Postal address: _____
- (f) Email Address: _____
- (g) Telephone/Mobile Number: _____
- (h) Business registration details (Date of Registration, Registration Number): _____
- (i) Proposed location of the business premises:
- (i) Plot No: _____
- (ii) Building Name: _____
- (iii) Street/Market: _____
- (iv) Town/District: _____
- (v) County: _____
4. Location: -Longitude: _____ Latitude: _____
5. Details of proprietors or partners owning business or directors/shareholders of the company, as the case may be:

Name:	Nationality	No of shares	Passport/ ID No.
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Any additional information should be submitted on a separate sheet of paper)

THIRD SCHEDULE

r. 6 (2)

FORM OF COMMON USER PETROLEUM FACILITY LICENCE



THE PETROLEUM ACT, CAP 308
PETROLEUM BUSINESS LICENCE

No. ERC/PET _____

Licence is hereby granted to _____ of P.O. Box _____
to carry on the following petroleum businesses:

LICENCE TO OPERATE A COMMON USER PETROLEUM FACILITY

On premises situated at: _____

Plot No. _____

Building _____

Street/Market _____

Town/County _____

This licence is valid for a period of _____

Dated this: _____

Signature _____ (SEAL)

Director General Energy and Petroleum Regulatory Authority

Conditions:

As shall be provided by the Authority.

FIFTH SCHEDULE

r. 10 (6)

TARIFF CALCULATION METHOD FOR COMMON USER PETROLEUM FACILITIES

The method outlined in this schedule shall be used by the Authority to calculate allowable tariffs for various services offered at a common user petroleum facility. The tariffs approved by the Authority shall be sufficient for the licensee to recover the capital cost of the investment, operate and maintain the system, and make a return commensurate with the risk.

The methodology used to calculate tariffs shall be systematic, consistent, comparable, fair, non-discriminatory, simple, transparent, predictable, and stable such that it promotes access to affordable petroleum products.

The method shall determine the allowable revenue for the year under consideration, divided by the throughput volume for the period to arrive at the tariff in Kenya Shillings or United States Dollar per cubic metre for that particular service and facility.

A detailed demonstration of the methodology shall be published on the Authority's Website

1. Allowable Revenue (AR)

The following formula shall be used to determine the Allowable Revenue:

$$AR = (RAB \times RoR) + E + D + F + T$$

Where –

AR = Allowable revenue

RAB = Regulatory asset base

RoR = Rate of Return as determined by the Authority based on the Weighted Average Cost of Capital.

E = Operating and maintenance expenses for the tariff period under review. This shall be based on expenses following an independent and professional benchmarking exercise.

D = The depreciation amount calculated on a straight line basis over the service life of each of the assets or classes of assets in the RAB for the tariff period under review.

F = Approved revenue addition to meet debt obligations for the tariff period under review

T = Estimated tax expense for the tariff period under review

2. RAB

The following formula shall be used to determine the RAB:

$$RAB = (V - d) + w \pm dtax$$



SIXTH SCHEDULE

r. 13 (1)

COMMON USER PETROLEUM FACILITY ACCIDENT REPORTING FORM

1. Name of Licensee: _____
2. Motor Vehicle Registration No.: _____
3. Accident Location:
 - (i) County: _____
 - (ii) Sub-County: _____
 - (iii) Location: _____
 - (iv) Village: _____
4. Time and Date of the Accident: _____
5. Date Reported to Licensee: _____
6. Date Reported to the Authority: _____
7. Cause of Accident: _____
8. Accident Impact: _____
9. Police Reference and Reported Date (*as applicable*): _____
10. Reported by:
 - (a) Name: _____
 - (b) Postal address: _____
 - (c) Email address: _____
 - (d) Telephone: _____
11. Supporting Documents: (*As applicable including scene photos*)

Made on the 19th May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

THE PETROLEUM ACT

(Cap. 308)

IN EXERCISE of the powers conferred by section 101 of the Petroleum Act, the Cabinet Secretary for Energy and Petroleum on the recommendation on the Energy and Petroleum Regulations Authority makes the following Regulations —

THE PETROLEUM (INFORMATION AND STATISTICS)
REGULATIONS, 2025

PART I—PRELIMINARY PROVISIONS

1. These Regulations may be cited as the Petroleum (Information and Statistics) Regulations, 2025. Citation.

2. In these Regulations, unless the context otherwise requires — Interpretation.

“Authority” means the Energy and Petroleum Regulatory Authority established under section 9 of the Energy Act; Cap. 314.

“dead stocks” refers to petroleum products that cannot be extracted from a storage tank below the discharge point of a tank in the normal course of operations;

“incident” means an occurrence which has the potential to cause harm to a person or damage to equipment, property or the environment and includes an accident;

“line fill” means the volume of petroleum products maintained in a pipeline as restricted stock for purposes of displacement of other products during pumping operations;

“operational stock” means stock in storage facilities that is accessible in normal operations;

“petroleum products” means all imported refined petroleum products;

“pipeline” means a pipe or system of pipes used for the transportation of petroleum and any apparatus and works associated therewith, including —

- (a) apparatus for inducing or facilitating the flow of petroleum through the pipe or system of pipes;
- (b) valves, valve chambers, manholes, inspection points and similar works, being works annexed to, or incorporated in the course of the pipe or system of pipes;
- (c) apparatus for supplying energy for the operation of any such a system as mentioned in paragraph (a) or of such works as mentioned in paragraph (b);
- (d) apparatus for the transmission of information for the operation of the pipe or system of pipes;
- (e) apparatus for providing cathodic protection to the pipe or system of pipes; or
- (f) a structure for the exclusive support of a part of the pipe or system of pipes;

(vi) receiving bulk storage facility; and

(b) the final destination of the imported products.

(2) The information in subregulation (1) shall be in the form set out in the Second Schedule.

6. (1) A person licensed to transport petroleum products by pipeline shall submit to the Authority by the tenth day following the end of each calendar month information on the—

Information on pipeline transportation.

- (a) quantity of operational stocks, line fill and dead stocks in the pipeline system by product;
- (b) throughput and closing stocks by product; and
- (c) operational stock losses.

(2) The information in subregulation (1) shall be in the form specified in the Third Schedule.

PART III— INFORMATION ON WHOLESALE AND RETAIL OF PETROLEUM PRODUCTS

7. (1) A person licensed to wholesale petroleum products shall submit to the Authority by the tenth day following the end of each calendar month information on the—

Information on wholesale.

- (a) total volume of petroleum sold by product and destination; and
- (b) source storage facility for each product sold.

(2) The information in subregulation (1) shall be in the form specified in the Fourth Schedule.

8. (1) A person licensed to retail petroleum products shall submit to the Authority by the tenth day following the end of each calendar month information on the—

Information on retail.

- (a) total volume sold by product;
- (b) total volume purchased and the source; and
- (c) storage tank capacities per product per retail station.

(2) The information in subregulation (1) shall be in the form specified in the Fifth Schedule.


9. (1) A person licensed to undertake liquid petroleum gas business, shall in addition to any other reporting requirements prescribed in these Regulations, submit to the Authority, by the tenth day following the end of each calendar month, information on the—

Information on liquefied petroleum gas.


- (a) quantity of liquid petroleum gas imported, by source country and by entry point into Kenya;
- (b) quantity of local purchases of liquid petroleum gas in bulk and the source;
- (c) quantity of local sales of liquid petroleum gas in bulk;

FIRST SCHEDULE
PETROLEUM STORAGE FACILITIES REPORTING REQUIREMENTS

r.4(3)

FORM 1		
PETROLEUM STORAGE FACILITIES REPORTING REQUIREMENTS		
PART A		
Name of storage facility:		
EPRA Licence No.:		Type of Storage (Private, Common User, Strategic Stocks):
Reporting Period	_____ (Month) _____ (Year)	
Date of Submission:		
GPS:	Longitude: _____	Latitude: _____
Location:	County: _____	Sub-County: _____
Storage Capacity:	Total Storage Capacity (m³):	
	i. Aviation Gasoline	Volume (m ³):
	ii. Premium Motor Spirit	Volume (m ³):
	iii. Illuminating Kerosene	Volume (m ³):
	iv. Jet A 1	Volume (m ³):
	v. Automotive Gasoil	Volume (m ³):
	vi. Industrial Diesel Oil	Volume (m ³):
	vii. Fuel Oil (CST 125)	Volume (m ³):
	viii. Fuel Oil (CST 180)	Volume (m ³):
PART B		
1 – 6 to be completed for each petroleum product held at the storage facility*		
Product:		
1.	Opening Stock: Total _____ m ³ = Operational Stock _____ m ³ + Deadstock _____ m ³ <i>* At the beginning of the reporting period as prescribed by the Authority</i>	
2.	Total Receipts: _____ m ³ : (i) Ship: _____ m ³ (ii) Pipeline: _____ m ³	


SECOND SCHEDULE
PETROLEUM IMPORTATION REPORTING REQUIREMENTS r.5(2)

FORM 2			
PETROLEUM IMPORTATION REPORTING REQUIREMENTS			
PART A			
Name of Importer:			
EPRA Licence No.:			
Reporting Period:	_____ (Month) _____ (Year)		
Date of Submission:	_____		
Import Volumes:	i.	Aviation Gasoline	Volume (m ³):
	ii.	Premium Motor Spirit	Volume (m ³):
	iii.	Illuminating Kerosene	Volume(m ³):
	iv.	Jet A1	Volume(m ³):
	v.	Automotive Gasoil	Volume (m ³):
	vi.	Industrial Diesel Oil	Volume (m ³):
	vii.	Fuel Oil (CST 125)	Volume (m ³):
	viii.	Fuel Oil (CST 180)	Volume (m ³):
PART B			
<i>1 – 7 to be completed for each petroleum product import during the reporting period*</i>			
Product:			
1.	Port of entry:		
2.	Country of Origin:		
3.	Vessel/Vehicle Registration No.:		
4.	Date of Import:		
5.	Receiving Storage Facility:	* storage facility used to discharge the product after importation	
6.	Total Volume Imported:	_____ m ³	
	i.	Volume designated for Local Market:	_____ m ³
	ii.	Volume designated for the Export Market:	_____ m ³

THIRD SCHEDULE

PETROLEUM PIPELINE TRANSPORT REPORTING REQUIREMENTS *r.6(2)*


THIS SHOULD BE COMPLETED TOGETHER WITH THE STORAGE INFORMATION REQUIREMENTS AS PRESCRIBED IN REGULATION 4.

FORM 3			
PIPELINE TRANSPORTATION REPORTING REQUIREMENTS			
PART A			
Name of Pipeline Operator:			
EPRA Licence No.:			
Reporting Period:	(Month) _____ (Year)		
Date of Submission:			
Pipeline Capacity (excluding storage facilities):	a. Line Name: b. Points of Service: c. Products: Premium Motor Spirit Jet A1 Illuminating Kerosene Automotive Gasoil (Any other)	a. Capacity(m ³): _____	b. Length(km): _____
		a. Line Name: b. Points of Service: c. Products: Premium Motor Spirit Jet A1 Illuminating Kerosene Dual Purpose Kerosene Automotive Gasoil (Any other)	c. Physical Stock (m ³) _____
PART B			
<i>Part B 1 - 4 to be completed for each petroleum storage facility within the pipeline system*</i>			
1. Line Name:			
2. Facility Name:			
3. GPS Location:	Longitude:	Latitude:	
4. Capacity:	Total Storage Capacity _____ m ³		
	<i>*Provide storage capacity</i>		
	Premium Motor Spirit	Volume (m ³) :	
Jet A1	Volume (m ³):		

FOURTH SCHEDULE


PETROLEUM WHOLESALE REPORTING REQUIREMENTS

r.7(2)

FORM 4			
PETROLEUM WHOLESALE REPORTING REQUIREMENTS			
Name of Wholesaler:			
EPRA Licence No.:			
Reporting Period:	_____ (Month) _____ (Year)		
Date of Submission:	_____		
Purchases:	Product:		
	Total Volume(m ³):		
	Storage depot 1:	Volume (m ³) :	
	Storage depot 2:	Volume (m ³) :	
Sales	i.	Local Market	Total Volume (m ³): _____ a. Retail dispensing site _____ County _____ Volume (m ³) _____ b. Consumer Facility: _____ County _____ Volume (m ³) _____
	ii.	Export Market	Total Volume (m ³) : _____ a. Country 1: _____ Volume (m ³) _____ b. Country 2: _____ Volume (m ³) _____

SIXTH SCHEDULE

LIQUIFIED PETROLEUM GAS (LPG) STATISTICS REPORTING FORM *r.9(2)*

FORM 6			
LIQUIFIED PETROLEUM GAS (LPG) STATISTICS REPORTING FORM			
PART A			
Name of Importer:			
EPRA Licence No.:			
Reporting Period:	_____ (Month) _____ (Year)		
Date of Submission:	_____		
Import quantity:	(i)	LPG	Quantity (Mt):
PART B (1-7 to be completed for each LPG import during the reporting period)			
Product:			
1.	Port of entry:		
2.	Country of origin:		
3.	Vessel/ Vehicle Registration No:		
4.	Date of import:		
5.	Receiving storage facility:	<i>Storage facility used to discharge the product after importation</i>	
6.	Total volume import:	----- Mt	
	(i)	Quantity designated for Local Market	----- Mt
	(ii)	Quantity designated for the Local Market	----- Mt
Sales:	(i)	Local	Total quantity sold in bulk (Mt)..... Total quantity sold in cylinders (Mt).....
	(ii)	Export	Total quantity sold in bulk

Vehicle Registration No.:		
Tanker Permit No. :		Expiry Date:
Cargo on Board:		
Origin:		
Destination:		
DRIVER'S DETAILS (INCASE OF A ROAD TANKER):		
Name:		
National I.D. No.:		
Driver Certificate No. :		Expiry Date:
DETAILS OF INCIDENT/ACCIDENT:		
Date:		Time:
Location and geographical spread of incident or accident		
Scale of environmental damage if any	Gas Quantity (kgs) _____ Liquid Volume (m ³) _____ Area impacted (m ²) _____	
Own and third party property damage if any		
Number of Injuries and/or Fatalities if any		
DESCRIPTION OF THE EVENTS LEADING TO AND THE MOST PROBABLE CAUSE OF THE INCIDENT AND ACCIDENT:		

PLEASE ATTACH ANY INFORMATION THAT IS RELEVANT TO THE REPORT WHERE APPROPRIATE SUCH AS A COPY OF THE JOURNEY PLAN AND VEHICLE TRACKING DATA FOR THE PREVIOUS 12 HOURS PRIOR TO THE INCIDENT/ACCIDENT OR ANY OTHER ADDITIONAL INFORMATION THE AUTHORITY MAY REQUIRE.

Made on the 23rd May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

DATE: 22 JUL 2025 DAY: _____

Kenya Subsidiary Legislation, 2025

TABLED BY:	1221
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THE PETROLEUM ACT

(Cap. 308)

IN EXERCISE of the powers conferred by section 101 the Petroleum Act, the Cabinet Secretary for Energy and Petroleum on the recommendation on the Energy and Petroleum Regulations Authority, makes the following Regulations –

THE PETROLEUM (LUBRICANTS FACILITY CONSTRUCTION AND BUSINESS LICENSING) REGULATIONS, 2025

PART I – PRELIMINARY

1. These Regulations may be cited as the Petroleum (Lubricants Facility Construction and Business Licensing) Regulations, 2025.

Citation.

2. In these Regulations, unless the context otherwise requires –

Interpretation.

“Act” means the Petroleum Act;

Cap 308.

“agent” means a person appointed in writing by the Authority to perform any of its functions;

“Authority” means the Energy and Petroleum Regulatory Authority established under section 9 of the Energy Act;

Cap 314.

“blending” means a process by which components of a lubricant are mixed to create a final product;

“bulk lubricants road transportation” means the transportation in bulk of lubricants by road and does not include packaged lubricants;

“bulk” means lubricants in a receptacle of capacity exceeding one thousand litres;

“contractor” means a person registered under section 15 of the National Construction Authority Act;

Cap 118.

“emergency works” includes all such works necessary to prevent the occurrence or further deterioration, damage, disaster, accident or incident that could seriously affect persons, property or the environment;

“environment liability policy” means a statement of commitment by a party to the laws, regulations and other policy mechanisms concerning environmental issues;

“Kenya Bureau of Standards” means the body responsible for standards in Kenya as established under the Standards Act;

Cap 496.

“licence” has the meaning assigned to it under the Act;

“licensing authority” means a person granted the power to issue, suspend or revoke a licence under the Act;

“lubricants business” means a concern carrying on the importation, blending or bulk storage of lubricants;

“lubricants facility” means a facility that is or can be used for receiving in bulk, blending, bulk storage, loading and offloading in bulk of lubricants but does not include retail dispensing sites;

- (e) a letter of allotment from the relevant Authority in case the title deed is yet to be issued;
- (f) a registered lease for a minimum period of five years in case the land is not in the name of the entity undertaking the development;
- (g) an environmental and social impact assessment licence issued by National Environment Management Authority;
- (h) an approval from the relevant county government; and
- (i) proof of payment of the construction fees set in the Sixth Schedule.

(3) The engineering designs in sub-regulation (2) (a) shall, at minimum, take into consideration the provisions of the relevant Kenya Standards.

6. (1) The Authority or its agents shall review an application submitted in regulation 5 within forty-five days of receipt.

Determination of application for a construction permit.

(2) The Authority shall grant a construction permit to the applicant, provided that the application meets the prescribed requirements.

(3) Where the application for a construction permit is rejected, the Authority shall notify the applicant of such rejection within seven days of such a decision being made.

(4) The notification in sub regulation (4) shall specify the reasons for the rejection.

(5) Where the rejection relates to incomplete information, the applicant may make a fresh application by providing requisite information or documents.

(6) Where the rejection relates to the unsuitability of the site, the decision of the Authority shall be final and if the applicant is not satisfied with the Authority's decision, they may lodge an appeal at the Tribunal.

7. (1) A construction permit for a lubricants facility shall be in the form set out in Part III of the First Schedule.

Form and validity of a construction permit.

(2) A construction permit shall be valid for a period of twelve months from the date of issue.

(3) Where the construction work has commenced within twelve months from the date of issue, the construction permit shall be valid for a maximum period of thirty-six months from the date of issue.

(4) The holder of a construction permit may make an application for extension of the validity period by submitting the documents set out in regulation 5 (2).

(5) The extension of the validity period of a construction permit shall be to a maximum of —

- (a) twelve months where construction work has not commenced; and

(2) The application in sub-regulation (1) shall be accompanied by proof of payment of the applicable fees set out in the Sixth Schedule.

(3) The Authority may request additional documentation in support of the application for licence in sub-regulation (1).

(4) The Authority shall review an application submitted under sub-regulation (1) within thirty days of receipt.

(5) The Authority, upon consideration of the application, may grant a lubricants business licence or facility licence without conditions or subject to such conditions as the Authority may consider necessary.

(6) The Authority shall reject an application where such an application does not meet the requirements for granting a lubricants business licence.

(7) Where the Authority rejects an application for a lubricants business licence, the Authority shall give the applicant reasons for the rejection in writing within seven days of such rejection.

11. An application for a lubricants business licence shall be accompanied by an environment liability policy in the form set out in the Eighth Schedule.

Environmental liability policy.

12. (1) A lubricants business licence or facility license issued under these Regulations shall be in the form set out in the Fifth Schedule.

Form and duration of licence.

(2) A lubricants business facility licence shall be valid for the period of twelve months or as set out in the license.

13. (1) An application for renewal of a lubricants business licence shall be made to the Authority or its agents at least thirty days prior to the expiry date.

Renewal of a licence.

(2) An application for renewal in sub-regulation (1) shall be in the form prescribed in Part 1 of the Second Schedule and shall be accompanied by the documents set out in the Third Schedule and proof of payment of the prescribed fees as set out in the Sixth Schedule.

(3) Where an application for renewal of licence is made thirty days prior to the expiry date but the Authority does not make a decision when the licence expires, the lubricants business licence or facility licence shall be deemed valid until such a time that the Authority shall deal with the application.

14. (1) A person may make an application for amendment of a lubricants business licence in the form set out in the Fourth Schedule.

Amendment of licence.

(2) An application for the amendment of a lubricants business licence shall be accompanied by proof of payment of the prescribed fees as set out in the Sixth Schedule.

(3) An amended lubricants business licence shall have a new issue date but shall retain the existing expiry date.

(4) A lubricants business licence amended under sub-regulation (3) shall contain the word "Amended" in the title.

(5) Any suspension or revocation of a lubricants business licence or facility licence shall not indemnify the licensee of any penalties for which the licensee may have become liable under the Act or any other written law.

17. (1) The holder of a lubricants business licence shall not transfer or otherwise divest any rights, powers or obligations without the consent of the licensing Authority in accordance with section 83 of the Act.

Transfer of licence.

(2) An application to transfer a licence shall be made in the form and manner prescribed in the Fourth Schedule.

PART IV— MISCELLANEOUS

18. (1) A lubricants facility licence, lubricants business licence, construction permit, or certified copies thereof, shall be displayed in a prominent position at the premises in respect of which it is issued.

Display of permits and licences.

(2) A licence or permit issued under the Act and these Regulations —

- (a) remains the property of the Authority;
- (b) may be suspended, revoked or amended by the Authority at any time in accordance with the provisions of the Act;
- (c) may be replaced if the holder provides proof of loss of the licence or permit to the Authority;
- (d) shall not be tampered with or defaced in any manner; and
- (e) shall not be transferred without the written consent of the Authority.

(3) A person who contravenes sub-regulation (1) commits an offence and shall upon conviction be liable to a penalty not exceeding one million shillings.

19. (1) A person licensed to undertake a lubricants business, shall within forty-eight hours of occurrence of an accident or incident, notify the Authority in the form set out in the Seventh Schedule —

Reporting of accidents or incidents.

(2) The threshold of reportable accidents or incidences includes those that cause —

- (a) loss of life or permanent total disability; or
- (b) damage to property or to the environment of more than one million shillings; or
- (c) an oil-spill of one hundred litres or more or accidental gas release of one hundred kilograms or more; or
- (d) a fire or explosion resulting in the damage set out paragraphs (a) or (b).

(3) A licensee who fails to report the occurrence of an accident or incident in accordance with this regulation commits an offence and shall be liable on conviction to a penalty of twenty thousand shillings.

FIRST SCHEDULE

(r. 5(1))

PART I: APPLICATION FORM FOR A PETROLEUM LUBRICANTS FACILITY CONSTRUCTION PERMIT

(A separate application form must be completed with respect to each proposed lubricant facility site)

1. Application Type (tick as appropriate):

a. New Application

b. Extension application

i. Extension details: _____

2. Name of business/applicant: _____

3. Details of applicant: _____

(a) Kenya Revenue Authority Personal Identification Number(s): _____

(b) Entity Revenue Authority Personal Identification Number(s): _____

(c) Postal address: _____

(d) Email address: _____

(e) Telephone/mobile number: _____

(f) Business registration details (date of registration, registration number):

(g) Proposed location of the business premises:

(vi) Plot number: _____

(vii) Building name: _____

(viii) Street/market: _____

(ix) Town: _____

(x) County: _____

4. Location:- Longitude: _____ Latitude: _____

5. Details of proprietors or partners owning business or directors/shareholders of the company, as the case may be:

Name	Nationality	No of shares	Passport/ identity card numbers
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(r.7(1))

PART III – FORM OF LUBRICANTS FACILITY CONSTRUCTION PERMIT



PERMIT NO. EPRA/PET/.....

THE PETROLEUM ACT, 2019
PETROLEUM CONSTRUCTION PERMIT

Construction permit is hereby granted to _____ of P.O. Box _____
to carry out construction of:

LUBRICANTS STORAGE DEPOT

On premises situated at:

Plot Number: _____

Street/market: _____

Town/County: _____

This Permit expires on: _____
(If no Construction has Started)

Approved maximum Installation: _____

Capacity

Issue date: _____

Signature _____



Director-General
Energy & Petroleum Regulatory Authority

Conditions:
As per section 76(1) and (2) of the Petroleum Act

(Any additional information should be submitted on a separate sheet of paper)

5. Give full details on tank capacities and products to be blended or stored:

<u>Tank Acronym</u>	<u>Product</u>	<u>Tank capacity (litres)</u>
Tank 1:	_____	_____
Tank 2:	_____	_____
Tank 3:	_____	_____

(Any additional information should be submitted on a separate sheet of paper)

PART II (a) – REQUIREMENTS FOR A LUBRICANTS BLENDING LICENCE

1.	Certificate of Incorporation / Business Registration Certificate.
2.	CR12 from the Registrar of companies (should not be older than one year at the time of submission of the application. Further, if a limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).
3.	Legible Copies of identification documents (identity cards /Passports for all the directors).
4.	Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).
5.	A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority.
6.	A valid Single Business Permit for the premises of operation from the respective County Government.
7.	Proof of ownership of the blending facility (title deed or a registered lease in the name of applicant).
8.	A valid Environmental Impact Assessment licence from the National Environment Management Authority for the project.
9.	A valid Fire Clearance Certificate for the facility from the respective County Government.
10.	A letter from the Kenya Bureau of Standards as proof of conformity assessment of the facility against the applicable Kenya Standard.
11.	Certificate of Compliance with the Physical and Land Use Planning Act .
12.	A valid certificate of registration of the facility as a work place from the Director of Occupational Safety and Health Services.
13.	A valid calibration certificate for each petroleum storage tank at the facility;
14.	A summary Emergency Response Plan for the facility.
15.	Proof of training of a minimum of four employees in the safe handling of Petroleum from a National Industrial Training Authority approved personnel.
16.	Written authority from the lubricants brand owner.
17.	A duly executed environment liability policy.

PART II(b) – REQUIREMENTS FOR BULK LUBRICANTS STORAGE LICENCE

1.	Certificate of Incorporation / Business Registration Certificate.
2.	CR12 from the Registrar of Companies (should not be older than one year at

	respective County Government.
8.	Written authority from the brand owner.
9.	A duly executed environment liability policy.

PART II(d) – REQUIREMENTS FOR LUBRICANTS EXPORT AND WHOLESALE LICENCE

1.	Certificate of Incorporation / Business Registration Certificate.
2.	CR12 from the Registrar of Companies (should not be older than one year at the time of submission of the application. Further, if a limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).
3.	Legible copies of identification documents (identity cards /Passports for all the directors).
4.	Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).
5.	A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority.
6.	Written authority from the lubricants brand owner.
7.	A valid Single Business Permit for the premises of operation from the respective County Government.
8.	A duly executed environment liability policy.

THIRD SCHEDULE

APPLICATION FOR RENEWAL OF A LICENCE

(r. 13(2))

PART I – REQUIREMENTS FOR RENEWAL OF LUBRICANTS BLENDING LICENCE

1.	CR12 from the Registrar of Companies (should not be older than one year at the time of submission of the application. Further, if a limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).
2.	Legible copies of identification documents (identity cards /Passports for all the directors).
3.	Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).
4.	A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority.
5.	A valid Single Business Permit for the premises of operation from the respective County Government.
6.	Proof of ownership of the blending facility (title deed or a registered lease in the name of applicant).
7.	An acknowledgement from the National Environment Management Authority of

14. A duly executed environment liability policy.

PART III – REQUIREMENTS FOR A RENEWAL OF LUBRICANTS IMPORT LICENCE

1.	<i>CR12 from the Registrar of Companies (should not be older than one year at the time of submission of the application. Further, if a limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).</i>
2.	<i>Legible copies of identification documents (identity cards /Passports for all the directors).</i>
3.	<i>Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).</i>
4.	<i>A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority.</i>
5.	<i>Proof of registration of the lubricant brand by the body responsible for brand registration in Kenya.</i>
6.	<i>A valid Single Business Permit for the premises of operation from the respective County Government.</i>
7.	<i>Proof of compliance with these Regulations on timely and accurate submission of statistics to the Authority.</i>
8.	<i>A duly executed environment liability policy.</i>

PART IV – REQUIREMENTS FOR A RENEWAL OF LUBRICANTS WHOLESALE AND EXPORT LICENCE

1.	<i>CR12 from the Registrar of Companies (should not be older than one year at the time of submission of the application. Further, if a limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).</i>
2.	<i>Legible copies of identification documents (identity cards /Passports for all the directors).</i>
3.	<i>Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).</i>
4.	<i>A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority.</i>
5.	<i>Written Authority from the lubricants brand owner.</i>
6.	<i>A valid Single Business Permit for the premises of operation from the respective County Government.</i>
7.	<i>Proof of compliance with these Regulations on timely and accurate submission of statistics to the Authority.</i>
8.	<i>A duly executed environment liability policy.</i>

FIFTH SCHEDULE

(r 12(1))

FORM OF LUBRICANTS BUSINESS LICENCE



No. EPRA/PET _____

THE PETROLEUM ACT, 2019

PETROLEUM BUSINESS LICENCE (EXCEPT LPG)

Licence is hereby granted to _____ of P.O. Box _____
to carry on the following petroleum businesses:

LICENCE NAME

On premises situated at:

Plot Number. : _____
Building : _____
Street/market : _____
Town/County : _____
This licence expires on : _____

Issue date: _____

Signature



Director General
Energy & Petroleum Regulatory Authority

Conditions:

1. As per Section 76(1) and (2) of the Petroleum Act.

10. Reported by:
- Name: _____
 - Postal address: _____
 - Email address : _____
 - Telephone: _____
11. Supporting documents: *(As applicable including scene photos)*

EIGHTH SCHEDULE

(r.11)

ENVIRONMENT LIABILITY POLICY

(NAME OF COMPANY) is committed to the protection and preservation of the environment. We will continuously improve our performance and initiate additional projects and activities that will further reduce our impacts to the environment.

Our commitment to the environment extends to our customers, our staff and the community from where we operate. We are committed to:

1. Complying with all applicable environmental preservation and sustainability legislation;
2. Preventing pollution whenever possible through efficient waste management strategies that promote waste minimization, re-use, recovery, recycling, as appropriate;
3. Promoting and continually investing in technologies that provide alternatives to business travel and transport;
4. Adopting a procurement programme which takes into account the environmental impact of products and services;
5. Promoting the protection and enhancement of biodiversity and ecosystems through employee awareness programs and stakeholder engagement;
6. Ensuring our staff are aware of the environmental impacts of their work activities and encouraging them through regular awareness and training to minimize those impacts;
7. Communicating our environmental commitment and efforts to our customers, staff and the community;
8. Pursuing a programme of continuous improvement by reviewing our environmental management system and related objectives and targets, policies and practices; and
9. Reporting to the relevant authorities, accidents or incidents causing pollution of the environment, investigating the accidents/incidents and undertaking clean up or restoration of the affected areas.

Signature:

SPECIAL ISSUE

Kenya Gazette Supplement No. 78

1243

30th May, 2025

(Legislative Supplement No. 47)

LEGAL NOTICE NO. 100

THE PETROLEUM ACT

(Cap. 308)

THE PETROLEUM (RETAIL DISPENSING SITE
CONSTRUCTION AND LICENSING) REGULATIONS, 2025
ARRANGEMENT OF REGULATIONS

Regulation.

PART I—PRELIMINARY

- 1—Citation.
- 2—Interpretation.
- 3—Application.

PART II—RETAIL DISPENSING CONSTRUCTION PERMITS


- 4—Construction permit.
- 5—Application for a construction permit.
- 6—Form and validity of a construction permit.
- 7—Determination of application for a construction permit.
- 8—Obligations of a construction permit holder.
- 9—Compliance with statutory obligations.

PART III—LICENSING OF PETROLEUM RETAIL BUSINESS

- 10—Petroleum retail licence.
- 11—Application for petroleum retail business licence.
- 12—Form and duration of a petroleum retail business licence.
- 13—Renewal of a petroleum retail business licence.
- 14—Amendment of a petroleum retail business licence
- 15—Obligations of petroleum retail business licensee.
- 16—Suspension and revocation of a licence.
- 17—Transfer of a licence.

PART IV—MISCELLANEOUS

- 18—Display of permits and petroleum retail business licence.
- 19—Reporting of accidents or incidents.

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 JUL 2025	DAY. TUESDAY
TABLED BY:	LEADER OF MAJORITY
CLERK AT THE TABLE:	ITHZOFU MWALE

Kenya Subsidiary Legislation, 2025

THE PETROLEUM ACT

(Cap. 308)

IN EXERCISE of the powers conferred by section 101 of the Petroleum Act, the Cabinet Secretary for Energy and Petroleum on the recommendation on the Energy and Petroleum Regulations Authority, makes the following Regulations—

THE PETROLEUM (RETAIL DISPENSING SITE CONSTRUCTION AND LICENSING) REGULATIONS, 2025

PART I—PRELIMINARY

1. These Regulations may be cited as the Petroleum (Retail Dispensing Site Construction and Licensing) Regulations, 2025. Citation.
2. In these Regulations, unless the context otherwise requires— Interpretation.
 - “Act” means the Petroleum Act;
 - “adulterated petroleum” means any mixed refined petroleum products that alter product specifications detailed in the applicable Kenya Standards; Cap. 308.
 - “agent” means a person appointed in writing by the Authority to perform any of its functions;
 - “Authority” means the Energy and Petroleum Authority established under section 9 of the Energy Act; Cap. 314.
 - “Cabinet Secretary” means the Cabinet Secretary for the time being responsible for petroleum;
 - “class” has the meaning assigned to it under the National Construction Authority Act; Cap. 118.
 - “contractor” has the meaning assigned to it under the National Construction Authority Act; Cap. 118.
 - “consumer” means any person who is supplied or entitled to be supplied with petroleum;
 - “County Government” has the meaning assigned to it in Article 176 of the Constitution; Cap. 530.
 - “engineer” has the meaning assigned under the Engineers Act;
 - “environment liability policy” means a statement of commitment by a party to the laws, regulations and other policy mechanisms concerning environmental issues; Cap. 496.
 - “Kenya Standard” has the meaning assigned to it under the Standards Act;
 - “licence” has the meaning assigned to it in section 2 of the Act;
 - “licensee” has the meaning assigned to it in section 2 of the Act;
 - “licensing authority” has the meaning assigned to it in section 2 of the Act;

5. (1) A person who wishes to construct a retail dispensing site shall apply for a construction permit to the Authority in the form set out in Part I of the First Schedule.

Application for a construction permit.

(2) An application under sub regulation (1) shall, in addition to the information specified under section 86(2) of the Act, be accompanied by—

- (a) the documents set out in Part II of the First Schedule and proof of payment of the fees set out in the Sixth Schedule; and
- (b) the environment liability policy in the form set out in the Seventh Schedule.

6. (1) A construction permit for a retail dispensing site shall be in the Form set out in Part III of the First Schedule.

Form and validity of a construction permit.

(2) A construction permit shall be valid for a period of twelve months from the date of issue or until such date of extension as determined by the Authority shall expire.

(3) A construction permit holder may make an application for extension of the validity period of a permit by writing to the Authority and detailing the reasons thereof for not completing the construction works in time.

(4) The extension of the validity period of a construction permit referred to in sub-regulation (3) shall be to a maximum of twenty-four months.

(5) A construction permit holder shall be required to make a fresh application where the construction permit cannot be extended for a longer period as provided for in sub regulation (4).

7. (1) The Authority shall consider an application under regulation 5 in accordance with section 86(2) of the Act.

Determination of application for a construction permit.

(2) Where the application is complete and meets the specified requirements, the Authority may grant a construction permit to the applicant.

(3) The Authority may, prior to making a determination to grant a construction permit, take into consideration suitability of the construction site after due assessment.

(4) The proposed construction site shall—

- (a) if located on a class A road, not be in an area adjacent to or within a vicinity of two kilometers from any retail dispensing site under construction or operational; and
- (b) if located on any other class of roads, not be in an area adjacent to or within a vicinity of zero point five kilometers from any retail dispensing site under construction or operational.

(5) The construction permit issued under sub-regulation (2) shall contain such terms and conditions set out in section 76(1) or (2) of the Act.

(2) A person who undertakes the business of retail of petroleum products without a valid licence commits an offence and shall, on conviction, be liable to the penalty provided under section 74(3)(b) of the Act.

11. (1) A person may apply in writing to the Authority for a petroleum retail business licence.

Application for petroleum retail business licence.

(2) The application under sub-regulation (1) shall be accompanied by the documents set out in the Third Schedule and proof of payment of the fees as set out in the Sixth Schedule.

(3) The licensing authority may request for additional documents to enable satisfactory review of the licence application.

(4) The Authority shall review an application for a petroleum retail business licence within thirty days of receipt.

(5) Where the application is complete and meets the specified requirements, the Authority may grant a petroleum retail business licence to the applicant.

(6) The Authority shall reject an application under this regulation where the application does not meet the requirements for granting a petroleum retail business licence.

(7) Where the Authority rejects an application for the grant of a petroleum retail business licence, the Authority shall notify and give the applicant reasons for the refusal in writing within seven days of such rejection.

12. (1) A petroleum retail business licence shall be in the form set out in the Fifth Schedule.

Form and duration of a petroleum retail business licence.

(2) A petroleum retail business licence shall be valid for the period stipulated in the licence and shall be subject to such conditions as the Authority may prescribe.

(3) Where a petroleum retail business licence is issued by an agent appointed by the Authority under section 21 of the Energy Act, the Authority may vary, suspend or revoke the licence if there is reason to believe that the licence was issued erroneously.

(4) Notwithstanding sub regulation (3), the Authority may at any time suspend or revoke a petroleum retail business licence if the licensee contravenes the provisions of the Act, these Regulations or the conditions of the licence.

Cap. 314.

(5) Unless otherwise specified in the petroleum retail business licence, the Authority may issue a fourteen days' notice to a licensee to show cause why the licence should not be suspended or revoked.

(6) The Authority shall determine the matter in sub regulation (5) within thirty days from the date of expiry of the notice period.

(7) The suspension or revocation of a petroleum retail business licence shall not indemnify the licensee from any penalties for which the licensee may have become liable to under the Act or any other written law.

- (k) inform the Authority or its agents in writing of any changes of address or any other material particulars submitted as part of the application for the licence within thirty days of the relevant change taking effect; and
 - (l) ensure compliance with petroleum road tanker discharge procedures to maintain quality of product and safety at the retail site.
- (2) A person who contravenes the provisions of—
- (a) sub-regulation (1)(a) or (b), commits an offence and shall, on conviction, be liable to the penalties specified in section 99(1)(ii) of the Act;
 - (b) sub-regulation (1)(c) or (d), commits an offence and shall, on conviction, be liable to the penalties specified in section 92(2)(b) of the Act;
 - (c) sub-regulation (1)(e), (j), (k) or (l), commits an offence and shall, on conviction, be liable to the penalties specified in section 124 of the Act;
 - (d) sub-regulation (1)(f) or (i), commits an offence and shall, on conviction, be liable to the penalties specified in section 99(1)(ii) of the Act;
 - (e) sub-regulation (1)(g), commits an offence and shall, on conviction, be liable to the penalties specified in section 99(1)(i) of the Act; and
 - (f) sub-regulation (1)(h), commits an offence and shall, on conviction, be liable to the penalties specified in section 74(3)(b) of the Act.

16. (1) The Authority may at any time revoke or suspend a licence issued under these Regulations in accordance with section 81 of the Act.

Suspension and revocation of a licence.

(2) The Authority may reinstate a licence revoked or suspended under sub-regulation (1), if its satisfied that the reasons for the revocation or suspension no longer exist.

(3) The Authority may publish a list of names of petroleum retail dispensing sites which may have committed any offence under the Act or these Regulations.

17. (1) A petroleum retail dispensing site licensee may transfer or otherwise divest any rights, powers or obligations in accordance with section 83 of the Act.

Transfer of a licence.

(2) An application to transfer a licence shall be in writing and shall outline the proposed changes and be accompanied by specified documents as the Authority may determine.

PART IV—MISCELLANEOUS

18. (1) A construction permit or a petroleum retail business licence, or a certified copy thereof, shall be displayed in accordance with section 80(1) of the Act.

Display of permits and petroleum retail business licence.

- (a) cause of the accident;
- (b) effects of the accident; and
- (c) proposed remedial measures and timelines thereof.

(2) The Authority shall review the report under sub-regulation (1) within thirty days of receipt and shall—

- (a) accept the report;
- (b) request for adjustment; or
- (c) reject the report giving reasons and other directives.

(3) Notwithstanding sub-regulations (1) and (2), the Authority may commission its own investigation.

(4) Where required, the retail dispensing site owner or operator whose facility was involved in the accident or incident shall facilitate the Authority or its appointed agent or committee to undertake investigations.

21. The Authority may enter and inspect any petroleum retail facility or any premises where petroleum retail business is conducted or suspected to be conducted for purposes of inspections pursuant to the provisions of the Act or these Regulations.

Inspections.

22. (1) No person shall obstruct, hinder, withhold information or provide false information as may be requested by the Authority in accordance with section 102 of the Act.

Obstruction.

(2) A person who contravenes the provisions of sub-regulation (1) commits an offence and shall, on conviction, in the case of providing false information, be liable to the penalties specified in section 103 of the Act.

23. A person aggrieved by a decision of the licensing authority under these Regulations may appeal to the Tribunal in accordance with section 85 of the Act.

Appeals.

PART II- REQUIREMENTS FOR A PETROLEUM RETAIL DISPENSING SITE CONSTRUCTION PERMIT

1.	Certificate of Incorporation or Business Registration Certificate.
2.	CR12 from the Registrar of Companies (should not be older than one year at the time of submission of the application. Further, if a limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).
3.	Legible copies of identification documents (identity cards /Passports for all the directors).
4.	Outline of the methods of financing of the project.
5.	Letter of allotment from the relevant Authority in case the title deed is yet to be issued.
6.	A duly registered lease for a minimum period of five years shall be provided in case the title deed is not in the name of the entity undertaking the development.
7.	Geographic information system coordinates of the proposed location.
8.	Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).
9.	Development permission from the respective County Government (including County Physical Planning Office).
10.	Approval to construct acceleration/deceleration lanes from the relevant roads authority (Kenya National Highways Authority/ Kenya Urban Roads Authority/ Kenya Rural Roads Authority whichever is applicable).
11.	Mechanical engineer's drawings specifying materials and design/ operational limitations (underground petroleum tank(s) designs and pipe-work layout).
12.	Civil engineer's drawings showing details of underground tank cradle and backfill designs; Forecourt layout and surface designs; general drainage and oil water separator layout/ designs.
13.	Certified copies of valid practicing certificates issued by the Engineers Board of Kenya as per the Engineers Act for engineers or consulting firms that shall have prepared the designs under items 8 and 9 above.
14.	A priced bill of quantities by the respective class of engineers.
15.	Valid environmental impact assessment license from the National Environment Management Authority approving the development of the project/facility.
16.	An environment liability policy.

SECOND SCHEDULE

(r. 7(7))

WRITTEN UNDERTAKING



WRITTEN UNDERTAKING TO THE ENERGY & PETROLEUM REGULATORY AUTHORITY

WHEREAS regulation 7(7) of the Petroleum (Retail Dispensing Site Construction and Licensing) Regulations, 2025, made under the authority of the Petroleum Act requires an applicant for a Construction Permit to make a written undertaking to the Energy and Petroleum Regulatory Authority within thirty days of receiving notification of grant of a construction permit;

THEREFORE Iof P.O. Box.....
being the person who intends to construct or have a petroleum retail dispensing site constructed, hereby warrants to abide by the terms and conditions stipulated in the Construction Permit issued by the Energy and Petroleum Regulatory Authority.

Permit Number :	Petroleum Facility:
Plot Number :	Location:
Street/market:	Town/County:
Permit expiry date:	
Full name of applicant:	Phone Number:
Signature of applicant or person authorized by said applicant to commit the applicant and to act as his agent in this matter:	Date:
If the name of the signee is different from the owner, please print signee's name here:	Phone Number:

A person who furnishes false information in any permit application under the Petroleum Act or in any statement required to be furnished under the Act, or pursuant to the Petroleum (Retail Dispensing Site Construction and Licensing) Regulations 2025, is on conviction, liable to such fines and penalties as prescribed by the Authority.

FOURTH SCHEDULE

(r. 13)

REQUIREMENTS FOR A RENEWAL OF PETROLEUM RETAIL BUSINESS LICENCE

1.	CR12 from the Registrar of Companies (should not be older than one year at the time of submission of the application. Further, if a Limited company appears as part of the shareholders, provide the company's CR12 plus all the directors' identity cards).
2.	Legible copies of identification documents (identity cards /Passports for all the directors).
3.	Valid work permits class "G" for all foreign directors working in Kenya (foreign directors not resident in Kenya should provide a notarized declaration. Further, any employee given powers of attorney by a foreign director should provide a copy of their identification document).
4.	A valid Tax Compliance Certificate for the applicant from the Kenya Revenue Authority.
5.	A valid Single Business Permit for the premises of operation from the respective County Government.
6.	An acknowledgement from the National Environmental Management Authority of having submitted an annual Environmental Audit report for the facility (the acknowledgement should not be older than 1 year at the time of submission of the application).
7.	A valid Fire Clearance Certificate for the facility from the respective County Government.
8.	A valid certificate of registration of the facility as a work place from the Directorate of Occupational Safety and Health Services.
9.	A valid calibration certificate for each petroleum storage tank at the facility.
10.	A valid certificate of calibration of the petroleum dispensing units' meters from the Department of Weights and Measures.
11.	A summary emergency response plan for the retail dispensing site.
12.	A duly executed Environment Liability Policy

SIXTH SCHEDULE

(r. 5(2)(a), 11(2), 13,14(3))

FEES

Category of Licence	New application (Amount in Kshs)	Renewal application (Amount in Kshs)	Amendment application (Amount in Kshs)
Construction Permit	5,000	2,000	1,000
Petroleum Retail Business Licence	5,000	2,000	1,000

SEVENTH SCHEDULE

(r. 5(2)(b))

ENVIRONMENT LIABILITY POLICY
<p>(NAME OF COMPANY) is committed to the protection and preservation of the environment. We will continuously improve our performance and initiate additional projects and activities that will further reduce our impacts to the environment.</p> <p>Our commitment to the environment extends to our customers, our staff and the community from where we operate. We are committed to:</p> <p>Complying with all applicable environmental preservation and sustainability legislation;</p> <p>Preventing pollution whenever possible through efficient waste management strategies that promote waste minimization, re-use, recovery, recycling, as appropriate;</p> <p>Promoting and continually investing in technologies that provide alternatives to business travel and transport;</p> <p>Adopting a procurement programme which takes into account the environmental impact of products and services;</p> <p>Promoting the protection and enhancement of biodiversity and ecosystems through employee awareness programs and stakeholder engagement;</p> <p>Ensuring our staff are aware of the environmental impacts of their work activities and encouraging them through regular awareness and training to minimize those impacts;</p> <p>Communicating our environmental commitment and efforts to our customers, staff and the community; and</p> <p>Pursuing a programme of continuous improvement by reviewing our environmental management system and related objectives and targets, policies and practices.</p> <p>Reporting to the relevant authorities, accidents or incidents causing pollution of the environment, investigating the accidents/incidents and undertaking clean up or restoration of the affected areas.</p> <p>Signature:</p> <p>Designation:.....</p> <p>Stamp/Seal:.....</p> <p>Review date:.....</p> <p><i>This policy will be reviewed on a regular basis to evaluate continued relevance and to monitor compliance.</i></p>

Made on the 19th May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

“Bulk Storage Vessel” means horizontal or vertical storage vessel of capacity exceeding 500 L and of the above-ground, buried, mounded (semi-buried) or semi-mounded type;

“certified person” means a person in possession of relevant training from an institution whose training program and the curriculum has been accredited by the National Industrial Training Authority;

“central tracking system” means a national program for the monitoring and authenticating liquefied petroleum gas transactions to ensure legitimate trade in liquid petroleum gas cylinders;

“combustible material” means substances that can ignite and burn when exposed to heat or fire;

“consumer charter” means a document which gives details of service delivery terms, payment, response times and overall quality of service standards;

“consumer” has the meaning assigned to it in the Act;

“conversion centre” means a place where a motor vehicle is modified so that it can run on both liquid petroleum gas and petrol or diesel;

“cylinder deposit” means the amount of money collected by the brand owner or his appointed wholesaler or retailer at the point of sale as security for the liquefied petroleum gas cylinder;

“cylinder seal” means a cap placed on the valve of the cylinder for the purposes of preventing tampering as well as ingress of water or dust into the valve;

“distressed brand owner” means a brand owner who has failed to meet the requirements for the renewal of a licence or who has failed to renew his licence, in either case for more than twelve months from the expiry of the previous license;

“filling or refilling” means the packaging of liquefied petroleum gas into cylinders;

“fire safety auditor” means a person registered as a fire safety professional under the Occupational Safety and Health Act; Cap 236A.

“hospitality” means a contract between a licensed business with a licensed facility owner for storage or refilling of liquid petroleum gas into cylinders

“import route” means the prescribed import route under the East African Community Customs Management Act, 2004;

“importer” means a person licensed to import bulk liquefied petroleum gas under the Act;

“installation pipework” means any pipework for conveying gas for a particular consumer and any associated valve or other gas fitting including any pipework used to connect a gas appliance to other installation pipework and any shut off device at the inlet to the appliance, but it does not mean—

“liquefied petroleum gas business” means the importation, exportation, filling, storage, wholesale, retail or transportation of liquefied petroleum gas in bulk, or in cylinders, reticulation as well as internal combustion engine fuels;

“liquefied petroleum gas” has the meaning assigned to it in the Act;

“load port” means the immediate previous country of origin where the liquid petroleum gas was loaded for transit to Kenya;

“liquid petroleum gas appliance” means an equipment that utilises liquid petroleum gas for heating, lighting, cooking;

“liquid petroleum gas emergency” means a situation that requires urgent attention to mitigate against injury to persons, loss of life or negative environmental impacts;

“liquid petroleum gas consumer site” means a facility used by a consumer to store bulk liquid petroleum gas for own use;

“liquid petroleum gas cylinder bank” means a centralized storage system for liquid petroleum gas consisting of series of liquid petroleum gas cylinders, piping and fittings to provide an uninterrupted supply of gas to consumers;

“liquid petroleum gas fittings” means gas pipework and components in a pipe network system such as valves (other than emergency controls), regulators and meters, used in the conveyance and control of liquid petroleum gas;

“liquid petroleum gas installation licence” means a licence authorizing a person to carry out installation work for, business, training, or teaching purposes either for gain or reward or for no charge at all;

“liquid petroleum gas installation work” means the work of installing, altering or adding to a liquefied petroleum gas installation and the supervision of such work;

“liquid petroleum gas installation” means the piping system including associated apparatus to be used for purposes of liquid petroleum gas supply or distribution supply line or apparatus placed in, on or over land or a building and used or intended to be used for or for purposes incidental to the conveyance, control or use of liquid petroleum gas supplied or intended to be supplied by a licensee, and includes additions and alterations to an installation;

“liquid petroleum gas installer” means a person licensed to carry out installation work as specified in the licence issued to him;

“liquid petroleum gas recovery equipment” means equipment such as mobile cranes, transfer pumps and compressors and other similar equipment used in the recovery of liquid petroleum gas from a tanker to another;

“metered systems” means a set of equipment and apparatus for the use in conveying which has means of volumetric measurement;

(b) a licence;

“responsible person” means—

- (a) in relation to any premises, the occupier or owner of the premises, or operator of the liquid petroleum gas installation at the premises;
- (b) in relation to any facility, the operator or owner of the facility;
- (c) in both cases any person with the authority to make decisions and take appropriate actions in relation to the installations, installation works and operations in the premises or facility of which they have been given authority;

“retail” has the meaning assigned to it in the Act;

“retailer” means a person engaged in retail business;

“reticulation” or “reticulated piped gas system” means a system for supply of liquefied petroleum gas through a network of pipes from a centralized storage point;

“requalification” means the completion of an inspection and the test required to be performed on a cylinder to determine its suitability for continued service and repair in accordance with the Kenya Standard;

“scrappage” means the destruction of a defective cylinder;

“secondary meter” means a volumetric measurement apparatus that is downstream of the primary (main) meter;

“service pipework” means a pipe for supplying gas to premises from a gas storage vessel, being any pipe between the gas storage vessel and the outlet of the emergency control;

“service valve” means a valve other than an emergency control for controlling a supply of gas, being a valve—

- (a) incorporated in a service pipe;
- (b) intended for use by a supplier of gas; and
- (c) not situated inside a building;

“smart meters” means a volumetric measurement apparatus that has inbuilt logic, memory and wireless communication capabilities;

“standard capacity cylinder” means a cylinder with capacity to contain liquid petroleum gas of zero point five, one, three, six and thirteen kilograms net weight and fitted with a unified valve;

“supplier” means—

- (a) a person who conveys liquid petroleum gas through a distribution main;
- (b) a person who supplies liquid petroleum gas to any premises through a primary meter;

- (i) sale of liquid petroleum gas through smart meters;
 - (j) sale of liquid petroleum gas through metered systems in a reticulated system; and
 - (k) liquid petroleum gas for internal combustion engines (Autogas); and
 - (l) liquid petroleum gas installation works.
- (2) These Regulations shall not apply to the Kenya Defence Forces.

PART II—LICENCE APPLICATION

4. (1) A person who wishes to undertake liquefied petroleum gas business shall make an application for a licence to the Authority or its licensing agents in the Form VI set out in the First Schedule.

Licence application.

(2) The application in sub-regulation (1) shall be submitted with proof of payment of the fees set out in the Second Schedule together with the documents specified in the Fourth Schedule.

5. A licence for a liquefied petroleum gas business shall be valid for—

Duration of licence.

- (a) in the case of a jetty, pipeline, bulk liquid petroleum gas storage facility, cylinder refilling plant and liquid petroleum gas reticulation system, three years from the date of issue;
- (b) in the case of retail of liquid petroleum gas in cylinders, two years from the date of issue;
- (c) in the case of Autogas retail station, two years from the date of issue;
- (d) in the case of a business to transport liquid petroleum gas in bulk or in cylinders, two years from the date of issue;
- (e) in the case of a business to import liquid petroleum gas in bulk, two years from the date of issue; and
- (f) in the case of a business to export or wholesale liquid petroleum gas in bulk or in cylinders, two years from the date of issue.

6. (1) An application for the renewal of a liquid petroleum gas business licence shall be made at least thirty days prior to the expiry of the licence.

Licence renewal.

(2) The application in sub-regulation (1) shall be submitted together with the documents set out in the Fifth Schedule and proof of payment of the fees set out in the Second Schedule.

7. A wholesaler, retailer or operator of an bulk storage facility, shall ensure that storage of liquid petroleum gas cylinders or in bulk meets the minimum distance requirements as specified in the relevant Kenyan Standards between the liquid petroleum gas cylinders or liquid petroleum gas Bulk Storage Vessel from buildings, public thoroughfares or sidewalks, roads, line of adjoining property occupied by a school, church, hospital, athletics

Minimum distance requirements for liquid petroleum gas bulk storage.

- (b) technician's licence (Class C-1);
- (c) engineer's licence (Class B-1);
- (d) installation contractor's licence (Class A-2); and
- (e) design and installation contractor's licence (Class A-1).

(3) A person who wishes to be designated as a liquid petroleum gas installer shall make an application to the Authority through the online portal provided by the Authority and attach the documents specified in the Fourth Schedule and proof of payment of the fees set out in the Second Schedule.

(4) A person who wishes to be designated as an installation contractor (Class A-2) or a design and installation contractor (Class A-1), shall be a contractor registered with the National Construction Authority under the relevant category as set out in the Ninth Schedule.

(5) The Authority shall review the application in sub-regulation (3) within thirty days.

(6) Where the application in sub-regulation (3) is successful, the Authority shall issue the licence which shall be valid for a period of three years.

(7) Where the application in sub-regulation (3) is unsuccessful, the Authority shall provide reasons for rejection of the application.

(8) The requirements of this regulation shall not apply in respect of—

- (a) the replacement of a hose or regulator on a portable liquid petroleum gas cylinder; or
- (b) the replacement of a hose connecting a re-fillable portable cylinder to installation pipework.

(9) A person who carries out liquid petroleum gas installation works without a valid licence commits an offence and shall upon conviction be liable to a fine of twenty thousand shillings for every works done.

10. (1) A person shall only perform the scope of works for which they have been approved by the Authority.

Approved scope of work.

(2) The responsible person of any premises shall ensure that liquid petroleum gas installation work in their premises is—

- (a) carried out by a licensed liquid petroleum gas contractor or installer and after completion, completion of work certificates are issued by the installer or contractor;
- (b) tested and inspected periodically and maintain records of any defects being remedied and test certificates issued.

11. (1) A licensee under these Regulations shall use materials, fittings, pipes, tanks or any other material required for the safe containment of liquid petroleum gas or installations which comply to the applicable Kenya Standard and engineering best practices.

Materials and workmanship.

15. (1) A person licensed to import liquid petroleum gas shall within twenty-four hours prior to the arrival of the bulk liquid petroleum gas at a point of entry, declare to the Authority—

Obligations of importer.

- (a) the load port of the bulk liquid petroleum gas;
- (b) the total quantity of the bulk liquid petroleum gas in metric-tonnes; and
- (c) the final destination point of the bulk liquid petroleum gas whether in Kenya or export.

(2) All imported bulk liquid petroleum gas shall meet the standards specified by the Kenya Bureau of Standards.

(3) Where the bulk liquid petroleum gas fails to meet the Kenya Standard or any other standard specified by the Kenya Bureau of Standards, the importer shall return the bulk liquid petroleum gas to the load port at their cost.

(4) Where the importer fails to return the bulk liquid petroleum gas specified in sub-regulation (3) to the load port, the Authority may order the destruction of the bulk liquid petroleum gas at the cost of the importer.

(5) An importer shall submit to the Authority on or before the tenth day of each calendar month the following information relating to the preceding month—

- (a) total quantity in metric-tonnes of bulk liquid petroleum gas imported;
- (b) the source of the imported bulk liquid petroleum gas; and
- (c) total quantity in metric-tonnes of bulk liquid petroleum gas sold in the local market by sector.

(6) An importer of liquid petroleum gas shall not supply the gas in bulk to any person unless such a person is a bulk liquid petroleum gas licensee or such a person is a bulk liquid petroleum gas consumer for own use.

(7) An importer shall terminate the supply of liquid petroleum gas to a bulk consumer where it is established that the consumer is undertaking refilling for resale or trades in the bulk liquid petroleum gas without the requisite licence required under the Act.

(8) Where an importer establishes that a bulk consumer is engaged in the trade of bulk liquid petroleum gas, he shall notify the Authority within twenty-four hours of such discovery.

16. (1) A person shall not sell liquid petroleum gas under wholesale terms or export liquid petroleum gas in bulk unless such a person has obtained a wholesale and export licence from the Authority.

Obligations of a holder of a bulk liquid petroleum gas wholesale and export licence.

(2) A person licensed to wholesale and export liquid petroleum gas shall submit to the Authority on or before the 10th day of each calendar month the following information relating to the preceding month—

20. (1) A person licensed to wholesale or retail liquid petroleum gas in cylinders shall maintain records of each cylinder that is purchased or sold which shall include the following information—

Record keeping and cylinder tracking.

- (a) cylinder brand;
- (b) serial number or quick response code of the cylinder;
- (c) serial number or quick response code of the seal;
- (d) net weight in kilograms of the cylinder; and
- (e) unit and total price of the transaction indicating the cylinder deposit where applicable.

(2) In addition to the information in sub-regulation (1), a person licensed to wholesale or retail liquid petroleum gas in cylinders shall maintain the following records—

- (a) in the case of purchase of the liquid petroleum gas in cylinders—
 - (i) name, address and telephone number of the seller; and
 - (ii) date of the purchase;
- (b) in the case of sale of the liquid petroleum gas in cylinders—
 - (i) name, address and telephone number of the buyer; and
 - (ii) date of the sale.

(3) A person licensed to wholesale or retail liquid petroleum gas in cylinders, shall issue a receipt at the point of sale which shall include the information in sub-regulation (1) and (2).

(4) The records under this regulation shall be maintained for at least twenty-four months.

(5) A person licensed to wholesale or retail liquid petroleum gas in cylinders, shall subscribe to the central tracking system to perform the obligations in sub-regulations (1) and (2).

(6) The records of the transactions in sub-regulation (1) and (2) shall be submitted to the Authority's online portal at the point of recording a sale or a purchase by the respective parties independently.

(7) A person who fails to keep records as required by this regulation commits an offence and shall upon conviction be liable to a fine of twenty thousand shillings per transaction.

21. A person who wishes to export liquid petroleum gas in cylinders shall obtain prior written consent from the brand owner and such consent shall be submitted to the Authority for approval.

Consent of brand owner before export of liquid petroleum gas cylinders.
Obligation of a liquid petroleum gas undertaking.

22. A licensed brand owner, liquid petroleum gas refilling plant, wholesaler and retailer shall, in the conduct of its business, develop and enforce—

- (a) a code of conduct for refilling plant operators, distributors, transporters and appointed stockists; and

(3) The Authority shall, before issuance of an operational licence, carry out a pre-licensing inspection to satisfy itself that the construction has been undertaken in line with the approved design.

(4) The Authority shall review the application in sub-regulation (2) within thirty days.

(5) Upon review of the application, the Authority may—

- (a) issue the licence; or
- (b) reject the application giving reasons for the rejection.

(6) A person who operates an autogas retail filling station without the licence as set out in sub-regulations (1) and (2) commits an offence and shall, upon conviction, be liable to a fine of one million shillings.

26. (1) An operator of an autogas retail dispensing site shall put in place traffic control measures to ensure that the operations of the site do not cause obstruction to road users.

Operations,
obligations and
penalties.

(2) An autogas retail licensee shall train the autogas dispenser attendants and truck offloading staff on—

- (a) the handling of liquid petroleum gas refilling operations to a motor vehicle and tanker offloading to the station's storage; and
- (b) firefighting and first aid skills; and

(3) An autogas attendant shall, before undertaking motor vehicle refilling operations, confirm that the vehicle has a valid conversion certificate and that it was converted in an authorized conversion centre.

(4) An autogas retail licensee shall ensure that the person in charge of the station is proficient in at least one official language.

27. (1) A licensee shall ensure that the meter used at the autogas retail dispensing site has —

Autogas meters
and display of unit
price.

- (a) been type-approved by the body responsible for weights and measures;
- (b) has undergone annual or any other such periodic recalibration by competent person appointed by the body responsible for weights and measures; and
- (c) where required, repair of such meters is done by a competent person approved by the body responsible for weights and measures.

(2) An autogas retail dispensing site licensee shall display the unit price in Kenya Shillings per litre.

28. (1) A person may have the same location for both conventional liquid motor fuels and storage, and sale of provided that the construction and operations of the station complies to the requirements of applicable the Kenya Standards.

Co-location.

(2) A person who acquires a new liquid petroleum gas cylinder for the purpose of putting it in the market shall declare such an acquisition to the Authority not later than one calendar month from the date of acquisition.

(3) The declaration made in sub-regulation (2) shall include the—

- (a) capacity and number of imported or locally manufactured liquid petroleum gas cylinders;
- (b) landed cost of the liquid petroleum gas cylinders inclusive of all taxes for imported cylinders or ex-factory cost inclusive of all taxes for locally manufactured cylinders;
- (c) manufacturer's name and the country of origin of the cylinders; and
- (d) serial number for each cylinder.

32. (1) No person shall print, stick, emboss any mark on liquid petroleum gas cylinder as a trademark for sale of liquid petroleum gas without the approval of the liquid petroleum gas brand from the relevant statutory body.

Brand registration.

(2) An application for liquid petroleum gas cylinder brand registration shall be submitted in the form set out in the First Schedule accompanied by the documents specified in the Fourth Schedule.

(3) No person shall infringe on the brand of another brand owner.

(4) A person who trades in a liquid petroleum gas cylinder business without a certificate of brand registration from the Authority commits an offence and shall be liable on conviction to a fine of five hundred shillings for every cylinder sold by him.

33. (1) A liquid petroleum gas cylinder shall, at all times, have the brand owner's distinguishing colour and mark.

Cylinder marking.

(2) The cylinder shall be clearly and indelibly labelled with—

- (a) the owner's brand name;
- (b) the cylinder's serial number;
- (c) name of manufacturer;
- (d) the date of manufacture;
- (e) the date of the last requalification and name of the requalifying plant;
- (f) name of the product;
- (g) water capacity of the cylinder;
- (h) tare weight;
- (i) net weight;
- (j) gross weight;

including when such receipts have been issued prior to the entry into force of these Regulations.

(2) A brand owner or his authorized distributors and agents shall maintain accurate records of the details of persons who return the portable cylinder for restitution of the deposit in sub-regulation (1).

(3) The brand owner or his authorized distributor shall reimburse to the final consumer the amount of cylinder deposit stated in the Sixth Schedule for the permanent restitution of a portable cylinder delivered by such final consumer whether or not the person is in possession of a receipt.

(4) The brand owner or his authorized agent shall report to the Authority any suspicious return of a liquid petroleum gas cylinder for reimbursement of the cylinder deposit.

(5) The cylinder deposit reimbursable for the permanent return of liquid petroleum gas cylinder to the brand owner or agent, shall in all cases be of the amount stated in the Sixth Schedule.

(6) The consumer shall not be liable to deduction on his deposit for the degradation of the cylinder.

(7) The deposit referred to under this regulation shall be refunded by the brand owner or through his agent.

(8) A brand owner or his authorized distributor may recall or collect a liquid petroleum gas cylinder from any person in possession of such cylinders where—

- (a) the liquid petroleum gas cylinder requires requalification;
- (b) the liquid petroleum gas cylinder is un-attended; and
- (c) the liquid petroleum gas cylinder is being mishandled.

(9) Where a brand owner recalls or collects their liquid petroleum gas cylinders in accordance with sub-regulation (8) they shall replace the cylinder with another cylinder of good condition or reimburse the cylinder deposit.

(10) A brand owner who intends to recall liquid petroleum gas cylinders from a person under sub-regulation (8) shall seek prior approval from the Authority.

(11) A person who, not being a final consumer, hinders the brand owner from accessing and collecting a liquid petroleum gas cylinder commits an offence and shall upon conviction be liable to the general penalty set out under section 124 of the Act.

38. (1) A brand owner shall own a minimum of thirty thousand liquid petroleum gas cylinders of standard capacity.

Minimum number of liquid petroleum gas cylinders for brand owners.

(2) An existing licensee who has less than the required minimum of thirty thousand cylinders as at the time of coming into force of these regulations shall progressively build the number of liquid petroleum

(10) A person shall not reproduce seal numbers other than those issued by the Authority or its authorized agent with an intention to deceive another trader or consumer.

(11) The Authority may confiscate any liquid petroleum gas cylinder that does not bear a valid seal number and cylinder pairing as recorded in the Authority's central register of refilled cylinders.

(12) The records in sub-regulation (7) submitted to the Authority shall be maintained in a register that can be inspected by consumers to verify valid liquid petroleum gas cylinder re-fill.

(13) The register in sub-regulation (12) shall be accessible and available for inspection by the consumers and the general public by means of an appropriate technology.

41. Every brand owner shall—

Obligations of a
brand owner.

- (a) ensure that its cylinders meet the applicable Kenya Standards;
- (b) ensure that its cylinders are in a good state of repair and are requalified in accordance with the Kenya Standard;
- (c) ensure that after requalification, the liquid petroleum gas cylinder is inspected and certified by an approved person;
- (d) maintain a list of its authorized re-filling agents, wholesalers, retailers and cylinder requalification agents;
- (e) maintain the records of serial numbers or quick response codes and date of requalification of each cylinder;
- (f) maintain the serial numbers and date of sale of each cylinder;
- (g) ensure cylinders are tracked by use of the recommended tracking system by the Authority;
- (h) provide the relevant training and any relevant information to its approved refilling agents, wholesalers and retailers on the safe storage and handling of cylinders;
- (i) train the authorized re-filling agents, wholesalers and retailers on liquid petroleum gas handling, storage and transport requirements of dealing with the cylinder;
- (j) make aware to the authorized re-filling agents, wholesalers and retailers the structures for the management of cylinder deposit;
- (k) ensure that the authorized re-filling agents, wholesalers and retailers comply with directions of Authority issued to the brand owner;
- (l) develop and maintain emergency preparedness plans in the event of product recalls, safety incidents, or large-scale accidents involving liquid petroleum gas cylinders;
- (m) ensure the authorized re-filling agents, wholesalers and retailers are aware of the emergency plans and emergency contacts in sub regulation (l);

(d) where liquid petroleum gas cylinders have not been requalified within eight years.

(2) A brand owner who fails to requalify the cylinders as required under sub-regulation (1) commits an offence and shall be liable on conviction to a fine of two thousand shillings per cylinder not requalified.

46. (1) The following acts constitute the unauthorized refilling of liquid petroleum gas cylinders—

Prohibition against unauthorised refilling.

- (a) refilling of a cylinder by a person or entity other than the brand owner or refilling of a cylinder without the prior written consent from the brand owner provided that such consent shall have been submitted to the Authority;
- (b) refilling of a cylinder that—
 - (i) does not bear the embossed markings of the brand or trade name; or
 - (ii) is defaced, tampered with or bears illegible markings;
- (c) refilling of a cylinder that is due for repair, requalification or scrapping;
- (d) refilling of a cylinder directly from a bulk liquefied petroleum gas road transport vehicle;
- (e) decanting of liquefied petroleum gas from one cylinder to another cylinder save for safety reasons;
- (f) refilling of a cylinder from a facility or such other source that is not licensed by the Authority or its licensing agents;
- (g) refilling of a cylinder with a product or substance other than liquefied petroleum gas;
- (h) refilling of a cylinder with liquefied petroleum gas that does not conform to the Kenya Standard;
- (i) refilling of a cylinder with a quantity of liquefied petroleum gas that does not meet the capacity of the cylinder;
- (j) possession of a seal bearing a similar marking to another brand owner without written consent from the brand owner and such consent submitted to the Authority;
- (k) sale of a filled cylinder without a seal bearing a unique seal identifier issued by the Authority; and
- (l) wholesale or retail of filled cylinders belonging to another brand owner without written consent from the brand owner and such consent submitted to the Authority.

(2) A person who commits the acts in sub-regulation (1) commits an offence and shall upon conviction be liable to the general penalty set out under section 124 of the Act.

- (a) enter into a mutual cylinder exchange agreement with other interested parties; and
- (b) apply in writing to the Authority for approval and attach —
 - (i) a copy of the mutual cylinder exchange agreement; and
 - (ii) an approval for the mutual cylinder exchange system from the Competition Authority of Kenya.

(2) Members of a mutual cylinder exchange System may apply to the Authority to be recognized as a self-regulated organization.

(3) The Authority shall satisfy itself that the agreement in sub regulation (1) (a) is not discriminatory and does not distort market competition.

(4) Where the Authority rejects the application, the Authority shall communicate to the applicant in writing, of the decision and the reasons for the rejection.

(5) Where the Authority approves the agreement, the Authority shall communicate to the applicant in writing.

(6) Parties to a mutual cylinder exchange agreement shall apply in writing to the Authority for approval —

- (a) whenever a new party becomes a signatory to the mutual cylinder exchange agreement;
- (b) at the lapse of two years from the date of the immediate last approval of the mutual cylinder exchange system.

(7) The application in sub regulation (6) shall be accompanied by the documents specified in sub regulation (1)(b).

50. (1) The Authority may appoint a brand caretaker in respect of a distressed brand owner to facilitate collection of cylinders from the market and refill the cylinders for such period as the Authority may determine.

Brand caretaker.

(2) A licensee granted brand-caretaker status shall not gain ownership rights over the brand or the cylinders.

(3) The appointed brand-caretaker shall be subject to such conditions issued by the brand owner, statutory administrator or liquidator as the case may be, provided it is done in consultation with the Authority.

(4) In granting the status in sub-regulation (1) the Authority shall issue conditions as deemed suitable.

(5) Nothing in this regulation shall relieve the brand owner or his legally appointed agent the responsibility to refund cylinder deposit when so required by the consumer.

51. (1) A brand caretaker shall be appointed on application by the brand owner or another licensee or by the Authority where a brand owner has failed to refill his cylinders for more than six months consecutively.

Appointment of brand caretaker.

- (c) manufacturer's name and the country of origin of the bulk liquid petroleum gas storage vessel;
- (d) serial number for each bulk liquid petroleum gas storage vessel; and
- (e) location of installation.

(4) The existing bulk liquid petroleum gas storage vessels shall be declared to the Authority within six (6) months of coming into force of these Regulations giving the information in sub-regulation (3).

54. (1) A bulk liquid petroleum gas storage vessel manufactured locally or imported shall be examined and certified by an approved person prior to use and periodically as set out in the Kenya Standards.

Examination of Bulk liquid petroleum gas storage vessels.
Cap. 236A.

(2) The examination and certification in sub-regulation (1) shall include the requirements set out in the Occupational Safety and Health Act.

(3) The responsible person shall maintain the examination records and certificates for the lifetime of the pressure vessel.

(4) A person, in the process of transferring liquid petroleum gas into or out of a bulk liquid petroleum gas storage vessel shall satisfy himself of the validity of the examination status of the bulk liquid petroleum gas storage vessel.

55. (1) A bulk liquid petroleum gas storage vessel manufactured locally or imported shall be calibrated and certified by an inspector appointed from the department of weights and measures prior to use and periodically as set out in the Kenya Standards.

Calibration of Bulk liquid petroleum gas Storage Vessels.

(2) The calibration and certification in sub-regulation (1) shall include the requirements set out in the Weights and Measures Act.

Cap. 513.

(3) The responsible person shall maintain the calibration records and certificates, and calibration records and certificates for the lifetime of the pressure vessel.

(4) A person, in the process of transferring liquid petroleum gas into or out of a bulk liquid petroleum gas storage vessel shall satisfy himself of the validity of the calibration status of the bulk liquid petroleum gas storage vessel.

56. (1) A person who wishes to export bulk liquid petroleum gas storage vessels shall make an application to the Authority for approval.

Export of bulk liquid petroleum gas storage vessels approval.

(2) The application in sub-regulation (1) shall be submitted through the online portal provided by the Authority accompanied by the documents specified in the Seventh Schedule.

(3) The Authority shall issue an approval if satisfied with an application made in accordance with sub-regulation (2).

PART VIII—BULK LIQUID PETROLEUM GAS STORAGE AND FILLING PLANT

57. (1) A person who wishes to construct or install a bulk liquefied petroleum gas storage facility or a gas reticulation system shall apply for a construction permit from the Authority.

Storage of bulk liquid petroleum gas.

(2) An application for a licence to fill liquid petroleum gas into cylinders shall be submitted through the online portal provided by the Authority in the form set out in the Fourth Schedule accompanied by the documents specified in the First Schedule and the fees set out in the Second Schedule.

(3) A copy of the consent in sub-regulation (1) shall be submitted to the Authority by the brand owner.

(4) A person licensed to fill liquefied petroleum gas shall not fill cylinders that do not conform to the Kenya Standard.

(5) When a liquid petroleum gas cylinder is refilled, a person operating a storage and filling plant shall—

- (a) verify that the gross and tare weights of the filled cylinder are as indicated on the body of the cylinder;
- (b) fit the filled liquid petroleum gas cylinder with a seal issued by the Authority;
- (c) maintain and submit the Authority accurate records of refilled liquid petroleum gas cylinder serial numbers, the seal numbers, gross and tare weights; and
- (d) append visible, relevant and clear safety messages on the body of the cylinder as set out in the Eleventh Schedule.

(6) liquid petroleum gas cylinder filling operations shall undergo periodic quality certification.

(7) Every cylinder refilled shall bear quality standardization mark as will be determined by the Kenya Bureau of Standards.

61. (1) No person shall enable liquid petroleum gas to be supplied for use in any premises unless there is provided an appropriately positioned emergency control to which there is adequate access.

Emergency controls.

- (2) A person installing an emergency control shall ensure that—
- (a) any key, lever or hand-wheel of the control is securely attached to the operating spindle of the control;
 - (b) the means of operating the key or lever is clearly and permanently marked or a notice in permanent form is prominently displayed near such means so as to indicate when the control is open and when the control is shut; and
 - (c) any hand-wheel indicates the direction of opening or closing of the control.

(3) Where a person installs an emergency control which is not adjacent to a primary valve, he shall immediately thereafter prominently display on or near the means of operating the control, a suitably worded notice in permanent form indicating the procedure to be followed in the event of an uncontrolled release of liquid petroleum gas.

62. A licensee of a liquid petroleum gas storage and refilling plant shall ensure that the person in charge is proficient in at least one national language.

Training and competency.

67. (1) A person shall not undertake the business of reticulation of liquefied petroleum gas without a valid licence issued by the Authority.

Reticulated liquid petroleum gas systems.

(2) A person who wishes to undertake the business of reticulation of liquefied petroleum gas shall apply for a license from the Authority.

(3) The application in sub-regulation (2) shall—

- (a) be submitted through the online portal provided by the Authority;
- (b) be in the form VI set out in the First Schedule;
- (c) be accompanied by proof of payment of the fees set out in the Second Schedule; and
- (d) be accompanied by the documents specified in the Fourth Schedule.

(4) The Authority shall review the application in sub-regulation (2) within forty-five days of receipt of the application.

(5) Where the application in sub-regulation (2) is successful, the Authority shall issue the permit.

(6) Where the application in sub-regulation (2) is unsuccessful, the Authority shall provide reasons for the rejection.

(7) A liquefied petroleum gas reticulation system shall conform to the provisions of the relevant Kenya Standard and be operated in accordance with guidelines published by the Authority.

(8) The operator of a liquefied petroleum gas reticulation system shall maintain the structures where the pipeline and incidental installation for liquefied petroleum gas distribution are located.

(9) A design for a liquefied petroleum gas reticulation system shall incorporate environment, health and safety standards and shall be certified by a professional engineer.

(10) A person licensed to operate a liquefied petroleum gas reticulation system shall maintain a record of any accidents related to operations of the system and complaints arising from the services of the operator record.

(11) The records in sub-regulation (9) and the respective investigation reports shall be submitted to the Authority.

(12) The operator of a liquefied petroleum gas reticulation system shall prepare a model consumer supply agreement, and submit to the Authority for approval.

(13) The operator of a liquefied petroleum gas reticulation system shall enter into separate consumer supply agreements approved in sub-regulation (11) with each liquefied petroleum gas consumer.

68. (1) The service contract shall include the following—

Service contracts.

- (a) name, address and telephone number of the operator and the liquefied petroleum gas consumer;

70. The operator of a reticulated system shall ensure the availability of a technical person on call at all times for technical support.

Technical support.

71. (1) Each housing unit or consumer outlet shall have a separate and functional metering system approved by the body responsible for weights and measures.

Reticulation
metering system.

(2) The unit of sale of liquefied petroleum gas for liquefied petroleum gas consumers in a liquefied petroleum gas reticulation system may be in—

- (a) meter-cubic; or
- (b) kilograms provided as per the API/ASTM Volume Correction Factor (VCF) Standard.

(3) When installing a liquid petroleum gas meter, consideration shall be made to ensure—

- (a) there is no risk of damage to it from electrical apparatus;
- (b) that it is in a readily accessible position for inspection and maintenance; and
- (c) that its position or location does not impair the accuracy of measurement of liquid petroleum gas to consumers.

(4) Where a person installs a meter and the pipes and other gas fittings associated with it, he shall ensure that—

- (a) immediately thereafter, they are adequately tested to verify that they are gas tight and examined to verify that they have been installed in accordance with these Regulations and the standards approved by the Kenya Bureau of Standards; and
- (b) immediately after such testing and examination, purging is carried out throughout the meter and every other fitting through which liquid petroleum gas can then flow so as to safely remove all air and any other gas than liquid petroleum gas.

72. (1) The operator or the supplier of liquid petroleum gas shall not install a prepayment meter as a primary meter through which liquid petroleum gas passes to a secondary meter.

Primary metres.

(2) A person when providing liquid petroleum gas through any service pipe or service pipework to more than one primary meter or making any modification which affects the number of primary meters provided, shall ensure that a legible notice is prominently displayed on or near each primary meter indicating that more than one primary meter is provided with liquid petroleum gas through that service pipe or service pipework.

(3) Where a primary meter is removed, the person who last supplied liquid petroleum gas through the meter before removal shall—

- (a) where the meter is not forthwith re-installed or replaced by another meter—

75. (1) A person shall not install a primary meter or meter by-pass used in connection with a primary meter unless— Regulators.

- (a) there is a regulator controlling the pressure of liquid petroleum gas supplied through the meter or the by-pass, as the case may be, which provides adequate automatic means for preventing the gas fittings connected to the downstream side of the regulator from being subjected to a pressure greater than that for which they were designed;
- (b) where the normal pressure of the liquid petroleum gas supply is 75 millibars or more at the inlet to the regulator and there are also adequate automatic means for preventing, in case the regulator should fail, those gas fittings from being subjected to such a greater pressure; and
- (c) where the regulator contains a relief valve or liquid seal, such valve or seal is connected to a vent pipe of adequate size and so installed that it is capable of venting safely.

(2) The operator or supplier from a bulk liquid petroleum gas storage vessel to any service pipework or liquid petroleum gas fitting shall ensure that—

- (a) there is a regulator installed which controls the nominal operating pressure of the liquid petroleum gas;
- (b) there is adequate automatic means for preventing the installation pipework and liquid petroleum gas fittings downstream of the regulator from being subjected to a pressure different from that for which they were designed; and
- (c) there is an adequate alternative automatic means for preventing the service pipework from being subjected to a greater pressure than that for which it was designed should the regulator referred to in sub-regulation (2)(a) fail.

(3) Where installation consists of more than one liquid petroleum gas cylinder, the liquid petroleum gas shall pass through a regulator which will reduce its pressure at the point of use to a safe level.

(4) Without prejudice to sub-regulation (3), no person shall cause liquid petroleum gas to be supplied through a liquid petroleum gas cylinder bank installation connected to an automatic change-over device unless there is an adequate alternative means for preventing the installation pipework and any gas fitting downstream of the regulator from being subjected to a greater pressure than that for which it was designed should the regulator fail.

(5) Where a supplier or operator installs—

- (a) a regulator for controlling the pressure of gas through a primary meter, through a meter bypass used in connection with a primary meter or from a liquid petroleum gas storage vessel; or
- (b) a liquid petroleum gas appliance itself fitted with a regulator for controlling the pressure of liquid petroleum gas to that appliance;

- (b) a legible and prominently displayed line diagram attached to the building in a readily accessible position as near as practicable to the emergency control, or to the liquid petroleum gas storage vessel, indicating the position of all installation pipework, all meters, emergency controls, valves and pressure test points of the liquid petroleum gas supply systems in the building.

(2) The design and installation of liquid petroleum gas reticulation system in sub regulation (1) shall be carried out by a liquid petroleum gas installer.

80. (1) Every landlord shall ensure that there is maintained in a safe condition—

Obligations of landlords.

- (a) any relevant liquid petroleum gas fitting; and
- (b) any pressure venting pipe and points or fitting so as to prevent the risk of injury to any person in lawful occupation of relevant premises.

(2) Without prejudice to the generality of sub-regulation (1), a landlord shall—

- (a) prevent trespassing or tampering to the reticulation system;
- (a) ensure that each appliance and pressure relief points to which that duty extends is checked for safety within twelve months of being installed and at least once in any twelve-month period;
- (b) ensure that a record in respect of any appliance so checked is made and retained for a period of two years from the date of the check, which record shall include the following information—
 - (i) the date on which the appliance or pressure relief valve was checked;
 - (ii) the address of the premises at which the appliance or pressure relief valve is installed;
 - (iii) the name and address of the landlord of those premises or where appropriate, his agent;
 - (iv) a description of and the location of each appliance or pressure relief valve checked;
 - (v) any defect identified;
 - (vi) any remedial action taken;
 - (vii) the name and signature of the individual carrying out the check; and
 - (viii) the registration number of liquid petroleum gas installer that has carried out the check.

(3) Every landlord shall ensure that any work in relation to a relevant liquid petroleum gas fitting or any check of a liquid petroleum

public against risks to health and safety have been complied with; and

- (b) the object is in such a condition, or in the case of a liquid petroleum gas fitting, the supply of air available for it is so inadequate, that it is likely to constitute a danger to any person or property.

(3) Where after the inspections under sub-regulation (2), the approved person or installer is of the opinion that it is necessary to take action for the purpose of averting danger to life or property, and notwithstanding any contract previously existing, the approved person may—

- (a) disconnect and seal off any liquefied petroleum gas fitting and any part of the liquid petroleum gas supply system on the premises; or
- (b) if no such supply is being given, signify the refusal of the supplier to allow such a supply.

83. (1) A supplier of liquid petroleum gas through smart meters or an operator of reticulated system shall, where payment is in advance or by cash settlement on delivery, issue a receipt to the consumer at the time the liquid petroleum gas is delivered.

Right to receipts
and statement of
Account.

(2) A supplier of liquid petroleum gas through smart meters or operator of reticulated system, where the sale is on account, shall issue a statement of account to the consumer within thirty days of the date on which the liquid petroleum gas is delivered.

(3) The receipt in sub regulation (1) and the statement of account in sub regulation (2) shall include all required information related to all transactions in the period including but not limited to price and quantity, date and place of sale or delivery.

(4) On request, a supplier of liquid petroleum gas through smart meters or an operator of reticulated system shall issue to the consumer a statement of amount in arrears or the amount of any unused advance payment.

(5) A supplier of liquid petroleum gas through smart meters or operator of reticulated system shall retain records of the sale of liquid petroleum gas to a consumer for at least two years and provide that information to the consumer on request.

84. (1) Where an approved person or an installer engaged by the responsible person realises a defect that may pose danger to the people and to property with respect to the liquid petroleum gas supply system, and disconnects the supply, or signifies that no liquefied petroleum gas should be supplied through the system, the supplier shall, within five working days after the day on which such action is taken, serve on the consumer a notice in writing—

Notification to
Consumer.

- (a) specifying—
 - (i) the nature of the defect or other circumstances in consequence of which the power was exercised; and

(4) The Authority shall within sixty days from the date of receipt of the complaint in sub regulation (2) by a consumer, make its decision on any matter before it.

(5) Where the Authority finds that the disconnection was without valid reason, the responsible person shall be liable to the penalties as specified in the Act.

86. (1) Subject to sub-regulation (2), no person shall, except with the consent of the responsible person or pursuant to directions given by the Authority —

Prohibition of reconnection or restoration of supply.

- (a) reconnect any liquid petroleum gas fitting or any part of a supply system which has been disconnected by or on behalf of the responsible person where he knows or has reason to believe that it has been so disconnected;
- (b) reconnect the supply of liquid petroleum gas to any premises which has been disconnected by or on behalf of the responsible person where he knows or has reason to believe that it has been so disconnected; or
- (c) cause liquid petroleum gas from a liquid petroleum gas main to be conveyed to any premises where pursuant to these Regulations the refusal of the responsible person to give or allow a supply of liquid petroleum gas to those premises has been denied and that refusal has not been withdrawn.

(2) The prohibition imposed by sub-regulation (1)(a) and (b) does not apply in the course of the repairing or testing of any fitting or any part of a liquid petroleum gas supply system.

PART X—CONSUMER SITE INSTALLATIONS AT PUBLIC USE ESTABLISHMENTS

87. (1) A person intending to supply liquid petroleum gas to a consumer site installation in a public use establishment, shall, before commencement of installation or construction of a storage facility or piping systems, and upon meeting the requirements set out in the Third Schedule apply for a construction permit from the Authority.

Consumer site installations.

(2) The application for the construction permit in sub-regulation (1) shall be submitted through the online portal provided by the Authority in the form set out in the First Schedule accompanied by the documents specified in the Fourth Schedule and proof of payment of the fees set out in the Second Schedule.

88. Every supplier of liquid petroleum gas or responsible person for a consumer site shall put in place safety mechanisms and ensure they comply to the relevant Kenya Standards.

Standards and safety.

89. (1) A supplier of liquid petroleum gas to a bulk consumer site within a public institution shall make full disclosure of the price build up to the consumer.

Price disclosure.

(2) The disclosure in sub-regulation (1) shall include the following—

(2) The management of the public use establishment may enter into an agreement to delegate the obligation in sub-regulation (1) to a party with capacity to carry out the required maintenance and repair person.

(3) The management of the public use establishment shall take precaution to prevent trespassing or tampering with the liquid petroleum gas storage and supply system.

94. (1) An operator of a consumer site installation at a public use establishment shall ensure legible emergency instructions are prominently displayed on or near the primary shut off valve indicating the procedure to be followed in the event of an emergency situation.

Emergency instructions.

(2) Where the primary shut off valve is not within two meters of the offloading point and is not accessible or within view, the emergency instructions in sub-regulation (1) shall be put on the nearest upstream emergency control and shall point to the location of the primary shut off valve.

(3) The emergency instructions shall also be placed in all other emergency control points and will indicate where the primary shut off valve is located.

(4) The responsible person shall ensure that the colour coding in sub regulation (1) is maintained throughout the service life of the pipe network systems.

PART XI—TRANSPORT OF LIQUID PETROLEUM GAS IN BULK AND IN CYLINDERS

95. (1) A person licensed to transport bulk liquefied petroleum gas shall not permit any of his motor vehicles to load or discharge liquefied petroleum gas into or from a bulk liquefied petroleum gas storage facility that is not licensed under these Regulations except where the discharge is to a liquefied petroleum gas consumer.

Prohibition against loading or discharging liquid petroleum gas into illegal facility.

(2) A person who contravenes this regulation commits an offence and shall, upon conviction, be liable to the general penalty set out under section 124 of the Act.

96. (1) A person shall not transport more than three liquid petroleum gas cylinders, whether filled or empty, by road except in accordance with the terms and conditions of a valid licence issued by the Authority or its licensing agents.

Transport of liquid petroleum gas cylinders.

(2) An application for a licence to transport cylinders by road shall be submitted through the online portal provided by the Authority together with the documents specified in the First Schedule and the fees set out in the Second Schedule.

(3) A person licensed to transport cylinders by road shall not permit any of his motor vehicles to load or off-load from or to a cylinder filling facility, wholesaler or retailer that is not licensed by the Authority.

(4) A motor vehicle for use in the transport of cylinders shall be equipped with two serviced dry powder fire extinguishers of at least nine kilograms each.

98. (1) A driver shall not take charge of a vehicle transporting liquid petroleum gas if he is not in possession of a valid petroleum driver certificate from the Authority.

Liquid petroleum gas Driver Obligations.

(2) A holder of a valid petroleum driver certificate issued by the Authority shall not drive a vehicle with an expired petroleum permit.

(3) A person, whether holding a valid petroleum driver certificate or not, shall not cause a vehicle to drive into a storage refilling plant or facility that is not licensed by the Authority.

(4) A person holding a valid petroleum driver certificate shall not allow another person not licensed by the Authority to drive the vehicle referred to in this regulation.

99. (1) A person licensed to transport liquid petroleum gas in bulk or in cylinders shall not carry unauthorised persons in the vehicle during such transportation.

Obligation of an liquid petroleum gas Transporter.

(2) A person licensed to transport bulk liquid petroleum gas shall install a system with Global Positioning System on his vehicle and grant the Authority unfettered access.

(3) A transporter of liquid petroleum gas shall put in place an emergency recovery system which includes but is not limited to being in possession of recovery equipment or a contract with a recovery firm.

(4) A transporter of liquid petroleum gas shall not cause his driver or vehicle to drive into a facility that is not licensed by the Authority or convey a liquid petroleum gas consignment for a person who is not licensed by the Authority as an importer, exporter, wholesaler or retailer.

(5) A transporter of liquid petroleum gas shall not cause a driver under his employment to drive a vehicle for—

(a) more than eight hours in any twenty four-hour cycle; or

(b) a total of three hundred kilometres within a period of twenty-four hours whichever is achieved first.

(6) A transporter of liquid petroleum gas shall ensure that his vehicle is operated by two drivers where the vehicle—

(a) is to be driven for a distance of more than five hundred kilometres; or

(b) is to be driven for more than eight hours.

(7) A transporter of liquid petroleum gas shall ensure a driver rests for a period of at least one hour for each period of continuous driving of four hours.

(8) A person who contravenes this regulation commits an offence and shall upon conviction be liable to a fine of twenty thousand shillings per offence.

PART XII—DATA , REPORTING AND VERIFICATION

100.(1) Every importer and wholesaler shall declare the sale or the quantity of liquid petroleum gas handled in bulk to the Authority every tenth day of the calendar month.

Declaration of bulk liquid petroleum gas import, sales and

(5) The obligations in sub-regulation (1) and (2) shall apply to—

- (a) storage of bulk liquid petroleum gas;
- (b) wholesale of liquid petroleum gas in bulk;
- (c) supply to a bulk consumer site; and
- (d) transport of liquid petroleum gas in bulk.

102.(1) A person licenced to refill, wholesale or retail liquid petroleum gas in cylinders shall maintain records of daily purchase, sale and storage of liquefied petroleum gas at the business premises indicating therein—

Records to be kept.

- (a) the opening stock of the filled, empty and defective cylinders;
- (b) the number of filled, empty and defective cylinders received during the day;
- (c) the number of filled, empty and defective cylinders sold, delivered or otherwise disposed of during the day;
- (d) the closing stock of the filled, empty and defective cylinders.

(2) The licensee for liquid petroleum gas reticulation or smart meters shall maintain a record of the following in relation to the final consumer—

- (a) names of final consumer;
- (b) address of final consumer;
- (c) list of complaints from the final consumer; and
- (d) quantities of liquid petroleum gas consumed.

(3) A person who fails to keep records as required under sub regulation (1) commits an offence and shall be liable upon conviction to a fine of twenty thousand shillings.

PART XIII—COMPLIANCE AND ENFORCEMENT

103.(1) An inspector or agent of the Authority may inspect a liquid petroleum gas bulk or cylinder storage facility, a retail outlet, a vehicle or premises where liquid petroleum gas operations are being carried out to ascertain that the operations are being carried out in compliance to these regulations.

Inspection.

(2) An inspector or agent of the Authority may enter upon and inspect a bulk or cylinder storage facility, premises, retail outlet or vehicle at, on or in which liquid petroleum gas is reasonably suspected of being sold, transported, stored or refilled.

(3) Where inspection in sub-regulation (1) or (2) is being conducted, any person conducting the liquid petroleum gas business shall render such assistance to an inspector or agent of the Authority as may be required in the course of such inspection.

104.(1) At the conclusion of an inspection and where it is found that there is violation of these Regulations, the inspector shall serve the person in breach a notification of offence in the form set out in the Tenth Schedule

Notification of offences.

(2) Where the person served the notification under sub-regulation (1) admits liability for the offence specified under the notification, the person shall endorse the admission and be liable to the requisite penalty.

(3) Where the person served the notification under sub-regulation (1) disputes liability for the offence specified in the notification, the inspector or agent of the Authority shall issue the person with a compliance order.

105.(1) The inspector or agent of the Authority who, while conducting an inspection determines that there is non-compliance with these Regulations, the inspector or agent of the Authority shall issue a compliance order to the person responsible for such violation.

Compliance orders.

(2) Upon the conclusion of the inspection and where the inspector or agent of the Authority is satisfied that the continued operation of the bulk liquid petroleum gas or cylinder storage facility, premises, retail outlet or vehicle poses an imminent danger to the lives of people and environment or destruction of property, the inspector or agent of the Authority may proceed to order for the closure or apply to a court of competent jurisdiction for impoundment of the said bulk liquid petroleum gas or cylinder storage facility, premises, retail outlet or vehicle regardless of whether the said person has admitted to the offence or not.

(3) A compliance order may direct—

- (a) closure of the said bulk liquid petroleum gas or cylinder storage facility, premises, retail outlet or vehicle;
- (b) stop operations of the said bulk liquid petroleum gas or cylinder storage facility, premises, retail outlet or vehicle;
- (c) in case of environmental degradation, the operator of the said bulk liquid petroleum gas or cylinder storage facility, premises, retail outlet or vehicle to remediate the site;
- (d) evacuate liquid petroleum gas from the said bulk liquid petroleum gas or cylinder storage facility, premises, retail outlet or vehicle.

(4) An inspector or agent of the Authority who issues the direction under sub-regulation (2) shall specify the reasons for the direction and attach the available evidence to the compliance order

(5) A person who fails to comply to the directions in sub-regulation (2) commits an offence and shall be liable upon conviction to a fine of twenty thousand shillings per offence.

106. (1) A person in possession of at least three filled liquid petroleum gas cylinders shall be presumed to be conducting liquid petroleum gas business with the cylinders.

Presumption of Liability for Prohibited Acts.

- (h) description of the events leading to and the most probable cause of the incident or accident.

108.(1) A licensee seeking to retire a facility shall notify the Authority not less than thirty days prior to such decommissioning in order to enable the Authority make necessary inspections and to issue the necessary approvals.

Retiring of a liquid petroleum gas installation.

(2) A liquid petroleum gas facility may be retired—

- (a) after receipt of a written application for a retiring from a licensee;
- (b) by an order of the Authority where such facility has been abandoned by its licensee for a period of not less than two years; or
- (c) by an order of the Authority that the same be retired where the Authority is satisfied that the continued operation of such facility poses or may pose a danger to lives and property.

(3) A licensee or the responsible person of a facility shall, within one year from the date of complete construction of the facility or grant of a license whichever comes first, submit to the Authority for approval a retiring plan substantiating the following—

- (a) a bill of quantity of the planned retiring approved by a registered quantity surveyor; and
- (b) the intended methods to be used during retiring.

(4) The Authority shall, within forty-five days from the date of receipt of the plan provided for under sub-regulation (2), approve or decline the retiring plan.

(5) The licensee or the responsible person as the case may be, shall within two years from the date of effective operation, pay a decommissioning fund to an escrow account the Authority and the same shall be kept in trust by the Authority for the purpose substantiated in sub-regulation (1).

(6) The fund under sub-regulation (4) shall be prescribed by the Authority as per the bill of quantity.

(7) Notwithstanding sub-regulation (5), if the retiring cost exceeds the fund in trust of the Authority, a licensee shall pay all the extra costs associated with the retiring of a facility, whether such retiring has been done following a request by the licensee or by order of the Authority.

(8) The licensee or the responsible person as the case may be, shall be updating the retiring plan in form of techniques and methods prevailing at a particular time.

109.(1) A licensee shall, after retiring a facility, restore the site to its original state so that it does not pose a threat to the environment or the safety and health of the public.

Site restoration.

(2) The Authority shall, after completion of the restoration of a site to its original state by a licensee, issue a certificate of compliance to a licensee confirming such restoration.

(2) A person, aggrieved by the decision of the Authority after an application for review as provided in sub regulation (1), may lodge an appeal to the Energy and Petroleum Tribunal within thirty days of the decision of the Authority.

113.(1) All existing licences shall be required to comply with these Regulations within the timelines listed below —

Transitional clauses.

- (a) in the case of brand owners —
 - (i) comply with the requirement for cylinder deposit within twelve months from the date of coming into force of these Regulations; and
 - (ii) comply with the requirement to attain the minimum number of liquid petroleum gas cylinders within two years from the date of coming into force of these Regulations;
- (b) in the case of storage facilities, comply with the requirement to have a minimum number of cylinders within three years from the date of coming into force of these Regulations.

(2) Where no exception has been made as set out in sub-regulation (1), the requirements of these Regulations shall be effective immediately from the date of coming into force of these Regulations.

114. The Petroleum (Liquefied Petroleum Gas) Regulations, 2019 are hereby revoked provided that such repeal shall not affect —

Revocation and savings of LN100/2019.

- (a) the previous operation of the said Regulations or anything duly done or suffered therein; or
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the said Regulations; or
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed against the said Regulations; or
- (d) any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty forfeiture or punishment as aforesaid, and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the said Regulations had not been repealed.

FORM II: LIQUID PETROLEUM GAS IN BULK BUSINESS LICENCE FORM

Serial No. _____

THE PETROLEUM ACT,
PETROLEUM BUSINESS LICENCE

Licence No. EPRA/LIQUID PETROLEUM GAS/ _____

Licence is hereby granted to _____ of P.O. Box
_____ to carry on the following petroleum businesses:

TYPE OF LIQUID PETROLEUM GAS BUSINESS

On premises situated at:

Plot No. : _____

Building : _____

Road : _____

Town : _____

County : _____

Licence issue date : _____

Licence Expiry date : _____

(SEAL)

Signature : _____

Issued under the authority of the Director General
Energy and Petroleum Regulatory Authority

FORM IV: LIQUID PETROLEUM GAS CYLINDER BUSINESS LICENCE FORM

Serial No.:

THE PETROLEUM ACT,

LIQUEFIED PETROLEUM GAS BUSINESS LICENCE

Licence No. EPRA/LIQUID PETROLEUM GAS/ _____

Licence is hereby granted to _____ of P.O. Box _____ to carry on the following petroleum businesses:

TYPE OF LIQUID PETROLEUM GAS BUSINESS (LIST OF CYLINDER BRANDS)

On premises situated at:

Plot No. : _____

Building : _____

Road : _____

Town : _____

County : _____

Licence issue date : _____

Licence Expiry date : _____

(SEAL)

Signature: _____

Issued under the authority of the Director General
Energy and Petroleum Regulatory Authority

(l) County: _____

3. Details of proprietors or partners owning business or directors/shareholders of the company, as the case may be:

Name	Nationality	No of shares	Passport/ ID No.s
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. Proposed location of the business premises:

(i) Plot No : _____

(ii) Building Name: _____

(iii) Street/Market: _____

(iv) Town/District: _____

GPS coordinates:

Longitude: _____ Latitude: _____

FORM VII

APPLICATION FORM FOR A NEW, AMENDMENT AND RENEWAL OF A LIQUID PETROLEUM GAS BUSINESS LICENCE

1. Application Type:

(a) New Application

(b) Renewal Application

(c) Amendment Application

i. Amendment Details: _____

2. Bio Data:

(a) Business Name

(b) KRA PIN

(c) Postal address:

(d) Email Address :

(e) Telephone:

(f) Physical Address:

(g) Registration Date:

(h) Business Type

(i) Business Registration No.:

i. Amendment Details: _____

2. Bio Data:

- (a) Business Name
- (b) KRA PIN
- (c) Postal address:
- (d) Email Address :
- (e) Telephone:
- (f) Physical Address:
- (g) Registration Date:
- (h) Business Type
- (i) Business Registration No.:
- (j) Contact Person
 - a. Name
 - b. Designation
 - c. Mobile Number
- (k) Country:
- (l) County:

3. Details of proprietors or partners owning business or directors/shareholders of the company, as the case may be:

Name	Nationality	No of shares	Passport/ ID No.s
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

4. Proposed location of the business premises:

- I. Plot No: _____
- II. Building Name: _____
- III. Street/Market: _____
- IV. Town/District: _____

GPS coordinates:

Longitude: _____ Latitude: _____

5. CYLINDER BRAND TYPE:

- a) BRAND OWNER: _____ BRAND NAME: _____
- b) BRAND OWNER: _____ BRAND NAME: _____
- c) XXXX

IV. Town/District: _____

GPS coordinates:

Longitude: _____ Latitude: _____

5. Full description of the Facility:

- d) Tank : ____ Capacity _____
- e) Pipeline Diameter: _____
- f) Design Flowrate: _____
- g) Pipeline Length: _____
- h) (Specific Detail): _____

FORM X

APPLICATION FORM FOR LICENSING OF LIQUID PETROLEUM GAS BRAND OWNERS

1. Application Type:

- (a) New Application
- (b) Renewal Application
- (c) Amendment Application

i. Amendment Details: _____

2. Bio Data:

- (a) Business Name
- (b) KRA PIN
- (c) Postal address:
- (d) Email Address :
- (e) Telephone:
- (f) Physical Address:
- (g) Registration Date:
- (h) Business Type
- (i) Business Registration No.:

3. Contact Person

- (a) Name
- (b) Designation
- (c) Mobile Number

4. Country:

5. County:

TYPE OF LICENCE	NEW APPLICATION	RENEWAL APPLICATION
petroleum gas in cylinders		
Retail of liquid petroleum gas in cylinders	Khs.5,000	Kshs.2,000
Autogas Retail/Filling Station	Khs.5,000	Kshs.2,000
Gas Reticulation System	Khs.5,000	Kshs.2,000
Construction permit for Bulk Storage Facility/ Gas Reticulation System	Khs.5,000	Kshs.2,000
Construction permit for Autogas Retail/Filling Station	Khs.10,000	Kshs.4,000

THIRD SCHEDULE

(r. 51(2), 52(1), 87(1))

REQUIREMENTS FOR APPLICATION OF A CONSTRUCTION PERMIT

- I. Requirements for a Construction Permit for an Autogas Retail/Filling Station
 1. Completed online application;
 2. Scan of original certificate of incorporation/business registration certificate;
 3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
 5. Scan of original valid Work permit Class "G" for foreign directors working in Kenya;
 6. Scan of valid Environmental and Social Impact Assessment license from the National Environment Management Authority specifically authorizing development of Autogas dispensing Station
 7. Proof of land ownership (copy of title deed in the name of company/director(s)). In the case of land lease, a copy of the duly executed lease agreement in the name of the applicant and duly registered at the Lands Registry;
 8. Development permission from the respective County Government (including County Physical Planning Office);
 9. Approval to construct acceleration/deceleration lanes from the relevant roads' authority (Kenya National Highways Authority, Kenya Urban Roads Authority; Kenya Rural Roads Authority as applicable);
 10. Mechanical engineering drawings approved by a Professional Engineer:
 - (a) Specifying materials and design/ operational limitations (the detailed underground tanks designs,

10. Civil and Structural engineering drawings of all civil works approved by a Professional Civil Engineer including (The underground tank farm detailed designs (backfilling materials, structural designs and access manholes), Site drainage system, hard standing surfaces (Canopies and other buildings), internal service roads, etc.);
11. A technical design basis report detailing the materials used, corrosion monitoring, procedures and implementation plan of the project;
12. Design of a Fire suppression systems (firefighting water storage tanks and associated fittings, firewalls etc.) which should be accompanied by calculations showing adequacy of the same.

III. Requirements for a Construction Permit for a liquid petroleum gas storage facility

1. Completed online application;
2. Scan of original certificate of incorporation/business registration certificate;
3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
5. Scan of original valid Work permit Class "G" for foreign directors working in Kenya.
6. Scan of valid Environmental and Social Impact Assessment license from the National Environment Management Authority specifically authorizing development of a storage depot;
7. Proof of land ownership (copy of title deed in the name of company/director(s)). In the case of land lease, copy of duly executed lease agreement in the name of the applicant duly registered at the Lands Registry;
8. Development permission from the respective County Government (including County Physical Planning Office);
9. Detailed layout plan that complies with the Kenya Standard and approved by the relevant County Government;
10. Detailed mechanical engineering design drawings approved by a Professional Engineer and specifying materials and design/ operational limitations (Piping & Instrumentation Diagram, tank(s) construction, filling facility, pressure relief valves, water draw off fittings, etc., certified by a professional engineer in the mechanical field;
11. Detailed design drawings of all civil works and approved by a Professional Civil Engineer detailing the facility's tank saddles, drainage, hard standing surfaces, gas traps, internal service roads, structures, etc., certified by a professional engineer in the civil or structural field; and
12. Detailed design of the fire-fighting system (firefighting water storage tanks and associated fittings, firewalls etc.) certified by a professional engineer in the mechanical field and a fire safety auditor which shall contain detailed calculations to prove the adequacy of the designs to prevent Boiling Liquid Expanding Vapor Explosion.

- (e) Indicating the details of the corrosion protection mechanism to be used for the distribution pipes.
- (f) Indicating the Standards and Codes used in the design.
- 12. Detailed design drawings of all civil works and approved by a Professional Civil Engineer detailing the facility's drainage, tank saddle, fence, hard standing surfaces and any structures associated with the installation certified by a professional engineer in the civil or structural field;
- 13. Design of the Fire suppression system indicating the capacity of the firefighting water storage tanks and associated fittings, gas detectors, fire arrestors for each unit to be supplied by the reticulated system, fire extinguishers and firewall (where applicable) certified by a professional engineer in the mechanical field and a fire safety auditor which shall contain detailed calculations to prove the adequacy of the design to prevent Boiling Liquid Expanding Vapor Explosion.

V. Requirements for a Construction Permit for a Consumer Site

- 1. Completed online application;
- 2. Scan of original certificate of incorporation/business registration certificate;
- 3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
- 4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
- 5. Scan of original valid Work permit Class "G" for foreign directors working in Kenya.
- 6. Scan of valid Environmental Impact Assessment license from the National Environment Management Authority specifically authorizing development of Autogas dispensing Station
- 7. Proof of land ownership (copy of title deed in the name of company/director(s)). In the case of long-term land lease, copy of duly executed lease agreement in the name of the Applicant company
- 8. Development permission from the respective County Government (including County Physical Planning Office);
- 9. Detailed mechanical engineering design drawings and approved by a Professional Engineer and specifying materials and design/ operational limitations tank(s) construction, filling facility, pressure relief valves, water draw off fittings, etc., certified by a professional engineer in the mechanical field;
- 10. Detailed design drawings of all civil works and approved by a Professional Civil Engineer detailing the facility's tank saddles, drainage, hard standing surfaces, gas traps, internal service roads, structures, etc., certified by a professional engineer in the civil or structural field; and
- 11. Detailed design of the fire-fighting system (firefighting water storage tanks and associated fittings, firewalls etc) certified by a professional engineer in the mechanical field and a fire safety auditor which shall contain detailed

5. Scan of original valid Single Business Permit from the County Government.
 6. Scan of original PIN Certificate.
 7. Scan of original valid tax compliance certificate;
 8. Scan of original valid Work permit Class "G" for foreign directors working in Kenya or a declaration for non-resident director(s)
 9. Proof of access to a licensed storage facility through either:
 - i. ownership of a licensed bulk liquid petroleum gas storage facility or a long-term lease (minimum five years); or
 - ii. valid hospitality agreement with a licensed bulk liquid petroleum gas storage facility.
 10. Proof of presence in the market by either:
 - i. throughput of at least two thousand metric tons per annum; or
 - ii. ownership of a cylinder brand.
- II. Requirements for Licence for Wholesale and Export of Bulk Liquid Petroleum Gas
1. Completed online application;
 2. Scan of original certificate of incorporation/business registration certificate;
 3. scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
 5. Scan of original valid Single Business Permit from the County Government.
 6. Scan of original PIN Certificate.
 7. Scan of original valid tax compliance certificate;
 8. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s).
 9. Proof of access to supply of liquid petroleum gas by either:
 - i. being a holder of a valid bulk liquid petroleum gas Import licence; or
 - ii. supply agreement or letter of intent from a holder of a valid bulk liquid petroleum gas Import licence provided that where a letter of intent is used, the substantive supply agreement is to be furnished within three months of obtaining the licence.
- III. Requirements for Licence for Storage and Wholesale of liquid petroleum gas in Cylinders
1. Completed online application;
 2. Scan of original certificate of incorporation/business registration certificate;

- (a) cylinder storage cage placed outside a building; and
 - (b) valid fire certificate for the above premises.
- 11. Copy of the applicant's Customer Complaint Handling Procedures.
- V. Requirements for Licensing of Liquid Petroleum Gas brand owners
 - 1. Completed online application;
 - 2. Scan of original certificate of incorporation/business registration certificate;
 - 3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 - 4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
 - 5. Scan of original valid Single Business Permit from the County Government.
 - 6. Scan of original valid tax compliance certificate;
 - 7. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s).
 - 8. Scan of copy of original Trade Mark registration certificate;
 - 9. Scan of original copy of a certificate of Conformity of the Cylinders to the Kenya Standard;
 - 10. Proof of ownership of Standard Capacity Cylinders by providing either—
 - (a) either of capacities of: zero point five, one, three, six and thirteen kilograms cylinders fitted with unified valves and totalling to a minimum thirty thousand; or
 - (b) non- standard capacity cylinders totalling to a minimum of five thousand cylinders.
 - 11. Inventory for each cylinder listed by—
 - (a) serial number;
 - (b) capacity; and
 - (c) landed or ex-factory cost inclusive of all taxes.
 - 12. Valid insurance policy against injuries to Consumers and third parties related to defective Cylinder; and
 - 13. Copy of the applicant's Customer Complaint Handling Procedures.
- VI. Requirements for Licence for Transport of Bulk liquid petroleum gas
 - 1. Completed online application;
 - 2. Scan of original certificate of incorporation/business registration certificate;
 - 3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;

7. Scan of original valid tax compliance certificate;
8. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s);
9. A comprehensive emergency preparedness and response plan;
10. Scanned original copy of Certificate of Conformity with the Kenya Standard for each vehicle;
11. Scan of original copy of a Fire certificate from the County Government for each vehicle;
12. Scan of original copy of logbook for the cylinder transport vehicle in the name of the applicant or a valid lease with the owner of the vehicle; and
13. Scan of original copy of a valid Motor Vehicle Inspection certificate for the transport vehicle.

VIII. Requirements for Licence for Storage of Bulk Liquid Petroleum gas

1. Completed online application;
2. Scan of original certificate of incorporation/business registration certificate;
3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
5. Scan of original valid Single Business Permit from the County Government;
6. Scan of original PIN Certificate;
7. Scan of original valid tax compliance certificate;
8. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s);
9. Proof of control of a Bulk Liquid Petroleum Gas storage facility by submitting either—
 - (a) Ownership documents; or
 - (b) Long term lease (minimum five years); and
 - (c) Scan of original copy of an Environmental and Social Impact Assessment Licence from (THE NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY;)
10. Scan of original copy of Certificate of Compliance with the Physical Planning Act;
11. Scan of original copy of Certificate of Conformity with the Kenya Standard;
12. Scan of original copy of a valid Fire Certificate from the County Government;
13. Scan of original copy of a valid Report of Examination for the all bulk storage tank(s) by approved person under Occupational Safety and Health Act;
14. Scan of original copy of a valid Calibration Certificate each bulk storage tank;

15. Scan of original copy of a valid Calibration Certificate of each bulk liquid petroleum gas storage tank;
 16. Scan of original copy of a valid Certificate of Registration of Work Place;
 17. Proof of training of a minimum of four employees in the safe handling of liquid petroleum gas in the National Industrial Training Authority approved institution;
 18. Proof of economic viability of the plant by submitting either:
 - a. Proof of ownership of at least seventy thousand cylinders of either zero point five, one, three, six or thirteen kilograms capacity; or
 - b. Written contract to fill liquid petroleum gas in cylinders on behalf of a licensed brand owner with an assurance of allocated filling capacity of at least seventy thousand liquid petroleum gas cylinders per annum.
 19. Scan of original copy of Weighing scale Calibration Certificate from the Department of Weights and Measures;
 20. Proof of access to a calibrated weighbridge by submitting either:
 - a. Ownership of a calibrated weighbridge; OR
 - b. Long term agreement on a calibrated weighbridge use (minimum five years)
 21. Signed copy of the Emergency Response Plan for the Facility.
 22. Copy of Customer Complaint Handling Procedures;
 23. Proof of compliance with declaration of Bulk liquid petroleum gas Storage Vessels as required by the Authority; and
 24. Proof of installation of Atmospheres Explosibles non-obscured Closed-Circuit Television cameras at the filling area with access given to the Authority via a web-based portal.
- X. Licensing Requirements to operate a reticulated Liquid Petroleum Gas System
1. Completed online application;
 2. Scan of original certificate of incorporation/business registration certificate;
 3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
 5. Scan of original valid Single Business Permit from the County Government.
 6. Scan of original PIN Certificate.
 7. Scan of original valid tax compliance certificate;
 8. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s).

-
4. Scan of original identification documents (National identity cards or Passports) for all the company's directors and/or partners;
 5. Scan of original valid Single Business Permit from the County Government.
 6. Scan of original valid tax compliance certificate;
 7. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s).
 8. Valid insurance policy against injuries to Consumers and third parties related to defective Cylinder;
 9. Copy of the applicant's Customer Complaint Handling Procedures;
 10. Ownership of at least one licensed Liquid Petroleum Gas storage and refilling plant; and
 11. Proof of market presence in the area where the distressed brand-owner has predominant number of customers by providing evidence of a licenced retail or wholesale of Liquid petroleum gas in cylinders premise;

6. Scan of original copy of a valid tax compliance certificate;
 7. Proof of access to supply of bulk liquid petroleum gas by either of the following:
 - a. Being a holder of a valid bulk liquid petroleum gas Import licence; or
 - b. Supply agreement with a holder of a valid bulk liquid petroleum gas Import licence.
- III. Requirements for renewal of licence for Storage and Wholesale of liquid petroleum gas in cylinders
- Completed online application;
1. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 2. Scan of original copies of identification documents (National identity cards or Passports) for the company's directors.
 3. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s);
 4. Scan of original copy of a valid Single Business Permit from the County Government;
 5. Scan of original copy of a valid tax compliance certificate;
 6. Scan of original copy of a valid weighing scale calibration certificate from the Weights and Measures Department;
 7. Proof of authority to trade in the Cylinder brand by providing:
 - a. Scanned copy of original Trade Mark registration certificate; and
 - b. A valid copy of a written consent from the brand owner.
 8. 9. Requirement for safe premises:
 - a. Proof of ownership or lease of a yard or warehouse
 - b. Valid Fire certificate for the above premises
 9. Proof of compliance with timely and accurate submission of liquid petroleum gas statistics as required by the Authority.
 10. Scan of original copy of a valid copy of Certificate of Registration of Work Place;
- IV. Requirements for renewal of licence for Storage and retail of liquid petroleum gas in cylinders
1. Completed online application;
 2. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 3. Scan of original copies of identification documents (National identity cards or Passports) for the company's directors;

4. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s);
 5. Scan of original copy of a valid Single Business Permit from the County Government;
 6. Scan of original copy of a valid tax compliance certificate;
 7. Scan of copy of a valid certificate of calibration for the liquid petroleum gas tank mounted on each bulk liquid petroleum gas road transport vehicle;
 8. A comprehensive emergency preparedness and response plan;
 9. Scan of original copy of a certificate of conformity to the Kenya Standard for each bulk liquid petroleum gas road transport vehicle;
 10. Scan of original copy of a fire certificate from the County Government;
 11. Proof of fitting the vehicle with a working Global Positioning System enabled tracking system
 12. Scan of original copy of a valid Report on Examination for the liquid petroleum gas tank mounted on each bulk liquid petroleum gas road transport vehicle;
 13. Scan of original copy of a valid Motor Vehicle Inspection certificate for each bulk liquid petroleum gas road transport vehicle;
 14. Scan of original copy of logbook for each bulk liquid petroleum gas road transport vehicle. The logbook shall be in the name of the applicant and in absence of such, the applicant shall provide valid lease agreements with the truck owner.
 15. List of drivers to be engaged plus the Driver Certificate number and date of expiry for each driver as issued by the Authority;
 16. List of bulk liquid petroleum gas transport vehicles to be used paired appropriately in case of semi-trailers; and
 17. Proof of compliance with timely and accurate submission of liquid petroleum gas statistics as required by the Authority.
- VII. Requirements for renewal of licence for transport of liquid petroleum gas in cylinders
1. Completed online application;
 2. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 3. Scan of original copies of identification documents (National identity cards or Passports) for the company's directors;
 4. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s);
 5. Scan of original copy of a valid Single Business Permit from the County Government;
 6. Scan of original copy of valid tax compliance certificate;

14. Proof of training of a minimum of four employees in the handling of liquid petroleum gas in the national industrial training authority approved institution;
 15. Proof of compliance with corrective action plans given during audits;
 16. Proof of compliance with declaration of Bulk liquid petroleum gas Storage Vessels as required by the Authority; and
 17. Proof of compliance with timely and accurate submission of liquid petroleum gas statistics as required by the Authority.
- IX. Requirements for renewal of licence for storage of bulk liquid petroleum gas and filling of cylinders
1. Completed online application;
 2. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 3. Scan of original copies of identification documents (National identity cards or Passports) for the company's directors;
 4. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s);
 5. Scan of original copy of a valid Single Business Permit from the County Government;
 6. Scan of original copy of a valid tax compliance certificate;
 7. Proof of control of a liquid petroleum gas storage facility by submitting either:
 - a. Ownership documents of a liquid petroleum gas storage facility; or
 - b. Long term lease (minimum five years).
 8. Proof of Submission of annual self-Environmental Audit to the (National Environment Management Authority;)
 9. Scan of original copy of a Fire Certificate from the County Government;
 10. Scan of copy of a valid Report on Examination for the bulk liquid petroleum gas storage tanks from an Inspector approved by the Director of Occupational Safety and Health;
 11. Scan of original copy of a valid Calibration Certificate of each Bulk liquid petroleum gas storage tank;
 12. Scan of original copy of a valid copy of Certificate of Registration of Work Place;
 13. Proof of training of a minimum of four employees involved in the handling of liquid petroleum gas in the national industrial training authority approved institution;
 14. Proof of economic viability of the plant by submitting either:
 - a. Ownership of at least seventy thousand liquid petroleum gas cylinders of own brand; or

13. Proof of compliance with Corrective Action Plans given during audits.
 14. Proof of compliance with timely and accurate submission of liquid petroleum gas statistics as required by the Authority;
 15. Proof of compliance with declaration of Bulk liquid petroleum gas Storage Vessels as required by the Authority; and
 16. Submission of report and list of reported and resolved customer complaints.
- XI. Requirements for renewal of brand care taker licence
1. Completed online application;
 2. Scan of original certificate of incorporation/business registration certificate;
 3. Scan of original CR 12 from registrar of companies and/or CR 13 from the Business Registration Service that is not older than three calendar months from the date of issue;
 4. Scan of original identification documents (National Identity cards or Passports) for all the company's directors and/or partners;
 5. Scan of original valid Single Business Permit from the County Government.
 6. Scan of original valid tax compliance certificate;
 7. Scan of original valid Work permit Class "G" for foreign directors working in Kenya declaration for non-resident director(s).
 8. Valid insurance policy against injuries to liquid petroleum gas Consumers and third parties related to defective Cylinder;
 9. Submission of report and list of reported and resolved customer complaints;
 10. Ownership of at least one licensed liquid petroleum gas storage and refilling plant;
 11. Proof of market presence in the area where the distressed brand-owner has predominant number of customers by providing evidence of a licenced retail or wholesale of liquid petroleum gas in cylinders premise;
 12. Proof of compliance with timely and accurate submission of liquid petroleum gas statistics as required by the Authority; and
- Proof of compliance with declaration of bulk liquid petroleum gas storage vessels as required by the Authority.

SIXTH SCHEDULE

(r. 36(2)(a), 3(3), 37(3) (5))

APPLICABLE CYLINDER DEPOSIT

CYLINDER CAPACITY	REFUNDABLE DEPOSIT
0.5 kilogram	Kshs. 200
1 kilogram	Kshs. 400
3 kilogram	Kshs. 900
6 kilogram	Kshs. 1,500
13 kilogram	Kshs. 2,000

EIGHTH SCHEDULE

(r. 40 (3))

UNIQUE SEAL IDENTIFIERS REQUEST FORM

Requirements	Details
Brand Owner/ Licensee	
Epra licence number	
Brands seals requested for	
Date of Application	
Place of delivery	
Designated person to receive	
Sample signature	
Date of request (processing shall not be more than 20 days from the date of request and not less than 10 working days)	
Number of seals requested (should be equivalent to not more than 6 months supply and not less than 3 months supply)	
Person requesting	
Designated refilling plant(s)	
Epra licences for the designated refilling plant(s)	

NINTH SCHEDULE

(r. 9(4))

LICENCING OF LIQUID PETROLEUM GAS INSTALLERS

CATEGORIES AND CLASSES OF LIQUID PETROLEUM GAS INSTALLERS LICENCES

LIQUID PETROLEUM GAS INSTALLATION CATEGORIES				
CATEGORY	SCOPE	STORAGE CAPACITY	RISK PROFILE	EXPOSURE
I	Common User liquid petroleum gas Storage Facilities	Above 150 MT	High	High
II	Liquid petroleum gas Storage and Filling Facilities	Up to 150 MT	Medium to High	Medium
III	Public Use Establishments & Reticulation systems	Up to 10 MT	Medium to High	High
IV	Autogas Dispensing Stations	Up to 4.5 MT	Medium to High	Medium
V	Liquid petroleum gas Consumer Sites	Up to 20 MT	Low to Medium	Low

C-2	Fitter	K.C.S.E., Recognition of prior learning- the National Industrial Training Authority	Craft/Trade Certification; Basic Installation; Training in liquid petroleum gas handling and safety; Vocational training in Liquid Petroleum Gas systems (preferred)	Year in liquid petroleum gas or gas- related projects	Hands-on assembly; assist	Category V
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LIQUID PETROLEUM GAS INSTALLERS LICENCE FEES				
CLASS OF LICENCE	APPLICATION FEES	LICENCE FEES	LICENCE FEES	REPLACEMENT
A-1	Kshs.1,000	Kshs.25,000	Kshs.1,000	
A-2	Kshs.1,000	Kshs.15,000	Kshs.1,000	
B-1	Kshs.1,000	Kshs.3,000	Kshs.500	
C-1	Kshs.1,000	Kshs.1,500	Kshs.500	
C-2	Kshs.500	Kshs.1,000	Kshs.500	

TENTH SCHEDULE

(r. 104(1))

NOTIFICATION OF OFFENCE

(This NOTICE is issued pursuant to the Petroleum Act, Cap 308 ("the Act") and subsequent regulations)

NOTICE OF VIOLATION OF THE PETROLEUM ACT related to the operation/construction of the said and trading as

TAKE NOTICE that on the of..... 20 an inspection was carried out by an officer/officers from the Energy & Petroleum Regulatory Authority at your establishment/facility located in (Town)
(Subcounty)
(Cou
 nty) and of postal address of P.O. Box where it was found that you or your agents did not comply with the requirements of the Act and in particular the following items were identified:

- (b) When using a rubber hose, ensure there are no visible cracks. Replace hose after five years.
 - (c) Strike match before turning on liquid petroleum gas burner or regulator.
 - (d) Never leave the burner un-attended during use.
 - (e) Ensure to turn off liquid petroleum gas burner or regulator after use.
 - (f) Ensure that you get liquid petroleum gas from genuine gas suppliers and source.
5. What to do in case of liquid petroleum gas leakage:
- (a) When you smell liquid petroleum gas odour, do not panic.
 - (b) Don't turn on any electrical appliances or light switch.
 - (c) Turn off liquid petroleum gas regulator.
 - (d) Liquid petroleum gas is heavier than air; hence open the lowest openings such as doors, in addition to windows.
 - (e) Remove the cylinder out of the room.
 - (f) Inform the wholesaler or the brand owner.

Made on the 23rd May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

LEGAL NOTICE NO. 102

THE ENERGY ACT

(Cap. 314)


IN EXERCISE of the powers conferred by section 208 of the Energy Act, the Cabinet Secretary for Energy and Petroleum on the recommendation on the Energy and Petroleum Regulations Authority, makes the following Regulations—

THE ENERGY (PETROLEUM INFORMATION AND STATISTICS)
(REVOCATION) REGULATIONS, 2025

1. These Regulations may be cited as the Energy (Petroleum Information and Statistics) (Revocation) Regulations, 2025. Citation.
2. The Energy (Petroleum Information and Statistics) Regulations, 2014 are revoked. L.N. No. 6 of 2014.

Made on the 19th May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.

 THE NATIONAL ASSEMBLY PAPERS LAID	
DATE: 22 JUL 2025	DAY.
TABLED BY:	
CLERK-AT THE-TABLE:	

- 9—Marking personnel.
- 10—Sampling and testing for markers.
- 11—Non-compliant sites or petroleum tankers.
- 12—Test samples for non-compliant sites or petroleum tankers.
- 13—Lifting of sanctions for non-compliant sites or petroleum tanker.

PART III—MISCELLANEOUS

- 14—Publishing of list of non-compliant sites or petroleum tankers.
- 15—Duty to report non-compliant marine fuels.
- 16—Appeals.
- 17—Offences and penalties.
- 18—Revocation and transition.

SCHEDULE

“local use” means refined petroleum products which have, upon importation, been declared for use in Kenya;

“marker” means any refined petroleum products differentiation technology approved by the Authority to be used for the identification of specific grades of or classes of petroleum products;

“National Environment Management Authority” means the body established under section 7 of the Environmental Management and Coordination Act; Cap. 387.

“non-compliant site” means a site storing or offering for sale refined petroleum products that are—

- (a) adulterated or a tanker transporting refined petroleum products that are adulterated;
- (b) not marked or a tanker transporting refined petroleum products not marked in accordance with these Regulations or
- (c) not duty paid whether in full or partially in accordance with the applicable customs rate, and where such products require to be duty paid.

“oil marketing company” means a company licensed under the Act to import petroleum into Kenya;

“out of specification” means a grade of refined petroleum products not meeting the set requirements and performance standards as set by the applicable Kenya standards;

“petroleum motor fuels” means premium motor spirit or super petrol, and automotive gas oil ordiesel;

“refined petroleum products” has the same meaning assigned to it in section 2 of the Act;

“shore terminal” means a bulk storage facility on land that is licensed to handle imported refined petroleum products;

“specification” has the meaning assigned to it in section 2 of the Standards Act; Cap. 496.

“storage and loading depots” means licensed premises where petroleum tankers can collect refined petroleum products for delivery to other petroleum businesses for resale or a consumer’s own use;

“transit” means the movement of refined petroleum products imported from a foreign country through Kenya to a foreign destination; and

“Tribunal” means the Energy and Petroleum Tribunal established under section 25 of the Energy Act. Cap. 314.

3. These Regulations shall apply to the quality of refined petroleum products. Application.

PART II—QUALITY MANAGEMENT OF REFINED PETROLEUM PRODUCTS

4. (1) All refined petroleum products loaded from a storage and loading depot shall be marked in accordance with these Regulations. Quality of petroleum imported.

(6) Oil marketing companies shall ensure that copies of the load port quality certificate for each cargo are submitted to the Bureau and the shore terminal nominated for receipt of the cargo at least twenty-four hours prior to commencement of discharge.

(7) Out of specification refined petroleum products shall be subject to such specifications or codes of practice issued by the Bureau in accordance with the Standards Act and in consultation with the Authority.

Cap. 496.

(8) A shore terminal operator shall undertake an independent quality certification of the refined petroleum products in each of the shore tanks after every receipt.

(9) Notwithstanding any satisfactory test certificates of the refined petroleum products, the operator of a shore terminal shall carry out petroleum product re-certification every ninety days where such product has not been moved.

(10) Each storage facility shall, before transfer of custody of refined petroleum products, furnish the buyer with a copy of the quality certificate referred to in sub-regulation (8) for the batch of product delivered.

6. (1) The refined petroleum products listed in the Schedule and intended for export with the exception of aviation petroleum fuels shall be marked with a marker approved by the Authority.

Marking of export petroleum.

(2) No person shall release or cause to be released from a storage and loading depot or a petroleum tanker, refined petroleum products specified in sub-regulation (1) and intended for the export market without the requisite marker approved by the Authority.

(3) The Authority or its appointed agents may stop, sample and test petroleum product on board a petroleum tanker conveying export product to confirm if it is appropriately marked.

7. (1) The refined petroleum products listed in the Schedule and intended for use in Kenya with the exception of aviation petroleum fuels shall be marked with a marker approved by the Authority.

Marking of petroleum for use in Kenya.

(2) No person shall release or cause to be released from a storage and loading depot or a petroleum tanker, refined petroleum products intended for use in Kenya without the marker approved by the Authority.

(3) The Authority or its appointed agents may stop, sample and test refined petroleum product meant for use in Kenya on board a petroleum tanker to confirm if it is appropriately marked.

8. (1) Illuminating kerosene intended for local use shall be marked with a marker approved by the Authority.

Marking of illuminating kerosene.

(2) No person shall release or cause to be released from a storage and loading depot, a petroleum tanker carrying illuminating kerosene meant for local use without the requisite marker approved by the Authority.

- (b) suspend the licence of a licensee or the certificate of a driver of a petroleum tanker who contravenes the provisions of the Act and these Regulations; and
- (c) seal the manhole and outlet valves of a petroleum tanker that does not comply with the provisions of the Act and these Regulations.

12. (1) The Authority shall take three separate test samples each not exceeding one thousand millilitres from a non-compliant site or petroleum tanker, and—

Test samples for non-compliant site or petroleum tanker.

- (a) assign one sample to the Bureau or its nominee for further laboratory analysis; and
- (b) assign one sample to the site operator; and
- (cc) retain one sample for future reference.

(2) The Authority shall retain the results of the test samples specified in sub-regulation (1) (c) for a period of ninety calendar days from the date of sampling.

(3) A person who wishes to appeal the results of the sampling specified in sub-regulation (2) may apply for a re-test within thirty days from the date of sampling.

(4) A re-test shall be undertaken on each of the sealed samples retained by the non-compliant site or petroleum tanker operator and the Authority as soon as practically possible after receipt of the appeal request in sub-regulation (3).

(5) The re-testing specified in sub-regulation (4) shall be undertaken in the presence of authorised persons from the Authority, the Bureau, the Kenya Revenue Authority, site or tanker operator or owner or their designated agent, and the marking and testing agent.

(6) Prior to the re-testing exercise, the Authority shall satisfy itself that the original seals on the retained sample containers and the packaging have not been tampered with.

(7) Where there is evidence of tampering, the Authority shall not proceed with the re-test.

(8) Re-test costs shall be met by the non-compliant site owner or petrol tanker operator where the results confirm a non-compliant result.

(9) No person shall authorize or offer for sale petroleum products from a non-compliant site or petroleum tanker before receiving written clearance from the Authority.

(10) No person shall cut or cause to be cut seals from a non-compliant site or petroleum tanker without the written approval from the Authority.

(11) No person shall transfer or tamper with the contents of the petroleum storage tanks of a non-compliant site or petrol tanker without the written approval from the Authority.

- a site or a petroleum tanker commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
- (b) being an oil marketing company or owner of a site or petroleum tanker operator, fails to retain samples of refined petroleum products in accordance with these Regulations commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
 - (c) being the owner of a retail dispensing site or a petroleum tanker operator, offers for sale refined petroleum product that do not meet Kenya Standards commits an offence and shall, on conviction, be liable to the penalties specified under section 92(2) of the Act;
 - (d) knowingly or unknowingly, offers for sale petroleum motor fuels onto which markers approved for export petroleum products and markers approved for illuminating kerosene for local use have been added commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
 - (e) knowingly or unknowingly, transports or offers for sale petroleum products specified in the Schedule meant for use in Kenya onto which markers approved for refined petroleum products for use in Kenya have not been added commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
 - (f) knowingly or unknowingly, transports petroleum motor fuels onto which markers approved for export petroleum products and markers approved for illuminating kerosene for local use have been added without the express written permission of the Authority commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
 - (g) being a driver in possession of a valid petroleum tanker driver certificate issued under the Act, engages in the practice of adulteration or diversion of export petroleum products into the local market commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
 - (h) knowingly or unknowingly, discharges or offloads part of or the whole of a consignment of petroleum products onto which markers approved for export petroleum products have been added, into the local market without paying the requisite taxes as specified by Kenya Revenue Authority commits an offence and shall, on conviction, be liable to the penalties specified under section 124 of the Act;
 - (i) being the owner of refined petroleum products or a loading facility, refuses to have the products under the Schedule marked in accordance with these Regulations, commits an

- (f) all appeal processes, which were pending under the revoked Rules, shall proceed as if instituted under these Regulations; and
- (g) any proceedings taken in exercise of any of the powers under the revoked Rules, shall be deemed to be proceedings under these Regulations.

SCHEDULE

(r. 6(1), 7(1), 17(1)(e)(g)(j))

LIST OF PETROLEUM PRODUCTS TO BE MARKED

The following products shall be marked with a marker approved by the Authority at Storage and Loading depots—

	<i>Petroleum Product</i>
1.	Premium motor spirit
2.	Automotive gas oil
3.	Illuminating kerosene

Made on the 19th May, 2025.

OPIYO WANDAYI,
Cabinet Secretary for Energy and Petroleum.



REGULATORY IMPACT STATEMENT (RIS)

**THE PETROLEUM (RETAIL STATION CONSTRUCTION AND LICENSING)
REGULATIONS, 2025**

MARCH 2025

3.2. Effect on the private sector

The increase in the number of compliant retail petroleum businesses will ensure a fair competition environment hence better services and prices along the supply chain. The licensing framework will in addition lead to a robust business operating environment, hence higher profitability by the operators.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Cap. 308 and Cap. 314.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will ensure effective licensing regime that takes into consideration technical, health, safety, environmental and social aspects.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Status quo would mean the existing Regulations remain as outlined in the *Energy (Retail Facility Construction and Licensing) Regulations, 2013* which have been in place for the last eight (8) years. However, the Statutory Instruments Act of 2013 require that Regulations should be reviewed from time to time and should not exist for more than 10 years without a review since the regulated environment is dynamic. Further, there would be inconsistency with Cap. 314.

The existing regulations had gaps with respect to permitting and licensing. This include the fact that there is no comprehensive attention given to the safety of workers, users and the general public in the petroleum retail outlets. In addition, the existing environment where new capacity development is unregulated has led to under-utilised capacity. This has led to unsustainable business and in certain instances stranded investments. Cap. 314 introduces *Local Content* as a critical aspect of development of new petroleum operations and investments. Accordingly, a review of the existing regulations is intended to address this new issue. Further, the new regulations are intended enforce the requirement for an *Environmental Liability Policy* as envisaged in Cap. 314.

Accordingly, the *status quo* is **NOT A DESIRABLE OPTION.**

4.2. Option 2: Passing the Regulations

On their own, the non-regulatory options would be less effective, not enforceable or result in an increased cost to the Government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is **NOT A PREFERRED** option for the reasons mentioned above.

5. Stakeholder Consultations

5.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy Regulatory Commission
- iii. Ministry of Energy and Petroleum
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards
- vii. The Department of Occupational Safety and Health Services
- viii. The Weights and Measures Department
- ix. The National Transport and Safety Authority
- x. National Oil Corporation of Kenya (NOCK)
- xi. KPC
- xii. KPRL
- xiii. NTSA
- xiv. KENAS
- xv. Oil Marketing Companies
- xvi. PIEA
- xvii. KIPEDA
- xviii. KIPENDA
- xix. KENEPEDA
- xx. KOGA
- xxi. KTA

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
10	Institute of the Engineers of Kenya	Engineers/ expert group			To be invited in the stakeholder forums
11	Petroleum product importers, wholesalers and retailers	Industry players			To be invited in the stakeholder forums
12	Kenya Revenue Authority (KRA)	Government			Exploratory meeting and to be invited in the stakeholder forums
13	National Environmental Management Authority (NEMA)	Government			Exploratory meeting and to be invited in the stakeholder forums
14	Kenya Ports Authority (KPA)	Government			Exploratory meeting and to be invited in the stakeholder forums
15	Kenya Maritime Authority (KMA)	Government			To be invited in the stakeholder forums
16	National Transport Safety Authority (NTSA)	Government			To be invited in the stakeholder forums
17	Kenya Association of Manufacturers (KAM)	Industry Player			To be invited in the stakeholder forums
18	Kenya Private Sector Association	Industry Player			To be invited in the stakeholder forums
19	Kenya Bureau of Standards (KEBS)	Government			Exploratory meeting and to be invited in the stakeholder forums
20	Kenya Railways Corporation	Government			To be invited in the stakeholder forums
21	Directorate of Occupational Safety and Health Services (DOSHS)	Government			To be invited in the stakeholder forums
22	Kenya Electricity Generating	Industry Player			To be invited in the stakeholder forums

	Aspect	Result	Effect	Impact	Management
		outlets.			
4.	Requirements to report and investigate accidents & incidents	Reduced cases of accidents due to industry learning from incidents. This may result in changing regulations and standards to deter unsafe practices.	Positive	Improved industry safety	Monitoring and enforcement
5.	Requirement to incorporate local content in construction and operations	Creates partnership with local communities and also bestows responsibility to developers to support local development.	Positive	Creates employment, enhances CSR and local development.	Monitoring and enforcement

7. Monitoring and Review

The identified key success criteria for the petroleum importation regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1		
2		

It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

8. Conclusions

The Authority considered all the alternatives and noted that the draft *Petroleum (Business Licensing and Facility Construction) Regulations, 2024* have distinct advantages and hence recommends the passing and operationalization of these Regulations.

EXPLANATORY MEMORANDUM

THE PETROLEUM (PETROLEUM (RETAIL STATION CONSTRUCTION AND
LICENSING) REGULATIONS, 2025

- v. Ensuring compliance with environmental, health and safety standards and giving effect to Government's policy on local content.

3. Policy Background

3.1. What is being done and why

The number of retail stations being constructed countrywide has greatly increased so as to meet the increasing demand of petroleum products in the country. The presence of compliant retail facilities will reduce negative social and environmental impacts.

4. Statement on the Effect of the Proposed Regulations

There are existing regulations covering retail petroleum facilities, namely the *Energy (Retail Facility Construction and Licensing) Regulations, 2013*. The changes seek to align the proposed draft regulations to the provisions of the *Cap. 314* and accommodate other developments experienced during implementation of the previous regulations.

4.1. Effect on the general public

The proposed regulations will ensure that retail petroleum facilities meet both local and international standards. As a result, there will be improved safety for the workers, users and the general public. The regulations further seek to regulate the development of new retail petroleum facilities and to limit unutilized capacity. Through non-partisan licensing processes, there will be fair competition amongst retail petroleum businesses. The regulations will in particular give effect to Government's policy on local content.

4.2. Effect on the private sector

The increase in the number of compliant retail petroleum businesses will ensure a fair competition environment hence better services and prices along the supply chain. The licensing framework will in addition lead to a robust business operating environment, hence higher profitability by the operators.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in *Cap. 308* and *Cap. 314*.

4.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will ensure an effective licensing regime that takes into consideration technical, health, safety, environmental and social aspects.

Incentives: The Government may choose various forms of incentives to reward operators of facilities that meet quality standards. Such rewards may include tax-rebates or concessions in licensing requirements. However, this is bound to increase administrative costs and is prone to collusion and abuse.

5.3.2. Alternative models of regulation

- (i) **Self-regulation:** Industry players and stakeholders may be empowered to make their own decisions, set standards and determine the procedures for setting up petroleum facilities without the intervention of the Government. There are however potential risks to this. These risks may include, among others, use of substandard materials in the construction of petroleum facilities, setting lower standards than those internationally acceptable and may also lead to varied standards in the quality of retail outlets. The issue of local content may not be addressed under this framework.
- (ii) **Co-regulation:** The Government may set the standard and leave enforcement of the regulations to the industry players or a professional organization and who are accredited by the Government. The results may be similar to (i) above.

On their own, the non-regulatory options would be less effective, difficult to enforce or result in an increased cost to the Government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is **NOT A PREFERRED** option for the reasons mentioned above.

6. Stakeholder Consultations

6.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy and Petroleum Regulatory Authority (EPRA)
- iii. Ministry of Energy and Petroleum (MoEP)
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards (KEBS)
- vii. Directorate of Occupational Safety and Health Services (DOSHS)

No.	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
			<ul style="list-style-type: none"> Safety aspects in construction of retail stations 		
4	Kenya Law Reform Commission	Government	Consistency with the constitution and other statutes	Oversight role	Co-opted in the review exercise
5	Consumer Federation of Kenya (COFEK)	Civil society/ consumer protection	Consumer protection	Consumer representation	Invite them during public stakeholders' consultative forums
6	Petroleum retail station owners	Industry players	<ul style="list-style-type: none"> Protection of investor information Requirements to obtain a construction permit Permit application fees 	Investor/Licen see	To be invited in the stakeholder forums
7	Directorate of Occupational Safety and Health Services (DOSHS)	Government	Safety in construction of facilities	Oversight role	Exploratory meeting and to be invited in the stakeholder forums
8	Kenya Independent Petroleum Distributors Association (KIPEDA)	Petroleum lobby group	<ul style="list-style-type: none"> Protection of investor information Requirements to obtain a construction permit. 	Investor representation	To be invited in the stakeholder forums
9	Kenya Independent Petroleum Dealers Association (KIPEDA)	Petroleum lobby group	<ul style="list-style-type: none"> Protection of investor information Requirements to obtain a construction permit. 	Investor representation	To be invited in the stakeholder forums
10	Petroleum Outlets	Petroleum lobby group	<ul style="list-style-type: none"> Requirements for a construction permit 	Investor representation	To be invited in the stakeholder forums

	Aspect	Result	Effect	Impact	Management
1.	Environmental Liability Policy	Puts in place compensation mechanisms for polluting the environment	Positive	Cleaner environment	Enforcement
2.	Sanctions and penalties	The proposed sanctions are proportionate to the nature of the offence and are meant to serve as a deterrent measure.	Positive	High rates of compliance	Monitoring
3.	Requirement to display valid licences	Will cause all licensees to ensure validity of licences and give confidence to stakeholders on licensing compliance by the retail outlets.	Positive	High rates of compliance	Monitoring
4.	Requirements to report and investigate accidents & incidents	Reduced cases of accidents due to industry learning from incidents. This may result in changing regulations and standards to deter unsafe practices.	Positive	Improved industry safety	Monitoring and enforcement
5.	Requirement to incorporate local content in construction and operations	Creates partnership with local communities and also bestows responsibility to developers to support local development.	Positive	Creates employment, enhances CSR and local development.	Monitoring and enforcement

8. Monitoring and Review

The identified key success criteria for the petroleum retail station construction and licensing regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)



REGULATORY IMPACT STATEMENT (RIS)

**PETROLEUM (LICENSING OF PETROLEUM ROAD TRANSPORTATION
BUSINESS) REGULATIONS, 2025**

MAY, 2025

Specifically, the draft regulations intends to make Sections 74, 92, 97, 99, 101 (b), (n) and (q) of the Petroleum Act 2019 operational by:

- (i) Providing for the licensing framework of petroleum road tanker businesses;
- (ii) Providing for the licensing framework of petroleum tanker drivers;
- (iii) Providing for the standards for and pre-inspection framework of petroleum tankers;
- (iv) Making it a requirement to report and investigate petroleum road accidents;
- (v) Enhance measures to ensure EPRA is able to enforce the petroleum transport regulations by providing clarity in the regulations;
- (vi) Reduce road safety and environmental risks;
- (vii) Eliminate malpractices such as theft, product adulteration and dumping; and
- (viii) Enhancing safety in the petroleum industry by mandating the reporting and investigations of all accidents and incidents occurring in the petroleum transportation business.

3. Statement on the Effect of the Proposed Regulations

The current regulations for the transport industry is the *Petroleum (Licensing of Petroleum Road Transportation Business) Regulations, 2025*.

The changes introduced here-under seek to ammend it to comply with the changed statutes and make it relevant for the operating environment of the transport sector.

3.1. Effect on the general public

The proposed Regulations seek to ensure that there are no unfair market practices, hence healthy competition.

Reduced accidents mean reduced spillage of petroleum products hence protection of soil and water from pollution. Regular inspection of motor vehicles means reduced air pollution due unmaintained motor vehicle engines.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Energy Act (cap. 314) and Petroleum Act (Cap. 308).

3.2. Effect on the private sector

The proposed Regulations seek to ensure that there are no unfair market practices, hence healthy competition.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Energy Act (cap. 314) and Petroleum Act (Cap. 308).

3.3. Effect on fundamental rights and freedoms

demurrage costs. There will also be opaque import costs structure. This may result in less optimal use of pipeline infrastructure.

Incentives: The Government may choose various forms of incentives to reward low-cost importers of petroleum products. Such rewards may include tax-rebates or concessions in licensing requirements. However, this is bound to increase administration costs and is prone to collusion and abuse.

4.3.2. Alternative models of regulation

- (i) **Self-regulation:** Industry players and stakeholders may be empowered to make their own decisions and determine the procedures for importation of petroleum products without the intervention of the Government. There are however potential risks to this. These risks may include among others skewed terms in favor of certain players and increased cases of non-compliance. It is also possible to have cases of sub-standard petroleum products finding its way into the supply chain.
- (ii) **Co-regulation:** The Government may set terms of engagement between parties and enforcement of the regulations vested in either of the industry players or a professional organization and who are accredited by the Government.

On their own, the non-regulatory options would be less effective, not enforceable or result in an increased cost to the Government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is **NOT A PREFERRED** option for the reasons mentioned above.

5. Stakeholder Consultations

5.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- (i) The East African Petroleum Transporters Association (EAPTA)
- (ii) The Kenya Transporters Association (KTA)
- (iii) County Governments through the Council of Governors
- (iv) Ministry of Energy and Petroleum
- (v) State Law Office.
- (vi) The National Police Service (Traffic Department)

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
			Compliance to the law		
8	County Governments/ Council of Governors	Devolved Government Units	Protection of devolved functions	Devolved units	Exploratory meeting and to be invited in the stakeholder forums
9	Institute of the Engineers of Kenya	Engineers/ expert group	Enforcement of engineering standards	Professional association	To be invited in the stakeholder forums
10	Petroleum product importers, wholesalers and retailers	Industry players	Availability of product; cost reflective prices	Petroleum industry players	To be invited in the stakeholder forums
11	Kenya Revenue Authority (KRA)	Government	Protection of Government revenue	Government agency	Exploratory meeting and to be invited in the stakeholder forums
12	National Environmental Management Authority (NEMA)	Government	Protection of environment	Government agency	Exploratory meeting and to be invited in the stakeholder forums
15	National Transport Safety Authority (NTSA)	Government	Enforcement of safety in the roads	Government agency	To be invited in the stakeholder forums
18	Kenya Bureau of Standards (KEBS)	Government	Promotion and enforcement of petroleum transport standards	Government agency	Exploratory meeting and to be invited in the stakeholder forums
20	Directorate of Occupational Safety and Health Services (DOSHS)	Government	Promotion of safety at work places	Government agency	To be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders on the key recommendations prior to approval by the Board. These comments were discussed extensively in subsequent Technical Committee (TC) meetings.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1	Drivers licensed.	100% compliance
2	Tankers inspected and licensed	100% compliance
3	Transporters licensed	100% compliance
4	Reduced accidents	5% annual reduction
5	Enforcement of journey plan management	100% compliance

It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

8. Conclusions

The Authority considered all the alternatives and noted that the draft *Petroleum Energy (Licensing of Petroleum Road Transportation Business) Regulations, 2025* have distinct advantages and hence recommends the passing and operationalization of these Regulations.

7

2024

EXPLANATORY MEMORANDUM

THE PETROLEUM (LICENSING OF PETROLEUM ROAD TRANSPORTATION
BUSINESS, ROAD TANKERS AND DRIVERS) REGULATIONS, 2024

3. Policy Background

3.1. What is being done and why

There are existing regulations governing petroleum road transportation business, namely the *Petroleum (Licensing of Petroleum Road Transportation Business) Regulations 2013 (LN8/2014)*. This was further amended in 2019 vide *Petroleum (Licensing of Petroleum Road Transportation Business) (Amended) Regulations, 2019 (LN 99/2019)*. The changes seek to align the proposed draft regulations to the provisions of Section 101(b) and 101(aa) of the *Petroleum Act 2019*

3.2. Consolidation

The *Petroleum (Licensing of Petroleum Road Transportation Business, Road Tankers and Drivers) Regulations, 2024*, seek to ensure consistency with the Petroleum Act No. 2 of 2019. Further, the Regulations seek to ensure that the needs of various stakeholders which have been brought to the attention of EPRA in the course of implementation of LN 8/2014 and LN 99/2019, are taken into account.

4. Stakeholder Consultations

4.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy and Petroleum Regulatory Authority (EPRA)
- iii. Ministry of Energy and Petroleum (MoEP)
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards (KEBS)
- vii. The Directorate of Occupational Safety and Health Services (DOSHS)
- viii. National Environment Management Authority (NEMA)

No.	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
			licensing requirements with other agencies	operator.	the stakeholder forums
3	National Transport and Safety Authority (NTSA)	Government	Harmonization of licensing requirements with NTSA	Transport sector regulator	Exploratory meeting and to be invited in the stakeholder forums
4	Kenya Transporters Association	Petroleum lobby group	<ul style="list-style-type: none"> • Designated tanker parking for Petroleum Trucks • Licensing fees • Environmental Liability policy criteria 	Investor representation	Exploratory meeting and to be invited in the stakeholder forums
5	East Africa Transporters Association	Petroleum lobby group	<ul style="list-style-type: none"> • Designated tanker parking for Petroleum Trucks • Licensing fees • Environmental Liability policy criteria • Efficiency in the licensing process • Enforcement to deter errant drivers and transporters 	Investor representation	To be invited in the stakeholder forums
6	Office of the Attorney General	Government	Consistency with the constitution and other statutes	Oversight role	Co-opted in the review exercise
7	County Governments/ Council of Governors	Devolved Government Units	<ul style="list-style-type: none"> • Designated tanker parking in all the Counties • Safety in transportation of hazardous petroleum products 	Administrative roles	Exploratory meeting and to be invited in the stakeholder forums
8	Kenya Law Reform Commission	Government	Consistency with the constitution and other statutes	Oversight role	Co-opted in the review exercise
9	Consumer Federation of Kenya (COFEK)	Civil society/ consumer protection	<ul style="list-style-type: none"> • Consumer protection • Safety to consumers in handling petroleum products 	Consumer representation	Invite them during public stakeholders' consultative forums
10	Petroleum product transporters	Industry players	<ul style="list-style-type: none"> • Designated tanker parking for Petroleum Trucks • Licensing fees • Environmental Liability 	Licensee/ Investor	To be invited in the stakeholder forums

4.2. Cost – Benefit Analysis (CBA)

The cost and benefits of the regulations were analyzed as listed in Table 2.

Table 2: Cost-benefit analysis

	Aspect	Result	Effect	Impact	Management
1.	Ensure that petroleum tankers have proper reflective lining tape plus light-emitting diodes along the entire longitudinal length of the tank and tanker labelling with appropriate hazard labels	Reduced instances of road accidents due to poor visibility.	Positive	Improved road safety.	Monitoring and enforcement
			Positive	Reduced accidents during transportation of petroleum	Monitoring and enforcement
2.	Ensure that petroleum tanker drivers do not drive for more than eight (8) hours continuously in any twenty-four-hour period.	Reduced instances of road accidents due to poor visibility and fatigue	Positive	Reduced accidents caused by fagged petroleum tanker drivers.	Monitoring and enforcement and collaboration with other agencies
3.	Requirement to install a working Global Positioning System (GPS) on the tanker	Proper enforcement of the transport regulations and reduced cases of vehicle being driven to illegal sites.	Positive	Reduced cases of export fuel diversion to the local market and adulteration	Monitoring and enforcement
4	Journey planning	Stress and fatigue management	Positive	Improved safety	Monitoring
5	Requirement to only park in designated parking	Reduction of petroleum hazard along the transport corridor	Positive	Improved safety	Monitoring
6	Penalties have been made proportionate to the impact of the offence	Equitable fines and high levels of compliance level	Positive	Improved safety	Monitoring

environment is dynamic. Further, there would be inconsistency with the *Petroleum Act 2019*.

Maintaining the *status quo* is not a feasible option as it would not allow for improvements to be made to the current regulation, namely

- i. Providing for a licensing and certification framework for petroleum road transportation business, road tankers and drivers;
- ii. Ensuring that road tankers conform to the required technical and operational standards;
- iii. Defining and ensuring compliance with requirements imposed on petroleum road tanker drivers;
- iv. Promoting fair competition amongst petroleum road transportation businesses by instituting clear and consistent licensing procedures; and
- v. Ensuring compliance with environmental, health and safety standards.

This, therefore, is **NOT A PREFERRED OPTION**.

5.4.2 Option 2: Passing the Regulations

Passing the proposed transport regulations will align the existing regulations with the *Petroleum Act 2019* and in turn provide a stable, sustainable and cost-effective petroleum transport business.

This is the **PREFERRED OPTION** since it addresses the requirements listed in the *Petroleum Act 2019* and meets the current and future goals of the petroleum sector.

5.4.3 Option 3: Other practical options

The following alternative options were considered:

5.4.3.1 Alternatives to regulation

The Government can employ incentives to the petroleum transport sector such as tax-rebates for the transport companies that meet certain acceptable performance standards. This is however difficult to implement and monitor and may lead to tax-leakages. Interventions such as economic incentives by government prove to be difficult in realizing the desired objectives. Moreover, such interventions would need

- ii. The issues of petroleum are not well captured in the Traffic Act, yet it is a significant road hazard;
- iii. Conditions for night driving of a petroleum tanker is not well addressed in other laws; and
- iv. These regulations are strengthening professionalism in the petroleum road transportation industry first introduced in the existing regulations.

6. Monitoring and review

The identified key success criteria for the new petroleum road transport regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1	Amend the petroleum transport application requirements to reflect the changes in the regulations	Updated application criteria
2	Monitor the reported accidents and related investigation reports	Maintain a register of all the report accidents and document learnings.
3	Enforce requirement to have all petroleum tankers well labelled with "Danger Petrol"	100% compliance for all the tankers
4	Enforce requirement for all tankers to have journey plans and have onboard GPS monitoring	Reduced petroleum accidents by almost 50% by the end of five (5) years.
5	Ensure 100% compliant transport vehicles	No unsuitable tanker would be found on the road
6	Promote professionalism among petroleum tanker drivers	1. Increased competence of tanker drivers;

Annex I: Stakeholder Comments

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
vide a letter on E-mail kariukivenas@gmail.com nfo@kipeda.co.ke)		Eng. Venansio Mbataru Kariuki on behalf of KIPEDA Sacco Society Limited	PART II Reg. 7(1)	Requirement for licence. Renewal of licences sometimes takes too long, many-a-time it is 3-4 months.	There should be a caveat that the license is valid until the application is approved or rejected.
vide a letter on E-mail kariukivenas@gmail.com nfo@kipeda.co.ke)		Eng. Venansio Mbataru Kariuki on behalf of KIPEDA Sacco Society Limited	PART IV Reg. Reg. 14(1)-(3)	Need to define petroleum Tanker designated parking. This Regulation is contentious. Trucks are parked at petrol stations, along the roads etc. How long should a truck be parked away from the designated area for the offence to take effect. e.g. along a highway etc.	Clarify and look into practicality of the business.
vide a letter on E-mail kariukivenas@gmail.com nfo@kipeda.co.ke)		Eng. Venansio Mbataru Kariuki on behalf of KIPEDA Sacco Society Limited	Reg. 14	What is a designated parking? Will it be gazetted?	The government should provide parking areas for the trucks especially along the highways.
vide a letter on E-mail kariukivenas@gmail.com nfo@kipeda.co.ke)		Eng. Venansio Mbataru Kariuki on behalf of KIPEDA Sacco Society Limited	5 th Schedule	Being the owner of a petroleum tanker used to transport adulterated petroleum products fine of 10M to high. Why punish the owner?	Should be reduced downwards to KES 1 million. The culprit could be the driver.

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
vide letter on E-mail info@emsi.co.ke; mary.chege@emsi.co.ke)	Mary Chege on behalf of EMSI & Associates				This will ensure that petroleum transporters do not face the same challenge agricultural transporters are facing in Kenya trying to transport produce across various counties and being obliged to pay Cess or other fees by each county government within which they traverse.
vide letter on E-mail info@emsi.co.ke; mary.chege@emsi.co.ke)	Mary Chege on behalf of EMSI & Associates				EPRA needs to liaise with NTSA to ensure that driver classification and permitting/licensing requirements for dangerous goods transportation are aligned. Will there be two drivers' licences or will the NTSA license be updated to include a special classification indicating that the driver is qualified and licensed by EPRA to transport dangerous/hazardous goods? It is recommended that this be clarified in the Regulations.
vide letter on E-mail info@emsi.co.ke; mary.chege@emsi.co.ke)	Mary Chege on behalf of EMSI & Associates				Finally, there should be at least two drivers per licensed petroleum tanker to ensure that there is continuity in and compliance with the journey plan so that the drivers are able to rest as required in the Regulations without compromising the journey time.
vide letter on E-mail info@emsi.co.ke; mary.chege@emsi.co.ke)	Mary Chege on behalf of EMSI & Associates			Designated Parkings What happens when the 10-hour time frame for the driver is expired and they cannot drive anymore and need to park in	There is need to clarify how EPRA will ensure that the County Governments implement Designated Stations within a specified and definite time frame to enable drivers and

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
				between KES 20,000/= and KES 1 million is incomprehensible.	
	vide letter submitted on E-mail gmstrategy@kpc.co.ke	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	General	Avoidance of conflict and duplication	There should be clarity that these regulations do not replace those provided by KEBS, National Transport and Safety Authority and other Government entities.
	vide letter submitted on E-mail gmstrategy@kpc.co.ke	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	Reg. 8 & 14	Safety is critical in all aspects of the petroleum industry. The regulations have not provided the safety requirements for road transportation.	This should be provided for.
	vide letter submitted on E-mail gmstrategy@kpc.co.ke	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	Reg. 16	Driver training	In view of the importance of safety in the industry, provide for safety training for the driver
	vide Email nkidunduhu@tripleoklaw.com	Noreen Kidunduhu Allan Wang'ang'a (on Behalf of Triple OK Law)	Reg. 2	The definition of an 'Agent' in Regulation 2 refers to a person appointed by the Authority under 'Section 22' without any reference to any specific legislation.	Refer to the specific legislation to which Section 22 refers

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
				<p>like calibration, insurance, inspection, fire certificates among others are being checked on daily basis by local authorities like Kenya Pipeline authority, Kenya police, among others. Despite all these being checked daily and without these documents, the truck cannot load from the depots, you have additionally added a new permit for trucks.</p>	
				<p>Some drivers are not able to raise fees for fitness certificates, and to travel to the nearest DOSH approved health practitioner, to apply good conduct and follow it up, and are not also licensing portal literate for application, renewals and track the missing document comments for their permits.</p>	<ol style="list-style-type: none"> 1. For the drivers permit, we request if you can change the procedure to allow the truck owning companies to apply driver permits (IF really necessary) on behalf of drivers. 2. We also request if you can extend the renewal period to three years. 3. Most importantly, please endorse the company the driver should be driving for, as we have had many issues with drivers quitting jobs frequently and running to other companies.
Central Region-Nanyuki Sportmans Arms Hotel)		Irene		<p>Prescribed fines are punitive and unrealistic. e.g driving a truck with adulterated fuel ksh.10M, unlicensed driver Ksh.250,000</p> <p>Delays in processing driver certificates</p>	<p>Fines to be reviewed and moderated</p> <p>Consider issuing waiting cards for petroleum tanker drivers since requirements like Police Clearance Certificates take time to process.</p>

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
Nyanza & Western Region – Kisumu Acacia Hotel)				Requirement for a designated tanker parking and 100 m distance between tanker parking and nearby residential area.	<ol style="list-style-type: none"> Close collaboration with county governments required to protect the transporters. Fines prescribed are too punitive, to be reviewed.
		Anonymous		Why legislate on tracking of vehicles?	<p>EPRA to leave this to the business people. EPRA clarified that it is important in monitoring against enroute adulteration of product and during investigation of accidents/incidents.</p> <p>Regulation ont enforceable. EPRA clarified that Section 98 of Petroleum Act 2019 require County Governments to provide designated parking for petroleum tankers. This is critical for preserving life and environment.</p>
				Requirement to park tankers 100m away from residential area not realistic?	
			Hindley Omanyo- EAPTA	Licensing Driver Certification	<p>EPRA consider decentralizing the licensing services to regional offices</p> <ol style="list-style-type: none"> EPRA to consider stringent measures and conduct more robust enforcement to weed out unscrupulous tanker drivers who may tamper with gadgets/seals EPRA to conduct more Capacity building programmes to licences to ensure players are sensitized on matters of compliance to set industry standards

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
		Hindley Omanyo- EAPTA		Implementation strategy	EAPTA promotes self-regulation approach to facilitate compliance.
				Training	Streamline drivers in the sector through capacity building. More training required
				Licensing of drivers, transporters	<ol style="list-style-type: none"> 1. EPRA to consider decentralizing licensing function to regional offices to be able to release licences within 2 days. 2. EPRA to open the system to enable application for renewals within 30 days as required. 3. EPRA to go embrace digital systems to enhance process time.
				Enforcement	EPRA to prefer stiffer penalties to drivers found tampering with systems at the loading islands
		Gabriel-A.O. Bayusuf & Sons		Licensing requirements	<ol style="list-style-type: none"> 1. Prime mover-trailer pairing is restrictive. As long as a prime mover is licensed, it should be allowed to pair with any other licensed trailer in case of breakdowns. 2. Validity of driver certificates should be extended to two years 3. Driving is a skill and not linked to academic qualifications. Form IV certificate should not be used as a

Region	Item No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
				Harmonization with NTSA regulations	EPRA regulations to be harmonised with NTSA regulations for ease of doing business.
				Environment Liability Policy	EPRA to provide guiding template to help the industry
				Reporting of accidents/incidents	EPRA to set threshold for incidents/accidents to be reported by licensees
		Anonymous		Designated tanker parking	EPRA to guide on how to resolve this requirement since there is no designated tanker parking currently.
				Prescribed fines and penalties	EPRA to review prescribed fines and penalties for fairness to the offenders.
		Martin Chomba- POAK		Licence requirements by EPRA and County Governments	<ol style="list-style-type: none"> 1. EPRA to address conflict between transporters and county governments regarding requirements such as fire clearance certificates. 2. EPRA to increase licence validity period to at least 2 years.



REGULATORY IMPACT STATEMENT (RIS)

**THE PETROLEUM (LUBRICANTS FACILITY CONSTRUCTION AND
BUSINESS LICENCING) REGULATIONS, 2025**

MARCH, 2025

The increase in the number of compliant lubricants facilities businesses will ensure a fair competition environment hence better services and prices along the supply chain. The licensing framework will in addition lead to a robust business operating environment, hence higher profitability by the operators.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in Cap. 308 and Cap 314.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will ensure effective licensing regime that takes into consideration technical, health, safety, environmental and social aspects.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Status quo would mean allowing operation without any regulations. This would be inconsistent with the provisions of Cap. 314.

There were notable gaps with respect to permitting and licensing. This include the fact that there was no comprehensive attention given to the safety of workers, users and the general public in the lubricant's facilities. The Cap. 314 introduces *Local Content* as a critical aspect of development of new petroleum operations and investments. Accordingly, a review of the existing regulations is intended to address this new issue. Further, the new regulations are intended enforce the requirement for an *Environmental Liability Policy* as envisaged in the Cap 314.

Accordingly, the *status quo* is **NOT A DESIRABLE OPTION**.

4.2. Option 2: Passing the Regulations

Passing the proposed Regulations will support implementation of the Cap. 314 requirements relating to licensing such as need to have an *Environmental Liability Policy*. The proposed regulations will prescribe requirements for undertaking businesses dealing with lubricants. The regulations will also give effect to Government's policy on local content.

This is the **PREFERED OPTION** since it addresses the requirements listed in Cap. 314 and addresses current and future goals of the petroleum sector.

4.3. Option 3: Other practical options

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy Regulatory Commission
- iii. Ministry of Energy and Petroleum
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards
- vii. The Department of Occupational Safety and Health Services
- viii. The Weights and Measures Department
- ix. The National Transport and Safety Authority
- x. National Oil Corporation of Kenya (NOCK)
- xi. KPC
- xii. KPRL
- xiii. NTSA
- xiv. KENAS
- xv. Oil Marketing Companies
- xvi. PIEA
- xvii. KIPEDA
- xviii. KIPENDA
- xix. KENEPEDA
- xx. KOGA
- xxi. KTA
- xxii. EAPTA
- xxiii. KAM
- xxiv. EDA
- xxv. Consumer Grassroots Networks
- xxvi. COFEK

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
12	Kenya Revenue Authority (KRA)	Government			Exploratory meeting and to be invited in the stakeholder forums
13	National Environmental Management Authority (NEMA)	Government			Exploratory meeting and to be invited in the stakeholder forums
14	Kenya Ports Authority (KPA)	Government			Exploratory meeting and to be invited in the stakeholder forums
15	Kenya Maritime Authority (KMA)	Government			To be invited in the stakeholder forums
16	National Transport Safety Authority (NTSA)	Government			To be invited in the stakeholder forums
17	Kenya Association of Manufacturers (KAM)	Industry Player			To be invited in the stakeholder forums
18	Kenya Private Sector Association	Industry Player			To be invited in the stakeholder forums
19	Kenya Bureau of Standards (KEBS)	Government			Exploratory meeting and to be invited in the stakeholder forums
20	Kenya Railways Corporation	Government			To be invited in the stakeholder forums
21	Directorate of Occupational Safety and Health Services (DOSHS)	Government			To be invited in the stakeholder forums
22	Kenya Electricity Generating Company PLC (KenGen)	Industry Player			To be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders on the key recommendations prior to approval by the Board. These comments were discussed extensively in subsequent Technical Committee (TC) meetings.

	Aspect	Result	Effect	Impact	Management
	and operations	to developers to support local development.		local development.	

7. Monitoring and Review

The identified key success criteria for the petroleum importation regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1	Operationalize the lubricants licensing criteria in the portal	Updated licence criteria
2	Issue licences to all lubricant blending plants	100% licensed lubricants blending plants

It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

8. Conclusions

The Authority considered all the alternatives and noted that the draft *Petroleum (Lubricants Facility Construction and Business Licensing) Regulations, 2025* have distinct advantages and hence recommends the passing and operationalization of these Regulations.

EXPLANATORY MEMORANDUM

PETROLEUM (LUBRICANTS FACILITY CONSTRUCTION AND BUSINESS
LICENCING) REGULATIONS, 2025

- (iv) Promoting fair competition amongst lubricants facilities businesses by instituting clear licensing procedures; and
- (v) Ensuring compliance with environmental, health and safety standards and giving effect to Government's policy on local content.

3. Policy Background

3.1. What is being done and why

Historically there have not been any existing regulations covering operation of Lubricants businesses. The changes propose draft regulations to reinforce the provisions of the *Cap. 314*.

3.2. Regulations Making

There are no existing regulations covering lubricants facilities. *The Petroleum (Lubricants Facility Construction and Business Licensing) Regulations, 2025* seeks to regulate the construction and operation of lubricants facilities business as provided for in Section 101(dd) of *Cap. 314*. **Consultation outcome**

3.3. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors;
- ii. Energy and Petroleum Regulatory Authority;
- iii. Ministry of Energy and Petroleum;
- iv. The National Treasury;
- v. Office of the Attorney General & Department of Justice;
- vi. Kenya Law Reform Commission (KLRC) ;
- vii. Kenya Ports Authority (KPA);
- viii. Kenya Revenue Authority (KRA);
- ix. National Oil Corporation of Kenya (NOCK);
- x. Oil Marketing Companies (OMCs);
- xi. Petroleum Institute of East Africa (PIEA);
- xii. Oil Marketers Association of Kenya (OMAK);
- xiii. Kenya Independent Petroleum Dealers Association (KIPEDA);

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
3	Kenya Law Reform Commission	Government	Consistency with the constitution and other statutes	Oversight role	Co-opted in the review exercise
4	NOCK	Industry Player	Cost reflective pricing regime; profitable tariffs; security of supply	Government agency for downstream operations	Exploratory meeting and to be invited in the stakeholder forums
5	KTA	Industry player	Affordable lubricants Quality products	Lobby group for road transporters and tanker owners	Exploratory meeting and to be invited in the stakeholder forums
6	EAPTA	Industry Player	Affordable lubricants Quality products	Lobby group for road transporters and tanker owners	To be invited in the stakeholder forums
7	Office of the Attorney General & Department of Justice	Government	Legally sound regulations	Government Attorney and Legal Advisor	Co-opted in the review exercise
8	County Governments/ Council of Governors	Devolved Government Units	Affordable lubricants Quality products	Devolved Government units; Consumers and	Exploratory meeting and to be invited in the stakeholder forums
9	KLRC	Government	Legally sound regulations	Government Agency	Co-opted in the review exercise
10	COFEK/CGN	Civil society/ consumer protection	Affordable lubricants Quality products	Lobby group for consumers	Invite them during public stakeholders' consultative forums
11	OMCs	Industry players	<ul style="list-style-type: none"> • Protection of investor information • Requirements to obtain a construction permit • Permit application fees permit • Licensing fees 	Active players in the industry's supply chain	To be invited in the stakeholder forums

	Aspect	Result	Effect	Impact	Management
1.	Environmental Liability Policy	Puts in place compensation mechanisms for polluting the environment	Positive	Cleaner environment	Enforcement
2.	Sanctions and penalties	The proposed sanctions are proportionate to the nature of the offence and are meant to serve as a deterrent measure.	Positive	High rates of compliance	Monitoring
3.	Requirement to display valid licences	Will cause all licensees to ensure validity of licences and give confidence to stakeholders on licensing compliance by the retail outlets.	Positive	High rates of compliance	Monitoring
4.	Requirements to report and investigate accidents & incidents	Reduced cases of accidents due to industry learning from incidents. This may result in changing regulations and standards to deter unsafe practices.	Positive	Improved industry safety	Monitoring and enforcement
5.	Requirement to incorporate local content in construction and operations	Creates partnership with local communities and also bestows responsibility to developers to support local development.	Positive	Creates employment, enhances CSR and local development.	Monitoring and enforcement

4. Guidance

The application of these Regulations will be guided by the separate agreements to be developed and approved by EPRA.

5. Impact

There are no existing regulations covering the management and operations of Lubricants Businesses. These Regulations seek to address this concern as provide for under Section 94 of Cap. 314. The Regulations seek to align the petroleum importation process to the provisions of Cap. 314 and increase the flexibility of the process in the face of the rapidly changing global dynamics.

5.1. Effect on the general public

enforce the requirement for an Environmental Liability Policy as envisaged in the Petroleum Act.

This, therefore, is **NOT** the **PREFERRED OPTION**.

2. Option 2: Passing the Regulations

Passing the proposed Regulations will support implementation of Cap. 314 requirements relating to licensing such as need to have an Environmental Liability Policy. The proposed regulations will prescribe requirements for undertaking businesses dealing with lubricants. The regulations will also give effect to Government's policy on local content

This is the **PREFERRED OPTION** since it addresses the requirements listed in Cap. 314 and the current and future goals of the petroleum sector.

6. Option 3: Other practical options

The following alternative options were considered:

6.1. Alternatives to regulation

1. *Non-intervention:* In the event that there are no rules and regulations controlling lubricants facilities business then it may, among others, cause haphazard construction of lubricants facilities leading to environmental degradation. It will also result to increased accidents due to construction and operation of unsafe facilities. Un-regulated operations may lead to sub-standard lubricant products.
2. *Incentives:* The Government may choose various forms of incentives to reward operators of lubricant facilities that meet quality standards. Such rewards may include tax-rebates or concessions in licensing requirements. However, this is bound to increase administrative costs and is prone to collusion and abuse.

6.2. Other alternative models of regulation

1. *Self-regulation:* Industry players and stakeholders may be empowered to make their own decisions, set standards and determine the

6	Stakeholder Consultations	EPRA, Petroleum Industry, Consumers	Once every 2 years	KShs. 10 m
7	Enforcement of the provisions of the Regulations	EPRA	Routine	KShs. 1 m per annum

8. Contact

The name of the Director General of EPRA appearing below can answer questions in relation to the Regulations

Name: Daniel Kiptoo Bargoria, MBS, OGW

Agency: Energy and Petroleum Regulatory Authority

Tel: +254 020 2847000/ +254 734 41433

Email: Daniel.Kiptoo@epra.go.ke



REGULATORY IMPACT STATEMENT (RIS)

**THE PROPOSED PETROLEUM (BUSINESS LICENCING AND PETROLEUM
LOGISTICS FACILITY CONSTRUCTION) REGULATIONS, 2021**

MAY, 2021

The increase in the number of compliant petroleum businesses will ensure fair competition hence better services and prices along the supply chain. The licensing framework will lead to a robust business operating environment, hence higher profitability.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the *Energy Act 2019* and *Petroleum Act 2019*.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will ensure an effective licensing regime that takes into consideration technical, health, safety, environmental and social aspects.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Maintaining the Status quo would imply continued application of the existing regulations as outlined in the *Energy (Licensing of Petroleum Logistics Business and Facility Construction) Regulations, 2013*. These regulations have been in effect since 2014. The Statutory Instruments Act of 2013 require that Regulations should be reviewed from time to time and should not exist for more than 10 years without a review since the regulated environment is dynamic. Further, there would be inconsistency with *Petroleum Act 2019*.

Maintaining the Status quo would mean retention of the existing regulations guiding the issuance of permits and licenses to petroleum businesses. The benefits arising from improved safety to the workers, users and the general public would not be realised. There would be uncontrolled development of new facilities with a lot of idle capacity. As a result, there is expected to be unhealthy competition. This is likely to lead to the collapse of the petroleum businesses because they will be rendered unsustainable. The Government's policy on local content is not provided for in the existing regulations, hence will be inconsistent with the *Petroleum Act 2019*.

Accordingly, the *status quo* is **NOT A DESIRABLE OPTION**.

4.2. Option 2: Passing the Regulations

Passing the proposed Regulations will seek to bring the benefits of incorporating the requirements of the *Petroleum Act 2019* in the licensing regime such as the requirement

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy and Petroleum Regulatory Authority (EPRA)
- iii. Ministry of Petroleum and Mining (MoPM)
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards (KEBS)
- vii. Directorate of Occupational Safety and Health Services (DOSHS)
- viii. The Weights and Measures Department
- ix. The National Transport and Safety Authority (NTSA)
- x. National Environmental Management Authority (NEMA)
- xi. National Oil Corporation of Kenya (NOCK)
- xii. Kenya Pipeline Company (KPC)
- xiii. Kenya National Accreditation Services (KENAS)
- xiv. Oil Marketing Companies (OMCs)
- xv. Petroleum Institute of East Africa (PIEA)
- xvi. Kenya Independent Petroleum Distributors Association (KIPEDA)
- xvii. Kenya Independent Petroleum Dealers Association (KIPEDA)
- xviii. KIPEDA Sacco Limited
- xix. Kenya National Petroleum Dealers Association (KENAPEDE)
- xx. Consumer Federation of Kenya (COFEK)

Stratification of identified stakeholders according to their needs are as listed in Table 1.

Table 1: Stakeholder stratification and needs

No.	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
8	Directorate of Occupational Safety and Health Services (DOSHS)	Government	Safety in construction of facilities	Oversight role	Exploratory meeting and to be invited in the stakeholder forums
9	Kenya Independent Petroleum Distributors Association (KIPEDA)	Petroleum lobby group	<ul style="list-style-type: none"> • Protection of investor information • Requirements to obtain a construction permit. 	Investor representation	To be invited in the stakeholder forums
10	Petroleum Outlets Association of Kenya (POAK)	Petroleum lobby group	<ul style="list-style-type: none"> • Requirements for a construction permit • Fines and penalties to be commensurate to the offences committed • Permit application fees 	Investor representation	To be invited in the stakeholder forums
11	National Environmental Management Authority (NEMA)	Government	Environmental preservation in evaluating proposals for proposed projects	Lead agency on environmental issues	Exploratory meeting and to be invited in the stakeholder forums
12	Kenya Bureau of Standards (KEBS)	Government	Adherence to standards in construction of petroleum facilities	Lead agency on formulation of standards for the Petroleum sector	Exploratory meeting and to be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders on the key recommendations prior to approval by the Board. These comments were discussed extensively in subsequent Technical Committee (TC) meetings.

EPRA held a public stakeholder workshop at various locations in the country namely: Nairobi, Mombasa, Kisumu, Nanyuki, Nakuru and Eldoret within forty (40) days after the draft regulations were published in the Kenya Gazette on 31st

	Action Plan	Key Performance Indicator
1	Enforce the requirement for business owners to display permits and licences	100% compliance to this requirement ensuring safety and compliance to standards in operation and construction of facilities
2	Enforce the requirement to report accidents and incidents	Reduced cases of incidents at facilities due to shared learning of root causes.
3.	Enforce requirement for facility owners to develop an environmental Liability policy	Improved Environmental management practices when handling petroleum products

It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

8. Conclusions

The Authority considered all the alternatives and noted that the draft *Petroleum (Business Licensing and Facility Construction) Regulations, 2021* have distinct advantages and hence recommends the passing and operationalization of these Regulations.

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
<p>de letter on E-mail fo@onstream.co.ke</p>		<p>Evans Omuony on behalf of Onstream Technologies Limited</p>	<p>Reg. 7.(1)</p>	<p>should execution of the project be wanting due to financing then they will not get a conformance letter from KEBS automatically. Review of documentation should take less than 45 days. 45 days is a big drawback to Ease of doing business index. Procurement of an EIA license takes another 45-60 days and includes EPRA involvement. EPRA should emulate NEMA who have a 60-day period and where amendments are needed or additional documentation, the 60-day countdown HALTS until the information is provided. For EPRA the 45 days is cyclic and there are investors who have gone more than 6 months before getting their construction permits.</p>	<p>Maximum 30 days for procuring of a construction permit. If additional documents or amendments are warranted, then the timeline stops until the additional information is provided. Kenya must be a competitive investment destination.</p>
<p>de letter on E-mail fo@onstream.co.ke</p>		<p>Evans Omuony on behalf of Onstream Technologies Limited</p>	<p>Reg. 12</p>	<p>Environmental liability policy: This should be a domain of NEMA and not EPRA. EIA licenses come with the liability conditions</p>	<p>Delete clause</p>
<p>de letter on E-mail fo@onstream.co.ke</p>		<p>Evans Omuony on behalf of Onstream Technologies Limited</p>	<p>Reg. 14</p>	<p>Renewal of License EPRA should have a Key Performance Indicator of renewing complete license applications for renewal in 5 working days. The Applicant has a responsibility of applying 30 days to expiry of license,</p>	<p>Include a KPI for EPRA. Renewal of licenses should not be open ended.</p>

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
		EMSI & Associates		<p>accidents and licenses within 48 hours of such accident and incident. The Sixth Schedule (Fines and Penalties) records a fine of KES 20,000/=.</p> <p>The Seventh Schedule (Offences, Fines and Penalties) of the Information and Statistics Regulations set the penalty for a similar offence at KES 1,000,000/=. It is not evident why the failure to report under these two pieces of regulations should be different for the exact same offence. The difference between KES 20,000/= and Kes 1 million is incomprehensible.</p>	<p>regulations. Reference should also be made to the comments above on the adequacy of the fine under the Information and Statistics Regulations.</p>
e letter submitted on E-mail strategy@kpc.co.ke		General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	General	<p>Whereas the regulations recognize the potential for incidents and accidents, there are no clauses covering maintenance of facilities and documentation of maintenance activities.</p>	<p>Include requirement for maintenance of facilities and documentation of maintenance activities.</p>
e letter submitted on E-mail strategy@kpc.co.ke		General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	Reg. 4	Clarity and definitions.	<p>Clarity on what constitutes a modification shall need to be elaborated on in this clause for the avoidance of doubt. Furthermore, the type of modifications that qualify to trigger an application for a facility also needs to be defined.</p>

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
		Company (KPC)			with the Weights and Measures Act CAP 513 for measuring equipment used for trade. Amend Part III on Page 7 to read Part IV.
de letter submitted on E-mail mnstrategy@kpc.co.ke		General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	PART III	Part III repeated twice.	
de letter and E-mail danmurugu@yahoo.co.uk		Dan Murugu	3(2)	*There is need to clarify why ONLY K.D.F has been exempted from these regulations.	Why not include other security formations of Kenya Police Service, Kenya Prison Service, Kenya Wildlife Service etc.
de letter and E-mail danmurugu@yahoo.co.uk		Dan Murugu	PART II		All construction works must comply with National Building Inspectorate Regulations and Planning and Development Controls in respect to all County Governments in Kenya.
de letter and E-mail danmurugu@yahoo.co.uk		Dan Murugu	PART III	Too many licences	There is need to merge multiple licensing by the authority and County Governments. This is a hindrance to business.
de letter and Email danmurugu@poak.co.ke		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	Part I- Preliminary - Sec. 2; Part II; 5 (2) (a); (a) (ii)(c)	The requirements for a feasibility study- Preparation and supporting documents.	<i>The regulations should clearly state the professions that are duly qualified to prepare the study.</i>

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
e letter and Email office@poak.co.ke)		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	PART III Petroleum Business License; section 11	The requirements are the same with those of a Retail Business.	Clarify the distinction between the two categories - Business Licensing Facility Construction Permit and Retail station construction Permit.
e letter and Email office@poak.co.ke)		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	Sec. 12- Environment Liability Policy	What should be contained in the Policy? Will it apply across the entire petroleum business chain?	Clarify and provide more guidance on the Environment Liability Policy requirement.
e letter and Email office@poak.co.ke)		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	17 (2)(4) - suspension or revocation of license.	The optional 14-day notice is too short to take any remedial action and is open to abuse.	Amend to read 'the Authority shall give the licensee 21 days-----' Amend (4) to read 'upon application the Authority shall reinstate-----'

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
South Rift Region – Nakuru (Merica Hotel)		Paul Mwangi-SMEs		Why is EPRA licensing use of coal?	<p>3. stipulate that the licensee is subject to liability under tort and the contract laws; and</p> <p>4. state that all necessary fees associated with the license shall be paid on a timely basis.</p> <p>EPRA should stop licensing coal plants in preference for renewable energy forms for protection and conservation of the environment.</p>
		Kins Maina		Crude Oil in Turkana	<ol style="list-style-type: none"> 1. EPRA to ensure huge investments in crude oil exploration/extraction in Turkana are recovered. 2. EPRA to ensure crude oil production continues. 3. EPRA to ensure KPRL is revived.
West Region Office – Mombasa (de Inn)		Ibtisam Said-AGOL		Validity period of EPRA construction permit	NEMA EIA licence is valid for 24 months while EPRA construction permit is valid for 12 months. This need to be harmonized. EPRA clarified that this disparity had been addressed in the draft regulations.
West Region Office-Nairobi (Nova Stanley)		Anonymous		Display of licenses	EPRA need to enforce requirement for depot licences to be displayed.

EXPLANATORY MEMORANDUM

THE PETROLEUM (PETROLEUM BUSINESS LICENSING AND PETROLEUM
LOGISTICS CONSTRUCTION PERMIT) REGULATIONS, 2024

There are existing regulations covering petroleum logistics facilities, namely the Energy (Licensing of Petroleum Logistics Business and Facility Construction) Regulations, 2013 (LN 9/2014). The changes seek to align the proposed draft regulations to the provisions of Section 101(b) and 101 (m) of the Petroleum Act 2019.

There are currently 136 licensed LPG bulk storage facilities with 36 licensed petroleum bulk storage facilities in Kenya. These facilities are used to receive, store, load, offload, or transport petroleum product and includes marine jetties, marine terminals, pipeline systems and storage depots. The stored bulk petroleum products are subsequently distributed through key market segments including reseller/wholesale, aviation, commercial, retail stations and exports to the neighboring countries.

3.2. Consolidation

The *Petroleum (Petroleum Business Licensing and Petroleum Logistics Construction Permit) Regulations, 2024*, seek to ensure consistency with the Petroleum Act No. 2 of 2019. Further, the Regulations seek to ensure that the needs of various stakeholders which have been brought to the attention of EPRA in the course of implementation of LN 9/2014, are taken into account.

4. Stakeholder Consultations

4.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy and Petroleum Regulatory Authority (EPRA)
- iii. Ministry of Energy and Petroleum (MoEP)
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards (KEBS)
- vii. Directorate of Occupational Safety and Health Services (DOSHS)
- viii. The Weights and Measures Department
- ix. The National Transport and Safety Authority (NTSA)
- x. National Environmental Management Authority (NEMA)

No.	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
5	Kenya Law Reform Commission	Government	Consistency with the constitution and other statutes	Oversight role	Co-opted in the review exercise
6	Consumer Federation of Kenya (COFEK)	Civil society/ consumer protection	Consumer protection	Consumer representation	Invite them during public stakeholders' consultative forums
7	Petroleum storage facility owners	Industry players	<ul style="list-style-type: none"> • Protection of investor information • Requirements to obtain a construction permit • Permit application fees 	Investor/Licensor	To be invited in the stakeholder forums
8	Directorate of Occupational Safety and Health Services (DOSHS)	Government	Safety in construction of facilities	Oversight role	Exploratory meeting and to be invited in the stakeholder forums
9	Kenya Independent Petroleum Distributors Association (KIPEDA)	Petroleum lobby group	<ul style="list-style-type: none"> • Protection of investor information • Requirements to obtain a construction permit. 	Investor representation	To be invited in the stakeholder forums
10	Petroleum Outlets Association of Kenya (POAK)	Petroleum lobby group	<ul style="list-style-type: none"> • Requirements for a construction permit • Fines and penalties to be commensurate to the offences committed • Permit application fees 	Investor representation	To be invited in the stakeholder forums
11	National Environmental Management Authority (NEMA)	Government	Environmental preservation in evaluating proposals for proposed projects	Lead agency on environmental issues	Exploratory meeting and to be invited in the stakeholder forums
12	Kenya Bureau of Standards (KEBS)	Government	Adherence to standards in construction of petroleum facilities	Lead agency on formulation of standards for the Petroleum sector	Exploratory meeting and to be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders on the key recommendations prior to approval by the Board.

The proposed regulations will ensure that petroleum facilities meet both local and international standards. As a result, there will be improved safety for workers, users and the general public. The regulations further seek to control the development of new facilities and to limit idle capacity. Through a fair licensing process, there will be fair competition amongst petroleum businesses. The regulations will give effect to Government's policy on local content.

5.2. Effect on the private sector

The increase in the number of compliant petroleum businesses will ensure fair competition hence better services and prices along the supply chain. The licensing framework will lead to a robust business operating environment, hence higher profitability.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the *Energy Act 2019* and *Petroleum Act 2019*.

5.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will ensure an effective licensing regime that takes into consideration technical, health, safety, environmental and social aspects.

5.4. Statement on Regulatory and Non-Regulatory Options

5.4.1 Option 1: Maintaining the Status Quo

Maintaining the Status quo would imply continued application of the existing regulations as outlined in the *Energy (Licensing of Petroleum Logistics Business and Facility Construction) Regulations, 2013*. These regulations have been in effect since 2014. The Statutory Instruments Act of 2013 require that Regulations should be reviewed from time to time and should not exist for more than 10 years without a review since the regulated environment is dynamic. Further, there would be inconsistency with *Petroleum Act 2019*.

Maintaining the Status quo would mean retention of the existing regulations guiding the issuance of permits and licenses to petroleum businesses. The benefits arising from improved safety to the workers, users and the general public would not be realized. There would be uncontrolled development of new facilities with a lot of idle capacity.

- (ii) **Co-regulation:** The Government may set the standard and leave enforcement of the regulations to the industry players or a professional organization and who are accredited by the Government.

On their own, the non-regulatory options would be less effective, difficult to enforce or result in an increased cost to the Government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is **NOT A PREFERRED** option for the reasons mentioned above.

6. Monitoring and review

The identified key success criteria for the Petroleum Business Licensing and Construction Permit regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1	Enforce the requirement for business owners to display permits and licences	100% compliance to this requirement ensuring safety and compliance to standards in operation and construction of facilities
2	Enforce the requirement to report accidents and incidents	Reduced cases of incidents at facilities due to shared learning of root causes.
3.	Enforce requirement for facility owners to develop an environmental Liability policy	Improved Environmental management practices when handling petroleum products

It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

7. Conclusions

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
<p>de letter on E-mail fo@emsi.co.ke; ry.chege@emsi.co.ke)</p>		<p>Onstream Technologies Limited</p> <p>Mary Chege on behalf of EMSI & Associates</p>		<p>days. The Applicant has a responsibility of applying 30 days to expiry of license, EPRA must also have a SMART responsibility too.</p> <p>Scope of the Regulations It appears that these regulations only apply to the Petroleum Logistics Facilities and not other facilities (to the exclusion of retail facilities). As the Petroleum Act does not have a definition of the Petroleum Logistics Facility and a definition has therefore been provided in the Regulation 2 to mean "any facility that is or can be used to receive, store, offload or transport petroleum product and includes marine jetties, marine terminals, pipeline systems and storage depots but does not include retail dispensing sites". However, the definition of a Facility under Section 2 of the Petroleum Act includes structures, devices, roads or other associated installations or infrastructure including pipelines, rail stations, pump stations, compressor stations and equipment constructed, placed or used in order to carry out upstream petroleum operations. The Act also includes vessels, vehicles or craft for</p>	<p>It is important to clarify whether or not the regulations also apply to common user facilities as it is not evident what regulations govern the common user facilities for purposes of construction permitting.</p>

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
The letter submitted on E-mail strategy@kpc.co.ke	Reg. 4	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	Reg. 4	Clarity and definitions.	Clarity on what constitutes a modification shall need to be elaborated on in this clause for the avoidance of doubt. Furthermore, the type of modifications that qualify to trigger an application for a facility also needs to be defined.
The letter submitted on E-mail strategy@kpc.co.ke	Reg. 5	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	Reg. 5	Given that the application for a construction permit may precede engagement of a contractor a priced bill of quantities may also not be available for the Authority to review.	The Authority should be accommodating to consider engineering estimates instead. The basic design standards even if generalized should be stated in this clause. For the petroleum industry, the American Petroleum Institute (API) standards are widely accepted as the de-facto standards for oil and gas construction.
The letter submitted on E-mail strategy@kpc.co.ke	First Schedule	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	First Schedule	The proposed regulations have no requirement for submission of electrical, instrumentation and piping drawings which also form an essential aspect of the facility's design.	Include the requirement for submission of electrical, instrumentation and piping drawings which also form an essential aspect of the facility's design.
The letter submitted on E-mail strategy@kpc.co.ke	Third Schedule	General Manager Strategy on behalf of the Kenya Pipeline Company (KPC)	Third Schedule	The proposed regulations have no requirement for pipeline/tank inspections and repair reports.	Include the requirement for pipeline/tank inspections and repair reports. It should be noted that inspections and repairs should be

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
de letter and E-mail murugugu@yahoo.co.uk)		Dan Murugu	PART III	Too many licences	There is need to merge multiple licensing by the authority and County Governments. This is a hindrance to business.
de letter and Email office@poak.co.ke)		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	Part Preliminary - Sec.2; Part II; 5 (2) (a); (a) (ii)(c)	The requirements for a feasibility study- Preparation and supporting documents.	<i>The regulations should clearly state the professions that are duly qualified to prepare the study.</i>
de letter and Email office@poak.co.ke)		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	First Schedule 5; 6; 10	<i>The requirement for a company's past 3 years financial statements locks out young and upcoming investors.</i>	<i>Replace the requirement of the 3 years financial statements with proof of financial capability to construct the facility.</i>
de letter and Email office@poak.co.ke)		Mr. Martin Chomba, National Chairman (on behalf of Petroleum	7 (1)	Requirements 6 and 10 are the same.	<i>Delete/merge the requirements</i>

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
		Petroleum Outlets Association Of Kenya – POAK).			
		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	17 (2)(4) – suspension or revocation of license.	The optional 14-day notice is too short to take any remedial action and is open to abuse.	Amend to read 'the Authority shall give the licensee 21 days-----' Amend (4) to read 'upon application the Authority shall reinstate-----'
		Mr. Martin Chomba, National Chairman (on behalf of Petroleum Outlets Association Of Kenya – POAK).	Part III general provisions	The fine of Shs. 10 million for operating a business without a valid license is very high.	The fine be proportionate to the revenue turn-over of the business
		Lokutch Enterprises Limited	General	Ease the licence renewal processes and regime	For licensee who have been in the system for a while and have proved forthright operations, can they be considered for license for two (2) years instead of yearly?

Region	Reg. No.	Stakeholder	Section/ Page No	Issue/ Comment	Proposal
		Kins Maina		Crude Oil in Turkana	<ol style="list-style-type: none"> 1. EPRA to ensure huge investments in crude oil exploration/extraction in Turkana are recovered. 2. EPRA to ensure crude oil production continues. 3. EPRA to ensure KPRL is revived.
East Region Office – Mombasa (de Inn)		Ibtisam Said- AGOL		Validity period of EPRA construction permit	NEMA EIA licence is valid for 24 months while EPRA construction permit is valid for 12 months. This need *to be harmonized. EPRA clarified that this disparity had been addressed in the draft regulations.
robi Office-Nairobi (ova Stanley)		Anonymous		Display of licenses	EPRA need to enforce requirement for depot licences to be displayed.



REGULATORY IMPACT STATEMENT (RIS)

**THE PROPOSED PETROLEUM (LIQUEFIED PETROLEUM GAS)
REGULATIONS, 2025**

MARCH 2025

3. Statement on the Effect of the Proposed Regulations

There exists regulations covering operations of LPG businesses, namely: The Petroleum (Liquefied Petroleum Gas) Regulations, 2019

The changes introduced here-under seek to align the existing regulations to accommodate emerging issues in the LPG sector

3.1. Effect on the general public

The proposed regulations seek to ensure that LPG businesses meet both local and international standards. As a result, there will be improved safety for the workers, users and the general public. The regulations further seek to regulate the development of new LPG facilities and to limit unutilized capacity. Through non-partisan licensing processes, there will be fair competition amongst LPG businesses. The regulations will in particular seek to accommodate changes in the sector especially those regarding safety of users of LPG

3.2. Effect on the private sector

The increase in the number of compliant LPG businesses will ensure a fair competition environment hence better services and prices along the supply chain. The licensing framework will in addition lead to a robust business operating environment, hence higher profitability by the operators.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Energy Act 2019 and Petroleum Act 2019.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will ensure an effective licensing regime that takes into consideration technical, health, safety, environmental and social aspects.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Status quo would mean retention of the existing regulations as outlined in the *Petroleum (Liquefied Petroleum Gas) Regulations, 2019*. These regulations have been in effect since 2019. In particular the need to assign competence to LPG installers would not be realised. In addition, the existing regulations do not consider or accommodate the changes that have been seen in the sector over the years.

On their own, the non-regulatory options would be less effective, difficult to enforce or result in an increased cost to the Government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is **NOT A PREFERRED** option for the reasons mentioned above.

5. Stakeholder Consultations

5.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. African Gas and Oil Limited (AGOL);
- ii. County Governments through the Council of Governors;
- iii. Consumers federation of Kenya (COFEK);
- iv. Consumer Grassroots Networks;
- v. Cylinder brand owners;
- vi. Energy and Petroleum Regulatory Authority (EPRA);
- vii. Energy Dealers Association (EDA);
- viii. East African Petroleum Transporters Association (EAPTA);
- ix. Kenya Pipeline Company (KPC);
- x. Kenya Petroleum refineries Limited (KPRL)
- xi. Kenya National Accreditation Services (KENAS);
- xii. LPG Marketing Companies;
- xiii. Ministry of Energy and Petroleum (MOEP);
- xiv. National Oil Corporation of Kenya (NOCK);
- xv. Petroleum Institute of East Africa (PIEA);
- xvi. Road Authorities (Kenya National Highways Authority (KeNHA) and Kenya Urban Roads Authority (KURA));
- xvii. State Law Office;
- xviii. The Kenya Bureau of Standards;
- xix. The Department of Occupational Safety and Health Services;
- xx. The Weights and Measures Department;

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
13	LPG marketing companies	Industry players			To be invited in the stakeholder forums
14	Kenya Revenue Authority (KRA)	Government			Exploratory meeting and to be invited in the stakeholder forums
15	Ministry of Energy and Petroleum (MOEP)	Government			Exploratory meeting and to be invited in the stakeholder forums
16	National Environmental Management Authority (NEMA)	Government			Exploratory meeting and to be invited in the stakeholder forums
17	Kenya Ports Authority (KPA)	Government			Exploratory meeting and to be invited in the stakeholder forums
18	Kenya Maritime Authority (KMA)	Government			To be invited in the stakeholder forums
19	National Transport Safety Authority (NTSA)	Government			To be invited in the stakeholder forums
20	Kenya Bureau of Standards (KEBS)	Government			Exploratory meeting and to be invited in the stakeholder forums
21	The Weights and Measures Department;	Government			To be invited in the stakeholder forums
22	Directorate of Occupational Safety and Health Services (DOSHS)	Government			To be invited in the stakeholder forums
23	East African Petroleum Transporters Association (EAPTA);	Lobby group			To be invited in the stakeholder forums

				penetration of LPG	
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6. Monitoring and Review

The identified key success criteria for the Liquefied Petroleum Gas regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1	Enforce requirement to obtain a construction permit for construction of LPG facilities	100% compliance
2	Enforce requirement to obtain LPG business operating licence	100% compliance
3	Enforce requirement to engage licensed persons	100% compliance

It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

7. Conclusions

The Authority considered all the alternatives and noted that the draft *Petroleum (Liquefied Petroleum Gas) Regulations, 2025* have distinct advantages and hence recommends the passing and operationalization of these Regulations.

EXPLANATORY MEMORANDUM

THE PETROLEUM (LIQUIFIED PETROLEUM GAS) REGULATIONS, 2025

- (iii) Including new specialists in the sector such as LPG Installers and Contractors, who require to be licensed similar to electrical technicians;
- (iv) Outlining requirements for cylinder tracking and LPG accessories;
- (v) Provide framework to support open tender system for LPG;
- (vi) Provide for the framework for regulating LPG for schools, public institutions, and reticulation of LPG;
- (vii) Enhance measures to ensure EPRA is able to enforce the LPG regulations by providing clarity in the regulations; and
- (viii) Enhancing safety in the petroleum industry by mandating the reporting and investigations of all accidents and incidents occurring along the LPG supply chain.

3. Policy Background

3.1. What is being done and why

EPRA is established under Section 9 of Cap 314 with a mandate, to among others, to regulate the petroleum sector.

Currently, there exists L.N. 100/2019 that regulates the LPG sector in Kenya. The primary aim of the regulations is to enhance the regulatory framework of the LPG industry and to regulate the key service providers so as to enhance consumer and public safety. Further, the regulated environment will ensure professional conduct, observance of standards, and development of LPG installers and contractors.

The need for this revision arises from the industry advancements and changes over the past four years, including the proliferation of innovative LPG sales methods and the increased adoption of LPG as a motor fuel (Autogas). These developments, while beneficial, have also led to unforeseen malpractices, suggesting that the existing penalties are insufficient to deter such behaviors.

In line with directives from a Cabinet Memo issued in November 2023, the EPRA has been tasked with establishing regulations that will not only facilitate the

regulation of smart meters, reticulated LPG systems and LPG for schools and public/ commercial institutions.

- (vii) Transport of LPG in bulk and in cylinders: This section seeks to regulate the safe transport of LPG in bulk and in cylinders. It specifies the safe number of cylinders that can be carried whether empty or filled and which considers the tare weight of the cylinder itself.
- (viii) LPG data reporting and verification: This section provides the submission of the required data to EPRA which will be collated and analysed to inform policy and better regulation of the sector.
- (ix) Compliance and enforcement: This section brings clarity to offences and penalties thereof for the better enforcement of the sector.

5. Consultation outcome

5.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- (i) AGOL
- (ii) County Governments through the Council of Governors
- (iii) Energy Regulatory Commission
- (iv) Ministry of Energy and Petroleum
- (v) The National Treasury
- (vi) State Law Office.
- (vii) The Kenya Bureau of Standards
- (viii) The Department of Occupational Safety and Health Services
- (ix) The Weights and Measures Department
- (x) The National Transport and Safety Authority
- (xi) National Oil Corporation of Kenya (NOCK)
- (xii) KPC
- (xiii) KPRL
- (xiv) NTSA
- (xv) Oil Marketing Companies
- (xvi) KIPEDA

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
11	Kenya Revenue Authority (KRA)	Government	Protection of Government revenue	Government agency	Exploratory meeting and to be invited in the stakeholder forums
12	National Environmental Management Authority (NEMA)	Government	Protection of environment	Government agency	Exploratory meeting and to be invited in the stakeholder forums
13	Kenya Ports Authority (KPA)	Government	Regulation of product handling	Government agency	Exploratory meeting and to be invited in the stakeholder forums
14	Kenya Maritime Authority (KMA)	Government	Enforcement of marine issues	Government agency	To be invited in the stakeholder forums
15	National Transport Safety Authority (NTSA)	Government	Enforcement of safety in the roads	Government agency	To be invited in the stakeholder forums
16	Kenya Association of Manufacturers (KAM)	Industry Player	Quality products; Regulated service providers; Fair competition	Professional association	To be invited in the stakeholder forums
17	Kenya Private Sector Association	Industry Player	Quality products; Regulated service providers; Fair competition	Professional association	To be invited in the stakeholder forums
18	Kenya Bureau of Standards (KEBS)	Government	Promotion and enforcement of LPG standards	Government agency	Exploratory meeting and to be invited in the stakeholder forums
19	Kenya Railways Corporation	Government	Safe transportation of LPG	Government agency	To be invited in the stakeholder forums
20	Directorate of Occupational Safety and Health Services (DOSHS)	Government	Promotion of safety at work places	Government agency	To be invited in the stakeholder forums

Epra shared the draft regulations with key stakeholders for alignment before publication for general comments from the public.

No.	Description	Affected parties	Impact/ costs	Benefits
		LPG wholesalers	full capacity. An those with high volumes operate between 7am and 6pm	Improved quality of cylinders refilled. Reduced LPG accidents that have been common with night operations such as the Mradi Accident and Kento-Gas accident.

6. Assessment of the Impact

6.1. Economic Impact.

The following are the identified economic impacts:

- (i) The LPG regulations will ensure compliance which will in turn ensure the industry thrives.
- (ii) Increased competition will guarantee consumers better prices and terms of service.
- (iii) Increased number of cylinders will ensure maximum utilisation of LPG plants hence reduced overhead costs and increased profitability of the sector.
- (iv) Professionalisation of LPG installers will create jobs in the segment by providing for trainers and LPG contracting companies.
- (v) Promotion of LPG reticulations will create jobs as well as reduce overall unit costs of LPG.
- (vi) The use of LPG will promote healthier population hence reduction in the national budget on medical costs related to indoor pollution.

6.2. Effect on the general public

The proposed regulations seek to enforce the provisions of the Petroleum Act Cap. 308 in ensuring LPG is consumed in a safe manner, is readily available and is affordable.

6.3. Effect on the private sector

The proposed Regulations seek to ensure that there is no unfair market practices, hence healthy competition.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Energy Act (cap. 314) and Petroleum Act (Cap. 308).

- (iii) LPG for schools will be full of malpractices leading to safety incidents at schools as a result of substandard LPG installations.
- (iv) The issue of illegal LPG cylinder refilling will continue being rampant.
- (v) There will be no robust legal mechanisms to address unsafe transportation of LPG in cylinders and in bulk.
- (vi) Night operations of LPG refilling will continue unabated leading to future LPG accidents.

7.2. Option three: Industry-Led Standards and Certification

Another alternative to the proposed LPG Regulations is for the LPG industry to develop its own standards and certification processes. This approach would involve industry leaders and stakeholders coming together to establish best practices, guidelines, and certification criteria for the LPG industry and for installers. The benefits of this model include:

- (i) More responsive to the specific needs and challenges of the LPG industry in Kenya.
- (ii) They can be developed and implemented more quickly and easily than a statutory body.
- (iii) They can provide a way for LPG installers to demonstrate their skills and expertise to clients and other stakeholders.
- (iv) They can help to promote innovation and excellence in the installation industry.

However, industry-led standards and certification may not carry the same weight or credibility as a statutory body. Additionally, they may not be able to address issues related to consumer protection or ethical practice as effectively as a statutory body.

7.3. Collaboration with Existing Regulatory Bodies

Another alternative to the proposed draft Regulations is for EPRA to collaborate with existing regulatory bodies in Kenya. For example, EPRA could work with the Kenya Bureau of Standards (KEBS) to develop standards and guidelines for various LPG activities. EPRA could also work with the Anti-Counterfeit Agency and Kenya Industrial Properties Institute to curb the menace of illegal refilling. The benefits of collaboration with existing regulatory bodies include:

- It can leverage the resources and expertise of existing regulatory bodies to develop standards and guidelines for the LPG industry.

3	Licensee sensitisation campaigns	EPRA, Licensees	2 per annum	Annual	KShs. 1 m
4	Implementation of track and trace system	EPRA, Petroleum Industry, Consumers	100% implementation	Within 3 years of gazettelement	KShs. 50 m
5	Enforcement of the provisions of the Regulations	EPRA	100%	Routine	KShs. 2 m

9. Contact

The name of the Director General of EPRA appearing below can answer questions in relation to the Regulations

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REGULATORY IMPACT STATEMENT (RIS)

**PETROLEUM (OPERATION OF COMMON USER PETROLEUM FACILITIES)
REGULATIONS, 2025**

MARCH 2025

There are no existing regulations covering the management and operations of a common-user logistics facilities. These Regulations seek to address this concern as provide for under Section 94 of Cap. 314.

3.1. Effect on the general public

The proposed regulations are intended to define management practices under regulated framework for common-user facilities once they are designated. The proposed regulations are expected to guide on designation, contractual obligations and other relevant engagements between owners of petroleum common-user logistics facilities and their intended users. In addition, the regulations will assist in the management of the loss element in the regulated petroleum pump price formula for common-user logistics facilities.

3.2. Effect on the private sector

The regulatory framework provided by these proposed regulations is expected to allow for increased investment and access to common-user petroleum logistics facilities.

Full implementation of these regulations will aid increasing access to petroleum products whose demand has been constrained by inadequate storage and loading infrastructure e.g. Liquefied Petroleum Gas (LPG).

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Cap. 308 and Cap. 314.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will provide parameters detailing development, access and contractual obligations between parties in relation to common-user petroleum logistics facilities.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Status quo would mean that no regulatory framework would be in place in relation to petroleum common-user logistics facilities. This would negate the provisions of Section 94 of Cap. 314 that provides for the development of these Regulations. In

- (ii) **Co-regulation:** The Government may set terms of engagement between parties and regulation vested in either of the industry players or a professional organization and who are accredited by the Government.

On their own, the non-regulatory options would be less effective, not enforceable or result in an increased cost to government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is NOT A PREFERRED option for the reasons mentioned above.

5. Stakeholder Consultations

5.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy Regulatory Commission
- iii. Ministry of Energy and Petroleum
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards
- vii. The Department of Occupational Safety and Health Services
- viii. The Weights and Measures Department
- ix. The National Transport and Safety Authority
- x. National Oil Corporation of Kenya (NOCK)
- xi. KPC
- xii. KPRL
- xiii. NTSA
- xiv. KENAS
- xv. Oil Marketing Companies
- xvi. PIEA
- xvii. KIPEDA
- xviii. KIPENDA
- xix. KENEPEDA

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
		consumer protection			
10	Institute of the Engineers of Kenya	Engineers/ expert group			To be invited in the stakeholder forums
11	Petroleum product importers, wholesalers and retailers	Industry players			To be invited in the stakeholder forums
12	Kenya Revenue Authority (KRA)	Government			Exploratory meeting and to be invited in the stakeholder forums
13	National Environmental Management Authority (NEMA)	Government			Exploratory meeting and to be invited in the stakeholder forums
14	Kenya Ports Authority (KPA)	Government			Exploratory meeting and to be invited in the stakeholder forums
15	Kenya Maritime Authority (KMA)	Government			To be invited in the stakeholder forums
16	National Transport Safety Authority (NTSA)	Government			To be invited in the stakeholder forums
17	Kenya Association of Manufacturers (KAM)	Industry Player			To be invited in the stakeholder forums
18	Kenya Private Sector Association	Industry Player			To be invited in the stakeholder forums
19	Kenya Bureau of Standards (KEBS)	Government			Exploratory meeting and to be invited in the stakeholder forums
20	Kenya Railways Corporation	Government			To be invited in the stakeholder forums
21	Directorate of Occupational Safety and Health Services (DOSHS)	Government			To be invited in the stakeholder forums

	Aspect	Result	Effect	Impact	Management
3.	Determination of loss caps	Efficient operations of petroleum common-user logistics facilities	Positive	Reduced costs of regulated petroleum products	Monitoring
4.	Complaints and dispute resolution mechanisms	A harmonious working relationship between parties.	Positive	Increased use of common user facilities, hence benefits accruing from economies of scale	Monitoring
5.	Application of principles of open access	Increase acceptability and utilization of petroleum common-user logistics facilities	Positive	This will result in environmental protection and sustainability due to consolidating petroleum risks in one area.	Approvals and monitoring

7. Monitoring and Review

The identified key success criteria for the petroleum common-user logistics regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

	Action Plan	Key Performance Indicator
1	Ensure facilities designated as common user apply principles of open access.	Equitable, open access
2	Approve common-user contracts	Approved contracts
3	Approve common-user tariffs	Approved tariffs for common-user facilities

EXPLANATORY MEMORANDUM

PETROLEUM (OPERATION OF COMMON USER PETROLEUM FACILITIES)
REGULATIONS, 2025

- (v) Prescribing the nature of contractual arrangements between owners of common-user petroleum logistics facilities and the contracted users;
- (vi) Prescribing requirements for reporting and investigation of accidents relating to common-user petroleum logistics facilities;
- (vii) Prescribing the determination of tariffs for common-user petroleum logistics facilities and operational losses by EPRA;
- (viii) Provide for complaints and dispute resolution mechanisms relating to common-user petroleum logistics facilities and their contracted users and other relevant stakeholders; and
- (ix) Providing for appropriate penalties for offences committed in relation to operations of a common-user petroleum logistics facilities.

3. Policy Background

3.1. What is being done and why

Due to the high safety requirements and standards, petroleum facilities and infrastructure are very costly. This can be a key barrier to entry and hence limit competition in the petroleum value-chain. In order to ensure efficiency and transfer benefits that accrue from economies of scale to consumers, it is important for the Government to promote construction and utilization of common-use petroleum facilities. This will also enable local businessmen participate in the petroleum value chain as importers and wholesales without necessarily having to invest in capital intensive petroleum infrastructure.

Petroleum infrastructure may introduce safety and environmental hazards. Therefore, fewer but compliant petroleum facilities will reduce negative impacts to the social and environmental impacts.

Currently, there are two (2) active common-use petroleum importation jetties, one (1) pipeline system and seven (7) storage facilities. There is an upcoming privately constructed LPG jetty, storage and loading facility at Kilifi County. These regulations will thus guide investors in the development of similar facilities.

- xxiii. Consumer Federation of Kenya (COFEK); and
- xxiv. Kenya Private Sector Alliance (KEPSA).

Stratification of identified stakeholders according to their needs are as listed in Table 1.

Table 1: Stakeholder stratification and needs

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
1	PIEA/OMAK/KENAPEDE/KIPEDA	Petroleum lobby group	Cost reflective pricing regime; profitable margins; ease of entry and exit	Lobby group for the petroleum industry	Exploratory meeting and to be invited in the stakeholder forums
2	KPC	Industry player	Cost reflective pricing regime; profitable tariffs	Government agency for primary storage and transport	Exploratory meeting and to be invited in the stakeholder forums
3	KPRL	Industry player	Cost reflective pricing regime; profitable tariffs	Government agency for primary storage and refining	Exploratory meeting and to be invited in the stakeholder forums
4	NOCK	Industry Player	Cost reflective pricing regime; profitable tariffs; security of supply	Government agency for downstream operations	Exploratory meeting and to be invited in the stakeholder forums
5	KTA	Industry player	Cost reflective pricing regime; profitable transport rates; Affordable petroleum (diesel)	Lobby group for road transporters and tanker owners	Exploratory meeting and to be invited in the stakeholder forums
6	EAPTA	Industry Player	Cost reflective pricing regime; profitable transport rates; Affordable petroleum (diesel)	Lobby group for road transporters and tanker owners	To be invited in the stakeholder forums

Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
		policies and legislative framework; Investor friendly policies		

EPRA shared the draft regulations with key stakeholders for alignment before publication for general comments from the public. The draft Regulations were published on 31st December 2020 and within Forty (40) days, EPRA held public stakeholder workshops in Nairobi, Mombasa, Kisumu, Nanyuki, Nakuru and Eldoret. Comments that were received from the public both in written and verbal form were reviewed and incorporated into the final draft Regulations.

4.2. Cost – Benefit Analysis (CBA)

The benefits of the Regulations are as listed in Table 2.

Table 2: Cost-benefit analysis

	Aspect	Result	Effect	Impact	Management
1.	Imposition of sanctions and penalties	Improved compliance	Positive	Fair access to and equitable allocation of access rights in common-user petroleum logistics facilities	Monitoring;
2.	Designation and setting of tariffs	Investment in sufficient capacity for infrastructure investments for common use.	Positive	Economies of scale leading to reduced costs of accessing petroleum logistics infrastructure	None
3.	Determination of loss caps	Efficient operations of petroleum common-user logistics facilities	Positive	Reduced costs of regulated petroleum products	Monitoring
4.	Complaints and dispute resolution	A harmonious working relationship between	Positive	Increased use of common user	Monitoring

The Regulations will also increase the level of transparency in importation and storage of petroleum products.

6.2. Effect on the private sector

The private sector will have ease of entry and exit into petroleum value-chain businesses hence proper cost management and vibrant and competitive sector.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Energy Act 2019 and Petroleum Act 2019.

6.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipated negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will provide critical input parameters for the calculation of petroleum pump price in a more transparent manner and which information is relevant to the consumers as envisaged under the Constitution.

6.4. Statement on Regulatory and Non-Regulatory Options

1. Option 1: Maintaining the Status Quo

Maintaining the *status quo* is not a feasible option as it would not allow for accrual of benefits envisaged in the or proposed in the current Regulations, namely –

- i. Enhancement of transparency in the petroleum handling infrastructure;
- ii. Setting of tariffs and oversight by EPRA;
- iii. Minimizing abuse of monopolistic power;
- iv. Minimizing cost of entry and/or exit of other players in the petroleum supply value chain.

This, therefore, is **NOT** the **PREFERRED OPTION**.

2. Option 2: Passing the Regulations

Passing the proposed Regulations will align the petroleum importation process to the *Petroleum Act 2019* and in increase transparency and efficiency. Further, the

On their own, the non-regulatory options would be less effective, not enforceable or result in an increased cost to government.

This is NOT A PREFERRED option as weighed in the context of the need to operationalize objectives of the Petroleum Act 2019.

8. Monitoring and review

The Regulations and the business fundamentals are likely to change over the period of implementation. To ensure that the Regulations continue to meet the needs of the stakeholders, a review is proposed every 3 years. Table 3 below shows the time for these and other interventions.

Table 3: Monitoring and Evaluation Framework

	Activity	Action Party	Time	Resources
1	Operation of the OTS/ Supply Co-ordination Committee	EPRA, petroleum Industry	Routine	KShs. 300,000 per annum
2	Ensure facilities designated as common user apply principles of open access.	EPRA, petroleum Industry	On application	KShs. 200,000 per annum
3	Approve common-user contracts	EPRA, Licensee	On application	KShs. 200,000 per annum
4	Approve common-user tariffs	EPRA, Licensee	On application	KShs. 200,000 per annum
5	OMC sensitisation campaigns	EPRA, Consumers	Annual	KShs. 1 m
6	Stakeholder Consultations	EPRA, Petroleum Industry, Consumers	Once every 2 years	KShs. 10 m
7	Enforcement of the provisions of the Regulations	EPRA	Routine	KShs. 1 m per annum

9. Contact

The name of the Director General of EPRA appearing below can answer questions in relation to the Regulations

Name: Daniel Kiptoo Bargoria, MBS, OGW

Agency: Energy and Petroleum Regulatory Authority



REGULATORY IMPACT STATEMENT (RIS)

**THE PROPOSED PETROLEUM (INFORMATION AND STATISTICS)
REGULATIONS, 2025**

MARCH, 2025

require that a regulatory instrument should be reviewed every 10 years. Hence, these new regulations provide a review of the old regulations.

Lastly, the industry has grown and with growth, new areas of data and information requirements. This includes need for collation LPG cylinder population to determine compliance and competition.

The existing Regulations supporting collation and submission of petroleum data and statistics is the L.N. 6/2014, namely, the Energy (Petroleum Information and Statistics) Regulations, 2013 which is anchored under the repealed Energy Act 2006.

3.1. Effect on the general public

The proposed regulations seek to ensure useful information is collected and processed for the planning of the petroleum sector. This will enable the Government improve on security of supply and quality of petroleum.

3.2. Effect on the private sector

Investors in the petroleum sector rely on availability of credible information for business planning and decision making. This will be beneficial to them.

The cost of compliance is minimal. The requested information is what business collect in the course of doing their business.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will provide parameters equitable and affordable access to petroleum products.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Status quo would mean retention of the various pieces of regulations guiding the collection and maintenance of petroleum data. This will however not be feasible since it will not be consistent with the Cap. 308. Further, it will not reflect the new data needs for EPRA.

Accordingly, the *status quo* is **NOT A DESIRABLE OPTION.**

4.2. Option 2: Passing the Regulations

- iii. Ministry of Energy and Petroleum;
- iv. The National Treasury;
- v. Office of the Attorney General & Department of Justice;
- vi. Kenya Law Reform Commission (KLRC) ;
- vii. Kenya Ports Authority (KPA);
- viii. Kenya Revenue Authority (KRA);
- ix. National Oil Corporation of Kenya (NOCK);
- x. Kenya Pipeline Company Limited (KPC);
- xi. Kenya Petroleum Refineries Limited (KPRL);
- xii. Oil Marketing Companies (OMCs);
- xiii. Petroleum Institute of East Africa (PIEA);
- xiv. Oil Marketers Association of Kenya (OMAK);
- xv. Kenya Independent Petroleum Dealers Association (KIPEDA);
- xvi. Kenya National Petroleum Dealers Association (KENAPEDE);
- xvii. Kenya Independent Petroleum Dealers Association (KIPEDA));
- xviii. Kenya Independent Petroleum Distributors Association (KIPEDA);
- xix. Kenya Transport Association (KTA);
- xx. East Africa Petroleum Transporters Association (EAPTA);
- xxi. Kenya Association of Manufacturers (KAM);
- xxii. Consumer Grassroots Networks (CGN);
- xxiii. Consumer Federation of Kenya (COFEK); and
- xxiv. Kenya Private Sector Alliance (KEPSA).

Stratification of identified stakeholders according to their needs are as listed in Table 1.

Table 1: Stakeholder stratification and needs

10	COFEK/CGN	Civil society/ consumer protection	Affordable petroleum prices	Lobby group for consumers	Invite them during public stakeholders' consultative forums
11	OMCs	Industry players	Cost reflective pricing regime; profitable margins	Active players in the industry's supply chain	To be invited in the stakeholder forums
12	KRA	Government	Ease of tax collection and increased Government revenues	Government agency for revenue collection	Exploratory meeting and to be invited in the stakeholder forums
13	KPA	Government	Coherent and harmonious petroleum industry operations	Government active in the facilitation of scheduling and berthing of petroleum marine vessels	Exploratory meeting and to be invited in the stakeholder forums
14	KAM	Industry Player	Affordable petroleum prices	Lobby group for the processing and manufacturing industry	To be invited in the stakeholder forums
15	KEPSA	Industry Player	Affordable petroleum prices; predictable Government policies and legislative framework; Investor friendly policies	Lobby group for the private sector	To be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders on the key recommendations prior to approval by the Board. These comments were discussed extensively in subsequent Technical Committee (TC) meetings.

Within the forty (40) days after the draft regulations were published in the Kenya Gazette on 31st December 2020, EPRA held a public stakeholder workshop at various locations in the country namely: Nairobi, Mombasa, Kisumu, Nanyuki, Nakuru and Eldoret. The comments that were received from the public both in written and verbal

4	Enforcement of the provisions of the Regulations	EPRA	100%	Routine	KShs. 1 m
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It is proposed that the above will be monitored monthly and annually to ensure continued compliance. A detailed review will be undertaken in five (5) years to ensure continued relevance of the regulations to the industry needs.

8. Conclusions

The Authority considered all the alternatives and noted that the draft *Petroleum (Information and Statistics) Regulations, 2025* have distinct advantages and hence recommends the passing and operationalization of these Regulations.

EXPLANATORY MEMORANDUM

THE PETROLEUM (INFORMATION AND STATISTICS) REGULATIONS, 2025

- (ii) Enhancing security of supply of petroleum products by making available information to the Government for planning;
- (iii) Expanding the requirement to provide information and statistics by all players in the supply chain;
- (iv) Enhancing visibility on country-wide operational stocks by increasing reporting frequency of stocks;
- (v) Imposing a requirement on incident reporting for all petroleum business licensees.
- (vi) Collation of LPG data and monitoring cylinder management in the country.
- (vii) Amendment to comply with the Petroleum Act (Cap. 314).
- (viii) Operationalization of Section 101(u) of the Petroleum Act No. 2 of 2019 that requires the Authority to prescribe the manner of reporting petroleum data and information to the Authority.
- (ix) Revision of the existing regulations on reporting of petroleum data and statistics (L.N. 6/2014) in compliance with the Statutory Instrument Act No. 23 of 2013.

3. Policy Background

3.1. What is being done and why

EPRA is established under Section 9 of Cap 308 with a mandate, to among others, to provide information and statistics to the Cabinet Secretary as the Cabinet Secretary may from time to time require. Further, Section Section 101(u) of the Petroleum Act No. 2 of 2019 requires the Authority to prescribe the manner of reporting petroleum data and information to the Authority.

Currently, there exists L.N. 6/2014 on requirement and manner for the submission Petroleum information and statistics. However, Statutory Instruments Act 2013 require that a regulatory instrument should be reviewed every 10 years. Hence, these new regulations provide a review of the old regulations.

- xiv. Oil Marketers Association of Kenya (OMAK);
- xv. Kenya Independent Petroleum Dealers Association (KIPEDA);
- xvi. Kenya National Petroleum Dealers Association (KENAPEDE);
- xvii. Kenya Independent Petroleum Dealers Association (KIPEDA));
- xviii. Kenya Independent Petroleum Distributors Association (KIPEDA);
- xix. Kenya Transport Association (KTA);
- xx. East Africa Petroleum Transporters Association (EAPTA);
- xxi. Kenya Association of Manufacturers (KAM);
- xxii. Consumer Grassroots Networks (CGN);
- xxiii. Consumer Federation of Kenya (COFEK); and
- xxiv. Kenya Private Sector Alliance (KEPSA).

Stratification of identified stakeholders according to their needs are as listed in Table 1.

Table 1: Stakeholder stratification and needs

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
1	PIEA/OMAK/KENAPEDE/KIPEDA	Petroleum lobby group	Cost reflective pricing regime; profitable margins	Lobby group for the petroleum industry	Exploratory meeting and to be invited in the stakeholder forums
2	KPC	Industry player	Cost reflective pricing regime; profitable tariffs	Government agency for primary storage and transport	Exploratory meeting and to be invited in the stakeholder forums
3	KPRL	Industry player	Cost reflective pricing regime; profitable tariffs	Government agency for primary storage and refining	Exploratory meeting and to be invited in the stakeholder forums
4	NOCK	Industry Player	Cost reflective pricing regime; profitable tariffs; security of supply	Government agency for downstream operations	Exploratory meeting and to be invited in the stakeholder forums
5	KTA	Industry player	Cost reflective pricing regime; profitable transport rates;	Lobby group for road transporters and tanker owners	Exploratory meeting and to be invited in the stakeholder forums

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
14	KAM	Industry Player	Affordable petroleum prices	Lobby group for the processing and manufacturing industry	To be invited in the stakeholder forums
15	KEPSA	Industry Player	Affordable petroleum prices; predictable Government policies and legislative framework; Investor friendly policies	Lobby group for the private sector	To be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders for alignment before publication for general comments from the public. The draft Regulations were published on 31st December 2020 and within Forty (40) days, EPRA held public stakeholder workshops in Nairobi, Mombasa, Kisumu, Nanyuki, Nakuru and Eldoret. Comments that were received from the public both in written and verbal form were reviewed and incorporated into the final draft Regulations.

4.2. Cost – Benefit Analysis (CBA)

The benefits of the Regulations are as listed in Table 2.

Table 2: Cost-benefit analysis

	Aspect	Result	Effect	Impact	Management
1.	Enhanced data reporting framework	Enhanced compliance and efficient planning	Positive	Enhanced compliance; efficient planning	Monitoring
2	Inclusion of LPG cylinders as reportable item	Transparency of LPG business	Positive	Enhanced compliance.	Monitoring

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipated negative impacts on fundamental rights and freedoms that would be unduly effected by the passing of the proposed regulations. The regulations will provide critical input parameters for the calculation of petroleum pump price in a more transparent manner and which information is relevant to the consumers as envisaged under the Constitution.

6.4. Statement on Regulatory and Non-Regulatory Options

1. Option 1: Maintaining the Status Quo

Maintaining the *status quo* is not a feasible option as it would not allow for improvements to be made to the current Regulations, namely

- i. Enhancement of transparency in the importation of petroleum products;
- ii. Recognising the role of the Supply Coordination Committee in enhancing petroleum importation planning as well as efficiency; and
- iii. Providing an option for importation of petroleum through a Government to Government arrangement.

This therefore NOT PREFERRED OPTION.

2. Option 2: Passing the Regulations

Passing the proposed Regulations will align the reporting of data to the *Petroleum Act 2019* and in increase transparency and efficiency. Further, the Regulations will provide a stable business operating environment thereby attracting and retaining investors.

This is the **PREFERED OPTION** since it addresses the requirements listed in the *Petroleum Act 2019* as addresses current and future goals of the petroleum sector.

3. Option 3: Other practical options

The following alternative options were considered:

3.1 Alternatives to regulation

needs of the stakeholders, a review is proposed every 3 years. Table 3 below shows the time for these and other interventions.

Table 3: Monitoring and Evaluation Framework

	Activity	Action Party	Key Performance Indicator	Time	Resources per annum
1	Data submission	Licensees	100% compliance	Routine	KShs. 0.3 m
2	Licensee sensitisation campaigns	EPRA, Licensees	2 per annum	Annual	KShs. 1 m
3	Information and statistics dissemination	EPRA, Petroleum Industry, Consumers	Annual	Annual	KShs. 2 m
4	Enforcement of the provisions of the Regulations	EPRA	100%	Routine	KShs. 1 m

5. Contact

The name of the Director General of EPRA appearing below can answer questions in relation to the Regulations

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REGULATORY IMPACT STATEMENT (RIS)

**THE PROPOSED PETROLEUM (PRODUCTS QUALITY MANAGEMENT)
REGULATIONS, 2025**

MARCH, 2025

- iv. Improve regulation of product quality within the petroleum sector through streamlined oversight and better management.
- v. Full implementation of these regulations will aid to advance the pillars of the National Government's Big Four Agenda i.e. food security, manufacturing, universal healthcare, and affordable housing through the availability of quality, and reliable energy.

3.2. Effect on the private sector

Implementation of these regulations will provide greater control for the management of petroleum product quality, hence reduced complaints from consumers. In particular, there will be:

- i. Enhanced product quality and ease of doing business.
- ii. Regular supply of products for sustainable business planning with consistent product quality, and development of reliable and stable markets.
- iii. a regular supply of products for sustainable business planning with consistent product quality and development of reliable and stable export markets.

The Regulations will ensure protection of the interests of both the consumers and investors as stipulated in the Cap. 308 and Cap. 314.

3.3. Effect on fundamental rights and freedoms

The Bill of Rights enumerates the fundamental rights and freedoms accorded to every Kenyan. There are however no anticipatable negative impacts on fundamental rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will provide parameters detailing management of petroleum products quality hence protection of consumers as envisaged under the Constitution.

4. Statement on Regulatory and Non-Regulatory Options

4.1. Option 1: Maintaining the Status Quo

Status quo would mean the existing Regulations remain as outlined in the *LN 64/2000* which have been in place for the 21 years. However, the Statutory Instruments Act of 2013 require that Regulations should be reviewed from time to time and should not exist for more than 10 years without a review since the regulated environment is dynamic. Further, there would be inconsistency with Cap. 314.

4.3.2. Alternative models of regulation

- (i) **Self-regulation:** Self-regulation is a mechanism that can be used within a regulatory framework as an alternative to statutory regulation, to achieve a particular outcome through a change in behavior. It typically involves industry and/or professionals developing voluntary agreements or standards, pledges, codes of practice, certification and accreditation schemes, to regulate behavior or standards to achieve a particular outcome. Self-regulation provides an alternative to statutory regulation. It can be a more agile form of regulation in that it can be put in place faster, can be more flexible and adaptable to introduce and update, and requires a commitment from those involved.

- (ii) **Co-regulation:** Co-regulation is an intermediate step between state-imposed and self-regulation that involves some degree of explicit MoPM/EPRA involvement where the petroleum sector may work with the MoPM/EPRA to develop a code of practice and enforcement would be by the OMCs or petroleum sector players or a professional organization and accredited by the Government.

On their own, the non-regulatory options would be less effective, not enforceable or result in an increased cost to Government (particularly costs associated with more intensive monitoring of compliance with the Act).

This is NOT A PREFERRED option as weighed in the context of the need to operationalize objectives of Cap. 314.

5. Stakeholder Consultations

5.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy Regulatory Commission
- iii. Ministry of Energy and Petroleum
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards
- vii. The Department of Occupational Safety and Health Services

	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
3	Kenya Petroleum Refineries Limited (KPRL)	Industry player			Exploratory meeting and to be invited in the stakeholder forums
4	Kenya Transporters Association	Industry player			Exploratory meeting and to be invited in the stakeholder forums
5	East Africa Transporters Association	Industry Player			To be invited in the stakeholder forums
6	Office of the Attorney General	Government			Co-opted in the review exercise
7	County Governments/ Council of Governors	Devolved Government Units			Exploratory meeting and to be invited in the stakeholder forums
8	Kenya Law Reform Commission	Government			Co-opted in the review exercise
9	Consumer Federation of Kenya (COFEK)	Civil society/ consumer protection			Invite them during public stakeholders consultative forums
10	Institute of the Engineers of Kenya	Engineers/ expert group			To be invited in the stakeholder forums
11	Petroleum product importers, wholesalers and retailers	Industry players			To be invited in the stakeholder forums
12	Kenya Revenue Authority (KRA)	Government			Exploratory meeting and to be invited in the stakeholder forums
13	National Environmental Management Authority (NEMA)	Government			Exploratory meeting and to be invited in the stakeholder forums
14	Kenya Ports Authority (KPA)	Government			Exploratory meeting and to be invited in the stakeholder forums
15	Kenya Maritime Authority (KMA)	Government			To be invited in the stakeholder forums

Table 2: Cost-benefit analysis

	Aspect	Result	Effect	Impact	Management
1.	Providing for Aviation Fuels standards	Well managed quality of aviation fuels	Positive	Enhanced safety and industry confidence	Monitoring and enforcement
2.	Stipulating requirements for sample retention of imported petroleum products	Provide means of traceability of the quality of petroleum products	Positive	Robust quality management system	Monitoring and enforcement
3.	Requirement for marking of petroleum products	Provide means of identifying export product	Positive	Protection of government revenues	Monitoring and enforcement
4.	Providing for the procedures for reinstating closed sites	This will make the process transparent and effective	Positive	Will ensure integrity in the process	Monitoring and enforcement
5.	Publishing of non-compliant sites	Consumer education and awareness	Positive	Enhance compliance of petroleum quality management	Monitoring and enforcement
6.	Penalties have been made proportionate to the impact of the offence	Equitable fines and high levels of compliance level	Positive	<ul style="list-style-type: none"> • Enhance compliance of petroleum quality management • Reduced cases of diversion and adulteration 	Monitoring and enforcement

7. Monitoring and Review

The identified key success criteria for the new petroleum Products Quality Management regulations are listed in Table 3 below.

Table 3: Action plan and key performance indicator (KPIs)

EXPLANATORY MEMORANDUM

THE PETROLEUM (PRODUCTS QUALITY MANAGEMENT) REGULATIONS, 2025

- v. Operationalization of Section 101(t) of the Petroleum Act No. 2 of 2019 that requires development of Regulations for the marking of fuels;
- vi. Prescribing penalties for non-compliance.

3. Policy Background

3.1. What is being done and why

Historically there have not been any existing regulations covering petroleum product quality, save for a requirement under *LN 64/2000* on marking of petroleum products. The changes seek to incorporate the provisions of *LN 64/2000* and propose draft regulations to reinforce the provisions of the *Petroleum Act 2019*.

3.2. Consolidation

The Petroleum (Products Quality Management) Regulations, 2024, seek to ensure consistency with the Petroleum Act No. 2 of 2019. Further, the Regulations seek to ensure that the needs of various stakeholders which have been brought to the attention of EPRA in the course of implementation of *LN 64/2000*, are considered.

4. Consultation outcome

4.1. Stakeholder Mapping and Stratification

The following were identified as the key action plan partners or sponsors:

- i. County Governments through the Council of Governors
- ii. Energy and Petroleum Regulatory Authority (EPRA)
- iii. Ministry of Energy and Petroleum (MoEP)
- iv. The National Treasury
- v. State Law Office.
- vi. The Kenya Bureau of Standards (KEBS)
- vii. The Directorate of Occupational Safety and Health Services (DOSHS)
- viii. National Environment Management Authority (NEMA)

No.	Stakeholder name/ group	Stakeholder type	Needs/ Concerns	Desired role	Engagement strategy
2	Kenya Pipeline Company (KPC)	Government	<ul style="list-style-type: none"> Product Sampling and testing procedures Enforcement on the requirement to mark petroleum products Product quality in relation to managing slopes 	Licensee, Storage and Pipeline Logistics operator.	Exploratory meeting and to be invited in the stakeholder forums
3	Kenya Transporters Association	Petroleum lobby group	<ul style="list-style-type: none"> Requirement for Marking of petroleum Products transported via Road tankers 	Investor representation	Exploratory meeting and to be invited in the stakeholder forums
4	East Africa Transporters Association	Petroleum lobby group	<ul style="list-style-type: none"> Requirement for Marking of petroleum Products transported via Road tankers 	Investor representation	To be invited in the stakeholder forums
5	Office of the Attorney General	Government	Consistency with the constitution and other statutes	Oversight role	Co-opted in the review exercise
6	County Governments/ Council of Governors	Devolved Government Units	Quality product supplied to consumers	Administrative roles	Exploratory meeting and to be invited in the stakeholder forums

EPRA shared the draft regulations with key stakeholders for alignment before publication for general comments from the public. The draft Regulations were published on 31st December 2020 and within Forty (40) days, EPRA held public stakeholder workshops in Nairobi, Mombasa, Kisumu, Nanyuki, Nakuru and Eldoret. Comments that were received from the public both in written and verbal form were reviewed and incorporated into the final draft Regulations.

4.2. Cost – Benefit Analysis (CBA)

The benefits of the Regulations are as listed in Table 2.

Table 2: Cost-benefit analysis

	Aspect	Result	Effect	Impact	Management
1.	Providing for Aviation Fuels standards	Well managed quality of aviation fuels	Positive	Enhanced safety and industry confidence	Monitoring and enforcement
2.	Stipulating requirements for sample retention of imported petroleum products	Provide means of traceability of the quality of petroleum products	Positive	Robust quality management system	Monitoring and enforcement
3.	Requirement for marking of petroleum products	Provide means of identifying export product	Positive	Protection of government revenues	Monitoring and enforcement
4.	Providing for the procedures for reinstating closed sites	This will make the process transparent and effective	Positive	Will ensure integrity in the process	Monitoring and enforcement
5.	Publishing of non-compliant sites	Consumer education and awareness	Positive	Enhance compliance with petroleum quality management	Monitoring and enforcement
6.	Penalties have been made proportionate to the impact of the offence	Equitable fines and high levels of compliance level	Positive	<ul style="list-style-type: none"> • Enhance compliance with petroleum quality management • Reduced cases of diversion 	Monitoring and enforcement

rights and freedoms that would be unduly affected by the passing of the proposed regulations. The regulations will provide parameters detailing the management of petroleum products quality hence protection of consumers as envisaged under the Constitution.

5.4. Statement on Regulatory and Non-Regulatory Options

1. Option 1: Maintaining the Status Quo

Maintaining the *status quo* is not a feasible option as it would not allow for improvements to be made to the current Regulations, namely:

- i. Enhanced compliance with national and international product quality standards will guarantee better prices leading to increased incomes and improved livelihood to industry players.
- ii. Improved regulation of non-compliant sites and non-compliant tankers.
- iii. Better management through defined sampling and testing procedures.
- iv. Improved regulation of product quality within the petroleum sector through streamlined oversight and better management.
- v. Full implementation of these regulations will aid to advance the pillars of the National Government's Big Four Agenda i.e. food security, manufacturing, universal healthcare, and affordable housing through the availability of quality, and reliable energy.

This therefore NOT PREFERRED OPTION.

2. Option 2: Passing the Regulations

Passing the proposed Regulations will align the existing regulations with the *Petroleum Act 2019*. These regulations provide clarity and expound on the quality management of petroleum products.

This is the **PREFERRED OPTION** since it addresses the requirements listed in the *Petroleum Act 2019* as addresses current and future goals of the petroleum sector.

3. Option 3: Other practical options

The following alternative options were considered:

This is **NOT A PREFERRED** option as weighed in the context of the need to operationalize objectives of the Petroleum Act 2019.

2. Monitoring and review

The Regulations and the business fundamentals are likely to change over the period of implementation. To ensure that the Regulations continue to meet the needs of the stakeholders, a review is proposed every 3 years. Table 3 below shows the time for these and other interventions.

Table 3: Monitoring and Evaluation Framework

	Activity	Action Party	Time	Resources
1	Operation of the Petroleum Products Quality Management Committee	EPRA, petroleum Industry	Routine	KShs. 300,000 per annum
2	Operation of the Petroleum Product National Sample Retention Centre	EPRA	Routine	KSh. 5 m per annum
3	OMC sensitisation campaigns	EPRA, Consumers	Annual	KShs. 1 m
4	Stakeholder Consultations	EPRA, Petroleum Industry, Consumers	Once every 3 years	KShs. 10 m
5	Enforcement of the provisions of the Regulations	EPRA	Routine	KShs. 5 m per annum

3. Contact

The name of the Director General of EPRA appearing below can answer questions in relation to the Regulations

Name: Daniel Kiptoo Bargoria, MBS, OGW

Agency: Energy and Petroleum Regulatory Authority

Tel: +254 020 2847000/ +254 734 41433

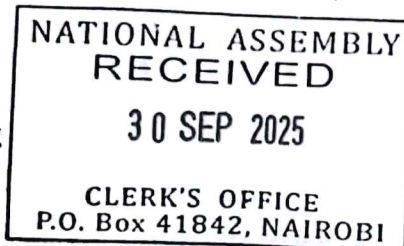
email: Daniel.Kiptoo@epra.go.ke



INDEPENDENT GAS DEALERS ASSOCIATION OF KENYA

30th September 2025

The Clerk
The National Assembly
Office of the Clerk
Main Parliament Building
Nairobi



(11) ESTHER
please def
FAA
01/10/25
(1) OAGAC
&
11/01/25

Dear Sir,

RE: Submission on the Petroleum (Liquefied Petroleum Gas) Regulations, 2025 - LN 101 .

We, the undersigned officials and members of the *Independent Gas Dealers Association of Kenya (IGDAK)*, write to formally submit our considered views on the Petroleum (Liquefied Petroleum Gas) Regulations, 2025 ("the Regulations"), as published.

As stakeholders deeply embedded in Kenya's LPG distribution, retail, and wholesale chain, spanning both rural and urban settings, we applaud the regulator's continued efforts to enhance safety, consumer protection, and market integrity within the LPG sector. However, we are compelled to raise concern that several provisions of the 2025 Regulations, if enacted in their current form, pose significant risks to the sustainability of the industry, the principle of fair market access, and the national goal of expanding LPG access for clean cooking and household energy.

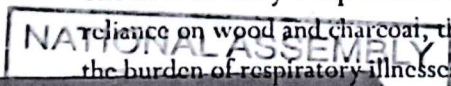
Background: Market Snapshot and Public Interest

Over the past decade, Kenya's Liquefied Petroleum Gas (LPG) sector has emerged as a critical pillar of the country's clean energy transition and public health agenda. National LPG demand has seen a remarkable surge, rising by 8% in 2023 alone to reach over 360,000 metric tonnes, a nearly fourfold increase from just 93,600 metric tonnes in 2013. This growth trajectory underscores the increasing adoption of LPG as a preferred energy source for households, small businesses, and institutions.

Today, Kenya's per capita LPG consumption stands at approximately 7 kilograms per person annually, reflecting an unprecedented uptake compared to historical figures. This growth has been powered not only by policy support but also by the agility and resilience of over 1,400 independent LPG dealers, the vast majority of whom are Kenyan-owned and operated. These enterprises, distinct from multinational oil marketing companies, form the backbone of Kenya's LPG retail and distribution ecosystem.

Of particular note is the crucial role of women-led LPG retail outlets, which account for more than 65% of household LPG supply points, particularly in peri-urban and low-income areas. These women-owned businesses have enabled last-mile access to clean cooking solutions, thereby advancing Kenya's gender equity, poverty reduction, and environmental protection goals.

The LPG industry's expansion has delivered immense public interest benefits. It has reduced household reliance on wood and charcoal, thereby lowering indoor air pollution, mitigating health risks, and easing the burden of respiratory illnesses, especially for women and children. Moreover, the shift from biomass



Independentgasdealers@gmail.com

- Uninterrupted internet access with sufficient bandwidth.

Such costs would render continued operation untenable for the vast majority of refillers, many of whom are sole proprietors or small family-owned businesses serving peri-urban and rural communities.

2. Cybersecurity and Data Privacy Risks

The live access requirement to private surveillance footage raises significant data security and privacy concerns:

- There is no framework in the regulations specifying who controls, stores, or audits the footage.
- The absence of safeguards raises the risk of misuse, surveillance overreach, and commercial espionage, especially since most operators are not equipped to vet the security of transmission lines.

In an era where data protection is paramount, the blanket mandate for real-time CCTV feeds to government servers must be proportionate, transparent, and legally justified, particularly where it affects privately-owned commercial spaces.

3. Regulatory Duplication and Overreach

Operators are already subject to existing and overlapping obligations under:

- The Occupational Safety and Health Act, 2007,
- The Fire Risk Reduction Rules, and
- Periodic compliance inspections by EPRA and county governments.

These regulatory frameworks already ensure that filling areas meet structural, operational, and safety requirements. Mandating CCTV surveillance, especially in real-time, is duplicative, imposes unnecessary compliance costs, and contradicts the principle of least restrictive regulation.

4. Internet Connectivity Limitations

A significant number of refillers operate in areas with limited or unreliable internet connectivity, including many parts of Nakuru, Kisii, Kakamega, Meru, and Machakos counties. Requiring continuous video streaming:

- Introduces technical failure risks that could unfairly be interpreted as compliance breaches,
- Potentially leads to unwarranted penalties or licence non-renewals based on circumstances outside the operator's control.

5. International Best Practice

Globally, CCTV surveillance mandates in the LPG sector are:

- Typically applied only to high-risk, high-volume operations such as import terminals and primary depots.

We therefore urge the Ministry and EPRA to:

- Revert the cylinder ownership threshold under Regulation 38 to 5,000 cylinders, in line with the 2019 Regulations and established precedent.
- Remove or substantially reduce the 70,000 cylinder requirement under Regulation 58, especially where operators can demonstrate compliance with other safety, logistical, and capacity indicators.
- Introduce a phased or tiered compliance pathway that reflects an operator's scale, coverage, and risk profile, allowing micro and small-scale dealers to continue participating in the LPG economy.
- Undertake a Regulatory Impact Assessment (RIA) before any implementation of steep structural changes of this nature.

Failure to address these concerns will lead to mass exit of legitimate SMEs from the sector, a contraction of LPG accessibility for consumers, and a chilling effect on investment in the domestic energy distribution space.

C. Restrictive Refilling Rights and Disproportionate Penalties (Regulations 46(1)(a), 60(1), and Section 124 of the Act)

The current draft of the Petroleum (Liquefied Petroleum Gas) Regulations, 2025, significantly disrupts the operational foundation of Kenya's LPG sector by introducing an overly restrictive refilling regime. Specifically:

- Regulation 46(1)(a) criminalizes the refilling of LPG cylinders by any person or entity other than the brand owner, unless prior written consent has been obtained from the brand owner and submitted to the Authority.
- Regulation 60(1) reinforces this prohibition by making it an offence for any person to fill liquefied petroleum gas into cylinders unless they are the brand owner or have obtained prior written consent from such owner.
- These restrictions are then enforceable by the general penalty under Section 124 of the Petroleum Act, 2019, which prescribes a fine of not less than KES 5 million, even where no specific penalty is stipulated in the regulations.

This framework undermines the well-established consumer ownership model and threatens to criminalize legitimate, long-standing practices that have underpinned Kenya's LPG market for over a decade.

1. Suppression of the Consumer Ownership Principle

The cylinder exchange model that has facilitated the exponential growth of LPG adoption in Kenya is premised on consumer ownership. Consumers purchase LPG cylinders at full price, with the understanding that the cylinder becomes their property. This enables them to:

- Refill at any legitimate retail or wholesale point, regardless of the original brand.
- Exchange their empty cylinder for a filled one across multiple brands and supply chains.

Act, which currently imposes a minimum fine of KES 5 million for unspecified contraventions.

This penalty is:

1. Incompatible with the prevailing exchange model;
2. Punitive to compliant operators, who may lawfully refill a consumer-owned cylinder that meets KEBS standards;
3. Unjustified, since both the cylinder and the facility are already subject to mandatory licensing, inspection, and safety standards.

If the cylinders are no longer the property of brand owners, and both the cylinder and the refilling facility are duly registered, licensed, and meet all applicable safety standards, then no violation arises from their refilling. Retaining such a penalty criminalises legitimate business operations, threatens livelihoods, and introduces unwarranted legal risk across the industry.

We therefore call upon the Authority to delete Regulation 60(1) in its entirety, and to disapply the general penalty under Section 124 in any context involving safe, compliant LPG refilling by licensed entities.

D. Cylinder Ownership and the Legal Fiction of ‘Deposit’

(Regulation 46(a), Regulation 60(1), and the Definition of “Cylinder Deposit”)

The Regulations introduce a significant departure from the long-standing customs and market practice of the Kenyan LPG sector by affirming a “cylinder deposit” model, defined as “an amount paid by a consumer to a brand owner at the time of first acquisition of a cylinder and which is refundable upon return of the cylinder.” On its face, this framing implies that brand owners retain perpetual ownership of LPG cylinders and that consumers merely hold them on a refundable basis.

However, this construct is not only inconsistent with decades of settled market practice in Kenya, but also unworkable in both commercial and legal terms.

a) Prevailing Market Practice: Ownership, Not Rental

Under the prevailing LPG distribution model, consumers pay the full commercial price for cylinders — typically between KES 2,000 to 4,000 per unit, with no expectation of refund. This transaction is treated, both practically and contractually, as a transfer of ownership, not a lease or bailment. Once purchased, the cylinder becomes the consumer’s property, and the consumer is thereafter entitled to refill or exchange it freely through any compliant operator, irrespective of brand.

This practice is not informal or exceptional. It is the foundation upon which the LPG sector has expanded to over 360,000 MT per year in national consumption, supported by more than 1,400 independent refillers, wholesalers, and retailers, and underpinned by mixed-brand exchange systems that ensure access and supply across all regions of the country.

Framing these cylinders as brand-owned “deposits” therefore contradicts not only consumer expectations, but also the economic structure of the sector itself.

In light of the foregoing, we respectfully urge the Parliament of Kenya and the Energy and Petroleum Regulatory Authority to reconsider the affected provisions of the Petroleum (Liquefied Petroleum Gas) Regulations, 2025, with a view to aligning them with the economic realities, market customs, and public interest imperatives of the LPG sector in Kenya. While we support the overarching goals of safety, standardization, and accountability, these objectives must be pursued through a framework that preserves competition, protects livelihoods, and reflects the operational models that have enabled the sector to thrive.

We remain committed to constructive dialogue and welcome the opportunity to engage further with the Authority to ensure that the final regulatory framework safeguards the gains made in LPG adoption, supports independent operators, and delivers clean cooking access for all Kenyans.

Yours faithfully,



Independent Gas Dealers Association of Kenya (IGDAK)

Cc

Chairman

Committee on Delegated Legislation



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When replying, please quote

REF: NA/DAA&GPC/CDL/2025/ (073)

6th October, 2025

Mr. Mohamed Liban, CBS
Principal Secretary
State Department for Petroleum
Ministry of Energy and Petroleum
NAIROBI

Dear *M. Liban*

RE: REGULATIONS PUBLISHED UNDER THE PETROLEUM ACT, (CAP 308)

Reference is made to your letter Ref: MOEP/P/CONF/1/3 dated 12th June, 2025, forwarding the above-captioned Regulations to the National Assembly. These Regulations, published as *Legal Notices No. 95, 96, 97, 98, 99, 100, 101, 102, 103, and 104* were tabled and subsequently referred to the Committee on Delegated Legislation for consideration pursuant to Section 12(1) of the Statutory Instruments Act (*Cap 2A*).

The Committee is scheduled to scrutinize the Regulations on **Tuesday, 14th October, 2025** in **Committee Room 21, 5th Floor, Bunge Tower, Parliament Buildings at 10.00 a.m.**

The purpose of this letter is to request you to inform the Cabinet Secretary to attend the meeting and brief the Committee on the said Statutory Instruments.

You are requested to avail twenty-five (25) hard copies of the Statutory Instruments, the relevant Acts, the Explanatory Memorandum and where applicable, the Regulatory Impact Statement during the meeting.

The officers facilitating this meeting are **Ms. Lucy Kimathi, Principal Clerk Assistant 1**, who may be contacted on **Tel. No. 0722 355 375** and **Ms. Esther Nginyo, Senior Clerk Assistant**, who may be contacted on **Tel. No. 0722 262 228** or email address: esther.nginyo@parliament.go.ke.

Yours

Jeremiah Ndombi, MBS
For: Clerk of the National Assembly



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When replying, please quote
REF: NA/DAA&GPC/CDL/2025/ (071)

3rd October, 2025

Mr. Mohamed Liban, CBS
Principal Secretary
State Department for Petroleum
Ministry of Energy and Petroleum
NAIROBI

Dear **Mr. Liban**

RE: REGULATIONS PUBLISHED UNDER THE PETROLEUM ACT, (CAP 308)

Reference is made to your letter Ref: **MOEP/P/CONF/1/3** dated 12th June, 2025, forwarding the above-captioned Regulations to the National Assembly. These Regulations, Published as *Legal Notices No. 95, 96, 97, 98, 99, 100, 101, 102, 103, and 104* were subsequently referred to the Committee on Delegated Legislation for consideration pursuant to Section 12(1) of the Statutory Instruments Act (*Cap 2A*).

The Committee is scheduled to scrutinize the Regulations on **Thursday, 9th October, 2025** in **Committee Room 21, 5th Floor, Bunge Tower, Parliament Buildings at 10.00 a.m.**

The purpose of this letter is to request you to inform the Cabinet Secretary to attend the meeting and brief the Committee on the said Statutory Instruments.

You are requested to avail twenty-five (25) hard copies of the Statutory Instruments, the relevant Acts, the Explanatory Memorandum and where applicable, the Regulatory Impact Statement during the meeting.

The officers facilitating this meeting are **Ms. Lucy Kimathi**, who may be contacted on **Tel. No. 0722 355 375** and **Ms. Esther Nginyo**, who may be contacted on **Tel. No. 0722 262 228** or email address: esther.nginyo@parliament.go.ke.

Yours

JEREMIAH NDOMBI, MBS
FOR: CLERK OF THE NATIONAL ASSEMBLY