



PETROLEUM LICENSING PROCESSES

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Presenter :

Zanel Chauke
192 Visagie Street
Pretoria, 0001
Tel: 012 406 7836

Email: Zanel.Chauke@dmre.gov.za

Website: www.dmre.gov.za



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PRESENTATION OVERVIEW

- Types Of Petroleum Licensing Applications
- Process Of Lodging Of Applications
- Licensing Objectives
- Economic Transformation For Petroleum Industry
- Licence Conditions
- Challenges
- Regional Contact Details



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TYPE OF PETROLEUM LICENSING APPLICATIONS

- Manufacturing
- Wholesale
- Site & Retail
 - Change of Hands
 - Temporary
 - Amendments
 - Extensions
 - Withdrawals
 - Site Transfer



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Mandatory Requirements

- Application form (DMRE, 39, 38, 40, 47)
- Motivation
- Business registration documents, in cases of individuals it should be Identity Documents.
- NPV with all the assumptions to check the viability of the business.
- A HDSA declaration indicating the percentage
- A declaration that they are not owned by a Wholesaler
- Land Use Zoning Certificate
- The record of decision of the environmental authorities
- Title deed or permission to occupy
- List of storage facilities
- If any of the above is not submitted, the Applicant has to submit a declaration stating reasons why.

Additional Information

- Share certificates, Share register, Shareholders agreement, ID copies, MOI
- Business Plan
- Proof of Funds / Loan Agreement
- Franchise Agreement
- Traffic count study
- PPA declaration
- Pumped volumes(previous 2 years)
- Sales agreement between the outgoing retailer and applicant
- Surrender declaration by outgoing retailer/eviction order/death certificate and letter of executorship
- Copy of retail license certificate
- Tax Compliance Status (SARS)
- B-BBEE Certificate
- Table of Employees
- Procurement spending plan
- Proof of address
- Publications (2 Newspapers – English and another language)

TEMPORARY LICENCE APPLICATION

- Copy of the original licence certificate
- Declaration from the applicant who is currently holding the retail licence
 - give reasons why there is a need for temporary licence;
 - reasons why the applicant for a temporary licence is an appropriate person to apply;
- PPA declaration
- A declaration that they are not owned by a Wholesaler
- **Deed of Sale or Sale Agreement/Eviction order/Death Certificate**
- **Proof of hardship** (which can be in the form of a motivation or death certificate).
- Letter of Appointment from the Oil Company.

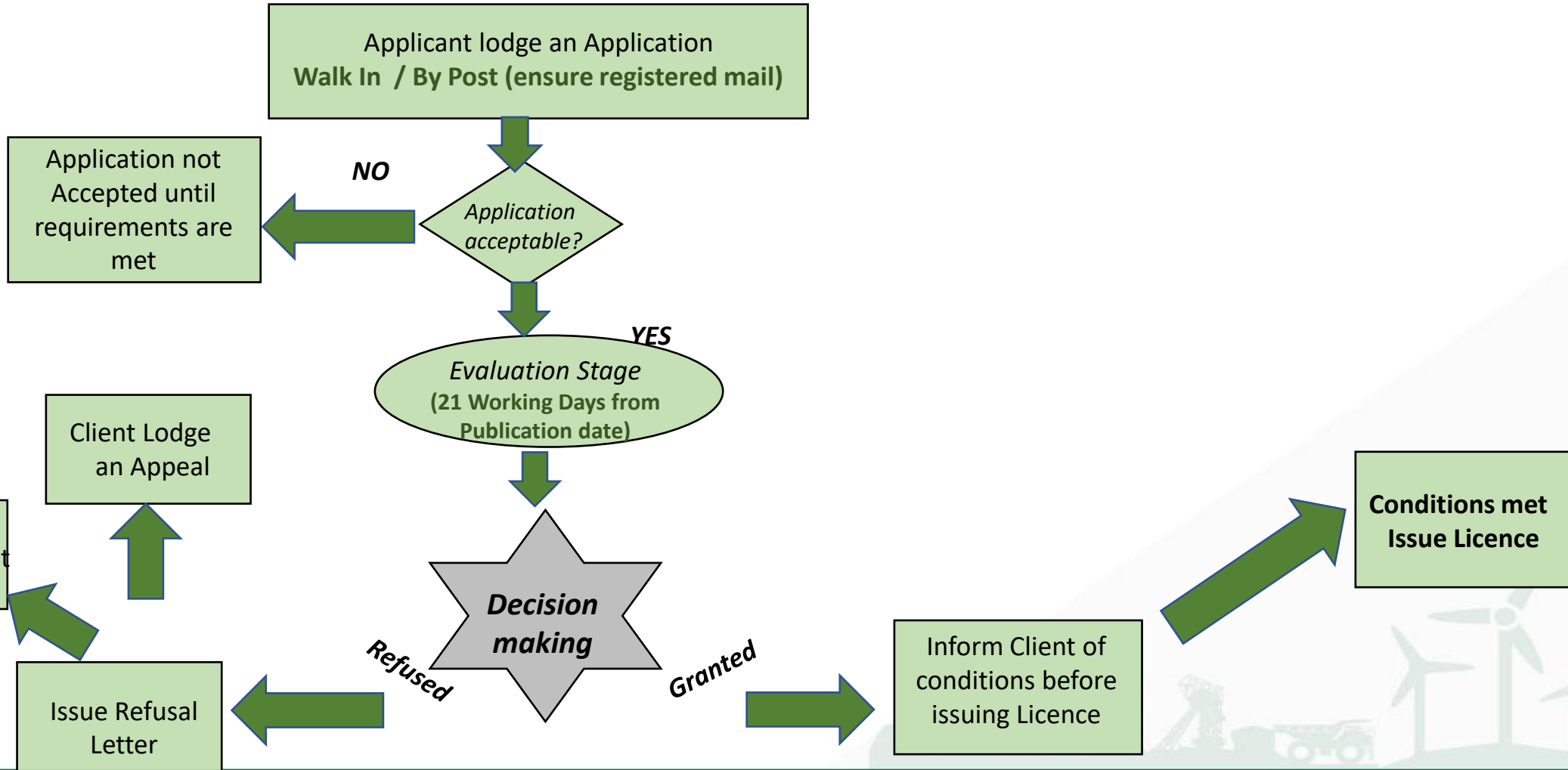


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PROCESS OF LODGING OF APPLICATIONS



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SECTION 2B: LICENSING OBJECTIVES

In considering the issuing of any licences, the Controller shall give effect to the provisions of section 2C and the following objectives-



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Promoting an efficient manufacturing, wholesaling and retailing petroleum industry.

- Location
 - Permission to Occupy the land/Title Deed(Private or Public)
 - Approval from local or provincial authorities(Zoning Certificate, EIA and SANRAL)
 - Proof of publication(affected/interested parties)
- Market and value(what is it that you will do differently)
 - Motivation
 - Business plan
 - Site visit report



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Facilitating an environment conducive to efficient and commercially justifiable investment.

- Business viability

- Net present value calculation
- Initial Capital
- Traffic count study/feasibility study
- Pumped volumes



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The creation of employment opportunities and the development of small businesses in the petroleum sector.

- Employment equity(Petroleum sector and other sectors)
- Giving back to the community



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Ensuring countrywide availability of petroleum products at competitive prices.

- Franchise Agreement/Supply Agreement
- Competitor analysis



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Promoting access to affordable petroleum products by low-income consumers for household use.

- Products to be supplied/sold
 - Paraffin
 - LPG



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ECONOMIC TRANSFORMATION FOR PETROLEUM INDUSTRY (CHARTER/B-BBEE ELEMENTS)

Ownership – who owns what, what type of licence applied for and where the money goes (Economic interest, dividends)

Management Control – Who is more actively involved in the business. (voting rights)

Employment Equity – How many employees intended to be employed and how much are they earning.

Procurement – procurement of products excluding petroleum products e.g. uniforms, stationery, etc

N.B Skills Development- through Annual submissions where people must be trained and developed.



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Licence Conditions

- Licensed activity must remain a going concern
- Any licence issued remains the property of the Department
- **License is not transferable (Retail and wholesale)**
- Submit annual information
- Pay annual licence fee
- Inform the Controller in writing of any change of address/contact number within 30 days of the relevant change taking effect
- **Site and Retail licence must be prominently displayed at the place of business, where any person entering the site may read it**



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CHALLENGES

- Non -Compliance with the LFC charter and the PPAA
 - ✓ Contravention of section 2A (5) (a)
- ***None Compliance with License Conditions.***
- None Compliance with Regulation 24
- Termination / expiration of contract between Oil Companies/suppliers & Client which lead to Client refusing surrender of Licence
- Management agreement



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THANK YOU

QUESTIONS?
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COMMENTS



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