LICENCE

TO

CARRY OUT THE ACTIVITY OF AN IMPORTER (AND/OR WHOLESALER) OF PETROLEUM

Malta Resources Authority
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MALTA RESOURCES AUTHORITY

Licence to carry out the activity of an Importer (and/or Wholesaler) of Petroleum

Malta Resources Authority
Millennia Complex
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Marsa, LQA06
MALTA

Tel. : +356 2122 0619
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Email: enquiry@mra.org.mt
www.mra.org.mt

Licence Number:

Licence granted by the Malta Resources Authority under the Petroleum for the Inland Fuel Market Regulations, LN XXX of 2006 to import (including wholesale) Petroleum.

_____, holder of Identity Card Number _____, and residing at _____ (hereunder known as the Licence Holder) is being granted a licence, on behalf of _____ to:

1. Import and/or wholesale the fuel types listed:

Fuel Type

Licence is being granted under the attached conditions for the time span declared hereunder. However, the licence fee shall be payable annually as prescribed in article 11 of the aforesaid Regulations. The Authority reserves the right to amend, modify, replace add or delete the conditions of the licence as prescribed in article 22 of the aforesaid Regulations.

Any changes in the information submitted to the Authority in relation to the granting of the licence must be submitted to the Authority on payment of the annual fee or earlier.

Fees paid for this Licence: Lm

Licence Validity: XXXX 2006 to 31st December 2012

for Malta Resources Authority

STANDARD CONDITIONS OF LICENCE

1. Definitions

In the licence and for the purpose of these conditions (except in so far as the context otherwise requires) the definitions of the terms used in this licence are the same as those in the 'Petroleum for the Inland Fuel Market Regulations', (LN XXX of 2006).

2. LIMITATIONS, VARIATIONS AND AMENDMENTS

2.1 **Limitations**

Nothing in the licence or conditions attached thereto is in any way intended or deemed to absolve the licencee or any other person or persons from liability to observe, comply with or carry out any requirement or provision of any law or bye-law or other legal requirement for the time being in force.

2.2 **Variations and Amendments**

Any special condition, exemption or variation applicable to any specific case shall be read together with, and taken as, part of these conditions, unless otherwise specified. Any general or special condition may be amended or varied at the discretion of the Authority, giving where practicable due notice to the licencee.

3. GENERAL CONDITIONS

3.1 The licencee shall comply with the requirements of the Petroleum for the Inland Fuel Market Regulations, (LN XXX of 2006) and other applicable legislation/regulations in force at the time.

3.2 This licence authorises the licencee to import, acquire, possess, blend and handle petroleum products and, or biofuels and their sale in bulk to licenced retailers and excluding final customers.

3.3 The granting of the licence may be subject to additional special conditions attached to the licence.

3.4 The licencee and all persons employed by the licencee shall act in accordance with and observe the conditions attached to the licence.

3.5 The licence, including the granting form duly issued by the Authority and any special licence conditions issued shall be produced to an inspector upon demand.

3.6 Operations associated with this licence must comply with the guidelines issued from time to time by the Authority. The Authority reserves the right to amend, vary, add or remove conditions (including general and special) attached to this licence in terms of article 22 of the Petroleum for the Inland Fuel Market Regulations, (LN XXX of 2006) The licencee undertakes to accept directions in the form of letters intended to explain or amplify the conditions attached to this licence or otherwise improve the general conduct of activities regulated by this licence

3.7 The licencee must maintain a true set of financial accounts in accordance with guidelines that may be issued from time to time by the Authority.

3.8 The licencee must be registered with the Department of Customs as prescribed by the Excise Duty Act.

3.9 The licencee must provide assistance and facilitate the working of the Authorities in so far as the carrying out of their duties in accordance with legislation and relevant to the licence concerned.

Fuel Quality

3.10 No licencee can give or lend or transfer for the purpose of sale in the inland fuel market petroleum products and, or biofuels others than those permitted by the law, regulation or other legal requirement for the time being in force, or as may be replaced, amended or added to from time to time.

3.11 There shall be carried out an initial short-form quality (analysis) test prior to unloading of the imported fuel as described in 5.2. The results of this test will be the basis for authorising by the Department of Customs unloading operations.

3.12 All fuels must be subjected to quality tests to approved standards at some point prior to their release to the inland market to establish that their quality corresponds to the laws or regulations in force at any time.

3.13 In case of imports of gaseous fuels, a certification for quantity and quality together with a copy of the bill of lading is sufficient.

Testing of fuels by the Authority

3.14 The Authority may at its discretion take a sample of any petroleum and, or biofuel consignment, irrelevant of where it is stored and at any point in time for inspection and test purposes.

Records and supply of data

3.15 The licencee shall maintain a customer complaint register and proceedings, in a form approved by the Authority, which shall be made available for examination by an inspector on demand.

3.16 The licencee shall undertake and record, in a manner and to a level of accuracy acceptable to the Authority, the monitoring and reconciliation of all handled petroleum and, or biofuel stocks and any other fuel imported, acquired, possessed, blended and sold to retailers. These records shall be retained for at least 24 months and shall be made available for examination by an inspector on demand.

3.17 Within the 10th working day of each quarterly period the licencee must submit in written form to the Authority a list showing all individual petroleum transactions of the preceding month. The list shall cover all transactions of:

(i) all petroleum and, or biofuel imported by type and origin, including information required by the intrastat supplementary declaration if imported by EU;
(ii) all petroleum and, or biofuel sold to individual petroleum filling stations operators;
(iii) all petroleum and, or biofuel sold or given to fuel distributors; and
(iv) all processing of fuels (blending or addition of additives) correlated to fuel consignments imported or purchased.

for each petroleum and, or biofuel product.

Contribution to security of supply

3.18 At all times the licencee must hold in stock in Malta and abroad security stocks as instructed by the Authority, based on the licencee's sales in the previous year and for the first year the market share shall be estimated by the licencee in agreement with the Authority..

3.19 The licencee is obliged to participate in national emergency plan to mitigate the effects of crisis, and follow directions according to law that might be given from time to time.

Performance Bond & Guarantee

3.20 When applying for the granting of a licence, the applicant must submit a bond in the form of a bank guarantee to cover his application form. This guarantee has to be payable on demand in favour of the Malta Resources Authority (the Authority), and in a form defined by it, for an amount of _____ Malta Liri (Lm_____). The bond is intended to ensure an applicant's commitment towards the application process. In the case of unsuccessful applicants, the bond will be released at the end of the application process whilst in the case of a successful applicant, the bond will be maintained as a performance guarantee.

3.21 No application for the granting of a licence to carry out the activity of an importer and, or wholesaler of petroleum shall be processed unless accompanied by a valid bond.

3.22 The bond must be conformant with the conditions as laid out in Section 8 of the document.

3.23 If at any point of the application process the applicant withdraws the application for no good or valid reason a penalty of Lm_____ will be retained from the bond.

3.24 If, at any stage of the application process, the applicant withdraws the application, for a reason considered by the Authority as being in the circumstances insufficiently justified or unreasonable, a penalty of Lm_____._____ will be retained from the bond.

3.25 The performance guarantee will have to be issued in a manner as to be valid for the

duration of the licence and any renewals thereof.

3.26 The bond and subsequently the guarantee shall be issued by a bank, investment bank, financial institution, or insurance company, which neither controls, nor is effectively controlled by, the applicant, nor is controlled by a person who controls the applicant, and which is registered in the European Economic Area and has a minimum long-term debt “A” rating from Standard & Poors or “A” from Moody’s Investors Service Limited.

Unloading of Fuel

3.27 The unloading of fuel from barges and tankers directly into road tankers is not permitted.

Blending

3.28 Whenever a fuel is blended the fuel product so resulting has to be stored or transferred solely as described in 3.29, 3.30, 3.31 and 3.32 below:

3.29 Gasoil, fuel oil and thin fuel oil blended so as to comply with the fuel quality specifications listed in 4.1 have to be stored in onshore tanks or transferred directly to barges provided that tests are done according to 5.4 and/or 5.5.

3.30 Fuel Oil and thin fuel oil stored in onshore tanks which is already within the fuel quality specifications listed in 4.1 and is blended to reduce viscosity may be stored in onshore tank\s or transferred directly to barges or to road tankers provided the tests are done according to 5.4 and/or 5.5.

3.31 Unleaded Gasoline stored in onshore tanks, blended with an additive to give it properties of LRP as described in 4.2 has to be then stored in onshore tank/s or transferred directly to barges or to road tankers provided the tests are done according to 5.4 and/or 5.5.

3.32 Diesel Oil designated for use as road transport fuel as described in 4.1 cannot be produced from a blend and it has to be wholesaled in the ‘as-imported’ condition, apart from additions of additives to improve fuel quality, but which however should not alter any of the fuel specifications as listed in 4.1.

Directions referring to some matters in the Special Conditions

4. Fuel Quality – General

4.1 The quality of the fuel to end-users is subject to conditions as per the Quality of Petrol and Diesel Fuels Regulations, 2001 (L.N. 222 of 2001), regulating fuel used in the Transport Sector, and the Reduction in Sulphur Content of Certain Liquid Fuels Regulations, (L.N. 159 of 2002), regulating fuel used in non-road mobile and immobile machinery and equipment, as amended.

4.2 In the case of lead replacement petrol or gasoline designated for use in engines requiring lead additives, the fuel quality shall be according to the Quality of Petrol and Diesel Fuels Regulations, 2001 (L.N. 222 of 2001), regulating fuel used in the Transport Sector with the exception of the RON and MON values which shall have minimum values of 97 and 86 respectively and an added additive approved by the Authority giving the gasoline valve seating protection properties.

5 Fuel Quality Standards and Tests

5.1 In the case of:

(i) gasoline, the test analysis shall be according to the latest issue of MSA EN 228 standard;

(ii) diesel, the test analysis shall be according to the latest issue of MSA EN 590 standard;

(iii) Jet A1, the test will be as prescribed by the standard approved by the Department of Civil Aviation;

(iv) fuel oil, the petroleum products will have to comply with the regulation or bye-laws or other legal requirement for the time being in force; and

(v) biodiesel or any fatty acid methyl ester for diesel engines, the test analysis shall be according to the latest issue of MSA EN 14214 standard.

Fuel Quality Tests

5.2 *Short form test prior to unloading*

For each petroleum and/or biofuel consignment imported and intended to be supplied to the inland market the licencee must appoint at his expenses a competent person in the form of an independent certified laboratory approved by the Department of Customs and the Authority to take a sample from each tank of the tanker or barge before the unloading of the fuel consignment and perform a short-form test on each sample provided that:

If the density of the vessel's pro-rata multiple tank composite on testing, falls within the reproducibility limit (0.0012 kg/l) with respect to the loadport ullage report density, then the tests can be performed on the multiple tank composite. If however, the density falls outside of the reproducibility limit then each test will have to be performed for each tank.

The parameters which are to be tested in the short-form test before unloading are in the case of:

a) Gasoline: the density, sulphur content, lead content and appearance;
b) Gasoil: the density, distillation, cetane index, appearance, sulphur content and the flash point;
c) Jet A1: the density, distillation, flash point, appearance and sulphur content;
d) Biodiesel: the density, water content, sulphur content and viscosity; and
e) Fuel Oil: the density and sulphur content.

The results of the short tests will have to be presented to Customs, and the unloading will not commence before approval by Customs has been obtained. All tests will have to be conducted according to the standards listed in 5.1.

5.3 *Fuel Quality Tests prior to release applicable to consignments intended to be released to the inland market without blending or addition of any additives.*

In the case of fuel intended to be released to the inland market **without blending or addition of any additives**, the licencee must appoint at his expenses a competent person in the form of an independent certified laboratory approved by the Department of Customs and the Authority to take three samples from the tank/s containing the petroleum or biofuel product. The three samples must be sealed and each must be signed by a representative of the importer and of the laboratory as prescribed by the Authority. A full complete test according to the standards listed in 5.1 must then be done by the certified laboratory on one of the three samples. The licencee is to supply a copy of the test results duly signed by the independent laboratory within two working days from the consignment.

One of the remaining two sealed and marked samples is to be kept by the importer whilst the other is to be kept by the laboratory for a period of 3 months. The samples are to be made available to the Authority on request.

The samples may be taken and the test performed at any point prior to the release of the fuel, but the fuel must be sealed and untampered with, from the point in time at which the sample is taken until the fuel is released to the market.

5.4 *Fuel Quality Tests after unloading if the consignment is not to be sold in the as-imported condition.*

Whenever a fuel consignment is intended to the inland market not in the as-imported condition but after further processing, the Authority is to be informed immediately by the licencee in writing by fax or e-mail. The final product after blending in the state in which it is intended to be supplied to the inland market is to be supported by a laboratory certificate covering a full complete test performed on the basis of the standards listed in 5.1 issued by an independent certified laboratory approved by the Department of Customs and the Authority reporting on samples taken by a representative of the laboratory from all storage tanks containing the product to be released. Expenses for the commissioning of the analysis must be borne by the licencee. The licencee is to supply a copy of the test results duly signed by the independent certified laboratory within two working days from the mixing. Retention samples as described in 5.3 above are also to be kept.

The fuel must be sealed and untampered with from the point in time at which the sample is taken until the fuel is released to the market.

5.5 In case the product to be supplied to the inland market is to be **transferred to a barge or road tanker** as described in section 3.28 to 3.31 it is acceptable to analyse the fuel on a full complete test, according to the standards listed in 5.1, on a handblend on condition that the components of the handblend tested are taken by a representative of the certified laboratory, the components are clearly indicated on the certificate of quality and the relative quantities are also supplied. In this case the density on the actual product delivered has to be performed and compared to the density tested on the handblend on the certificate of quality. The maximum allowed difference between the handblend density and the actual density is the repeatability limit (0.0006 kg/l). Retention samples as described in 5.3 above are also to be kept.

6 Dying and Marking of Petroleum

Marking of Petroleum

6.1 Petroleum having a reduced excise duty must be marked with Solvent Yellow 124 before loading onto barge or road tanker. Dosing must be done through the use of dosing pumps and certified meters approved by the relevant authority.

Dyeing of Petroleum

6.2 All petroleum products sold in the inland fuel market shall be dyed as may be directed by the Department of Customs and, or other competent Authorities.

In the case of light fractions of petroleum, i.e. Lead Replacement Petrol, Unleaded Petrol, Diesel Oil and Gasoil with the exception of Gasoil meant for use in combustion in Gas Turbines, the mentioned fractions must be dyed according to Section 6.3. Fiscal Markers imposed by Customs Laws are still applicable.

6.3 In the case of:

(i) unleaded petrol, the fuel shall be dyed with a green colour;

(ii) lead replacement petrol, the fuel shall remain un-dyed;

(iii) all gas oil designated for use as marine fuel shall be dyed with a red colour and, or any other fiscal marker as directed by the comptroller of customs;

(iv) gasoil (0.2% Sulphur), the fuel shall be dyed with a violet colour and, or any other fiscal marker as directed by the comptroller of customs;

(v) automotive diesel oil (0.005% Sulphur), the fuel shall be dyed with a blue colour; and

(vi) kerosene, the fuel shall be dyed with a yellow colour and, or any other fiscal marker as directed by the comptroller of customs.

Declaration

I _____ of _____

accept this licence with its conditions.

_____

****

I.D. No.: **********

7. Application for the granting, renewal of a licence to carry out the activity of an importer (including wholesaler) of petroleum

Granting ☐	Renewal ☐

A. Applicant's Details

To be filled if application is made on behalf of a company			
Name of Company:			
Company Registration No:	VAT No:	Customs Registration No:	
Type of Company: ☐LTD ☐PLC ☐Corporation ☐Government ☐Organization ☐Other (Specify) _____			
Is company part of a Holding? NO ☐ YES ☐ (Specify) _____			
Details of Company Representative Title:	Full Name:		
I.D. No./Passport No.:	Position Held:		
Contact Address:			
Tel. No.:	Mobile No.:	Fax No.:	E-mail Address:
Details of Authorised Representative on matters related to this application. This section is to be filled if details are different from those in Section A. For companies not registered in Malta this section is to be filled by an Authorised Local Representative.			
Title:	Full Name:		
I.D. No.	Position Held:		
Contact Address:			
Tel. No.:	Mobile No.:	Fax No.:	E-mail Address:

To be filled if application is made by an individual			
Title:	Full Name:		
I.D. No./Passport No.:	VAT No:		
Contact Address:			
Tel. No.:	Mobile No.:	Fax No.:	E-mail Address:

B. Licensing History of applicant

Has the applicant or any of its shareholders/ promoters or affiliates been licenced by the MRA? YES ☐ NO ☐			
Licencee's Name	Activity	Licence No	Still Active
			YES ☐ NO ☐
			YES ☐ NO ☐
			YES ☐ NO ☐

C. Activities to be engaged in by Applicant

Indicate the commercial activities that are to be engaged in. ☐ Importation & Wholesale ☐ Blending

Indicate the type/s of petroleum that will be handled.

☐ LRP ☐ Unleaded Petrol ☐ Diesel (EN 590) ☐ Gasoil ☐ LPG

☐ Jet A1 ☐ Fuel Oil ☐ Light Cycle Oil ☐ Other (specify) _____

D. Business Details of Applicant

Give the name(s) and private address(es) of each of the legal representatives (current directors or any other officers, company secretary, partners or members of the committee of management). Identify, as applicable, the chairman, chief executive, managing director, finance director, and any other director with specific duties.

Full Name	ID No/Passport No	Address	Position

E. Regulatory Approval/Actions

Has the applicant or any of its shareholders / promoters or directors been found guilty or convicted or been subject to any form of enforcement action by any regulatory authority or convicted of a criminal offence in the past 5 years or are any charges now pending? **If yes please provide full particulars in a separate, signed and dated statement)** YES ☐ NO ☐
Has the applicant or any of its shareholders / promoters or directors ever had a licence or permit or other form of registration of any kind refused, suspended, revoked or cancelled by any regulatory authority? **If yes please provide full particulars in a separate, signed and dated statement)** YES ☐ NO ☐
List any trading and company names (state which and when used) used by the applicant or any of its shareholders / promoters or directors within the last five years*. (Attach separate sheet if necessary)*
List any trading name which the applicant uses or proposed to use if different from the name given under Section A.

F. Declaration by Applicant

I _____ of _____ hereby declare that:

This entire application form, all statements, attachments and the other information submitted in connection with this application for a licence to carry out the activity of a wholesaler and/or importer of petroleum are true and correct in all respects to the best of my knowledge and belief and that this declaration is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a licence by the Malta Resources Authority.

I understand that the Malta Resources Authority may conduct a complete and comprehensive investigation to determine the accuracy of all information provided in / with this application. I authorize the Malta Resources Authority to conduct such investigation. I hereby authorise any person or entity contacted by the Authority to provide any information as may be reasonably requested by the Authority in connection with this application.

Name in Full: _____ Signature: _____ Date: _____

I.D. No./Passport No.: _____ Position Held: _____

G. Documents to be included with application

Please justify if any of these documents is not submitted

1. Certified copies of updated Memorandum and Articles of association of company or deed of partnership or other deed or authenticated agreement establishing the corporate body.
2. A certified copy of the registration certificate.
3. Certificate of good standing issued by the MFSA.
4. Police conduct certificates for directors.
5. Full particulars in a separate, signed and dated statement of any convictions or enforcement actions undertaken by a regulatory authority in last 5 years or any pending charges, as requested in Section E of this application. NIL certification is also required.
6. Full particulars in a separate, signed and dated statement of any refusal, suspension, revocation, invalidation or cancellation of any licence or permit or other form of registration by any regulatory authority, in any country either to the applicant or any of its shareholders /promoters. NIL certification is also required.
7. Copies of audited and regulatory accounts for the last three years that are available.
8. Description of the group of companies, if applicable, of the applicant.
9. Disclosure on every shareholder of the applicant holding at least 10% of shares in the applicant. (Memo & Articles, certificate of registration, good standing certificate, last audited accounts, banking reference – in case of corporate shareholders; police conduct certificate, copy of passport, banking reference – in case of individual shareholders).
10. List of countries and territories where, within the last five years, the prospective licencee/parent companies have been operating, copies of licences, if available.
11. Business plan for 3 years with financial projections and sufficient description of the proposed operations.
12. Nomination of Authorised Local Representative (and disclosure of same as in 9 above).
13. Performance Bond Form (Section 8).

Detach Section 7 and Section 8 and send completed application and all attachments to:

Director of Energy
Malta Resources Authority
Millennia
Aldo Moro Road
Marsa LQA 06
Malta

Note – Data Protection Notice

All personal data submitted to the Authority shall be used only in relation to the processing of this application. The information shall not be in whole or in part, transmitted to third parties except in those cases where it is required to do so by law.

8. Performance Bond Form

MRA Form of Bond / Performance Guarantee

The Chairman, Malta Resources Authority,

Our Letter of Guarantee No: for **_____ Maltese Liri (Lm_____)** by order of:

_____

Name of Applicant

Reference is made to the application (hereinafter referred to as the 'Application') for the granting of a licence to import and, or wholesale petroleum in the inland market (hereinafter referred to as the 'Licence') made by

_____

Name and Address of Applicant

hereinafter referred to as 'the Applicant', whereby the Applicant *inter alia* undertakes:

- not to withdraw its application for the licence at any point in time prior to the award of the Licence by the Malta Resources Authority (hereinafter referred to as the MRA);
- in the event that it will be awarded the Licence, to unreservedly accept the Licence and all conditions therein; and
- in the event that it will be awarded the Licence by the MRA, to fulfill and to abide to all conditions and requirements as will specified in the Licence.

At the request of the Applicant, we (insert name of bank / financial institution) hereby guarantee to pay you on the demand a maximum sum of **_____ Maltese liri (Lm_____)**, in the event that the obligations in the application and, or the Licence are not duly performed by the Applicant.

It is understood that this guarantee will become payable on your first written demand which must be sent to, (insert

address of bank / financial institution) accompanied by this document. It shall not be incumbent upon us to verify whether such a demand is justified.

For avoidance of doubt and for all intents and purposes of law, it is hereby specifically declared that although this instrument gives rise to legal relations between the Guarantor and the Beneficiary, this guarantee does not exempt the Applicant from any obligations, acts of performance or undertakings assumed under the application, Licence and, or Law

This guarantee is personal to yourselves and is not transferable or assignable.

Name in Full: _____ Signature: _____

Name in Full: _____ Signature: _____

I accept in their entirety the conditions set out above.

Name of Applicant: _____ Signature: _____