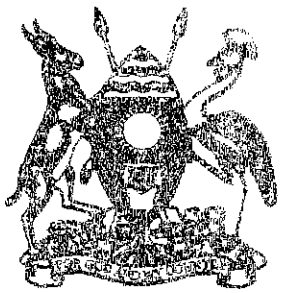

THE REPUBLIC OF UGANDA

THE PETROLEUM (REFINING, CONVERSION, TRANSMISSION AND MIDSTREAM STORAGE) ACT, 2013

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I SIGNIFY my assent to the bill.

.....
President

Date of assent: 27/6/2013.

THE PETROLEUM (REFINING, CONVERSION, TRANSMISSION AND MIDSTREAM STORAGE) ACT, 2013

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SCHEDULE—Currency point

THE REPUBLIC OF UGANDA

THE PETROLEUM (REFINING, CONVERSION, TRANSMISSION AND MIDSTREAM STORAGE) ACT, 2013.

An Act to give effect to article 244 of the Constitution; to regulate, manage, coordinate and monitor midstream operations; to enable construction, placement and ownership of facilities; to provide for third party access to facilities; to regulate tariffs for facilities; to provide for an open, transparent and competitive process for licensing by the Minister; to provide for additional and particular health, safety and environment regulations not sufficiently regulated in other laws; to provide for cessation of midstream operations under this Act and decommissioning of facilities; and to regulate any other matters related to midstream operations.

DATE OF ASSENT:

Date of Commencement:

BE IT ENACTED by Parliament as follows:

PART I—PRELIMINARY

1. Purpose of the Act.

The purpose of this Act is to operationalise the National Oil and Gas Policy of Uganda by—

(a) establishing an effective legal framework to ensure that midstream operations in Uganda are carried out in a sustainable manner that guarantees optimum benefits for all Ugandans both the present and future generations;

(b) enabling the development of petroleum refining, gas conversion, pipelines, transmission pipelines and midstream storage facilities;

(c) facilitating investment in midstream operations;

(d) regulating the planning, preparation, licensing, installation and maintenance of facilities for midstream operations;

(e) providing for the security of midstream operations;

(f) promoting equitable access to facilities for midstream operations;

(g) ensuring public safety and protection of public health and the environment in relation to midstream operations; and

(h) promoting state participation and national content in midstream operations.

2. Interpretation.

(1) In this Act, unless the context otherwise requires—

"Act" means the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, 2013;

"agreement" means an agreement entered into by an authorised Government authority with a person or entity in accordance with this Act for purposes of regulating the terms and conditions of midstream operations;

"Authority" means the Petroleum Authority of Uganda established under the Petroleum (Exploration, Development and Production) Act, 2013;

"authorised officer" means an officer or other person acting under the authority of the Minister or the Authority under this Act;

"authorised person" means a person authorised to carry out midstream operations under this Act;

"best petroleum industry practices" means the use of what is accepted to be the best available practices that are generally accepted as good, safe, transparent and efficient in carrying out midstream operations and that can be applied globally under similar circumstances;

"code of practice" means a code of practice issued by the Minister under section 96;

"conversion" means changing the natural gas component, without altering the molecular structure of the natural gas entered into the process through the use of pressure or temperature;

"crude oil" means naturally occurring, flammable liquid consisting of a mixture of hydrocarbons and other organic compounds that are found beneath the earth's surface;

"currency point" has the value assigned to it in the Schedule;

"facility" means any plant, structure, device or other associated equipment or infrastructure used for midstream operations;

"flaring" means combustion of hydrocarbons without application of the resulting heat or gases for any useful purpose;

"gas venting" means the release of gas to the atmosphere;

"hydrocarbons" means a naturally occurring organic chemical compound or a mixture of such compounds made of hydrogen and carbon, generated in the subsurface under the influence of temperature;

"land owner" means a person who holds or occupies land in accordance with the Land Act;

"licence" means a licence issued under this Act;

"licensee" means a person to whom a licence is granted under this Act;

"midstream operations" means planning, preparation, installation and execution of operations related to refining, conversion, transmission and storage of petroleum products, including cessation of operations and decommissioning of facilities;

"midstream storage" means the storage of petroleum commodities or petroleum products at a facility for the purposes of refining, conversion or transmission;

"Minister" means the Minister responsible for petroleum activities under this Act;

"natural gas" means all petroleum which is in a gaseous state at 15°c atmospheric pressure, including wet gas, dry gas and residue gas remaining after the recovery of liquid hydrocarbons;

"NEMA" means the National Environment Management Authority;

"operator" means a licensee or any other entity executing on behalf of one or several licensees, the day to day management of midstream operations;

"petroleum" means—

(a) any naturally occurring hydrocarbons, whether in gaseous, liquid or solid state;

(b) any naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or

(c) any naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid or solid state and any other substances and includes any petroleum as defined by paragraphs (a), (b) or this paragraph that has been returned to a natural reservoir, but does not include coal, shale, or any substance that may be extracted from coal or shale;

"petroleum activity" means midstream operations;

"petroleum commodities" means produced petroleum which is marketable for sale, can be used as a feedstock for refining or conversion to petroleum products or direct consumption, including energy production;

"petroleum pipeline" means a pipeline used to transport petroleum but excludes a pipeline located on the premises of—

(a) a manufacturer of petroleum products;

(b) a retailer of petroleum products; or

(c) a storage facility;

"petroleum products" means all products resulting from refining or conversion of petroleum commodities;

"pollution" means any direct or indirect alteration of the physical, thermal, chemical or biological properties of any part of the environment by discharging, emitting or depositing wastes so as to affect any beneficial use adversely, to cause a condition which is hazardous or potentially hazardous to land, public health, safety or welfare; or to fauna and flora, or to cause a contravention of any condition, limitation or restriction which is subject to a licence under this Act;

"pollution damage" means damage or loss caused by pollution as a consequence of effluence or discharge of any substance from a facility;

"refining" means the transformation of crude oil into finished or partly finished petroleum products using different processes of distillation, cracking and reforming or other methods of altering the molecular structure of the crude oil;

"regulations" means regulations made under section 95;

"standards" means standards, specifications and codes of practice which apply to the operation, use, construction, decommissioning and disposal of facilities required for the purpose of carrying out midstream operations including standards for emissions, company standards, compulsory standard specifications, internal standards or national standards issued under the National Bureau of Standards Act but excludes standards on quality of petroleum products for the market;

"tariff" means a written statement of rates, terms and conditions for services relating to midstream operations;

"transmission" means transportation of petroleum products but not for distribution to consumers or retailers or transportation of petroleum commodities through pipelines, including transit pipelines and pipelines originating from outside Uganda connected to and with its inlet or outlet flange at a refinery or gas conversion facility in Uganda; and

"waste" includes any matter prescribed to be waste and any matter, whether liquid, solid, gaseous or radioactive, which is discharged, emitted or deposited in the environment in such volume, composition or manner as to cause an alteration of the environment.

3. Compliance with environmental principles.

(1) A licensee and also a person who exercises or performs functions, duties or powers under this Act in relation to midstream operations shall take into account, and comply with the environmental principles prescribed by the National Environment Act and other applicable laws.

(2) A licensee shall ensure that the management of transportation, storage, treatment or disposal of waste arising out of midstream operations is carried out in accordance with the environmental principles and safeguards prescribed under the National Environment Act and other laws applicable.

(3) A licensee shall contract a separate entity to manage the transportation, storage, treatment or disposal of waste arising out of midstream operations.

(4) For the avoidance of doubt, the licensee shall remain responsible for the operations of the entity referred to under subsection (3).

(5) The National Environment Management Authority, in consultation with the Authority, may grant a license for the management of transportation, storage, treatment or disposal of waste arising out of midstream operations to an entity contracted by a licensee under subsection (3), on terms and conditions prescribed in the licence.

(6) A person contracted by the licensee under subsection (3) shall not carry out those activities without a licence issued by the National Environment Management Authority.

(7) A person who carries on the management of the transportation, storage, treatment or disposal of waste arising out of midstream operations without a licence commits an offence and on conviction is liable to a fine not exceeding five thousand currency points or imprisonment not exceeding ten years or both.

(8) NEMA shall make regulations concerning the management of the transportation, storage, treatment and disposal of waste arising out of midstream operations.

(9) Without prejudice to the general effect of subsection (8), regulations made under this section shall prescribe, in respect of the contravention of the regulations, penalties not exceeding a fine of five thousand currency points or imprisonment not exceeding ten years or both; and may prescribe that the court that convicts the person shall order the forfeiture of anything used in the commission of the offence.

(10) Regulations made under subsection (8) shall be laid before Parliament.

(11) The licensee for the relevant midstream operation shall be responsible for the payment of costs to the entities referred to in subsection (3), for the management of the transportation, storage, treatment and disposal of waste arising out of midstream operations.

PART II—INSTITUTIONAL ARRANGEMENTS

4. Functions of the Minister.

The Minister shall be responsible for—

(a) granting and revoking licences;

(b) initiating, developing and implementing policy concerning midstream operations;

(c) submitting draft legislation to Parliament;

(d) initiating regulations for midstream operations;

(e) negotiating and endorsing agreements under this Act;

(f) promoting and sustaining transparency in the midstream petroleum sector; and

(g) any other function incidental or consequential to his or her functions under this Act.

The Petroleum Authority of Uganda.

5. The Authority.

The Authority established under the Petroleum (Exploration, Development and Production) Act, 2013 shall be responsible for the functions and other activities of the Authority under this Act.

6. Functions of the Authority.

(1) The functions of the Authority under this Act are to monitor and regulate midstream petroleum operations and activities in Uganda.

(2) Without prejudice to the general effect of subsection (1), the Authority shall—

(a) monitor and regulate midstream operations;

(b) facilitate investment in midstream operations and facilities;

(c) review and approve plans submitted by a licensee;

(d) ensure that licensees uphold laws, regulations, rules and contract terms;

(e) administer petroleum agreements and contracts related to midstream petroleum operations;

(f) ensure optimal utilisation of existing and planned facilities;

(g) contribute to national budget planning and control;

(h) encourage, monitor, regulate, and enforce standards of operations and code of practice for midstream operations;

(i) review and approve all transmission and storage tariffs, levies and pricing frameworks of operators of transportation and storage facilities;

(k) review and approve all refining and gas processing tariffs, levies, fees and charges;

(l) ensure and facilitate competition, access and utilization of facilities by third parties;

(m) monitor conditions of operators and their trade practices to ensure that competition and fair practice is maintained;

(n) provide information relevant for the collection of taxes and fees from midstream operations;

(o) ensure the implementation of this Act and regulations made under the Act;

(p) review regulations and codes of practice for crude oil refining;

(q) review regulations and codes of practice for gas processing; and

(r) perform any other function incidental or consequential to its functions under this Act.

(3) The Authority shall, to the greatest extent possible and consistent with this Act, consult and co-operate with ministries, departments and agencies of Government having duties, aims or functions related to those of the Authority.

National Oil Company

7. The National Oil Company.

(1) The National Oil Company established under the Petroleum (Exploration, Development and Production) Act, 2013 shall be deemed to be established for purposes of this Act.

(2) The Government shall support the building of the capacity of the National Oil Company to enable it perform its role in midstream operations.

(3) The Minister may, with the approval of Cabinet, decide that the National Oil Company shall participate in midstream operations.

Licensing of Midstream Operations

8. Agreements with Government.

The Government may enter into an agreement relating to midstream operations consistent with this Act, with any person in respect to the following matters—

(a) the grant of a licence;

(b) the conditions for granting or renewing a licence;

(c) the conduct by a person, of midstream operations on behalf of any person to whom a licence is granted; and

(d) any other matter incidental or connected to the matters in paragraphs (a), (b) and (c).

9. Midstream operations requiring a licence.

(1) A person shall not construct or operate the following without a licence issued by the Minister under this Act—

(a) a facility for refining crude oil;

(b) a facility for conversion of natural gas;

(c) a transmission pipeline;

(d) a midstream storage facility; or

(e) any other facility for the purpose of midstream operations subject to this Act or any regulations prescribed under this Act.

(2) A person who contravenes subsection (1) commits an offence and is liable on conviction—

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(a) if an individual, to a fine not exceeding one hundred thousand currency points or imprisonment not exceeding ten years or both; and

(b) if a body corporate, to a fine not exceeding two hundred thousand currency points.

10. Application for a licence.

(1) An application for a licence under this Act shall be made to the Minister in a manner prescribed by regulations.

(2) An application for a licence under subsection (1) may be made by two or more persons jointly and the agreement between the parties to the proposed joint operation shall be submitted together with the application.

(3) Any agreements regarding joint operations arrangement shall be made in accordance with this Act and shall be subject to approval by the Minister.

(4) An application for a licence under subsections (1) and (2) shall be in writing and shall be accompanied by a fee prescribed by regulations.

(5) Where the applicant is a licensee under the Petroleum (Exploration, Development and Production) Act, 2013 or the Petroleum Supply Act, 2003, the Minister may require the applicant to furnish additional information.

(6) An application made under subsections (1) and (2) shall contain—

(a) the name, company number if any and principal place of business of the applicant;

(b) particulars of the owner or shareholder of the applicant if the applicant is not a natural person;

(c) document demonstrating the administrative, financial and technical abilities of the applicant including, a detailed statement of the applicant's assets and liabilities signed by the applicant, or in the case of an applicant which is a company, accompanied by—

(i) copies certified by a director of the company to be true copies of the last balance sheet and of the last profit and loss account, if any, incorporating the results of the last financial year, and which have been audited by the company's auditors, including every document required by law to be annexed or attached to them;

(ii) a certified copy of the report of the auditors; and

(iii) a detailed statement of the financial resources available to the applicant to undertake the business under the licence;

(d) the feasibility and justification of the project;

(e) a description of the proposed facility to be constructed or operated, including basic designs, diagrams, feedstock and utilities where appropriate;

(f) list of process technologies and relevant licensors;

(g) a planned production or operation schedule;

(h) a maintenance plan or schedule;

(i) the planned time of commencement and completion of the project;

(j) configurations and capacities including utilities;

(k) a technical and economic description of the project including the proposed technical and financial partners;

(l) proposed feedstock supply and product evaluation scheme;

(m) proposed standardisation and quality mechanism;

(n) a general description of the type of customers to be served and the tariff or crude oil or gas policies;

(o) the plans and ability of the applicant to comply with all applicable labour, health, safety and environmental legislation;

(p) safety measures to be adopted in the course of the operations, including measures to deal with emergencies;

(q) results of assessments, including environmental impact assessments, studies or audits carried out and reports of those assessments, studies or audits;

(r) the impact of the project on public interests and possible mitigation;

(s) the applicant's proposals for the employment and training of Ugandan citizens;

(t) the applicant's proposals with respect to the procurement of goods and services obtainable in Uganda;

(u) impacts of the project on private interests, including the interests of affected landowners and holders of other rights;

(v) a detailed specification of the crude oil to be refined, transported or stored under the licence;

(w) a detailed specification of gas to be processed or transmitted under the licence;

(x) preliminary organisation plan;

(y) a decommissioning plan providing the details of how a facility will be decommissioned and disposed of when the midstream operations cease;

(z) the manner and place in which crude oil or raw gas shall be delivered to the facility;

(aa) information on facilities for the transmission and storage of petroleum;

(ab) consents and permits required under any other law; and

(ac) such other particulars as may be prescribed.

(5) Where the development is planned in phases, the applicant shall provide information on each phase and on the full development of the facility.

(6) The Minister shall—

(a) require the applicant to execute a performance bond or other form of security necessary for the performance and observance of the conditions to which the licence may be subject; and

(b) require the licensee to take out the neccessary insurance policy to protect against liability that may arise as a result of midstream operations carried out under a licence.

(7) The Minister shall in consultation with the Authority, process the application for a licence expeditiously and in any case, not later than one hundred and eighty days after receipt of the application.

11. Operations not requiring a licence.

(1) Notwithstanding section 9 (1), facility used for midstream operations shall not require a licence where—

(a) the pipeline is located entirely within an industrial site for which the required licence has been granted; or

(b) the storage capacity does not exceed fifty metric cubic meters of any one product.

(2) A person carrying out an operation referred to in subsection (1) shall register with the Authority and shall provide the Authority with such information relating to the operation as may be prescribed by regulations.

(3) A person who contravenes subsection (2) commits an offence and is liable on conviction to a fine not exceeding one thousand currency points and in case of a continuing offence, to a further fine of ten currency points for every day during which the offence continues.

12. Publication of notice of applications.

(1) The Minister shall, within forty five days after receiving the application for a licence, cause a notice of the application to be published in the *Gazette* and in at least one national newspaper of wide circulation in Uganda.

(2) A notice published under subsection (1) shall—

(a) indicate the receipt of the application for a licence;

(b) contain a description of the nature and location of the proposed operation or facility;

(c) inform members of the public that the application may, within the limits of the laws governing intellectual property rights and commercial confidentiality be inspected at the offices of the Minister; and

(d) invite directly affected parties and local authorities in areas affected by the project who object to the granting of the licence, whether on personal, environmental or other grounds, to lodge with the Minister an objection within a specified time, being not less than thirty days after the notice.

13. Requirements for granting a licence.

The Minister shall, before granting a licence for which an application has been made under section 10, consider—

(a) the flexibility of the planned facility with regard to later additions or modifications of capacity which may be desirable in view of changing requirements;

(b) the technical quality of design for the planned facility;

(c) the technical and commercial capabilities of the applicant and intended operator of the facility; or

(d) any other requirement as may be necessary.

14. Objection to application.

(1) An aggrieved party may lodge with the Minister an objection to the grant of a license, setting out the grounds for the objection within the time specified in the notice of application, being not less than thirty days after the notice.

(2) The objection under subsection (1) shall be lodged in the form and manner prescribed by regulations and shall be considered and dealt with by the Minister.

(3) The Minister shall consider the objection raised under subsection (1) and make a decision within thirty days.

(4) Where the Minister upholds the objection, a licence to construct or operate a midstream facility shall not be granted.

(5) Where the Minister dismisses the objection, the Minister may grant the midstream facility licence.

(6) A person aggrieved by the decision of the Minister under subsection (2), may appeal against the decision to the High Court within thirty days.

15. Consideration of an application for a licence.

(1) The Minister shall consider and determine an application for a licence in a manner prescribed by regulations—

(a) after the expiration of the period stated in section 12(2)(d), if no objection has been received; and

(b) after receiving the response of the applicant to objections.

(2) The licensee shall seek approval of the Minister of any significant deviation or alteration of the terms and conditions on which an application has been submitted or approved and any significant alteration of facilities or use of facilities.

(3) The Minister may, on the recommendation of the Authority, approve the deviation or alteration of the terms and conditions on which an application has been submitted or approved and any significant alteration of facilities, or shall require a new or amended application to be submitted for approval.

16. Grant of a licence.

(1) The Minister may, subject to section 14 in consultation with the Authority and with the approval of Cabinet, grant a licence upon such terms and conditions as the Minister considers appropriate.

(2) The Minister may grant a licence for the construction, placement, operation and use of the following facilities to one or more applicants—

(a) a facility for refining of crude oil;

(b) a facility for the conversion of natural gas;

(c) a transmission pipeline;

(d) a midstream storage facility; or

(e) any other facility for the purpose of midstream operations subject to this Act or regulations issued under this Act.

(3) Upon granting a licence the Minister shall, as soon as possible, cause a notice to be published in the *Gazette,* stating the name of the licensee, the general nature of the licence and the location of the licensed facility.

17. Grounds for rejection of application for a licence.

(1) The Minister may reject an application for a licence under this Part on any of the following grounds—

(a) failure of an applicant to submit all the required information; or

(b) failure of the application to meet the requirements specified in section 13.

(2) Where an application is rejected, the Minister shall notify the applicant in writing within thirty days after the rejection stating the grounds for the rejection.

18. Conditions for a licence.

The Minister may stipulate conditions to be fulfilled by the licensee with regard to—

(a) the main configurations and rated capacities;

(b) the regularity and availability of capacities;

(c) the access to a facility used for midstream operations by third parties other than licensees, including terms and conditions in contractual arrangements that regulate access, pricing and tariffs;

(d) the acquisition of petroleum commodities by any facility, in order to provide—

(i) consistency with the government policy for managing petroleum resources;

(ii) reasonable and non-discriminating opportunity for various producers of petroleum commodities to supply to the facility;

(iii) the agreed off take and supply of petroleum commodities that may provide a basis for investment;

(e) the sale of petroleum products in order to provide adequate supplies and competition in the Ugandan market;

(f) the construction and operation of a facility for which the licence is granted;

(g) payment of annual fees, levies or charges;

(h) midstream operations of vertically integrated companies that may be required to be managed separately with separate accounts and data and with no cross subsidisation;

(i) the interconnections of the licensee's facility to the facilities of other licensees;

(j) access by third parties on commercially reasonable terms to uncommitted capacity in a facility, except that on application for the use of a facility, the licensee may elect to give users access to the facility on the basis that the capacity is shared among all users in proportion to their needs;

(k) in the case of a transmission pipeline or midstream storage facility, the licensee shall provide a plan for reviewing changes in conditions affecting the integrity and safety of the transmission pipeline including, periodic patrolling and reporting of construction activities and such changes and conditions;

(l) the maintenance by the licensee of their facilities in a fully operational condition; and

(m) any other requirement as may be necessary under any relevant law or as may be prescribed by regulations.

19. Power of Minister to require information.

(1) Without prejudice to any other condition upon which a licence may be granted under section 18, it shall be a condition in each licence for the licensee to provide the Minister, at such times and in such manner as the Minister may require, full information concerning the licensee's operations and for the inspection of the facility, records and accounts of the licensee by persons authorised by the Minister.

(2) Subject to the Constitution and the Access to Information Act, 2005, the information submitted to the Minister under subsection (1), shall be treated as confidential for a period as may be specified in the licence or the agreement.

(3) Where a licensee contravenes the conditions specified in the licence, the Minister may notify the licensee of the non compliance or breach.

20. Duration of a licence for midstream operations.

(1) A licence to construct a facility for midstream operations granted under this Act shall be initially valid for five years during which period the licensee shall execute to the satisfaction of the Authority his or her works in accordance with the codes of practice issued by the Minister under section 97, or such further period as the Minister may allow under special circumstances beyond the control of the licensee.

(2) On completion of construction works to the satisfaction of the Authority, a licence shall be granted to operate the facility for twenty years, and thereafter, may be renewed for a period of five years at a time.

(3) On completion of construction or substantial modification of a facility, the Authority may grant the licensee an operation permit allowing the licensee to commence operation of the facility and the operation permit shall not be for a duration longer than the licence.

(4) The renewal of a licence under this section shall be subject to payment of a fee prescribed by the Minister by regulations.

21. Annual fee.

(1) The licensee shall pay a prescribed annual fee in respect of the licensed facility and operation.

(2) Where the licensee fails to pay the annual fee prescribed under subsection (1), the licence may be cancelled.

(3) The annual fee payable under subsection (1) shall be payable on the grant of a licence and thereafter annually on the anniversary of the grant until the licence terminates.

22. Application for renewal of a licence.

(1) A licensee may apply for a renewal of a licence.

(2) An application for the renewal of a licence shall be made in accordance with the regulations made under this Act.

23. Renewal of a licence.

(1) Subject to subsection (2), on application duly made for the renewal of a licence granted under section 16, the Minister may grant the renewal of the licence for five years at a time.

(2) The Minister shall not renew a licence where the licensee has violated a provision of this Act or a condition of the licence.

General Provisions Relating to Licences

24. Disclosure of co-operation agreement by applicants.

(1) Where two or more applicants enter into a co-operation agreement with a view to apply for a licence under this Act, the co-operation agreement shall be submitted to the Minister and the Minister may require alterations to be made in the agreement as a condition for granting of the licence in accordance with this Act.

(2) The Minister may require alterations referred to in subsection (1) where—

(a) there is lack of sole risk provision or requirement of unanimous voting;

(b) there is no area of mutual interest agreement;

(c) there is a right of first refusal;

(d) the contractual arrangements directly or indirectly affects—

(i) the operations of the storage facility;

(ii) the rights pertaining to the access or use of the facilities; or

(iii) applicable tariffs or pricing of purchased petroleum commodities or sale of petroleum products; and

(e) any other reason as the Minister may deem necessary in accordance with this Act.

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25. Transfer or lease of licence under this Act.

(1) A licensee shall not without the approval in writing of the Minister—

(a) transfer or lease his or her licence or his or her works or any interest therein in whole or in part;

(b) enter into any agreement for—

(i) the amalgamation of his or her works with those of any other person or corporation; or

(ii) the operation of his or her works by any other person or corporation;

(c) mortgage or otherwise create a charge upon the works or any interest therein.

(2) A licensee may apply to the Minister, in the prescribed form and manner, for the transfer of a licence and shall fulfil any other financial obligations under the laws of Uganda.

(3) The Minister shall satisfy himself or herself of the legal and technical capacity, competence and financial strength of the person to whom the licence is to be transferred.

(4) Subject to subsections (2) and (3), the Minister shall not unreasonably withhold consent to an application to transfer a licence unless he or she has reason to believe that the public interest or safety is likely to be prejudiced by the transfer.

(5) This section applies to any other direct or indirect transfer of interest or participation in the licence, including, *inter alia*, assignment of shareholdings and other ownership shares which may provide decisive control of a licensee possessing a participating interest in a licence.

(6) The transfer of a group of licensees' right of ownership to fixed facilities is subject to the approval of the Minister.

(7) Subsection (6) applies to the mortgaging of a facility which, in accordance with a licence under this Act, is subject to private property rights.

(8) In this section—

"transfer of licence" includes the acquisition of control by the person to whom a licence under this Act is transferred; and

"control" in relation to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management by that person, whether through the ownership of shares, voting, securities, partnership or other ownership or participation interests, agreements or otherwise.

26. Work practices for licensees.

(1) A licensee shall carry out midstream operations in a proper and safe manner and in accordance with the requirements of the applicable law, regulations and conditions stipulated by competent authorities and best petroleum industry practices.

(2) Notwithstanding the general effect of subsection (1), a licensee shall take all reasonable steps necessary to secure the safety, health and welfare of personnel engaged in midstream operations including—

(a) controlling the flow and preventing the waste, emission or discharge of petroleum commodities or petroleum products into the environment;

(b) preventing the escape of any mixture of water, chemical or any other matter;

(c) preventing the pollution of any water well, spring, stream, river or lake by the escape of petroleum commodities or petroleum products, chemicals or any other waste products, discharges or effluent;

(d) where pollution occurs, treating or discharging the pollutant in an environmentally acceptable manner; and

(e) submitting to the Authority, before any midstream operation, a detailed report on the technique and method to be employed, an estimate of the time to be taken, the material to be used and the safety measures to be employed.

(3) Where consent in writing has been obtained under section 38(3), nothing in this section shall operate to prevent a licensee from flaring natural gas in accordance with the terms of the instrument of consent.

(4) Nothing in this section shall operate to prevent a licensee from venting and flaring gas where, in an emergency, flaring is required to safeguard the health and safety of persons or to prevent damage to property.

27. Refining, conversion, transmission or midstream storage of unauthorised substance.

(1) A facility for which a licence has been granted shall not be used for refining, conversion, transmission or midstream storage of any other substance other than the substance authorised by the licence.

(2) On application being made by a licensee to use the licensed facility for the refining, conversion, transmission or midstream storage of a substance other than the substance authorised in the licence, the Minister may amend the licence, cancel the licence and issue a new licence subject to any terms and conditions the Minister may prescribe.

(3) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine not exceeding one hundred thousand currency points or imprisonment not exceeding ten years or both.

28. Notice to cease operation.

(1) Where a facility is being operated in contravention of this Act, the Authority may, by notice served on the licensee of the facility direct the operator to take, within a reasonable time limited by the notice, all necessary steps to cease operations, and to dismantle, to the satisfaction of the Authority any plant and equipment used for the purposes of the midstream operations.

(2) Where a direction given under this section is not complied with, the Authority by its servants or agents may enter into the place where the midstream operation is being operated and so cause the direction to be carried out.

(3) The cost to the Authority of any action under subsection (2) may be recovered by the Authority from the licensee, as a debt due to the Authority and within a time period prescribed by regulation or by an order of a court of competent jurisdiction.

29. Surrender of licence.

(1) The licensee may, during the period of a licence, after giving three months notice to the Minister, surrender a licence in its entirety.

(2) The Minister shall require the terms and conditions stipulated in a licence including decommissioning and disposal costs to be fulfilled up to the time of surrender.

30. Suspension or cancellation of a licence.

(1) Where a licensee is in default, the Minister may, in consultation with the Authority and with the approval of Cabinet, by notice in writing served on the licensee, suspend or cancel the licence.

(2) The Minister shall inform Parliament of the suspension or cancellation of the licence within fourteen days of service of the notice in subsection (1).

(3) For the purposes of subsection (1), the licensee shall not be treated as in default unless the Minister has served on the licensee a notice in writing giving the particulars of any default complained of and the licensee has not within a reasonable time specified in the notice remedied the default, or where the default cannot be remedied, offered to the Minister in respect of the default adequate compensation.

(4) The Minister may cancel the licence—

(a) if the licensee is adjudged bankrupt or enters into any agreement or scheme of composition with his or her creditors or takes advantage of any law for the benefit of debtors; or

(b) where the licensee is a body corporate, an order is made or a resolution is passed winding up the affairs of the body corporate, except where the winding up is for the purpose of—

(i) amalgamation and the Minister has consented to the amalgamation; or

(ii) reconstruction and the Minister has been given notice of the reconstruction.

(5) Where the licence is held by two or more persons, the Minister shall not cancel the licence under subsection (4), where one of the licensees satisfies the Minister that he or she is willing and is able to carry out the duties and obligations under the licence.

(6) Where the licensee is a body corporate or where a body corporate is among the persons who together constitute the licensee, and the body corporate either—

(a) registers the transfer of any equity share or shares in the body corporate to any person or his or her nominee; or

(b) enters into an agreement, arrangement, or understanding, whether or not having legal or equitable force with any person, and the effect of doing so is to give to that person, or any other person, control of the body corporate,

the Minister, may, if he or she considers that the public interest would be prejudiced by the change of control, serve a written notice on the licensee stating that the Minister proposes to cancel the licence under this section unless a change in the control of the body corporate as is specified in the notice takes place within a period of three months beginning with the date of service of the notice.

(7) Where the change specified in the notice served by the Minister under subsection (6) does not take place within three months, the Minister may cancel the licence.

(8) For the purposes of this section—

(a) a person is deemed to have control of a body corporate—

(i) if the person or his or her nominee holds, or the person and his or her nominee holds, a total of twenty percent or more of the issued equity shares in the body corporate;

(ii) if the person is entitled to appoint, or prevent the appointment of half, or more than half, of the directors of the body corporate; or

(iii) if the person is entitled to exercise, or control the exercise of, the right to cast votes in respect of not less than two fifths of the total number of votes in respect of issued equity shares in the body corporate;

(b) "equity shares in relation to a body corporate" means shares in the body corporate carrying voting rights in all circumstances at a general meeting of the body corporate, and includes preference shares, other than preference shares which do not have voting rights;

"preference shares" means shares which carry the right to payment of a dividend of a fixed amount, or not exceeding a fixed amount, in priority to payment of the dividend on another class or other classes of shares, whether with or without other rights; and

(c) the reference in paragraph (a)(iii) to the entitlement to control the exercise of the right to cast votes shall be read as including an entitlement to control the exercise of that right directly or indirectly, and includes control that is exercisable as a result of or by means of trusts.

(9) On the cancellation of a licence, the rights of the licensee under the licence shall cease, but the cancellation shall not affect any liability incurred before the cancellation, and any legal proceedings that might have been commenced or continued against the former holder of the licence may be commenced or continued against him or her.

31. Consequences of cancellation, surrender of rights or lapse for other reasons.

(1) Revocation of a licence, surrender of rights or lapse of rights for other reasons do not discharge the licensee from the financial obligations under this Act, regulations issued under this Act or any other law in Uganda or specific conditions attached to the licence.

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(2) Where a condition of the licence, which may include decommissioning and disposal costs has not been fulfilled, the licensee shall pay the amount which fulfilment of such condition would have cost the licensee if the condition had been fulfilled.

(3) The amount payable under subsection (2) shall be prescribed in the agreement made under section 8.

32. Formation of cartels and monopolies.

(1) The Authority shall in the performance of its functions under this Act take the necessary measures to prevent the formation of cartels, monopolies and unfair competition in midstream operations and midstream storage.

(2) A person or an agent of that person shall not form a cartel in the midstream operations and midstream storage.

(3) A person shall not gain, hold or secure a monopoly of a business or commercial activity within the midstream operations and midstream storage.

(4) A person or agent of that person shall not indulge in or assist in cartelisation in the midstream operations and midstream storage.

(5) A person who commits an offence under this section is liable on conviction to a fine not exceeding five hundred thousand currency points or imprisonment not exceeding ten years or both.

(6) For the purposes of this section, "cartelisation" means an agreement or a combination of or a concerted action by operators of midstream operations and midstream storage facilities or their agents to—

(a) fix prices, tariffs, levies or charges;

(b) restrict output;

(c) divide markets either by commodity or by area; or

(d) allocate markets either by commodity or by area to restrain free competition and contractual stipulation that prescribes pricing levels and margins at variance with the mechanisms approved by the Authority.

33. Non-discrimination.

A holder of a licence to operate a refinery, gas processing and conversion facility shall—

(a) convert crude oil or raw natural gas as the case may be into a final product for sale without discrimination to authorised persons;

(b) produce product that meet the set standards and specifications on the market; and

(c) obtain approval of the Authority for charges of services rendered.

34. Methods and practices for midstream storage.

(1) A licensee for midstream storage facility shall—

(a) provide services to duly authorised person;

(b) provide without discrimination, services on request for storage and trans shipment of petroleum to authorised persons; and

(c) obtain approval of the Authority for tariffs charged.

(2) The methodology to determine the tariffs for the midstream storage services shall be prescribed by regulations and shall *inter alia* take into account the investment costs, operation and maintenance costs, or other costs incurred in the operation of the facility as well as an equitable reward for the invested capital.

(3) A licensee shall use approved methods and practices acceptable to the Authority for storing petroleum commodities or products.

35. Methods and practices for transmission of petroleum commodities or products.

A licensee for petroleum transmission shall—

(a) provide services without discrimination to authorised persons;

(b) charge for the transmission of petroleum commodities or products by means approved by the Authority;

(c) obtain approval of the Authority for tariffs charged;

(d) the methodology to determine the tariffs for the transmission services shall be prescribed by the regulations and shall *inter alia* take into account the investment costs, operation and maintenance costs, or other costs incurred in the operation of the facility as well as an equitable reward for the invested capital.

36. Meetings of Authority with licensees.

(1) The Authority may call quarterly meetings of licensees in the midstream operations at which the licensees shall brief the Authority about the industry status.

(2) The Authority may call extraordinary meetings with the licensees.

37. Register of licences.

(1) The Minister shall cause to be kept a register of all licences issued under this Act called the midstream operations register, in accordance with the regulations made under this Act.

(2) The Minister shall at the end of every financial year, publish in the *Gazette* lists of persons to whom licences were issued, including their names, physical addresses and contacts.

38. Restrictions on flaring or venting.

(1) A licensee shall not flare or vent petroleum in excess of the quantities needed for normal operational safety without the approval of the Minister on the advice of the Authority.

(2) All facilities shall be planned and constructed so as to avoid any gas flaring or venting under normal operating conditions.

(3) Disposal of gas by flaring or venting for normal operational safety under subsection (1) shall be by consent in writing of the Authority where—

(a) it is necessary for the safety of the midstream operations; or

(b) it is necessary to comply with a requirement imposed by or under any law in Uganda.

(4) In the case of an emergency, the licensee may flare or vent without the consent of the Authority under subsection (3).

(5) Where a licensee vents or flares under subsection (4), the licensee shall—

(a) ensure that the venting or flaring is kept at the lowest possible level; and

(b) submit to the Authority a technical report detailing the nature and circumstances that caused the emergency situation.

(6) A person who contravenes subsection (5) commits an offence and on conviction is liable to pay a fine not exceeding three hundred thousand currency points.

PART V—ACQUISITION AND PRICING OF PETROLEUM COMMODITIES AND PRODUCTS

39. Acquisition and pricing of petroleum commodities.

(1) Whenever available, a refinery or conversion plant in Uganda shall give priority to petroleum commodities produced in Uganda.

(2) Subject to subsection (1), the refinery or conversion plant may obtain crude oil or raw gas from outside Uganda.

(3) The pricing of petroleum produced shall be in accordance with the method prescribed by regulations and shall take into account world market pricing based on arm's length principles.

40. Petroleum products pricing.

The licensee shall, with the approval of the Authority determine the gate price for petroleum products in a manner prescribed by regulations and subject to the international import parity pricing principle.

41. Supplies or deliveries to cover Uganda requirements.

(1) The Minister may direct a licensee to make supplies or deliveries from the licensee's facility to cover Uganda requirements for petroleum commodities and products and may further direct to whom such petroleum commodities or products shall be delivered.

(2) Where the Minister directs the licensee to make deliveries under subsection (1), the Minister shall give the licensee forty five days notice before the delivery is made.

(3) The price paid for the petroleum commodities or products delivered under this section shall be determined in accordance with section 39(3).

42. Supplies or deliveries in case of war, threat of war or other crisis.

(1) Subject to article 26 of the Constitution, in case of war, threat of war, natural disaster or other extraordinary crisis, the Minister may, with the approval of Cabinet, direct a licensee to place petroleum commodities or products at the disposal of the State.

(2) Sections 39 and 40 shall apply to the pricing of petroleum supplied under subsection (1) unless the particular situation warrants otherwise.

(3) In case a situation under subsection (2) occurs, the Minister shall, in consultation with the Minister responsible for finance and the licensee, determine the price.

(4) The Minister shall make a report to Parliament within six months of the occurrence of war, threat of war or other crisis referred to under subsection (1).

PART VI—CESSATION OF MIDSTREAM OPERATIONS

43. Decommissioning plan.

(1) A licensee shall submit a decommissioning plan to the Authority—

(a) before a licence to install and operate a midstream facility expires or is surrendered; or

(b) before the use of a midstream facility is terminated permanently.

(2) The plan referred to in subsection (1) shall contain proposals for continued operation or shut down of the midstream facility and decommissioning of such facilities and any other information prescribed by regulations.

(3) The decommissioning of the midstream facilities referred to in subsection (2) may constitute further use of the facilities in the midstream operations, other uses, complete or part removal and disposal or abandonment.

(4) The plan shall contain the information and evaluations deemed necessary in order to make a direction under section 46.

(5) The Authority may on receipt of the plan require further information and evaluations, or may require a new or amended decommissioning plan.

(6) The licensee shall update the decommissioning plan—

(a) in conjunction with any subsequent application for a permit, to make additions or substantial changes to the facilities;

(b) whenever the expected method or costs of carrying out the decommissioning work have changed significantly as a result of new techniques for the work becoming available;

(c) where the previously assumed techniques are no longer permissible or considered adequate; or

(d) when requested by the Authority, within a reasonable time limit specified in the request.

(7) Unless the Authority consents to or directs otherwise, the decommissioning plan shall be submitted at the earliest four years, but at the latest two years before the time when the use of a facility is expected to be terminated permanently.

44. Decommissioning fund.

(1) The Minister shall, by regulations establish a decommissioning fund for one or several types of facilities used for midstream operations or midstream storage.

(2) The decommissioning fund shall be applied to implement activities approved in the decommissioning plan.

(3) The decommissioning fund shall commence from the calendar quarter in any of the following situations—

(a) the operation has reached fifty percent of the project agreement life as determined in the licence period and any successive renewals;

(b) five years before the expiry of the licence; or

(c) on notice of surrender.

(4) For every subsequent calendar quarter in which the facility is operated, the Authority shall charge the licensee a portion of the estimated future cost for decommissioning.

45. Notification of termination of use.

The licensee shall notify the Authority of the time of termination of a facility if the use of the facility is expected to terminate permanently before the expiry of the licence.

46. Disposal of decommissioned facilities.

(1) The Minister may issue directions relating to the disposal of decommissioned facilities and shall stipulate a time limit for the implementation of the directions.

(2) Directions issued under subsection (1) shall be based, among other factors on technical, safety, environmental and economic aspects as well as on consideration for other users.

(3) The Minister may stipulate specific conditions in connection with the directions.

(4) The licensee shall ensure that a direction relating to disposal of a facility is carried out, unless otherwise directed by the Minister.

(5) The obligation to carry out the direction relating to disposal applies even where the direction is made or is to be implemented after the expiry of the licence.

(6) Where the ownership of a facility has been transferred in accordance with this Act, the licensee and the owner shall jointly ensure that a direction relating to disposal is carried out, unless otherwise directed by the Minister.

(7) Where the direction is to the effect that the facility shall continue to be used in the midstream operations or for other purposes, the licensee, owner and user are jointly obliged to ensure that future directions on disposal are carried out, unless otherwise decided by the Minister.

(8) Where a direction relating to disposal is not carried out within the stipulated time, the Minister may take necessary measures on behalf of the licensee or any other responsible party, at the cost of the licensee or any other responsible party.

(9) Where the decommissioning fund does not cover the costs of implementation of the decommissioning plan, the licensee shall cover the additional costs and expenses.

(10) Where any amount remains in the decommissioning fund after the decommissioning plan has been implemented, such funds shall be treated as profit generated under the terms and conditions of the licence and applicable law.

47. Removal of property by a licensee.

(1) Where a licence has been surrendered or has expired, the Authority shall by notice in writing served on the person who is or was the licensee, direct that person, within the period specified in the notice—

(a) to remove or cause to be removed all or part of the facility by any person engaged or concerned in the operation authorised by the licence, or to make arrangements that are satisfactory to the Authority with respect to that property;

(b) close off the operation of the facility; and

(c) to make provision, to the satisfaction of the Authority, for the conservation and protection of the environment.

(2) A direction given under subsection (1) shall be consistent with the best petroleum industry practices, and nothing in this section or in any direction shall be construed as requiring any person who is or was the licensee to do anything which is not in accordance with the best petroleum industry practices.

(3) A person to whom a direction under subsection (1) is given who refuses or fails to comply with the direction within the period specified in the notice commits an offence and is liable on conviction to a fine not exceeding five thousand currency points.

48. Removal and sale of petroleum by the Authority.

(1) Subject to section 51 and with the approval of the Minister, where a direction given under section 46 or 47 has not been complied with, the Authority may—

(a) do or cause to be done all or any of the things required by the direction to be done;

(b) remove or cause to be removed, in such manner as the Authority deems fit, all or any of the property from the area concerned;

(c) dispose of, in such manner as the Authority deems fit, all or any of the property from the area concerned; and

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(d) if the Authority has served a copy of the notice by which the direction was given on a person to whom the Authority is satisfied to be an owner of the property or part of the property, sell or cause to be sold by public auction or otherwise as the Authority deems fit, all or any of the property referred to in this section that belongs, or that the Authority believes, belongs to that person.

(2) The Authority may deduct from the proceeds of a sale of property under subsection (1) the—

(a) costs and expenses incurred by the Authority under that subsection in relation to that property;

(b) costs and expenses incurred by the Authority in relation to the doing of any act required by a direction under section 46 or 47 to be done by the person, notwithstanding that the person has been convicted of an offence under section 47(3); and

(c) fees or amounts due and payable by the person under this Act for a licence.

(3) The costs and expenses incurred by the Authority under subsection (1)—

(a) where incurred in relation to the removal, disposal or sale of property, is a debt due by the licensee to the Government; and

(b) if incurred in relation to the doing of anything required by a direction under this Act to be done by a person who is or was a licensee responsible for the disposal, is a debt due by that person to the Government, and to the extent to which they are not recovered under subsection (2), may be recovered in a court of competent jurisdiction.

(4) Subject to subsection (3), no action shall lie in respect of the removal, disposal or sale of property under this section.

49. Liability for damages for disposal of decommissioned facility.

(1) A licensee obliged to implement a direction relating to the disposal of the decommissioned facility under section 46 is liable for damage or inconvenience caused in connection with the disposal of the facility or other implementation of the direction.

(2) Where the licensee abandons a facility, the licensee is liable for damage caused in connection with the abandoned facility.

(3) Where there is more than one party liable under subsection (1) or (2), they shall be jointly and severally liable for all financial obligations.

(4) In the event of decisions for abandonment, it may be agreed between the licensee and the Minister that the future maintenance, responsibility and liability shall be taken over by the Government based on an agreed financial compensation.

50. Encumbrances.

(1) Where the Government requires removal of a facility, any lien, charge or encumbrance on the facility shall lapse.

(2) Subsection (1) applies where the Government takes over the facility under section 51, except that in such cases, rights of use established with the consent of the Minister shall remain in force.

51. Takeover of facilities by Government.

(1) The Government may take over the facilities of the licensee when—

(a) a licence expires;

(b) a licence is surrendered or cancelled; or

(c) when the use of the facility has been terminated permanently.

(2) Where the Government has confirmed that it wishes to exercise its right to takeover, the takeover shall take effect six months after the period when the licence has expired, has lapsed or for any other reason, or the use of the facility has been terminated permanently, unless otherwise agreed or decided by the Minister.

(3) Where the Government takes over a facility, the facility with its accessories shall be in such condition with adequate maintenance to ensure functional capability that the operation may require.

(4) Any dispute in regard to subsection (2) and, where applicable, regarding the compensation to be paid to the Government for lack of maintenance shall be determined by appraisement.

(4) Where Government takes over a facility under this section, the licensee may continue operating the facility upon payment of the prescribed fee where the licensee is not in default.

PART VII—STATE PARTICIPATION AND NATIONAL CONTENT

52. State participation in midstream operations.

(1) Subject to section 7, the Government may participate in midstream operations under this Act.

(2) The Minister shall, with the approval of Cabinet, specify the form and manner of the Government participation under subsection (1).

53. Provision of goods and services by Uganda entrepreneurs.

(1) The licensee, its contractors and subcontractors shall give priority to citizens of Uganda and registered entities owned by Ugandans in the provision of goods and services.

(2) The entities referred to in subsection (1) shall—

(a) have adequate resources and capacity to add value to the petroleum operations carried out by the licensee; and

(b) be approved by the Authority in accordance with the criteria prescribed by the Minister by regulations.

(3) The licensee, and the contractors and subcontractors of the licensees shall give priority to the purchase of local products and services from Ugandans wherever they are competitive in terms of quality and timely availability.

(4) Where the goods and services are not available in Uganda, they shall, where possible, be provided by a company which has entered into a joint venture with a Ugandan company

(5) The licensee shall, within sixty days after the end of each calendar year, provide the Authority with a report of its achievements and its contractors and sub contractors' achievement in utilising Ugandan goods and services during that calendar year.

(6) The Authority shall submit to the Minister the report received under subsection (5) within thirty days and the Minister shall lay it before Parliament annually.

(7) A person who contravenes subsections (1), (3) and (5) commits an offence and on conviction is liable to a fine not exceeding one hundred currency points or imprisonment not exceeding three years or both.

54. Training and employment of Ugandans.

(1) The licensee shall, within twelve months after the grant of a licence under this Act, and on each subsequent anniversary of that grant, submit to the Authority for approval, a detailed programme for recruitment and training of Ugandans in midstream operations.

(2) The Authority shall with the approval of the Minister provide guidelines to the licensees in regard to the training and recruitment of Ugandans in midstream operations.

(3) The training and recruitment programme shall provide for the training of Ugandans in all phases of midstream operations.

(4) Where a programme or a scholarship proposed to be awarded under this section has been approved by the Authority, it shall not be varied without the permission of the Authority.

(5) The licensee shall submit to the Authority a report on the execution of the recruitment and training programme under this section.

55. Training and technology transfer.

(1) A licence shall include a clearly defined training programme for the local employees of the licensee, which may be carried out in or outside Uganda and may include scholarships and other financial support for education.

(2) A licence shall include a commitment by the licensee to maximise knowledge and skills transfer to Ugandans and to establish in Uganda, management and technical capabilities and any necessary facilities for technical work.

(3) Regulations made under this section, shall prescribe requirements for technology transfer and transfer of knowledge and skills relating to midstream operations to Ugandans to be employed by the licensee.

PART VIII—USE OF LICENCE AS SECURITY

56. Use of licence as security.

The Minister may, in consultation with the Authority, consent to the use of a licence by a licensee under this Act as security by the licensee of his or her share of the licence as part of the financing of the operations prescribed in the licence in a manner prescribed by regulations.

PART IX—LIABILITY FOR DAMAGE DUE TO POLLUTION

57. Application of part.

(1) This Part applies to liability for pollution damage from a facility when the damage occurs in Uganda or affects a Ugandan vessel, vehicle, locomotive or craft or a Ugandan facility in adjacent areas.

(2) The Minister may, notwithstanding the provisions of this Act, prescribe regulations relating to liability for pollution damage caused by midstream operations under this Act.

(3) Regulations made under subsection (2) shall not restrict the right to compensation according to this Act in respect of any injured party under the Ugandan jurisdiction.

58. Liability of licensee for pollution damage.

(1) The licensee is liable for pollution damage from midstream operations under this Act without regard to fault.

(2) Where it is demonstrated that an inevitable event of nature, act of war, exercise of public authority or a similar force majeure event has contributed to a considerable degree to the damage or its extent under circumstances which are beyond the control of the licensee, the liability may be reduced to the extent it is reasonable, with particular consideration to—

(a) the scope of the activity;

(b) the situation of the party that has sustained the damage; and

(c) the opportunity for taking out insurance on both sides.

59. Liability for pollution damage caused without a licence.

(1) Where pollution damage occurs during a midstream operation under this Act, and the operation has been conducted without a licence, the party that conducted the midstream operation is liable for the damage regardless of fault.

(2) The same liability rests on any other person who has taken part in the midstream operation, and who knew, or should have known, that the operation is being conducted without a licence.

60. Claiming of damages.

(1) The liability of a licensee for pollution damage may be claimed in accordance with this Act and any other law applicable.

(2) Liability for pollution damage may not be claimed against a—

(a) person who by agreement with a licensee or his or her contractors has performed tasks or work in connection with midstream operations;

(b) person who has manufactured or delivered equipment to be used in midstream operations;

(c) person who undertakes measures to avert or limit pollution damage, or to save life or rescue values which have been endangered in connection with the midstream operations, unless the measures are performed in conflict with prohibitions imposed by a public authority or are performed by a person other than a public authority regardless of express prohibition by the operator or the owner of the values threatened;

(d) person employed by a licensee or by a person referred to in paragraph (a), (b) or (c).

(3) Where a licensee has been ordered by court to pay compensation for pollution damage, but fails to pay within the time stipulated by the judgment, the party that has sustained damage may bring an action against the party that has caused the damage to the same extent as the licensee may bring an action for recourse against the party causing the damage.

(4) A licensee may claim compensation from the party causing pollution damage to the licensee to the same extent as the licensee may bring action for recourse against the party causing the damage.

61. Recourse for pollution damage.

(1) A licensee may not claim recourse for pollution damage against a person exempted from liability under section 60 (2) unless that person in question or a person in his or her service has acted wilfully or by gross negligence.

(2) Recourse liability may be mitigated to the extent that it is considered reasonable in view of manifested conduct, economic ability and the circumstances in general.

(3) Any agreement on further recourse in respect of persons against whom liability cannot be claimed under section 60 (2) contrary to that section is invalid.

62. Jurisdiction.

Legal action for compensation for pollution damage shall be brought before a competent court in the area where the effluence or discharge of petroleum commodities or products has taken place.

PART X—HEALTH AND SAFETY

63. Safety.

(1) Midstream operations shall be conducted in such a manner as to enable a high level of safety to be maintained and further developed in accordance with technological developments and laws relating to health and safety.

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(2) A licensee shall—

(a) identify and evaluate hazards and risks associated with any work performed in the course of midstream operations carried out under the licence which constitute a hazard to the health of any person employed for purposes of that work and the steps that need to be taken to comply with the provisions of this Act and regulations made under this Act; and

(b) as far as reasonably practicable, prevent the exposure of the person referred to in paragraph (a) to the hazards concerned or, where prevention is not reasonably practicable, minimise the exposure.

64. Safety precautions.

An operator shall—

(a) take precautions as are necessary to—

(i) ensure the safety of any person employed or otherwise present at or in the vicinity of any facility; and

(ii) protect the facilities, environment and natural resources, including taking precautions to prevent pollution; and

(b) ensure that the person referred to in paragraph (a) (i) is duly informed of those precautions.

65. General requirements for emergency preparedness.

(1) A licensee and any other participant in midstream operations shall, at all times maintain efficient emergency preparedness with a view to dealing with accidents and emergencies which may lead to loss of life or personal injury, pollution or major damage to property.

(2) The licensee shall ensure that necessary measures are taken to prevent or reduce harmful effects, including the measures required to return the environment to the condition it had been in before the accident or emergency occurred.

(3) The Minister may issue directions for the implementation of the measures referred to in subsection (1).

66. Emergency preparedness against deliberate attacks.

(1) The licensee shall initiate and maintain security measures to contribute to avoiding attacks against facilities and shall at all times have contingency plans to deal with such attacks.

(2) The licensee shall place facilities at the disposal of public authorities for emergency and security drills and shall, where necessary, participate in such drills.

(3) The Minister may direct implementation of the measures referred to in subsections (1) and (2).

67. Safety zones.

(1) There shall be a safety zone surrounding every facility carrying out midstream operations, unless otherwise determined by the Authority.

(2) The Authority may in cases of accidents and emergencies, establish or extend the safety zones under subsection (1).

(3) The extent of the safety zones referred to in subsections (1) and (2) shall be determined by the Authority.

(4) The Authority may direct that—

(a) a zone corresponding to the safety zone shall be established in a reasonable time before the placing of the facilities as mentioned in subsection (1); or

(b) there shall be a safety zone around and above abandoned or dumped facilities, or parts of the facilities.

(5) Unauthorised vessels, vehicles, crafts, fishing gear or other objects shall not be present in zones mentioned in subsections (1), (2), (3) and (4).

68. Suspension of midstream operations.

(1) Where an accident or emergency referred to in section 65 occurs, the licensee or other person responsible for the operation and use of the facility shall, to the extent necessary, suspend the midstream operations for as long as the requirement to prudent operations warrants.

(2) Where special circumstances exist, the Minister may order that midstream operations be suspended to the extent necessary, or may impose particular conditions to allow continuation of the operations.

(3) Where the Minister makes an order under subsection (2) basing on circumstances not caused by the licensee, the Minister may, upon application, extend the period of time for which the licence applies and, to a reasonable extent, mitigate the obligations of the licensee.

69. Requirement to submit safety documentation.

(1) The licensee shall prepare a health and safety plan in accordance with sections 67 or 63 as the case may be.

(2) The plan and the licensee's documentation for implementation of the work shall be submitted to the Minister as part of the regulatory health and safety supervision.

70. Qualifications.

(1) The licensee and other persons engaged in midstream operations shall possess the necessary qualifications to perform the work in a prudent manner.

(2) The licensee shall ensure that any person carrying out work for the licensee complies with subsection (1).

(3) The Minister may, by regulations prescribe the qualifications required for different types of midstream operations.

71. Commission of inquiry.

(1) Where an accident occurs which the Minister considers to be serious in connection with midstream operations to which this Act applies, the Minister may appoint a commission of inquiry under this Act to inquire into the accident and shall make public the report of the inquiry within six months upon completion of the inquiry.

(2) The Minister shall lay before Parliament a report of the inquiry made under subsection (1).

(3) Subsection (1) applies to incidents in the operations which have led to serious danger including loss of life or major damage to property or pollution of the environment.

PART XI—INFORMATION AND DOCUMENTATION

72. Information, data, reports and records.

(1) A licensee shall keep at an address in Uganda which shall be notified to the Authority, a complete and accurate records regarding the following—

(a) updated information regarding ownership of the licence;

(b) the inventory and volumes of petroleum commodities refined, converted, traded, transmitted or stored;

(c) use of petroleum commodities and products;

(d) the tariff structure and rates for third party use of the facility;

(e) capacity and efficiency of the facility;

(f) specifications of petroleum commodities and products having been refined or converted in the facility;

(g) the number of employees by nationality, gender and disability;

(h) a report on training of Ugandan personnel including—

(i) the number of persons trained in general; and

(ii) the number and title of qualifications obtained; and

(i) any other information as may be prescribed by regulations.

(2) A person who—

(a) without lawful excuse fails to keep information, data, reports or records under subsection (1); or

(b) makes in any information, data, reports or records under subsection (1) a statement which he or she knows to be false in any material particular,

commits an offence and is liable on conviction to a fine not exceeding one hundred thousand currency points or imprisonment not exceeding ten years or both.

73. Duties on termination of licence.

Where a licence is terminated or revoked or expires, the person who was the licensee immediately before the termination, revocation or expiration of the licence shall immediately deliver to the Authority in a format acceptable to the Authority—

(a) all records and data which the licensee maintained with respect to the licence;

(b) all plans, maps, and technical designs of facilities which were prepared by or on the instruction of the licensee;

(c) all tapes, diagrams, profiles and charts which were prepared by the licensee; and

(d) such other documents as the Authority, may, by notice given to the licensee, require him or her to deliver.

74. Availability of information to the public.

(1) The Minister may, in accordance with the Access to Information Act, 2005, make available to the public—

(a) details of all agreements, licences and any amendments to the licences or agreements whether or not terminated or valid;

(b) details of exemptions from or variations or suspensions of, the conditions of a licence; and

(c) all assignments and other approved arrangements in respect of a licence.

(2) The information referred to in subsection (1) shall be available to any person upon payment of the prescribed fee.

75. Confidentiality of data.

(1) Subject to the Access to Information Act, 2005, all data submitted to the Minister by a licensee shall be kept confidential and shall not be reproduced or disclosed to third parties by any party under this Act except—

(a) in the case of disclosure by the licensee, with the prior written consent of the Minister; or

(b) in the case of disclosure by the Authority prior to the expiration of the licence, with the prior written consent of the licensee.

(2) Consent under subsection (1) (a) or (b) shall not be unreasonably withheld or delayed.

(3) The provisions of subsection (1) shall not prevent disclosure—

(a) by the Minister upon fifteen days' prior written notice to the licensee identifying the parties to which disclosure will be made—

(i) to an agency of the Government;

(ii) to a financial institution or person acting as a consultant or professional advisor to the Authority;

(iii) arbitrators and experts appointed under this Act or under an agreement made under this Act;

(iv) for statistical purposes; or

(b) by the licensee or one or more of the subsidiaries of the licensees to—

(i) a licensee affiliated company, its home government or any department or, agency as required by any law;

(ii) a recognized stock exchange on which shares of the licensee or its affiliated companies are traded;

(iii) financial institutions, professional advisors, arbitrators and experts appointed under this Act;

(iv) bona fide prospective assignees of a participating interest; or

(v) a corporation with which the licensee is conducting bona fide negotiations directed towards a merger or consolidation.

(4) All data disclosed to third parties shall be disclosed on terms, which to the extent possible ensure that they are treated as confidential by the recipient for so long as the data remains subject to the confidentiality undertakings.

PART XII—OFFENCES

76. Prohibition against disclosure of information.

(1) Information furnished, or information in a report submitted under this Act by a licensee shall not be disclosed to any person who is not a Minister or an officer in the public service except with the consent of the licensee.

(2) Nothing in subsection (1) operates to prevent the disclosure of information when the disclosure is made—

(a) after the licence concerned has ceased to have effect;

(b) for and in connection with the implementation of this Act;

(c) for the purpose of or in connection with any legal proceedings;

(d) to any consultant employed to advise the Government on matters relating to midstream operations;

(e) for or in connection with the preparation by or on behalf of the Government of statistics in relation to midstream operations;

(f) to a financial institution for or in connection with financial arrangements or advice in relation to midstream operations;

(g) for or in connection with the determination of any liability of the licensee to make any payment to the Government; or

(h) for or in connection with any matter, or for any purpose, prescribed in an agreement.

(3) A person shall not, while still in the public service or service of the Authority in the petroleum industry or when he or she ceases to be a public servant or member of the board of the authority disclose any information which he or she may have obtained in the course of his or her employment for a period of ten years.

(4) A person who contravenes subsections (1) or (3) commits an offence and is liable on conviction to a fine not exceeding five hundred currency points or imprisonment not exceeding five years or both.

(5) In proceedings on a prosecution for an offence under this section, it shall be a sufficient defence if the person charged proves that the information disclosed and to which the prosecution relates was, without that disclosure, generally known to the public.

77. Obstruction of authorised officer.

A person who—

(a) without reasonable excuse, obstructs, molests or hinders an authorised officer in the exercise of his or her powers under this section; or

(b) knowingly or recklessly makes a statement or produces a document that is false or misleading in a material particular to an authorised officer engaged in carrying out his or her duties and functions under this Act,

commits an offence and is liable on conviction to a fine not exceeding ten thousand currency points or imprisonment not exceeding five years or both.

78. Powers of inspectors.

(1) The Authority may, by notice in the *Gazette* designate inspectors for purposes of this Act.

(2) For the purposes of this Act, an inspector may, at any reasonable time, enter any area, place or premises that the inspector reasonably believes is used for the purposes of, or in connection with, a midstream operation, including any area place or premises believed to be used only for the storage of equipment or for the keeping of any accounts, documents or records relating to such an operation.

(3) This section shall not be taken to authorize entry into any premises or part of any premises that is being used as a private dwelling except with the consent of the occupant or under the authority of a warrant issued in accordance with the law.

(4) An inspector who enters an area, place or premises under this section shall have full and free access to any plant, equipment storage area and facility therein.

(5) The owner or person in charge of any area, place or premises referred to in subsection (1) and any person found there shall give an inspector reasonable assistance for the purpose of the exercise of the inspector's powers under this Act.

(6) Without limiting the general effect of the foregoing provisions of this section, the inspector may—

(a) direct the person in charge to produce for inspection any substance or articles manufactured, produced, transmitted or stored on the premises, or any books, accounts or records kept there;

(b) take samples of any such substance or articles, and make copies of or take extracts from any such book, account or record;

(c) inspect machinery, equipment, appliances, meters, fittings and apparatus; and

(d) inspect any areas subject to a licence, facility and used for midstream operations.

79. Obstruction of inspector.

A person who—

(a) willfully delays or obstructs an inspector in the exercise or performance of the inspector's powers and functions;

(b) refuses to give an inspector such reasonable assistance as the inspector may require for the purpose of the exercise of the inspector's powers under this Act; or

(c) knowingly or negligently gives an inspector false or misleading information in answer to any inquiry made by the inspector;

commits an offence and is liable on conviction to a fine not exceeding ten thousand currency points or imprisonment for a term not exceeding five years or both.

80. Obstruction of licensee.

A person who, without reasonable excuse, obstructs, molests, hinders or prevents a licensee in or from doing any act which the licensee is authorised to do by this Act or his or her licence commits an offence and is liable on conviction to a fine not exceeding five thousand currency points or imprisonment not exceeding five years or both.

81. Offences committed by a body corporate.

Where an offence which has been committed by a body corporate is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of a director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity, he or she, as well as the body corporate, commits that offence and is liable to be prosecuted and punished accordingly.

82. Orders for forfeiture.

(1) Where a person is convicted of an offence under this Act, the court may in addition to any other penalty imposed, make—

(a) an order for the forfeiture of any funds, money instruments, documents, facilities, vehicles, crafts, vessels or equipment used in the commission of the offence; and

(b) an order for the—

(i) forfeiture of petroleum commodities or products converted, transmitted or stored in the course of the commission of the offence; or

(ii) payment by that person to the Government of an amount equal to the proceeds received from midstream operations carried out.

(2) Where the court is satisfied that an order made under subsection (1)(b)(i) cannot for any reason be enforced, the court may, upon the application of the person by whom the proceedings were brought, set aside the order and make an order referred to in subsection (1)(b)(ii).

(3) The court may, before making an order under this section, require notice to be given to, and to hear any person as the court deems fit.

83. Contravention of decisions and orders issued under this Act. A person who wilfully or negligently contravenes any directive issued under this Act commits an offence and is liable on conviction—

(a) in the case of an individual, to a fine not exceeding ten thousand currency points or imprisonment not exceeding five years or both; or

(b) in the case of a body corporate, to a fine not exceeding one hundred thousand currency points.

Complaints and settlement of disputes

84. Right of complaint.

(1) A person may submit a written or oral complaint to the Authority in respect of the construction or operation of a facility or undertaking of a midstream operation.

(2) The Authority shall examine and determine a complaint submitted to it and take appropriate action within a period not exceeding forty days from the date of receipt of the complaint.

(3) A person who has made a complaint to the Authority where—

(a) no action is taken on the complaint within the period specified; or

(b) that person is dissatisfied with the action taken by the Authority may submit the complaint to the Minister for further investigation.

(4) The Minister shall investigate a complaint received by him or her unless he or she is of the opinion that—

(a) the complaint is trivial, frivolous, vexatious or not made in good faith;

(b) the complaint is the same subject already under investigation or before a court; or

(c) the complaint is prejudicial to national security.

(5) The Minister shall within ninety working days of receipt of a complaint make an appropriate determination together with a statement of reasons for the determination made.

85. Settlement of disputes.

(1) A licensee shall negotiate in good faith to reach an amicable settlement of a dispute concerning a contractual matter that arises with respect to—

(a) facility tariffs ;

(b) margins set by traders;

(c) freight rates for transmission of petroleum commodities or products; and

(d) any matter designated by the Authority.

(2) Where the dispute cannot be amicably settled through negotiation, the aggrieved party may submit the dispute to the Authority.

86. Maintenance of property.

(1) A licensee shall—

(a) maintain in good condition and repair, all structures, equipment and other property in the licensed facility and used in connection with the operations in which he or she is engaged;

(b) remove from licensed facility area, all structures, equipment and other property that are not either used or to be used in connection with those operations; and

(c) take reasonable steps to warn persons who may, from time to time be in the vicinity of any such structure, equipment or other property, of the presence of the structure, equipment or other property and the possible hazards resulting from the operations of the licensee.

(2) A licensee who contravenes subsection (1) commits an offence and is liable on conviction to a fine not exceeding ten thousand currency points.

87. Agreements between affiliated companies.

(1) The Minister may, where particular reasons warrant, consent to the licensee entering into an agreement, authoring a parent company or a company with which the licensee is affiliated in a similar manner, to undertake the midstream operations on behalf of the licensee.

(2) It shall be a condition for the consent referred to in subsection (1), that the arrangement will not result in less tax revenues to Uganda.

88. Responsibility for commitments.

Licensees who jointly hold a licence are jointly and severally responsible to the state for financial and other obligations arising out of midstream operations under the licence.

89. Liability for damage caused.

Where liability in respect of a third party is incurred by any person who undertakes tasks for a licensee, the licensee is liable for damages to the same extent as, and jointly and severally with the perpetrator and, if applicable, his or her employer.

90. Information required by Minister or Authority.

(1) Where the Minister or Authority has reason to believe that a person is in possession of any information or data relating to midstream operations, the Minister or Authority may, by notice in writing, require that person—

(a) to provide the Minister or Authority with that information or data within the period, and in the manner specified in the notice;

(b) to attend before the Minister or Authority or a person identified in the notice at such time and place as may be specified and to answer questions relating to those midstream operations; or

(c) to provide to a person identified in the notice at such time and place as is so specified, the information or data in his or her custody or power relating to midstream operations.

(2) A person shall not be excused from providing information or data, or answering a question when required to do so under this section on the ground that the information or data so furnished or the answer to the question might tend to incriminate him or her to make him or her liable to a penalty.

(3) Any information or data provided under subsection (2) or any answer to a question shall not be admissible in evidence against the person submitting it in any proceedings other than proceedings for an offence against this section.

(4) Where any data is provided in accordance with a requirement under subsection (1) (c), the person to whom it is made available may make copies or take extracts from the data.

(5) Any person who—

(a) refuses or fails to comply with the requirement in a notice under subsection (1) to the extent to which he or she is capable of complying with it;

(b) in purported compliance with any requirement referred to in subsection (1), knowingly or recklessly makes a statement or furnishes any information or data that is false or misleading in a material particular,

commits an offence and is liable on conviction to a fine not exceeding one thousand currency points or imprisonment not exceeding five years or both.

91. Powers of Authority and authorised officers.

(1) For the purposes of this Act, the Authority or an authorised officer may, at all reasonable times—

(a) with respect to the health and safety of persons employed by a licensee in or in connection with any midstream operations, issue directions to and impose restrictions on the licensee or any persons so employed, by instrument in writing;

(b) order, by instrument in writing—

(i) the suspension of midstream operations and the withdrawal of all persons from any facility that is being used in connection with any midstream operations; or

(ii) the discontinuance of the use of any machinery or equipment or chemical, which he or she considers unsafe, until such action as is necessary for safety and specified in the instrument is taken and completed; and

(c) make such examinations and inquiries as may be necessary to ensure that the provisions of this Act, and any directions issued, conditions imposed or orders made under this Act, are being complied with.

(2) An authorised officer shall, before exercising any of his or her powers under subsection (1) identify himself or herself to any person who is or appears to be in charge of the area, structure, vehicle, vessel, aircraft, building, machinery, equipment or matter or thing in respect of which the power is about to be exercised, and to any person to whom he or she is about to give the order or direction.

(3) A person who is an occupier or is in charge of a facility referred to in subsection (1) or machinery, equipment or matter referred to in subsection (2), shall provide an authorised officer with all reasonable assistance including the provision of the necessary means of transport for the effective exercise of powers of the authorised officer under this section.

92. Service of documents.

(1) A document or notice required or permitted served on, or given to, a person under or for the purposes of this Act, may be served—

(a) in the case of an individual, other than the Minister or Authority, by serving it personally upon the individual or by sending it by post to him or her at his or her usual or last known place of abode or business;

(b) in the case of the Minister or the Authority, in such manner as may be prescribed;

(c) in the case of a body corporate—

(i) by leaving it at the registered or principal office of the body corporate;

(ii) by sending it by post to the body corporate at the registered or principal office of the body corporate; or

(iii) by delivering it to an individual in the employment or acting on behalf of the body corporate that is authorised by the body corporate to accept service of or to receive the document.

(2) For the purposes of subsection (1)(c), the principal office of a body corporate incorporated outside Uganda is its place of business as established under the Companies Act, 2012.

(3) Any notice or document may be served on the Authority by delivering it at the office of the Authority, or by sending it by registered post to the office of the Authority.

93. Indemnity of the Republic of Uganda.

A licensee shall, at all times, keep the Republic of Uganda indemnified against all actions, claims and demands that may be brought or made against the Government by reason of anything done by the licensee in the exercise or purported exercise of the rights of the licensee under this Act or his or her licence.

94. Right to place facilities.

(1) A licensee shall allow the laying of transmission pipelines, cables or wires of various kinds, or the placing of other facilities on, in or above the area covered by the licence.

(2) The facilities referred to in subsection (1) must not cause unreasonable inconvenience to the midstream operations of the existing licensee.

95. Regulations.

(1) The Minister may in consultation with the Authority, by statutory instrument, make regulations generally for giving effect to the provisions of this Act and for its due administration.

(2) Without limiting the general effect of subsection (1), the Minister may make regulations relating to—

(a) the application for licences under this Act;

(b) the manner and place of delivery of petroleum commodities to a facility;

(c) confidentiality;

(d) the licensee's obligation to make information on the midstream operations under this Act available to the public;

(e) the conservation and prevention of the waste of natural resources, whether petroleum or otherwise;

(f) the taking out of appropriate insurance protection in regard to midstream operations as well as health and safety of employees;

(g) the form and content of, and conditions with respect to applications for the grant and renewal of licences;

(h) the construction, erection, maintenance, operation or use of facilities;

(i) the prevention and control of, and the liability for pollution;

(j) storage of petroleum commodities and products;

(k) transmission of petroleum commodities and products;

(l) pricing of petroleum commodities and products at the refinery gate;

(m) the methods to be used for the measurements of petroleum commodities and products, water and other substances;

(n) minimum working stocks for a refinery, transmission or storage facility;

(o) tariff structures for midstream operations facilities;

(p) tariff structures for refineries and conversion plants;

(q) the safety and welfare standards and the health and safety of persons employed in facilities;

(r) the obligation to submit reports, returns and other information to the Authority;

(s) the transfer of licences or interests in licences;

(t) the manner in which the midstream register will be arranged and kept, the obligation for notification of transfers and other alterations in connection with the licence, and other aspects of registration;

(u) the procedures for handling of administrative appeals;

(y) the criteria for approval of entities owned by Ugandans for the provision of goods and services;

(z) emergency preparedness, including the ordering of co-operation between several licensees in matters of emergency preparedness;

(aa) third party access to facilities;

(ab) access to facilities and determining the extent of safety zones;

(ac) the surveying of midstream pipeline routes;

(ad) the laying of midstream pipelines, cables or wires and the placing of other facilities on, in or above a licensed facility;

(ae) the annual fees payable under this Act;

(af) the fees to be paid in respect of any matter or thing done under this Act;

(ag) reporting requirements of any venting or flaring;

(ah) decommissioning of facilities and works to be carried out during decommissioning;

(ai) management and operation of the decommissioning fund; and

(aj) generally for the better carrying out of the purposes of this Act.

(3) Regulations made under subsection (1) may, in respect of any contravention of any of the regulations—

(a) prescribe a penalty of a fine not exceeding five thousand currency points or imprisonment not exceeding ten years, or both;

(b) in the case of a continuing contravention, prescribe an additional penalty not exceeding five hundred currency points in respect of each day on which the office continues;

(c) prescribe a higher penalty not exceeding five thousand five hundred currency points or imprisonment not exceeding twelve years or both in respect of a second or subsequent contravention;

(d) provide for the forfeiture of anything used in the commission of the offence.

96. Codes of practice.

The Minister may issue codes of practice for the purposes of setting or endorsing standards or specifications concerning the design, construction and installation of facilities for the performance of midstream operations.

97. Amendment of Schedule.

The Minister may, with the approval of Cabinet, by statutory instrument, amend the Schedule to this Act.

98. Application of this Act.

This Act shall be read together with the Petroleum (Exploration, Development and Production) Act, 2013, the Petroleum Supply Act, 2003, and any other law relating or relevant to midstream operations in Uganda.

99. Compliance with conditions of a licence.

(1) Where the Authority is of the opinion that the licensee is contravening a condition of a licence or a requirement under this Act or regulations, codes or standards made under this Act, the Authority shall direct the licensee to comply with that condition or requirement.

(2) A directive requiring a licensee to comply under subsection (1) shall be sent to the licensee and to other directly affected parties and shall—

(a) contain the relevant condition of the licence or requirement of the Act or regulations to which the breach relates;

(b) contain the acts, omissions or other facts which, in the opinion of the Authority, constitute a contravention of the condition or requirement;

(c) specify a period, not being less than twenty days from the date of receiving the notice, within which representations or objections may be made by the licensee or directly affected parties; and

(d) specify the period within which the licensee may rectify the breach or contravention.

(3) The Authority shall take into consideration all representations made before notifying the licensee and directly affected parties of his or her decision to either—

(a) uphold the order of compliance;

(b) vary the original order of compliance; or

(c) withdraw the order of compliance.

100. Force majeure.

(1) Any failure on the part of a licensee or Government to fulfil any of the conditions of his or her licence or to meet any requirement of this Act or of a petroleum agreement shall not constitute a breach of the licence or of this Act or the agreement, insofar as the failure results from an act of war, hostility, insurrection, storm, flood, earthquake or such other natural phenomenon beyond the reasonable control of the licensee as constituting force majeure.

(2) Where a licensee fails to fulfil any of the conditions of his or her licence because of the occurrence of circumstances referred to in subsection (1), he or she shall immediately notify the Minister, giving particulars of the failure and its cause.

(3) Where a licensee is prevented from exercising any of his or her rights or discharging his or her obligations under the licence for any period because of the occurrence of circumstances of a kind referred to in subsection (1), then that period shall be added to the period during which the licensee would otherwise have been obliged to discharge those obligations.

(4) This section does not apply with respect to any requirement under a licence or this Act to make any payment of, annual charges, rent or fees.

SCHEDULE

Section 2

CURRENCY POINT

A currency point is equivalent to twenty thousand shillings.

Cross References

Access to Information Act, 2005, Act No. 6 of 2005
Arbitration and Conciliation Act, Cap 4
Commissions of Inquiry Act, Cap. 166
Companies Act, 2012, Act No. 1 of 2012
Constitution of the Republic of Uganda, 1995
Land Act, Cap. 227
Mining Act, 2003, Act No. 9 of 2003
National Environment Act, Cap. 153
Occupational Safety and Health Act, 2006, Act No. 9 of 2006
Petroleum (Exploration, Development and Production) Act, 2013
Petroleum Supply Act, 2003, Act No. 13 of 2003
Public Finance and Accountability Act, 2003, Act No. 6 of 2003
Uganda National Bureau of Standards Act, Cap. 327

THE REPUBLIC OF UGANDA

This printed impression has been carefully compared by me with the bill which was passed by Parliament and found by me to be a true copy of the bill.

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Clerk to Parliament

Date of authentication: 25th June 2013