

## **The Petroleum and Petroleum Product Law**

( The Pyidaungsu Hluttaw Law No. 20 , 2017 )

The 9<sup>th</sup> Waxing Day of Wagaung, 1379 M.E.

( 1<sup>st</sup> August, 2017 )

### **Chapter I**

#### **Title and Definitions**

1. This law shall be called **the Petroleum and Petroleum Product Law**.
2. The following expressions contained in this Law shall have the meanings as given hereunder :
  - a. **Union** means the Republic of the Union of Myanmar;
  - b. **Petroleum** means the fossil fuel that is the mixture of hydrocarbon. This expression includes crude oil, condensate and natural gas;
  - c. **Petroleum Product** means any product produced from refining Petroleum. This expression includes gasoline, solvent, diesel, aviation turbine fuel, kerosene, fuel oil, engine oil, lubricant, compressed natural gas-CNG, liquefied natural gas-LNG, liquefied petroleum gas-LPG, bio-fuels mixed with any Petroleum products, wax, bitumen and any product by notification, prescribed as petroleum product by the Ministry from time to time;
  - d. **Flash Point** means the lowest temperature at which petroleum or petroleum product yields a vapour which will give a momentary flash when otherwise ignited from outside;
  - e. **Dangerous Petroleum** means the petroleum or petroleum product which is easily inflammable at the flash point of 76 degree Fahrenheit or 24.44 degree Centigrade and its lower temperature;
  - f. **Petroleum and Petroleum Product Business Activity** means the business activity of import, export, transport, transit, storage, possession, refining, sale and distribution, inspection and testing of Petroleum and Petroleum products;
  - g. **Import** means the import of petroleum or petroleum product into Myanmar by any means of road, water, air or pipeline;
  - h. **Export** means the export of petroleum or petroleum product overseas by any means of road, water, air or pipeline;
  - i. **Transport** means the transport of petroleum or petroleum product from a place to another within Myanmar by any means;
  - j. **Transit** means the transport of petroleum or petroleum product by any means across the border of Myanmar;
  - k. **Storage** means the storage of petroleum or petroleum product at any place in accord with the stipulations. This expression does not include the temporary storage of petroleum or petroleum product while transporting it by the route, from time to time, stipulated by the Ministry of Electricity and Energy;
  - l. **Refining** means refining, mixture or modification of petroleum by any process to obtain any petroleum product;
  - m. **Possession** means keeping petroleum or petroleum product under the management of any individual person or any organization;
  - n. **Sale and Distribution** means the transfer of petroleum or petroleum product with consideration;
  - o. **Inspection** means the inspection of the quality and measurement of petroleum and petroleum products and the inspection of such performance skill and technical skill;

- p. **Testing** means testing of petroleum and petroleum product under this law;
- q. **Inspection Officer** means an expert officer in Petroleum business activity, who leads a team, by notification, assigned by the Ministry to inspect any place that operates petroleum and petroleum business activity, to take sample of petroleum and petroleum product from such place and to send it to the testing officer;
- r. **Testing Officer** means an expert, organization or individual person in petroleum and petroleum product and quality testing, by notification, assigned by the Ministry, to test the quality of Petroleum and Petroleum product;
- s. **Machine-powered Vehicle or Machinery** means the vehicle or machinery that uses any petroleum product to obtain machine power under this Law;
- t. **Licence** means the licence issued under sections 7, 8, 9 and 10 of this Law to carry out any petroleum and petroleum product business activities;
- u. **Gallon** means a unit for measuring the volume by British capacity unit, and one gallon has 4.546 ( Four point Five Four Six) liters;
- v. **Ministry of Transport and Communications** means the Ministry of Transport and Communications of the Union Government;
- w. **Ministry concerned** means any other Union level ministry contained in this Law except the Ministry of Electricity and Energy;
- x. **Ministry of Natural Resources and Environmental Conservation** means the Ministry of Natural Resources and Environmental Conservation of the Union Government;
- y. **Ministry of Planning and Finance** means the Ministry of Planning and Finance of the Union Government;
- z. **Ministry of Commerce** means the Ministry of Commerce of the Union Government;

(z-1) **Ministry** means the Ministry of Electricity and Energy of the Union Government;

(z-2) **Minister** means the minister for the Ministry of Electricity and Energy of the Union Government;

(z-3) **Committee** means the supervisory committee on the petroleum and petroleum product business activities.

## Chapter II

### Objective

3. The Objectives of this law are as follows:

- a. to carry out the petroleum and petroleum product businesses activities systematically in accordance with the provisions of the law, stipulated standards, procedures and conditions;
- b. to enable the petroleum and petroleum product business activities to carry out safely without environmental impact;
- c. to establish free and fair competition in carrying out petroleum and petroleum product business activities;
- d. to secure energy requirement and energy security of the Union;
- e. to obtain tax revenue of the Union.

## Chapter III

### Formation of Committee

4. The Ministry shall, with the approval of the Union Government, form the Supervisory Committee on petroleum and petroleum product business activities comprising with maximum 15 members, including the representatives of the ministries concerned, to systematically supervise petroleum and petroleum product business activities.

5. The Committee shall carry out the following functions and duties:

- a. prescribing functions and duties which shall be taken responsibility and carried out by Union ministry concerned;
- b. ensuring to form the supervisory sub-committees on petroleum and petroleum product business activities in the Region or State in coordination with the Region or State Government concerned, and to determine and carry out the functions and duties, and, if necessary, issuing directives;
- c. coordination with departments and organizations concerned to facilitate in carrying out by the persons who operate petroleum and petroleum product business activities;
- d. supervising to enable the petroleum and petroleum product businesses activities to carry out in accordance with this law;
- e. Supervising of the petroleum and petroleum product businesses activities to be in conformity with stipulated standard, quality and measurement;
- f. taking action, as necessary, against the persons, who carry out the petroleum and petroleum product business activities and fail to bide by any existing law, relevant orders and directives or any terms and conditions of licence;
- g. guiding and supervising to free from hazard and not impact environmental in carrying out the businesses activities.

6. The Ministry may, with the approval of the Union Government, reform the Committee, and amend, extend and cancel the functions and duties, if necessary.

#### **Chapter IV**

#### **Application for Licence, Issue of Permit, Determining Conditions to be abided by , and Supervision**

7. The Ministry of Commerce shall carry out the following functions relating to any Petroleum and Petroleum product:

- a. issuing licences relating to import or export;
- b. prohibition not to import or export from the other places except from the places stipulated for import or export;
- c. determining procedures, and conditions relating to import or export;
- d. determining period, form and conditions, means of applying licence, fees to be assessed and conditions necessary for any other matters.

8. The Ministry shall carry out the following functions relating to any Petroleum and Petroleum product:

- a. issuing licences relating to refining, transit, transport by pipeline, sale and distribution, inspection, and testing; issuing joint licence or compound licence for carrying out more than a type of business activities;
- b. determining the period, form, conditions, means of applying licence, permitting authority and fees to be assessed for licences in subsection(a);
- c. determining procedures and conditions, relating to refining, transit, transport by pipeline, sale and distribution, inspection and testing;
- d. determining procedures and conditions to be followed by the shippers, acceptors, transporters, storekeepers to free from hazard in carrying out petroleum and petroleum product business activities;

- e. determining standard and quality of receptacles for transport, and procedures and conditions for the pipelines;
- f. determining and prohibiting portion and volume of toxic chemicals and metal chemicals that may damage the machineries, to be contain in any petroleum and petroleum product, which do not contain in the prohibition and restrictions under the existing laws;
- g. determining procedures and conditions to have correctness in standard, quality and measurement;
- h. seizure or deal with otherwise of any petroleum and petroleum product which is not in conformity with the stipulated quality according to testing;
- i. determining the place for refining, place for storage and procedures and conditions to be abided by in storage;
- j. determining conditions relating to possession and sale and distribution;
- k. determining procedures and conditions necessary to appropriately supervise petroleum and petroleum product business activities;
- l. adopting appropriate measures for energy sector development of the Union and ensuring for energy demand and energy security;
- m. inspecting the transport, transit, testing, sale and distribution , and refining in accordance with the procedures.

9. The Ministry of Transport and Communications shall carry out the following functions relating to any petroleum and petroleum product;

- a. issuing licence to vehicles, vessels and barges that carry any petroleum and petroleum product;
- b. determining period, form , conditions, means of applying for licence, permitting authority and fees to be assessed, for licences under subsection (a);
- c. determining and supervision on ports for vessels and barges that carry out import, export, and transport by water in accord with procedures;
- d. taking action, as necessary, in accordance with the existing laws if it occurs spill or accident in carrying out import, export, transport, and sale and distribution of petroleum and petroleum product by water;
- e. determining procedures and conditions to be abided by in carrying out transport business except transport by pipeline.

10. The Ministry of Natural Resources and Environmental Conservation shall carry out the following functions relating to any petroleum and petroleum product;

- a. issuing licence for the right to store for the storage tanks and warehouses;
- b. issuing transport permit for the vehicles, vessels and barges that shall carry any petroleum and petroleum product;
- c. determining the period, form and terms and conditions, manners of applying licence, permitting authority and fees to be assessed, for licence under subsection (a) and permit under subsection (b);
- d. if it occurs environmental impacts in carrying out petroleum and petroleum product business activities, taking action, as necessary , in accordance with the existing laws of on-site inspection;
- e. determining, in coordination with ministries concerned, procedures and conditions relating to standard and quality of storage tanks and warehouse, and tanks of vehicles, vessels and barges that carry any petroleum and petroleum product.

11. On all receptacles containing any dangerous petroleum and petroleum product, the warning sign of danger by stamping, embossing, painting, printing or any other means shall be expressed. If it is impossible to express as such,

similar warning signs of the nature of danger of gasoline, spirit or petroleum shall be expressed in writing at the ostensible place in salient words or signs near the receptacle.

12. The provisions contained in section 11 shall not apply to any following receptacles:

- a. any glass, stone or metal receptacle in which the dangerous petroleum lesser than two gallons is put with secure cap;
- b. a tank attached to machine-powered vehicle or machinery that uses any petroleum and petroleum product;
- c. a storage tank absolutely buried underground;
- d. any class of receptacles, by notification, exempted from the application of this section by the Ministry.

13. Through the pipeline that transports any petroleum and petroleum product, warning sign of danger shall be mentioned in writing in salient word or sign.

14. The Ministry may, with the approval of the Union Government, exempt any petroleum and petroleum product from any provisions of this chapter.

15. Any person desirous to transport or store non-dangerous petroleum and petroleum products locally, shall obtain licence if it is more than 500 gallons. However, in storing 500 gallons and less, receptacle not exceeding 200 gallons shall be used.

16. Any person may without obtaining licence, store, import or transport any dangerous petroleum and petroleum product not exceeding six gallons not intended for sale .

17. If it is desirous to store any dangerous petroleum and petroleum product according to section 16, the product shall be put and stored in the glass, stone or metal receptacle with secure cap. If it is desirous to store in the glass or stone receptacle, the volume shall not exceed 0.25 gallon. If it is desirous to store in metal receptacle, the volume shall not exceed 5 gallons.

18. The driver, master of ship and owner of a machine-powered vehicle or machinery shall not required to obtain licence or permit for the import, transport and storage of the volume of dangerous petroleum and petroleum products not exceeding 20 gallons stored to use for such machine-powered, vehicle or machinery, in addition to petroleum and petroleum product contained in the original tank of the machine-powered vehicle or machinery that uses any petroleum and petroleum product.

## **Chapter V**

### **Test of Petroleum and Petroleum Product**

19. The Ministry shall, by notification, ensure any officer of its Ministry, who is expert in petroleum business activities or any organization issued licence by the Ministry for testing the quality of petroleum and petroleum product, to take in accord with the stipulations sample of petroleum and petroleum product to be imported or exported, and send it to the testing officer for testing and examination.

20. The Ministry may, by notification, ensure an inspection team led by an officer of its Ministry, who is expert in petroleum business as the inspector, to enter into and inspect any place which carries out the petroleum and petroleum product business activities, take sample of any petroleum and petroleum product found in such place and send it to the testing officer for testing and examination.

21. The Ministry shall carry out the followings:

- a. prescribing the conditions relating to taking sample of petroleum and petroleum product.
- b. determining the due fee and the means of payment for taking sample.
- c. determining the procedures for the persons who will exercise the powers contained in this section.

22. A testing officer or an organization licensed for testing shall carry out the following relating to testing of petroleum and petroleum products:

- a. testing and affirmation of flashing point and other quality inspection of petroleum and petroleum product, in accordance with the law relating to standardization, with the stipulated testing equipment;
- b. inspecting and affirmation of the testing equipment, from time to time, verification and substitution where necessary;
- c. testing and examination with testing equipment where the stipulated fee for testing is paid,.

23. Where the data measured by any organization licensed for testing is submitted for re-inspection to the Ministry, the Ministry shall ensure the concerned to pay stipulated fee for testing, test with testing equipment and mention the obtained data compared to the standard stipulations.

24. The Ministry may, by notification, confer power to any expert officer of its Ministry in quality or any organization licensed for testing as the testing officer to test petroleum and petroleum product and to issue the result of such tests as evidence.

25. The testing officer:

- a. shall issue the documentation of test in the stipulated form, which mentions whether or not it is in conformity with the stipulated standard, after testing the samples of petroleum and petroleum product;
- b. if the person concerned claims, shall issue the certified copy of the documentation of test if he pays the stipulated fee. That certified copy may be produced as evidence.

26. The owner or his agent dissatisfied with the test result of the testing officer, within seven days after the receipt of such result, may apply to the Ministry to retest.

27. If it is applied under section 26 and the stipulated fee is paid, testing officer of the Ministry shall retest.

28. If the original test appears wrong according to retesting in accordance with section 27, the testing officer of the Ministry shall cancel the original documentation and issue a new documentation on testing.

29. The Ministry may, by notification, determine necessary conditions relating to the following stipulations concerning test of petroleum and petroleum product:

- a. determining procedures, regulations and bye-laws relating to test of petroleum and petroleum product;
- b. determining the documentation form of the testing of petroleum and petroleum product and the fees to be assessed for them;
- c. determining the regulations and conditions to retest, if necessary, on the quality result tested by a licensed organization relating to petroleum and petroleum product;
- d. determining fees for retesting and, if the original test is wrong, to refund such fees.

## **Chapter VI**

### **Prohibitions**

30. Any person shall, without the relevant licence, not carry out any business activities or measures required to obtain licence under this law,

31. Any licensee:

- a. shall not violate any prohibition contained in the rules, regulations, bye-laws, notifications, orders, directives, procedures and conditions or fail the duty to implement;
- b. shall not use a receptacle and transport vehicles and pipelines that contains any dangerous petroleum and petroleum product without saliently mentioning in writing of warning signs;
- c. shall not import, transport, store and sell and distribute the dangerous petroleum and petroleum product, or non-dangerous petroleum and petroleum product except by the means stipulated in this law;
- d. shall not have the right to carry out without undertaking the environmental impacts, in operating petroleum and petroleum product business activities;
- e. shall not distribute and sell petroleum and petroleum products which do not fulfill or are not in conformity with the standard, quality and measurement.

32. Any person who carries out a petroleum and petroleum product business activities shall not refuse if an authorized officer or organization asks to provide suitable help, to inspect the petroleum and petroleum product, receptacle, and machine-powered vehicle, machinery, vessel or pipeline that transports and to take sample of petroleum and petroleum product at any place of import, export, storage, refining, sale and distribution of any petroleum and petroleum product, or at the time of transport .

33. Any person who manages a petroleum and petroleum product business activities shall not fail to report immediately to the nearest authority concerned and provide information relating to any accident if an explosion or fire occurs due to any petroleum and petroleum product business activities, or it is likely to cause fire at or near to the place where petroleum and petroleum product is stored.

## **Chapter VII**

### **Administrative Action**

34. If a licensee violates any prohibitions contained in sections 31(a) and (b), the enterprise and department concerned which issued licence, may pass any of the following administrative orders:

- a. warning;
- b. imposing the stipulated fine;

- c. suspension of licence for a limited time;
- d. revoking or canceling licence permanently.

35. Any person dissatisfied with any administrative order, under section 34, passed by the enterprise or department that issued licence may appeal to the Union ministry concerned that issues licence, within 30 days from the date of order. Such ministry may approve, amend or cancel the administrative order passed by the respective enterprise or department that issues licence. The order of the respective Union ministry is final and conclusive.

36. The respective Union Ministry that issues licence may suspend, revoke, terminate or cancel any licence, in accordance with the stipulations contained in the rules made under this law. Moreover, the terms and conditions of licence originally stipulated may also be amended.

## **Chapter VIII**

### **Offences and Penalties**

37. Any person who violates the prohibition contained in section 30 shall, on conviction, be punished with imprisonment for a term not exceeding one year, or with fine from a minimum of three hundred thousand Kyats to a maximum of five million Kyats, or with both, and the property concerned with the commission of offence shall be confiscated.

38. Any person who commits that offence again after having convicted under section 37 shall, on conviction, be punished with imprisonment for a term not exceeding two years or with fine from a minimum of one million kyats to a maximum of ten million kyats, and the property concerned with the commission of the offence shall be confiscated.

39. Any licensee:

(a) who violates any prohibitions contained in sections 31 (c) and (d) shall, on conviction, be punished with fine from a minimum of five hundred thousand kyats to a maximum of five million kyats;

(b) who violates the prohibition contained in section 31 (e) shall, on conviction, be punished with imprisonment for a term not exceeding six months or with fine from a minimum of five hundred thousand kyats to a maximum of five million kyats, or with both.

40. Any person who violates the prohibition contained in section 32 shall, on conviction, be punished with fine from a minimum of five hundred thousand kyats to a maximum of five million kyats.

41. Any person who supervises and manages, violates any prohibition contained in section 33 shall, on conviction, be punished with imprisonment for a term not exceeding six months, or with fine from a minimum of five hundred thousand kyats to a maximum of five million kyats, or with both.

## **Chapter IX**



## **Miscellaneous**

42. The Ministry shall determine minimum area and distance for carrying out Petroleum and Petroleum product business activities. Any person shall not carry out any measures that may cause fire hazard, within such stipulated area.
43. The court shall transfer the confiscated exhibits to the Ministry and ministries concerned.
44. Any person, who has petroleum and petroleum product business activities established before the enactment of this law shall prepare a management plan in accordance with this Law and the rules, regulations, bye-laws, notifications, orders, directives and procedures thereof and report to the ministry that will issue licence or permit under this law. Such ministry shall scrutinize the management plan submitted and, if satisfied, approve it. The operator of Petroleum and Petroleum product business activities shall implement his business activity within the period stipulated by the Ministry.
45. The Ministry may, with the approval of the Union Government, establish and carry out any State-owned enterprise under its ministry, as a public corporation at a suitable time.
46. The offences under this law shall be deemed as cognizable offences.
47. The rules, regulations, bye-laws, notifications, orders, directives and procedures issued under the Petroleum Act (India Act XXX, 1934) may be applied in so far as they are not contrary to this law.
48. The licences or permits issued under the Petroleum Act (India Act XXX, 1934) shall be deemed as licences or permits issued under this law, and shall continue to be valid as the term, and terms and conditions contained in them.
49. An organization or a person who carries out a petroleum and petroleum product business activity shall, in accordance with the existing laws, rules, regulations and procedures, carry out not to impact the environment due to his business activity.
50. The Ministry shall undertake the office works and expenditures of the Committee. It may determine appropriate remuneration and allowances for the committee members who are not civil service personnel.
51. The Ministry may hold trainings, workshops, demonstrations and meetings necessary for safety in the Petroleum and Petroleum product business activity.
52. The Ministry that issues licence and the ministry that collects the taxes and duties shall, with the approval of the Union Government, by notification, determine how to collect, share and use the tax revenue under this Law among the ministry that issues licence, the ministry that collects the taxes and duties, and the Region or State Government.

53. In respect of any petroleum and petroleum product the Ministry of Planning and Finance may, confiscate and dispose of or otherwise dealt with any petroleum and petroleum product for which licence has not been applied, or for which it is refused to issue licence, or which has not been exported within the stipulated period.

54. In implementing the provisions contained in this law:

- a. the Ministry may, with the approval of the Union Government, issue the rules, regulations, bye-laws;
- b. the Ministry, ministry concerned and Committee may issue the notifications, orders, directives and procedures.

55. The Petroleum Act (India Act XXX, 1934) is hereby repealed.

I hereby sign under the Constitution of the Republic of the Union of Myanmar.

Sd./Htin Kyaw

President

Republic of the Union of Myanmar