



1.0 Introduction:

The Energy Act 2006, section 80 requires that persons engaged in refining, importation, exportation, wholesale, storage and transportation of petroleum products in Kenya shall only do so under and in accordance with terms and conditions of a valid licence issued by the Energy Regulatory Commission (ERC). A person desirous of obtaining a licence shall apply to ERC in a manner prescribed by the commission.

2.0 Mandatory conditions for importing and marketing petroleum in Kenya:

2.1 Purchase of products from the Kenya Petroleum Refineries Limited:

Companies importing petroleum products for the Kenyan market are required to purchase such quantities of petroleum products from the Kenya Petroleum Refineries Ltd (KPRL) as the Cabinet secretary may prescribe having regard to market share. In addition the importers are also required to undertake their imports through the Open Tender System (OTS) that is coordinated by the Ministry of Energy - refer to Legal Notice no. 24 of 10th April 2012.

2.2 Minimum Operational Stocks:

Companies importing petroleum products for marketing in Kenya are required to maintain minimum operational stocks as per Legal Notice Number 44 dated 10th April 2008.

2.3 Other mandatory conditions for companies importing petroleum products into Kenya:

Companies applying for importation and marketing in Kenya of refined Petroleum products shall additionally have;-

1. One of the conditions below:-
 - i) A minimum sales volume of fifteen (15) million litres per year of white oil products in Kenya or;
 - ii) Proof of ownership of at least five (5) licensed retail outlets (licensed, certified and operational stations) or; (single business permit, Kerbside licence, certificate of registration of workplace from DOSHS, proof of annual Environmental audit and fire permit) or;
 - iii) Ownership of one (1) licensed petroleum storage depot / leased.
 - iv) A minimum annual turnover equivalent to USD 300 Million in petroleum products marketing for companies operating in other jurisdictions outside Kenya with an intention to start business operations in the country.
2. Proof of petroleum storage capacity equivalent to volume of minimum operation stocks (owned/leased/hospitality). This storage capacity excludes any ullage offered at the Kenya Pipeline Company Limited
3. Companies desirous of importing petroleum products for purposes of resale into the country will be required to meet the criteria set for the Import, Export and Wholesale licence. As such, companies importing petroleum products for Export (transit) shall not be allowed to concurrently wholesale petroleum products in the local market.
4. For purposes of licence renewal:
 - i) Applicants granted licences on the basis of compliance with criteria 1 (i), and 1 (iv) above shall show proof of sales volumes equivalent to fifteen (15) million litres during the licence period,

- ii) Applicants granted licences on the basis of criteria 1 (ii) above shall show proof of ownership or lease of at least five (5) petrol stations.
- iii) Applicants granted licences on the basis of compliance with criteria 1 (iii) above shall show proof of ownership, lease or hospitality of a licensed petroleum storage depot
- iv) All applicants must show proof of petroleum storage capacity equivalent to volume of minimum operation stocks (owned/ lease/ hospitality).
- v) Late application will attract a penalty equivalent to 50% of the licence fee as per the Energy Act.
- vi) A company selling product to un-licensed or companies with expired licences, shall on commission directive and in addition to penalties stipulated in the Energy Act, do a public apology in a manner directed by the commission.

2.4 Submission of Sales Data:

Companies marketing petroleum products in Kenya are required to submit monthly sales data - refer to Legal Notice No. 31 of 18th March, 2002 and any revision/amendment thereof

2.5 Petroleum Quality Standard:

Companies marketing petroleum products in Kenya are required to ensure that product imported and offered for sale in Kenya meets the relevant Kenya Standards for such products. Legal notice No. 64 of 2000 requires that export product and domestic kerosene be marked with chemical markers at the depot except black oils, LPG and Aviation fuel. Companies marketing petroleum products in Kenya are required to ensure that product meant for export does not find its way back to the country (dumping) and low valued products like Illuminating Kerosene is not mixed with high value products (adulteration).

3.0 Requirements for a Petroleum Business Licence:

ERC is a single energy sector regulator and one of its mandates includes issuance of licences for petroleum businesses. All applications for Petroleum Business Licences are done online through the online portal located in the Commission's website (www.erc.go.ke). An applicant for a Petroleum Business Licence will be required to attach the following documents:

4.0 Evaluation criteria for new Petroleum Business Licences (Except LPG)

New Petroleum Business Licence (Except LPG)	REF	IMP	IMP FOR EXP	EXP	EXP/WH TO MV	STO	WH	PL
Filled online application	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of Memo and Articles of association	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of Certificate of Incorporation/Business registration	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of PIN/VAT certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of a valid tax compliance certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copies of Identification documents for directors (ID/passport)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of Lease/Tenancy agreement or Title Deed	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Operated in Kenya for the last two years with Sales equivalent to 15 Million litres per year or five (5) licensed retail outlets or one(1) licensed petroleum depot (ownership or leased).		Yes						
A signed Product Off take Agreement with KPRL		Yes						
Proof of signing the OTS		Yes						
Proof of application of membership to a National Oil Spill Contingency Group	Yes	Yes	Yes					
Environmental Impact Assessment Licence (if new)	Yes					Yes		Yes
Copy of annual Environmental Audit acknowledgement letter from NEMA	Yes					Yes		Yes

Confirmation from KEBS that the facility complies with the Kenya Standard	Yes					Yes		
Copy of certificate of compliance with Physical Planning Act, 1996	Yes					Yes		Yes
Copy of clearance certificate from chief fire officer/Fire Certificate	Yes					Yes		Yes
Detailed approved " <i>as built</i> " drawings by local government and ratified by a professional Engineer	Yes					Yes		Yes
Copy of certificate of registration of workplace by DOSHS	Yes					Yes		Yes

KEY : REF - Refining IMP - Import IMP FOR EXP - Import for Export (Transit) EXP - Export

EXP/WH TO MV - Export/Wholesale to Marine Vessels (Bunkering) STO - Storage WH - Wholesale PL - Pipeline Transport

5.0 Evaluation criteria for the renewal of a Petroleum Business Licence (Except LPG)

Renewal of Petroleum Business License (Except LPG)	REF	IMP	IMP FOR EXP	EXP	EXP/WH TO MV	STO	WH	PL
Filled online application	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of the previous petroleum licence	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of a valid tax compliance certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Proof of an active membership to a national oil spill contingency group		Yes	Yes		Yes			
Letter from KPRL confirming licensee has honoured annual obligation		Yes						
Letter from MOEP confirming licensee has honoured OTS obligation		Yes						
Letter confirming active membership to a National Oil Spill Contingency Group	Yes	Yes	Yes		Yes			Yes
Operated in Kenya for the last two years with Sales equivalent to 15 Million litres per year or five (5) licensed retail outlets or one(1) licensed petroleum depot (ownership/lease)		Yes						
License Fee	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA
Copy of annual Environmental Audit acknowledgement letter from NEMA	Yes					Yes		Yes
Proof of compliance with ERC's Corrective Action Requests	Yes					Yes		Yes
Certified copy of clearance certificate from chief fire officer/Fire Certificate	Yes					Yes		Yes
Certified copy of certificate of registration of workplace by DOSHS	Yes					Yes		Yes

KEY : REF - Refining IMP - Import IMP FOR EXP - Import for Export (Transit) EXP - Export

EXP/WH TO MV - Export/Wholesale to Marine Vessels (Bunkering) STO - Storage WH - Wholesale PL - Pipeline Transport

6.0 Criteria for evaluation of new Petroleum Business Licence (LPG)

New Petroleum Business Licence (LPG) REQUIRED DOCUMENTS	TYPE OF LICENCE								
	IMP	EXP	STO BUL	FIL CYL	WH- CYL	WH BUL	RET CYL	TP BUL	CEP
Application online application	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of Certificate of Incorporation / Business registration certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of Memo and Articles of association	Yes	yes	Yes	yes	Yes	yes	Yes	yes	Yes
Copy of PIN registration certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of VAT registration certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of a valid tax compliance certificate	Yes	Yes	yes	yes	yes	yes	yes	yes	yes
Copies of Identification documents for directors (ID/PP pages1 & 5)	Yes	Yes	yes	yes	yes	yes	yes	yes	yes
Copies of Work permits for non citizens / Entry permit class H	Yes	Yes	yes	yes	yes	yes	yes	yes	yes
Copy of Lease agreement	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of proof of ownership of an LPG storage facility			Yes	Yes					Yes
Copy of a valid hospitality with a licensed storage facility at entry point	Yes								
Supply agreement/Letter of from a licensed LPG importer		Yes	Yes	Yes		Yes			Yes
Environmental Impact Assessment licence(new)/Environmental			Yes	Yes					Yes
Copy of certificate of compliance with Physical Planning Act, 1996			Yes	Yes					Yes
Copy of a valid hospitality with a licensed storage facility / proof of ownership of a LPG storage facility.						Yes			
Copy of clearance certificate from chief fire officer/Fire Certificate			Yes	Yes			Yes	Yes	Yes
Detailed approved drawing by local government drawn to scale			Yes	Yes					Yes
Confirmation from KEBS that the facility complies with the Kenya Standard			Yes	Yes					Yes
Certified copy of certificate of registration of workplace by DOSHS			Yes	Yes					Yes
Proof of importation of 5,000 cylinders (C.17B)/ Authority from brand				Yes	Yes		Yes		Yes
Copy of a valid certificate of weighing scale calibration from W& M				Yes	Yes		Yes		Yes
Copy of a valid calibration certificate for the LPG tank			Yes	Yes				Yes	

New Petroleum Business Licence (LPG)	TYPE OF LICENCE								
REQUIRED DOCUMENTS	IMP	EXP	STO BUL	FIL CYL	WH- CYL	WH BUL	RET CYL	TP BUL	CEP
Copy of a valid report on Examination of air receiver for the LPG tank			Yes	Yes				Yes	
Copy of a valid vehicle inspection certificate - Motor Vehicle Inspection								Yes	
Copies of logbooks for the vehicle - (Prime movers and trailers)								Yes	
Copy of a valid health certificate for the driver								Yes	
Copy of a valid driving licence for the driver(proof 4 years experience)								Yes	

7.0 Evaluation criteria for the renewal of a Petroleum Business Licence (LPG)

Renewal of Petroleum Business Licence (LPG)	TYPE OF LICENCE							
REQUIRED DOCUMENTS	IMP	EXP	STO BULK	FIL CYL	WH- CYL	WH BULK	RET CYL	TP BULK
Application online application	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of the previous LPG licence	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Copy of a Valid tax compliance certificate	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Certified copy of proof of ownership of an LPG storage facility/Certified copy of a valid hospitality with a licensed storage facility at entry point	Yes							
Copy of a valid hospitality with a licensed storage facility / proof of ownership of a LPG storage facility.						Yes		
Copy of annual Environmental Audit acknowledgement letter from			Yes	Yes				
Copy of clearance certificate from chief fire officer/Fire certificate			Yes	Yes			Yes	Yes
Copy of a valid certificate of registration of workplace by DOSHS			Yes	Yes				

Renewal of Petroleum Business Licence (LPG)	TYPE OF LICENCE							
	IMP	EXP	STO BULK	FIL CYL	WH- CYL	WH BULK	RET CYL	TP BULK
Copy of a valid certificate of weighing scale calibration from W&M				Yes	Yes		Yes	
Copy of a valid calibration certificate for the LPG tank			Yes	Yes				Yes
Copy of a valid report on Examination of air receiver for the LPG tank			Yes	Yes				Yes
Copy of a valid vehicle inspection certificate - Motor Vehicle Inspection								Yes
Copies of logbooks for the vehicle - (Prime movers and trailers)								Yes
Copy of a valid health certificate for the driver								Yes
Copy of a valid driving licence for the driver (proof of 4 years								Yes
At least 4 copies of purchases invoices as proof of previous licence		Yes			Yes	Yes	Yes	
At least 4 copies of sales invoices as proof of previous licence utilization		Yes			Yes	Yes	Yes	
At least 4 copies of transport invoices as proof of previous licence utilization								Yes
Annual purchase data submission (indicate buyer, month, Quantity(kgs)		Yes			Yes	Yes	Yes	
Annual sales data Submission (indicate buyer, month, Quantity(kgs)	Yes	Yes			Yes	Yes		
Proof of compliance with LPG Cylinder Exchange Pool requirements				Yes				
Authority from brand owner for resellers/wholesalers					Yes			

KEY

IMP - Import EXP - Export STO BULK - Storage of bulk LPG FIL - Filling WH-CYL -Wholesale in cylinders WH-BULK -Whole sale of LPG in bulk RET CYL - Retail in cylinders TP - Transport in bulk CEP - Cylinder Exchange Pool membership

Copies of both sides of an ID card should be attached if the applicant is Kenyan or if non-Kenyan a valid entry permit Class H together with copies of pages 1 and 5 of the passport.

8.0 Licence processing period, duration and charges:

Licensing is done through the Petroleum Licensing Committee of the ERC in accordance to the requirements of the Energy Act 2006 and applications for licences are evaluated within 30 days from date of receipt of such applications. A licence issued under the Energy Act 2006 is valid for one calendar year and all Petroleum Licences issued by ERC are free of charge.