

**GUIDELINES TO THE  
MANUFACTURING  
LICENSE REGULATIONS**

### **FREQUENTLY ASKED QUESTIONS BY THE APPLICANTS**

<b><u>Questions</u></b>	<b><u>Responses</u></b>
1. How long does it take for a temporary application to be approved?	It takes 1 to 2 weeks, depending on the complexity of the application lodged.
2. How long does it take for a decision to be taken on the application after the analysis is completed?	A Maximum period of two weeks, if not, it will be communicated to the applicant, as the delay may be due to the technical issues, e.g. the Controller seeking clarity on certain matters, also depending on the complexity of the application, the time period will vary.
3. How long should I plan to wait for a response from the Controller's office in relation to my application lodged?	We are compelled to respond to you within a period of 90 days. This period must be calculated from the date we receive proof of publication. The 90 day time period stops once the Controller's office requests further information until the date such information is provided by the applicant. Please note that there is a mandatory waiting period of 20 working days after the date publication, for the purposes of objections by any interested or effected party.
4. Who is the Controller?	The Controller of Petroleum Products is the Minister of the DEPARTMENT OF ENERGY, or an official that has been appointed by the Minister. The DDG: Hydrocarbon and energy planning is nominated as the Controller of Petroleum Products.

<p>5. When should I apply for an amendment of a license?</p>	<p>A license certificate can be amended at anytime if there's been any form of change to the license holder's details (entity/individual etc.). When there is a <b>majority change</b> of ownership within the licensed entity an amendment is not applicable and therefore a <b>new application</b> must be lodged.</p>
<p>6. What exactly must be contained in a business plan?</p>	<p>The applicant should provide a bankable business plan and illustrate on how they will meet the objectives of the Act and give effect to the Charter. Kindly refer to the Business Plan Guidelines.</p>

***FOR FURTHER INFORMATION ON FREQUENTLY ASKED QUESTIONS  
PLEASE SEE BELOW***

**1. WHO IS A MANUFACTURER?**

A manufacturer is someone who manufactures petroleum products and sells the petroleum products to any licensed wholesaler or licensed retailer, or both, except for export purposes.

**2. WHY DO I NEED A MANUFACTURING LICENCE?**

The Petroleum Products Amendment Act, 2003 (Act No 58, 2003) – the “Act” Section 2A 1 (a), states that a person may not manufacture petroleum product without a manufacturing license.

**3. WHO MAY APPLY FOR A MANUFACTURING LICENCE?**

Any person who wants to operate or who is already in operation as a manufacturer of petroleum products may apply for a license. The person must be the owner of the property concerned and if not the owner, must have written permission from the owner.

**4. WHAT HAPPENS IF I ALREADY OPERATE A MANUFACTURING FACILITY?**

If you are already operating a manufacturer at the commencement of the Act, 17<sup>th</sup> March 2006, you will be deemed to hold a manufacturing licence. However you must apply for a manufacturing licence within a period of six months from the commencement of the Act.

**5. HOW DO I APPLY FOR A MANUFACTURING LICENCE?**

- a) You must complete the prescribed application form (form DME 399).
- b) For your convenience the application form is attached to this information guide;
- c) An electronic and printable version of the application form is obtainable from the Department of Energy website ([www.energy.gov.za](http://www.energy.gov.za)).
- d) Upon being informed by the Controller of Petroleum Products that your application has been successful you will be requested to pay a fee of R1 000 if you have been operating before the Petroleum Product Amendment Act, No 58, 2003 was promulgated; and a fee of R10 000 if you have not been operating before the Petroleum Product Amendment Act, No 58, 2003 was promulgated.

**6. HOW LONG IS MY LICENCE VALID FOR AND DO I NEED TO RENEW IT?**

Your license is valid for as long as the licensed activity remains a going concern and does not need to be renewed,  
However, you must submit manufacturing license annual information (submission form - DME 396) has to be submitted and an annual fee has to be paid in the relevant account.

**7. CONDITIONS OF A MANUFACTURING LICENCE**

- (1) The licensed manufacturing activity must remain a going concern.
- (2) A licensed manufacturer may only manufacture petroleum products within the maximum design capacity stated on its license.
- (3) A licensed manufacturer must-
  - (a) maintain minimum working stock levels in compliance with applicable regulations;
  - (b) if so instructed in writing by the Controller, submit to the Controller, within the period specified in the instruction, information-
    - (i) necessary for the regulation of petroleum products;
    - (ii) on petroleum products sold and crude oil stored during the period specified in the instruction;
    - (iii) on stock levels of petroleum products, in terms of applicable regulatory requirements; and
    - (iv) in respect of progress in complying with the objectives of the Charter;
  - (c) at all times carry out legitimate instructions from the Controller;
  - (d) comply with Charter;
  - (e) submit the information set out in regulation 18;
  - (f) comply with the provisions of the fuel specifications determined in regulations made under section 12C (1)(e) of the Act;

- (g) if so directed by the Controller, desist from supplying petroleum products to a licensed wholesaler or retailer that is not in compliance with the Act or the conditions of its wholesale or retail licence;
- (h) inform the Controller, in writing, of any change of address, name of the licensee or telephone number within 30 days of the relevant change taking effect; and
- (i) pay the annual licence fee determined in Annexure B before the anniversary of the date of issue of the licence.

(4) Any licence issued in terms of these Regulations-

- (a) remains the property of the Department of Minerals and Energy;
- (b) may be cancelled or suspended at any time subject to Regulation 22;
- (c) may not be tempered with or defaced in any manner; and
- (d) may not be altered in any manner.

**8. CAN I TRANSFER MY LICENCE TO SOMEBODY ELSE?**

- a) Yes, only if the ownership of the relevant property or manufacturing facility changes, a licensed manufacturer must within six months of the change apply to the Controller for an amendment to the licence.
- b) In the event of a transfer of a manufacturing licence, the Manufacturing Regulations shall apply, subject to the necessary changes.

**9. INFORMATION, WHICH MUST BE GIVEN TO THE CONTROLLER ON A YEARLY BASIS AND OTHER INFORMATION THE CONTROLLER MAY REQUEST FOR**

A licensed manufacturer must submit to the Controller an annual licence fee, manufacturing license annual information (submission form, DME 396) and the supporting documents according to the manufacturing license regulations before the end of February each year. Notifying the controller of:

- a) A declaration that the ownership of the licensed activity has not changed;
- b) the volumes of each type of petroleum product manufactured;

- c) the volumes of each petroleum product sold to-
  - licensed wholesalers; and
  - licensed retailers;
- d) the volumes of each type petroleum product purchased from licensed wholesalers.
- e) the volumes of each type petroleum product purchased or sold outside the Republic of South Africa;
- f) the number of employees by race, gender and disability;
- g) progress and an updated plan in respect of compliance with the objectives of the Charter;
- h) with regard to training of persons in the employ of the licensed manufacturer, a report on-
  - the number of them trained in general; and
  - the number and title of qualifications obtained by them which are accredited by the South African Qualifications Authority established in terms of the National Qualifications Framework Act, 1995 (Act No. 58 of 1995).

**10. WHAT IF MY PARTICULARS ON THE LICENCE CHANGE?**

You have to inform the Controller of Petroleum Products in writing of any change of trade name, postal address of registered office, business telephone number, mobile phone number, fax number or e-mail address within 30 days of the relevant change taking effect;  
OR the change can be included on the Manufacturing License Annual Information (Submission Form - DME 396) as part of annual information provided that the 30 day period is complied with.

**11. WHERE MUST I PUT MY LICENCE?**

The license or the certified copy should be displayed at the place of business premises in a manner which anyone entering the premises may read it.

**12. HOW LONG MUST I WAIT FOR THE CONTROLLER TO MAKE A DECISION?**

- (a) The Controller must make a decision within a period of 90 days: Provided that-
  - i. in the case of an application for a licence by an applicant in respect of whom the manufacturing facility is existing or is in the process of development, the period commences from the date of acceptance of the application;
  - ii. in the case of an application for a licence by an applicant in respect of whom the manufacturing facility does not exist at the time of commencement of the Petroleum Products Amendment Act, No 58 2003, the period of 90 days commences from the date of receipt of the proof of publication of the notice.
  - iii. in the first six months after the commencement of these Regulations, the period is 250 days.

**13. WHAT DO INSPECTORS DO?**

- a. The Inspectors are responsible for regularly visiting outlets to collect samples and verifying whether they meet Petroleum Products standards and specifications.
- b. The inspectors are also responsible for checking safety measures undertaken by the licensee.

**14. WHAT ARE THE PENALTIES FOR CONTRAVENTION OF OR FAILURE TO COMPLY WITH THE PROVISIONS OF THE PETROLEUM PRODUCTS AMENDMENT ACT, No 58, 2003 OR MANUFACTURING REGULATIONS?**

Any person who is found in contravention of the Petroleum Products Amendment Act, 2003 (Act No 58, 2003) shall be guilty of an offence and be liable on conviction to a fine not exceeding R1 000 000, 00 or imprisonment for a period of not exceeding 10 years, or to both such fine and such imprisonment.