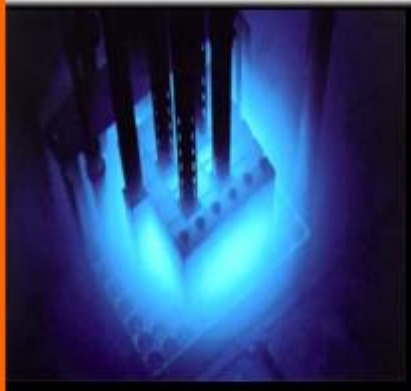


# DEPARTMENT OF ENERGY



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# OFFICE OF THE PETROLEUM CONTROLLER

Presented by:

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Petroleum Compliance, Monitoring and  
Enforcement: Northern Cape



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# Presentation Overview

- Purpose of the Presentation
- Overview: Petroleum Compliance Monitoring & Enforcement
- Petroleum Products Amendment Act, 58 of 2003
- Purpose of the PPAA, 58 of 2003
- General outline of Compliance Regulations
- Our Expectations
- Conclusion



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# Purpose of the Presentation

- Highlight Compliance Requirements
- Highlight Prohibited activities
- Promote stakeholder involvement
- Share expectations
- Improve service level
- Provide effective and efficient regulation of the petroleum products



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# Scope of Compliance Directorate

## Purpose

To regulate and transform the liquid fuels industry

## Functions

- Ensure industry compliance with respect to:
  1. Labeling specifications
  2. Record keeping
  3. Fuel specification and standards
  4. Licensing
  5. Conditions of the license
  6. Price maintenance and forms of payment
- Consult and interact with stakeholders at regional level
- Enforce compliance w.r.t PPA



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# Purpose of the Amendment of the PPA

- ❑ **Provide for the licensing of manufacturers (refineries), wholesalers and retailers of petroleum products**
- ❑ **Modernize the outdated Petroleum Products Act No. 120 of 1977**
  - ❖ amend, substitute or repeal obsolete provisions
- ❑ **Prohibit certain actions relating to petroleum products**
- ❑ **Provide for appeals and arbitration**
  - ❖ Balance of power between retailers & wholesalers
- ❑ **Promote the transformation of the RSA petroleum and liquid fuels industry**
  - ❖ "Give effect" to the Charter through licensing
- ❑ **Authorise the Minister of Energy to make specific regulations**
  - ❖ thereby ensuring that governance of the liquid fuels sector is in line with Government's policy objectives
  - ❖ give effect to policy issues identified in the Energy White Paper
  - ❖ allow for provision of information



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# Labelling Specifications

## A label setting out the fuel specification must have:

- Lettering and numbering in Std and solid font, size not less than 55 reading from left to right
- Be alongside the nozzle and on the same side of the bowser indicating the price
- Petrol dispersed must be the petrol specified
- Diesel dispersed must be the diesel specified
- Metal-free unleaded petrol grade must be labelled with white lettering and numbering on a green background
- Metal-containing unleaded petrol must be labelled with white lettering and numbering on a red background
- Diesel must be labelled with white lettering and numbering on a black background.



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# Record keeping

A licensee must keep records of purchase and sale transactions-

- Grades of petroleum product purchased or sold
- Quantities of petroleum product purchased or sold
- Documentation w.r.t. purchase and payment for the batch
- Results of any test performed on a batch
- Records by which the petroleum product tested can be traced
- Port of entry in case of imported petroleum product

The records referred to above must be-

- Retained for a period of 5 years
- Kept at the address registered with the Controller
- Disclosed to an inspector on request



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# Fuel specifications and standards

## Permitted petrol grades

- Metal-free unleaded petrol with a minimum RON of 91, 93 & 95
- Metal-containing unleaded petrol with a minimum RON of 91, 93 & 95
- Max. permitted lead traces should not exceed 13mg/Litre
- Max. permitted aromatics is 50%v/v
- Max. permitted benzene is 5%v/v
- Manganese –based additive must not exceed 36mg/L
- Potassium –based additive must not exceed 10mg/L
- Phosphorus –based additive must not exceed 14mg/L

## Permitted diesel grades

- Standard grade diesel (500mg/Kg)
- Low –sulphur diesel (50mg/Kg)



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# Licensing and Conditions thereof

## A person may not-

- Manufacture petroleum products without a manufacturing license
- Wholesale petroleum products without an applicable license
- Hold or develop a site without there being a site license for that site
- Retail petroleum products without a retail license

## Any license issued –

- Remains the property of the Department of Energy
- May be cancelled or suspended at any time subject to the provision of the Act
- May not be tempered with or defaced in any manner
- May not be altered in any manner



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# Licensing and conditions continued

## A licensed retailer must-

- Retail from the site specified on the license
- Purchase petroleum products from a licensed wholesaler or a licensed manufacturer
- Inform the Controller of any changes, i.e., address or telephone number within 30 days of the change
- Pay the annual license fee
- **Submit annual information at the regional office**
- Allow any person authorised by the Controller access to the relevant site for inspection
- Not allow self-service by consumers
- Display **both retail and site licenses** or certified copies thereof
- Not transfer the retail license



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# Price Maintenance and Payment

## Price maintenance

- A retailer must supply petrol at the price prescribed
- A retailer may not offer any benefits to a consumer as a result of any sale of petroleum products

*NB: no person may make use of a business practice, method of trading, agreement or understanding which is aimed at a licensed wholesaler holding a retail license*

## Forms of payment

- A retailer must accept payment in the form of cash
- A retailer may accept payment card
- A notice of the type of payment card must be displayed
- If no payment card acceptable a notice to that effect



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# Our Expectations

- ❑ **Giving notice to the controller – application/license withdrawal**
- ❑ **Retailers to comply with the Liquid Fuel Charter**
- ❑ **Comply with the PPA**
  - ❖ Pricing regulation
  - ❖ Conditional selling
  - ❖ Selling fuel to an unlicensed individual
- ❑ **Exchange experience, problems and creative solutions**
  - ❖ Licensing
  - ❖ Compliance or non-compliance
  - ❖ Feedback or communication



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# Conclusion

- Do not buy from or sell to unlicensed operation
- No GIFTS for fuel purchase or competitions in the forecourt
- Always forward ALL your queries and applications to the Regional office
- Report any illegal operations and illegal activities to the Regional office



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THANK YOU

QUESTIONS or COMMENTS

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