

DEPARTMENT OF ENERGY

Petroleum Licensing Analysis

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PRESENTATION OVERVIEW

- *PPAA IMPLEMENTING STRUCTURE*
- *MANDATE OF THE OFFICE OF THE PETROLEUM CONTROLLER*
- *LICENSING OBJECTIVES*
- *EVALUATION PROCESS*

- *SITE AND RETAIL*

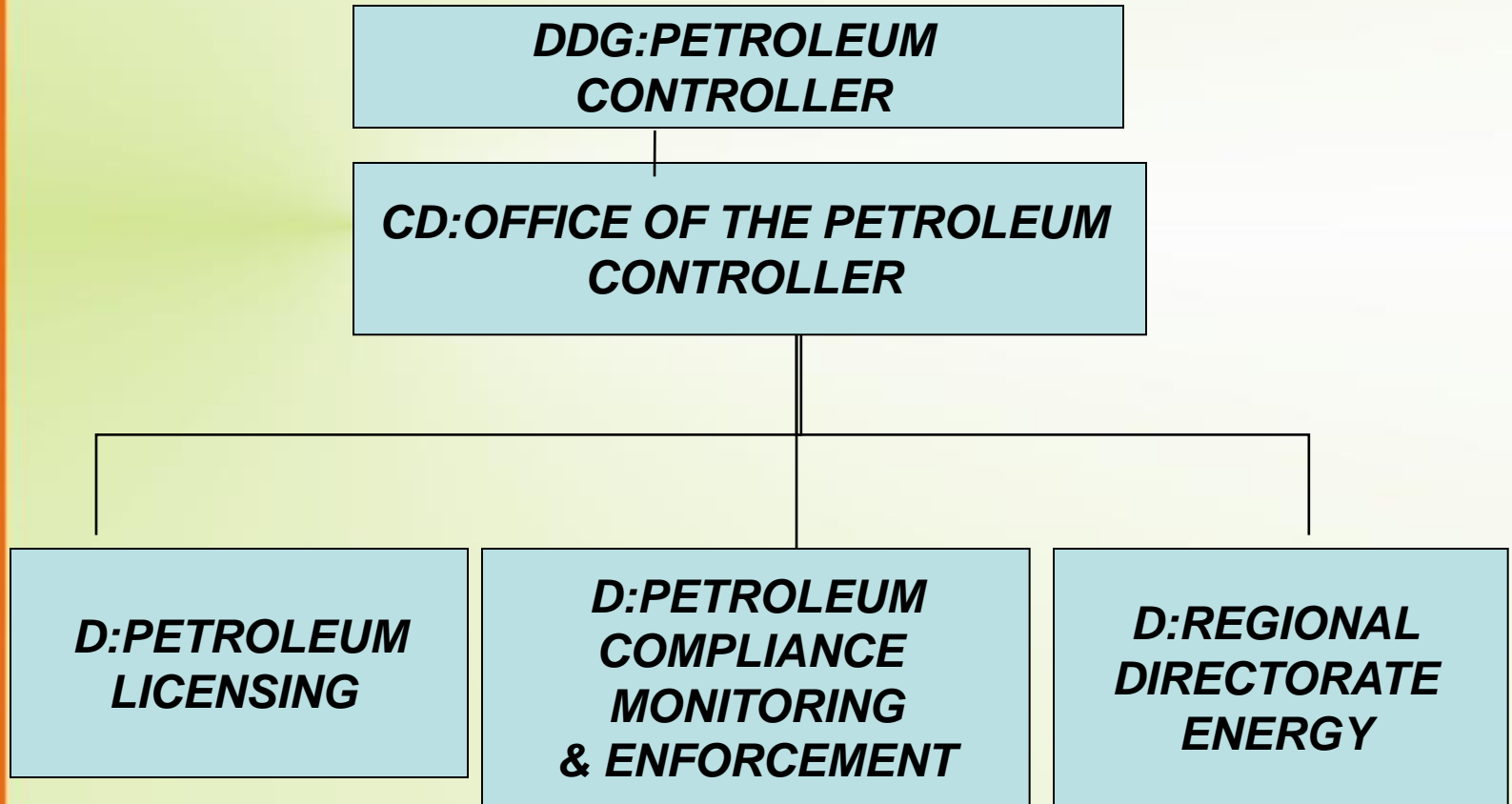
- *WHOLESALE*



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PPAA IMPLEMENTING STRUCTURE



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MANDATE OF THE OFFICE OF PETROLEUM CONTROLLER

Implement the Petroleum Products Amendment Act(PPAA),2003:-

- Adjudication on the Manufacturing, Wholesale and Retail applications as prescribed by the Petroleum Product Act
- Monitoring the Petroleum and Liquid Fuel Charter compliance by industry
- Processing of annual information submissions of the licensed manufacturing; wholesaling and retailing activities received by February each year in line with regulations 18; 17 and 26 for license types respectively.



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MANDATE OF THE OFFICE OF PETROLEUM CONTROLLER Cont:

- Publishing information as stipulated by Regulation 29; 28 and 39 for manufacturing; wholesale, site and retail license types respectively
- Facilitating the development of small businesses in the petroleum and liquid fuels industry by rendering advice on the formulation of bankable business plans in line with the licensing objectives.



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SECTION 2B: LICENSING

OBJECTIVES

In considering the issuing of any licences, the Controller shall give effect to the provisions of section 2C and the following objectives-\

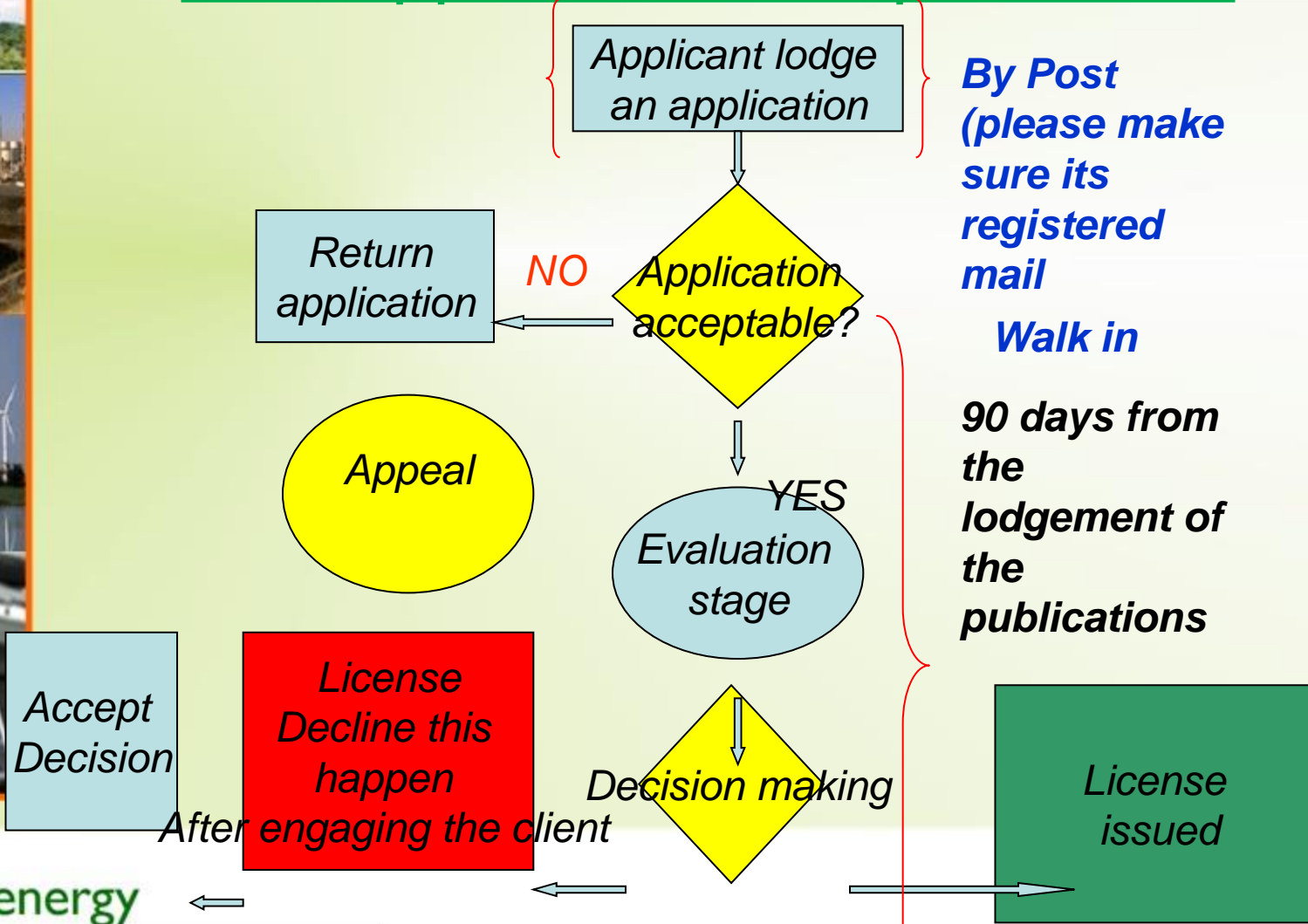
- Promoting an efficient manufacturing, wholesaling and retailing petroleum industry
- Facilitating an environment conducive to efficient and commercially justifiable investment
- The creation of employment opportunities and the development of small businesses in the petroleum sector
- Ensuring countrywide availability of petroleum products at competitive prices
- Promoting access to affordable petroleum products by low-income consumers for household use



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How applications are processed



By Post
(please make sure its registered mail)

Walk in

90 days from the lodgement of the publications



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SITE AND RETAIL APPLICATIONS

- Retail license applications has to have the following attachments:
 - Motivation
 - Business registration documents in case of an individual it should be Identity Document.
 - NPV with all the assumption to check the viability of the business.
 - A HDSA declaration indicating the percentage
 - A declaration that they are not owned by a Wholesaler
 - If any of the above is not submitted the Applicant has to submit declaration stating reasons why.



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SITE AND RETAIL APPLICATIONS cont.

- Site License applications has to have the following attachments:
 - Motivation
 - Business registration documents
 - Title Deed/Deed of Transfer or Permission to Occupy
 - Land use zoning certificate authorising retailing from the site
 - The record of decision issued by an environmental authority
 - Permission from SANRAL if the site allows for entrance and egress to and from a national road
 - If any of the above is not submitted the Applicant has to submit declaration stating reasons why.



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MANUFACTURING APPLICATIONS

- Manufacturing license applications has to come with the following attachments:
 - Motivation
 - Business registration documents
 - Title deed/Deed of transfer or permission to occupy
 - Land use zoning certificate
 - Record of decision issued by an Environmental Authority



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EVALUATION PROCESS

- In evaluating an application the Controller may ask for additional information from an Applicant. The following are additional information that can be requested from applicants depending on the type of business or application received:
 - Business Plans are requested for all new applications
 - All new applicants have to publish a notice to inform the public of their intended activities in two different languages and two different newspapers, and proof of such publications should also be submitted
 - For Companies, shareholders agreements, share certificates, memorandum & articles of association and shareholders' identity documents are requested



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EVALUATION PROCESS cont

- For trusts the identity documents of all trustees and beneficiaries are requested
- The expected number of employees that the business would like to employ categorized according to race and gender
- Franchise Agreements are requested where retailers are buying a Franchise from any of the oil companies
- Loan Agreements are requested when applicants borrow the money for the business from any financial institution



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EVALUATION PROCESS cont.

- In evaluating an application for any license, the Controller must give effect to Section 2C of the Act which states:
 - In considering licence applications in terms of this Act, the Controller of Petroleum Products shall;
 - promote the advancement of historically disadvantaged South Africans; and
 - give effect to the Charter



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EVALUATION PROCESS – SITE & RETAIL

- In evaluating an application for any retail license, the Controller must verify that:
 - the information and the documents submitted with the application form are true and correct;
 - the retailing business is economically viable;
 - there is a need for a site (determined by Site Visit);
 - the retailing business will promote the licensing objectives stipulated in sections 2B(2) of the Act;
 - where required, the notices contemplated in regulation 16(1) and 4 (1) were published;
 - In determining the economic viability, the Controller must be; and
 - satisfied that the net present value has been correctly calculated and is positive.



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EVALUATION PROCESS - WHOLESALING

- In evaluating an application for a wholesale license, the Controller must verify that:
 - the information and the documents submitted with the application form are true and correct;
 - The wholesaling business will be economically viable;
 - the wholesaling business will promote the licensing objectives stipulated in sections 2B(2) of the Act; and
 - where required, a notice contemplated in regulation 4(1) was published.



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THANK YOU



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