



THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR

THE OIL AND GAS (UPSTREAM)

ACT, NO.6 OF 2016

THE FEES AND CHARGES (UPSTREAM)

REGULATIONS 2022



THE OIL AND GAS (UPSTREAM) ACT, NO. 6 OF 2016

THE FEES AND CHARGES (UPSTREAM) REGULATIONS, 2022

[Made under section 155(2) (s) and (u)]

ARRANGEMENT OF REGULATIONS

Regulations

Title

**PART ONE
PRELIMINARY PROVISIONS**

1. Short title and Commencement.
2. Application.
3. Interpretation.

**PART TWO
GENERAL REQUIREMENTS FOR CONTRACTOR,
SUBCONTRACTOR AND SERVICE PROVIDER**

4. Registration of the contractor, subcontractor and service provider.
5. Reconnaissance Permit Fee.
6. Fee for renewal of reconnaissance permit.
7. Exploration license Fee.
8. Extension for exploration license.
9. Payment of Development License Fee.
10. Extension for Development license.
11. Renewal of Permit.

**PART THREE
BIDDING FOR GEOSCIENCE DATA ACQUISITION
AND PETROLEUM AGREEMENT**

12. Bidding application Fee.
13. Registration for successful bidder.

**PART FOUR
ASSIGNMENT OF INTERESTS, THIRD PARTY ACCESS OF FACILITY
AND REGULATORY AND SUPERVISORY SERVICES**

14. Interest or transfer of shares.
15. Registration of mortgage of participating interest.
16. Third-party access of facility.
17. Viewing of petroleum data.
18. Regulatory and supervisory services charges.

**PART FIVE
MISCELLANEOUS PROVISIONS**

19. Offences and penalties.
20. Remission and waiver of fee.
21. Method of payment.
22. Repeal of Legal Notice and Saving.

SCHEDULES

THE OIL AND GAS (UPSTREAM) ACT, NO. 6 OF 2016

**THE FEES AND CHARGES (UPSTREAM)
REGULATIONS, 2022**

[Made under section 155(2) (s) and (u)]

IN EXERCISE of the powers conferred upon me under section 155(2) (s) and (u) of the Oil and Gas (Upstream) Act, No. 6 of 2016, I, **SULEIMAN MASOUD MAKAME**, Minister for Blue Economy and Fisheries do hereby make the following Regulations: L.N 165 of 2022.

**PART ONE
PRELIMINARY PROVISIONS**

1. These Regulations may be cited as the Fees and Charges (Upstream) Regulations of 2022 and shall come into operation immediately after being signed by the Minister and published in the Gazette. Short title and Commencement.

2. These Regulations shall apply to the contractors, subcontractors, operator, service providers or any other person engaged in petroleum operations in Zanzibar. Application.

3. In these Regulations, unless the context otherwise requires: Interpretation.
 - “Act” means the Oil and Gas (Upstream) Act, No. 6 of 2016;
 - “Authority” means the Zanzibar Petroleum (Upstream) Regulatory Authority established under section 7(1) of the Act;
 - “contractor” has the meaning as ascribed to it under the Act;
 - “explosives permit” means authorization to import, store and use explosives for petroleum operations;

“foreign Company” means a company incorporated in Zanzibar under the Company Act;

“local company” means a company incorporated in Zanzibar under the Company Act which are majority of shares owned by Zanzibaris or a company that is a joint venture partnership with a Zanzibaris whose participating share is not less than fifteen percent;

“Minister” has the meaning as ascribed to it under the Act;

“operator” has the meaning ascribed to it under the Act;

“petroleum data” has the meaning as ascribed to it under the Act;

“petroleum operations” has the meaning as prescribed under the Act;

“security clearance” means authorization that allows vessels and other marine equipment to enter and operate in Zanzibar territorial waters;

“service provider” means a person offering any service on petroleum operations to the contractor, sub - contractor and operator;

“sub-contractor has the meaning as ascribed to it under the Act.

PART TWO
GENERAL REQUIREMENTS FOR CONTRACTOR,
SUBCONTRACTOR AND SERVICE PROVIDER

Registration
of the
contractor,
subcontractor
and
service
provider.

4.-(1) A contractor, subcontractor, operator or service provider shall not engage in petroleum operations unless has applied registration to the Authority and accompanied with non-refundable registration fees prescribed in the First Schedule of these Regulations.

(2) For the purpose of registrations with the Authority as provided under sub regulation (1) of this regulation, an applicant shall provide an application letter accompanied with:

- (a) certified copy of certificate of incorporation or compliance annexed with Memorandum and Articles of Association;
- (b) physical address;
- (c) certified copy of certificate of registration for Taxpayer Identification Number (TIN);
- (d) certified copy of tax clearance certificate;
- (e) certified copy of certificate of Zanzibar Revenue Board and Assigned Taxpayer Registration Number;
- (f) the copy of Agreement of Service between the contractor, subcontractor, operator or service provider;
- (g) audited financial statements of the Company for the past 3 years before registration with the Authority and upon renewal for the past year;
- (h) in case of a new formed company, a declaration of its financial capacity and annual turnover forecast; and
- (i) any other information, as may be required by the Authority.

(3) Where a contractor, subcontractor and service provider meet the requirements under sub regulation (2) of this regulation, the Authority shall issue a certificate of recognition in the form of permit or license within the duration specified in the concerned permit or license upon payment of respective fees prescribed under these Regulations.

5.-(1) A contractor or a person intending to conduct a reconnaissance survey under section 35 of the Act and the Oil and Gas (Upstream) General Regulations of 2021 shall apply the reconnaissance Permit to the Authority accompanied with the payment of the reconnaissance Permit as prescribed under the Second Schedule of these Regulations.

Reconna-
issance
Permit
Fee.

(2) Where a contractor or a person intending to conduct a reconnaissance survey shall pay a non - refundable fee to the Authority as prescribed in the Second Schedule of these Regulations.

(3) The Authority shall issue a permit after the receipt of the payment.

Fee for
renewal of
reconnaissance permit.

6. A contractor or a person intending to renew a reconnaissance permit shall apply to the Authority accompanied with the payment of necessary renewal fee paid to Authority as prescribed in the Second Schedule of these Regulations.

Exploration
license Fee.

7. A contractor who has been applied or granted for a petroleum exploration license under the Act shall pay a non - refundable exploration license fee to the Authority as prescribed under the Second Schedule of these Regulations.

Extension
for
exploration
license.

8. The contractor intending to apply for extension of exploration license under the Act shall accompany his application with the payment of extension of exploration license fee to the Authority as prescribed under the Second Schedule of these Regulations.

Payment of
Development
License Fee.

9. The contractor intending to apply for a development license under section 63 of the Act shall accompany his application with the payment of the Development License Fee to the Authority as prescribed under the Second Schedule of these Regulations.

Extension for
Development
license.

10. The contractor intending to apply for extension of Development license under section 69 of the Act shall accompany his application with payment of Extension Development license fee as prescribed under the Second Schedule of these Regulations.

Renewal of
Permit.

11. A permit holder under these Regulations may apply to the Authority for a renewal of the permit for a period of not less than one month before the expiration of the permit and upon payment of non - refundable fee specified prescribed under the First Schedule of these Regulations.

**PART THREE
BIDDING FOR GEOSCIENCE DATA ACQUISITION
AND PETROLEUM AGREEMENT**

12. A contractor who intends to bid for Geoscience data acquisitions and Petroleum Agreement shall pay a non -refundable application fee to the Authority described under the First Schedule of these Regulations. Bidding application fee.

13. A successful bidder before the commencement of any geoscience data acquisitions shall be registered to the Authority in accordance with regulation 4 in these Regulations. Registration for successful bidder.

**PART FOUR
ASSIGNMENT OF INTERESTS, THIRD PARTY
ACCESS OF FACILITY AND REGULATORY
AND SUPERVISORY SERVICES**

14. Where the Minister approves the assignment of an interest under a petroleum agreement or the transfer of shares in an incorporated company under section 79 of the Act, the contractor concerned shall: Interest or transfer of shares.

- (a) register the assignment of the interest or the transfer of the shares to the Authority; and
- (b) pay to the Authority in respect of the registration for transfer of assignment fee specified in the First Schedule of these Regulations.

15. A contractor shall:

- (a) register to the Authority a mortgage of its participating interest under a petroleum agreement or in a petroleum license; and
- (b) pay to the Authority the mortgage of participating fee specified in the First Schedule of these Regulations. Registration of mortgage of participating interest.

Third-party
access of
facility.

16.-(1) Where the Authority directs that the third-party access be granted over a facility that is owned by a contractor and the contractor agrees to such access, the Authority shall approve the agreement between the parties for the grant of the access.

(2) Upon approval of the Authority, the third party shall be entitled to pay the third-party access fee to the Authority as specified in the First Schedule of these Regulations.

Viewing of
petroleum
data.

17.-(1) Where a person intends to visit, view and access the Petroleum Data at Petroleum Data Resource Centre shall apply to the Authority by filling the application form issued by the Authority accompanied with the application fee for visiting, viewing or accessing the Petroleum data as prescribed under the First Schedule of these Regulations.

(2) The Authority may exempt the categories of person to pay the required fee prescribed under these Regulations if it is intended for academic purpose.

Regulatory
and
supervisory
services
charges.

18.-(1) The Authority shall recover from a contractor the expenses incurred in the performance of regulatory and supervisory services.

(2) For the purpose of this regulation, the regulatory and supervisory service shall include:

- (a) follow-up on hazards and participation in emergencies that have been occurred;
- (b) supervision of emergence preparedness exercise;
- (c) dealing with reports in connection with hazard and emergencies;
- (d) coordinating the importation and usage of explosives and radioactive materials for Petroleum operations; and
- (e) supervising the demolition of detonators and explosives.

(3) The contractor shall, subject to the provisions of sub regulation (2) of this regulation, pay a regulatory and supervisory

service fees based on actual cost incurred which includes transport, manhours and other entitlement in accordance with Regulations and Guidance issued by Authority.

(4) Where working and travel time total are less than eight hours, a refund may be claimed for a maximum of eight hours per day.

(5) When calculating working time spent:

(a) is up to thirty minutes or less shall be counted as half an hour; and

(b) is in excess of thirty minutes shall be counted as one full hour.

(6) The Authority may engage a person to assist in the regulatory and supervision of petroleum activities.

(7) Where a person assists in the regulatory and supervision, the Authority shall determine the amount due in each case.

(8) Where the Authority issue an invoice for refund to a contractor, subcontractor or operator, such contractor subcontractor or operator shall reimburse the Authority within thirty (30) days of submission of the invoice.

(9) Where the amount due in respect of an invoice is not refunded, interest shall be payable on the amount due at the prevailing Bank in Tanzanian interest rate.

PART FIVE MISCELLANEOUS PROVISIONS

19. A person who:

(a) employs any company or person in the petroleum operation without authorization or permit issued by the Authority;

(b) operates or engages in petroleum operation without valid license or permit issued by the Authority; or

Offences
and
penalties.

(c) contravenes any provisions of these Regulations, commits an offence and shall upon conviction, be liable to pay a fine to the Authority in form of Tanzania Shillings equivalent to:

- (a) in case of individual, to a fine of not less than Twenty Thousand United States Dollars; or
- (b) in case of body corporate, to a fine of not less than Fifty Thousand United States Dollars.

Remission and waiver of fee.

20. The Minister upon request and with justifiable reason from the applicant, may issue directive in writing to the Authority to remit or waive the payment of any fee prescribed under these Regulations.

Method of payment.

21. Any payment under these Regulations shall be made through the Bank Account designated by the Authority.

Repeal and Saving of the Legal Notice Number 83 of 2019.

22.-(1) The Legal Notice Number 83 of 2019 published in the Official Gazette VOL: CXXVIII No. 6764 of 2nd August, 2019 is hereby repealed.

(2) Notwithstanding the repeal made under sub regulation (1) of this regulation, anything done under the repealed Legal Notice which is in force on the effective date shall be deemed to have been done in accordance with the provisions of these Regulations.

FIRST SCHEDULE

APPLICATION AND REGISTRATION FEES
[Made under regulation 4(1), 11, 12, 14(b), 15(b), 16(2), 17(1)]

SCHEDULE FOR FEES IN USD		
S/N	ITEMS	FEE
	APPLICATION FEES	
	Application fee for visiting, viewing or accessing the Petroleum data	
1.	(a) Local	5,000
	(b) Foreign	10,000
2.	Biding Application Fee	10,000
	REGISTRATION FEES	
3.	Registration for engagement in Petroleum Operation:	
	(a) Foreign company	20,000
	(b) Local company	10,000
4.	Third Party Access of Facilities	10,000
5.	Registration for Transfer of Interest	15,000
6.	Registration of mortgage of participating interest	15,000
7.	Registration for service provider:	

(a) For local				
	Category	Annual turnover	Registration	Renewal
	LSP1	Above 100,000	500	400
	LSP2	Above 50,000 but not exceeding 100,000	250	200
	LSP3	Above 25,000 but not exceeding 50,000	150	120
	LSP4	Above 10,000 but not exceeding 25,000	120	100
	LSP5	Below 10,000	100	80
(b) For foreigner				
	Category	Annual turnover	Registration	Renewal
	LSP1	Above 10,000,000	10,000	5,000
	LSP2	Above 5,000,000 but not exceeding 10,000,000	7,000	3,500
	LSP3	Above 2,500,000 but not exceeding 5,000,000	5,000	2,500
	LSP4	Above 1,000,000 but not exceeding 2,500,000	3,000	1,500
	LSP5	Below 1,000,000	1,500	700

SECOND SCHEDULE

LICENSE AND PERMIT FEES
[Made under regulation 5(1), (2), 6, 7, 8, 9, 10]

SCHEDULE FOR FEES IN USD			
S/N	ITEMS	INITIAL FEE	EXTENSION/ RENEWAL FEE
LICENSE FEES			
1.	Exploration license	40,000	20,000
2.	Development license	60,000	30,000
PERMIT FEES			
3.	Reconnaissance Permit	10,000	5000
4.	Multi-Client Survey Permit	30,000	15,000

SIGNED on this 23rd day of September, 2022.

.....
(SULEIMAN MASOUD MAKAME)
MINISTER FOR BLUE ECONOMY AND FISHERIES,
ZANZIBAR

