



BANWO & IGHODALO

# CLARIFICATION ON THE REGULATION OF CRUDE OIL EXPORT TERMINALS UNDER THE PETROLEUM INDUSTRY ACT, 2021

The Petroleum Industry Act 2021 (the “**Act**”) which was passed into law on August 16, 2021, introduced several changes to the Nigerian oil and gas regulatory landscape. Whilst most of the changes were welcome and indeed progressive in outlook, the Act enshrined certain grey areas which stakeholders and industry players require the regulators to clarify.

One key grey area is the conflicting provisions of Section 7(ee) and Sections 32(b)(iii) and (c)(iv) which appear to suggest that both the Nigerian Upstream Petroleum Regulatory Commission (the “**Commission**”) and the Nigerian Midstream and Downstream Petroleum Regulatory Authority (the “**Authority**”) regulate export terminal activities and operations.

In resolving the conflict created by Section 7(ee) and Sections 32(b)(iii) and (c)(iv) and addressing the concerns of the stakeholders, the Authority and the Commission recently released a joint circular (the “**Circular**”) under cover of which the responsibilities for regulating the operation of export terminals have been delineated as follows:

1. The Commission shall have the responsibility for the general monitoring of the activities of integrated operations terminals and in this capacity, shall issue certificates of quality and quantity to exporters of crude oil, natural gas and petroleum products from such terminals (as listed in Schedule 1 of the Circular); and



2. The Authority shall have the responsibility of general monitoring of the operations of land-based terminals and in this capacity, shall issue certificates of quality and quantity to exporters of crude oil, natural gas and petroleum products from such terminals (as listed in Schedule 2 of the Circular).

Please note that despite the foregoing, all royalties and other payments due in respect of exports of crude oil and natural gas or other petroleum earmarked for collection by the Commission shall continue to be remitted to the Commission in line with the provisions of the Act.

**DISCLAIMER:** This article is only intended to provide general information on the subject matter and does not by itself create a client/attorney relationship between readers and our Law Firm or serve as legal advice. We are available to provide specialist legal advice on the readers’ specific circumstances when they arise.

# CLARIFICATION ON THE REGULATION OF CRUDE OIL EXPORT TERMINALS UNDER THE PETROLEUM INDUSTRY ACT, 2021

## Contact Persons:



**Stella Duru**

Partner

E: [sduru@banwo-ighodalo.com](mailto:sduru@banwo-ighodalo.com)



**Akindeji Oyebode**

Partner

E: [aoyebode@banwo-ighodalo.com](mailto:aoyebode@banwo-ighodalo.com)



**Toyosi Onikosi**

Associate

E: [tonikosi@banwo-ighodalo.com](mailto:tonikosi@banwo-ighodalo.com)