



*EXTRAORDINARY*

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THE BAHAMAS**

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15<sup>th</sup> July, 2016

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**SOVEREIGN WEALTH FUND (PETROLEUM)  
REGULATIONS, 2016**

**Arrangement of Regulations**

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**Regulation**

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**SOVEREIGN WEALTH FUND ACT, 2016  
(NO. 3 OF 2016)**

**SOVEREIGN WEALTH FUND (PETROLEUM)  
REGULATIONS, 2016**

The Minister in exercise of the powers conferred by section 28 of the Sovereign Wealth Fund Act, 2016 (*No. 3 of 2016*) makes the following regulations —

**1. Citation.**

These Regulations may be cited as the Sovereign Wealth Fund (Petroleum) Regulations, 2016.

**2. Interpretation.**

In these Regulations —

“**Act**” means the Sovereign Wealth Fund Act, 2016;

“**Fund**” means the Sovereign Wealth Fund;

“**petroleum**” means all natural organic substances composed of carbon and hydrogen; and includes crude oil and natural gas, and all other mineral substances, products, by-products and derivatives that are found in conjunction with petroleum;

“**petroleum operations**” means the exploration, development, extraction, production, field separation, transportation, storage, sale or other disposal of petroleum resources; but does not include any transportation or other operations—

(a) beyond the point of export; or

(b) in the case of petroleum which is processed within The Bahamas, beyond the point of entry into a refinery or liquefaction or natural gas treatment plant;

“**petroleum revenues**” means all revenues accruing to the Government of The Bahamas from the conduct of petroleum operations carried out under the provisions of the Petroleum Act, 2016.

**3. Deposits to the Fund.**

(1) Where petroleum revenues collected in each quarter of any financial year in accordance with section 11 of the Act —

- (a) exceed the estimated petroleum revenues for that quarter of the financial year by more than ten percent, the US dollar equivalent of the excess revenue shall be withdrawn from the Consolidated Fund and deposited to the Fund in accordance with section 11(1) of the Act; or
  - (b) exceed the estimated petroleum revenues for that quarter of a financial year, but do not exceed such estimated revenues by at least ten percent, the Minister may direct that the US dollar equivalent of all or part of the excess revenue shall be withdrawn from the Consolidated fund and deposited to the Fund in accordance with section 10(1) of the Act.
- (2) The deposits referred to in paragraph (1) shall be made no later than the end of the month following the quarter in respect of which the deposit was calculated.
  - (3) For the purposes of this regulation, the estimated petroleum revenues shall be calculated on the basis of fifty per cent of the unit price for petroleum derived from an eleven-year moving average for prices at which crude oil and natural gas were disposed of in a current financial year, such eleven years being five years immediately prior to that current financial year together with the prices projected for the disposal of such crude oil and natural gas for the five years immediately following the current financial year.
  - (4) For the purposes of this regulation, “quarter” means a three-month period ending December 31, March 31, June 30 and September 30.
  - (5) For the avoidance of doubt, the assessment and determination of any petroleum revenue or revenue from any other sources in accordance with section 8 payable to the Fund shall be based on the relevant law providing for such assessment or determination and all requirements prescribed by such laws for that purpose shall, except as may be expressly prohibited by this law, be complied with.

#### **4. Allocation of deposits to Fund.**

Allocation of deposits to the Fund shall be governed in accordance with section 13 of the Act.

**5. Withdrawals from the Fund.**

Withdrawals from the Fund shall be governed in accordance with section 14 of the Act.

**Made this 14<sup>th</sup> day of July, 2016.**

**Signed  
Kenred Dorsett  
Minister responsible for Petroleum**