

**NATIONAL PETROLEUM AUTHORITY
(AMENDMENT) BILL, 2015**

ARRANGEMENT OF SECTIONS

Section

1. Section 2 of Act 691 amended
2. Section 37 of Act 691 amended
3. Section 47 of Act 691 amended
4. Section 81 of Act 691 amended

*NATIONAL PETROLEUM AUTHORITY
(AMENDMENT) BILL, 2015*

A
BILL

ENTITLED

**NATIONAL PETROLEUM AUTHORITY (AMENDMENT)
ACT, 2015**

AN ACT to amend the National Petroleum Authority Act, 2005 (Act 691) to ensure the effective implementation of petroleum price liberalisation and for related matters.

PASSED by Parliament and assented to by the President:

Section 2 of Act 691 amended

1. The National Petroleum Authority Act, 2005 (Act 691) referred to in this Act as the “principal enactment” is amended in section 2 by the substitution for paragraph (m) of subsection (2) of

“(m) publish in the *Gazette* and in at least two daily newspapers of national circulation, the ex-refinery prices and ex-pump prices of petroleum products determined by petroleum service providers based on the prescribed petroleum pricing formula;”.

*NATIONAL PETROLEUM AUTHORITY
(AMENDMENT) BILL, 2015*

Section 37 of Act 691 amended

2. The principal enactment is amended in section 37 by the substitution for subsection (3) of

“(3) The report and the decision taken by the Board shall be forwarded by the Board to the Ministry.”.

Section 47 of Act 691 amended

3. The principal enactment is amended in section 47 by the substitution for paragraph (c) of subsection (1) of

“(c) margins set by the liquid petroleum gas marketing companies;”.

Section 81 of Act 691 amended

4. The principal enactment is amended in section 81 by

(a) the substitution for the definition of

(i) “liquid petroleum gas distributor” of
“liquid petroleum gas marketing company” means
a company that is engaged in importing,
re-exporting, refilling, transporting, marketing
and selling of liquid petroleum gas to end
users and other consumers;”;

(ii) “Minister” of
“Minister” means Minister responsible for Petro-
leum;”;

(iii) “Ministry” of
“Ministry” means Ministry of Petroleum;” and

(iv) “prescribed petroleum pricing formula” of
“prescribed petroleum pricing formula” means the
formula which equates the ex-pump price to
the aggregate of the ex-refinery price, taxes,
levies, distribution margins and the price
stabilisation margin;”;

(b) the insertion after the definition of “prescribed petroleum pricing formula” of a new definition for “price stabilisation margin”

*NATIONAL PETROLEUM AUTHORITY
(AMENDMENT) BILL, 2015*

“price stabilisation margin” means a margin that serves as a mitigation to stabilise the ex-pump prices of petroleum products for the interest of both petroleum service providers and consumers;”.

Date of *Gazette* notification: 9th December, 2015.

**NATIONAL PETROLEUM AUTHORITY
(AMENDMENT) BILL, 2015**

MEMORANDUM

The object of this Bill is to amend the National Petroleum Authority Act, 2005 (Act 691) to extend the application of the Act to cover the implementation of the full price liberalisation regime with respect to petroleum products, in line with the deregulation policy approved by Cabinet in 2005.

This amendment is also to ensure that the National Petroleum Authority Act, 2005 (Act 691) is aligned with the full deregulation of the petroleum downstream sector.

The National Petroleum Authority was established under the National Petroleum Authority Act, 2005 (Act 691) to provide the legal and institutional framework necessary to regulate the deregulated market and to oversee and monitor activities in the petroleum downstream sector.

The main objective of the price liberalisation regime is to halt the continuous intervention by Government in the pricing of petroleum products. It is also to ensure full cost recovery and uniformity in pricing of petroleum products. Other objects are to allow the market to determine prices while implementing mitigating measures to cushion the vulnerable in society.

The introduction of the price liberalisation regime will change the role of the National Petroleum Authority from that of providing indicative maximum ex-refinery and ex-pump prices for petroleum products to petroleum service providers to that of monitoring and ensuring that the setting of ex-refinery and ex-pump prices by suppliers and marketers of petroleum products are done in conformity with the prescribed petroleum pricing formula.

Clause 1 of the Bill amends section 2 of the National Petroleum Authority Act, 2005 (Act 691) to reflect the change in the role of the National Petroleum Authority under the liberalised price regime where petroleum service providers will set their own prices in accordance with

**NATIONAL PETROLEUM AUTHORITY
(AMENDMENT) BILL, 2015**

the prescribed petroleum pricing formula, which will be collated by the Authority for monitoring and publication purposes.

Clause 2 amends section 37 of the principal enactment to take into account the change in the definition of “Ministry” from Ministry responsible for Energy” to “Ministry responsible for Petroleum” as defined in the interpretation section.

Under *clause 3*, “liquid petroleum gas distributor” is replaced with “liquid petroleum gas marketing company” to reflect what currently exists in the downstream petroleum industry.

Clause 4 amends the interpretation section by adding a definition for “liquid petroleum gas marketing company”. The definitions of “Minister” and “Ministry” have also been amended to reflect the establishment of a new Ministry responsible for Petroleum. The definition of “prescribed petroleum pricing formula” has been amended to reflect what currently exists in the petroleum industry. A definition for “price stabilisation margin” is also introduced by this amendment.

HON. EMMANUEL ARMAH-KOFI BUAH (MP)
Minister responsible for Petroleum

Date: 26th November, 2015.