

Federal Law No. (14) of 2017
On Petroleum Products Trading

We Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates,

- Upon perusal of the Constitution,
- Federal Law No. (1) of 1972, on the Competencies of Ministries and Powers of the Ministers, as amended,
- Federal Law No. (26) of 1981, on Maritime Commercial Law, as amended,
- Federal Law No. (3) of 1987, promulgating the Penal Code, as amended,
- Federal Law No. (35) of 1992, promulgating the Code of Criminal Procedure, as amended,
- Federal Law No. (19) of 1993, on the Delimitation of the Maritime Zones of the United Arab Emirates,
- Federal Law No. (21) of 1995, on Traffic, as amended,
- Federal Law No. (23) of 1999, on the Exploitation, Protection and Development of Living Aquatic Resources in the United Arab Emirates, as amended,
- Federal Law No. (24) of 1999, on the Protection and Development of the Environment, as amended,
- Federal Decree-Law No. (1) of 2001, on the Protection of the Land and Sea Borders of the State,
- Federal Law No. (28) of 2001, on the Establishment of the Emirates Authority for Standardisation and Metrology, as amended,
- Federal Law No. (23) of 2006, on Civil Defence,
- Federal Law No. (24) of 2006 on Consumer Protection, as amended,
- Federal Decree-Law No. (2) of 2011 on the National Emergency and Crisis and Disasters Management Authority,
- Federal Decree-Law No. (6) of 2011 on the Establishment of the General Authority of

Ports, Borders and Free Zones Security, as amended,

- Federal Law No. (9) of 2011, on Land Transport,
- Federal Law No. (2) of 2015, on Commercial Companies,
- Federal Law No. (8) of 2015 on the Federal Customs Authority,
- Federal Law No. (19) of 2016, on Combating Commercial Fraud,
- And based on the suggestion of the Minister of Energy, the approval of the Cabinet and the Federal National Council and the ratification of the Federal Supreme Council,

Issued the following Law:

Article (1)

Definitions

In the application of the provisions of this Law, the following words and phrases shall have the meanings assigned to each of them unless otherwise required in the context:

State:	: The United Arab Emirates.
Ministry	: Ministry of Energy.
Minister	: The Minister of Energy.
State Territory	: Includes all State lands, marine areas and the airspace above its lands and marine areas, including the free zones.
Marine Areas	: Inland water, territorial sea, exclusive economic zone and the continental shelf, as defined by the legislation in force in the State.
Competent Authority	: The local authority competent to issue a trading permit.
Concerned Entity	: Any federal or local entity, legally mandated to respond to accidents and emergencies in the State.
Trading	: Entering petroleum products to the State territory, manufacturing, storing, packaging, transporting, marketing, distributing, offering for sale, selling, purchasing or providing the same to others.
Illegal Trading	: Trading in violation of the provisions of this Law and the decisions issued thereunder.

Trading Permit	: The document issued by the Competent Authority, permitting the trading of petroleum products in accordance with the provisions of this Law and the decisions issued thereunder.
Licence	: The document issued by the Competent Authority, based on the Trading Permit, to issue a licence for practicing economic activities at the Emirate.
Committee	: Petroleum Products Trading Regulatory Committee.
Register	: Special register prepared by the Ministry for trading.
Petroleum Products	: Hydrocarbon gas and petroleum derivatives. Crude oil is not considered one of the petroleum products covered by the provisions of this Law.
Hydrocarbon Gas	: Hydrocarbons in their gaseous state, which include but are not limited to petroleum derivatives produced or imported for trading; natural, compressed and liquefied gas; and the gas remaining from the process of crude oil separation, waste disposal sites or any other source.
Petroleum Derivatives	: The substances extracted from crude oil, and include but are not limited to, benzene (gasoline), kerosene, gas oil (diesel), fuel oil, base oils, lubricant oils of various types such as motor oils, industrial oils and greases, tar (bitumen), liquefied petroleum gas (domestic) and bio fuels.
Authorised	: A natural or legal person holding a Trading Permit.
Means of Transportation	: Any land, sea or air means used for trading.
Authority	: Emirates Authority for Standardisation & Metrology.

Article (2)

Objectives of the Law

The Law aims to:

1. Regulate petroleum products trading.
2. Define the terms and procedures for petroleum products trading.

3. Combat practices harmful to the national economy and the safety, security and environment related to this Law.

Article (3)

Scope of Law Enforcement

1. The provisions of this Law shall apply to the entire territory of the State, including free zones, special development zones and investment zones.
2. Any entity determined by the Cabinet, upon the suggestion of the Minister and in coordination with the Competent Authority, shall be exempted from the provisions of this Law.

Article (4)

Licence

1. No natural or legal person may trade petroleum products in the territory of the State unless licensed to do so.
2. A licence is only issued according to the Trading Permit.

Article (5)

Trading

1. The Minister shall issue the following, in coordination with the Competent Authority:
 - a. The standard conditions and procedures for the issuance of a Trading Permit.
 - b. The standard conditions and procedures for the issuance of a transport permit among the Emirates.
 - c. The standard conditions and procedures for listing in the Register.
 - d. The requirements and conditions related to the trading of each of the petroleum products.
 - e. The requirements and conditions related to the places specified to preserve, store and manufacture petroleum products, their means of transportation and the safety and security standards in force at the State.

2. The Competent Authority may add any additional conditions and procedures, provided that they are not inconsistent with the conditions and procedures issued pursuant to the Minister's decision.

Article (6)

Register

1. The Ministry shall establish a Register listing the information of the licensed persons, facilities and means of transportation through which or by which trading will take place.
2. The Implementing Regulation of this Law shall define the form of the Register, the information that should be listed therein and the mechanism of listing.
3. The Competent Authorities shall provide the Ministry with the information related to the licensees.
4. The fees payable for the implementation of the provisions of this Article shall be determined by a Cabinet's Decision, upon the suggestion of the Minister of Finance.

Article (7)

Competencies of the Competent Authority

The Competent Authority shall undertake the following powers and duties:

1. Issue a Trading Permit, based on the recommendations of the Committee, in accordance with the terms and conditions stipulated in this Law and the decisions issued thereunder.
2. Verify the commitment by the licensee to the provisions of this Law and the decisions issued thereunder, including verifying the presence of the terms and conditions related to the means of transportation, the storage warehouses and facilities of the licensee, as used in trading, and verifying their conformity with the safety, security and environmental standards.
3. Consider any application submitted thereto from the licensee regarding making any amendment or alteration to the legal form of the facility or the data of the Trading Permit.
4. Supervise and inspect the licensee, to ensure compliance with the provisions of this Law

and the decisions issued thereunder, as well as with the Trading Permit issued to him.

5. Any other tasks necessary for the implementation of the provisions of this Law and the decisions issued thereunder.

Article (8)

Trading Regulatory Committee

A Committee called the "Petroleum Products Trading Regulatory Committee" shall be established in every Emirate, provided that its members include representatives of the Ministry, Ministry of Interior, Federal Authority for Land and Maritime Transport and the entities concerned with the trading of petroleum products in the Emirate.

Article (9)

Competencies of the Trading Regulatory Committee

The Committee shall be competent to:

1. Study the applications for the issuance of the Trading Permits referred thereto by the Competent Authority, verify that the said applications meet the approved terms and conditions in this regard and recommend to the Competent Authority as it deems proper.
2. Verify the presence of the approved safety, security and environmental requirements in the means of transportation, manufacturing and storage methods and the facilities through or by which trading will take place.
3. Any other tasks assigned thereto by the Competent Authority.

Article (10)

Trading Activities

1. In accordance with the provisions of this Law, the necessary Trading Permits shall be issued for the following activities:
 - a. Import petroleum products from abroad.
 - b. Distribute petroleum products.

- c. Transport petroleum products.
 - d. Sell and purchase petroleum products.
 - e. Manufacture petroleum products.
 - f. Market petroleum products.
 - g. Store petroleum products.
 - h. Any other activity determined by the Competent Authority.
2. The Trading Permit shall be valid for one year, renewable for similar periods.
 3. The Licence shall specify the place in which the licensee shall engage in the activity specified in the permit, the petroleum products he is licensed to trade and any other conditions necessary in this regard.

Article (11)

Identification of Petroleum Products

Each Emirate may identify the petroleum products that the licensee may trade therein, in accordance with the provisions of this Law.

Article (12)

Illegal Trading

Committing any of the following acts shall be considered as illegal trading:

1. Petroleum products trading in the territory of the State without a permit issued by the Competent Authority.
2. Sale, purchase, supply to others, distribution, or offer for sale of any petroleum products that are non-compliant with the standard specifications approved by the Authority.
3. Possession of petroleum products of unknown source in commercial quantities with the intention of distribution, sale or supply thereof.
4. Acquisition of petroleum products from unlicensed persons or facilities, whether paid or unpaid.
7. Replace the fuel tank of any means of transportation, add a tank thereto or alter the same for the purpose of entering petroleum products to the State, or for the purpose of distribution, offer for sale, sale or provision to others without Permit.

Article (13)

Obligations of the Licensee

The licensee shall comply with the following:

1. Being listed the register.
2. The terms of the Trading Permit issued thereto by the Competent Authority.
3. Safety and security standards approved by the Competent Authority and the petroleum products specifications approved by the Authority.
4. Provision of equipment and machines compliant with the specifications approved by the State upon trading petroleum products.
5. Practice the activity for which he is licensed at the location specified in the Trading Permit.
6. Maintain a special register for the traded petroleum products, in a way that the said register includes entries of the traded quantities.
7. Keep the documents proving ownership and source of the petroleum products, as well as all the records and documents pertaining to the practice of the activity for which he is licensed under this Law, its Implementing Regulation and the decisions issued thereunder.
8. Ensure that the equipment and machines meet the safety requirements at the locations and the means of transportation used for the petroleum products trading.
9. Notify the concerned authorities at the State, as the case may be, in the event of any accident that constitutes a hazard to lives, properties, public health or the environment.
10. Notify the Competent Authority before making any changes to the location in which he practices the permitted activity.
11. Enable the employees of the Competent Authority to access the records and documents related to his activity, inspect petroleum products and take samples, and inspect the machines, equipment and facilities used in trading.
12. Comply with the safety, security and environmental requirements according to the legislations in force upon practicing the trading activity.
13. Comply with the means of transportation licensing conditions.
14. Any other obligations determined by the Competent Authority in accordance with its

decisions in this regard.

Article (14)

Penalties

1. Shall be punished by imprisonment for a period not exceeding one year and a fine of not less than (100,000) one hundred thousand Dirhams and not more than (500,000) five hundred thousand Dirhams, or by either penalty, whoever:
 - a. Trades petroleum products in the territory of the State without a permit issued by the Competent Authority.
 - b. Offers for sale, sells, purchases, provides to others or distributes any petroleum products that are non-compliant with the standard specifications approved by the Authority.
 - c. Acquires petroleum products of unknown source in commercial quantities with the intention of consumption, distribution, sale or provision to others.
 - d. Replaces the fuel tank of any means of transportation, adds a tank thereto or alters it with the intention of entering petroleum products into the State, distributing, offering for sale, selling, or providing the same to others without permit.
2. In case of repetition, the penalty shall be imprisonment for not less than one year and a fine of not less than (1,000,000) one million Dirhams and not more than (5,000,000) five million Dirhams.
3. The Court shall, in all cases, rule to confiscate the seized petroleum products. It may also rule to confiscate the means of transportation, the equipment and machines used to commit the offense, all without prejudice to the rights of others of good faith.

Article (15)

1. Shall be fined by a sum not exceeding (500,000) five hundred thousand Dirhams, any licensee in violation of any of his obligations as stipulated in Article (13) of this Law.
2. The same punishment shall apply to each of the following:
 - a. Transportation of petroleum products in means of transportation not licensed for the same, or not meeting one of the licensing conditions approved by the concerned

entity.

- b. Knowingly acquire petroleum products from a person not licensed to trade.

Article (16)

1. Any criminal action for any of the offenses stipulated in Article (15) of this Law shall only be initiated by a written request from the Competent Authority.
2. A reconciliation may be reached in any of the offenses stipulated in Article (15) of this Law prior to referring the case to the competent Court in return for the payment of an amount not exceeding the fine stipulated for the crime, in accordance with the rules set out by the Cabinet. The criminal action shall conclude with the settlement of the reconciliation amount.
3. If the violator refused reconciliation, the matter shall be referred to the Public Prosecution.

Article (17)

Imposing the Most Severe Penalty

The penalties provided in this Law shall not prejudice any more severe penalty stipulated in any other law.

Article (18)

Removal of the Reasons for Violation

Any person in violation of the provisions of this Law, shall be obliged to remove the reasons for the violation immediately as well as the damages resulting therefrom. In case of noncompliance, the concerned entity shall remove them, holding the violator liable for the costs of this action, in addition to (25%) of the value of the costs as administrative and supervisory expenses. The Competent Authority's discretionary assessment of the said costs shall be considered final and may not be appealed.

Article (19)

Judicial Officer

The employees of the Competent Authority, as defined by a Minister of Justice Decision, in agreement with the Head of the Competent Authority, shall have the capacity of Judicial Officers in proving the violation to the provisions of this Law, its Implementing Regulation and the decisions issued thereunder, within the scope of their competencies.

Article (20)

Rectification of the Situation

All facilities trading petroleum products at the State, at the time this Law enters into force, shall rectify their situation in accordance with its provisions, within two years from the date of its entry into force. The Cabinet may extend this period for another year.

Article (21)

Implementing Regulation

The Cabinet shall issue the Implementing Regulation for the provisions of this Law within a period not exceeding six months.

Article (22)

Abrogation of Infringing Provisions

Any provision contrary to or inconsistent with the provisions of this Law shall be abrogated.

Article (23)

Publication and Entry into Effect

This Law shall be published in the Official Gazette and shall enter into effect three months after the date of its publication.

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

Issued at the Presidential Palace in Abu Dhabi:

On: 16 Ramadan 1438 H

Corresponding to: June 11, 2017