

# GUIDELINES

## ON LICENCE APPLICATION

Established pursuant to section 11A of the Gas Supply  
Act 1993 [*Act 501*]



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## 1. Objective and Scope

- 1.1. The Malaysian Gas Third Party Access System (“TPA System”) was implemented mainly for the purpose of allowing utilisation of the country’s existing and future gas infrastructures by multiple parties to import gas into the country. The TPA System shall promote competition in the gas market and ensure the reliability and sustainability of national gas supplies.
- 1.2. The Gas Supply (Amendment) Act 2016 [Act A1515] (the “Amendment Act”) was gazetted on 9 September 2016 to amend the Gas Supply Act 1993 and include provisions in relation to economic and technical regulations of import into regasification terminals, regasification, shipping and transportation. This includes safety, economic and technical regulations in the case of distribution, retail or use of gas through piping systems and related matters.
- 1.3. The Gas Supply Regulations 1997 was also subsequently amended to cater for the new TPA System introduced.
- 1.4. For the purposes of these Guidelines, any reference to the “Gas Supply Act 1993” shall mean a reference to such Act, as amended, varied or modified by the Amendment Act and any reference to the “Gas Supply Regulations 1997” shall mean a reference to such Regulations, as similarly amended, varied or modified.
- 1.5. The relevant parties are also to note that there may be other authorities with jurisdiction over technical and safety issues throughout the gas value chain, including, the Department of Occupational Safety and Health (“DOSH”) on technical and safety issues relating to regasification

terminals and transmission pipelines in Malaysia pursuant to the Petroleum (Safety Measures) Act 1984 and Factories and Machinery Act 1967. Such matters are not covered under the Gas Supply Act 1993 and as such the relevant parties are required to independently liaise with these authorities, if necessary. It shall be the sole responsibility of the relevant parties to identify and ascertain such matters.

- 1.6. Definitions and interpretations: Unless expressly indicated to the contrary or unless the context otherwise requires, terms adopted and used in these Guidelines shall bear the same meaning as they are defined in the Gas Supply Act 1993.
- 1.7. Within its expanded regulatory scope, the Commission as provided under Section 11 of the Gas Supply Act 1993 may grant the following licences on certain conditions and on payment of certain fees:
- (a) import into regasification terminal licence;
  - (b) regasification licence;
  - (c) shipping licence;
  - (d) transportation licence;
  - (e) distribution licence;
  - (f) retail licence; or
  - (g) private gas licence.

- 1.8. The objective of these Guidelines is to establish a framework for the issuance of the abovementioned licences including conditions which may be imposed.
- 1.9. These Guidelines are not the substitute for the Gas Supply Act 1993 nor for any Regulations made thereunder. Anyone in doubt about how they may be affected by the Gas Supply Act 1993 should obtain independent legal advice in respect thereof.

**END OF SECTION**



## 2. Basic Requirements

2.1 For the application of distribution, retail or private gas licences, the Applicant shall provide to the Commission the following basic details:

- (a) area of supply (the area or location where the Applicant intends to install the gas installation and supply gas);
- (b) site location plan indicating the proposed location of the premises to be installed with the gas pipelines and the neighbouring area(s);
- (c) piping layout with details of pipeline routes, including the location of any storage tank(s) or cylinder(s), site boundary(ies), deflection wall(s) and the nearest sources of ignition; technical specifications of the gas pipeline(s) or piping system; and
- (d) certification of the pipeline(s) or piping system.

### 2.2 Additional Information

The Applicant shall submit any other information or document as may be required by the Commission before commencing any gas supply activities.

### 2.3 Additional Requirements

The Applicant shall comply to any additional requirements as may be required by the Commission from time to time.

**END OF SECTION**

### 3. Specific Requirements

3.1 The specific requirements stated under this section need to be fulfilled by the Applicant before any licence applications can be processed by the Commission.

#### 3.1.1 Specific Requirements for import into regasification terminal licence

- (a) The Applicant is incorporated in Malaysia or in any other countries. For this purpose, the Applicant shall submit any relevant documents in relation to the incorporation of the Applicant under any related law.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia five million (or equivalent in other currencies).
- (c) The Applicant has fixed deposit or cash or bank balance of at least Ringgit Malaysia one million as stated in the latest audited financial statements or by providing any other proof of the said amount.
- (d) The Applicant has sufficient financial capability (to the satisfaction of the Commission). The Applicant shall submit three consecutive years of its audited financial statements to the Commission, amongst others, as demonstration and proof of its financial capability.
- (e) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).



### 3.1.2 Specific Requirements for shipping licence

- (a) The Applicant is a company which is incorporated in Malaysia or have a place of business in Malaysia. For this purpose, the Applicant shall submit any relevant documents in relation to the incorporation of the Applicant under any related law.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia five million (or equivalent in other currencies).
- (c) The Applicant has sufficient financial capability (to the satisfaction of the Commission). The Applicant shall submit three consecutive years of its audited financial statements to the Commission, amongst others, as demonstration and proof of its financial capability.
- (d) The Applicant has sufficient and relevant technical capability (to the satisfaction of the Commission).

### 3.1.3 Requirements for regasification licence

- (a) The Applicant is a company which is incorporated in Malaysia or have a place of business in Malaysia. For this purpose, the Applicant shall submit any relevant documents in relation to the incorporation of the Applicant under any related law.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia five million (or equivalent in other currencies).

- (c) The Applicant shall submit a brief write-up which shall contain, among others, a description of the regasification activities, relevant capacity and technical specifications of the regasification terminal. Where possible, the write-up shall include process and instrumentation diagrams. If not already included in the abovementioned brief write-up, a layout plan of the regasification facility which shall show, among others, each major physical unit within the regasification facility.
- (d) The Applicant has sufficient financial capability (to the satisfaction of the Commission). The Applicant shall submit three consecutive years of its audited financial statements to the Commission, amongst others, as demonstration and proof of its financial capability.
- (e) For new licences, the Applicant shall submit the application not less than six months from the date it intends to commence the activity of regasification of gas.
- (f) The Applicant has sufficient and relevant technical capability (to the satisfaction of the Commission).

#### 3.1.4 Requirements for transportation licence

- (a) The Applicant is a company which is incorporated in Malaysia or have a place of business in Malaysia. For this purpose, the Applicant shall submit any relevant documents in relation to the incorporation of the Applicant under any related law.

- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia five million (or equivalent in other currencies).
- (c) The Applicant shall submit a brief write-up which shall contain, among others, a description of the transportation activities including the specific area of supply, the capacity and the technical specifications of the relevant transmission pipeline. If not already included in the abovementioned brief write-up, a location plan of the relevant transmission pipeline and all other facilities utilised or to be utilised in the transportation activities.
- (d) The Applicant has sufficient financial capability (to the satisfaction of the Commission). The Applicant shall submit three consecutive years of its audited financial statements to the Commission, amongst others, as demonstration and proof of its financial capability.
- (e) For new licences, the Applicant shall submit the application not less than six months from the date it intends to commence the activity of transportation of gas.
- (f) The Applicant has sufficient and relevant technical capability (to the satisfaction of the Commission).

#### 3.1.5 Requirements for distribution licence

- (a) The Applicant is a company which is incorporated in Malaysia or have a place of business in Malaysia. For this purpose, the Applicant shall submit any relevant

documents in relation to the incorporation of the Applicant under any related law.

- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia five million (or equivalent in other currencies).
- (c) The Applicant shall submit a brief write-up which shall contain, among others, a description of the distribution activities including the specific area of supply, the capacity and the technical specifications of the relevant distribution pipeline. If not already included in the abovementioned brief write-up, a location plan of the relevant distribution pipeline and all other facilities utilised or to be utilised in the distribution activities.
- (d) The Applicant has sufficient financial capability (to the satisfaction of the Commission). The Applicant shall submit three consecutive years of its audited financial statements to the Commission, amongst others, as demonstration and proof of its financial capability.
- (e) For new licences, the Applicant shall submit the application not less than six months from the date it intends to commence the activity of distribution of gas.
- (f) The Applicant has sufficient and relevant technical capability (to the satisfaction of the Commission).

### 3.1.6 Requirements for retail licence

- (a) The Applicant is an entity established, registered or recognised under any related law in Malaysia. For this purpose, the Applicant shall submit any relevant documents pertaining to the legal status of the Applicant under Malaysian laws.
- (b) The Applicant shall submit a brief write-up which shall contain, among others, a description of the retail activities including the specific area of supply and the technical specifications of the relevant piping system. If not already included in the abovementioned brief write-up, a layout plan of the relevant piping system shall be included.
- (c) The applicant shall submit a maintenance report to the Commission in relation to the safety standards of a gas installation to satisfy to the Commission that the gas installation is maintained in good and efficient working order. The details of a maintenance report are as follows:
  - (i) the duty to prepare the maintenance report shall be on the competent person employed by a gas contractor registered with the Commission;
  - (ii) for the purpose of the submission of the maintenance report, the Commission may request any additional information where the Commission thinks fit; and
  - (iii) if the Commission determines that there is an infringement of the required safety standards, the

Commission may refuse the application for a licence by an applicant on safety reasons.

### 3.1.7 Requirements for private gas licence

- (a) The Applicant is an entity established, registered or recognised under any related law in Malaysia. For this purpose, the Applicant shall submit any relevant documents pertaining to the legal status of the Applicant under Malaysian laws.
- (b) An individual may apply for a private gas licence subject to such terms and conditions as the Commission thinks fit.
- (c) Every applicant shall submit a maintenance report to the Commission in relation to the safety standards of a gas installation to satisfy to the Commission that the gas installation is maintained in good and efficient working order. The details of a maintenance report are as follows:
  - (i) the duty to prepare the maintenance report shall be on the competent person employed by a gas contractor that is registered with the Commission;
  - (ii) for the purpose of the submission of the maintenance report, the Commission may request any additional information where the Commission thinks fit; and
  - (iii) if the Commission determines that there is an infringement of the required safety standards, the

Commission may refuse the application for a licence by an applicant on safety reasons.

- 3.2 For the purpose of applications for retail and private gas licences, the Applicant may request from the Commission permission, for non-submission of the maintenance report, ONLY if the approval to operate (ATO) has been issued by the Commission to the Applicant within a period of less than two years, for operating the non-domestic piping system or of less than three years for operating the domestic piping system.

**END OF SECTION**

## 4. Submission of Licence Application

4.1 An Applicant shall—

- (a) submit a licence application before commencing any activities for which a licence is required under the Gas Supply Act 1993;
- (b) make a licence application through the Commission's Online Application System (OAS) e-Gas which is available through [oas.st.gov.my](http://oas.st.gov.my) or by any other alternative methods as may be determined by the Commission;
- (c) submit together with its licence application all relevant supporting documents as may be required by the Commission;
- (d) ensure that the information or documents submitted to the Commission are true, accurate and complete.

4.2 Upon submission of the licence application and before a licence is granted by the Commission (if any), the Commission may request for further written information from the Applicant.

**END OF SECTION**



## 5. Fees

The Applicant shall abide by the requirement of fees payable in relation to the licence application as stated under the Gas Supply Act 1993 and all regulations made thereunder.

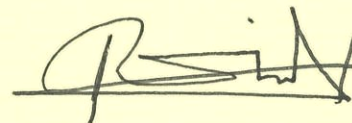
**END OF SECTION**

## 6. Revocation

The Guidelines on Licence Application with registration numbers of **GP/ST/No.9/2017**, **GP/ST/NO.9/2017 (PIND. 4/2018)** and **GP/ST/NO.9/2017 (PIN.2020)** are revoked.

**END OF SECTION**

Dated: **4 MAR 2022**



**TS. ABDUL RAZIB DAWOOD**

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