
BILLS**SUPPLEMENT No. 16****27th October, 2023****BILLS SUPPLEMENT***to The Uganda Gazette No. 71, Volume CXVI, dated 27th October, 2023*

Printed by UPPC, Entebbe, by Order of the Government.

Bill No. 34*Petroleum Supply (Amendment) Bill***2023****THE PETROLEUM SUPPLY (AMENDMENT) BILL, 2023****MEMORANDUM****1. The object of the Bill**

The object of this Bill is to amend the Petroleum Supply Act, 2003; to empower the Uganda National Oil Company Limited to be the supplier of all imports to the licensed oil marketing companies of petroleum products for the Ugandan market for purposes of ensuring security of supply of petroleum products; to improve petroleum product stock holding levels within the country; and to contribute to the competitiveness of consumer and retail pump prices.

2. Defects in the existing law

The Petroleum Supply Act, 2003 does not empower the Uganda National Oil Company Limited to supply all imports to the licensed oil marketing companies of petroleum products for the Ugandan market. This gap in the Petroleum Supply Act has threaten the security of supply of petroleum products in Uganda.

In addition, the gap in the Petroleum Supply Act has exposed Uganda to occasional vulnerability to access the committed demand volumes of petroleum products, leading to petroleum product shortages and abrupt increase in retail pump prices.

3. Remedies

The Bill proposes to amend the Petroleum Supply Act, 2003 to empower the Uganda National Oil Company Limited to be the supplier of all

imports to the licensed oil marketing companies of petroleum products for the Ugandan market for purposes of ensuring security of supply of petroleum products. Further, the Bill proposes to improve petroleum product stock holding levels within the country and to contribute to the competitiveness of consumer and retail pump prices.

4. Provisions of the Bill

Clause 1 seeks to amend section 3 by empowering the Uganda National Oil Company Limited to import all petroleum products destined for the Ugandan market, as listed in the third Schedule to the Bill.

Clause 2 seeks to amend section 5 to define “licensed oil marketing companies” to mean a person granted a petroleum supply operations licence under section 17 to import petroleum products into Uganda.

Clause 3 seeks to amend section 29 to mandate the Uganda National Oil Company Limited to import and supply petroleum products destined for the Ugandan market.

Clause 4 seeks to amend the principal Act by inserting a new Schedule to provide a list of petroleum products to be sourced and supplied by the Uganda National Oil Company Limited.

RUTH NANKABIRWA SSENTAMU (MP),
Minister of Energy and Mineral Development .

THE PETROLEUM SUPPLY (AMENDMENT) ACT, 2023**ARRANGEMENT OF CLAUSES***Clause*

1. Amendment of section 3 of the Petroleum Supply Act, 2003
2. Amendment of section 5 of principal Act
3. Amendment of section 29 of principal Act
4. Insertion of Third Schedule to principal Act

A Bill for an Act

ENTITLED

THE PETROLEUM SUPPLY (AMENDMENT) ACT, 2023

An Act to amend the Petroleum Supply Act, 2003, to empower the Uganda National Oil Company Limited to be the supplier of all imports to the licensed oil marketing companies of petroleum products for the Ugandan market to guarantee security of supply of petroleum products; to improve petroleum product stock holding levels within the country; to contribute to the competitiveness of consumer and retail pump prices; and for other related matters.

BE IT ENACTED by Parliament as follows:

1. Amendment of section 3 of the Petroleum Supply Act, 2003
The Petroleum Supply Act, 2003 in this Act referred to as the principal Act is amended in section 3—

- (a) by deleting paragraph (f).
- (b) by inserting immediately after paragraph (h), the following—

“(i) to facilitate the Uganda National Oil Company or such other person nominated by the Minister, with the approval of Cabinet, to import all Petroleum Products, as listed in the third Schedule, destined for the Ugandan market to guarantee security of supply of Petroleum Products in the country.”

2. Amendment of section 5 of principal Act

The principal Act is amended in section 5 by inserting immediately after the definition of “licensee” the following new definition—

“licensed oil marketing companies” means a person granted a petroleum supply operations licence under section 17 to import petroleum products into Uganda;”

3. Amendment of section 29 of principal Act

The principal Act is amended by substituting for section 29, the following—

“29. Supply chain of petroleum products

(1) Subject to subsection (2), any person, whether Ugandan or foreign, may participate in all or any activities of the supply chain, in accordance with this Act and any other applicable laws.

(2) The importation and supply of petroleum products destined for the Ugandan market to the licensed oil marketing companies shall be undertaken by the Uganda National Oil Limited.”

(3) Notwithstanding subsection (2), the Minister may, by statutory instrument under exceptional circumstances, nominate such other person, with the approval of Cabinet, to import and supply all or a portion of petroleum products listed in the third schedule to this Act.

(4) For purposes of subsection (3), the exceptional circumstances are—

- (a) where the Uganda National Oil Company Limited fails to import and supply petroleum products in any given month; or
- (b) where the Uganda National Oil Company Limited becomes insolvent.

(5) The licensed oil marketing companies shall purchase all their petroleum products requirements from the Uganda National Oil Company or such other person nominated by the Minister under subsection (4).

4. Insertion of Third Schedule to principal Act

The principal Act is amended by inserting immediately after the Second Schedule the following—

“THIRD SCHEDULE

Section 29 (2)

Petroleum Products to be sourced and supplied by the Uganda National Oil Company Limited

1. Premium motor gasoline or super petrol.
2. Automotive gasoil or diesel.
3. Jet A-1.
4. Dual purpose kerosene.”

