

Official Gazette

We, Abdullah II Bin Hussein, King of the Hashemite Kingdom of Jordan

By virtue of Article 31 of the Constitution and based on the decision of the Lower House and the Upper House, we order enacting the following law and adding it to the laws of the country:

Law No. 11 of 2018

Petroleum Products Law

Article (1):

This law shall be called (the petroleum products law of 2018) and shall be put into effect sixty days from the date of its publication in the official gazette.

Article (2):

: The following words and phrases, wherever mentioned in this law, shall have the meaning assigned to them hereunder unless the context provides otherwise:

Ministry: Ministry of Energy and Mineral Resources.

Minister: Minister of Energy and Mineral Resources.

EMRC: Energy and Minerals Regulatory Commission.

The Council: The Council of Commissioners

**Chief
Commissioner:** Chairman of the Council/ Chief Executive Officer

Person: Natural or Juridical person.

Permit: Initial approval granted by the Commission in accordance with the provisions of this law.

Permit Holder: A person granted a permit, pursuant to this Law, regulations, and

instructions issued in accordance with this law..

- Permission:** The permission granted by EMRC pursuant to this Law, regulations, and instructions issued in accordance with this law.
- Licensee:** A person granted a **License** , pursuant to this Law, regulations, and instructions issued accordance to this law.
- Petroleum Products:** Pure or mixed organic compounds derived from Crude Oil refining processes specified in this Law.
- Sector:** Economic and investment activities and facilities related to Petroleum Products, Crude Oil, refined Crude Oil, and natural gas in its gaseous and liquid state, Biofuel, Coal and their storage.
- Liquefied Petroleum Gas (LPG):** . A mixture of hydrocarbon-based gases, mainly propane and butane, derived from crude oil refining or natural gas fractionation which is liquefied through pressurization.
- Coal:** Charcoal or petroleum coal.
- Refining:** A set of technical processes for the manufacture of finished petroleum products from Crude Oil, unprocessed oils or other hydrocarbons.
- Petroleum Operations:** Activities related to Crude Oil, Petroleum Products, Natural Gas, LNG, Biofuel and Coal, excluding activities related to oil exploration and production sector.
- Supply Chain:** Operations, activities, plant, equipment and facilities directly or indirectly related to petroleum operations.
- Distribution:** Transportation, storage, distribution and sale of Petroleum Products and LNG, through the ownership, operation or management of their facilities in order to deliver these products to the consumer.
- Reagent:** Any chemical or other means that is approved by EMRC to detect any manipulation of Petroleum Products intended for sale and the quality of these products.
- Biofuel:** Biodiesel, ethanol, methane or any liquid or gaseous fuel extracted from living organisms or their secondary bio products.
- Crude Oil:** . **Means a mixture of hydrocarbons produced from natural reservoirs and remains in liquid state at atmospheric pressure, including mixture produced from oil chair, bitumen sand and other non-conventional hydrocarbon sources.**
- Natural Gas:** A group of hydrocarbon compounds that are in a gaseous state under normal weather conditions, which may be available through the

production of Crude Oil and are called associated gas, or individually available from gaseous hydrocarbon concentrations or from unconventional reservoirs.

Liquefied natural gas:	Natural gas that has been converted into a liquid state to facilitate its storage and transportation.
Petroleum:	A mixture of hydrocarbons naturally located underground in a liquid or gaseous state, including asphalt extracted from reservoirs, and any oil derived from oil shale by extraction from reservoirs, excluding oil shale.
Standard Specification:	The standard specification in accordance with the Standards and Metrology Law or any other substituting legislation.
Technical Rule:	A technical rule identified under the Standards and Metrology Law or any other substituting legislation.
Sector Participants:	Any organization, association, trade union, or a juridical person operating in the Sector of Petroleum Products, Biofuel, and Coal.
Petroleum Facilities:	Facilities designated for import, export, loading, discharge, refining, transportation, storage, distribution, wholesale, and retail of Crude Oil, Petroleum Products, Biofuel, and Coal.
Operational Reservoir:	A reserve of Crude Oil, Petroleum Products and Coal to be retained by the Licensees in accordance with this law.

Article (3):

The Ministry handles the following powers and mandates:

- a. Prepare and develop the strategy and policy of the Sector, in accordance with the requirements of economic and social development in the Kingdom and submit it to the Council of Ministers for approval.
- b. Care for the Kingdom's interests in the affairs of the Sector in the countries and regional and international organizations concerned with this Sector and represent the Kingdom in those bodies.
- c. Encourage investment and competition in the Sector and promote it at the international and local level.
- d. Adopt the necessary measures to maintain a strategic reserve in sufficient quantities of Crude Oil and Petroleum Products reserve , in coordination with the competent authorities under a regulation to be issued for this purpose, which shall include the method of managing this reserve and how to finance it, and identify the procedures related to the implementation of the contingency plan to supply Petroleum Products in case of partial shortage or continued shortage of supply of these products.
- e. Contribute to building an integrated information system in the Sector.

- f. Develop draft laws related to the Sector in coordination with the competent authorities.
- g. Develop draft laws related to the Ministry work and submit it to the Council of Ministers.

Article (4):

EMRC handles the following powers and mandates:

- a. Grant permit or License under the provisions of this Law.
- b. Control the permit holder and the Licensee to ensure their compliance with the provisions of this Law, the permit, and the License granted to the Authorized Person and the Licensee and, for this purpose, inspect any organization or any other entity.
- c. Participate in developing standard specifications or technical rules of plant, facilities, and materials related to the work of the Sector, in consultation with the competent authorities to be issued by the Jordan Standards and Metrology Organization
- d. Take part with the competent authorities in setting the necessary requirements for meeting the environmental conditions to be satisfied by the plants and facilities of the Sector.
- e. Develop draft regulations related to the Sector in coordination with the competent authorities
- f. Any functions or powers related to EMRC mandates accordance to this law.

Article 5 (a) the Council handles the following powers and mandates:

- 1. Issue Licenses and permits to the personnel of the Sector in connection with the following activities:
 - a. Import, sale, export, transport, storage, and refining of Crude Oil.
 - b. Import, export, transport, manufacture, filling, storage, loading, discharge, distribution, whole and retail sale of Petroleum Products.
 - c. Import, export, transport, distribution, sales, , and storage and any activities related to them.
 - d. Import, export, transport, distribution, sale, and storage of Biofuel or Coal.
 - e. Petroleum Products distribution stations.
 - f. Central distribution of liquefied petroleum gas.
 - g. Liquefied Petroleum Gas cylinders storage warehouses.
 - h. Any other activity related to the Sector as decided by the Council of Ministers.
- 2. Set principles and criteria related to the Sector.
- 3. Set proper performance rules, safety, security and sustainability criteria, examine the Licensee performance according to these criteria, and approve any other rules and criteria related to the Sector.

4. Any other mandates, which the Chairman deems necessary to be presented to the Council in accordance with the provisions of this Law.

b. The Chairman shall issue Licenses and permits to the personnel of the sector related to the following:

1. Liquefied Petroleum Gas cylinders distribution agencies.
2. Tanks for transporting and distributing Crude Oil and Petroleum Products.
3. Trucks for transporting and distributing Liquefied Petroleum Gas.

Article (6):

For the purposes of this Law, Petroleum Products include:

- a. Methane, ethane, propane, butane and similar Crude Oil gases or a mixture of these gases in either a gaseous or liquid state.
- b. Benzene or naphtha.
- c. Kerosene or other similar oils used in lighting or combustion.
- d. Turbine fuel used in propulsion engines (jet fuel).
- e. Gas oil, diesel engine or diesel used in industry, heating or ships.
- f. Lubricating oil, base oil, refined and blended oil.
- g. Heavy fuel oil used in internal combustion engines or in industrial heating processes
- h. Asphalt, bitumen and petroleum coal.
- i. Other derivatives or by-products of refined Crude Oil, with a flash point less than 120 ° C.
- j. Any petroleum products containing different percentages of Biofuel or any other additives.

Article 7:

a. Subject to the Renewable Energy and Energy Conservation Law, Biofuel includes:

1. Any plant material, wood, wood derivatives, partially charred plants, fermented sugar, straw or any biomaterial.
2. Animal grease, fish oil or any flammable oils extracted from animals.
3. Waste materials, alcohol waste, wood residues, agricultural or industrial waste, animal fertilizers and other organic residues.
4. Industrial fuel extracted from any other biomaterial.

b. A person may practice any work related to the production of Biofuel used for combustion, heating, lubrication, import, export, transport, storage, distribution or any activity related thereto after obtaining the necessary permit or license in accordance with a regulation issued for this purpose.

c. The provisions set out in this Law in connection with Petroleum Products shall be applied to Biofuel.

Article 8:

- a. No person shall be allowed to practice any of the activities set out in Article (5) of this Law, without obtaining a permit or a License.
- b. No person shall be allowed to establish petroleum plants & facilities or make any core amendments to any facilities or plants in the supply chain, without obtaining a permit for this purpose, in accordance with the provisions of this Law and the regulations and instructions issued thereunder.

Article 9:

- a. An application for License or permit shall be submitted to EMRC attached with documents and Data. Service fee prescribed for the application and its consideration shall be paid according to instructions issued by the Council for this purpose.
- b. If the application satisfies all required conditions, the Council or the Chairman, as the case may be, shall issue his approval to grant the License or Authorization after the Licensee or Authorized Person pays the prescribed fees.
- c. The conditions for granting the License or Permit, fees to be collected for granting the License or permit and the renewal or amendment of the License or Permit shall be determined by a regulation issued for this purpose.

Article 10:

Any applicant for a License or Permit under the provisions of this Law and each Permit holder or Licensee under its provisions shall comply with the applicable legislation related to environmental requirements, public safety, and water and obtain any approvals required by any other entities.

Article 11:

- a. EMRC shall prepare each month a list of the applications filed for License or Permit that have been accepted, rejected, renewed, amended or cancelled.
- b. The list referred to in Clause (a) of this Article shall be published within ten days from the end of each month on EMRC website or any other means decided by the Board.

Article 12:

- a. A Permit granted under the provisions of this Law shall be valid for the period indicated therein. If the Permit holder does not complete the construction works within this period or the Council does not agree to extend it upon request of the Permit holder, the Permit shall be automatically terminated.
- b. If the finds that the Permit holder has completed the construction works within the prescribed period, a completion of work certificate shall be issued in preparation to issue the License.

Article 13:

The License duration shall be determined by decision of the Council, provided that it does not exceed 30 years, according to the type of licensed activity set out under a regulation issued for this purpose, provided that it includes the license renewal conditions.

Article 14:

In the case of the death of the Permit holder or the Licensee, the heirs of the Permit Holder or the Licensee may apply to amend the Permit or License no later than one year from the death date. The License or Permit shall remain valid until the amendment of the License or Permit. In any case, the conditions set out in this Law, and the regulations and instructions issued thereunder shall be satisfied.

Article 15:

a. If the applicant for a License or Permit intends to make any core amendment to the data included in the License or Permit application, the applicant shall file another application to the Council or the Chairman, as the case may be, to amend this information.

b. The Permit holder or the Licensee may request the cancellation of the Permit or License if it intends to suspend the business, subject to compliance with the obligations and conditions set out in this Law and the regulations and instructions issued thereunder and in the License or Permit.

c. The Council may amend the Permit or License in any of the following cases:

1. Upon request of the Permit holder or the Licensee.
2. Non-compliance by the Permit holder or the Licensee with the conditions of the Permit or License.
3. If this is necessary for the public interest.

Article 16:

The Permit holder or the Licensee shall:

a. Carry out its business and maintain the plant and equipment, in accordance with the provisions of this Law and the applicable legislation.

b. Comply with the standard specifications and technical rules applicable in the Kingdom and the procedures set out in the relevant legislation in connection with the trade of any new product in the local market.

c. Submit any documents, information, reports or records requested by EMRC, in accordance with the provisions of this Law and any relevant legislation.

d. Notify EMRC of any incident or emergency resulting from any plants or any interruption or suspension of operations due to maintenance works.

Article 17:

a. A consortium that has obtained a License or permit shall be severally and jointly liable for any damages caused by the members of the consortium.

b. The Permit holder or the Licensee shall be responsible for any faults committed by any of its staff in the course of performance of their work.

Article 18:

a. The Permit holder or the Licensee shall be responsible for any accident or damage that leads to the leakage or spillage of Petroleum Products, natural gas, LNG, Biofuel, Coal, or any damages incurred to public safety, environment, and health. This shall not prevent demanding compensation from the direct responsible party.

b. The Permit holder or the Licensee shall be responsible for the quality of the Petroleum Products, natural gas, LNG, Biofuel, and Coal with which it deals or sells to the consumer. This shall not prevent demanding compensation from the actual party that adversely caused adverse change to the quality of Petroleum Products, its contamination, or damage to consumers.

Article 19:

a. The Licensee shall maintain an operational reserve, as indicated in the license granted to the Licensee.

b. Each industry that consumes more than 750 tons of Petroleum Products annually shall maintain an equivalent of fifteen days of consumption per Petroleum Product.

c. In order to ensure supplying the Kingdom in emergencies or in any interruption of the ordinary supply, the government shall maintain a strategic reserve of quantities of Crude Oil and Petroleum Products in the manner it deems fits, in accordance with the provisions of this Law and the regulations issued thereunder.

d. The Council of Ministers, in emergencies, may use the operational reserve Plants & facilities of the Licensees against a fair compensation.

Article 20:

a. If the Council finds that there is frequent shortage in supplying the local market with any Petroleum Product as a result of problems in operation, transportation or storage caused by any Licensee for more than a year, the Council may decide to amend the license by increasing the operational reserve, as it deems fit, to ensure secure supply of Petroleum Products, after consultation with the participants in the Sector.

b. The Licensee shall implement EMRC decision issued in accordance with the provisions of Clause (a) of this Article within the period set out in the decision.

Article 21:

A License or Permit shall be deemed automatically cancelled in any of the following events:

a. If the Permit holder or Licensee waives or assigns the License or Permit or transfers the assets of the Permit holder or Licensee, or any part thereof, by sale, mortgage, rent, exchange, or any other means, without the prior approval of the Council.

b. If the Permit holder or Licensee assigns another party to carry out construction works that require a Permit or operations that require a license or transfers them to another party, without the approval of the Council or the Chairman, as the case may be.

c. The liquidation or bankruptcy of the Permit holder or Licensee.

Article 22:

a. EMRC in cooperation & coordination with Jordan Standards & Metrology Organization, shall develop

the instructions related to the application of standards, technical rules, and code of practice, supervise the application of these instructions once approved for each part of the supply chain through a gradual program, review and update these instructions on ongoing basis, and inform the participants in the supply chain of them.

b. EMRC may seek the assistance of inspectors with experience and competence in the Sector. The duties, method of work, and fees of these inspectors shall be determined under instructions issued by the Council for this purpose. The Permit holder or Licensee shall pay the fees of inspectors, pursuant to the applicable Control and Inspection of Economic Activities Law.

Article 23:

The party licensed to refine and distribute shall use the Reagent approved by EMRC for Petroleum Products prepared for sale in any refinery plant, at the border customs centers or any other ports. The method of using the Reagent shall be determined according to instructions issued by the Council for this purpose.

Article 24:

a. EMRC, in cooperation with the participants in the Supply Chain, shall provide a contingency plan to supply Petroleum Products to the Ministry no later than 180 days from the effective date of this Law. The Ministry shall submit the contingency plan to the Council of Ministers for approval. This plan shall be reviewed and amended in the first half of each year.

b. The contingency plan referred to in Clause (a) of this Article shall include the measures adopted to address any interruption in the supply of Petroleum Products or any other obstacles due to force majeure, negligence, fault or any other case determined by the competent authorities.

c. The procedures for implementing the contingency plan shall be identified in detail for the supply chain of the Petroleum Products once approved, according to instructions issued by the Council for this purpose.

d. The Ministry shall adopt the necessary measures to implement the contingency plan, including temporary intervention in the supply chain in the emergencies announced by the competent parties.

Article 25:

- a. Any participant in the supply chain shall be prohibited from controlling prices or creating any shortage in Petroleum Products, performing services, or any act that is considered as violation of competition, according to the applicable Competition Law, whether individually or as a consortium.
- b. The Licensee to sell any Petroleum Products shall offer its service without discrimination in terms of the quality, quantity or price of product.
- c. EMRC shall cooperate with the competent authorities to ensure the application of the provisions of this Article and may prosecute any violation in accordance with the applicable legislation.

Article 26:

The Licensee, with the approval of the Council, may use any capacity not used in the infrastructure of another Licensee or use any import facilities or warehouses or pipelines operated or owned by the Licensee.

Article 27:

The Permit holder or Licensee of any works of the Supply Chain before the effective date of the provisions of this Law, shall continue practicing its business until its conditions are corrected under the provisions of this Law, regulations, and instructions issued thereunder no later than two years from the effective date of this Law.

Article 28:

- a. The Ministry, when the provisions of this Law come into force, shall determine the prices of Petroleum Products, commissions, and tariff of the Licensee according to a regulation issued for this purpose. The regulation shall include the pricing mechanism and principles.
- b. EMRC shall control the development of the Sector in the Kingdom on an ongoing basis to move from determining the prices of Petroleum Products set out in Clause (a) of this Article to setting the maximum prices of Petroleum Products and the commissions, and tariff of the Licensee and shall provide the Council of Ministers with an annual report in this regard.
- c. The Council of Ministers, based on the annual report referred to in Clause (b) of this Article may decide to move from setting the prices of Petroleum Products to setting the maximum prices of Petroleum Products.
- d. EMRC, if the Council of Ministers takes its decision referred to in Clause (c) of this Article, shall determine the maximum prices of Petroleum Products and the commissions and tariff of the Licensee, according to a regulation issued for this purpose that includes the pricing mechanism and principles.
- e. EMRS shall set the procedures for controlling the prices of Petroleum Products through the Supply Chain under instructions issued for this purpose.

Article 29:

The provisions related to Petroleum Products and natural gas set out in this Law shall not apply to the following entities:

- a. A Licensee under a special law.
- b. Companies engaged in the purchase, transportation, distribution, sale, import, and export of natural gas under license agreements signed with the government before the effective date of this Law.
- c. Armed forces/Arab army, and security entities. The conditions and provisions of this exception shall be determined by a resolution issued by the Council of Ministers for this purpose.

Article 30:

EMRC shall remove any violation of the provisions of this Law at the expense of the offender.

Article 31:

- a. If the Permit holder or Licensee violates any of the provisions of this Law, regulations, or instructions issued thereunder or the conditions of the Permit or License, it shall be notified to correct the violation within the prescribed period in the notice. This period may be extended by decision of the Council.
- b. In the case of non-compliance with Clause (a) of this Article, a penalty shall be imposed on each day of delay to implement the notice within the period set out therein. The amount of these penalties shall be determined by a regulation issued for this purpose.
- c. If the period indicated in the notice ends without correcting the violation, the Council may take any of the actions set out in this Law, including the suspension or the cancellation of the Permit or License and referring the violating party to the competent court.
- d. If EMRC decides to cancel any Permit or License that was granted under the provisions of this Law, it shall not be allowed to apply again for an Permit or License before at least 18 months from the date of the cancellation decision.
- e. No person whose Permit is cancelled under the provisions of this Law and the regulations issued thereunder, may claim any compensation or recover any fees paid to obtain the License or Permit or renew the License or Permit or any other reason.

Article 32:

- a. Any person who commits any of the following acts shall be sentenced to imprisonment for no less than three months and no more than six months or a penalty of no less than Two Thousand Dinars and no more than Five Thousand Dinars or by both penalties:
 - 1. Refuses to provide any information or documents requested by EMRC in connection with the operations, petroleum plants, Biofuel, and Coal, under the provisions of this Law.
 - 2. Does not allow the inspectors or EMRC personnel to have access to any property, vehicle, or vessel, or obstructs the works of any of them, or does not allow them to inspect the files, accounts or any other records.
 - 3. Does not comply with any request or notice issued by EMRC, according to the provisions of this Law.

b. Any person who commits any of the following acts shall be sentenced to imprisonment for no less than six months or a penalty of no less than Ten Thousand Dinars or by both penalties:

1. Carries out construction or operational acts related to the supply chain, Biofuel, or Coal, or makes any core amendments to the supply chain, Biofuel, or Coal without an Permit or License, under the provisions of this Law.

2. Provides any incorrect or misleading documents or information to EMRC.

3. Discloses, publishes, or divulges any information, which EMRC considers confidential, whether an employee of EMRC, or an Permit holder, or Licensee.

c. 1. Any person who violates the provisions of Clauses (a) and (b) of Article 25 of this Law shall be penalized by a penalty of no less than 1% and no more than 5% of the total annual sales of the offender, provided that the penalty is no less than 2,000 (Two Thousand Dinars) and is not more than (50,000) Fifty Thousand Dinars.

2. Subject to the provisions of Clause (1) of this paragraph, the Council may suspend or cancel the License.

Article 33:

a. The application of the provisions of this Law shall not prohibit the application of any more severe punishment set forth in any other legislation.

b. The penalties set out in this Law shall be doubled in the case of repeated violation.

Article 34:

Subject to the provisions of Article 14 of this Law, a public officer or civil or military officer may not be granted a Permit or License, under the provisions of this Law.

Article 35:

The Council of Ministers shall issue the necessary regulations to implement the provisions of this Law.

Article 36:

The Prime Minister and the ministers are designated to implement the provisions of this Law.

28/2/2018

Abdullah II Bin Hussein

Prime Minister and Minister of Defense

Dr. Hani Fawzi Mulqi

Minister of Higher
Education and Research

Dr. Adel Issa Al-Tuwaisi

Deputy Prime Minister

Minister of State for
Economic Affairs

Dr. Jafar Abdul Fattah

Deputy Prime Minister

Minister of State for
Prime Ministry Affairs

Jamal Ahmad Muflih

	Hassan	Al-Sarairah	
Minister of Culture Nabeeh Jameel Shuqum	Minister of Political and Parliamentary Affairs and Minister of State Eng. Mousa Habis Al- Maita	Minister of Social Development Hala Numan Kheir Eddin (Bseiso Latouf)	
Minister of Foreign Affairs and Expatriates Affairs Ayman Hussein Abdullah Safadi	Minister of Labor Samee Saeed Abdul Muti Murad	Minister of Water and Irrigation Ali Thaher Al-Ghazawi	Minister of Planning and International Cooperation Emad Najeeb Fakhouri
Minister of Municipal Affairs and Minister of Transport Eng. Waleed Muhi Eddin Al-Masri	Minister of Environment Nayef Hamdi Mohammad Al-Fayez	Minister of Health Dr. Mahmoud Yaseen Al-Shayab	
Minister of Telecommunications and IT and Minister of Public Sector Development Majd Mohammad Shuwaika	Minister of Public Works and Housing Eng. Sami Jeries Halasa	Minister of State for Media Affairs Dr. Mohammad Hussein Al-Momani	
Minister of Agriculture Eng. Khalid Mousa Al- Hunaifat	Minister of Tourism and Archeology Lina Annab	Minister of Finance Omar Zuhair Malhas	
Minister of Education Dr. Omar Ahmad Munif Al-Razaz	Minister of Justice Dr. Awad Abu Jarad Mashaqba	Minister of Industry, Trade and Supply Yarub Falah Qudah	
Minister of Youth Basheer Ali Khalaf Al- Rawashdeh	Minister of State for Investment Affairs Muhannad Shihada Khalil Khalil	Minister of Energy and Mineral Resources Dr. Saleh Ali Hamed Al- Kharabsheh	

Minister of State for
Legal Affairs

Dr. Ahmad Ali Khleif
Al-Owaidi

Minister of Awqaf and
Holy Places

Dr. Abdul Naser
Mousa Abu Al-Basal

Minister of Interior

Sameer Ibrahim Al-
Mubaideen