



Retail Licence & Private Gas Licence

By:

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Gas Development and Regulation Department

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Section 11 & 30 of the Gas Supply Act 1993

Section 11

No person shall carry out any activity of-

- (a) import into regasification terminal;
- (b) regasification of gas;
- (c) shipping of gas;
- (d) transportation of gas;
- (e) distribution of gas;
- (f) retail of gas; or
- (g) use of gas

unless such person is licensed under this Act.

Section 30(1):

Carries out any activity of retail or use of gas without any licence:

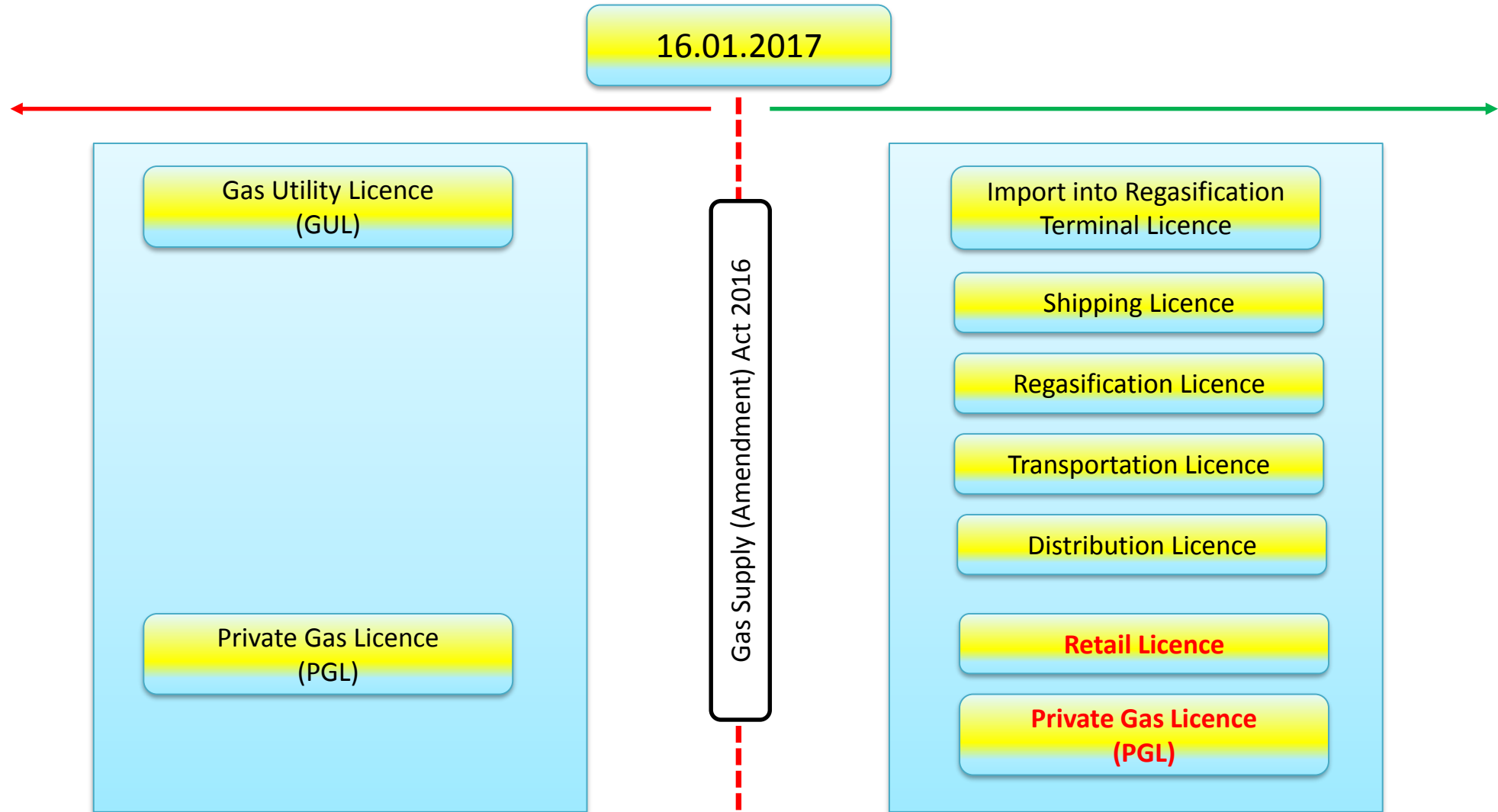
- fine not exceeding RM 100,000.00; or
- imprisonment not exceeding 3 years; or both; and
- a further fine not exceeding RM 1,000 after conviction which the offence continues

Section 30(1A):

Carries out any activity of import into regasification terminal, regasification, shipping, transportation or distribution of gas without any licence:

- fine not exceeding RM 500,000.00; or
- imprisonment not exceeding 5 years; or both; and
- a further fine not exceeding RM 1,000 after conviction which the offence continues

Types of Licence under Gas Supply Act 1993



Definitions

Retail

Retail means the activity of sale or use of gas through the retail licensee's piping system to consumers' premises where the gas is either-

- (a) received from a storage tank or cylinder on the retail licensee's own property or premises or on the property or premises of the owner or occupier, or
- (b) received through distribution pipelines.

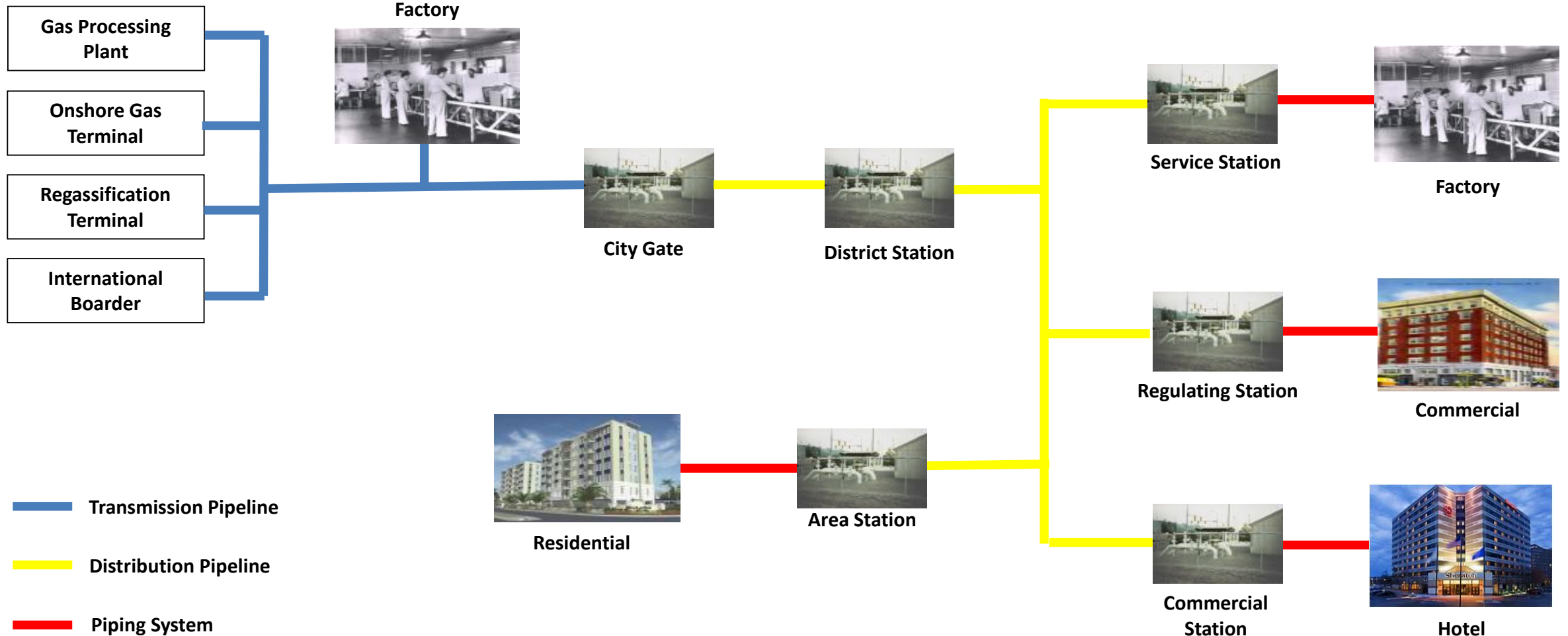
Use of gas

Use of gas means the activity of using gas as a private gas licensee.

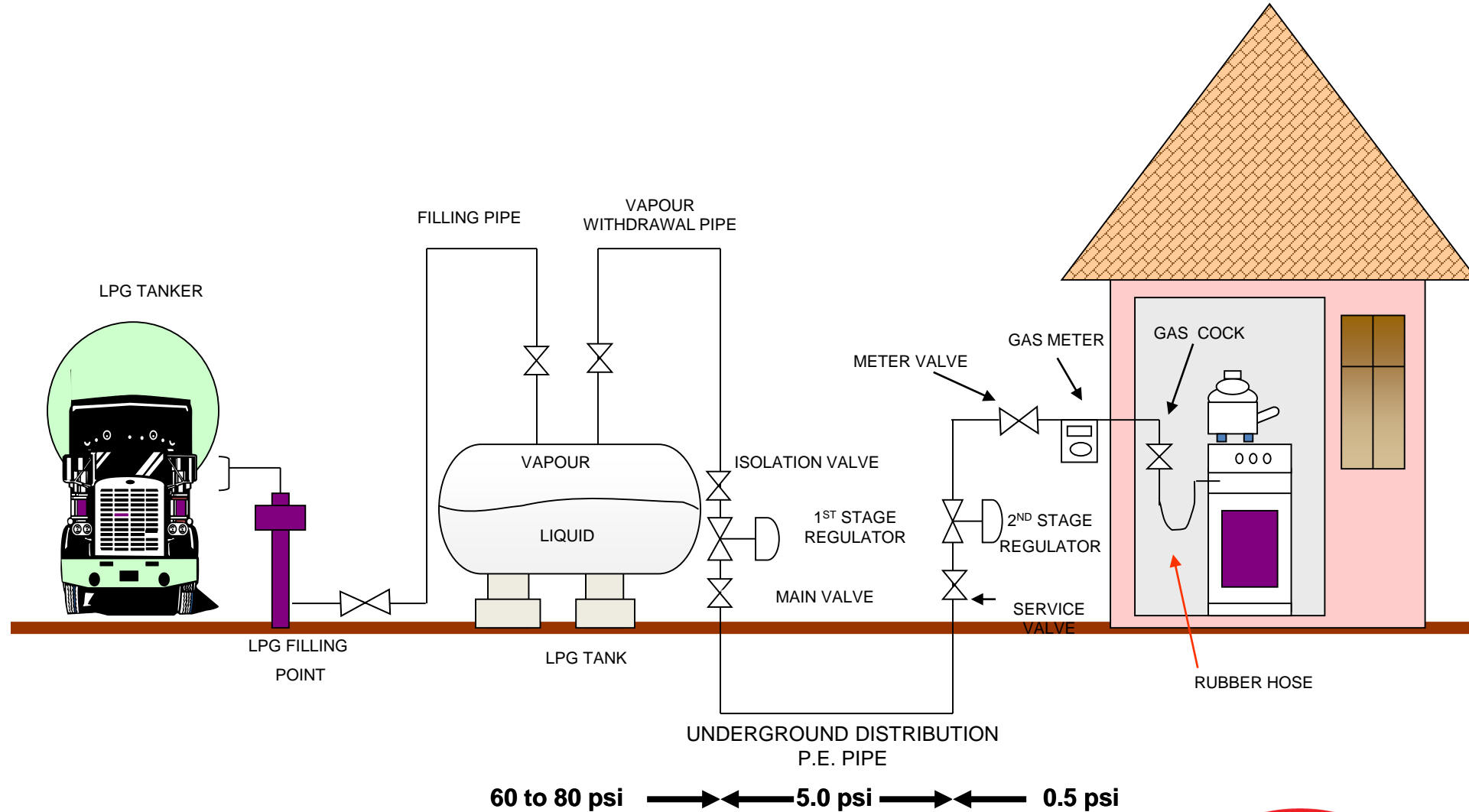
Piping system

Piping system means all parts of those physical facilities including installations, through which gas moves for purpose of regasification, transportation or distribution of gas from the last flange of a regulating or metering station connected to the distribution pipeline or from a filling connection of a storage tank or cylinder for purposes of reticulation or delivery in respect of retail or use of gas through a piping system to any gas appliance in any premises.

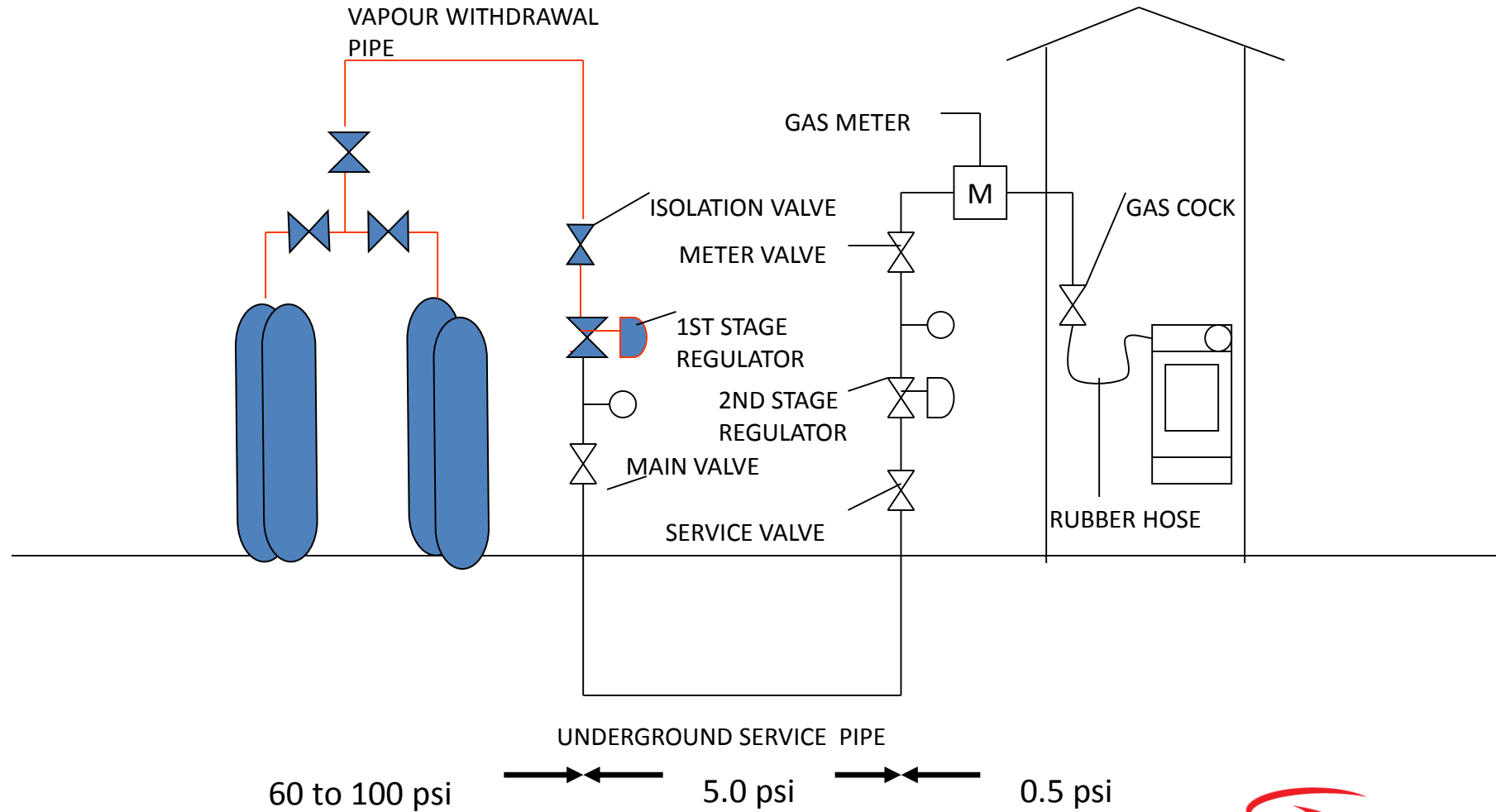
Transmission Pipeline/Distribution Pipeline/Piping System – Natural Gas System (NG)



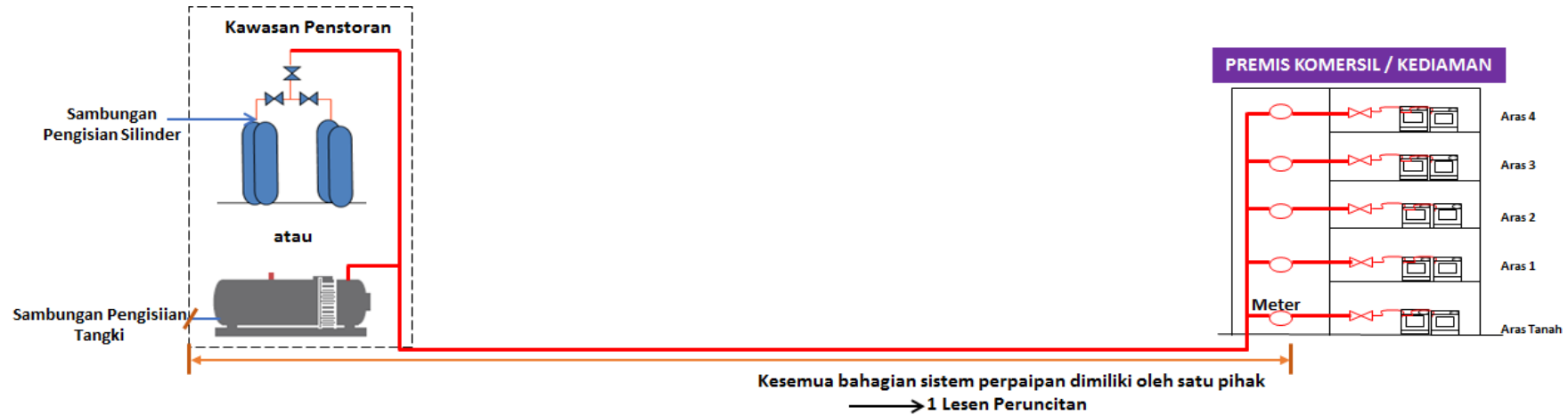
Piping System – Liquefied Petroleum Gas (LPG)



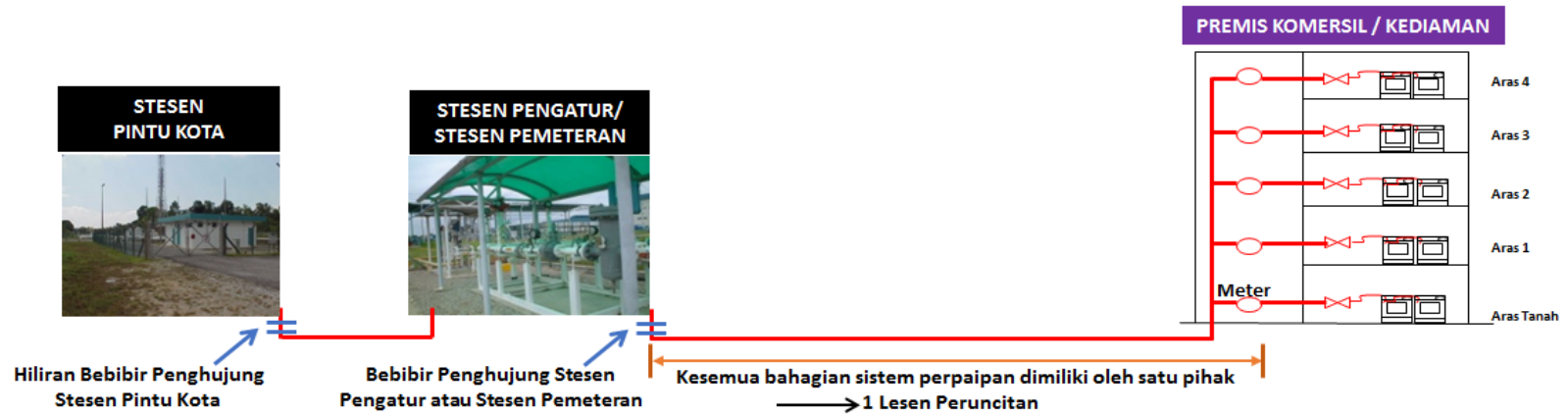
Piping System – Liquefied Petroleum Gas (LPG)



Retail Licence: Senario 1



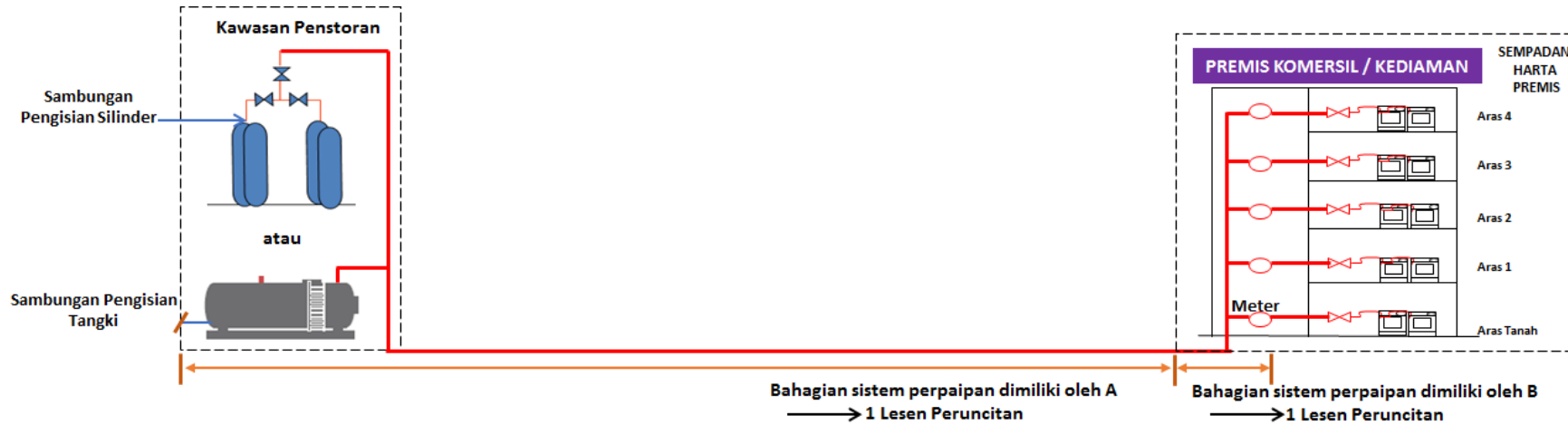
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Retail Licence: Senario 2



Retail Licence: Senario 3



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Terms and Conditions for Applying License

Retail Licence

- The applicant is a company which is incorporated under the Companies Act 1965;
- The management team must possess, individually, at least 5 years of working experience in the Malaysian gas market;

Private Gas Licence

- The applicant is a company which is incorporated under the Companies Act 1965 or business registered under the Business Registration Act 1956 or a public entity recognized by the Commission;
- The applicant must provide a copy of Approval to Operate (ATO)

Guidelines on Licence Application

www.st.gov.my

Licence Conditions (Retail Licence)

- Part I : Grant Of Retail Licence
- Part II : Interpretation and Construction
- Part III : Conditions Of Licence
 - Condition 1: Area Of Supply
 - Condition 2: Security, Integrity And Safety Of The Piping System.
 - Condition 3: Maintenance Of Records
 - Condition 4: Payment Of Fees
 - Condition 5: Tariff And Charges
 - Condition 6: Continued Compliance With Terms And Conditions.
 - Condition 7: Obligation To comply With Government Policy.
 - Condition 8: Right Of Entry
 - Condition 9: Insurance
 - Condition 10: No Right Of Extension
 - Condition 11: The Licence Is Non-Transferable, Non-Assignable Etc.
 - Condition 12: Review Of Licence
 - Condition 13: Changes In Law
 - Condition 14: Compliance With Written Law
 - Condition 15 : Request For Termination Of Licence By Licensee
- Part IV : Suspension And Revocation Of Licence

Licence Conditions (Retail Licence)

CONDITION 1:

AREA OF SUPPLY

The Licensee shall only conduct retail activities in the following area of supply:

..... (insert address of premises)

CONDITION 2:

SECURITY, INTEGRITY AND SAFETY OF THE PIPING SYSTEM

The Licensee shall ensure that, in utilising gas for the authorised business in the area of supply, all reasonable measures are taken to protect and safeguard the security, integrity and safety of the Licensee's piping system, and in particular, that appropriate measures are taken to prevent damage to the piping system.

Licence Conditions (Retail Licence)

CONDITION 3:

MAINTENANCE OF RECORDS

1. The Licensee shall keep and maintain proper records of all installations for the inspection of the Commission.
2. The records shall, at a minimum, consist of the following:
 - (a) details of the location of the installation(s);
 - (b) details of the latest drawing of the system;
 - (c) name and address of the owner of the premises;
 - (d) name and address of the occupier of the premises;
 - (e) name and contact details of the person to be contacted in cases of emergency;
 - (f) a copy of the gas supply agreement between the Licensee and its gas supplier(s);
 - (g) a copy of the Approval to Install for each installation;
 - (h) a copy of the Approval to Operate for each installation;
 - (i) a copy of the maintenance records for each installation;
 - (j) details of all breakdowns and accidents occurring or related to the piping system, including all report prepared in respect thereof; and
 - (k) any other records as may be required by the Commission from time to time.

Licence Conditions (Retail Licence)

CONDITION 4:

PAYMENT OF FEES

The Licensee shall, at the times stated hereunder, pay to the Commission the amount of fees as provided for in the Regulations.

CONDITION 5:

TARIFF AND CHARGES

1. The Licensee shall submit the following information to the Commission on a quarterly basis beginning from the commencement date:
 - (a) its costs of procuring gas for each month during such period;
 - (b) its selling price of gas on a monthly basis;
 - (c) other charges that it imposes on the consumers;for each month during such quarterly period.
2. The Licensee shall also submit any other information relating to tariffs and charges as requested by the Commission from time to time.

Licence Conditions (Retail Licence)

CONDITION 6:

CONTINUED COMPLIANCE WITH TERMS AND CONDITIONS

1. This Licence is granted to the Licensee after the Licensee has satisfied all the terms and conditions set by the Commission when applying for the Licence.
2. The Licensee shall maintain the satisfaction of such terms and conditions during the period of this Licence.

CONDITION 7:

OBLIGATION TO COMPLY WITH GOVERNMENT POLICY

The Licensee shall, in the general conduct of its authorised business, comply with the policies of the Government including but limited to the promotion of competition in the gas supply industry.

Licence Conditions (Retail Licence)

CONDITION 8: RIGHT OF ENTRY

The Commission, or any other person duly authorised by the Commission shall be entitled to enter any premises or lands in or upon which the Licensee's piping system is installed or in the course of being installed to carry out inspections, checks and survey of the piping system and records kept by the Licensee pertaining to it, to ensure compliance with these Conditions.

CONDITION 9: INSURANCE

The Licensee shall, throughout the period of this Licence, reasonably insure or keep insured the risks associated with its authorised business and to pay premiums necessary for that purpose and whenever required by Commission, to produce on demand a true copy of the policy of insurance and requisite evidence of payment of the premiums and other fees and duties for the said policy.

Licence Conditions (Retail Licence)

CONDITION 10: NO RIGHT OF EXTENSION

Nothing in this License shall be deemed to entitle the Licensee, as of right to an extension of the period of this License or to renewal thereof.

CONDITION 11: THE LICENCE IS NON TRANSFERABLE, NON-ASSIGNABLE ETC.

This Licensee shall not assign, transfer, sublet or otherwise dispose of its right, duties, liabilities, obligations and privileges or part thereof under the terms and conditions of this License except without the approval of the Commission.

Licence Conditions (Retail Licence)

CONDITION 12: REVIEW OF LICENCE

The Commission may add to, vary or revoke any terms or conditions in this Licence whenever it appears necessary or expedient for the purpose of meeting the technical, safety and efficiency requirements applied generally to the gas supply industry in Malaysia.

CONDITION 13: CHANGES IN LAW

If new laws or any amendment to the Act or the Regulations are enacted, to the extent that necessitate redefining, reorganisation or changes to the business activities of the Licensee specified in the Licence, or changes to the structure of the gas supply industry, the Licence may be reviewed, amended, modified or reissued to reflect such redefining, reorganisation or changes.

Licence Conditions (Retail Licence)

CONDITION 14:

COMPLIANCE WITH WRITTEN LAWS

1. The Licensee shall ensure that it complies at all times with all written laws of Malaysia.
2. The breach of any written laws, including any provisions of the Act, Regulations, codes, guidelines or directions, shall be deemed to be breach of the terms and conditions of this Licence.
3. The Licensee shall apply for and obtain all necessary licence, permit, approval or any other requirements under other applicable laws for carrying out its licensed activities, properly and in timely manner and shall diligently pursue all such applications.

Licence Conditions (Retail Licence)

CONDITION 15:

REQUEST FOR TERMINATION OF LICENCE BY LICENSEE

1. Any request for the termination of this Licence by the Licensee is subject to the approval of the Commission. The Licensee shall continue to be bound by the terms and conditions of this Licence until such time as the Commission notifies the Licensee in writing of such approval. The Licensee shall not be released from any obligation under the Licence or after such termination unless approved in writing by the Commission.
2. Where this Licence is terminated pursuant to paragraph 1, the Licensee shall not be entitled to any payment of compensation whatsoever from the Government or the Commission for any loss or damage that may have occurred, incurred or suffered by him.

Licence Conditions (Retail Licence)

PART IV

SUSPENSION AND REVOCATION OF LICENCE

1. SUSPENSION OF LICENCE

- (a) The Commission may, upon service of written notice to the Licensee, suspend this Licence upon the occurrence of the following events:
 - (i) If the Licensee has failed to comply with or is in breach of any Conditions; or
 - (ii) If the Licensee has failed to comply with any directive or order or notice given in writing pursuant to the Conditions by the Commission.
- (b) The period of any suspension imposed shall be determined by the Commission, provided always that where the suspension is as a result of the breach of any Conditions, the suspension shall cease as soon as the breach has been remedied by the Licensee and the Commission shall certify the same.

Licence Conditions (Retail Licence)

2. REVOCATION OF LICENCE

- (a) Notwithstanding anything else contained in this Licence, the Commission may at any time revoke this Licence:-
 - (i) if the Licensee breaches any of the Conditions imposed in this Licence and fails to remedy such breach within the time specified in a written notice issued by the Commission;
 - (ii) if a receiver or liquidator has been appointed for the Licensee;
 - (iii) if any action taken for voluntary winding up of the Licensee's company under the Companies Act 2016 [Act 777] or dissolution of Licensee's business under the Registration of Businesses Act 1956 [Act 197] or any order pursuant to the Companies Act 2016 [Act 777] is made for compulsory winding up of the Licensee's company; or
 - (iv) ceases to operate the piping system or the piping system is no longer to be used.
- (b) Where this Licence is revoked pursuant to paragraph 1, the Licensee shall not be entitled to any payment of compensation whatsoever from the Government or the Commission for any loss or damage that may have occurred, incurred or suffered by him.

Fees (Retail Licence and Private Gas Licence)

Class of Installation / Fees	Retail Licence	Private Gas Licence
	RM per year	
Class I Installation	600.00	300.00
Class II Installation	400.00	200.00
Class III Installation	200.00	100.00

Criteria of Classification

Class of Installation	Natural Gas	Liquefied Petroleum Gas
Class I	Installation with maximum operating pressure exceeding 60 psig	Installation with bulk storage exceeding 10 kl aggregate water capacity; and pipeline with maximum operating pressure exceeding 20 psig after first stage regulator
Class II	Installation with maximum operating pressure exceeding 5 psig but not exceeding 60 psig	Installation with aboveground bulk storage not exceeding 10 kl aggregate water capacity; or Installation with manifolded cylinders exceeding 2.5 kl aggregate water capacity (vapour withdrawal or liquid withdrawal with vaporiser); and pipeline with maximum operating pressure exceeding 5 psig but not exceeding 20 psig after first stage regulator
Class III	Installation with maximum operating pressure not exceeding 5 psig	Installation with manifolded cylinders not exceeding 2.5 kl aggregate water capacity (vapour withdrawal only); and pipeline with maximum operating pressure not exceeding 5 psig after first stage regulator

CONTACT PERSONS IN GAS LICENSING UNIT

Head of Unit

Nor Azman bin Meli
03 – 8870 8509 (DL) / 019 – 343 5823
norazman@st.gov.my

Renewal of Licence

Puan Ummi Sarah Amirruddin
03 – 8870 8565 (DL)
Ummi_sarah@st.gov.my

New Application of Licence

Puan Norshahida Ahmad Tajuddin
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norshahida@st.gov.my

Renewal of Licence

Puan Aisyah Nosri
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aisyah@st.gov.my

THANK YOU