

Myanmar Petroleum and Petroleum Products Law 2017

The Petroleum and Petroleum Products Law (the “PPPL”) 2017 was enacted by Pyaydaungsu Htuttaw as Pyaydaungsu Htuttaw Law No. 20/2017 on 1st August 2017 to repeal the Petroleum Act 1934. The PPPL contains the provisions on import and export, transportation, storage, refinery, distribution, inspection and testing of petroleum and petroleum products and issuance of relevant licenses.

Definitions of Petroleum Product

“Petroleum Product” under the PPPL covers compressed natural gas (CNG), liquefied natural gas (LNG) and liquefied petroleum gas (LPG). The definitions of “Importation” and “Exportation” are quite broad. “Importation” means bringing the Petroleum and Petroleum Products into Myanmar by land, by sea, by air, by pipeline or any other ways and “Exportation” means Taking the Petroleum and Petroleum Products to abroad by land, by sea, by air, by pipeline or any other ways.

Relevant Licenses

Licenses for exportation, importation, transportation, transit, storage, refinery, distribution, testing of petroleum and any petroleum products must be obtained from the MOEE, other relevant Ministries and Supervisory Committee:-

1. A license for refinery, transit, transportation by pipeline, distribution, inspection and testing of any petroleum products must be obtained from the Ministry of Energy and Electricity.
2. An export and import license for petroleum products must be obtained from the Ministry of Commerce.
3. A license for transportation by motorcars or vessels of any petroleum products must be obtained from the Ministry of Transportation and Communication.
4. A license for storage and inspection of storage place of petroleum products, including permission to transport any petroleum products by cars and vessels must be obtained from the Ministry of Natural Resource and Environmental Conservation.

Prohibitions and Penalties

Any business related with the petroleum products cannot be operated without a relevant license. Failure to obtain such license will be subject to imprisonment of not more than 2 years or fines of not more than MMK5 million or both. The license holder is also prohibited to (i) import, transport, storage, and distribute the dangerous petroleum and non-dangerous petroleum in the manners specified under the PPPL; (ii) sell and distribute any petroleum products which do not meet the standard, quality and accurate measurement requirements. Failure to comply with the said prohibition will be subject to imprisonment of not more than 2 years imprisonment or fines of not more than MMK5 million or both.

Other Issues

The current holders of the licenses and permission issued under the Petroleum Act 1934 can continuously carried out their businesses in accordance to the term and conditions as if they were issued under the PPPL. The rules, regulations, directions or orders made under the Petroleum Act 1934 shall be applied only if they are not contrary to the PPPL.

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