



GP(G)/ECoS/006/2023

GUIDELINES ON LICENSE APPLICATION



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IN exercise of the power conferred by Section 72 of the Gas Supply Enactment 2023, the Energy Commission of Sabah (ECoS) issues these guidelines.

1. Citation and Commencement

- 1.1 These guidelines may be cited as Guidelines on License Application (“Guidelines”).
- 1.2 These Guidelines shall come into operation with immediate effect.

2. Purpose of these Guidelines

The purpose of these Guidelines is to establish the framework for the issuance of the licences, including conditions which may be imposed.

3. Amendment and Variation

ECoS may at any time modify, vary, review or revoke these Guidelines.

Dated: 10th January 2023

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Chief Executive Officer
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1. OBJECTIVE AND SCOPE

- 1.1 The Gas Supply Enactment 2023 and Gas Supply Regulations 2023 were gazetted on 10 January 2023 to restructure in accordance with the Enactment. This includes safety, economic and technical regulations in the case of distribution, retail or use of gas through piping systems and related matters.
- 1.2 For the purposes of these Guidelines, any reference to the “Gas Supply Enactment 2023” shall mean a reference to such Enactment, as amended, varied or modified, and any reference to the “Gas Supply Regulation 2023” shall mean a reference to such Regulation, as amended, varied or modified.
- 1.3 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 Enactment 2023 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.
- 1.4 Definitions and interpretations:
- Unless expressly indicated to the contrary or unless otherwise requires, terms adopted and used in these Guidelines shall bear the same meaning as they are defined in the Gas Supply Enactment 2023.
- 1.5 Within its regulatory scope, the Commission as provided under Section 4 of the Gas Supply Enactment 2023 may grant licences for the following activities on certain conditions and on payment of certain fees:
- (a) Import into regasification terminal;
 - (b) Processing of gas;
 - (c) Regasification of gas;
 - (d) Shipping of gas;
 - (e) Transportation of gas;
 - (f) Distribution of gas;
 - (g) Retail of gas; or
 - (h) Use of gas.

- 1.6 The objective of these Guidelines is to establish a framework for the issuance of the abovementioned licences, including conditions which may be imposed.
- 1.7 These Guidelines are not a substitute for the Gas Supply Enactment 2023 nor for any Regulations made thereunder. Anyone in doubt about how they may be affected by the Gas Supply Enactment 2023 should obtain independent legal advice in respect thereof.

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.

3. SPECIFIC REQUIREMENTS

3.1 The specific requirements stated under this section need to be fulfilled by the Applicant before any licence application 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 (RM5,000,000) (or equivalent in other currencies).
- (c) The Applicant has fixed deposit or cash or bank balance of at least Ringgit Malaysia One Million (RM1,000,000) 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) For new licences and its renewal, the Applicant shall submit the application not less than 60 working days from the date it intends to commence the activity of import into regasification terminal.
- (f) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).

3.1.2 Specific requirements for processing of gas licence:

- (a) The Applicant 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 and relevant documents in relation to its place of business in Malaysia.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia Five Million (RM5,000,000) (or equivalent in other currencies).
- (c) The Applicant shall submit a brief write-up which shall contain among others, description of the processing of gas activities, relevant capacity

and technical specifications of the gas processing plant. 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 gas processing plant which shall show each major physical unit within the gas processing plant.

- (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 as demonstration and proof of its financial capability.
- (e) For new licences and its renewal, the Applicant shall submit the application not less than 180 working days from the date it intends to commence the activity of processing of gas.
- (f) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).

3.1.3 Specific requirements for regasification licence:

- (a) The Applicant 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 and relevant documents in relation to its place of business in Malaysia.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia Five Million (RM5,000,000) (or equivalent in other currencies).
- (c) The Applicant shall submit a brief write-up which shall contain, among others, 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 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 as demonstration and proof of its financial capability.

- (e) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).
- (f) For new licences and its renewal, the Applicant shall submit the application not less than 180 working days from the date it intends to commence the activity of regasification of gas.
- (g) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).

3.1.4 Specific requirements for shipping 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 (RM5,000,000) (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 as demonstration and proof of its financial capability.
- (d) For new licences and its renewal, the Applicant shall submit the application not less than 60 working days from the date it intends to commence the activity of shipping of gas.
- (e) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).

3.1.5 Specific requirements for transportation licence:

- (a) The Applicant 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 and relevant documents in relation to its place of business in Malaysia.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia Five Million (RM5,000,000) (or equivalent in other currencies).

- (c) The Applicant shall submit a brief write-up which shall contain, among others, 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 as demonstration and proof of its financial capability.
- (e) For new licences and its renewal, the Applicant shall submit the application not less than 180 working days from the date it intends to commence the activity of transportation of gas.
- (f) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).

3.1.6 Specific requirements for distribution licence:

- (a) The Applicant 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 and relevant documents in relation to its place of business in Malaysia.
- (b) The Applicant has a paid-up capital of at least Ringgit Malaysia Five Million (RM5,000,000) (or equivalent in other currencies).
- (c) The Applicant shall submit a brief write-up which shall contain, among others, 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 as demonstration and proof of its financial capability.

- (e) For new licences and its renewal, the Applicant shall submit the application not less than 180 working days from the date it intends to commence the activity of distribution of gas.
- (f) The Applicant has sufficient and relevant technical capabilities (to the satisfaction of the Commission).

3.1.7 Specific 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 in relation to the incorporation of the Applicant under any related law.
- (b) The Applicant shall submit a brief write-up which shall contain, among others, 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 the Commission that the gas installation is maintained in good and efficient working order. The details of the 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 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 the Applicant on safety reasons.

3.1.8 Specific requirements for private gas licence (use of gas):

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

- (b) An individual may apply for a private gas licence subject to such terms and conditions as the Commission thinks fit.
 - (c) The Applicant shall submit a maintenance report to the Commission in relation to the safety standards of a gas installation to satisfy the Commission that the gas installation is maintained in good and efficient working order. The details of the 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 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 the Applicant on safety reasons.
- 3.2 For new applications of retail and private gas licences, the Applicant may request from the Commission exemption from 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.

4. SUBMISSION OF LICENCE APPLICATION

- 4.1 The Applicant shall –
- (a) Submit the licence application before commencing any activities which requires licence under the Gas Supply Enactment 2023;
 - (b) Submit the licence application through ECoS Online Services which can be accessed through the Commission's website (<https://ecos.gov.my>) or by way of any other alternative methods as may be determined by the Commission;
 - (c) Submit together with the licence application all relevant supporting documents as may be required by the Commission; and

- (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, the Commission may request for further written information from the Applicant.

5. FEES

5.1 The Applicant shall abide by the requirements of fees payable in relation to the licence application as stated under the Gas Supply Enactment 2023 and all regulations made thereunder.

6. SAVINGS & TRANSITIONAL

6.1 All licence of import into regasification terminal, processing, regasification, shipping, transportation, distribution, retail or use of gas granted or issued under Gas supply Act 1993 shall continue to have effect under the Gas Supply Enactment 2023 until –

- (a) its expiry; or
- (b) for a period of six months or such other period as may be extended by the Commission after the commencement of the Gas Supply Enactment 2023 on 10 January 2023,

Whichever is earlier, unless the holder of the licence has been granted a licence under this Enactment.

6.2 Nothing in this section shall be construed to extend the term or duration of a licence specified in Paragraph 6.1 beyond the date of its expiry.