

CAYMAN ISLANDS



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**A BILL FOR A LAW TO AMEND THE DANGEROUS SUBSTANCES
HANDLING AND STORAGE LAW, 2003; AND FOR INCIDENTAL AND
CONNECTED PURPOSES**

**THE DANGEROUS SUBSTANCES HANDLING AND STORAGE
(AMENDMENT) BILL, 2015**

MEMORANDUM OF OBJECTS AND REASONS

This Bill seeks to amend the Dangerous Substances Handling and Storage Law, 2003 (“the principal Law”).

Clause 1 provides the short title and the commencement provision.

Clause 2 amends the short title of the principal Law as it is proposed that the legislation will deal with matters which are wider than the handling and storage of dangerous substances.

Clause 3 amends the principal Law to change certain definitions.

Clause 4 makes amendments to the principal Law by deleting references to “Governor in Cabinet” and substituting “Cabinet” therefor. It also provides that wherever the word “workplace” is used in the legislation it should be replaced by “regulated premises” as a consequence of the definitional change in clause 3.

Clause 5 repeals section 3 of the principal Law which deals with concessions. The Ministry has advised that no concessions on the importation of, or dealing with, dangerous substances has been given since the enactment of the legislation. It is proposed that that section will now provide for the regulation of the importation of dangerous substances. Thus, any person who wishes to import a specified amount of such substances must have a valid permit issued by the Chief Petroleum Inspector. Regulations will provide for details on the licensing regime and appeals from the decision of the Chief Petroleum Inspector will be to the Dangerous Substances Handling and Storage Board.

Clause 6 amends section 4 to provide that operating permits cannot be for an indefinite period and to provide that persons who are operating permitted vehicles or regulated premises at the date of the commencement of this legislation without an operating permit will be required to apply for such permit within 3 months of the commencement of regulations made under section 4.

Clause 7 amends section 5 of the principal Law to, among other things, replace “Permanent Secretary” with “Chief Officer”.

Clause 8 repeals section 6 to provide that the functions of the Board shall include hearing appeals in accordance with the new section 3.

Clause 9 inserts new sections in the Law to provide for the establishment of a Fuel Standards Committee which will be responsible, among other things, for setting and publishing the standards of fuel to be imported into and sold in the Islands.

Clause 10 inserts sections providing for the collection by the Chief Petroleum Inspector of information from importers relating to fuel prices and pricing methods.

Clause 11 amends section 12 to clarify that a fine and imprisonment can be alternative penalties.

Clause 12 amends section 13 to provide that there must be a prescribed amount of dangerous substances which is spilled or released before a mandatory duty to report such release or spillage applies.

Clause 13 amends section 14 to provide that the Chief Petroleum Inspector may enter registered premises without giving notice in the case of a complaint.

Clause 14 amends section 15 of the principal Law which deals with the general duties of the Chief Petroleum Inspector.

Clause 15 makes a minor amendment to section 21 to clarify the penalty which is available under that section.

Clause 16 amends section 22 of the principal Law which provides for offences.

Clause 17 inserts a new section to provide that Cabinet may make regulations to provide for an administrative penalty system to apply to prescribed offences.

Clause 18 amends section 24 of the principal Law which deals with regulations under the legislation.

Clause 19 repeals and replaces section 26 which deals with the emergency powers of the Chief Petroleum Inspector. Section 26 provides, inter alia, that the Chief Petroleum Inspector or an inspector may, with the assistance of a police constable or officer of the fire brigade as the case may require, at any time enter premises or a vehicle if he believes, on reasonable grounds, that the circumstances are of such seriousness and urgency as to require immediate entry to the premises or vehicle without notice or permission of the operator of the premises or vehicle.

Where the Chief Petroleum inspector or an inspector is of the opinion after entry under this section that measures are necessary to prevent, or avert danger of, the release or spillage of dangerous substances, he shall serve an emergency notice in writing on any person over the age of eighteen who is in the premises or vehicle to immediately adopt any measures he considers necessary to prevent or avert danger of, the release or spillage of dangerous substances.

**THE DANGEROUS SUBSTANCES HANDLING AND STORAGE
(AMENDMENT) BILL, 2015**

ARRANGEMENT OF CLAUSES

1. Short title and commencement
2. Amendment of section 1 of the Dangerous Substances Handling and Storage Law, 2003- short title
3. Amendment of section 2-interpretation
4. Amendment of the principal Law
5. Repeal of section 3 and substitution- concessions
6. Amendment of section 4- operating permits
7. Amendment of section 5- the Dangerous Substances Handling and Storage Board established
8. Repeal of section 6 and substitution- functions of the Board
9. Insertion of new sections- Fuel Standards Committee, etc.
10. Insertion of new sections- collection of fuel data by the Chief Petroleum Inspector, etc.
11. Amendment of section 12- avoidance of pollution and safe conduct of activities
12. Amendment of section 13- reporting of pollution to Chief Petroleum Inspector
13. Amendment of section 14- check of workplaces by the Chief Petroleum Inspector
14. Amendment of section 15- general duties of the Chief Petroleum Inspector
15. Amendment of section 21- engaging in activities under this Law without an operating permit
16. Amendment of section 22 - further offences
17. Insertion of new section-administrative penalties
18. Amendment of section 24- regulations
19. Amendment of section 26- emergency powers of the Chief Petroleum Inspector

CAYMAN ISLANDS

**A BILL FOR A LAW TO AMEND THE DANGEROUS SUBSTANCES
HANDLING AND STORAGE LAW, 2003; AND FOR INCIDENTAL AND
CONNECTED PURPOSES**

ENACTED by the Legislature of the Cayman Islands.

Short title and
commencement

1. (1) This Law may be cited as the Dangerous Substances Handling and Storage (Amendment) Law, 2015.

(2) This Law shall come into force on such date as may be appointed by order made by the Cabinet.

Amendment of section 1
of the Dangerous
Substances Handling
and Storage Law, 2003-
short title
Amendment of section 2
- interpretation

2. The Dangerous Substances Handling and Storage Law, 2003, in this Law referred to as “the principal Law”, is amended in section 1 by repealing the words “Handling and Storage”.

3. The principal Law is amended in section 2 as follows-

(a) by inserting in the appropriate alphabetical sequence the following definitions-

“Committee” means the Fuel Standards Committee established under section 9A;

“importer” means the holder of an import permit”; and

“Minister” means the Minister or member of Cabinet responsible for the operation of this Law; and

(b) by deleting the definition “concession”;

- (c) by deleting the definition “Governor in Cabinet”;
- (d) by deleting the definition of “handling” and substituting the following definition-
“handling”, in relation to a dangerous substance, includes the following-
 - (a) manufacturing, processing or treating the dangerous substance;
 - (b) supplying, receiving or dispensing the dangerous substance;
 - (c) marking or labelling an article, container or package of the dangerous substance, or placard or putting up signs in relation to the dangerous substance;
 - (d) packing, consigning or carrying the dangerous substance;
 - (e) storing the dangerous substance;
 - (f) possessing, or otherwise having custody or control of, the dangerous substance;
 - (g) using the dangerous substance; and
 - (h) disposing of the dangerous substance or rendering it harmless;”;
- (e) by deleting the definition of “operator” and substituting the following definition-
“operator”-
 - “(a) in relation to a regulated premises which is not a private residential home, means a person who has the charge, management or control of the premises;
 - (b) in relation to a pipeline, means-
 - (i) the person who is to have or, once liquid is conveyed, has control over the conveyance of liquid in the pipeline;
 - (ii) until that person is known, where at a material time he is not yet known, the person who is to commission or, where commissioning has started, commissions the design and construction of the pipeline; or
 - (iii) when a pipeline is no longer, or is not for the time being used, the person last having control over the conveyance of liquid in it,

and shall include, where applicable, the owner of the pipeline;

- (c) in relation to regulated premises which is a private residential home, the occupier of the premises; and
- (d) in relation to a permitted vehicle, means the person who has the possession or use of the vehicle and who is either the registered sole or joint owner of the vehicle or is a person who has possession and use of the vehicle under a hire-purchase agreement or bill of sale or like instrument;”;
- (g) by deleting the definition of “permitted vehicle” and substituting the following-

“permitted vehicle” includes a boat, truck, tanker or such other vehicle which is manufactured or modified to be used and which is used for the purpose of transporting dangerous substances;”;

and
- (h) by deleting the definition “workplace” and by substituting therefor the following definition-

“regulated premises”-

 - (a) means any premises in which the following are stored-
 - (i) dangerous substances of an aggregate quantity of 250 gallons or more; or
 - (ii) in the case where the dangerous substance is compressed gas or compressed air, compressed gas or compressed air of an aggregate quantity of 250 liquid gallons or more stored at a pressure of 100 pounds per square inch or more at ambient temperature,and such premises may include any storage terminal, retail outlet, utility company, commercial bulk storage facility, hospital, factory and a private residential home; but
 - (b) does not include any premises where only pressure, process or flow through tanks are stored;”.

Amendment of the principal Law

4. The principal Law is amended as follows-

- (a) Subject to section 2, by deleting the words “Governor in Cabinet” wherever they appear in the Law and by substituting the word “Cabinet”; and
- (b) by deleting the word “workplace” wherever it appears in the Law and by substituting the words “regulated premises”.

Repeal of section 3 and substitution-concessions

5. The principal Law is amended by repealing section 3 and the marginal note and by substituting the following-

“Importation of
dangerous
substances

3. (1) A person shall not import more than the prescribed amount of dangerous substances in any one day or in an aggregate period of 1 week or more without a valid import permit issued by the Chief Petroleum Inspector.

(2) An importer, on each importation of a dangerous substance for which an import permit is required under subsection (1), shall provide to the Chief Petroleum Inspector a record of such importation within 7 days of the date of the importation of the dangerous substance; and such record shall provide the name of the importer, the type and the quantum of the dangerous substance.

(3) The Chief Petroleum Inspector shall issue an import permit subject to the provisions of this Law and regulations and to such other conditions, limitations and terms as the Chief Petroleum Inspector considers appropriate.

(4) The Chief Petroleum Inspector shall have such powers to amend or vary an import permit as are set out in regulations made under this section.

(5) An application for an import permit shall be made in writing in the prescribed manner and form and shall be accompanied by the prescribed fee.

(6) An applicant shall provide the Chief Petroleum Inspector with any further information that the Chief Petroleum Inspector requires in considering the application.

(7) The duration of an import permit shall be stated in the import permit; and an import permit may be for a fixed period not exceeding 3 years.

(8) An import permit may be renewed from time to time in accordance with regulations.

(9) A person who imports petroleum and petroleum products without an import permit at the date of the commencement of this Law shall apply for an import permit within 3 months of the date of the commencement of regulations made under this section.

(10) Regulations made by the Cabinet shall prescribe such matters as are necessary for carrying out the purpose and provisions of this section and such matters may include-

- (a) the grounds for cancellation of an import permit;
- (b) rights of appeal to the Board where an import permit is refused or cancelled;
- (c) the transferability of an import permit;
- (d) the renewal of an import permit and the fees and the procedure for such renewals;
- (e) surrender of an import permit; and
- (f) replacement of lost import permits.

(11) An importer who imports more than the prescribed amount of dangerous substance without an import permit commits an offence and is liable on summary conviction to a fine of \$50,000 or to imprisonment for a term of 5 years or to both; and if the offence is a continuing one, to a further fine of \$10,000 for every day or part of a day during which the offence continues after conviction.

(12) An importer who fails to comply with subsection (2) commits an offence and is liable on summary conviction to a fine of \$10,000.”.

Amendment of section 4
- operating permits

6. The principal Law is amended in section 4 as follows-
- (a) in subsection (7), by deleting the words “or for an indefinite duration”;
 - (b) in subsection (9), by deleting the words “this Law” wherever they appear and substituting the words “regulations made under this section”; and
 - (c) in subsection (10), by deleting the words “but are not limited to”.

Amendment of section 5- the Dangerous Substances Handling and Storage Board established

7. The principal Law is amended in section 5 as follows-
- (a) in subsection (1) as follows-
 - (i) in paragraph (a)-
 - (A) by deleting the words “Permanent Secretary” and by substituting the words “Chief Officer”; and
 - (B) by inserting after the word “Law” the words “or his nominee”;

- (ii) in paragraph (b), by deleting the words “Permanent Secretary” and by substituting the words “Chief Officer”; and
- (iii) in paragraph (d), by deleting the word “Governor” and substituting the word “Cabinet”; and
- (b) in subsection (3), by deleting the words “Permanent Secretary” and by substituting the words “Chief Officer” and by inserting after the word “Law” the words “or his nominee”.

8. The principal Law is amended by repealing section 6 and substituting the following-

Repeal of section 6 and substitution- functions of the Board

“Functions of the Board

6. The Board shall be responsible for-

- (a) issuing operating permits for regulated premises and permitted vehicles that are subject to this Law and regulations under this Law;
- (b) hearing appeals against decisions made by the Committee and by the Chief Petroleum Inspector in accordance with regulations made under this Law; and
- (c) carrying out such other functions as are specified in this Law or in regulations made under this Law.”.

9. The principal Law is amended by inserting the following sections after section 9-

Insertion of new sections- Fuel Standards Committee, etc.

“Fuel Standards Committee

9A. (1) There is established a Fuel Standards Committee to carry out the duties specified in this Law and the Committee shall consist of-

- (a) the Chief Petroleum Inspector who shall be chairman;
- (b) the Director of the Department of Environmental Health or his nominee; and
- (c) the Director of Environment or his nominee.

(2) A public officer of the Ministry assigned by the Chief Officer shall act as secretary to the Committee and shall take minutes of meetings and carry out such other duties and perform such functions as are assigned by the

chairman.

(3) The Committee may appoint or empanel sub-committees, whether from among members of the Committee or from among persons outside of the Committee or both, to study and make recommendations to the Committee on any aspect of the regulation of fuel standards referred by the Committee.

(4) Members of a sub-committee who are not members of the Committee are required to have-

- (a) relevant scientific or technical knowledge in the area of fuel quality standards; or
- (b) qualifications in chemistry, biology or environmental studies,

or both such knowledge and qualifications; and such members shall be paid allowances as the Cabinet may determine.

(5) The payment of such allowances shall be paid out of the revenue of the Islands.

(6) The procedures of a sub-committee shall be determined by the chairman of the Committee.

Functions of the
Committee

9B. The Committee shall carry out such duties as are specified in this Law and in regulations and such duties may include-

- (a) establishing the standards of certain types of fuel to be imported and distributed in the Islands;
- (b) publishing or causing to be published, in such medium as they determine, such standards and the testing methods to be used by importers and the Chief Petroleum Inspector in the inspection of fuel in order to ensure compliance with the standards; and
- (c) providing periodic reports to the Minister on its operations.

Procedures at meetings etc.
of the Committee

9C. (1) The Committee shall meet at such times as may be necessary for the transaction of business and such meetings shall be held at such places and times and on such days as the Committee determines.

(2) The chairman of the Committee shall preside at meetings of the Committee.

(3) The quorum of the Committee shall be the 3 members of the Committee.

(4) Subject to this Law, the Committee shall have power to regulate its own practice and procedure and shall take all actions and reach its decisions by vote of all of its members.

(5) If a member of the Committee has any pecuniary or other interest in any matter to be dealt with by the Committee he shall disclose the fact to the Committee and shall not take part in any meeting at which the matter is considered or discussed.

(6) A member who fails to comply with subsection (5) commits an offence and is liable -

- (a) on summary conviction to a fine of \$20,000 and to imprisonment for 2 years or to both; or
- (b) on conviction on indictment to a fine of \$50,000 and to imprisonment for 5 years or to both,

unless he proves that he did not know that the matter in which he had an interest was the subject of consideration at that meeting.

(7) A disclosure under subsection (5) shall be recorded in the minutes of the meeting of the Committee.

(8) For the purposes of subsection (5), a member of the Committee shall be treated, as having a pecuniary interest in a matter if he is the director or employee or consultant of the importer who is the subject of the matter.

Distributing fuel which does not accord with standards

9D. (1) Where, after inspections are carried out in accordance with this Law, it is found by the Chief Petroleum Inspector or by an inspector that an importer has been importing and distributing to operators fuel which does not accord with standards published under section 9B, the Chief Petroleum Inspector shall require the importer to comply forthwith with any written direction not inconsistent with this Law which the Chief Petroleum Inspector believes on reasonable grounds is necessary to ensure that the importation or distribution of such fuel is immediately discontinued.

(2) An importer who fails to comply with a direction under subsection (1) commits an offence and is liable to an administrative penalty; and the relevant import permit of such person may be suspended, or revoked in accordance with the procedure set out in this Law.

(3) An importer who, more than once in any period of 1 year, imports and distributes fuel which is found by the Chief Petroleum Inspector

not to be in accordance with the standards set by the Fuel Committee commits an offence and is liable to an administrative penalty; and the relevant import permit of such person may be suspended, or cancelled in accordance with the procedure prescribed by this Law.”.

10. The principal Law is amended by inserting the following new sections after section 10-

Insertion of sections-
collection of fuel data by
the Chief Petroleum
Inspector, etc.

“Collection of fuel data by the
Chief Petroleum Inspector

10A. The Chief Petroleum Inspector shall monitor changes in fuel prices in the Islands, and for such purposes, collect from importers, and compile, analyse and abstract, information on fuel prices and pricing methods and provide such information to the Minister.

Powers in other laws

10B. The powers vested in the Chief Petroleum Inspector by section 10A shall apply notwithstanding that the subject matter in respect of which the powers are exercisable is the subject matter of any other Law or any agreement.

Exercise of function under
section 10A

10C. Notwithstanding section 10(4), where the function under section 10A is to be performed by any public officer of the Ministry, that public officer shall only carry out such function if he is authorised in writing to do so by the Chief Petroleum Inspector.

Methodology

10D. The methodology used in the collection, compilation, analysis and abstraction of information by the Chief Petroleum Inspector under section 10A shall be approved by the Cabinet; and the Chief Petroleum Inspector shall cause to be published in such medium as he determines a summary of such methodology.

Regulations relating to section
10A

10E. The Cabinet may make regulations in relation to the exercise of the functions of the Chief Petroleum Inspector specified under section 10A and generally for matters connected thereto.

Importer to provide information
required for fuel data

10F. (1) An importer shall, at the request of the Chief Petroleum Inspector, provide to the Chief Petroleum Inspector-

(a) information on the price for all fuel

- imported and sold by the importer; and
- (b) the pricing methods utilised by the importer in the sale of fuel to operators and consumers,

for such date or periods as the Chief Petroleum Inspector shall specify and the importer shall provide the information to the Chief Petroleum Inspector on or by the date specified in the request.

(2) Information relating to subsection (1) may include-

- (a) first costs;
- (b) cost of freight;
- (c) insurance costs;
- (d) brokerage costs;
- (e) custom duties;
- (f) estimates of quantity and type of fuel in stock;
- (g) amount and type of fuel nominated to be imported in the next shipment; and
- (h) such other information as is prescribed.

Failure of importer to provide information

10G. (1) An importer who-

- (a) fails or refuses to provide the information requested by the Chief Petroleum Inspector under subsection (1); or
- (b) being required to furnish information or to supply particulars under subsection (1), knowingly or recklessly makes any statement relating to the information or particulars which is false or misleading in any material particular or furnishes information or supplies particulars which are false or misleading in any material particular or who practices any other deception in furnishing the information or supplying the particulars,

commits an offence and is liable on summary conviction to a fine of \$20,000 or to imprisonment for a term of 1 year or to both.

- (2) In addition to the penalty under subsection (1)-
- (a) the Government may bring civil proceedings against an importer for the purpose of obtaining a court order requiring the importer to provide all information requested under section 10F; and
 - (b) the relevant import permit of the importer may be suspended, or cancelled in accordance with the procedure prescribed by this Law.

Access to public records

10H. Where the Chief Petroleum Inspector is of the opinion that, in order to carry out his function under section 10A, he requires access to certain custom records of the Customs Department relating to the importation of fuel, he shall, in writing, after consultation with the Chief Officer, require the Collector of Customs to provide such copies of the customs records as are specified in the request; and the Collector of Customs shall cause the copies of the records to be provided to the Chief Petroleum Inspector.

Immunity

10I. Neither the Collector of Customs nor any public officer of the Customs Department directed by the Customs Collector to provide copies of records under section 10H, shall be liable in damages for anything done or omitted in the discharge or purported discharge of their duty to provide such records under section 10H, unless it is shown that the act or omission was in bad faith.

Confidentiality

10J. (1) Subject to subsection (2), individual data collected by the Chief Petroleum Inspector under section 10F and 10H, whether they refer to natural or legal persons, are strictly confidential and shall be used exclusively for the purposes of section 10A.

(2) Information provided under section 10F and 10H shall not be disclosed by the Chief Petroleum Inspector in identifiable form to any person other than the Chief Officer and the Ministers and members of the

Cabinet.”.

Amendment of section
12- avoidance of
pollution and safe
conduct of activities

11. The principal Law is amended in section 12 by repealing subsections (4) and (5) and substituting the following-

“(4) An operator who contravenes subsection (1) commits an offence and is liable on summary conviction to a fine of \$20,000 or to imprisonment for a term of 1 year or to both.

(5) A person who contravenes subsections (2) or (3) commits an offence and is liable on summary conviction to a fine of \$20,000 or to imprisonment for a term of 1 year and to both.”.

Amendment of section
13- reporting of
pollution to Chief
Petroleum Inspector

12. The principal Law is amended in section 13 as follows-

(a) in subsection (1), by deleting the words “any dangerous substances” and substituting the words “dangerous substances of a prescribed amount”;

(b) by repealing subsection (2) and substituting the following-

“(2) The report under subsection (1) shall include the following-

(a) the amount and type of the dangerous substance that was released or spilled;

(b) a description of the circumstances of the release or spillage;

(c) the action being taken to mitigate injury to persons or harm to the environment; and

(d) any measures being taken to prevent such a release or spillage in the future.”; and

(c) in subsection (5), by deleting the words “and is liable on summary conviction to imprisonment for 1 year and to a fine of “\$20,000” and by substituting the words “and is liable on summary conviction to a fine of \$20,000 or to imprisonment for a term of 1 year or to both”.

Amendment of section
14- check of workplaces
by the Chief Petroleum
Inspector

13. The principal Law is amended in section 14 as follows-

(a) in subsection (1) -

(i) by repealing paragraph (a) and substituting the following-

“(a) visit any workplace-

(i) in the case of a routine check, after giving at least 24 hours’ notice in writing; or

(ii) in the case of investigating a complaint, without notice,

at any time during the working hours of that particular workplace and inspect the workplace and any container, equipment, fittings, piping or appliance that he believes on reasonable grounds is or are being used or is or are likely to be used or has or have recently been used for or in connection with the supply, transfer, storage, transport, sale, handling or use of dangerous substances; and

- (ii) in paragraph (b), by inserting before the word “he” the words “are or that”; and
- (b) in subsection (3), by deleting the words “and is liable on summary conviction to imprisonment for 1 year and to a fine of “\$20,000” and by substituting the words “and is liable on summary conviction to a fine of \$20,000 or to imprisonment for a term of 1 year or to both.

14. The principal Law is amended in section 15(2) as follows-

Amendment of section
15- general duties of the
Chief Petroleum
Inspector

- (a) by repealing paragraph (d) and substituting the following-

“(d) as a condition of an operating permit, at regular intervals during the period of such permit, inspecting those regulated premises which are storage terminals, utility companies commercial bulk storage facilities and retail outlets to assess-

- (i) documented safety and environmental information relating to chemical hazard information, equipment design information, design codes and standards employed by a workplace;
 - (ii) emergency preparedness plans, co-ordination and drills;
 - (iii) standardised employee training programs at workplaces;
 - (iv) the implementation of safety and environmental management systems at workplaces;
 - (v) formalised maintenance programs with schedules and documented results of inspections or tests; and
 - (vi) the proper management of pipeline operations including proper marking, corrosion protection and release detection features;”;
- (b) by inserting after paragraph (d) the following paragraph-

“(da) as a condition of an operating permit, at regular intervals during the period of such permit, inspecting all regulated premises to-

- (i) assess the integrity of containers, pipelines and permitted vehicles;
 - (ii) assess the condition of secondary containment dikes, berms or impoundments;
 - (iii) assess spill reporting with root-cause investigation and corrective action;
 - (iv) test the reliability of release detection equipment and emergency controls systems;
 - (v) assess the safety of transporting fuel to and from the premises; and
 - (vi) assess the proper management of above and underground storage tanks including secondary containment, release detection and inventory control systems;”;
- (c) by inserting at the end of paragraph (f) the words “other than private residential homes”; and
- (d) by inserting at the end of paragraph (g) the words “at regulated premises other than private residential homes;”.

Amendment of section 21- engaging in activities under this Law without an operating permit

15. The principal Law is amended in section 21(1) by deleting the words “and shall be liable, on summary conviction, to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 5 years or both” and substituting the words “and is liable on summary conviction to a fine of \$50,000 or to imprisonment for a term of 5 years or to both”.

Amendment of section 22- further offences

16. The principal Law is amended in section 22 as follows-

- (a) in subsection (2), by deleting the words “and liable on summary conviction to a fine of \$10,000 and to imprisonment for 1 year” and by substituting the words “and is liable on summary conviction to a fine of \$10,000 or to imprisonment for a term of 1 year or to both”;
- (b) in subsection (3), by deleting the words “and liable on summary conviction to a fine of \$4,000 and to imprisonment for 6 months” and by substituting the words “and is liable on summary conviction to a fine of \$4,000 or to imprisonment for a term of 6 months or to both”; and
- (c) in subsection (6), by repealing paragraphs (b) and (c).

Insertion of new section- administrative penalties

17. The principal Law is amended by inserting the following section after section 23-

“Administrative penalties

23A. Cabinet may make regulations providing for an administrative penalty system to apply to any offence under this Law and the regulations and for all matters that are

necessary to be prescribed for giving effect to such system.”.

18. The principal Law is amended in section 24(1) as follows-

Amendment of section
24- regulations

(a) by inserting after paragraph (c) the following paragraph-

“(ca) safety standards and precautions in relation to pipelines and dangerous substances contained in pipelines;”;

(b) by deleting paragraph (d) and substituting the following paragraph-

“(d) further responsibilities, powers and administration of-

- (i) the Chief Petroleum Inspector and inspectors;
- (ii) the Board; and
- (iii) the Committee;”;

(c) by inserting after paragraph (k) the following paragraphs-

“(ka) the licensing of contractors to perform installation, repair, maintenance and related work in or on regulated premises and permitted vehicles;

(kb) matters related to the operation and control of regulated premises such as terminal facilities, bulk storage facilities and depots; and

(kc) matters relating to divestment, sale and transfer of ownership or shares of certain prescribed types of regulated premises including terminals, retail facilities and bulk depots.”.

19. The principal Law is amended by repealing section 26 and substituting the following-

Amendment of section
26- emergency powers
of the Chief Petroleum
Inspector

“Emergency powers of
the Chief Petroleum
Inspector

26. (1) The Chief Petroleum Inspector or a petroleum inspector may, with the assistance of a police constable or officer of the fire brigade as the case may require, at any time, enter premises or a vehicle if he believes, on reasonable grounds, that the circumstances are of such seriousness and urgency as to require immediate entry to the premises or vehicle without notice or permission of the operator of the premises or vehicle.

(2) For the purposes of subsection (1), the Chief Petroleum Inspector or a petroleum inspector-

(a) may direct the driver of the vehicle to

