

**REPUBLIC OF SOUTH SUDAN**  
**LAWS OF SOUTH SUDAN**



**Petroleum Local Content**  
**Regulations, 2019**

## **Petroleum Local Content Regulations, 2019**

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## Petroleum Local Content Regulations, 2019

In exercise of the powers conferred upon me under Section 99(1)(o) and (y) of the Petroleum Act, 2012, I hereby issue the following Regulations:

### CHAPTER I PRELIMINARY PROVISIONS

#### 1. Title and Commencement

These Regulations may be cited as “Petroleum Local Content Regulations, 2019” and shall come into force on the date of signature by the Minister.

Signed on  
12<sup>th</sup> Aug.  
2019

#### 2. Interpretations

In these regulations unless the context otherwise requires:

“Act” means the Petroleum Act, 2012;

“Authority” means the petroleum exploration and production authority, established in accordance with provisions of section 12 (2) of the Act;

“Bid Rigging” means manipulation of bid process by dishonest means;

- “Cartelization”** means collection of businesses that act together as single producer and agree to influence prices for certain goods and services by controlling supply, through their production and marketing activity;
- “Common Qualification System”** means single centralized system of pre-qualified service providers in South Sudan to petroleum activity, based on capacity, capability and local content strength to enable taking and categorization of the service providers and tracking and monitoring providers and tracking and monitoring tracking and monitoring of their performance;
- “Director General”** means the Director of Petroleum Exploration and Production Authority;
- “Fraud”** means to deceive or behave in a particular manner to conceal the fact that;
- “Company”** means a company incorporated, registered under applicable companies law;
- “Unit”** means any department, division or other administrative sub-division under the Authority;

- “Local Content”** means the quantity or percentage of locally produced produced material, personnel, finance, goods and services rendered in the petroleum industry value chain and which may be measured in monetary terms;
- “Local Content Monitoring”** means to keep track of or monitor compliance with these Regulations;
- “Long Term Local Content Plan”** means local content plan that covers period of five years as specified in the schedule of these Regulations;
- “Qualified”** means the technical competence and financial capability to fulfill all obligations under petroleum agreement, petroleum license, petroleum license or petroleum contract;
- “Sub-contractor”** means any third party to whom the contractor has entered into petroleum contract, for the provision of any good or service for petroleum activity;
- “Technical Staff”** includes among other engineers, technicians and geo-scientists;



**“Value-Addition”** means the economic improvement of product or service in the petroleum industry.

## **CHAPTER II**

### **LOCAL CONTENT OBLIGATIONS AND REQUIREMENTS**

#### **3. Local Content Requirements**

A contractor, sub-contractor, licensee or any other entity carrying out petroleum activity shall ensure that local content is a component of the petroleum activity engaged in by the contractor or sub-contractor, licensee or any other entity.

#### **4. Establishment of Project Office**

A contractor, sub-contractor, licensee, or any other entity, before carrying out any petroleum activity shall establish a project office, where procurement, project management, implementation and decision making take place to the satisfaction of the Authority.

#### **5. Participation of South Sudanese Citizens in Petroleum Activities**

(1) Subject to Regulation 18(1) of these Regulations, South

Sudanese citizens shall be granted the first consideration for employment and training in any project executed by the contractor, sub-contractor, licence, or any other entity of petroleum activity.

- (2) Companies operating in the petroleum sector shall post vacancies and jobs on an official website designated by the Local Content Unit.
- (3) First consideration shall be given to service provided from within South Sudan, to goods manufactured in South Sudan to locally available goods and South Sudanese citizens, subject to quality standards required by the buyer based on the industry quality, health, safety and environment.
- (4) There shall be at least five percent equity participation of South Sudanese company other than the National Petroleum and Gas Corporation to be qualified to enter into petroleum agreement or petroleum licensee.
- (5) The Minister in consultation with the Authority may, vary the requirement specified in sub-regulation (3) of this regulation, in circumstances where National South Sudanese company is unable to satisfy the requirement of the five percent equity participation.
- (6) Non-National South Sudanese company which intends to provide goods, works or services to any contractor, sub-contractor, licensee or any other entity within the

country shall incorporate joint venture company or enter into favourable business arrangement with National South Sudanese company and afford that National South Sudanese company participation of at least thirty one percent of equity or or contract value.

- (7) A contractor, sub-contractor, licensee, or any other entity shall, before the commencement of any petroleum activity submit to the Authority specifying the following:
- (a) the role and responsibility of the National South Sudanese Company;
  - (b) the equity participation of the National South Sudanese Sudanese Company; and
  - (c) the strategy for the transfer of technology and technical know-how to the National South Sudanese company.

## **6. Local Content Monitoring Unit**

The Authority shall have a unit to monitor, coordinate and implement the provisions of these Regulations.

## **7. Local Content Plan**

- (1) In the bid for any license, permit or interest and before carrying out any project in any petroleum activity, contractor, sub-contractor contractor, sub-contractor, licensee or any other entity shall submit local content plan to the Authority that demonstrates compliance with the local content requirements.

- (4) The Director General shall approve the local content plan if satisfied that the plan complies with provisions of these Regulations and shall communicate the decision to the applicant within seven working days of the approval.
- (5) Where the Director General rejects to approve the local content plan in whole or partially on bases of sub-regulation (3) of this regulation, he or she shall within seven working days of making the rejection, notify and furnish the applicant with written statement of reasons for rejection.
- (6) Where the Director General rejects to approve the local content plan submitted by the applicant, the applicant shall:
  - (a) revise the local content plan taking into account the recommendations of the Authority; and
  - (b) within fourteen days, submit the revised local content plan to the Authority.
- (7) Where the Authority fails to notify the applicant of its approval or the revised local content plan, the revised local content plan shall be deemed approved after sixty days of the submission.

## **9. Content of the Plan**

- (1) The plan submitted to the Authority shall ensure that:
  - (a) first consideration is given to services provided and goods manufactured within the country, the

- goods or services shall meet the specification of the petroleum industry, as established by South Sudan Bureau of Standards or by any other internationally acceptable standard and is available for sale in timely manner at price not more than ten percent higher than the price for similar imported item;
- (b) qualified South Sudanese National are given first consideration with respect to employment; and
  - (c) adequate provision is made for the training of South Sudanese on the job;
- (2) Notwithstanding sub-regulation (1) of this regulation, local content plan shall have such sub-plans as may be provided in this regulation and including but not limited to the following sub-plans:
- (a) employment, training and succession plan;
  - (b) research and development plan;
  - (c) technology transfer plan;
  - (d) legal services plan; and
  - (e) financial services plan.

## **10. Minimum Local Content Levels**

- (1) The minimum local content for any petroleum activity shall be of the level specified in the schedule of these Regulations.
- (2) A contractor, sub-contractor, licensee or any other entity shall achieve the minimum local content level listed in the schedule of these Regulations.

- (3) Without prejudice to sub-regulation (2) of this regulation, the Authority may take into account the work programme of the contractor, sub-contractor, licensee or any other entity specified in the respective petroleum agreement or petroleum license in determining the minimum local content level to be achieved.
- (4) Notwithstanding sub-regulation (3) of this regulation the Minister in consultation with the Authority, may vary the minimum local content level specified in the schedule of these Regulations.

## **11. Preference to National Companies**

A contractor, sub-contractor, licensee or any other entity shall for the acquisition of goods, works and services of threshold value of over South Sudanese Pounds equivalent of one hundred thousand united states dollars, establish and implements bidding process to give preference to National companies.

## **12. Basis of Bid Evaluation**

- (1) A contractor, sub-contractor, licensee or any other entity shall not award contract based solely on the principle of lowest bidder.
- (2) Where South Sudanese company has the capacity to execute goods, works and services, the South Sudanese company shall not, be disqualified exclusively on the basis that it is not the lowest financial bidder.

- (3) Where the total value of the bid of qualified South Sudanese Sudanese Company does not exceed the lowest bid by more than ten percent, the contract shall be awarded to South Sudanese company.
- (4) Where during evaluation of bids, the bids are declared to be equal, the bid containing the highest level of local content shall be selected.
- (5) Where non-South Sudanese company is required to provide goods or services to any contractor, sub-contractor, licensee or any of her entity, the non-South Sudanese company shall:
  - (a) incorporate company in south Sudan as provided in accordance with the provisions of applicable companies law or enter into any favorable business arrangement with South Sudanese Company; and
  - (b) provide goods or services in association with any South Sudanese company, where applicable.
- (6) The Authority shall establish bid evaluation guidelines in accordance with applicable laws and regulations for ensuring that the annual progression of the local content objectives of these Regulations is met.

### **13. Submission of Proposed Contract to the Ministry**

- (1) A contractor, sub-contractor, licensee or any other entity shall inform the Authority in writing of each proposed contract or purchase order that:

- (a) related to any petroleum activity to be single sourced; or
  - (b) where it is to be sourced by competitive bidding procedure estimated to be in excess of the south sudanese pound equivalent of one hundred thousand united states dollars.
- (2) A contractor, sub-contractor, licensee or any other entity shall submit the following documents for approval by the Authority:
- (a) advertisement relating to expression of interest;
  - (b) requests for proposals;
  - (c) prequalification criteria;
  - (d) technical bid documents;
  - (e) technical evaluation criteria; and
  - (f) any other information requested by the Authority to enable the Authority determines that, the local content requirements have been complied with.
- (3) The Authority shall within fourteen days of receipt of the documents, communicate its decision to the contractor, sub-contractor, licensee or any other entity.
- (4) Where the Authority without justifiable reason, fails to communicate its decision to the contractor, sub-contractor, licensee or any other entity within the period specified in sub-regulation (3) of this regulation, the submission shall be deemed approved.

#### **14. Submission of Quarterly Forecasts**

- (1) Notwithstanding regulation 15 of these Regulations,



contractor, sub-contractor, licensee or any other entity shall not later than the first day of each quarter submit to the Authority list of:

- (a) contract of purchase orders to be a single source; and
  - (b) contract or purchase orders estimated to exceed the south sudan pound equivalent of one hundred thousand united states dollars and intended to be tendered for or executed in the next quarter.
- (2) A contractor, sub-contractor, licensee or other entity shall, provide the information specified in regulation 15 of these Regulation in respect of each contract or purchase order.

### **15. Documents to be submitted to The Authority**

- (1) A contractor, sub-contractor, licensee or any other entity shall provide the Authority with the following information at various stages of the bidding process:
- (a) before issuing per-qualification notification to prospective bidders:
    - (i) description of the scope of work;
    - (ii) copy of pre-qualification notification, where the related documents differ from the standard pre-qualification notice previously reviewed and approved by the Authority;
    - (iii) list of companies indicating locations of head office and contact persons and phone numbers to which questions may be directed; and

- (iv) anticipated dates for closer of pre-qualification and issuance of request for proposals or request for quotations.
- (b) before issuing request for proposals or request for quotations:
  - (i) list of bidders;
  - (ii) copy of the request for proposal or request for quotations in respect or which the Authority may advise the contractor, licensee or any other entity of its requirements on case-by-case basis;
  - (iii) description of the corporate ownership of bidders, including main shareholders by percentage;
  - (iv) location of any South Sudan based office, plant or facility;
  - (v) anticipated dates for closures of bids and award of contract or purchase orders; and
  - (vi) any other information which the Authority may request.
- (c) before award of contract or purchase order to the selected bidder, the information specified below shall be furnished by the licensee or contractor:
  - (i) name of the selected contractor or vendor;
  - (ii) list of designated sub-contractor or sub-vendor;
  - (iii) where applicable, list or proposed sub-supplier.
  - (iv) in respect of construction or service contracts, the estimated South Sudanese employment level in man-hour;
  - (v) commencement and completion dates for contract or purchase order;

- (vi) award notification form signed by the Authorized official of the licensee or contractor;
  - (vii) statement of award rationale or bid evaluation report showing the following:
    - (A) name of the selected contractor or vendor;
    - (B) list of designated sub-contractor or sub-vendor;
    - (C) where applicable list of proposed sub-supplier;
    - (D) percentage difference in price between selected bidder and other bids;
    - (E) primary location of work associated with each bidder;
    - (F) the estimates of local content associated with the bid of each bidder calculated in accordance with the definition of the local content provided by the Authority; and
    - (G) any other information relevant to the evaluation of bids, including where applicable, summary of the technical, commercial and local content aspects of the bid evaluation.
- (2) The Authority shall, confirm that document submitted is satisfactory or otherwise provide written comments on the document submitted during bidding process, within twenty-one days of the receipt of the document.
- (3) Where the Authority, without justifiable reason fails, to acknowledge receipt of documents submitted by the contractor, licensee or any other entity within the period specified in sub-regulation (2) of this regulation, the submission shall be deemed approved.

## **16. Power to Review Contract**

The Authority shall:

- (1) Where it considers necessary, review contracts to ensure compliance with provisions of these Regulations and any other applicable law.
- (2) Within fourteen days of the commencement of quarter of the year, advise the contractor, sub-contractor, licensee or any other entity of which contracts have been selected for review by the Authority.
- (3) Inform the contractor, licensee or any other entity of the outcome of assessment or review before the first day of the relevant quarter.

## **CHAPTER III**

### **EMPLOYMENT, TRAINING AND SUCCESSION PLANS**

## **17. Employment and Training Plan**

- (1) Employment and training plan submitted by contractor, sub-contractor, licensee or any other entity to the Authority, with respect to any petroleum activity include:
  - (a) forecast of hiring and training needs of the contractor sub-contractor, licensee or any other entity which among other contain:
    - (i) specification of skill needed;



Date: May, 5, 2022

Mr. Liu Zhiyong.

Country Manager

CNPC

Dr. Chol D. Thi

Managing Dir

NILEPET

Subject:

Dear Sir

**Regulations N0.1**

*Petroleum Local Content Regulations*

2019

- (ii) anticipated skill shortages in South Sudanese workforce;
  - (iii) available list of industrial attachment opening;
  - (iv) specific training requirements; and
  - (v) anticipated expenditure that may be incurred by the contractor, sub-contractor, licensee or any other entity to implement the employment and training plan and succession plan as forecasted.
- (b) time frame within which the contractor, sub-contractor, licensee or any other entity may provide employment opportunities for the South Sudanese workforce for, each phase of any petroleum activity to enable members of South Sudanese workforce prepare for such opportunities; and
- (c) efforts made and procedures adopted for the accelerated training of South Sudanese.
- (2) Contractor, sub-contractor, licensee or any other entity shall provide to the Authority quarterly report on:
- (a) any employment and training activity for the reporting period;
  - (b) comparative analysis of the employment and training plan and employment or any training; and
  - (c) activity to monitor compliance.
- (3) The quarterly report shall state the number of new South Sudanese employees employed during the respective quarter and their job descriptions.
- (4) The Authority may, request any further information it

- (ii) anticipated skill shortages in South Sudanese workforce;
    - (iii) available list of industrial attachment opening;
    - (iv) specific training requirements; and
    - (v) anticipated expenditure that may be incurred by the contractor, sub-contractor, licensee or any other entity to implement the employment and training plan and succession plan as forecasted.
  - (b) time frame within which the contractor, sub-contractor, licensee or any other entity may provide employment opportunities for the South Sudanese workforce for, each phase of any petroleum activity to enable members of South Sudanese workforce prepare for such opportunities; and
  - (c) efforts made and procedures adopted for the accelerated training of South Sudanese.
- (2) Contractor, sub-contractor, licensee or any other entity shall provide to the Authority quarterly report on:
- (a) any employment and training activity for the reporting period;
  - (b) comparative analysis of the employment and training plan and employment or any training; and
  - (c) activity to monitor compliance.
- (3) The quarterly report shall state the number of new South Sudanese employees employed during the respective quarter and their job descriptions.
- (4) The Authority may, request any further information it

considers necessary to implement these Regulations.

- (5) Where South Sudanese are not employed due to lack of expertise, the contractor, sub-contractor, licensee or any other entity shall, ensure, to the satisfaction of the Authority that, every reasonable effort is made to provide training to South Sudanese in that field locally or abroad.

## **18. Succession Plan**

- (1) A contractor, sub-contractor, licensee or any other entity shall as part of the employment and training plan, submit to the Authority succession plan for any employment position is occupied by non-South Sudanese to ensure, the minimum local content levels specified in the schedule of these Regulations are met.
- (2) The succession plan shall make provision for and require South Sudanese to understudy the requirements of the position held by Non-South Sudanese which shall not exceed five years after the position occupied by Non-South Sudanese and be assumed by nationals, provided that the Minister may waive this provision only having regard to exceptional circumstances as advised by the Local Content Unit.

## **19. Middle and Junior Level Positions**

- (1) A contractor, sub-contractor, licensee or any other entity engaged in any petroleum activity shall employ only South Sudanese in junior level or middle level positions.

- (2) For the purpose of sub-regulation (1) of this regulation, junior or middle level positions include the position of foreman or forewoman, supervisor, technicians or any corresponding position designated as such.

#### **CHAPTER IV**

### **PROGRAMME FOR RESEARCH, RESEARCH DEVELOPMENT AND BUDGET PLAN**

#### **20. Programmes for Research, Development and Budget**

A contractor, sub-contractor, licensee or any other entity shall after the execution of petroleum agreement and before commencement of any petroleum activity, submit programme programme for research, development and budget to the Authority for the promotion of education, practical attachments training, research and research development in South Sudan in relation to, its overall work programme and activities.

#### **21. Research, Development and Budget Plan**

- (1) A research, research development and budget plan submitted by contractor, sub-contractor, licensee or any other entity to the Authority with respect to any petroleum activity shall:
- (a) outline revolving three to five-year programme for petroleum related research and development initiatives to be undertaken in the country;



- (b) provide details of the expected expenditure that may be made in implementing the research, research development and budget plan;
  - (c) provide for public calls for proposals for research and development initiatives associated with the activities of contractor, sub-contractor and licensee or any other entity and criteria for selecting proposals which qualify for support; and
  - (d) provide the manner in which they shall, collaborate with the Authority, South Sudan Universities, National Petroleum Corporation training Institute and other South Sudan Training, learning and research institutes in the area of research development.
- (2) The contractor, licensee or any other entity shall:
- (a) update its research, research development and budget plan annually; and
  - (b) submit the updated plan to the Authority for review and approval.

## **CHAPTER V**

### **TECHNOLOGY TRANSFER PROGRAMMES AND REPORTS**

#### **22. National Plan on Technology Transfer**

The Authority shall in consultation with the relevant ministries, departments and agencies to develop and publish the national plan on technology transfer with respect to the petroleum industry.

### **23. Technology Transfer Programme**

A contractor, sub-contractor, licensee or any other entity shall support and carry out programme in accordance with the national plan on technology transfer and priorities for the promotion of technology transfer to South Sudan in relation to the petroleum activities.

### **24. Technology Transfer Plan**

A technology transfer plan submitted by contractor, sub-contractor, licensee or any other entity shall include programme of planned initiatives aimed at promoting the effective transfer of technologies from the contractor, sub-contractor, licensee or any other entity to South Sudanese company and established centres of excellence.

### **25. Support for Technology Transfer to National South Sudan Companies**

- (1) A contractor, sub-contractor, licensee or any other entity shall support and facilitate technology transfer by the formation of joint ventures, partnering of licensing agreements between national South Sudanese companies or nationals and non-national contractors and service companies or supply companies.
- (2) The Authority shall consult with relevant Government agencies to propose fiscal incentives to assist:

- (a) foreign companies which aim to develop technological capacity and skills of nationals; and
  - (b) South Sudanese companies which establish factories and production units in the country.
- (3) For the purpose of sub-regulation (2) of this regulation, the government agencies, consulted shall collaborate with the Authority.
- (4) The Authority shall propose the criteria for obtaining the fiscal incentives.

## **26. Technology Transfer Report**

A contractor, sub-contractor, licensee or any other entity shall submit annual technology transfer report to the Authority stating the technology transfer initiatives being pursued and current results in relation to the technology transfer plan.

## **CHAPTER VI**

### **LOCAL INSURANCE, LEGAL AND FINANCIAL SERVICES CONTENT**

## **27. Insurance and Reinsurance**

- (1) A contractor, sub-contractor, licensee or any other entity engaged in petroleum activities in South Sudan shall comply with the provision of the applicable insurance law.

- (2) Each entity in sub- regulation (1) of this regulation shall submit to the Local Content Unit, a list of all insurance companies and insurance brokers through which insurance covers were obtained in the past six months, the class of insurance cover obtained and the expenditures made by the operator.
- (3) The insurance programme shall include:
  - (a) a comprehensive report of:
    - (i) insurance covers obtained in the past six months of all insurance by expenditure;
    - (ii) a forecast of insurance covers required during the next six months; and
    - (iii) the projected expenditure for the covers.
  - (b) a list of:
    - (i) all insurance companies' brokers through which insurance covers were obtained in the past six months;
    - (ii) the class of insurance cover and obtained; and
    - (iii) the expenditures made by the operator.
  - (c) the annual insurance premium budget for the past one year in South Sudanese Pounds and foreign currencies.
- (4) The insurable risks relating to petroleum activities in the country shall be insured through national brokerage firm or where applicable reinsurance broker.

## **28. Approval of Offshore Insurance**

- (1) A person who seeks to obtain insurance services abroad relating to petroleum activities in the country shall obtain written approval of the Authority dealing with insurance regulatory matters.
- (2) In granting approval for procuring insurance services abroad, the Authority dealing with insurance regulatory matters shall ensure that South Sudanese local capacity has been fully exhausted.

## **29. Legal Services**

A contractor, sub-contractor, licensee or any other entity that requires legal services in the country shall retain only services of whose principle office is located in the country provided that the Minister may waive this requirement upon proper review and documentation.

## **30. Legal Services Plan**

- (1) The legal services plan submitted to the Authority shall include:
  - (a) comprehensive report on legal services utilized in the preceding of six months by expenditure;
  - (b) forecast of legal services required during the ensuing six months where applicable and the projected expenditure for services

- (2) The annual legal services budget for ensuring year quoted in South Sudanese Pounds and United States dollars.

### **31. Financial Services**

A contractor, sub-contractor, licensee or any other entity that requires financial services with respect to any petroleum activity shall retain only services of South Sudanese financial institution or organizations.

### **32. Financial Services Plan**

A contractor, sub-contractor, licensee or any other entity who has submitted financial services sub-plan to the Authority shall specify the following:

- (a) Financial services utilized in the preceding six months by expenditure;
- (b) Forecast of financial services required in the ensuing six months and the projected expenditure for the financial services; and
- (c) List of financial services utilized in the preceding six months, nature of financial services provided and expenditure for the financial services made by the contractor, sub-contractor, licensee or any other entity.

### **33. Operation of Bank Account**

- (1) Operators, contractor, sub-contractor, licensee or any other entity shall maintain a bank account with any South Sudanese Bank.

- (2) All operators, contractors, sub-contractors and licensee shall maintain a bank account in South Sudan in which it shall retain a minimum of ten per cent of its total revenue accruing from its South Sudanese operations.

## CHAPTER VII

### LOCAL CONTENT PERFORMANCE REPORTING AND COMMON QUALIFICATION SYSTEM

#### 34. Requirement for Submitting Local Content Performance Report

- (1) A contractor, sub-contractor, licensee or any other entity shall within thirty days of the beginning of each year after commencement of petroleum activities, submit to the Authority annual local content performance report covering all its projects and activities for the year under review.
- (2) The report shall be in format prescribed by the Authority and shall:
  - (a) specify by category of expenditure the local content on both current and cumulative cost basis;
  - (b) indicate employment achievement in terms of hours worked by South Sudanese and foreigners and their job positions and remuneration;
  - (c) indicate the training, industrial and technology transfer achievement availed to South Sudanese and foreigners;

- (d) indicate the actual procurement of goods, works and services executed; and
- (e) any other information the Authority may require.

### **35. Assessment of Performance Report**

- (1) The Authority shall within forty-five days after receipt of the local content performance report, assess and review the local content performance report to ensure compliance with these Regulations.
- (2) For purpose of assessment and verification of the report the contractor, sub-contractor, licensee or any other entity shall allow an employee or designated agent of the Authority access to its facilities, documents and information as the Authority may require.

### **36. Requirement of Third Party Reporting**

- (1) A contractor, sub-contractor, licensee or any other entity shall ensure that its partner contractor, subcontractor, licensee or any other entity are contractually obligated to report local content information to the contractor, sub-contractor, licensee or any other entity to the Authority as the case may be.
- (2) A contractor, sub-contractor, licensee or any other entity shall, allow an official designated by the Authority or agent access to records of the contractor, sub-contractor, licensee or any other entity for purpose of assessment



and verification of the local content information reported to the contractor, sub-contractor, licensee or any other entity or the Authority.

### **37. Establishment of Common Qualification System**

- (1) The Authority shall in consultation with industry stakeholders, establish common qualification system.
- (2) The Authority shall manage the common qualification system in accordance with these Regulations.

### **38. Object of the Common Qualification System**

- (1) The object of common qualification system shall serve as the sole system for the registration and pre-qualification qualification of local content in the petroleum industry.
- (2) For the purpose of sub-regulation (1) of this regulation, common qualification system shall be used for:
  - (a) verification of capacities and capabilities of contractors;
  - (b) evaluation of application of local content submitted by contractor, licensee or any other entity;
  - (c) tracking and monitoring of performance and provision of feedback; and
  - (d) ranking and categorization of petroleum service companies based on capabilities and local content.

## **CHAPTER VIII**

### **INFORMATION, EDUCATION AND SENSITIZATION**

#### **39. Availability of Information**

- (1) The Authority shall maintain data base that, contain details of local suppliers, service providers and other entities that meet the local content qualification.
- (2) A person may during working hours:
  - (a) access records relate to local content kept by the Authority and designated as public records; or
  - (b) request to be furnished with certified copy or extract from any document entitled to be access.
- (3) Right of person to inspect or obtain copy of document filed or kept in electronic form by the Authority shall extend only to reproductions of the document in written form in manner that the Authority may determine.
- (4) An application for an extract or certified copy of document requested shall be accompanied by fee determined by the Authority.
- (5) The Authority shall publish on its website information relating to these Regulations and local participation requirements generally.

#### **40. Public Education and Sensitization**

The Authority shall ensure that public education and sensitization activities are undertaken to educate contractor, sub-contractor, licensee or any other entity, the public and industry stakeholders on the local content policy and philosophy and to ensure the implementation of these Regulations.

#### **41. Communication of Local Content Policies**

- (1) A contractor, sub-contractor, licensee or any other entity shall:
  - (a) communicate local content policies, procedures and obligations to any person engaged by that contractor, sub-contractor, licensee or any other entity to perform, an aspect of an upstream petroleum activity; and
  - (b) monitor and ensure compliance with local content policies, procedures and obligations.
- (2) Notwithstanding sub-regulation (1) of this regulation, contractor, sub-contractor, licensee or any other entity shall make available the local content policies, procedures and obligations of that contractor, licensee or any other entity available on their respective websites.

**42. Electronic Filing of Documents**

- (1) The Authority may, issue guidelines to provide for system requiring documents under these Regulations to be filed in electronic form.
- (2) The system for filing of documents in electronic form shall provide for:
  - (a) criteria for authorizing persons to file documents in electronic form; and
  - (b) security and authentication of the documents filed.

**CHAPTER IX  
MISCELLANEOUS PROVISIONS**

**43. Establishment of Guidelines and Procedures by the Authority**

- (1) The Authority shall establish and constantly review guidelines and procedures for the effective implementation of these Regulations.
- (2) Notwithstanding sub-regulation (1) of this regulation, the Authority shall in consultation with relevant institutions, issue, guidelines for compliance by contractor, sub-contractor, licensee or any other entity in respect of the following:

- (a) requirements and targets for the growth of research and development of the upstream petroleum industry of the country;
- (b) minimum standards, facilities, personnel and technology for training in the petroleum industry of the country;
- (c) investment or setting up facility, factory, production unit or other operation in the country to carry out any carry out any production or manufacturing or to provide any petroleum activities related service otherwise imported into the country; and
- (d) generally for the implementation of these Regulations.

#### **44. Local Content Monitoring**

The Authority shall monitor and investigate activities of each contractor, sub-contractor, licensee or any other entity to ensure the achievement of the purpose of these Regulations within the framework of the Act and policy.

#### **45. Investigations**

- (1) The Authority may for purpose of enforcing these Regulations, initiate an investigation into an activity of any contractor, sub-contractor, licensee or any other entity.
- (2) Notwithstanding sub-regulation (1) of this regulation, the Authority may launch investigation to ensure that:

- (a) South Sudanese company principle is not diluted by the operation of fraud; or
- (b) bid rigging and cartelization are avoided in the procurement process.

#### **46. Offences and Penalties**

- (1) A person who submits a plan, returns, report or other document and knowingly makes false statement, commits an offence and shall be liable to a fine of not less than one million and two hundred thousand south sudanese pounds.
- (2) A national who acts fraudulently as a front or connives with non-South Sudanese or company to deceive the Authority to be representing South Sudanese company to achieve the local content requirement under these regulations, commits an offence and shall be liable to a fine of not less than two million and four hundred thousand south sudanese pounds.
- (3) A person who connives with national or non-South Sudanese company to deceive the Authority to be representing provided South Sudanese company to achieve the local content requirement under these Regulations, commits an offence conviction shall be liable to a fine not less than one million and two hundred thousand south sudanese pounds.
- (4) A person who fails to:
  - (a) support and carry out programme in accordance with the national plan on technology transfer;

- (b) support and facilitate technology transfer by formation of joint ventures, partnering of licensing agreements between South Sudanese companies or nationals and foreign contractors and service companies or supply companies;
- (c) ensure that its partners, contractor, sub-contractor, licensee or any other entities report local content information to the contractor; or
- (d) communicate local content policies, procedures and obligations to any person engaged by the contractor, sub-contractor, licensee or any other entity to perform an aspect of petroleum activities, is in contravention of these Regulations and shall be liable to pay to the Authority an administrative penalty of five hundred thousand south sudanese pounds in the first instance and further penalty of five percent for each day that the contravention of the regulation continues.

(5) A person who fails to:

- (a) establish project office;
- (b) comply with the minimum local content level for any petroleum activity;
- (c) establish and implement bidding process;
- (d) comply with regulations 12 (1) and (5) of these Regulations;
- (e) employ only South Sudanese in junior or middle level positions;
- (f) insure the insurable risks relating to petroleum activities in the country through national

- brokerage firm;
- (g) obtain the written approval of the Authority responsible for insurance regulatory matters when seeking to obtain any insurance services abroad relating to petroleum activities;
  - (h) retain only the services of South Sudanese legal practitioner or firm of South Sudanese legal practitioners;
  - (i) operate bank account with South Sudanese Bank, is in contravention of these Regulations and shall be liable to pay to the Authority an Administrative penalty of not less than one million south sudanese pounds;
  - (j) in case of contractor, withhold the approval and permits required by the contractor for the conduct of petroleum activities until the time that the contravention is remedied; and
  - (k) in case of sub-contractor, licensee or any other entity, expunge the name of sub-contractor, licensee or any other entity, from the register or persons registered to undertake petroleum activities.
- (6) A person who fails to comply with request to furnish information or document under these Regulations, within the period specified in the request shall be liable to pay to the Authority an administrative penalty of not less than one million south sudanese pounds in the first instance and further penalty of ten percent for each day that the document remains undelivered.



- (7) A contractor, licensee or any other entity who:
- (a) carries out petroleum activities without the required local content requirement;
  - (b) fails to submit local content plan;
  - (c) fails to satisfy the content requirement of local content plan; or
  - (d) fails to inform the Authority of each proposed contract or purchase order is in contravention of these Regulations and shall be liable to pay to the Authority an Administrative penalt of five percent of the value of proceeds obtained from the petroleum activities in respect, of which the breach is committed provided that the penalty shall not be less than five million South Sudanese pounds or to the cancellation of contract in respect of the petroleum activities.
- (8) A penalty required to be paid under sub-regulations (4), (5), (6) or (7) of this regulation, which is not paid within the period specified in the notice shall be a debt owed to the government of South Sudan and recoverable by the Authority from the holder in court of a jurisdiction.

#### **47. Appeal**

A person aggrieved by the decision of the Authority in relation to the implementation of these Regulations may lodge an appeal within thirty days, to the Ministry which shall within sixty days of receipt of the appeal make decision.

#### 48. Transitional Provisions

- (1) Within three months after the commencement of these Regulations, a contractor, sub-contractor, licensee or any other entity engaged in petroleum activity shall comply with these Regulations.
- (2) A contractor, sub-contractor, licensee or any other entity carrying out any petroleum activity shall ensure that women, youth and persons with disabilities are given access to bid on procurement.
- (3) Women, youth and persons with disabilities shall be given priorities in bidding identified in guidelines issued by the Authority.

#### Schedule

#### Minimum Local Content in Goods and Services

#### Part (1)

#### Local Content Levels to Be Attained from Date of Effectiveness of License or Petroleum Agreement

	Item	Start	5 years	10 years
1	Goods and Services	10%	50%	60% - 90%
2	Recruitment and Training			
(a)	Management Staff	30%	50% - 60%	70% - 80%
(b)	Technical Core Staff	20%	50% - 60%	70% - 80%
(c)	Other Staff	80%	90%	100%

2.4	Topside module (process modules and storage modules)	10%	30%	50%	Tonnage
2.5	accommodation module	10%	40%	70%	Tonnage
2.7	Pipeline systems	10%	50%	100%	Tonnage
2.8	Risers (cannot be manufactured South Sudan)	10%	50%	100%	Tonnage
2.9	Logging while drilling drillin (LWD) (direction and inclination or Gamma ray)	10%	20%	50%	Tonnage

## 12. Materials and Procurement

Description	Start	5 Years	10 Years	Measured Unit
3.1 Steel plates, flat sheets, sections	40%	80%	100%	Tonnage
3.2 Steel pipes	40%	80%	100%	Tonnage
3.3 Low voltage cables	60%	80%	90%	Length
3.4 High voltage cables	60%	80%	90%	Length
3.5 Valves and pumps	20%	40%	60%	Number
3.6 Drilling mud– barite bentonite	20%	50%	80%	Tonnage
3.7 Cement	60%	80%	90%	Tonnage

3.8	Heat exchangers and other piping accessories	10%	50%	80%	Number
3.9	Steel ropes and other mooring accessories	30%	60%	80%	Tonnage
3.10	Protective paints	50%	70%	90%	Liters
3.11	Glass reinforced epoxy (GRE) pipes	20%	50%	70%	Tonnage

### 13. Well Drilling Services

Description	Start	5 Years	10 Years	Measured Unit
4.1 Reservoir services	20%	40%	75%	Spend
4.2 Well completion services (permanent gauges and intelligent wells)	20%	40%	80%	Spend
4.3 Wire line services (electric open holes, electric cased hole, slick line)	10%	50%	60%	Man – Hour
4.4 Logging while drilling (LWD) (direction and inclination or Gamma ray)	10%	50%	70%	Man – hour
4.5 Production or drilling service	30%	60%	85%	Man – hour
4.6 2D seismic data acquisition services	10%	60%	85%	Length

4.7	Well overhauling or stimulation services	30%	60%	95%	Man – hour
4.8	Wellhead services	30%	60%	85%	Man – hour
4.9	Directional surveying services	20%	50%	85%	Man – hour
4.10	Cutting injections or cutting disposal services	40%	70%	90%	Man – hour
4.11	Recutting inspection services	40%	60%	85%	Man – hour
4.12	Cased hole logging services (gyro, perforation gauges, gyro PLT, performance, PLT gauges)	40%	70%	90%	Man – hour
4.13	Well watch services	30%	50%	70%	Man – hour
4.14	Cement services	40%	60%	75%	Man – hour
4.15	Coiled tubing services	20%	40%	75%	Man – hour
4.16	Pumping services	40%	70%	95%	Man – hour
4.17	Fluid or bottom hole sampling services	40%	60%	80%	Man – hour
4.18	OCTS services (cleaning hard banding, recutting, rethreading, storage)	40%	70%	95%	Man – hour
4.19	Well crisis management services	20%	60%	90%	Man – hour
4.20	Other drilling services	30%	60%	80%	Man – hour
4.21	Petrophysical interpretation services	30%	50%	75%	Volume / Man – hour

4.22	Extended well test or early production services including provision of floating or jack up production unit	10%	20%	50%	Spend
4.23	Rental of drill pipe	40%	60%	75%	Spend

#### 14. Research and Development Relating to in –Country Services

Description	Start	5 Years	10 Years	Measured Unit
5.1 Engineering studies – reservoir, facilities, drilling etc	20%	40%	60%	Spend
5.2 Geological and geophysical services	20%	30%	0%	Spend
5.3 Safety and environmental environmental studies	40%	70%	90%	Spend
5.4 Local material substation studies	20%	40%	75%	Spend

#### 15. Exploration, Subsurface, Petroleum Engineering and SEIMIC Services

Description	Start	5 Years	10 Years	Measured Unit
6.1 Onshore seismic data acquisition services	20%	50%	90%	Spend
6.2 Seismic data processing services	30%	70%	90%	Spend

6.3	Geophysical interpretation services	30%	60%	90%	Spend
6.4	Geological evaluation services (organic geochemistry, petrology, diagenesis, biostratigraphy, fluid characterization, PVT, core analysis, flooding)	20%	50%	80%	Spend
6.5	Mud logging services	20%	30%	50%	Spend
6.6	Coring services	30%	60%	90%	Spend
6.7	Well testing services	20%	40%	55%	Spend
6.8	Drilling rigs (land)	40%	50%	70%	Man – hour
6.12	Snubbing services	10%	30%	80%	Spend
6.13	Liner float, hangers and running equipment services	10%	30%	55%	Spend
6.14	Sismic data interpretation services	20%	60%	90%	Spend

## 16. Transportation, Supply and Disposal Services

Description	Start	5 Years	10 Years	Measured Unit
7.1 Tugs, remotely operated vehicles (ROV) support, driving support vessels	30%	60%	80%	Spend

7.2	barges	30%	60%	90%	Spend
7.3	Accommodation platforms, vessels	30%	70%	90%	Spend
7.4	Disposal, distribution and waste transport services	80%	90%	100%	Spend
7.5	Rental of cranes and special vehicles	80%	90%	100%	Spend
7.6	Freight forwarding, logistic management services	80%	90%	100%	Spend
7.7	Supply base, warehouse, storage services	50%	80%	90%	Spend
7.8	Truck package, product transportation services	80%	90%	100%	Spend

### Health, Safety and Environment Services

Description	Start	5 Years	10 Years	Measured Unit
8.1 Site clean-up services	30%	60%	90%	Man – Hour
8.2 Pollution control	20%	30%	45%	Spend
8.3 Waste water treatment and disposal services	40%	60%	80%	Man – Hour
8.4 Fire and gas protection system services	40%	60%	80%	Man – Hour
8.5 Ventilation, heating sanitary services	50%	70%	85%	Man – Hour



8.6	Waste disposal, drainage services	50%	80%	90%	Man – Hour
8.7	Industrial cleaning services	50%	80%	90%	Man – Hour
8.9	Safety, protection, security, firefighting system services	30%	50%	90%	Spend
8.10	Preservation of mechanical and electrical components services	30%	50%	90%	Man – hour
8.11	Equipment brokerage services	50%	70%	90%	Spend
8.12	Temporary accomodation camp services	50%	60%	80%	Spend
8.13	Catering service	100%	100%	100%	Spend
8.14	Cleaning and laundry services	100%	100%	100%	Spend
8.15	Security services	100%	100%	100%	Spend
8.16	Medical services	40%	60%	90%	Spend
8.17	Other supporting services	50%	80%	90%	Spend

## 17. Information Systems, Information Technology and Communication Services

Description	Start	5 Years	10 Years	Measured Unit
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9.1	Network installation, support services	80%	90%	95%	Spend
9.2	Software development	40%	60%	80%	Spend
9.3	Software support services	60%	80%	90%	Spend
9.4	Computer based modelling modelling services	20%	50%	70%	Spend
9.5	Computer based stimulation and training programme services	20%	50%	70%	Spend
9.6	Hardware installation support services	80%	90%	100%	Spend
9.7	Operating system installations and support services	80%	90%	100%	Spend
9.8	User support and help desk services	20%	50%	80%	Spend
9.9	Information technology management consultancy services	30%	50%	80%	Spend
9.10	Data management services	30%	50%	80%	Spend
9.11	Telecommunication installation and support services	50%	70%	90%	Spend
9.12	Other information information technology services	30%	50%	80%	Spend



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