

**AMENDMENT TO THE NIGERIAN UPSTREAM PETROLEUM DECOMMISSIONING AND
ABANDONMENT REGULATIONS, 2023.**

1. The Nigeria Upstream Petroleum Decommissioning and Abandonment Regulations, 2023 (in these Regulations referred to as the “Principal Regulations”) are to be amended as follows:

2. Amendment of Regulation 13 thereof-
The principal Regulation is amended-

By substituting the second 13(3) with a new Regulation 13(4)

3. Amendment of Regulation 19 thereof-
The principal Regulation is amended-
By substituting sub- regulation 19(2)(a) with a new Regulation 19(2)(a) as follows:

19(2)(a) up by the licensee or lessee, in respect of petroleum operations under the licence or lease 180 days following the approval of a decommissioning and abandonment plan in respect of a licence or lease by the Commission

4. Amendment of Regulation 19(2)(b) thereof-

Regulation 19(2)(b) of the principal Regulation is hereby repealed

5. Amendment of Regulation 19(2)(C) thereof-

Regulation 19(2)(c) of the principal Regulation is hereby repealed

6. Amendment of Regulation 19 thereof-
The principal Regulation is amended-
By substituting sub- regulation 19(4) with a new Regulation 19(4) as follows:

(a) The fund shall be in the form of an escrow account to be held in any of the following types of financial institutions in Nigeria or offshore where applicable under the rules established in these Regulations-

(i) Any Nigerian financial institution that meets the national rating of A+ or A;

- (ii) Any foreign financial institution that meets the minimum credit rating of A+ or its equivalent published by either Standard & Poor 500, Fitch Ratings Inc., or Moody's Investors Service Inc.
- (b) All funds established under these Regulations shall be 100% held in a Nigerian financial institution except in the following cases-
 - (i) In the case of a licence or lease held by an international oil company (IOC) in a joint venture arrangement with NNPC Limited or a licence or lease under a Production Sharing Contract with NNPC Limited, the amount held in a Nigerian financial institution shall be 15% of the total annual contribution to the fund.
 - (ii) The balance of the total annual contribution to the fund in the case of sub-regulation (b)(i) of this regulation may be held in any foreign financial institution that meets the prescribed rating in these Regulations.
- (c) The 15% of the total annual contribution to the fund provided for in sub-regulation (b)(i) of this regulation to be held in any Nigerian financial institution shall be subject to periodic upward review every three years by the Commission in consultation with industry stakeholders following assessment of the prevailing credit risk profile of financial institutions in Nigeria.

7. Amendment of Regulation 19 thereof-

The principal Regulation is amended-

By substituting sub- regulation with a new Regulation 19(5) as follows:

19(5) Where any foreign financial institution in which any part of the fund is held under these Regulations falls in credit rating below A+ the licensee or lessee shall within 30 days apply to the Commission for approval of another financial institution that meets the minimum credit rating for the purpose of opening a new escrow account and transfer of the funds to the new account opened.

8. Amendment of Regulation 19 thereof-

The principal Regulation is amended-

By substituting sub- regulation 19(7) with a new Regulation 19(7) as follows:

19(7) The Commission shall from time-to-time issue guidelines on the administration of the funds established pursuant to these Regulations and implementation of these Regulations.

9. Amendment of Regulation 19 thereof-

The principal Regulation is amended-

By substituting sub- regulation 19(10)(c)(i) with a new Regulation 19(10)(c)(i) as follows:

19(10)(c)(i) the licensee or lessee is only able to access funds from the escrow account pursuant to an approval of a decommissioning or abandonment programme in accordance with Regulation 21(2) of these Regulations.

10. Amendment of Regulation 19 thereof-

The principal Regulation is amended-

By substituting sub-regulation 19(10)(d) with a new Regulation 19(10)(d) as follows:

19(10)(d) A requirement that funds in the escrow account may only be invested by the escrow manager in low-risk financial instruments meeting a minimum of A+ national rating for funds domiciled locally and A+ international rating for funds domiciled offshore.

11. Amendment of Regulation 19 thereof-

The principal Regulation is amended-

By substituting Regulation 19(12) with a new Regulation 19(12) as follows:

19(12) Any funds set aside under any licence or lease for decommissioning and abandonment prior to the commencement of these Regulations shall be transferred to the decommissioning and abandonment fund set up under these Regulations in respect of the licence or lease in accordance with the principles set out in this Regulation.

12. Amendment of Regulation 20 thereof-

The principal Regulation is amended-

By substituting Regulation 20 with a new Regulation 20 as follows:

20. The contributions to the fund shall be by yearly payment of the cash amount stipulated in the applicable decommissioning and abandonment plan in line with Guidelines issued by the Commission.

13. Amendment of Regulation 21 thereof-

The principal Regulation is amended-

By substituting sub-regulation 21(11) with a new Regulation 21(11) as follows:

21(11) Where the Commission applies the funds for the purposes under sub-regulation 7 of this regulation, the Commission shall ensure that the funds are utilised solely for the purpose of decommissioning and abandonment.

14. Amendment of Regulation 21 thereof-

The principal Regulation is amended-

By substituting sub-regulation 21(12) with a new Regulation 21(12) as follows:

21(12) Where the Commission applies the funds pursuant to sub-regulation 7 of this regulation, the procurement of any goods, works or services required to undertake decommissioning and abandonment shall be subject to the provisions of the Public Procurement Act.