



Prerequisites Booklet
For
Gas Market Activities Licenses



Speech of the CEO of Gas Regulatory Authority

In order to meet the needs of the ambitious development projects currently underway, the Egyptian State began to devise a new strategy adopted by the political leadership towards restructuring the energy sector and improving the institutional and regulatory framework of its policies to help presenting Egypt to the world as a regional energy hub. This necessitated the acceleration of implementing some measures, especially in the natural gas market, in order to achieve a set of national economic goals, the most important of which is the provision of the State's needs of natural gas by merging the Egyptian gas market with global gas markets, encouraging investment, free competition, preventing monopolistic practices, and achieving sustainable development. The most important of these measures is the issuance of the Law for Gas Market Activities Regulation and its executive regulations, according to which the Gas Regulatory Authority was established.

These reform steps aim to have positive effects on all gas market parties involved in market activities by reorganizing the gas market and the entities operating in it, establishing rules and foundations for dealing in the market and allowing other parties to use networks and facilities for a fair fee without discrimination that allows covering operating expenses and recovering investment costs in addition to providing investments for infrastructure expansion and development projects in the Egyptian gas market.

Accordingly, and given the commencement of activating the open market mechanisms and the desire of the GasReg to facilitate procedures for obtaining licenses, the GasReg follows flexible policies to manage the transformation, depending on the policies of GasReg, the mechanisms of the open and free market, and the required obligations being non-incapacitating and sufficient to prove the seriousness of the licensees, taking into account the volume of current investments and the interests of all parties involved in the Egyptian gas market.

CEO
((Signed))
Eng. Karem Mahmoud



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6	Please find attached a compact disk “CD” containing the following: 1- Law for Gas Market Activities Regulation and its executive regulations (PDF) 2- Prerequisites Booklet (PDF) 3- Forms (1) to (9) (Word - Excel - PDF)	

Introduction

1. On August 01, 2017, the Law No. 196 of 2017 on Gas Market Activities Regulation in the Arab Republic of Egypt was issued, to regulate the activities of gas shipping, transmission, distribution, storage, supplying, marketing, trading and any activities related thereto.
2. Pursuant to the Article (2) of the said Law, the Gas Regulatory Authority (GasReg) was established with the following objectives:
 - Regulate, monitor and supervise everything related to the Gas Market Activities in order to ensure the availability of Natural Gas;
 - Ensure the availability of gas networks and facilities to third party access;
 - Guarantee the quality of services provided, taking into account the interests of all parties involved in the Gas Market and the protection of consumers' rights;
 - Attract and encourage investments in the Gas Market Activities
 - Create a convenient environment for free competition in order to avoid monopolistic practices;
 - Provide consumers and parties involved in the Gas Market with information, reports and recommendations; and
 - Ensure the optimal use of infrastructure of gas networks and facilities.
3. According to the Article (13) of the said Law, it is prohibited to practice any Gas Market activity without obtaining a license from GasReg. Any license issuance, modification, renewal or suspension shall be made upon a decision by the GasReg Board of Directors.
4. According to the Article (14) of the said Law, the license issuance or renewal application shall be submitted to GasReg by the applicant or its legal representative on approved standard forms. Each application must include supporting documents evidencing that the administrative fees as well as the Initial bond have already paid by the applicant in addition to all other documents substantiating the financial and technical capability of the applicant as stipulated in the executive regulations.
5. According to Articles (50) and (51) of the said Law, whosoever practices an activity of Gas Market without obtaining a license from GasReg shall pay a fine equivalent to three times the value of the respective license' fees, taking into account that the fine shall be doubled in case of recurrence. The court shall rule, in addition to the original penalty, that all equipment, devices and connections used in the crime shall be confiscated. In addition, the court shall rule that the licensee shall return all the amounts collected in violation with the provisions of the Law or its executive

regulations or the implementing decisions thereof in addition to the adequate compensation.

6. According to the Articles (3), (15), (21) and (22) of the Law, the applicant shall provide evidence on its compliance with the safety and health of its workers and customers or the parties affected by the company's activities in the gas market, the protection of environment, the efficiency of energy, the quality of service provided to the partners of gas market and consumers of gas, and the sustainable optimal use of sources and assets.
7. This document contains the controls of practicing the gas market activities. The GasReg is entitled to amend this document by adding, cancelling and/or modifying any of the prerequisites without discrimination between the various parties involved in the market and in accordance with the rules specified by GasReg.

If any of the prerequisites stipulated in this document is not met, the applicant is entitled to submit a petition to be temporarily exempted from such prerequisites along with the supporting justifications, provided that such applicant shall meet such prerequisites within such period specified by the GasReg, and the GasReg is entitled to accept or reject the submitted petition.

General Prerequisites

These General Prerequisites shall determine all controls, rules, documents and data to be met and fulfilled in order to complete the procedures for obtaining license:

1. The applicant shall submit one (1) photocopy and two (2) electronic copies “compact disk” of data, documents and forms requested by the GasReg. Soft copies are divided into:
 - Scanned PDF copy stamped by the company seal; and
 - A copy in Excel Format of any forms prepared by the GasReg.
2. The applicant shall fill all attached forms without abrasion or deletion.
3. All documents submitted to the GasReg shall be sealed by the stamp of legal entity of the applicant.
4. All documents submitted to the GasReg shall be in Arabic, and the applicant shall provide certified Arabic translation of any document submitted in any language other than Arabic.
5. In submitting the documents, the company shall be represented by a person authorized by the legal representative of the company, who shall submit the authorization enclosed with the Prerequisites Booklet and shall be fully liable for following up the application and dealing with the GasReg.
6. All requested soft documents shall be delivered by the below email to the Department of Licensing and Contracts and the hard copy to be delivered to the licenses and contract department by hand.
7. Receiving the e-mail is not considered a receipt of a license application from the applicant if it does not fulfill the required data and documents, and the date of receipt is when all the required data and documents are completed and the fees and initial bond for the required license are paid.
8. The data and documents provided by the applicant to apply for the licenses are the responsibility of the applicant, and GasReg has the right to refer to the applicant if it becomes evident that the data provided is not accurate or clear.
9. All correspondences and clarifications shall be addressed by registered mail or email to:

General Manager of Department of Licensing and Contracts – Email:

eadly@gasreg.org.eg

Inquiries Tel No.: 01101270033 – 01101270044 (during working days from 9 am to 2 pm)

10. The GasReg is entitled to accept or reject the license application without any liability on the GasReg.

11. The applicant shall sign and seal all papers of this document, and if the GasReg approved issuing a license, this document will be an integral part of such license.
12. If an applicant applies for a license for practicing an activity of Gas Market, such applicant shall provide the following documents to the GasReg:
 - A valid and updated official copy of the commercial registration and the tax id for the legal entity of the applicant or a statement of tax position;
 - A copy of the investment prospectus of the legal entity (the articles of association of the legal entity of the applicant);
 - Copy of the contracts managing the practice of gas market activity and the relation between the respective parties.
 - Any approvals necessary to practice the activity for which a license application has been submitted;
 - Information on the management, organizational structure, job description and operational competencies of the legal entity of the applicant including a statement of owners or shareholders of the legal entity and their respective shares;
 - Insurance policies for property, assets, movables and goods, subject of the activity for which a license application has been submitted; and
 - Any other documents required by the GasReg's Board of Directors.
13. If the applicant has the desire to obtain a license to practice operating and managing networks or facilities, such applicant shall submit the Deed of ownership or possession of networks -or facilities or management and operation contract signed between the applicant and the owner in addition to the documents shown in clause (12) above.
14. If the applicant has the desire to obtain a license to practice gas shipping license or gas supplying license, such applicant shall submit the approval of the competent authority in the petroleum sector on the source and quantity of gas to be shipped or supplied to the market – measured in cubic meter and BTU – in addition to documents set out in clause (12) above.
15. The applicant shall submit all documents, data and forms stipulated in the Prerequisites Booklet within thirty (30) days from obtaining the Prerequisites Booklet. The applicant acknowledges that if granted the license to comply with all the regulations and decisions issued by the Board of Directors of the GasReg - from time to time- and to update all the information provided herein periodically or if any change occurs thereon and that he is aware that any violation of it, is considered to be a violation of the licenses conditions so in such case, GasReg shall be entitled to take all the necessary actions relevant to such violation.

Technical Prerequisites

These Technical Requirements and Prerequisites shall determine all controls, rules, documents and data to be met and fulfilled in order to complete the procedures for obtaining license including but not limited to the following:

A. Technical Prerequisites of License of the Gas Transmission System Operator License:

1. A list of all entry and exit points of the gas transmission system along with its all specifications (the minimum and maximum limit of capacities and pressure / type and specifications of metering stations).
2. A list of all gas pipelines and breakdown of gas transmission system components to be operated along with its all specifications (the specifications of gas pipelines such as the inner and outer diameter, length, elevation diagrams of all gas pipelines above the sea level, maximum limit of capacities and pressure, and average allowable operating pressure / specifications of compressor ... etc.);
3. Geographic map in format shape file of all gas pipelines of the gas transmission system showing the geographic battery limit for activity of interest practicing (in this case transmission system operator activity), all points of entry and exit, the compressor station(s), the valves and any other points connected to the gas Transmission System;
4. A gas hydraulic modeling (MDB format) of all gas pipelines of the gas transmission system of the offline gas simulator software platform/program showing the geographic battery limit for activity of interest practicing (in this case transmission system operator activity), all points of entry and exit to the gas transmission system , the compressor station(s), the valves, any other point connected to the gas transmission system, the elevation diagrams of gas pipelines above the sea level, and the inner and outer diameter of gas pipeline (dump of full hydraulic model database);
5. A Gas hydraulic modeling (MDB format) of all gas pipelines of the gas transmission system of the online gas simulator software platform / program showing the geographic battery limit for activity of interest practicing (in this case transmission system operator activity), all points of entry and exit to the gas transmission system, the compressor station (s), the valves, any other point connected to the gas transmission system, the elevation diagrams of gas pipelines above the sea level, and the inner and outer diameter of gas lines.

6. network code of the gas transmission system;
7. The lease documents / ownership / concession /title deed of the gas transmission system / the operation and maintenance contract of the gas transmission system concluded between the grid/network operator and grid/network owner of the gas transmission System;
8. The technical plan and procedures applicable to connect to the SCADA systems of distribution operation companies(if available at distribution companies), provided that it shall include at least the data, information, procedures and work flow structures of functional operations and activities to exchange the operational data, control command orders, pressures status, flow quantities/ volumes / flow rate of gas, status of valves which connect the two systems through and under regulation of the control command philosophy in addition to the calculations of technical balance of both systems (gas transmission system operator and gas distributor system operator) ... etc.;
9. The procedures / methodology / reports used to monitor shipper(s) to ensure their compliance with the usage of the network code of the gas transmission system. A proposal of key performance indicators standards used by operator to comply with provided services quality control and management procedures in accordance with licensing requirements, the transmission network code and the attached technical documents;
10. The manual / plan / policy of operation and maintenance of the gas transmission system;
11. A detailed technical plan regarding development and execution of implementation of any project(s) related to the monitoring, operation and control of the gas transmission system for three (3) years that should include at least (gas pipelines, SCADA systems, Simulation Software platforms/programs ,operation and maintenance management software), provided that the plan shall include the objectives of development/ expansion, justifications of development, technical feasibility of development, initial timeline/time schedule of implementation project , expected implementation and execution phases /stages, technical outcomes and functional operating benefits of implementing the projects which targeting the development of the operation of the gas transmission system , allow development of existing and/or new and/or incremental expanded capacities, improve the quality of provided services and development of standardized metering and measurements , in addition to the full details of other relevant

projects under implementation (work break down structure, project execution plan);

12. A document of shippers registered with the gas transmission system operator showing their detailed data (name, total monthly quantities in cubic meters and BTU and BASE conditions for entry and exit points of the gas transmission system in accordance with the shipping contracts concluded with the gas network transporter along with copies of contracts ... etc.);
13. A document containing the detailed data, workflows, procedures, activities, breakdown and structures of the components and elements of operation and maintenance system () showing in details all technical items included in the operational process of the gas transmission system;
14. The policy / plan of connecting the consumers to the gas transmission system network;
15. The policy / plan of connecting the consumers and connecting the valve rooms to the SCADA System and gas hydraulic modeling and Simulation Software;
16. The details of customer service system / policy; and
17. Fulfillment of attached technical forms with the detailed technical and operational data of the activity electronically (Excel Sheet – Forms (12), (15) and (16)).

B. Technical Prerequisites of Distribution System Operator License:

1. A list of all points of entry and exit of the gas distribution System along with its all specifications (the minimum and maximum limit of capacities and pressure / average allowable operating pressure, total withdrawn volumetric quantity of gas in addition to the calorific value and heat content of the withdrawn gas quantity at each exit point.
 2. A list of all gas pipelines and breakdown of gas distribution system components to be operated along with its all specifications (the specifications of gas pipelines such as the inner and outer diameter, length, elevation diagrams of all gas pipelines above the sea level, maximum limit of capacities and pressure, and average allowable operating pressure ... etc.);
 3. Geographic map in format shape file of all gas pipelines of the gas distribution System showing the geographic battery limit for activity of interest practicing (in this case distribution system operator activity) , entry and exit points, the valves and any other points connected to the gas distribution System;
 4. A gas hydraulic modeling (MDB format) of all gas pipelines of the gas distribution System of the offline gas simulator software platform /program showing the geographic battery limit for activity of interest practicing (in this case distribution
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system operator activity), all entry and exit points to the gas distribution system, the valves, any other point connected to the gas distribution System operator, the elevation diagrams of gas pipelines above the sea level, and the inner and outer diameter of gas pipeline (dump of full hydraulic model database);

5. Network code of the gas distribution System
6. The lease documents / ownership / concession /title deed of the gas distribution System / the operation and maintenance contract of the gas distribution System concluded between the network operator and network owner of the gas distribution System;
7. The technical plan and procedures applicable to develop and implement SCADA systems for the distribution system in addition to the gas hydraulic modeling and simulation software system (offline for distribution network).
8. The procedures / methodology / reports used to monitor shipper(s) to ensure their compliance with the usage of the network code of the gas distribution System (to be applicable as an active operating document after approval of the gas distribution network code).
9. A proposal of key performance indicators standards used by distribution operator to comply with provided services quality control and management procedures in accordance with licensing requirements, the distribution network code and the attached technical documents;
10. The manual / plan / policy of operation and maintenance of the gas distribution system;
11. A detailed technical plan regarding development and execution of / implementation of any project(s) related to the monitoring, operation and control of the gas distribution system for three (3) years that should include at least (gas pipelines, SCADA systems, Simulation Software platforms/programs ,operation and maintenance management software), provided that the plan shall include the objectives of development/ expansion, justifications of development, technical feasibility of development, initial timeline/time schedule of implementation project , expected implementation and execution phases /stages, technical outcomes and functional operating benefits of implementing the projects which targeting the development of the operation of the gas distribution system , allow development of existing and/or new and/or incremental expanded capacities, improve the quality of provided services and development of standardized metering and measurements , in addition to the full details of other relevant projects under implementation (work break down structure, project execution plan);

12. A document of shippers registered with the gas distribution system operator showing their detailed data (name, total monthly quantities in cubic meters and BTU and base conditions for entry and exit points of the gas distribution system in accordance with the shipping contracts concluded with the gas network distributor along with copies of contracts ... etc.);
13. A document containing the detailed data, workflows, procedures, activities, breakdown and structures of the components and elements of operation and maintenance system showing in details all technical items included in the operational process of the gas distribution system;
14. The policy / plan of connecting the consumers to the gas distribution system network;
15. The policy / plan of connecting the consumers and connecting the valve rooms to the SCADA System and gas hydraulic modeling and Simulation Software;
16. The details of customer service system / policy; and
17. Fulfillment of attached technical forms with the detailed technical and operational data of the activity electronically (Excel Sheet – Forms (12), (15) and (16)).

C. Technical Prerequisites of Gas Shipper License:

A statement proving the technical competence to implement prerequisites of shipping license for which the applicant applied, provided that it shall include a description of the applicant, current operations, operations carried out in the field of shipping, previous work experience, its administrative methodology, procedures including operations workflow for the implementation of similar works in other regional or international geographic places and scopes or evidence on initial contracting with companies having previous experience in this field, the certificates of experience of the owner, business plans, and other items or information that prove technical and administrative competence and eligibility such as, but not limited to, technical implementation of gas shipping works through “FSRU” floating regasification units or introduction of gas through marine or land pipelines from regional or international institutions subject to controls such as EU controls or otherwise as well as actual introduction and shipping of gas from marine or land production fields “onshore, offshore “or otherwise;

1. The geographic battery limit of scope of activity practicing;
2. The expected consumers;
3. The expected suppliers / shippers;
4. The quantity and specifications of the gas expected to be supplied / shipped by the transmission and distribution systems;

5. The plan expected to be implemented to comply with the network codes of operator systems of Gas networks and facilities;
6. The systems, procedures, methodologies, software and other relevant issues to achieve commercial balancing portfolio;

D. Technical Prerequisites of Gas Supplier License:

A statement proving the technical competence and eligibility to implement prerequisites of supplier license for which the applicant applied, provided that it shall include a description of the applicant, current operations, operations carried out in the field of supply, previous work experience, its administrative methodology, procedures including operations work flow for the implementation of similar works in other regional or international geographic places and scopes or evidence on initial contracting with companies having previous experience in this field, the certificates of experience of the owner, business plans, and other items or information that prove technical and administrative competence such as, but not limited to, technical implementation of gas supply works to the end user \ customer;

1. The geographic battery limit of scope of activity practicing;
2. The expected consumers;
3. The expected shippers;
4. The quantity and specifications of the gas expected to be supplied.

Safety and Sustainability Prerequisites

The Prerequisites regarding Integrated Management Systems (IMS) for “occupational safety and health, environment protection, quality, energy efficiency and assets management” and Process Safety Management Systems (PSM) that shall be met and fulfilled in order to complete the procedures for obtaining licenses are as follows:

A. Safety and Sustainability Prerequisites of Gas Transmission System Operator license:

First: Prerequisites of Integrated Management Systems (IMS) for “Occupational Safety and Health, Environment Protection, Quality, Energy Efficiency and Assets Management”:

Submission of copy of international ISO Certificates approved by any of the entities granting each of the following:

1. Certificate of Occupational Safety and Health Management System (ISO 45001:2018);
2. Certificate of Environment Management System (ISO 14001:2015);
3. Certificate of Quality Management System (ISO 9001:2015);
4. Certificate of Energy Efficiency Management System (ISO 50001:2018); and
5. Certificate of Assets Management System (ISO 55001:2014).

provided that the reference for Integrated Management Systems applicable in the company for risk management shall be the Guide (ISO 31000:2018).

"In case a company does not obtain one or more of the aforementioned certificates, the company must submit an implementation plan to comply with the requirements of the certificates and obtain them under the most recent issuance thereof within (18)months from the date of submission and provide a true copy of the certificates."

Second: Prerequisites of Process Safety Management Systems (PSM):

Submission of a report on how to implement Process Safety Management System according to any of the following Guides or their equivalent, whichever is newer, in accordance with the clauses stated in Guideline for Process Safety Management Elements attached in the Form (10):

1. Risk Based Process Safety from Center for Chemical Process Safety (RBPS-CCPS);
OR
2. Energy Institute Process Safety Management (EI-PSM).

Provision of a copy of the following documents:

1. Integrated Management Policy (IMS Policy) approved by the chairman \ managing director \ CEO;
 2. Process Safety Management Policy (PSM Policy) approved by the chairman \ managing director \ CEO;
 3. The last three reports of the company's committees of occupational safety and health, environment protection, quality, energy efficiency, assets management and process safety held under the presidency of senior management of the company;
 4. The last report of external audit on Integrated Management Systems conducted by the entity granting ISO certificates;
 5. Recent audit report (in which the date of issuance is less than 10 months) issued by an independent entity to assess the Process Safety Management System according to the requirements of (RBPS-CCPS) or (EI-PSM) or their equivalent;
 6. The last annual Management Review Report regarding Integrated Management Systems (IMS) "occupational safety and health, environment protection, quality, energy efficiency and assets management" and Process Safety Management Systems (PSM) pointing out:
 - Performance measurement indicators for Integrated Management Systems and Process Safety Management Systems;
 - Status of long-term objectives and annual targets of Integrated Management Systems and Process Safety Management Systems in the company;
 - Status of complaints filed by stakeholders regarding (quality of provided service or product – occupational safety and health – emissions – noise – accidents and injuries ... etc.);
 - Statistics of accidents and injuries in the company; and
 - Proposals for performance improvement opportunities.
 7. Operational emergency plan of the transmission system operator that reflects operational requirements and technical requirements of the process and service according to the requirements of operation code of transmission system;
 8. Record of existing and potential risks related to the company activity \ risk assessment procedures \ systems adopted by management to control risk;
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9. General framework and executive guide for Process Safety Management System in the company, provided that it shall be a complementary part to operation code of Gas transmission system;
10. Record of potential emergency and crisis scenarios according to the nature of company activity \ procedures for readiness and responding to emergencies and crises, provided that it shall be a complementary part to operation code of transmission system operator ;
11. Procedures of recording \ reporting \ investigation in accidents \ disseminating learned lessons, provided that it shall be a complementary part to operation code of transmission system operator;
12. The environmental record showing the status of compliance with environmental requirements in accordance with the requirements of Egyptian environmental law, executive regulations and recommendations of Environmental Affairs Agency on the components of existing activity, carried out projects and current projects; and
13. A copy of last biannual report showing total statistics of accidents and injuries in the company that has been sent to labor office of Ministry of Labor.

B. Safety and Sustainability Prerequisites for Gas Distribution System Operator License:

First: Prerequisites of Integrated Management Systems (IMS) for “Occupational Safety and Health, Environment Protection, Quality, Energy Efficiency and Assets Management”:

Submission of copy of international ISO Certificates approved by any of the entities granting each of the following:

1. Certificate of Occupational Safety and Health Management System (ISO 45001:2018);
2. Certificate of Environment Management System (ISO 14001:2015);
3. Certificate of Quality Management System (ISO 9001:2015);
4. Certificate of Energy Efficiency Management System (ISO 50001:2018); and
5. Certificate of Assets Management System (ISO 55001:2014).

provided that the reference for Integrated Management Systems applicable in the company for risk management shall be the Guide (ISO 31000:2018).

"In case if a company does not obtain one or more of the aforementioned certificates, the company must submit an implementation plan to comply with the requirements

of the certificates and obtain it under the most recent issuance thereof within 18 months from the date of submission and provide a true copy of the certificates."

Second: Prerequisites of Process Safety Management Systems (PSM):

Submission of a report on how to implement Process Safety Management System according to any of the following Guides or their equivalent, whichever is newer, in accordance with the clauses stated in Guideline for Processes Safety Management Elements attached in the Form (10):

Risk Based Process Safety from Center for Chemical Process Safety (RBPS-CCPS); or

1. Energy Institute Process Safety Management (EI-PSM).

Provision of a copy of the following documents:

1. Integrated Management Policy (IMS Policy) approved by the chairman \ managing director \ CEO;
 2. Process Safety Management Policy (PSM Policy) approved by the chairman \ managing director \ CEO;
 3. The last (3) three reports of the company's committees of occupational safety and health, environment protection, quality, energy efficiency, assets management and process safety held under the presidency of senior management of the company;
 4. The last report of external audit on Integrated Management Systems conducted by the entity granting ISO certificates;
 5. Recent audit report (in which the date of issuance is less than 10 month) issued by an independent entity to assess the Process Safety Management System according to the requirements of (RBPS-CCPS) or (EI-PSM) or their equivalent;
 6. The last annual Management Review Report regarding Integrated Management Systems (IMS) "occupational safety and health, environment protection, quality, energy efficiency and assets management" and Process Safety Management Systems (PSM) pointing out:
 - Performance measurement indicators for Integrated Management Systems and Process Safety Management Systems;
 - Status of long-term objectives and annual targets of Integrated Management Systems and Process Safety Management Systems in the company;
 - Status of complaints filed by stakeholders regarding (quality of provided service or product – occupational safety and health – emissions – noise – accidents and injuries ... etc.);
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- Statistics of accidents and injuries in the company; and
 - Proposals for performance improvement opportunities.
7. Operational emergency plan of Gas Transmission System that reflects operational requirements and technical requirements of the process and service according to the requirements of operation code of Gas distribution system;
 8. Record of existing and potential risks related to the company activity \ risk assessment procedures \ systems adopted by management to control risk;
 9. General framework and executive guide for Process Safety Management System in the company, provided that it shall be a complementary part to the operation code of distribution system;
 10. Record of potential emergency and crisis scenarios according to the nature of company activity \ procedures for readiness and responding to emergencies and crises, provided that it shall be a complementary part to the operation code of Gas distribution system;
 11. Procedures of recording \ reporting \ investigation in accidents \ disseminating learned lessons, provided that it shall be a complementary part to the operation code of Gas distribution system;
 12. The environmental record showing the status of compliance with environmental requirements in accordance with the requirements of Egyptian environmental law, executive regulations and recommendations of Environmental Affairs Agency on the components of the existing activity, carried out projects and current projects; and
 13. A copy of last biannual report showing total statistics of accidents and injuries in the company that has been sent to labor office of Ministry of Labor.

C. Safety and Sustainability Prerequisites for Gas Shipper License:

The Safety and Sustainability Prerequisites in gas shipper activity shall determine the entry points in any of the following gas facilities systems: (Gas treatment plants of the production companies – gas extraction plants – floating storage regasification unit (FSRU) – transnational gas lines).

In the context of the GasReg's keenness on the safe and sustainable supply of gases through the gas network and facilities of entry points, the prevention of major accidents (Major Accident Hazards), limiting the consequences and impacts resulting from these accidents, and ensuring that there is no deviation from the limits of the safe operations of all the equipment and systems for both Gas shipper facilities and the gas transmission network.

Therefore, you must inform us of a copy of the safety case study for all entry points (facilities) through which the gas is shipped, which is carried out in accordance with Technical Manual for Preparation Procedures of Safety Case Study \ Guidance Manual for Implementation Scope of Safety Case Study, issued by the Egyptian General Petroleum Corporation (EGPC) and their updates, provided that the study clarifies that the facilities through which gas is shipped to the transmission network operate within the limits of ALARP "As Low as Reasonably Practicable" established by the (EGPC).

Financial and Economic Prerequisites

These Financial and Economic Prerequisites shall determine all controls, rules, documents and data to be met and fulfilled and the financial obligations to be paid in order to complete the procedures for obtaining license, provided that the interpretation of any thereof shall be the responsibility of the GasReg's economic affairs department:

Accordingly, the license applicant shall submit the following:

1. Evidence of the payment of determined administrative expenses and the initial bond upon applying for a license (a receipt of deposit / transfer showing the number, date and value of transaction);
2. A copy of the company's approved financial statements (budget, income statement and cash flow statement) attached to it the auditor's report and all the accompanying explanations, provided that it covers a maximum of five recent and consecutive years according to the date of creation);
3. The previous annual reports of the company (for at least five years);
4. The detailed estimated financial budget for the current year and the following year, provided that the company shall submit a separate budget for each activity for which the company has applied to obtain a license;
5. An independent economic and financial study for each activity of which a license is required (in case of practicing a service activity) showing the operation cost of networks or facilities, a proposal for the usage tariff and the expected revenues along with the bases used in calculations and their justifications in details;
6. A financial and economic feasibility study – according to the accepted general standards – for the development and expansion projects expected to be implemented for the Gas networks and facilities in case of practicing a service activity (for at least three years);
7. A statement of current \ expected customers for each activity for which a license including the type of customer, geographic location, traded gas quantity and contracting date (non-inclusive of residential customers, which shall be replaced by total customers according to geographic regions);
8. Sources of financing the company's activities as follows:

- A plan for the expected sources of finance for the activity in case of granting a license (for at least three years);
 - The sources of finance previously used by the company (for five years).
9. The marketing plan for the company, including but not limited to, (the expected market size, the percentages of competitors' acquisition, the market size expected to be acquired by the company, strategic marketing plan, the company's prospective or targeted customers... etc.);
 10. The company's business plan for the regulated activity (for following three years);
 11. Evidence of paying the license's issuance fees (a receipt of deposit / transfer includes the number, date and value of transaction) and the performance guarantee upon being notified of the approval of it's license application;
 12. A detailed statement of the Gas network system (Gas transmission \Gas distribution and other) including pipelines, facilities and all components, provided that it shall include the operating date and book value of each asset and the nature of the site;
 13. A detailed report of the company's policy and procedures to protect consumers \ clients and maintain the confidentiality of information;
 14. A report explaining the company's policy when contracting to obtain any assets or services;
 15. A report explaining the company's invoicing policies, the mechanism of collecting the invoices, and settling any disputes related to it, accompanied by a form for the issued invoices for each service;
 16. A report explaining the company's policies for managing and securing the financial and economic risks that it may face during the performance of the activity; and
 17. In case of not applying the accounting and administrative unbundling between the regulated activities, a detailed plan of the company's proposal to achieve the required unbundling, mechanism of implementation and the required timeline shall be submitted.

The license applicant shall:

1. Fulfill all established financial obligations prior to obtaining the license from the GasReg and the issuance of the validity certificate provided that all such obligations shall be deposited in / transferred to the GasReg account in the consolidated treasury account at the Central Bank no. (9300695501);
2. Pay the costs of publication of all Gasreg's decisions related to the license in the Egyptian official gazette as determined by the gazette at the publication date;

3. Pay the administrative expenses and necessary fees in case of applying for amending it's license, determined by the GasReg according to the size and type of required amendment; and
4. Pay for the works and services carried out by the GasReg according to such principles and standards and at such dates determined by the GasReg.