Law for Gas Market Activities Regulation

Issued With No. 196 of year 2017
law no. 196 of year 2017 issuing the law for gas market activities regulation " on behalf of the people The president of the Republic The Parliament- authorized the law stating the following

Article I
the attached law provisions applies to the regulation of gas market activities and does not apply to petroleum concession agreements issued by virtue of a law the provisions of the attached law shall be without prejudice to law no. 20 of year 1976 issued for the establishment of the Egyptian General Petroleum Corporation.

Article II
the prime minister shall issue the executive regulations of the attached law within six months from the effective date of the attached law. All entities practicing gas-market activities on such date, shall be required, once the executive regulations are issued, to submit a request to the gas regulatory authority in order to obtain licenses for the gas activities they are practicing. such entities shall be required to adapt their situation pursuant the law provisions within one year from the date of issuance of the executive regulations, unless otherwise further periods are stated by the law provisions.

Article III:
the vertically integrated entities existing on the effective date of the law, shall be required to adapt their situation, in accordance with articles (43, 44, 45), during a period of 5 years starting from the date of issuance of the executive regulations and such period may be extended once for further 3 years by a board of directors decision of the GasReg approved by the majority of its members.

Article IV:
this law shall be published in the Egyptian gazette,
for the purpose of this law, the terms shown below shall be used with the following meanings:

**ministry:** is the ministry of petroleum and mineral resources;

**competent minister:** means the minister of petroleum and mineral resources

**petroleum sector:** means the following entities: the ministry of petroleum, the Egyptian General Petroleum Corporation, the Egyptian Natural Gas Holding company, Egyptian Petrochemicals Holding Company and Ganoub El-Wadi Petroleum Holding Company and their affiliates in addition to the companies whose activities are subject to the control of those entities, and the companies to the capital thereof those entities contribute.

**GasReg:** means the Gas Regulatory Authority established pursuant to article no. (2) of this law

**Natural Gas:** a mixture of hydrocarbons and non-hydrocarbon components and which exists in gaseous
state in standard conditions including associated gas, shale gas and gas produced from biomass (biogas) whether in its gaseous state, liquefied or compressed after processing and extracting any commercial derivatives (condensate, lpg, commercial propane considering the national grid specifications, ethane/propane mixture) in accordance with the national grid specifications. natural gas is considered a commercial commodity.

<table>
<thead>
<tr>
<th>English</th>
<th>Arabic</th>
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<tbody>
<tr>
<td>Gas Market means the market in which gas market activities are practiced and take place.</td>
<td>سوق الغاز هو السوق الذي يمارس فيه النشاطات的商品anian للغاز داخل جمهورية مصر العربية.</td>
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<tr>
<td>Gas Market Activities means the activities of gas shipping, transmission, distribution, storage, supply, marketing, trading and any activities related thereto.</td>
<td>أنشطة سوق الغاز هي الأنشطة ذات صلة بشحن ونقل وتفريغ وتقديم وتسويق وتجارة الغاز.</td>
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<td>Gas market parties means every legal entity licensed to practice any of the gas market activities.</td>
<td>أطراف سوق الغاز هي كل كيان قانوني يُرخص له بمزاولة أحد أنشطة سوق الغاز.</td>
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<td>Gas market participants means gas market parties in addition to eligible consumers and non-eligible consumers.</td>
<td>المشاركون في سوق الغاز بالإضافة إلى المستهلكين المؤهلين وغير المؤهلين.</td>
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<td>vertically integrated entity: is a legal entity performing more than one gas market activity.</td>
<td>جهة متكاملة هي كل كيان قانوني يمارس أكثر من نشاط من أنشطة سوق الغاز.</td>
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<td>liquefied natural gas (hereinafter LNG)is natural gas that has been sub cooled to – 259 Fahrenheit (-161 degrees Celsius) where it is condensed and converted to a colorless and odorless, non-toxic and non-corrosive cryogenic liquid</td>
<td>الغاز المسال (الغاز الطبيعي) هو غاز تم تبريده إلى درجة حرارة سالب 259 درجة فهرنهايت (-161 درجة مئوية)، حيث يتم تكثيفه وتحويله إلى غاز ماسال غير منشور، غير مصاحب ولا صدري.</td>
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<td>NG activities refer to both liquefaction and regasification activities, including ancillary services.</td>
<td>أنشطة الغاز المسال هي أنشطة إسالة الغاز وإعادة التغييز والخدمات التابعة له.</td>
</tr>
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<td>LNG facility means a facility used for the gas liquefaction or export or gas offloading or re-liquefaction.</td>
<td>تسهيلات الغاز المسال: المعدات المخصصة للإسالة أو التخليص أو الخروج أو إعادة الإسالة.</td>
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<td>English</td>
<td>Arabic</td>
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<tr>
<td>Gasification of LNG, including ancillary services and storage necessary for the regasification process and subsequent delivery to the transmission system.</td>
<td>تسهيلات تستخدم لإعادة الغاز، أو تغنيه، أو إعادة تغييزه بها في ذلك الخدمات التابعة والتخزين المؤقت لعملية إعادة التغييز، مما يمنع ذلك من تسليمه لشبكة النقل.</td>
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<td>Regasification means a process by which LNG is returned to its gaseous state.</td>
<td>إعادة التغييز عملية يتم فيها تحويل الغاز المسال إلى صورته الغازية مرة أخرى.</td>
</tr>
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<td>Gas storage means retaining gas quantities in storage tanks or tankers including injection and withdrawal activities in case of underground storage.</td>
<td>تخزين الغاز كميات من الغاز في حاويات أو مستودعات، وتعد أنشطة حقن الغاز في حاويات جوفية وسحبه للاستخدام ضمن نشاط التخزين.</td>
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<td>Storage facility means underground or inland tanks used for the storing of gas depending on its state (liquefied and/or compressed) those facilities do not include the ones used in production operations nor those used by transmission system operators.</td>
<td>تسهيلات التخزين حاويات أو مستودعات تحت الأرض أو في الأراضي، أو حقوقها تستخدم لتخزين الغاز وتخزين كميات من الغاز في حالات أو مستودعات، وتعد أنشطة حقن وسحب الغاز في حاويات جوفية وسحبه للاستخدام ضمن نشاط التخزين.</td>
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<td>gas transmission means the transport of natural gas throughout the transmission system or any other way approved by the GasReg</td>
<td>نقل الغاز نقل الغاز من خلال منظومة نقل الغاز، أو من خلال أي طريق آخر يفرقوه الجهاز.</td>
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<td>Transmission system means the Egyptian natural gas national grid composed of high-pressure pipelines and (including compression and metering stations and any other ancillary facilities) which transport natural gas within the Arab Republic of Egypt.</td>
<td>منظومة نقل الغاز الشبكة القومية لخطوط أنابيب ذات ضغط عالي شاملة محطات الضغط ومعدات وأجهزة القياس والتنقية وغيرها، و يتم من خلالها نقل الغاز الطبيعي داخل جمهورية مصر العربية.</td>
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<td>Transmission System Operator (TSO) means any legal entity that is licensed to manage and to operate the transmission system.</td>
<td>مشغل منظومة نقل الغاز كل كيان قانوني مرخص له القيام بإدارة وتشغيل منظومة نقل الغاز.</td>
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<td>Transmission System code is a set of unified rules constituting the technical and commercial terms for the use of the transmission system.</td>
<td>كود استخدام منظومة نقل الغاز مجموعة القواعد الموحدة التي تشكل أسس العلاقة الفنية والتجارية لاستخدام منظومة نقل الغاز.</td>
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<td>Gas distribution means the delivery of natural gas to consumers through the distribution systems.</td>
<td>توزيع الغاز توزيع الغاز للمستهلك بعد نقله من خلال منظومة توزيع الغاز.</td>
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<td>Gas distribution system is a system consisting of medium or low pressure pipelines, starting from an entry point to the distribution system and ending in a delivery point to the consumer, including pressure reduction stations, metering stations, filters any other ancillary facilities</td>
<td>شبكة خطوط أنابيب منخفضة أو متوسطة الضغط، بدأ من نقطة دخول إلى نقطة توزيع وصولاً إلى نقطة التسليم للمستهلك، بالإضافة إلى كل ما يتعلق بها من محطات تخفيض الضغط ومعدات وأجهزة القياس والتنقية وغيرها.</td>
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<td>Distribution system operator (DSO)</td>
<td>كل كيان قانوني مرخص لإدارة وتشغيل منظومة توزيع الغاز.</td>
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<tr>
<td>Distribution System code is a set of unified rules, constituting the technical and commercial terms for the use of the distribution system.</td>
<td>استخدام منظومة توزيع الغاز لتشغيل منظومة توزيع الغاز</td>
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<td>Gas storage facilities operator means any legal entity that is licensed to manage and to operate gas storage facilities.</td>
<td>كل كيان قانوني مرخص لإدارة وتشغيل تسهيلات تخزين الغاز.</td>
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<td>Gas regasification facilities operator means any legal entity that is licensed to manage and to operate gas regasification facilities.</td>
<td>كل كيان قانوني مرخص لإدارة وتشغيل تسهيلات إعادة التغييز</td>
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<td>shipper means any legal entity licensed to contractually arrange with gas networks and facilities operators for the use of networks and facilities subject to third party access</td>
<td>شاحن الغاز</td>
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<tr>
<td>Supplier means any legal entity licensed sell his own gas or gas owned by others to the consumers or to other suppliers according to the gradual gas market liberalization plan.</td>
<td>مورد الغاز</td>
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<td>Gas sale means a commercial transaction whereby quantities of natural gas are sold against a price agreed upon between the parties of the gas sale contract.</td>
<td>بيع الغاز</td>
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<td>non-eligible consumer means a consumer supplied by natural gas in accordance with the price set by the cabinet of minister</td>
<td>المستهلك غير المؤهل</td>
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<tr>
<td>Eligible consumer means a consumer who is supplied by gas from a supplier of his own choice and at a price agreed upon between such consumer and such supplier.</td>
<td>المستهلك المؤهل</td>
</tr>
<tr>
<td>Gas quality specifications refer to composition and calorific value of natural gas produced, transported and delivered in accordance with the natural gas pressure and temperature specified in transmission System code and distribution System code.</td>
<td>معايير المواصفات الفنية وجودة الغاز</td>
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<tr>
<td><strong>Part II</strong></td>
<td><strong>Gas Market Activities Regulation</strong></td>
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<td><strong>Section 1:</strong></td>
<td><strong>GasReg</strong></td>
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**Article (2)**
A legal body shall be incorporated as a public authority having legal personality and shall be called the "GasReg". GasReg shall be subordinated to the Competent Minister. GasReg’s headquarter shall be located in Cairo and GasReg branches or offices may be established in the Arab Republic of Egypt pursuant to a decision of the GasReg board of directors.

**Article (3)**
The GasReg shall regulate, monitor and supervise everything related to the Gas Market Activities as stated in this Law in order to ensure the availability of Natural Gas, to ensure the third party access and to guarantee the quality of services provided, taking into account the interests of all Gas Market participants.
Participants in the Gas Market and the protection of consumers’ rights. GasReg aims in particular to attract and encourage investments in the field of Gas Market Activities, to create a convenient environment for free competition in order to avoid monopolistic practices in the field of Gas Market Activities. GasReg shall, as well, provide consumers and Gas Market Participants with information, reports and recommendations and shall ensure the optimal use of Gas Facilities.

**Article (4)**

The GasReg shall exercise all powers necessary to achieve its objectives including without limitation setting development and business plans, work programs and management rules and techniques that will enable the GasReg to perform its functions, including in particular the following:

1. Regulating relations among Gas Market Participants in accordance with the laws, decrees and regulations in force in the Arab Republic of Egypt.

2. Issuance, modification, renewal, suspension, cancelation of licenses needed to carry out Gas Market Activities and identifying the general liabilities and requirements by which the licensees shall adhere after fulfillment of all the necessary requirements and obtaining the necessary approvals.

3. Approving the Gas Facilities codes after consultation with their operators.

4. Approving the gas transmission code for transmitting gas through any way or facility other than the gas transmission facilities and setting the tariff calculation there to methodology.

5. Preparing the necessary rules to allow the licensees to gain access to and use the Transmission System and Distribution System without discrimination.


7. Setting the methodologies for the calculation of tariffs for Gas facilities, and monitoring such tariff application taking into account the interests of all Gas Market Participants.

ka يهدف على وجه الخصوص إلى جذب وتشجيع الاستثمارات في مجال أنشطة سوق الغاز وتهيئة المناخ المناسب لتحقيق حرية المنافسة و الوصول إلى السوق التنافسي والعمل على تلافي الممارسات الاحتكارية في مجال أنشطة سوق الغاز وتوفير المعلومات والتقارير والتصورات المستقلة والمشاركين بسوق الغاز، وذلك من استخدام الأدلة البلينية الأساسية للشبكات والتسهيلات.

**مادة 4**

بباشر الجهاز جميع الإقتطاعات اللازمة لتحقيق أهدافه من خلال وضع الخطط وبرامج العمل وقواعد الإدارات التي تمكنه من أداء المهام المنوط بها وله على الأخص ما يأتي:

1. تنظيم العلاقات بين المشاركين في سوق الغاز وفقاً لأحكام القانون.

2. وضع معايير تنفّذ أنشطةسوق الغاز وتحقيقها و órgãoها وتلبية الأسماع العام التي يلتزم به المرخص لهم، وذلك بعد استيفاءهم كافة الإستراحات والمواقعات اللازمة.

3. إقرار أكواد استخدام الشبكات والتسهيلات بعد التشاور مع مشغليها.

4. إقرار أكواد نقل الغاز بأية طريقة أخرى خلاف منظومة نقل الغاز ووضع آليات حساب تعريفة الاستخدام الخاصة به.

5. إعداد قواعد السماح للمستخدمين باستخدام الشبكات والتسهيلات دون تمييز.

6. مراجعة الخطط الاستمارة الخاصة بالشبكات والتسهيلات.

7. وضع آلية حساب تعريفة استخدام الشبكات والتسهيلات مع مراقبة تطبيقها، بما يراعي مصالح جميع المشاركين في سوق الغاز.

8. إقرار ضوابط تعديلات أنشطة نقل وتوزيع وتاريخ الغاز وإعادة التغليف وتعديلات توقيف المشاركين الموظفين.

9. متاحة الجهات المرخص لها فيما يشترط من أنشطة سوق الغاز ومرافق تقييم أدائها بصورة دقيقة ووضوحية سوق الغاز.

10. وضع الضوابط اللازمة لتحديد الأنشطة من جانب الجهات المختلفة المشتركة في سوق الغاز والتي تقلل المنافسة المشرقة على أنه تكون مرجعية التقييم لجهات بما يحقق مصالح المشاركين ولا يخلف قانون حماية المنافسة ومنع الممارسات الاحتكارية.

11. الاطلاع على المستندات والمعلومات المتعلقة بمساحة سوق الغاز فيما يخص التراخيص، ووضع وإصدار آلية محددة للحصول على المعلومات التي تضم قمة ولاية تطبيق أحكام السوق.

12. إعداد الدوامات الفنية والتقديرات، وتحقيق تجمع الغاز للملوك، غير الموظفين بالإضافة إلى الجهات المعنية في إطار من المساحة والعملية، وتشجيع الهوية ودعمها من مجلس الوزراء.

13. إقرار معايير تحديد المستسلمون الموظفين.

14. بحث الشكاوى المقدمه للجهات الفنية للمشاركين في سوق الغاز، وعمل على حلها وفقاً لموجهة التصويب التي تحتدها اللائحة التنفيذية.

15. اتاحة المعلومات والتقارير والتصورات للمشاركين في سوق الغاز لمعرفة حقوقهم والتزاماتهم.

16. تقديم خدمات الاستشارات الفنية والتصورات المتعلقة بسوق الغاز.
8. approving the contractual terms and conditions for the activities of Gas Transmission, Gas Distribution, Gas Storage and Regasification as well as for the Gas supply standard contracts to the Eligible Consumers.

9. following-up and monitoring licensees in practicing the Gas Market Activities in order to regularly evaluate their performance, according to the Gas Market regulations.

10. Setting Gas Market Activities unbundling rules that apply to the Gas Market Participants to ensure fair competition provided that GasReg shall evaluate the unbundling process taking into account the interests of all Gas Market Participants, and in compliance with law for competition and prevention of monopolistic practices.

11. Accessing documents and information relating to the Gas Market Activities with respect to the license, and the development and issuance of specific mechanisms to acquire necessary information in order to ensure the accuracy and integrity of regulation process for Gas Market Activities.

12. Preparation of technical studies and proposing the prices of gas sale to Non-Eligible Consumers in coordination with the concerned parties within an equal, fair and transparent framework then send such studies and prices to the Cabinet of Ministers for ratification.

13. Proposing the criteria for Eligible Consumers identification.

14. Handling the complaints submitted by Gas Market Participants to GasReg and using endeavors to settle such complaints in accordance with the provisions of the Executive Regulations.

15. Availing information, reports and recommendations Gas Market Participants, so that they can discern to their rights and obligations.


17. Ensuring that the Gas market activities are carried out in a transparent and competitive manner taking into account the interests of all Gas Market Participants.
18. Participating in the preparation of draft laws and decisions related to the Gas Market Activities and presenting such to the Competent Minister to ensure that no discrepancies or damage would affect the objectives of the regulation of the Gas Market Activities.

19- Identifying the Suppliers of Last Resort.

20- Making, and updating from time to time when necessary, a standard contract model for gas sale to eligible consumers

GasReg shall submit to the Competent Minister periodic reports for its activities during the fiscal year stating any evolution that occurred in the Gas Market, in addition to a financial report at the end of the fiscal year as illustrated in the Executive Regulations.

GaReg shall send its activities annual report, after being approved by the Prime Minister, to the parliament concerned committee.

Article (5)

GasReg shall be managed by a board of directors headed by the Competent Minister and composed of the following members:
1. The Chief Executive Officer (CEO) of GasReg who shall be selected from the Petroleum Sector.
2. Three members representing entities from the Petroleum Sector carrying out Gas Market Activities.
3. The chairman of Egyptian competition Authority or whom he has nominated.
4. Two independent members, other than Gas Market Parties, with expertise in the technical or economic or legal fields or from civil society organizations.
5. The Chairman of Federation Of Egyptian Industries or whom he has nominated.

The members of the board of directors of the GasReg shall be appointed for a period of three years, extendable for one additional three years period.

Members of the board of directors shall be persons with experience and high efficiency and good reputation and having Egyptian nationality. A decree
issued by the Prime Minister shall specify the remuneration and attendance incentives of all members of the board of directors. The board of directors may form, from among its members, one or more committee entrusted with certain tasks necessary to carry out this Law. The board of directors or its chairman may delegate certain authorized powers to the Chief Executive Officer of GasReg.

Article (6)

GasReg the board of directors is considered the competent authority managing the conduct of GasReg, and is entitled to take the decisions it deems necessary to achieve its objectives. The board of directors exercises its powers in the manner stated in this Law. Particularly, the board of directors shall:
1. Approve work and business plans of GasReg.
2. Approve the rules needed to carry out the Gas Market Activities to ensure free competition and shall take the necessary actions in case of violation, according to the provisions of this Law, and its executive regulations.
3. Issue, modify, renew, suspend or cancel the licenses of Gas Market Activities according to the rules stipulated in the executive regulations of this Law.
4. Determine the licenses fees and the fees for the services provided by GasReg in accordance with the rules stipulated in the executive regulations of this Law.
5. Approve the tariff paid to use the Gas Facilities and the tariff of gas transmission through any other way or facility.
6. Approve a supervision and monitoring regime for the licensees performance and set KPIs for the licensees with respect to Gas Market Activities.
7. Ratify the decisions taken with respect to complaints submitted to GasReg in relation Market Activities.
8. Approve the estimated, the closing account, the financial position and the financial statements of GasReg.
9. Approve the organizational structure of GasReg as well as the financial, technical and administrative internal regulations and the human resources regulations and any other internal regulations with respect to the GasReg internal work procedures, without being restricted by the provisions of the Civil services code or any other governmental rules and regulations, and setting medical care regime and social benefits for all GasReg employees.

10. Have recourse to the assistance of experts or consultants and determine their remuneration.

11. Accept grants and donations allocated to GasReg provided that they do not conflict the objectives of GasReg and in accordance with the respective applicable laws.

12. Reviews all matters referred by the Competent Minister to the board of directors.

Article (7)

The board of directors shall convene at least once every month upon the invitation of the Chief Executive Officer of GasReg after taking the approval of the Chairman of the board of directors. The board may convene as well at any time when the need arises. The chairman of the board of directors may delegate the chief executive officer to head the board of directors meeting in case the chairman is not able to attend the meeting. The board of director’s meeting shall only be valid in the presence of its Chairman and the majority of its members. The board decisions shall be taken by the majority of the votes of the attendees and in case the votes are equal, the Chairman side shall prevail. The members of the board abstain from deliberating or voting on any matters in case of any conflict of personal interest and in such case, the member shall be required to disclose and clarify such conflict to the board. The board may invite any person to assist in the board meetings provided that such person shall not be entitled to vote.

The Secretariat of the Board of directors shall be formed by a decision of the Chief Executive Officer.
Such decision shall determine its composition, its responsibilities and how it will function.

**Article (8)**
The Chief Executive Officer of GasReg shall be appointed for a period of three years by a decree of the Prime Minister based on the nomination made by the Competent Minister; such period may be renewed once for one additional period of 3 years. The Prime Minister decree shall determine the CEO’s financial wages and benefits. The Chief Executive officer who shall report to the board and be responsible for managing the technical, administrative, and financial affairs the GasReg, and in particular the following:

1. Management of GasReg and handling its corporate affairs as well as the general supervision of the workflow and monitoring the implementation of the regulations and the decisions of the GasReg.
2. Preparation and presentation of the topics to the board of directors.
3. Implementation of the board of directors decisions.
4. Preparation and presentation of GasReg annual budget planning, financial position and financial statements to the board of directors.
5. Preparation and presentation of periodic reports to the board of directors with respect to GasReg Activities, workflow and achievements according to developed plans and programs and identification of performance obstacles and suggesting solutions to avoid such obstacles.
6. Exercise of any other powers as stated in the GasReg internal regulations.
7. Carrying out any works or tasks assigned by the board of directors to the Chief Executive Officer.

The Chief Executive Officer may delegate one or more of its powers to one or more directors in GasReg.

**Article (9)**
The Chief Executive Officer shall represent GasReg before the courts and in all relations between GasReg and any third party.
**Article (10)**

The financial resources of the GasReg consist of the following:

1. Any amounts allocated from the state general budget to GasReg.

2. Any fees collected by GasReg against the issuance and renewal of the licenses; such fees shall be calculated according to gas quantity traded between the licensee and the consumer or any other licensee as stipulated in the executive regulations.

3. Grants and donations accepted by the board of directors as long as such are not provided by gas market parties and do not contradict with the GasReg purposes.

4. The fees collected by GasReg against providing technical consultancy and recommendations to any party (excluding licensees) as long as they are consistent with the GasReg purposes.

5. Return on investment of GasReg funds.

6. Any amounts equivalent to the fines paid according to this Law.

7. Any amounts collected against activities, works and services performed by GasReg.

**Article (11)**

The budget of the GasReg shall be prepared in the same pattern and form of the budgets of public economic corporations. The financial year of GasReg shall start and end with the financial year of the Arab Republic of Egypt. All GasRegs accounts shall be deposited in the consolidated treasury account of the Central Bank provided that GasReg shall keep 25% of the annual surplus; such surplus shall be transferred from any year to the following year. The GasReg may create one or more accounts in any bank registered at the central bank of Egypt upon prior approval of the Minister of Finance.

**Article (12)**

GasReg is entitled to have its rights from pertinent third parties through administrative detention procedures in accordance with the provisions of Law No. 308 of year 1955.

**SECTION 2: GAS MARKET ACTIVITIES LICENSES**

**مادة (10)\text{ما (10)}**

تتكون الموارد المالية للجهاز مما يلي:

1. ما يخصص له من اعتمادات مالية في الموازنة العامة للدولة.

2. حصيلة رسوم إصدار التراخيص وتجديدها والتي تحسب طبقا لكمية الغاز المتداول ما بين طالب الترخيص والمستهلك أو أي مرخص له أخر وذلك طبقا للضوابط والقواعد المحددة باللائحة التنفيذية.

3. المنح وال vagy النشرات التي يقبلها مجلس الإدارة بشرط الإشراف لا تكون مقدمة من أطراف سوق الغاز ولا تتعارض مع أغراض الجهاز.

4. مقابل تقديم خدمات الاستشارات الفنية والتصورات التي يؤديها الجهاز لغير المرخص لهم وتتفق مع أغراضه.

5. عائد استثمار أموال الجهاز.

6. حصيلة ما يعادل الغرامات التي تنتج عن تطبيق هذا القانون.

7. أي مبالغ أخرى تكون ناتجة عن نشاط الجهاز أو مقابل للأعمال أو الخدمات التي يؤديها الجهاز.

**مادة (11)\text{ما (11)}**

يكون للجهاز موازنة مستقلة ت تعد على نمط موازنات الهيئات العامة الاقتصادية وتبدأ السنة المالية للجهاز مع بداية السنة المالية للدولة وتقتني بها تراتبه وتوزع كافة حسابات الجهاز في حساب الخزينة الموحد في البنك المركزي على أن يحتفظ الجهاز بنسبة (25%) من الفائض المحقق سنويا ويرحل من سنة إلى أخرى ويجهز للجهاز بعد موافقة وزير المالية فتح حساب أو أكثر في أي بنك من البنوك المسجلة لدى البنك المركزي.

**مادة (12)\text{ما (12)}**

للجهاز في سبيل اقتضاء حقوقه اتخاذ إجراءات الحجز الإداري طبقا لأحكام القانون رقم 308 لسنة 1955.
### Article (13)

According to the provisions of this Law and its executive regulations, it is prohibited to practice any Gas Market activity without obtaining a license from GarReg. Any license issuance or modification or renewal or suspension shall be made upon a decision by the GasReg Board of Directors. GasReg shall be entitled to issue a license for each Gas Market Activity, against a fee up to 0.1 US Dollars for every Million British Thermal Unit; paid in equivalent Egyptian Pounds. Such fees shall be determined according to the nature of the Gas Activity, the quantities of gas traded and any other criteria or rules determined by the GasReg board of directors. The license fee shall include the cost of publishing any decisions related to the license in the Egyptian Gazette. The issuance of such licenses would not result in or cause any monopolistic practices in the geographic territory of the licensee.

### مادة (13)

تحظر مزاولة أي نشاط من أنشطة سوق الغاز دون الحصول على تراخيص من الجهاز وفقاً لأحكام هذا القانون ولائحته التنفيذية و يكون إصدار الترخيص أو تحديده أو اتخاذ قرار من مجلس إدارة الجهاز. وللحالة الحق في إصدار تراخيص مزولة لكل نشاط منفصل مقابل رسوم محددة حسب قانون 0.1 (واحد من عشرة) من الدولار الأمريكي لكل مليون وحدة حرارية بريطانية تدفع بالجنيه المصري و ذلك وفقاً للنشاط. وكميات الغاز المتدفقة والقواعد والشروط التي يحددها مجلس إداراة الجهاز بصفة منفصلة تضمن نشر القرارات الصادرة من الجهاز بشأن الترخيص في نطاق الجهاز الجغرافي لأي من المُرخص لهم.

و يجب أن لا يترتب على منح الترخيص أي ممارسات احتكارية في النطاق الجغرافي لأي من المُرخص لهم.

### Article (14)

The license issuance or renewal application shall be submitted to GasReg by the applicant or his legal representative on approved standard forms. Each application must include an supporting documents evidencing that the administrative fees as well as the Bid Bond were 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. GasReg shall take the proper decision on each submitted application within the period specified in the executive regulations; such period shall start to count starting from the date of fulfillment of all required documents and information. Where the GasReg decides to reject an application or postpone its decision on an application, GasReg decision shall be based on justifiable grounds.

The executive regulations shall specify in details the aforementioned application forms and the applicable criteria for determining the value of the administrative fees, the Bid Bond which will be paid prior to application submission, and the final insurance guaranteeing the applicant performance.

### مادة (14)

تقدم طلبات الحصول على التراخيص أو تجديدها من أصحاب الشأن أو من يمثلهم قانوناً إلى الجهاز على النماذج التي يضعها الجهاز لذلك مرفقاً بها ما يفيد سداد المصروفات الإدارية وقيمة التأمين الابتدائي والمستندات الدالة على كفاءة الطالب المالية والفنية التي تحدها الإحالة التنفيذية. ويجب البت في الطلب خلال المدة التي تحدها الإحالة التنفيذية من تاريخ تقديمها واستيفائه لجميع البيانات والمستندات، وفي حالة رفض الطلب أو تأجيل البت فيه يجب أن يكون القرار مسبباً.

وتحدد الإحالة التنفيذية لهذا القانون النماذج المشار إليها وقواعد تحديد المصروفات الإدارية والتأمين الابتدائي التي تسد رفع الطلب أو قيمة التأمين النهائي الاضر لحصن وحيدة التنفيذ.
**Article (15)**

A license issued by GasReg pursuant to Article 13 of this Law shall include the following:
1. licensee data,
2. license term and its effective date,
3. the type of the licensed Gas Market Activity,
4. quantities of traded gas,
5. license fee payment’s proof,
6. Applicant representation to adhere to health, safety and environment laws and requirements and to gas market laws and regulations and any information or data required by the GasReg with regards to the license.
7. any other data stipulated in the executive regulations.

**Mādah (15)**

يجب أن يتضمن الترخيص المشار إليه في المادة 13 من هذا القانون ما يلي:
1- بيانات المرخص له.
2- مدة الترخيص وتاريخ بدء سيرته.
3- تنويع التخصص المرخص له وبداياته.
4- الكميات المتفاولة من الغاز.
5- رسوم الترخيص.
6- التخليق المرخص له بقوانين وقواعد السلامة والصحة المهنية والبيئية والقوانين المنظمة لسوق الغاز ولوائحه وما يطلبه الجهاز من معلومات.
7- أي بيانات أخرى تحددها اللائحة التنفيذية.

**Article (16)**

The executive regulations of this law shall determine the term of each license according to the type of licensed Activity. GasReg shall annually issue a validity certificate for the license after verifying the licensee compliance to the license terms and conditions to throughout the preceding year. In case of non-compliance, the penalties prescribed by the Law and its executive regulations shall apply on the licensee in addition to any other penalty determined by the GasReg board of directors in this regard.

**Mādah (16)**

تحديد اللائحة التنفيذية لهذا القانون مدة الترخيص وفقاً للنشاط المرخص به ويصدر الجهاز سنوياً شهادة فيد لتاريخ إتمام الترخيص بعد التحقق من التزام المرخص له بشروط الترخيص خلال تلك السنة. وفي حالة عدم التزامه تطبيق الإجراءات والتدابير والجزاءات المنصوص عليها في هذا القانون وساحتها التنفيذية وما يقره مجلس إدارة الجهاز في هذا الشأن.

**Article (17)**

The GasReg is entitled to acquire any data and information from licensees it deems necessary to monitor the licensee compliance with the license terms and conditions. GasReg shall not disclose any information or data or financial or commercial accounts qualified as "confidential" by the licensee subject to GasReg agreement.

**Mādah (17)**

للجهاز الحق في الحصول على المعلومات والبيانات التي تُمكنه من متابعة التزام المرخص له بشروط الترخيص، وiharحاج الجهاز على سرية البيانات والمعلومات والحسابات المالية والتجارية التي يحددها المرخص له ويقرها الجهاز.

**Article (18)**

The licensee is not entitled to assign the license to, nor to manage the license activity through, a third party without the prior approval of GasReg.

**Mādah (18)**

يجوز على المرخص له التنازل عن الترخيص الصادر له من الجهاز إلى الغير أو إدارة النشاط عن طريق الغير إلا بعد الحصول على موافقة مسبقة من الجهاز.

**Article (19)**

if any change occurs, without prior approval of GasReg, in the capital shares of the licensed legal entity whether by sale, purchase, shares transfer, capital change, assets change or any other action that may affect the control of the licensed legal entity’s capital, GasReg may cancel the license.

**Mādah (19)**

يحق للجهاز إلغاء الترخيص إذا تم تعدد في ملكية أسهم الكيان القانوني المرخص له سواء كان عن طريق البيع أو الشراء أو تحويل للأسهم أو رأس المال أو الأصول أو أي تصرف آخر من شأنه تغيير السيطرة في رأس مال الكيان القانوني المرخص له دون الحصول على موافقة مسبقة من الجهاز.
Article (20)

If the licensee violates any of the license terms or any obligation stipulated herein, GasReg may take the necessary measures and apply any of the following penalties:
1. Notify the licensee in writing that the license shall be suspended or cancelled in case the licensee fails to remedy such violation during the grace period specified in the notification.
2. Remedy such violation at the licensee's sole expense.
3. Suspend the license for a specified period not exceeding one year.
4. Cancel the license and in such case, the Bid Bond shall become GasReg's property.

In case of suspension or cancellation of the license, GasReg shall take the necessary actions to protect the rights of consumers in accordance with the provisions of the Executive Regulations.

Part three: Gas market Activities
Chapter one :organization the gas market Activities

Article (21)

1. The Gas Market Activities shall be practiced in a framework of free competition where Eligible Consumers shall be entitled to choose their own supplier and where Gas Market Participants shall be treated without discrimination in order to avoid any monopolistic practices as stipulated in the Executive Regulations provisions.
2. Gas Regulation aims to avail Gas in domestic market through economic and effective measures and to ensure third party access to the Gas Facilities without discrimination between the Gas Market Parties who are granted such access pursuant to this Law.

3. The Decrees issued by GasReg, pursuant to this law and its executive regulations, shall determine the procedure booking capacity in the Gas Facilities, the applicable regulations for the use of such Facilities, the rules for balancing such Facilities, the procedure for selecting gas suppliers and other rules allowing third party access to the Gas Facilities.
4) The Gas Facilities codes shall, pursuant to This law and its executive regulations, determine the technical requirements for operating Gas Facilities and for their development in order to guarantee safe gas transmission in accordance with safety, health and environment rules.

5) The Gas Facilities codes shall be prepared by such Facilities operators and shall be approved by GasReg.

6) The Gas Facilities owners and operators shall be entitled to acquire tariffs against granting third party access to Gas Facilities; Each tariff shall be calculated according to the respective methodology approved by GasReg.

<table>
<thead>
<tr>
<th>Article(22)</th>
<th>مادة (22)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gas Market Parties shall abide by the following:</td>
<td>يلتزم أطراف سوق الغاز بالآتي:</td>
</tr>
<tr>
<td>1-An Eligible Consumer shall have the right to select a Gas Supplier of its own choice.</td>
<td>1. مراعاة حرية المستهلك المؤهل في اختيار مورد الغاز.</td>
</tr>
<tr>
<td>2-Gas shall be freely traded subject to transactions within the Gas Market in accordance with the provisions of the executive regulations and GasReg decisions in this regard.</td>
<td>2. مراعاة حرية تداول الغاز بالسوق وفقًا للضوابط التي تحددها اللائحة التنفيذية لهذا القانون والقرارات التي يصدرها الجهاز في هذا الشأن.</td>
</tr>
<tr>
<td>3-Non- discriminatory access to Gas Facilities in a pursuant to the provisions of this Law and its executive regulations;</td>
<td>3. المساواة في السماح باستخدام الشبكات والتسهيلات طبقاً لما يقرره هذا القانون ولائحته التنفيذية.</td>
</tr>
<tr>
<td>4-Payment of the respective tariffs against using the Gas Facilities.</td>
<td>4. سداد تعريفة استخدام الشبكات والتسهيلات</td>
</tr>
<tr>
<td>5-All Gas Market Participants engaged in Gas Market Activities shall observe and be governed by the applicable regulations Adherence to the Gas Facilities codes.</td>
<td>5. مراعاة كود استخدام الشبكات والتسهيلات</td>
</tr>
<tr>
<td>6- The protection of the rights and interests of the gas consumers</td>
<td>6. مراقبة حقوق ومصالح مستهلكي الغاز.</td>
</tr>
<tr>
<td>7- The Protection of the environment and the optimal use of energy resources, in compliance with</td>
<td>7. حماية البيئة والاستخدام الأمثل لمصادر الطاقة وفقًا للقوانين واللوائح المعمول بها في هذا الشأن</td>
</tr>
</tbody>
</table>
the applicable laws and regulations in the Arab Republic of Egypt.

<table>
<thead>
<tr>
<th>Article (23)</th>
<th>المادة (23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GasReg shall prepare in coordination with the concerned parties in Egypt a transitional plan for the market opening to reach the Competitive Market. Such Plan shall be presented to the Competent Minister for approval then presented to the Cabinet of Ministers for ratification. The transitional plan shall include the market liberalization phases, the duration of each phase, the required procedures for its execution, and the criteria to move from one phase to another to ensure fair and free competition. The criteria for Eligible Consumers determination shall be specified by a decree issued by the Cabinet of Ministers based on the presentation of the Competent Minister and GasReg proposal with this regard.</td>
<td></td>
</tr>
<tr>
<td>يعد الجهاز بالتنسيق مع الجهات المعنية بالدولة خطة تدريجية لتحرير سوق الغاز للوصول للسوق التنافسية يتم عرضها على الوزير المختص لإقرارها وعرضها على مجلس الوزراء للاعتماد. على أن تتضمن الخطة مراحل تحرير السوق، المدة الزمنية لكل مرحلة والإجراءات اللازمة لتنفيذها ومعايير الانتقال من مرحلة إلى أخرى و ذلك كل من خلال تحديد المعايير المطلوبة لتحديد المستهلكين المؤهلين، وذلك وفقًا لما يقترحه الجهاز في هذا الشأن.</td>
<td></td>
</tr>
</tbody>
</table>
Chapter two : The gas market participants

First: Transmission system operator

Article (24)

The Transmission System Operator license may be granted to one or more legal entity pursuant to the conditions of the license requirements.

Article (25)

The owner and the operator of the Gas Transmission System shall permit third party access on a non-discriminatory basis to ensure the availability of gas to consumers in accordance with the Transmission System code approved by the GasReg. the gas Transmission System code and the licenses specify the detailed obligations of the owner and the operator particularly the following:

1- To manage, operate, maintain and develop the Gas Transmission System in a safe, efficient and economic parameters as well as its connection with other systems where possible;

2- To transmit gas in accordance with the signed contracts and against a transmission tariff approved by the GasReg;

Mادة (24)

يجوز منح ترخيص مشغل منظومة نقل الغاز لكيان قانوني واحد أو أكثر وذلك طبقاً للشروط التي تحددها متطلبات الترخيص.

Mادة (25)

يلتزم المالك ومنشأة منظومة نقل الغاز بالسماح لغيرهما باستخدام المنظومة دون تمييز وبما يكفل توافر الغاز للمستهلكين طبقاً لكيانات استخدم منظومة النقل المعتمد من الجهاز. وتحديد تراخيص كود استخدام منظومة نقل الغاز التزامات المشغل ومنها على الأخص ما يأتي:

1- إدارة وتشغيل وصيانة وتطوير منظومة النقل بطريقة آمنة وفعالة ووفق معايير اقتصادية ودبلوماسية أو قريبة إذا أمكن ذلك مع منظمات أخرى.

2- نقل الغاز بموجب عقود مبرمة وفقاً لتعريفة استخدام منظومة نقل الغاز التي يقرها الجهاز.

3- التأكد من استخدام خطوط منظومة نقل الغاز طبقاً لكيان استخدم منظومة نقل الغاز مع مراعاة متطلبات الأمن القومي والأولويات المتعلقة في هذا الشأن.

4- وضع خطة تطوير لمنظومة نقل الغاز تكون مدتها خمس سنوات على أن يتم نشرها وتحديدها كل سنتين على الأقل، ورفعها للمجلس للموافقة عليها.
3- To ensure that the transmission system pipelines are used in accordance with the transmission System Code taking into consideration the requirements of the national security and customary priorities in such regard.

4- To prepare a five (5) year development plan for the Transmission System and to be updated and published at least every (2) years. This development plan shall be submitted to the GasReg for approval.

**Article (26)**

The licenses and the transmission network code shall establish rights and of the transmission System Operator (TSO), particularly the following:

1- To manage and operate the Transmission System including compression, pressure reduction, metering stations and any other ancillary facilities owned by another legal entity in accordance with the rules set by the GasReg and in a way that allows the TSO to perform his operational functions and responsibilities.

2- To collect the gas transmission tariff

3- To reduce/ discontinue the transmission of contracted gas quantities in case of non payment of transmission tariff as per the contract with the shipper; non utilization of booked capacity; consuming gas above contracted quantities; or shipping non conforming gas.

**Article (27)**

The Transmission System Operator shall prepare the Transmission System Code which to include the terms and conditions to be fulfilled by the Shippers and submit it to the GasReg for approval.
## Article (28)

**Second: Distribution system operator**

The owner and operator of the distribution system shall - considering the technical capability of the system - allow third party access to the system for gas delivery to consumers against a distribution tariff approved by the GasReg according to its regulations.

## Article (29)

The licenses and the Distribution System Code set forth the obligations of the Distribution System Operator, particularly the following:

1. To manage, operate, maintain and develop the distribution system in a safe and efficient manner as well as its connection with other systems if possible;
2. To distribute gas in accordance with the signed contracts;
3. To set a technical plan for emergency situations in accordance with set parameters, such plan to be updated annually and submitted to the GasReg for approval.
4. Provide any necessary information of the gas market participants directly concerned with the distribution system to the transmission system operator to ensure safe and efficient operation.

## Article (30)

The licenses and Distribution System Codes set forth the rights of the Distribution System Operator, particularly the following:

1. Establishing a control system to monitor and automatically operate the distribution system;
2. Collecting the gas Distribution Tariff,
3-reduce/stop distribution of contracted gas quantities in case of non payment of the distribution tariff as per the distribution contract with the shipper; or non utilization of booked capacity; consuming gas above the contracted quantities

Article 31

The distribution System Operators (DNOs) are shall prepare the distribution System Codes which include the terms and conditions to be fulfilled by the Shippers and submit it to the GasReg for approval.

Article (32)

Third: Regasification facilities operator

The license to operate regasification facilities may be issued to one or more legal entities according to the terms and conditions of the licenses requirements.

Both the owner and operator of the regasification facilities shall allow third party access to the facilities (in case availed) on a non-discriminatory basis against a certain tariff approved by the GasReg and in accordance with the rules set forth by the GasReg to ensure Gas delivery to consumers and according to the license requirements and the Regasification Code approved by the GasReg which to cover both the rights and obligations of the regasification facilities operator.

Article (33)

The Regasification facility Operator shall prepare the regasification Code which to include the terms and conditions to be fulfilled by the Shippers and submit it to the Gas Reg for approval.

2- تحصيل تعريفة استخدام منظومة توزيع الغاز مقابل مرور الغاز منها.
3- تخفض الكميات المتعاقد على توزيعها أو التوقف ألياً عن توزيعها في حالات منها عدم سداد تعريفة استخدام منظومة توزيع الغاز وفقاً للتعقد المرموم بينه وبين شاحن، أو عدم استلام كامل السعة المحجوزة، أو استهلاك الغاز بما يفوق الكميات المتعاقد عليها.
4- تخفيض الكميات المتعاقد على توزيعها أو التوقف ألياً عن توزيعها في حالات منها عدم سداد تعريفة استخدام منظومة توزيع الغاز وفقاً للتعقد المرموم بينه وبين شاحن، أو عدم استلام كامل السعة المحجوزة، أو استهلاك الغاز بما يفوق الكميات المتعاقد عليها.

مادة (32)

ثالثاً: مشغل تسهيلات إعادة التغييز

يرجع منح ترخيص مشغل تسهيلات إعادة التغييز لكيان قانوني واحد أو أكثر وذلك طبقاً للأشرطة التي تحتدها متطلبات الترخيص.

و يلتزم مالك ومشغل تسهيلات إعادة التغييز ليستحلون معاملات إعادة التغييز بالسماح لغيرهما باستخدام السهولة الفائضة بالتسهيلات دون تمييز حال إتاحتها للاستخدام. مقابل تعريفة استخدام يقرها الجهاز وطبقاً للقواعد التي يعمدها في هذا الشأن، وإما يقبل توفير الغاز للمستهلكين وذلك طبقاً لشروطه وكذلك استخدام التسهيلات إعادة التغييز الم폰ته من الجهاز والذي يتضمن حقوق والتزمات مشغل تسهيلات إعادة التغييز.

مادة (33)

مادة (33)

يرجع منح ترخيص مشغل تسهيلات إعادة التغييز بإعداد كود استخدام تسهيلات إعادة التغييز الذي يتضمن البنود والشروط التي يلزم الزبائن والافراد بها من جانب مشغل الغاز للاستخدام تعديلات تسهيلات إعادة التغييز ورفعها للجهاز للموافقة عليه.
### Article (34)
**Gas storage facilities operator**

The license to operate gas storage facilities may be issued to one or more legal entities according to the terms and conditions licenses requirements. Both the owner and operator of a gas storage facility shall allow third party access to the facilities (in case availed) on a non-discriminatory basis against a certain tariff approved by the GasReg and in accordance with the rules set forth by the GasReg to ensure the gas delivery to the consumers, according to the license requirements and the Regasification Code approved by the GasReg which cover both the rights and obligations of the gas storage facilities operators.

### Article (35)
**The Gas Storage facility Operator shall prepare the Gas storage facilities Code which to include the terms and conditions to be fulfilled by the Shippers and submit to the GasReg for approval.**

### Article (36)
**Fifth: Gas shipper**

The gas shipper has the right to:
1. Use the gas Networks and facilities against a certain tariff approved by the GasReg and complying with the relevant concession agreements and the articles of this law.
2. Buy gas from importers or import gas himself after obtaining the necessary approvals and sell such gas to suppliers.
3. Obtain a supplier license after fulfilling the supply license requirements by which he could sell gas to consumers.
4. Sell gas to another shipper and that will be according to the gradual plan of market liberalization.

### Article (37)
**A shipper license shall set out all shipper obligations including:**
1. Compliance with the license terms and conditions;
2. To ship gas in accordance with the technical requirements of using the transmission and distribution systems and in compliance with the terms and conditions of the relevant contracts;
3. To pay the gas transmission tariff.

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**Made without any liability on the Gas Regulatory Authority of Egypt**

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**MADE (34)**

مشغل تسهيلات تخزين الغاز

يجوز منح ترخيص مشغل تسهيلات تخزين الغاز لكيان قانوني واحد أو أكثر وذلك طبقاً للстраيات التي تحددها متطلبات الترخيص. ويتزامن ذلك ومشغل تسهيلات تخزين الغاز بالسماح لغيرهما باستخدام المنظومة دون تعديلات إختلافها للاستخدام. مقابل تعريفة استخدام بقرها الجهاز طبقاً للقواعد التي يتبعها في هذا الشأن، بما يكفل توفير الغاز للمستهلكين وذلك طبقاً لمتطلبات الترخيص و كود استخدام تسهيلات تخزين الغاز المعتمد من الجهاز والذي يتضمن حقوق والتزامات مشغل تسهيلات تخزين الغاز

**MADE (35)**

بترخيص مشغل تسهيلات تخزين الغاز بإعداد كود استخدام تسهيلات تخزين الغاز التي يتضمن البنود والشروط الالتزام والوقائع بها من جانب شاحن الغاز لاستخدام تسهيلات تخزين الغاز و رفعه للجهان للموافقة عليه.

**MADE (36)**

خامساً: شاحن الغاز

-حق لشاحن الغاز ما يأتي:
  1. استخدام الشبكات والتسهيلات مقابل سداد تعريفة الاستخدام التي يقرها الجهاز وما يصاحبها و متطلبات الاتفاقات الامتناع البيرونية ذات الصلة وأحكام هذا القانون.
  2. شراء الغاز من مستوردين أو استيراده من الخارج بنفسه بعد الحصول على الموافقات اللازمة لذلك ويعني لفوري الغاز.
  3. الحصول على رخصة لنشاط توريد الغاز بعد استيفاء الشروط و في هذه الحالة يحق له بيع الغاز للمستهلكين.
  4. بيع الغاز إلى شاحن آخر، وذلك طبقاً لخدمة التشريحة لتحرير سوق الغاز.

**MADE (37)**

تحدد الترخيص التزامات شاحن الغاز ومنها على الأخص ما يأتي:

  1. الوفاء بشروط الترخيص.
  2. تفريغ الغاز وفقاً للمتطلبات الفنية لاستخدام منظومة نقل الغاز والتوزيت بالشروط المنصوص عليها في العقود المبرمة ذات الصلة.
  3. سداد تعريفة استخدام منظومة نقل الغاز.
4-To provide the networks and facilities operators with any necessary information needed to enable them to perform their activities effectively.

Sixth: Gas Supplier

Article (38)

The supplier license shall set out specifically the supplier obligations such as:
1- compliance with the license terms and conditions;
2- to pay the gas Distribution Tariff to the Distribution System Operator in case used and in accordance with the terms of the distribution System code
3- Supply the gas in compliance with the technical requirements of the transmission and distribution systems
4- supply the gas in compliance with the terms and conditions of the relevant contracts where the consumer to pay the price of delivered gas in accordance with the dates and procedures provided in the contracts.

Article (39)

The supplier license shall set out the supplier rights as follows:
1- Receive and Buy gas from the Shipper and sell it to the consumer
2- notify the Transmission and Distribution Systems Operators in writing to cancel or suspend gas supply to a certain Eligible Consumer in a case where i) there is nonpayment of gas price by the consumer or ii) the consumer takes gas quantities greater than the contracted quantities from the supplier.
3- Selling gas to other suppliers in accordance with the market liberalization plan.
4- Obtaining a gas shipper license without which he cannot enter into a contractual arrangement with Networks and facilities Operators.

Article (40)

GasReg shall identify of a supplier of last resort in case of failure of the original supplier to supply gas to his respective consumers. In such case, the supplier of last resort shall supply gas to those consumers in accordance with the relevant contracts or the terms and conditions agreed on by the consumer and the supplier of last resort.
accordance to the contract template prepared by the GasReg and the decisions issued by the GasReg in this regard.

<table>
<thead>
<tr>
<th>Article (41)</th>
<th>مادة (41)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Seventh: Eligible consumer</strong></td>
<td><strong>سابعا: المستهلك المؤهل</strong></td>
</tr>
<tr>
<td>The Eligible Consumer is the consumer who is allowed to choose its own gas supplier in accordance with the provisions of this Law and with the transitional phases of the market liberalization plan. Eligible Consumers are allowed to agree gas quantities and prices with the supplier. Eligible consumers are shall allow transmission and Distribution System Operators to which they are connected to install gas-metering equipment and to conduct periodic calibration of such equipment and to pay the price of gas supplied. The eligible consumer shall have the right to switch his supplier with another one.</td>
<td>يختار المستهلك المؤهل مورد الغاز وفقاً للمعايير المقررة بموجب أحكام هذا القانون وفقاً للمراحل الزمنية للخطة المعتمدة لتحرير السوق، ويسمح للمستهلك المؤهل بالاتفاق على أسعار وكميات الغاز اللازمة لهم مع مورد الغاز. ويلزم المستهلك المؤهل بالسماح لمشغلي منظمات نقل وتركيب الغاز المتصدرين بهما بتركيب معدات قياس واجراء المعابير الدورية لها وسداد مقابل قيمة كميات الغاز الموردة له. ويحق للمستهلك المؤهل استبدال مورد آخر بمورد الغاز الخاص به</td>
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<table>
<thead>
<tr>
<th>Article (42)</th>
<th>مادة (42)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Eighth: Non-eligible consumer</strong></td>
<td><strong>ثامنا: المستهلك الغير مؤهل</strong></td>
</tr>
<tr>
<td>Non-eligible Consumer shall allow transmission and distribution operators to which they are connected to install gas-metering equipment and conduct periodic calibration of such equipment and to pay the price of gas supplied. The non-eligible Consumer can become an Eligible Consumer based on his choice and can in this case choose his own supplier and mutually agree the gas price.</td>
<td>يلتزم المستهلك الغير مؤهل بالسماح لمشغلي منظمات نقل الغاز بالاتصال بهم لتركيب معدات قياس واجراء المعابير الدورية لها وسداد مقابل قيمة كميات الغاز الموردة له. ويحق للمستهلك الغير مؤهل التحول إلى مستهلك مؤهل بناءً على رغبته وفي هذه الحالة يكون له اختيار مورد الغاز الخاص به وبالأسعار التي يتم الاتفاق عليها بينهما</td>
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<thead>
<tr>
<th>Chapter III</th>
<th>الفصل الثالث</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unbundling of Activities</strong></td>
<td><strong>فصل الأنشطة</strong></td>
</tr>
<tr>
<td>The Gas Market Activities are comprised of: service activities which include operation of networks and facilities and beneficiary activities which include Shipping and Supply.</td>
<td>تتكون أنشطة سوق الغاز من أنشطة خدمية تشتمل تشغيل الشبكات والتسهيلات وأنشطة مستفيدة من هذه الشبكات وتضمين الشحن والتوريد</td>
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<table>
<thead>
<tr>
<th>Article (43)</th>
<th>مادة (43)</th>
</tr>
</thead>
<tbody>
<tr>
<td>If any legal entity is licensed to practice any of the market Activities and decided to practice any extra gas market Activity it should: 1- If the entity is willing to engage in any of the outlined service Activities along with the beneficiary Activities and it owns the gas subject of such Activity, so each</td>
<td>إذا أرادت أي كيان قانوني مرخص له بممارسة أحد أنشطة سوق الغاز في أن يزاول نشاطاً إضافياً آخر فيتنعن عليه الالتزام بالآتي: 1- بممارسة كل نشاط من خلال كيان قانوني مستقل و له هيكل تنظيمي يفصل إذا كان النشاط الذي يرغب في مزاولتهما أحدماً خدمياً والآخر مستفيد وكان الغاز محل النشاط المستفيد مملوكاً له.</td>
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</table>
activity must be exercised through a separate legal entity which has a separate organizational structure. In the following cases, legal entities may practice both service and beneficiary Activities through the same legal entity provided that each activity must be financially separated:

a- If the entity is willing to engage in any of the outlined service Activities along with the beneficiary Activities and it does not own the gas subject of such Activity
b- If both practiced Activities are service Activities.
c- If one of the Activities practiced is not subject to the provisions of this law.

**Article (45)**

Persons responsible for operating and managing service activities are prohibited from participating directly or indirectly in the beneficiary Activities. The operators of the gas facilities shall take independent decisions regarding the operation and management of such facilities. In case the facility operator is part of a vertically integrated entity, that does not change the right of the shareholders or owners of networks and facilities in the adoption of the annual financial plan for the operator and set limits on its debts, but such shareholders or owners of networks and facilities shall not instruct the operator to the daily operation of the networks and facilities which is managed by the operator.

**Chapter IV**

The rights of the gas market parties

**Article (46)**

Gas market parties are allowed to readily access the Gas networks and Facilities in accordance with the provisions set forth by the executive regulations of this Law and the decisions issued by GasReg to ensure an adequate supply of gas to consumers.

The Networks and Facilities operators shall allow third Party Access to such networks and facilities in accordance with the relevant codes approved by the GasReg and they are prohibited to disclose or use any confidential information obtained from the Gas Market parties during the process of selling or buying of gas for his own sake, or for any purpose other than the specific purpose for which the information was disclosed to them.

### Article 27

- **Paragraph 1:** One of the service or beneficiary Activities must not be exercised through a separate legal entity which has a separate organizational structure.

- **Paragraph 2:** In the following cases, legal entities may practice both service and beneficiary Activities through the same legal entity provided that each activity must be financially separated:
  - If the entity is willing to engage in any of the outlined service Activities along with the beneficiary Activities and it does not own the gas subject of such Activity.
  - If both practiced Activities are service Activities.
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Any entity permitted to access and use the Networks and Facilities shall comply with the set methodology for the calculation of the tariff which shall be applied objectively and on a non-discriminatory basis among Gas Market parties in the Gas Market, according to the type of the activity.

### Article (47)

In case there is a lack of capacity within the Networks and facilities or in case such access or use by any parties would cause technical difficulties or economic harm to such systems and/or facilities, and which reduces the ability of the operators to perform their required tasks, the operator may not allow the third party access to the relevant network or facility. The operator shall then notify the concerned party in writing with reasons of such refusal. The party who is affected by an action of an operator to refuse it access or use is entitled to file a complaint with the GasReg. It shall be within the GasReg’s power to consider and decide the outcome of the complaint and to issue a binding order about it.

### Chapter V

#### Economic regulations and tariffs

#### Article (48)

The licensing fees shall be set in an objective and transparent manner and on a non-discriminatory basis to guarantee the improvement of the technical and economic performance of the Gas market activities.

The GasReg shall determine the methodologies of calculating networks and facilities usage tariffs (in case availed to Third Party Access) according to a mechanism which takes into account the costs related to investment, operation, maintenance and development of the pertinent networks and facilities, as well as a fair return on invested capital. This mechanism shall also take into account the goal of reducing costs and improving quality performance of the services provided. This tariff mechanism should be neutral and transparent, and based on principles of non-discriminatory access, and taking into account relevant developments in the Gas Market.

The GasReg shall establish the Conditions for payment of such tariffs and fees which shall be transparent and objective. GasReg shall identify as well the actions that
are necessary to be taken in cases of violation of such conditions.

<table>
<thead>
<tr>
<th>Article (49)</th>
<th>مادة (49)</th>
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<tbody>
<tr>
<td>the same tariff calculation mechanism that applies for the use of the Gas networks and Facilities shall also apply to the Transit gas - provided it is not consumed-moving within the borders of the Arab Republic of Egypt in addition to the rights of any concerned parties in A.R.E., whether this right is in cash or in kind, in accordance with the applicable regulations in such regard. Such tariff shall be collected by the Gas Facilities operators.</td>
<td>يطبق على الغاز المسماك داخل حدود جمهورية مصر العربية ذاتية حساب التعريفة المتبعة لاستخدام الشبكات والتسهيلات، مضافة إليها مقابل حق الجهات المختصة في الدولة في الحصول على مقابل مادي أو عيني إضافي وذلك للقانونين والنظم المعمول بها في هذا الشأن على أن تحصل عرفية مشغلي الشبكات والتسهيلات.</td>
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<thead>
<tr>
<th>Part 4: Sanctions Article (50)</th>
<th>الباب الرابع: العقوبات مادة (50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without prejudice to any greater penalty provided for in penal code or any other law of the A.R.E., the following fines or penalties shall be assessed against the culprit, as the case may be: 1. A fine of not less than the value of the respective license fees and not greater that the double of such fees if the licensee violates any condition of the license granted or the terms of any obligation under this law, or violates the technical quality controls or standard measures of quality performance of the licensed service. 2. A fine equivalent to three times the value of the respective license fees, if any person practices a Gas Market Activity without obtaining a license from GasReg to, taking into account that the fine shall be doubled in case of recurrence. 3. Without prejudice to the right of the concerned parties to receive adequate compensation, a fine equivalent to the value of the respective license, if the licensee has, stopped from providing any of the licensedActivities without an instrument or an excuse of the law. 4. A fine not exceeding double the value of the respective license in addition to the license cancellation, if the licensee assigned the license without the prior approval of GasReg. 5. Without prejudice to the right of the concerned parties to receive adequate compensation, a licensee</td>
<td></td>
</tr>
<tr>
<td>مع عدم الإخلال بالعقوبة أشد منصوص عليها في قانون العقوبات أو أي قانون آخر: 1. يعاقب بنقدية لا تقل عن قيمة إصدار الترخيص ولا تتجاوز مثلى هذه القيمة كل مخالف للشريعة، أو شامل من مخالفات الشريعة المذكورة له أو أي التزام مقرر بموجب هذا القانون أو خالف ضوابط الجودة الفنية أو القياسات المعيارية لجودة الأداء للخدمة المخصصة بها. 2. يعاقب بنقدية تعادل ثلاثة أضعاف قيمة إصدار الترخيص كل من قام بمزاولة أي من أنشطة سوق الغاز دون الحصول على ترخيص من الجهاز بذلك، وضمان التقييم في حالات العود. 3. مع عدم الإخلال بحق ذوي الشأن في التعويض المناسب، يعاقب بنقدية مالية تعادل قيمة الترخيص كل من عفي عن تقييم أي من الخدمات المخصصة للشريعة، أو دون عذر، أو سند من القانون، أو خالف ضوابط الشريعة، أو غيرها من المتزاجلين لغير حق الترخيص الصادرة عن الجهاز وفقاً لما رجليه عن إلغاء الترخيص. 4. مع عدم الإخلال بحق ذوي الشأن في التعويض المناسب، يعاقب بنقدية تعادل قيمة الترخيص كل من قام بالتخلص من المواطنين دون الحصول على مفاوضة الجهاز على هذا التخلص، وذلك فضلاً عن إلغاء الترخيص.</td>
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shall repay any amounts collected unlawfully as a result of violation of the tariffs approved by GasReg plus an interest calculated in accordance with the rate of the Central Bank.

6. Without prejudice to the right of the concerned parties to acquire adequate compensation, a fine which not exceeding one million Egyptian pounds shall be assessed against any person who disclosed, published or broadcasted any data or information about the licensee in violation of article 17 of this law.

<table>
<thead>
<tr>
<th>Article (51)</th>
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</thead>
<tbody>
<tr>
<td>Concerning sub-article (2) of article (50), the court shall rule, in addition to the original penalty, that all equipment, devices and connections used in the crime shall be confiscated.</td>
</tr>
<tr>
<td>In addition, the court shall rule that the culprit return all the amounts collected in violation with the provisions of this law or its executive regulations or their implementing decisions in addition to the adequate compensation and this without prejudice to sub article(5) of article (50) of this law.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Article (52)</th>
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</thead>
<tbody>
<tr>
<td>The employees specified by a decision of the Minister of Justice, based on the Competent Minister request, shall be empowered with the status of judicial control officers to assess and prove the crimes committed in violation of the provisions of this law.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>مادة (51)</th>
</tr>
</thead>
<tbody>
<tr>
<td>تحكم المحكمة في الحالة المنصوص عليها في البند رقم (2) من المادة (50) من هذا القانون بالإضافة إلى العقوبة الأصلية بمصادرة كافة المعدات والأجهزة والتوصيلات التي استعملت في ارتكاب الجريمة. كما تقضي المحكمة من تلقاء نفسها بالزام المحكوم عليه بأن يرد للجهاز ما يعادل جميع المبالغ التي حصلها بالمخالفة لأحكام هذا القانون أو لائحته التنفيذية أو القرارات الصادرة تنفيذاً لها فضلاً عن التعويض المناسب وذلك بمراعاة حكم البند (5) من المادة (50) من هذا القانون.</td>
</tr>
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<table>
<thead>
<tr>
<th>مادة (52)</th>
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</thead>
<tbody>
<tr>
<td>يكون للعاملين الذين يصدر بتحديدهم قرار من وزير العدل بناء على طلب الوزير المختص صفة ماموري الضبط القضائي في اثبات الجرائم التي تقع بالمخالفة لأحكام هذا القانون.</td>
</tr>
</tbody>
</table>