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**REGULATORY FRAMEWORK FOR BULK RETAILING OF PETROLEUM
PRODUCTS AT TRUCK STOPS**

FIRST REVISION

AUGUST 2026

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EXECUTIVE SUMMARY

This paper outlines a revised Regulatory Framework for the bulk retailing of diesel at truck stops. The revision was aimed at ensuring that the framework is aligned with industry dynamics for this emerging market segment within the petroleum industry.

The petroleum supply chain has in the recent past seen the introduction of bulk refueling facilities at truck stops and consumer facilities. Bulk Retail facilities are sites other than service stations that typically provide diesel to account holder trucking clients. However, since the Framework was developed in 2024, it has not been widely accepted by the industry with some stakeholders indicating that the requirements were too onerous and consequently, hampering successful construction and operations of the said facilities.

The revised licensing framework for Bulk Retailing at truck stops is envisaged to have the following positive impacts in the petroleum industry:

- i. Dedicated truck refueling premises that will streamline operations, reducing congestion at regular filling stations and eliminating truck parking and queuing on roads.
- ii. A transparent and enhanced regulatory framework will be established for consumer facilities and a possible increase in compliance and revenue collection for the ERB.

The framework will also have negative impacts that are likely to cause disruption of the normal business operations of regular filling stations, including:

- a) Reduced traffic leading to reduced volumes and turnover at convention filling stations,
- b) Revenue leakage,
- c) Illegal activities,
- d) Dumping of fuel,

To mitigate against these negative impacts, the ERB will be required to enhance compliance monitoring and enforcement.

The Regulatory framework for retailing at bulk retail facilities, will foster a regulatory environment that promotes fair competition, allowing conventional fuel service stations and bulk retail facilities to operate in harmony, without undue advantage or disadvantage to either party. Additionally, this framework will broaden the revenue streams for the ERB, by tapping into previously unregulated markets.

This paper presents an overview of the current state on bulk retailing at truck parks, applicable legislation and regulations, potential impacts, revised proposed licensing criteria and operational requirements.

DEFINITIONS

Act

Means the Energy Regulations Act No. 12 of 2019

Bulk Retailing facility	Facilities with tanks capacities of at least 50,000 litres but not exceeding 250,000 litres and Bulk that typically provide diesel to account holder trucking clients;
Enterprise	Means any commercial undertaking, whether public or private, for <u>storage</u> or <u>supply of diesel</u> .
Commercial Customer	Means a business entity that procures diesel in the course of undertaking their operations.
Truck Stop	Means a designated area where trucks and other large vehicles can park, refuel, and take breaks.

LIST OF ABBREVIATIONS

ERB	-	The Energy Regulation Board
EIZ	-	Engineering Institution of Zambia
OMC	-	Oil Marketing Company
TCI	-	Total Cost of Investment
ZABS	-	Zambia Bureau of Standards
ZEMA	-	Zambia Environmental Management Agency
ZMA	-	Zambia Metrology Agency
ZS	-	Zambian Standard

I. INTRODUCTION

Bulk Fuel Retail Facilities are sites other than conventional service stations that typically provide diesel to account holder trucking clients. In Zambia a few facilities belonging to Korridor Fuels Zambia Limited operate as bulk retail facilities.

In 2024, the Energy Regulation Board (ERB) developed a regulatory framework for bulk retailing of diesel at truck stops. This was because the ERB issued Distribution, Importation and Exportation (Combined Petroleum) Licence restricts consumer facilities to serving a single customer and usually for own use rather than for retailing to other clients. while the licence to Retail Petroleum Products is only authorized at Filling stations that meet the requirements of **ZS 385: THE PETROLEUM INDUSTRY – Code of Practice; Part 3: The installation of underground storage tanks, pumps/dispensers and pipework at service stations and consumer installations.**

The ERB at the time had also observed an increased in the number of Oil Marketing Companies (OMCs) expressing interest in establishing and operating bulk fuel retailing facilities which do not conform to the current ERB Licensing framework.

Additionally, it was noted that several consumer-licensed facilities were engaged in retail sales to multiple customers, violating their license conditions. Compounding this issue, many of these facilities lack adequate parking, proper spill containment measures, and fail to fully comply with the requirements and specifications outlined in the *Zambian Standard, ZS 392 Part 1 & 2*. Furthermore, inspections of these facilities are infrequent and limited due to the enormous number of consumer sites.

Pursuant to Section 4(a) of the Energy Regulation Act No. 12 of 2019, which empowers the Energy Regulation Board (ERB) “to issue licences under this Act”. the ERB initiated the process of creating a licensing framework for bulk retailing facilities at truck stops. This initiative was also consistent with the provisions outlined in the following sections of the Act:

- i. Section 4 (g) “*Stipulate conditions relating to the location, installation or construction of a common carrier, or an energy facility or an installation*”.
- ii. Section 4 (0) “*promote, development and the use of new and appropriate technologies in the energy sector*”.

This paper presents an overview of the current state on bulk retailing at truck parks, legislation and regulations, potential impacts, construction permit and licensing requirements.

2. Background

Since its promulgation in January 2025, the bulk retail licensing framework has experienced notably low uptake. This has largely been attributed to concerns from industry stakeholders, who view certain requirements as excessively onerous. Of the nine (9) applications received to date, only two (2) have successfully met the prescribed criteria. Consequently, the ERB re-constituted the technical committee comprising of representatives from Petroleum and Gas, Licensing, Legal and Secretarial Services, Finance, and Economic Regulation with a mandate to revise the framework into a more responsive instrument that is fully aligned with industry realities.

3. LEGISLATION AND REGULATIONS FOR BULK RETAIL FACILITIES IN ZAMBIA.

3.1 LEGISLATION

The **Energy Regulation Act No. 12 Of 2019** and Petroleum Act **Chapter 435 of the Laws of Zambia**; have provided for a requirement to obtain licences to carry out activity in the petroleum sector for commercial undertakings. The following quotations are provided for easy of reference:

- i. The Energy Regulation Act No. 12 2019, in particular part III of section 10 (1) states that:

*“A person shall not establish or operate an **enterprise** without a **licence** issued under this Act.”*

And section 22 of Energy Regulation Act; states that:

“A person who intends to construct an energy facility, installation or common carrier shall, prior to the issuance of a licence under the Act, apply for a permit in the prescribed manner and form..”

- ii. The Petroleum Act in particular part I; section 9 states:

“No person, unless he is in possession of a valid licence issued under these Regulations, shall on any premises store dangerous petroleum exceeding two hundred litres; and no person shall store dangerous petroleum for which a licence is required under these Regulations except in the manner prescribed in these Regulations and endorsed on the licence.”

- iii. The Zambia Metrology Act No 6 of 2017.section 25(2)

The responsible person shall, before placing a measuring instrument covered by this Act into service, ensure that the measuring instrument is:

- (a) issued with a type approval certificate as provided for in section 24;*
- (b) correctly installed and is used and operated under the specified conditions;*
- (c) calibrated and verified in accordance with the relevant regulation provided for in section 22; and*
- (d) sealed or bears the control marks provided for in section 30.*

3.2 REGULATIONS

- i. Statutory Instrument No. 41, Energy Regulation (General) regulations, 2023.

The Regulations provides for the requirements and procedure for obtaining a Licence or the permit under the Energy Regulation Act.

- ii. Statutory Instruments No. 69, the Energy Regulation (Petroleum Marking and Monitoring) Regulations, 2017.

The regulations provide for the marking, quality control and related activities of petroleum products in Zambia.

3.3 STANDARDS GUIDELINES AND OTHER REGULATORY TOOLS

Meet the minimum technical requirements stipulated in the following Zambia Standards and guidelines:

- a. **ZS 392: THE STORAGE AND HANDLING OF LIQUID FUEL Code of Practice – Part 2: Large Consumer installations;**
- b. **ZS 372: TRANSPORTATION OF PETROLEUM PRODUCTS: Operational Requirements for Road Tank Vehicles – Code of Practice;**
- c. **ZS 385 THE PETROLEUM INDUSTRY – Code of Practice**
 - **Part 1:** Storage and distribution of petroleum products in Above-ground bulk installations;
 - **Part 2:** Electrical installations in the distribution and marketing sector;

- **Part 3:** The installation of underground storage tanks, pumps dispensers and pipework at service stations and consumer installations;
 - **Part 4:** Aboveground Containerized Tank Installation; and
 - **Part 5:** Operational Requirements at Service Stations.
- d. **ZS 604 THE PETROLEUM INDUSTRY – Code of Safe Practice**
- **Part 1: Fire precautions at petroleum refineries and bulk storage installations**
 - **Part 2: Tank Cleaning Safety Code;**
 - **Part 3: Pressure Vessel Examination;**
 - **Part 4: Pressure Piping Systems Examination;**
 - **Part 5: Inspections and Testing of Protective Instrumentation Systems; and**
 - **Part 6: Occupational Health;**
- e. **ZS 718: LOW SULPHUR GAS OIL (LSGO)-SPECIFICATION**
- f. **ZS 402: THE CLASSIFICATION OF HAZARDOUS LOCATIONS AND THE SELECTION OF APPARATUS FOR USE IN SUCH LOCATIONS - Code of Practice**
- g. Guidelines for Siting of Petroleum Infrastructure; and
- h. Quality Control and Monitoring Guidelines for the Zambian Petroleum Fuel Industry (QCMG).

The preceding discussion makes it apparent that the existing legal framework is adequate to support the introduction of bulk retailing of petroleum products at truck stops.

4. POTENTIAL IMPACTS OF THE PROPOSED FRAMEWORK

The proposed introduction of the licensing framework for Bulk Retailing at truck stops is envisaged to have the following positive impacts:

- i. Dedicated truck refueling premises will streamline operations, reducing congestion at regular filling stations and eliminating truck parking and queuing on roads.
- ii. A transparent and enhanced regulatory framework will be established for consumer facilities and a possible increase in compliance and revenue collection for the ERB.

The framework will also have negative impacts that are likely to disrupt the normal business operations of regular filling stations, such as:

- a) Reduced traffic leading to reduced volumes and turnover at convention filling station;
- b) Revenue leakage;
- c) Illegal activities; and
- d) Dumping of fuel

To mitigate against these negative impacts, the ERB will be required to enhance compliance monitoring and enforcement.

5. LICENSING CRITERIA AND OPERATIONAL REQUIREMENTS.

5.1 Construction Permit Requirements

The ERB will only approve construction of bulk retail facilities that meets the following siting criteria:

i. Siting and Location

- a. Located in designated industrial premises or along the highway;
- b. at least 150 meters away from the boundary of residential dwelling;
- c. at least 150 meters away from the boundary of crowded facility or social amenity;
- d. at least 500 meters away from the boundary of any fuel service station.
- e. Where the proposed bulk retail facility will include a service station, the distance of at least 15 meters between the proposed filling station and the nearest hazardous zone of the Bulk retail facility. Further, separate access roads shall be provided for entrance to bulk retail facility for easy access and maneuvering of petroleum tankers without interfering with any traffic meant for the service station;
- f. have a minimum land area of 5,000 square meters, that
- g. shall provide for at least two (2) separate access or a wider access road of at least 12 metres with designated separate ingress and egress lanes,

ii. Requisite documentation:

- a. Duly completed application form;
- b. Duly completed checklist, with the following attachments;
 - Copies of regulatory approvals from ZEMA, Local Authorities, RDA and any other as the ERB may demand;
 - Engineering drawings for the Site Plan, Tank farm and Oil interceptor;
 - Valid EIZ practicing Licence for the engineer supervising works;
 - Contract/Letter of appointments to supervise works.
 - Proof of availability of funds

5.2 Operational Licence Requirements

5.2.1 Technical requirements

It is proposed that the bulk retail facilities be required to meet the following minimum technical requirements:

- i. Meet the minimum technical requirements stipulated in the following Zambia Standards and guidelines:
 - a. **ZS 392: Part 2:**
 - b. **ZS 372**
 - c. **ZS 402**
 - d. **ZS 718**
 - e. **ZS 385 parts I to 5:**
 - f. **Guidelines for Siting of Petroleum infrastructure.**
 - g. **Quality Control and Monitoring Guidelines**
- ii. Tanks must have a total capacity of at least 50,000 litres but below 250,000 litres.
- iii. The facility shall only serve commercial customers /registered business who are end users on account holder basis
- iv. Be restricted to storage and bulk retailing of diesel;
- v. The facilities spill prone areas shall be concrete paved in line with the Requirements of ZS 372.
- vi. The area shall have a boundary fire wall that conforms to the specifications of clause 4.3 of ZS 392: Part 2;
- vii. The facility shall have at least two (2) separate access driveways and
- viii. The location of key site installations shall meet the safety distance requirements stipulated in ZS 372, 385 part I and 392 part 2;
- ix. Provide mandatory parking area of at least 1600 Square meters for trucks.

5.2.2 Requisite documentation for bulk retail Licence

Bulk retail facilities shall be required to obtain the following documentations:

- a. Duly completed application form with the following attachments;
 - i. Pacra certificate of registration;
 - ii. ZRA tax clearance.
 - iii. Business plan
- b. Duly completed checklist, with the following attachments:
 - i. Fire Certificate
 - ii. Total cost of investment for the project
- c. ZMA Certification for meters and probes.
- d. Storage of Petroleum Licence from the Local authorities
- e. Trading Licence/ Business levy

5.2.3 Economical and Financial Requirements

5.2.3.1 To determine the assessment fee for a bulk retail licence, 0.1 percent will be applied to the TCI. The TCI mainly relates to the cost of setting up a bulk retail facility and is determined as follows:

- i. For a new bulk retail facility, the total cost of investment is the construction cost and other costs incidental to bring the facility into use, which include cost of branding/rebranding and repairs/rehabilitation. This cost should be provided by the applicant and verified by the ERB from the bill of quantities certified by a registered engineer supervising the project, proof of payment for the project and or the construction contract for the energy infrastructure;
- ii. The ERB has set a minimum capital requirement of US\$500,000.00 for bulk retailing of petroleum products for the determination of assessment fees. If the TCI is less than the minimum capital requirement of US\$500,000.00, the assessment fee shall be 0.1 percent of the minimum capital requirement. If the TCI provided is higher than the minimum capital requirement then the assessment fee is 0.1 percent of the provided TCI.
- iii. For existing infrastructure, to determine the assessment fee to be paid by the applicant, the TCI for the bulk storage facility should be provided. If the facility is an old site that has probably been fully depreciated, the following shall be used as guidance for an appropriate TCI:

- a. Cost of refurbishment (these should form part of the costs in the financial statements); and
- b. A property valuation report from a registered valuator.

Upon meeting the technical, financial and other relevant requirements, an enterprise operating a bulk retail facility, shall be issued with an appropriate retail licence valid for the duration of five (5) years, refer annex 2:

ANNEX I: REFERENCES

The Petroleum Act; **CHAPTER 435 OF THE LAWS OF ZAMBIA**

The Energy Regulation Act, No 12 of 2019

The Zambia Metrology Act No 6 of 2017

Statutory Instrument No. 69 of 2017, the Energy Regulation (Petroleum Marking and Monitoring) Regulations,

THE PETROLEUM INDUSTRY – Code of Practice **ZS 385 Part 3; 2015**: *The installation of underground storage tanks, pumps/dispensers, pipework as well as auxiliary equipment at service stations and consumer installations;*

ZS 392: THE STORAGE AND HANDLING OF LIQUID FUEL Code of Practice – Part 2: Large Consumer installations;

ZS 372: TRANSPORTATION OF PETROLEUM PRODUCTS: Operational Requirements for Road Tank Vehicles – Code of Practice;

Guidelines for Siting of Petroleum Infrastructure.

Quality Control and Monitoring Guidelines