

New Environmental Compliance Fees for Oil and Gas Sector: 2021 vs. 2024

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In an effort to strengthen environmental management in Tanzania, the government introduced key updates to the Environmental Management (Fees and Charges) Regulations in 2024. These changes affect various industries, including oil and gas, which now face new and increased fees for compliance monitoring and audit. Below is a comprehensive overview of the fees applicable to the oil and gas sector, comparing the 2021 regulations with the 2024 amendments.

Key Fee Changes in the Oil and Gas Sector

The following table outlines the applicable fees for different activities within the oil and gas industry:

Category	2021 Fees (TZS)	2024 Fees (TZS)	Remarks
Exploration License	Not specified	100,000,000 per year	 New fee introduced
Oil and Gas Field Exploration	3,000,000	3,000,000	No change
Oil and Gas Field Development	10,500,000	10,500,000	No change
Environmental Fee for Off Production Well	Not specified	10,000,000	 New fee introduced
Environmental Fee for Production Well	Not specified	50,000,000	 New fee introduced
Processing Facility/Plant	10,500,000	50,000,000	 Increased
Handling and Storage	10,500,000	10,500,000	No change
Gathering Pipeline	Not specified	10,000 per km	 New fee introduced
Transmission/Transportation Pipeline	20,500,000	50,000 per km	 Changed to per km fee
Distribution Pipelines	Not specified	30,000 per km	 New fee introduced
Service Pipelines	Not specified	20,000 per km	 New fee introduced
Offshore and Onshore Pipeline	20,500,000	Not applicable	Replaced by per km fees
Oil and Gas Separation, Processing, Handling, and Storage	10,500,000	10,500,000	No change
Oil Refineries	10,500,000	10,500,000	No change
Product Depots for Storage of Petroleum Products	4,500,000	4,500,000	No change
Transportation of Petroleum Products (Companies)	500,000	500,000	No change

Category	2021 Fees (TZS)	2024 Fees (TZS)	Remarks
Fuel Filling Station	200,000	200,000	No change
Service Fuel Filling Station	250,000	250,000	No change

Key Insights:

- **New Fees Introduced:** Several new fees have been introduced in 2024, particularly for environmental compliance related to wells and pipelines. For example, off-production wells now face a TZS 10,000,000 fee, while production wells are subject to a TZS 50,000,000 fee.
- **Significant Fee Increases:** The fee for exploration licenses has increased to TZS 100,000,000 per year, up from no specified amount in the 2021 regulations. Additionally, processing facility fees have increased significantly from TZS 10,500,000 to TZS 50,000,000.
- **Pipeline Fees Restructured:** Instead of a flat fee, the 2024 regulations introduced per-kilometer fees for gathering, transmission, distribution, and service pipelines, making costs more dynamic depending on the length of the infrastructure.

What These Changes Mean for Oil and Gas Companies

These updated fees place greater financial responsibility on oil and gas operators in Tanzania, particularly in areas related to environmental compliance. Companies must now account for the increased costs during the exploration, development, and production phases of oil and gas operations. Proper environmental monitoring and audit strategies will be crucial to maintaining regulatory compliance and avoiding penalties.

This also presents an opportunity for companies to review their operational budgets and plan ahead for these new financial obligations.

About Tansheq: Your Partner in Environmental Compliance

Tansheq, a leading engineering and environmental consulting firm in Tanzania, specializes in helping oil and gas companies navigate complex regulatory landscapes. With extensive experience in the energy sector, Tansheq offers comprehensive services designed to ensure compliance with the latest environmental regulations, including:

- **Environmental Impact Assessments (EIA):** Assisting with the preparation and submission of EIA reports, ensuring adherence to national and international standards.
- **Environmental Compliance Monitoring and Audit:** Offering ongoing monitoring services to help companies meet the new environmental compliance fees and regulations.
- **Pipeline Infrastructure Consulting:** Providing technical expertise in pipeline construction and management, ensuring that all infrastructure meets environmental and safety standards.
- **Permitting and Licensing Support:** Helping businesses navigate the process of obtaining necessary exploration licenses and environmental permits, minimizing delays and ensuring smooth operations.

With the recent changes in the regulatory framework, Tansheq is committed to supporting the oil and gas sector in meeting their environmental obligations while driving sustainable

growth. Whether you need assistance with compliance audits, pipeline management, or environmental impact assessments, Tansheq is your trusted partner for engineering solutions.

Contact us today to find out how we can help your business stay compliant with the latest environmental regulations while optimizing your operations for success.