



Bunkering License in Nigeria: What Every Company Supplying Fuel to Ships Must Know Before Starting

Description

By Chinedu Okpi

Lead Consultant, ICA-Ibe, Chido & Associates

If you read this article to the end, you will learn:

- Whether your business actually needs a bunkering license.
- The agencies involved and what each one regulates.
- The documents you need before applying.
- Common mistakes that delay or frustrate applications.
- Practical compliance tips that can save you millions of naira.
- Why many companies lose lucrative marine fuel supply contracts without knowing why.
- Frequently asked questions from real clients.

“We have the vessel. We have the customer. We have the fuel. What else do we need?”

I hear this almost every month.

A company secures a contract to supply diesel or marine fuel to ships.

Everyone is excited.

Purchase orders have been exchanged.

Then somebody asks one simple question.

“Do we need any license?”

Silence.

That is usually when panic begins.

The vessel is waiting.

The client is waiting.

Money is on the table.

But compliance has been forgotten.

Unfortunately, the Nigerian maritime and petroleum sectors do not forgive ignorance.

One mistake can cost you the contract.

Sometimes, it can expose your company to regulatory sanctions.

After over 15 years advising companies on regulatory compliance, I have learnt one simple truth.

Most business problems are not legal problems. They are compliance problems.

What is Bunkering?

Bunkering simply means supplying fuel to ships.

The fuel may be:

- Marine Gas Oil (MGO)
- Automotive Gas Oil (AGO/Diesel)
- Heavy Fuel Oil (HFO)

- Low Sulphur Fuel Oil
- Other approved marine fuels

The supply can take place:

- At seaports
- Offshore
- Through barges
- Through pipelines
- Along approved jetties

It sounds simple.

It is not.

Because you are dealing with petroleum products, marine operations and national security.

Do You Need a Bunkering License?

If your company intends to commercially supply fuel to ships in Nigeria, the answer is **Yes**.

However, the exact approvals depend on:

Business Activity	Regulatory Requirement
Supplying fuel to vessels	Appropriate NMDPRA approvals
Operating storage facility	Storage license
Using barges	Marine approvals
Operating at ports	Port authority approvals
Handling petroleum products	Petroleum regulatory compliance

Many people think there is one document called **“Bunkering License.”**

In practice, compliance is broader than that.

It involves several approvals depending on your operations.

That is where many businesses get confused.

The Major Regulators You Will Deal With

Agency	Responsibility
Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)	Petroleum licensing and downstream regulation
Nigerian Ports Authority (NPA)	Port operations and access
Nigerian Maritime Administration and Safety Agency (NIMASA)	Maritime safety and vessel regulation
Nigerian Navy (where applicable)	Maritime security
Nigerian Customs Service	Customs compliance where necessary
Federal Inland Revenue Service (FIRS)	Tax compliance

Each agency has its own requirements.

Ignoring one because you obtained approval from another is one of the fastest ways to delay operations.

The Biggest Mistake Companies Make

Many directors assume that because they have:

- CAC registration
- Tax Identification Number
- Petroleum products
- Customers

they are ready.

They are not.

Regulators are interested in much more.

They want to know:

- Where will the fuel come from?
- Where will it be stored?
- How will it reach the vessel?
- Who owns the barge?
- Who manages safety?
- What happens during an oil spill?
- Are your personnel trained?
- Are your operations environmentally compliant?

These are practical questions.

Not paperwork.

Basic Requirements You Should Already Have

Although requirements vary depending on the nature of operations, companies are generally expected to have:

Requirement	Purpose
CAC Certificate of Incorporation	Legal existence
Memorandum and Articles	Appropriate business objects
Tax Identification Number	Tax compliance
Evidence of operational address	Business verification
Health, Safety and Environment (HSE) Policy	Operational safety
Environmental compliance	Environmental protection
Marine operational arrangements	Vessel servicing
Evidence of technical competence	Capacity assessment
Insurance cover	Risk management

Additional requirements may apply depending on the specific license or permit being sought.

Safety is Not Just a Requirement. It Is Everything.

One fuel spill.

One explosion.

One accident.

Years of investment can disappear overnight.

That is why regulators pay serious attention to:

- Fire safety
- Spill response
- Emergency procedures
- Personnel training
- Equipment maintenance

If your safety documentation is poor, expect delays.

Can You Use Third-Party Facilities?

Yes.

Many new operators do not immediately own:

- Storage depots
- Barges
- Jetties

There are lawful commercial arrangements that allow companies to operate through properly documented third-party facilities.

The important thing is proper documentation.

Handshake agreements do not impress regulators.

Why Compliance Should Come Before Business Development

Many companies chase contracts first.

Compliance later.

That approach is expensive.

Imagine winning a contract worth hundreds of millions.

Then discovering you cannot legally perform it.

That happens more often than people realise.

I usually advise clients to become “contract-ready” before marketing their services.

It saves time.

It protects reputation.

It increases confidence when negotiating with international companies.

Common Reasons Applications Are Delayed

From practical experience, delays often result from:

- Incomplete documentation.
 - Wrong business objectives at CAC.
 - Inadequate safety documentation.
 - Unclear operational structure.
 - Failure to meet technical requirements.
-

-
- Poor regulatory planning.
 - Inconsistent information across submitted documents.
 - Failure to respond promptly to regulatory queries.

Most of these issues are avoidable.

Practical Advice From Experience

If I were advising a new company today, I would say this.

Do not wait until a customer requests your license.

Start your compliance process early.

Build proper documentation.

Keep your records organised.

Engage professionals who understand both the law and the regulators.

Compliance should never be treated as an afterthought.

It is part of your business model.

Benefits of Being Fully Compliant

Companies with the right approvals enjoy several advantages.

Benefit	Impact
Better credibility	Clients trust compliant operators
Access to larger contracts	Especially multinational clients
Easier regulatory inspections	Less operational disruption
Lower legal risk	Reduced exposure to sanctions
Stronger business reputation	Long-term growth

Compliance is not merely a legal obligation.

It is a competitive advantage.

Frequently Asked Questions (FAQ)

1. Can a newly incorporated company apply?

Yes. Provided it satisfies the applicable regulatory requirements and demonstrates operational readiness.

2. Is there one single “Bunkering License” in Nigeria?

Not always.

Depending on your operations, multiple approvals and permits may be required from different regulators.

3. Can I supply diesel to ships without regulatory approval?

No.

Commercial supply of petroleum products to vessels without the necessary approvals may expose the company to regulatory enforcement actions and contractual disputes.

4. Do I need to own a fuel depot?

Not necessarily.

Subject to regulatory requirements, companies may operate through properly documented third-party arrangements where permissible.

5. How long does the process take?

The timeline depends on the scope of operations, the quality of documentation submitted, inspections where applicable, and regulatory processing timelines.

6. Can foreign companies obtain the required approvals?

Yes.

Foreign investors can participate, but they must comply with Nigerian corporate, petroleum, maritime and other applicable regulatory requirements.

7. Can one license cover operations nationwide?

The answer depends on the specific approvals obtained and the nature and location of the intended operations. Certain activities may require additional location-specific or operational approvals.

Final Thoughts

Over the years, I have seen businesses lose opportunities not because they lacked customers, but because they lacked compliance.

The marine fuel business is profitable.

Demand is strong.

Nigeria remains one of Africa's busiest maritime hubs.

But profitability and compliance must go together.

If you intend to supply fuel to ships, do not build your business on assumptions.

Build it on proper regulatory foundations.

That is how sustainable businesses are created.

At **ICA-Ibe, Chido & Associates**, we regularly advise local and international companies on petroleum, maritime and corporate regulatory compliance. From structuring your business and reviewing your operational model to preparing license applications and engaging with the relevant regulators, our goal is to help you avoid costly delays and operate with confidence from day one.

Category

1. Industry Insights

ICA (Ibe Chido & Associates)