

How to Obtain an Operational Permit for Tank Farms in Nigeria

Description

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(For Storage and Distribution of Petroleum Products)

If you are planning to establish or operate a tank farm (petroleum depot) in Nigeria for the storage and distribution of petroleum products, securing the appropriate **Operational Permit / Depot License** from the regulator is mandatory.

This comprehensive guide explains, step-by-step, **how to obtain an Operational Permit for Tank Farms for storage and distribution of petroleum products in Nigeria**, including the regulatory authority, requirements, costs, inspection process, compliance obligations, and frequently asked questions.

All procedures referenced in this article are derived from official guidance, licensing portals, statutory schedules, and regulatory publications of the **Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)**.

Who Issues the Operational Permit for Tank Farms in Nigeria?



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The regulatory authority responsible for issuing operational permits (Depot Licenses) for tank farms in Nigeria is the **Nigerian Midstream and Downstream Petroleum Regulatory Authority (NMDPRA)**.

The Authority derives its powers from the **Petroleum Industry Act (PIA)** and the **Midstream and Downstream Petroleum Operations Regulations**.

No company is legally permitted to operate a petroleum storage depot, tank farm, or bulk storage facility without obtaining the relevant operational license from NMDPRA.

What is a Tank Farm Operational Permit?

A Tank Farm Operational Permit (commonly referred to as a **Depot License** or **Petroleum Products Storage & Sales License**) authorises a company to:

- Store petroleum products in bulk tanks
- Receive products via pipeline, vessel, or road tanker
- Distribute products through loading gantries
- Conduct bulk trading activities
- Operate jetty or discharge facilities (where applicable)

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This license confirms that the facility meets:

- Engineering standards
- Environmental requirements
- Fire safety standards
- HSE (Health, Safety & Environment) standards
- Fiscal metering and calibration standards

Step-by-Step Process to Obtain an Operational Permit for Tank Farms in Nigeria

Below is the official procedural framework based on the NMDPRA electronic licensing system.

Step 1: Register on the NMDPRA Central Licensing Portal (CELPS)

All applications begin with registration on the **Central Electronic Licensing & Permit System (CELPS)** portal.

You must:

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1. Create a corporate account
2. Input CAC registration details
3. Upload TIN information
4. Verify your official email address

This registration grants access to licensing modules including:

- Depot License Portal
- IMPEX Portal (for imports)
- Retail Outlet Management System (ROMS)
- Gas Licensing Portal (AGS)

Step 2: Create Depot Profile on the Depot Portal

Once your CELPS registration is approved:

- Log into the Depot Management System
- Register your tank farm facility
- Provide site location and coordinates
- Declare tank capacities
- Indicate product types handled
- Specify whether the facility has jetty/discharge infrastructure

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Step 3: Upload Required Documentation

The Authority requires extensive documentation before scheduling inspection.

Corporate Documentation

Requirement	Description
Certificate of Incorporation	CAC registration certificate
Memorandum & Articles	Corporate structure documentation
Tax Identification Number (TIN)	Federal tax registration
Company Address Verification	Utility bill or equivalent
Board Resolution	Authorising depot operation

Technical & Engineering Documentation

Requirement	Description
Site Layout Plan	Approved facility layout
As-Built Drawings	Engineering drawings

Requirement	Description
Piping & Instrumentation Diagram (P&ID)	Technical flow documentation
Tank Capacity Schedule	Volume details
Bund Wall Specifications	Spill containment system

Safety & Compliance Documentation

Requirement	Description
Fire Service Certification	State or Federal Fire Service clearance
Environmental Approval (EIA)	Where required
HSE Manual	Safety procedures
Emergency Response Plan	Incident management plan
Staff Training Certificates	Competency documentation
Calibration Certificates	Metering and measurement verification
SON Certification (if applicable)	Equipment compliance

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Step 4: Payment of Statutory Fees

Fees vary depending on:

- Category of license
- Tank capacity
- Type of operation
- Import/discharge activities

Example Statutory Charges (Subject to Portal Confirmation)

Fee Type	Typical Amount (₦)

OGISP Category Permit	5,000 – 250,000
IMPEX Vessel Notification	~220,000
LPG Depot Pre-License Inspection	~50,000
Capacity-Based License Fee	Scaled by volume

Important: The official payable amount is always displayed on the NMDPRA portal at the point of payment.

Payments are typically made via:

- Remita
- Bank Draft
- Card Payment

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Step 5: Pre-License Inspection by NMDPRA

After document verification, NMDPRA schedules a physical inspection.

Inspectors assess:

- Structural integrity of tanks
- Fire safety infrastructure
- Spill containment systems
- Calibration accuracy
- HSE compliance

- Environmental safeguards
- Loading gantry systems
- Jetty facilities (if applicable)

Any deficiencies must be corrected before approval.

Step 6: Final Approval & License Issuance

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Upon satisfactory inspection and compliance clearance:

- The Depot License is issued electronically
- A downloadable PDF license is generated
- License number is assigned
- Portal confirmation is provided

How Long Does It Take?

Typical timeline:

Stage	Estimated Duration
Portal Registration	1–7 days
Document Review	2–3 weeks
Inspection Scheduling	2–6 weeks
Final Approval	1–4 weeks

Total estimated timeframe: **6–12 weeks**, depending on readiness and compliance.

Renewal & Compliance Obligations

A Depot License must be renewed before expiry.

Operators must:

- Maintain accurate stock records
- Provide loading program reports
- Maintain calibrated meters
- Notify regulator of capacity upgrades
- Seek approval before expansion
- Submit required fiscal reports

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Failure to comply may result in:

- Suspension
- Monetary penalties
- Revocation of license

Common Misconceptions About Tank Farm Licensing in Nigeria

Myth: Local government approval is enough.

Fact: Only NMDPRA approval authorises operation.

Myth: License is permanent.

Fact: It requires renewal and continued compliance.

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Myth: Inspection is just procedural.

Fact: Non-compliance can delay approval indefinitely.

Myth: Import depots require no additional permits.

Fact: Import depots must also use the IMPEX portal for vessel notifications and product discharge permits.

Frequently Asked Questions (FAQ)

1. Can a foreign company obtain a Tank Farm Operational Permit?

A foreign investor must incorporate a Nigerian company before applying for a depot license.

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2. Is an Environmental Impact Assessment mandatory?

Yes, where required under environmental regulations for the project size and location.

3. Can I upgrade my depot capacity after approval?

Yes, but you must apply for modification approval and undergo further inspection.

4. What happens if I operate without a license?

Operating without NMDPRA authorisation is a regulatory offense under the Petroleum Industry Act.

5. Is the license issued physically or electronically?

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Licenses are issued electronically via the NMDPRA portal.

Complete Application Checklist

Before submitting your application, ensure you have:

- CAC registration documents
- TIN certificate
- Site ownership/lease documentation
- Engineering drawings
- Fire Service approval
- Environmental approval
- HSE manual
- Staff competency records
- Calibration certificates
- Payment receipts

Conclusion

Obtaining an Operational Permit for Tank Farms in Nigeria requires strict regulatory compliance, detailed documentation, and successful inspection by the **Nigerian Midstream and Downstream Petroleum Regulatory Authority**.

While the process is structured and fully digitised through the NMDPRA licensing portal, it demands technical preparation and regulatory awareness.

For companies planning to establish or operate petroleum storage and distribution facilities in Nigeria, early preparation of engineering documentation, environmental approvals, and safety compliance materials significantly accelerates approval timelines.

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