

Are you Ready?

COUNTDOWN TO HCDT REGISTRATION

STATUTORY TIME FRAME FOR THE INCORPORATION OF HCD TRUST

The PIA stipulates the following timelines for the incorporation of the Host Communities Development Trust:*

- Existing Oil Mining Lease Holders – not later than 15th August 2022.
- Existing designated facilities** – not later than 15th August 2022.
- Existing new designated facilities under construction as of the effective date – not later than 15th August 2022.
- Existing Oil Prospecting Licensees – to incorporate prior to their application for field development plan.
- Petroleum Prospecting Licensees and Petroleum Mining Lessees under the Act – to incorporate prior to applying for field development.
- Licensees of designated facilities granted under the Act – to incorporate prior to commencement of commercial operations.

* Please note that Section 303 of the PIA provides that the provisions of the PIA shall not apply to holders of OPLs and OMLs who do not enter into a conversion contract. It is necessary to mention that Section 236 as the specific provision which deals with the incorporation of HCD Trust does not distinguish between the holders OPLs and OMLs who have entered into a conversion contract or not.

**Designated Facilities is defined by the PIA as petroleum crude oil and natural gas transportation pipelines, bulk storage tank farms, refineries, and gas processing plants in midstream petroleum operations and petrochemical plants.

Timelines for Approval

An application for approval of the registration of a Trust shall be made to the Commission no later than 60 days before the deadline for registration contained in section 236 (a) (d) (e) of the Petroleum Industry Act and regulation 9 of the Regulations.

a. The requirements for approval of the Commission of the incorporation of a Trust shall include the following

- i. Duly completed Application Form;
- ii. Payment of prescribed application fee;
- iii. Two printed copies of the draft constitution of the Trust;
- iv. Duly signed copies of the minutes of the Communities Meeting appointing the trustees and authorizing the application, showing the people present and the votes scored;
- v. A copy of valid means of identification for the proposed trustees e.g. international passport, National ID card, Driver's License, Permanent Voter's Card;
- vi. The profile of each proposed trustee which shall include their respective qualifications and professional background;
- vii. In respect of proposed trustees nominated by the representative host communities, evidence that the proposed trustee comes from the relevant host community;
- viii. Full details of the criteria for the selection of the proposed trustees;
- ix. Copy of the applicant settlor's license or lease with a map identifying the settlor's area of operations annexed to it;
- x. List and location of all proposed host communities to be covered by the trust delineated on the map;
- xi. A copy of the settlor's host communities' development plan; and
- xii. The fund matrix for the Trust

Requirements for Approval

b. The application shall be signed by the settlor and two of the proposed trustees of the Trust.

c. The Commission may require such other evidence or information in verification of the statement and particulars in the application, and such other, information, if any, as it may think fit.