

NATIONAL PETROLEUM COMPANY ACT

CHAPTER 62:04

Act
33 of 1969

Current Authorised Pages

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UNOFFICIAL VERSION

L.R.O.

UPDATED TO DECEMBER 31ST 2015

Note on Subsidiary Legislation

This Chapter contains no subsidiary legislation.

CHAPTER 62:04

NATIONAL PETROLEUM COMPANY ACT

ARRANGEMENT OF SECTIONS

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CHAPTER 62:04

NATIONAL PETROLEUM COMPANY ACT

33 of 1969. **An Act to provide for the establishment of a Company to manage and develop petroleum resources of Trinidad and Tobago, to define the powers and duties thereof and for matters incidental thereto.**

Commencement. [25TH SEPTEMBER 1969]

Short title. **1.** This Act may be cited as the National Petroleum Company Act.

Interpretation. **2.** In this Act—
“Board” means the Board of Directors of the Company established by section 9;
“Company” means the National Petroleum Company established by section 3.

Establishment and incorporation. **3.** (1) There is hereby established a body to be known as the National Petroleum Company.

(2) The Company is hereby created a body corporate.

Functions of the Company. **4.** It shall be the function of the Company to promote the economy of Trinidad and Tobago by undertaking the exploration, exploitation and management of petroleum resources of the Country and by ensuring the more effective participation of the people of Trinidad and Tobago in the development and utilisation of these resources.

General powers of the Company. **5.** For the purpose of discharging its functions the Company may engage directly or indirectly in all aspects of the petroleum or petrochemical industries whether these relate to exploration, exploitation, manufacturing, refining, marketing, transport (by land, sea or air), importing, exporting, purchasing or exchange or any other activity connected with or arising out of these industries.

6. Without prejudice to the generality of the powers conferred in section 5, the Company shall, subject to section 7, have power to—

Specific powers of the Company.

- (a) operate or manage on assignment from the Government any Government interest in petroleum or other rights in respect of State Lands or otherwise and whether these relate to exploration, exploitation, manufacturing or marketing;
- (b) acquire shares, stock, bonds or other assets or otherwise participate in any undertaking engaged in the petroleum or petrochemical industries;
- (c) cause subsidiary, ancillary or associated companies to be established;
- (d) enter into any form of association with other enterprises which will tend to the more effective performance of its functions;
- (e) initiate in connection with its own operations or with those of its subsidiaries or associates training programmes designed to ensure that nationals of Trinidad and Tobago are provided with the training, qualifications and experience necessary to equip them for attaining the highest positions in the petroleum or petrochemical industries;
- (f) grant loans to or invest money in any undertaking connected with the petroleum or petrochemical industries;
- (g) acquire, hold and dispose of real or personal property or rights in real or personal property;
- (h) enter into all such transactions and do all such things (whether or not involving expenditure) as in the opinion of the Board are calculated to facilitate the proper discharge of its function or are incidental or conducive thereto.

7. Notwithstanding the provisions of section 5, the Minister may by Order whenever he considers it expedient in the public

Minister may limit powers.

interest to do so limit the exercise of the powers of the Company to such an extent as he may specify in that behalf and when the Order is made the Company shall not exercise any power so limited except in accordance with the special authority of the Minister.

Head Office
of Company.

8. The Company shall have its head office in the City of Port-of-Spain but may establish branches and agencies elsewhere inside or outside Trinidad and Tobago.

Board of
Directors.

9. (1) The Company shall be managed by a Board of not fewer than five or more than nine directors appointed by the Minister from among persons who have special qualifications in, and have had experience of, matters relating to petroleum engineering, chemical engineering, business management, geology, geophysics, marketing, labour relations, accountancy, economics, finance or law.

(2) A director shall be appointed for such period not exceeding three years as may be specified in the instrument of appointment but shall be eligible for reappointment.

(3) The Minister may at any time revoke the appointment of a director if he considers it expedient to do so.

(4) A director may at any time resign his office by instrument in writing addressed to the Minister.

(5) The Minister shall appoint a director as Chairman of the Board and if the Chairman resigns or is removed from office as Chairman he shall thereupon cease to be a director.

(6) The Minister may, in the event of the absence or inability of the Chairman, appoint any director to act temporarily in place of the Chairman.

(7) The Minister may appoint any person appearing to him to have qualifications necessary for appointment to act temporarily in place of any director who may be absent or unable to act.

(8) The directors shall be paid such remuneration as the Minister may determine.

(9) The appointment of any person as a director and the termination of office of any person as such shall be notified in the *Gazette*.

10. (1) There shall be a full-time General Manager of the Company who shall be appointed by the Minister and who shall, subject to the directions of the Board, be responsible for the administration of the Company.

General
Manager.

(2) The Minister may if he considers it expedient appoint the Chairman of the Board to perform in addition to his functions as Chairman the duties of General Manager.

(3) The appointment to the office of General Manager shall be for such term not exceeding three years as the Minister may determine but he shall be eligible for reappointment and it shall be a condition of the appointment that it may at any time be revoked by the Minister.

(4) Where the Chairman of the Board is appointed as General Manager and his term of office as Chairman expires or where he resigns or is removed from office as Chairman he shall also cease to hold the office of General Manager.

11. (1) The Board shall appoint a Secretary of the Company (in this Act referred to as “the Secretary”) and such other officers and employees as may be necessary for the due and efficient conduct of the business of the Company.

Board to
appoint
Secretary, etc.

(2) An annual salary that exceeds twelve thousand dollars shall not be assigned to any post in the Company without the approval of the Minister.

12. The Company may with the approval of and subject to such terms and conditions as the President may determine provide, establish and maintain a pension scheme or a provident fund scheme for its officers and employees and in any such scheme different provisions may be made for different classes of officers and employees.

Pension scheme.

Board to advise
Minister.

13. The Minister may require the Board to advise him on any aspect of the petroleum and petrochemical industries on which he seeks advice and when so required the Board shall advise the Minister accordingly.

Delegations by
the Board.

14. Subject to the provisions of this Act and the approval of the Minister the Board may delegate to any director or committee of directors the power and authority to carry out on its behalf such duties as the Board may think fit.

Meetings.

15. (1) The Chairman or in his absence any director appointed to act temporarily as Chairman, shall preside at all meetings of the Board.

(2) The Chairman or in his absence the director appointed to act temporarily as Chairman and three other directors, shall constitute a quorum.

(3) All decisions of the Board shall be taken by a majority of the votes.

(4) The Chairman may at any time call a meeting of the Board so however that the Board shall meet at least once in each month.

(5) The Chairman shall, within three days of the receipt by him of a requisition for that purpose addressed to him by any two directors, call a special meeting of the Board.

Directors to
declare interest.

16. (1) A director whose interest is likely to be affected by a decision of the Board on any matter whatsoever shall disclose the nature of his interest at the first meeting of the Board at which he is present after the relevant facts have come to his knowledge.

(2) A director having the necessary expert knowledge and experience may, however, in addition to his normal functions as a director, be appointed by the Board in a special advisory capacity whenever the Board considers this necessary and a director so appointed shall not be deemed to have an interest for the purposes of subsection (1).

(3) A disclosure under subsection (1) shall be recorded in the minutes of the Board and the director making the disclosure shall not be present or take part in the deliberations nor vote at any meeting at which the matter is being considered by the Board.

17. In the performance of its functions under this Act the Board shall at all times comply with the directions of the Minister. Board to comply with direction of Minister.

18. The assets of the Company shall consist of— The assets of the Company.

- (a) such exploration, exploitation and related rights as may be assigned to it by the Government;
- (b) such real and personal property (including things in action) as may be transferred to it by the Government;
- (c) real and personal property acquired otherwise than by assignment from the Government;
- (d) that portion of the profits which it may hold for the development of its activities.

19. (1) Subject to subsection (2) the financial year of the Company shall begin on 1st January and end on the 31st December of each year. Financial year.

(2) The period commencing on the date of the coming into operation of this Act and ending on the 31st December in that year shall be taken to be the first financial year of the Company.

(3) Not later than three months prior to the end of each financial year subsequent to the first financial year the General Manager shall prepare and present to the Board and the Board shall consider the operations budget of the Company for the next subsequent financial year. Budget.

(4) The Board shall as soon as possible after this submit the budget with their comments to the Minister for his approval.

20. (1) The Company shall establish and maintain an accounting system in accordance with established practice in the petroleum industry. Accounts of Company.

(2) The accounts of the Company shall be audited by auditors appointed by the Board and approved by the Minister after consideration of the advice of the Auditor General. Such accounts together with any report made thereon by the auditors shall be submitted to the Minister within one month of the completion of the audit and shall be laid before Parliament.

(3) The Government may allocate to the Company in respect of any one year the whole or part of any sum required to cover any deficit disclosed by the budget.

Company profits.

21. (1) The Company shall conduct its activities along business lines and any profits realised by its operations shall accrue to the Government.

(2) Such proportion of these profits as may be determined by the Minister shall be paid into such national funds as the Minister of Finance may direct and the remainder of the profits shall be used for the purpose of expanding the activities of the Company and for the provision of special reserves or of sinking funds as the Minister may approve.

Overdraft.

22. (1) The Company may borrow temporarily by way of overdraft or otherwise such sums as may be required to meet its obligations or discharge its functions.

Borrowing powers of the Company.

(2) Subject to the approval of the Minister of Finance the Company may borrow such sums as may be required for any of the following purposes:

- (a) the provision of working capital;
- (b) the acquisition of shares or other interests in companies engaged in the petroleum and petrochemical industries;
- (c) the establishment of subsidiary companies and the acquisition of interests in other undertakings;
- (d) meeting expenditure chargeable to capital account including the repayment of any money borrowed by the Company for defraying expenditure so chargeable.

23. (1) The Minister of Finance may guarantee in such manner and on such conditions as he may determine the repayment of any loan raised by the Company under section 22 together with interest on and any other charges in respect of the loan.

Guarantee
of loans.

(2) Any sums required for fulfilling a guarantee under subsection (1) shall be charged upon and issued out of the Consolidated Fund.

24. (1) The Company shall be liable to tax but the President may by Order exempt it from the payment of any tax imposed by or under any written law where circumstances so warrant.

Exemption
from tax.

(2) In this section “tax” includes assessments, fees, charges, impositions and such other levies as form part or are intended to form part of the general revenue.

25. Not later than the end of the third month of each financial year a report on the operations of the Company during the last preceding financial year shall be submitted by the Board to the Minister and the report shall be laid before Parliament.

Report to
Minister.

26. The provisions of the Exchequer and Audit Act, the Central Tenders Board Act, the Public Utilities Commission Act and the Statutory Authorities Act shall not apply to the Company.

Acts not
to apply.
Ch. 69:01.
Ch. 69:04.
Ch. 54:01.
Ch. 24:01.