Member Country Profile – Brazil

| Organisations: | Natural Agency of Petroleum, Natural Gas and Biofuels - ANP |
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| Country Representatives: | Luciene Ferreira Pedrosa – Head of Environment |
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Regime Scope:

Regulatory body for activities related to petroleum, gas and biofuels industry (upstream, midstream and downstream).

Administering Agency/Arrangements:

ANP is vinculated to Ministry of Mines and Energy, being the federal agency responsible for implementing the national policy for the petroleum, gas and biofuels sector, according to the Petroleum Law (Law nº 9478/1997).

Legislation Type:

The ANP is led by a director board, composed by five directors (one general and four technical) with a four-year term each one. Deliberative sessions take place weekly in order to issue instructions, rules and resolutions to the industry and to solve conflicts between economic agents and consumers. Acts that may impact industry are submitted to public hearings.

Links to Relevant Legislation:

ANP Legislation System:

(http://nxt.anp.gov.br/NXT/gateway.dll?f=templates&fn=default.htm&vid=anp:10.1048/enu).

The system provides all the regulations drawn up by the ANP since 1998, organized in resolutions, technical and administrative rules, normative guidelines, permits and orders.

The collection also provides the Federal Constitution and hundreds of laws, decrees and provisional measures adopted by the National Congress, as well as resolutions, ordinances and regulatory instructions of various federal departments and agencies whose work is directly related to the oil industry, such as the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA), the National Environmental Council (CONAMA) and the National Energy Policy Council (CNPE), among others.

Extent of Government Approval:

- Promotion of geological and geophysical studies to identify potential basins for hydrocarbon production. ANP organizes and maintains the technical data on a database;
- ANP performs biddings rounds for exploration, development and production of hydrocarbon areas, signs the concession contracts on behalf of the Union and supervises the execution of the contracts;
- Calculations of the amount of royalties and other tributes owed to the States and the Union;
- Authorizations and supervisions of the activities of refining, processing, transportation and the import and export of oil and gas;
- Authorizations and supervisions of the activities of production, storage, import and export of biodiesel.

Nature of Duties Imposed:

- Constitution of the Federative Republic of Brazil, Article 177;
- Law 9478/1997, which instructs the national energy policy, activities related to the oil monopoly, creates the CNPE and ANP;
- Law 9847/1999, which instructs the fiscalization of the activities related to national fuel supply;
- Decree nº 2455/1998, which establishes the ANP;
- Decree No 2705/1998, which defines criteria for calculation and collection of royalties and special shares
- CNPE Resolutions.

Physical Objects in the Regime:

- Oil, gas, fuels and biofuels pipelines: around 19,700 km;
- Refineries: 16 facilities;
- Onshore and offshore fields: 338 blocks in exploration phase, 73 fields in development and 365 fields in production phase;
- Production Plattaforms: 154 units;
- Biodiesel plants: 64 units;
- Fuel, biofuel, solvent and LPG distribution bases: 329 facilities;
- Fuel and biofuel transporting, distribution and retail facilities: 432 units.

Data available in: <u>http://www.anp.gov.br/?pg=71976</u> (ANP Statistical Yearbook)

Assurance Mechanisms:

- Government inspectorate. Audits, inspections, monitoring and fiscalization;
- Offices located in Rio de Janeiro (central office), São Paulo, Salvador, Brasília, Manaus, Belo Horizonte and Porto Alegre;
- Agreement with the Brazilian Navy for joint operation on safety issues
- Agreement with State Fire Brigades and Finance Secretaries to support downstream fiscalization;
- Contracts with Federal Universities and other research institutes to support fuels and biofuels quality analysis.

Financial Basis:

- Funds in the Union Budget, dependent of the approval of Congress;
- Concession Contract Signing Bonuses (paid by companies that obtain concession areas) and revenue taxes;
- Resources from agreements and donations;
- Fees and fines;
- Trading of geological and geophysical data from the National Database of Exploration and Production (BDEP);
- Occupation/retention of areas tax.

Environmental Regulation Responsibilities:

Law nº 9478/1997:

Chapter I - Art. 1 - IV: one of the principles and objectives of the national energy policy is to protect the environment and promoting the conservation of energy

Chapter IV - Art. 8 – IX: one of the roles of the National Petroleum Agency (ANP) is to enforce the good practices for conservation and rational use of oil, its products, of natural gas, and the environment preservation.

Oil Spill Response:

- Resolution Conama nº 398 /2008 establishes the minimum content of the Individual Emergency Plan (IEP) for oil pollution incidents in waters under national jurisdiction;
- Decree nº 4871 / 2003 provides the establishment of Area Plans for combating oil pollution in waters under national jurisdiction;
- Law 8127/2003 establishes the National Contingency Plan for Oil Pollution Incidents in waters under national jurisdiction (PNC). This law fixes responsibilities, establish organizational structure and define guidelines, procedures and actions, with the goal of enabling coordinated action of public administration and public and private entities.

Transparency:

Law on Access of Information (nº 12527 / 2011), regulates the constitutional right of citizens' access to public information and is applicable.

To forward requests for information based on this Law, access the address below and fill out the application.

(www.acessoainformacao.gov.br/sistema)

| Profile Date: | January, 2015 |
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