

**THE CONSUMER PROTECTION
(PRICE AND SUPPLIES CONTROL) ACT**

**Regulations made by the Minister under section 35 of the
Consumer Protection (Price and Supplies Control) Act**

1. These regulations may be cited as the Consumer Protection (Control of Price of Petroleum Products) Regulations 2011.

2. In these regulations –

“calculated price” –

(a) means the price calculated for a petroleum product in accordance with regulation 3(2), without taking into account any adjustment to be made and the funds available in the PSA; but

(b) excludes a new calculated price;

“CIF” or “cost, insurance and freight”, in relation to a petroleum product, means the total sum of –

(a) the reference price of the petroleum product;

(b) the premium paid to the supplier;

(c) freight; and

(d) insurance;

“Committee” means the Petroleum Pricing Committee referred to in regulation 7;

“Corporation” has the same meaning as in the State Trading Corporation Act;

“member” means a member of the Committee;

“petroleum product” means –

(a) Mogas (Motor Gasoline); or

(b) Gas Oil sold on the local market (Diesel);

“Platts price” means the benchmark price of oil determined by Platts, a division of the McGraw-Hill Companies (NYSE-MHP), which is a global information provider for oil and metal;

“PSA” means the Price Stabilisation Account set up under regulation 4;

“reference price” means an average of the Platts prices for the 6 months prior to, and 6 months subsequent to, a computation made under regulation 3, together with an increase of up to 4 per cent of such average;

“supplier” means any company which supplies petroleum products to the Corporation.

3. (1) The Corporation shall, as and when necessary or on the recommendation of the Committee, compute the retail price of a petroleum product per litre in accordance with the price structure set out in the Schedule.

(2) Subject to regulation 5, the Corporation shall, in computing the retail price of a petroleum product, take into account –

- (a) the CIF;
- (b) the excise duty specified in Part I of the First Schedule to the Excise Act;
- (c) the Maurice Ile Durable levy chargeable under the Excise Act;
- (d) any contribution made to the Road Development Authority;
- (e) any contribution made to subsidise the transportation and storage of petroleum products in Rodrigues;
- (f) any contribution made for hedging purposes;
- (g) any contribution made to subsidise liquefied petroleum gas (LPG), rice and flour;
- (h) the operational expenses incurred by the Corporation;
- (i) any adjustment to be made, where necessary;
- (j) the funds available in the PSA, where necessary;
- (k) any expense incurred in connection with the operation and marketing of petroleum products by entities responsible for the storage and distribution of petroleum products, and any wholesale margin;
- (l) any value added tax payable; and
- (m) any retail margin allowed.

(3) The retail price of a petroleum product computed under paragraph (2) shall be rounded to the nearest higher multiple of 5 cents.

4. The Corporation shall set up, for the purpose of stabilising the retail price of a petroleum product, a Price Stabilisation Account –

- (a) into which any surplus in respect of every consignment of a petroleum product and any windfall gain arising out of an increase in the retail price shall be credited; and
- (b) out of which any deficit in respect of every consignment of a petroleum product and any windfall loss arising out of a decrease in the retail price shall be debited.

5. (1) The retail price of a petroleum product shall be maintained where its calculated price is –

- (a) lower, by less than 7 per cent, than the existing retail price, by adjusting the calculated price;
- (b) higher, by less than 5 per cent, than the existing retail price –
 - (i) by using the funds in the PSA;
 - (ii) by adjusting the calculated price, where the funds used are insufficient; or
 - (iii) by adjusting the calculated price, where there are no funds;
- (c) higher, by 5 per cent or more but not more than 15 per cent, than the existing retail price –
 - (i) by using the funds in the PSA, which results in the new calculated price being higher than the existing retail price by not more than 5 per cent; and
 - (ii) by adjusting the new calculated price; or
- (d) higher, by more than 15 per cent, than the existing retail price –
 - (i) by using the funds in the PSA, which results in the new calculated price being higher than the existing retail price by not more than 5 per cent; and
 - (ii) by adjusting the new calculated price.

(2) The retail price of a petroleum product shall be decreased –

- (a) where its calculated price is lower, by 7 per cent or more but not more than 10 per cent, than the existing retail price; or
- (b) by a maximum of 10 per cent where its calculated price is lower, by more than 10 per cent, than the existing retail price, by

adjusting the calculated price.

- (3) The retail price of a petroleum product shall be increased –
 - (a) where its calculated price is higher, by 5 per cent or more but not more than 15 per cent, than the existing retail price –
 - (i) where there are no funds in the PSA; or
 - (ii) where the funds in the PSA are used but the new calculated price is 5 per cent more than the existing retail price; or
 - (b) where its calculated price is higher, by more than 15 per cent, than the existing retail price –
 - (i) where the funds in the PSA are used but the new calculated price is 5 per cent more than the existing retail price; or
 - (ii) by a maximum of 15 per cent –
 - (A) where there are no funds in the PSA, by adjusting the calculated price; or
 - (B) where the funds in the PSA are used but the new calculated price is 15 per cent more than the existing retail price, by adjusting the new calculated price.

6. (1) The Corporation shall, after making a computation under regulation 3(1), submit to the Committee for its approval a recommendation to maintain, increase or decrease the retail price of a petroleum product.

(2) Where the recommendation submitted under paragraph (1) is approved by the Committee, the Corporation shall forthwith –

- (a) inform the entities responsible for the storage and distribution of petroleum products of the retail price;
- (b) affix the retail price at the seat of the Corporation; and
- (c) cause the retail price to be published in at least 2 daily newspapers.

7. (1) There shall be, for the purposes of these regulations, a Petroleum Pricing Committee.

(2) The Committee shall consist of –

- (a) a representative of the Ministry;
- (b) a representative of the Ministry responsible for the subject of finance;
- (c) a representative of the Ministry responsible for the subject of energy;
- (d) a representative of the Ministry responsible for the subject of commerce;
- (e) the Director of Central Statistics Office; and
- (f) not more than 3 other members, to be appointed by the Minister to whom responsibility for the subject of commerce is assigned.

(3) The Minister, to whom responsibility for the subject of commerce is assigned, shall appoint a Chairperson among the members.

(4) (a) The Committee shall meet as often as necessary but at least once every 4 months.

(b) A meeting of the Committee shall be held at such time and place as the Chairperson thinks fit.

(5) Where the Chairperson is absent from a meeting of the Committee, the members present shall elect one of them to chair the meeting.

(6) Five members shall constitute a quorum at a meeting of the Committee.

(7) The Committee shall regulate its meetings and proceedings in such manner as it may determine.

(8) The members shall be paid such fees or allowances as the Minister, to whom responsibility for the subject of commerce is assigned, may determine.

8. (1) The Committee –

- (a) shall verify the correctness of any computation of the retail price of a petroleum product made by the Corporation;
- (b) may, after making a verification under paragraph (a), approve or disapprove that the retail price of a petroleum product be maintained, increased or decreased;
- (c) may require the Corporation to review any computation of the retail price of a petroleum product;
- (d) shall, where it approves an increase or a decrease in the retail price of a petroleum product, recommend to the Minister the

fixing of the new retail price of that petroleum product;

- (e) monitor the global evolution of prices of petroleum products and, where necessary, recommend to the Corporation the review of the retail price of a petroleum product; and
- (f) advise the Minister, to whom responsibility for the subject of commerce is assigned, on matters relating to petroleum products.

(2) The Committee may require the Corporation to furnish any information or document used in the computation of the retail price of a petroleum product and the Corporation shall supply such information or document.

9. The Consumer Protection (Control of Price of Petroleum Products) Regulations 2004 are revoked.

10. For the purpose of computing the retail price of a petroleum product for the first time under these regulations, the Corporation shall compute the retail price in accordance with regulation 3(2), without taking into account any adjustment to be made and the funds available in the PSA.

11. These regulations shall come into operation on 11 January 2011.

Made by the Minister on January 2011.

SCHEDULE
[Regulation 3(1)]

PRICE STRUCTURE

	Mogas	Gas Oil
Reference price (Platts) - US\$ per metric ton	XXXX	-
Reference price (Platts) - US\$ per barrel	-	XXXX
CIF - US\$/litre	XXXX	XXXX
Exchange rate – Rs/ US\$	XXXX	XXXX
	Rupees per litre	
CIF	XXXX	XXXX
Excise duty	XXXX	XXXX
Maurice Ile Durable levy	XXXX	XXXX
Contribution to Road Development Authority	XXXX	XXXX
Contribution to Rodrigues transportation and storage	XXXX	XXXX
Hedging	XXXX	XXXX
Contribution to subsidy on LPG, flour and rice	XXXX	XXXX
STC's operational expenses	XXXX	XXXX
Adjustment		
Price Stabilisation Account		
Rounding of figures	XXXX	XXXX
TRANSFER PRICE TO OIL COMPANIES	XXXX	XXXX
Oil companies' operational expenses and wholesale margin	XXXX	XXXX
VAT	XXXX	XXXX
WHOLESALE PRICE	XXXX	XXXX
Retail margin (filling station's margin)	XXXX	XXXX
RETAIL PRICE*(PRICE AT FILLING STATION)	XXXX	XXXX

**Retail prices of Mogas and Gas Oil shall be rounded to the nearest higher multiple of 5 cents*