



FINAL DETERMINATION AND ORDER ON:

LIQUEFIED NATURAL GAS (LNG) IMPORT EXEMPTION

NGS 01/2026

PUBLICATION DATE: 06 February 2026

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1 Introduction

The Utilities Regulation and Competition Authority (URCA) is the independent regulator of the Natural Gas Sector (NGS) in accordance with the Natural Gas Act, 2024 (NGA). The NGA sets out URCA's role, powers, and functions in addition to the statutory obligations of persons operating in the NGS. URCA is responsible for licensing and/or exempting activities in the NGS value chain throughout The Bahamas. URCA also has the power to issue regulatory and other measures to effectively and efficiently regulate the NGS.

Under the NGA, URCA may by determination exempt any person from complying with the requirement to obtain a licence for activities in the NGS. Any person that meets the criteria of an exemption will not require a licence from URCA for those activities as set out in the exemption.

This Final Determination and Order document is a regulatory measure issued by URCA that sets out the regulatory basis for the exemption of persons from obtaining a licence for the import of Liquefied Natural Gas (LNG) in The Bahamas in specific circumstances.

1.1 Background

On 1 June 2024, the NGA came into force thereby establishing the statutory requirement that no person shall import natural gas into The Bahamas unless the person is authorised to do so by a licence issued by URCA under the NGA or is exempted under Section 18 of the NGA.

On 1 October 2024, URCA established the licensing regime and issued regulatory measures to ensure the effective and efficient regulation of the NGS, including the licensing of the importation of LNG. An overview of these regulatory measures was set out in URCA's *"Draft Licenses, Regulations and Codes for the Natural Gas sector Statement of Results and Final Decision URCA 02/2024"*. In addition to the publication of its Statement of Results and Final Decision, URCA also published its draft licence documents incorporating standard licence conditions. Amongst these draft instruments was the Gas Importer Licence – NGS 03/2024.

Consequential to URCA's stakeholder engagement regarding the statutory requirement for licensing of importation of natural gas into The Bahamas, and having regard to Vessels that arrive in The Bahamas carrying LNG in their fuel tanks solely for propulsion and their operations and not for the purpose of commercial importation or gain, URCA believes that such Vessels may be disproportionately subjected to licensing requirements, conditions, obligations and regulatory measures issued by URCA under the NGA.

On 12 September 2025, URCA issued its Preliminary Determination and Draft Order On: Liquefied Natural Gas (LNG) Import Exemption – NGS 05/2025 document seeking representations from all licensees, members of the public and interested parties, regarding the issuance of an Exemption Order pursuant to the NGA, as the appropriate regulatory measure to remedy this potential regulatory matter in the LNG licensing regime.

The Preliminary Determination and Draft Order consultation process provided the formal mechanism through which interested parties, stakeholders and the general public ("the Respondents") were able to submit representations and objections on the subject matter contained therein. The period for submission of responses closed on 31 October 2025 ("the Response Date") and URCA is satisfied that it has complied with its statutory requirement under the Natural Gas Act, 2024, to afford all persons having interest in the subject matter of the Preliminary Determination a reasonable opportunity to make such representations and objections.

1.2 Objectives of this Final Determination

The objectives of this Final Determination are:

- To summarise any representations and objections received in response to the Preliminary Determination and Draft Order by all persons having interest in the subject matter therein;
- To provide URCA's analysis of and comments on any representations and objections

received in response to the Preliminary Determination and Draft Order from persons having interest in the subject matter therein;

- To provide URCA's reasons and reasoning behind the Final Determination and Order in sufficient detail to enable it to be understood and the reasons for it to be known; and
- To set out the finalised text of the Exemption criteria on the import of Liquefied Natural Gas in The Bahamas.

1.3 Structure of the Remainder of this Document

The remainder of this document is structured as follows:

Section 2: *Responses to the Preliminary Determination and Draft Order and URCA's Comments* – sets out the summary of responses to the Preliminary Determination and Draft Order and URCA's comments on such responses;

Section 3: *Final Determination* – sets out URCA's Final Determination and its reason and reasoning for the Final Determination;

Section 4: *Order* – sets out URCA's Order to be issued in conjunction with URCA's Final Determination; and,

Section 5: *Conclusion and Next Steps* – sets out URCA's conclusion of this consultation process and the next steps to be taken by URCA regarding the implementation of the LNG Import Exemption.

2 Responses to the Preliminary Determination and Draft Order and URCA's Comments

The level of participation in this Preliminary Determination and Draft Order consultation process was significantly below what URCA anticipated, despite URCA's best efforts to provide interested parties reasonable opportunity to submit representations on the matters under consultation. Unfortunately, URCA has received no submissions from interested parties, stakeholders and the general public on the subject matter contained in the Preliminary Determination and Draft Order consultation document.

While this Determination is final, URCA encourages feedback from stakeholders, Licensees and the public broadly on the LNG licensing regime, which may be used to inform URCA's decisions on future regulatory and other measures.

3 Final Determination

This Final Determination is issued by the Utilities Regulation and Competition Authority (URCA) in accordance with Sections 106(1) and (10)(b) of the Natural Gas Act, 2024 (NGA).

WHEREAS Section 17 of the NGA provides, *inter alia*, that no person shall import natural gas unless the person is authorized to do so by a licence issued by URCA under the NGA or is exempted under Section 18 of the NGA;

WHEREAS Section 18(1)(a) of the NGA provides that URCA may exempt any person or class of persons from complying with Section 17 generally or to such an extent as may be specified in the Exemption Order;

AND WHEREAS URCA considers that the import of LNG by a Vessel to the extent that such LNG is contained within and forms part of the fuel supply of that Vessel and is being used, or intended to be used, solely for the propulsion or operation of that Vessel and not for commercial gain may be disproportionately subjected to licensing requirements, conditions, obligations and regulatory measures issued by URCA under the NGA.

NOW THEREFORE having considered the foregoing and the matters set out under Section 2 of this document, **URCA HEREBY DETERMINES:**

- (i) to exempt persons operating a Vessel from the requirement to hold a licence under Section 17(1)(a) of the NGA for the Import of LNG to the extent that such LNG is contained within and forms part of the fuel supply of that Vessel and is being used, or intended to be used, solely for the propulsion or operation of that Vessel; and
- (ii) to limit this Exemption to LNG physically contained in the fuel tanks of the Vessel at the time of entry into Bahamian waters and does not extend same to any LNG carried as cargo, whether for consideration, commercial gain, refueling or otherwise.

4 Order

This Exemption Order is issued by the Utilities Regulation and Competition Authority pursuant to Section 18 and 106 of the Natural Gas Act, 2024, and is issued in conjunction with the Final Determination issued by URCA on 06 February 2026.

WHEREAS by Final Determination made on 06 February 2026;

AND WHEREAS IN ACCORDANCE WITH the role, functions and powers of URCA under the NGA, **URCA HEREBY:**

- (i) exempt persons operating a Vessel from the requirement to hold a licence under Section 17(1)(a) of the NGA for the Import of LNG to the extent that such LNG is contained within and forms part of the fuel supply of that Vessel and is being used, or intended to be used, solely for the propulsion or operation of that Vessel; and
- (ii) limit this Exemption to LNG physically contained in the fuel tanks of the Vessel at the time of entry into Bahamian waters and does not extend to any LNG carried as cargo, whether for consideration, commercial gain, refueling or otherwise.

AND THAT THIS EXEMPTION ORDER shall continue in force until such time and unless revoked

by URCA in accordance with the NGA.

5 Conclusion and Next Steps

This section sets out URCA's conclusion and next steps that will be taken by URCA in this Final Determination and Order consultation process:

1. This Final Determination and Order will be reviewed from time to time by URCA when circumstances, as determined by URCA, warrant it;
2. This Final Determination and Order is without prejudice to URCA's powers under the Natural Gas Act, 2024, the outcome of any ongoing or future consultations, regulatory or other measures carried out by URCA pursuant to such powers;
3. This Final Determination and Order shall come into effect from the date of its publication on URCA's website; and
4. **URCA will publish the Liquefied Natural Gas (LNG) Exemption as a standalone document on its website simultaneously with the issuance of this Final Determination and Order.**