



LIQUEFIED NATURAL GAS (LNG) IMPORT EXEMPTION (Exemption #2 – Transit Import Exemption)

NGS 25/2026

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LNG IMPORT EXEMPTION (“the Exemption”)

1. DEFINITIONS AND INTERPRETATION

1.1. In this Exemption, except in so far as the context otherwise requires:

“**Act**” means the Natural Gas Act, 2024;

“**Bahamian Waters**” means all the areas of the sea subject to the jurisdiction of The Bahamas, and includes territorial waters, archipelagic waters and internal waters navigable by seagoing ships;

“**Domestic Consumption**” means the consumption, use, storage, regasification, sale, supply, retail or delivery of LNG or regasified LNG in or for The Bahamas, other than the supply of LNG as bunker fuel to a Vessel in connection with a Transit LNG Import Activity;

“**Exempt Person**” means a person who brings LNG, causes LNG to be brought, arranges, procures or coordinates the Import of LNG into The Bahamas, or accepts responsibility for that Import, solely for the purpose of a Transit LNG Import Activity in accordance with this Exemption;

“**Import**” means bringing LNG or causing LNG to be brought into The Bahamas from anywhere outside The Bahamas;

“**LNG**” means liquefied natural gas;

“**Natural Gas Transfer Operations Regulations**” means the Natural Gas Transfer Operations Regulations, 2025, as amended or replaced from time to time;

“**NGTO**” means a Natural Gas Transfer Operation within the meaning of the Natural Gas Transfer Operations Regulations;

“**NGTSP**” means a Natural Gas Transfer Service Provider registered in accordance with the Natural Gas Transfer Operations Regulations;

“Responsible Person” means the Exempt Person, NGTSP, Bahamian agent, vessel agent or other person identified to URCA or the Port Controller as the person responsible for coordinating the Transit LNG Import Activity for the purposes of this Exemption;

“Transit LNG Import Activity” means the Import of LNG solely for the purpose of bunkering a Vessel in Bahamian Waters or lightering LNG from one Vessel to another Vessel in Bahamian Waters, where the LNG is not intended to remain in The Bahamas and is not intended for Domestic Consumption;

“URCA” means the Utilities Regulation and Competition Authority; and

“Vessel” means any waterborne craft, ship or boat, whether self-propelled or otherwise, capable of navigation in Bahamian Waters.

1.2. For the purpose of interpreting this Exemption:

- 1.2.1. except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in this Exemption, and otherwise in the Act;
- 1.2.2. for ease of reference, in this Exemption terms defined in the Act have been capitalised;
- 1.2.3. subject to section 1.2.1, where there is any conflict between the provisions of this Exemption and the Act, the provisions of the Act shall prevail;
- 1.2.4. headings and titles used in this Exemption are for reference only and shall not affect its interpretation or construction; and
- 1.2.5. references to any law or statutory instrument include any modification, re-enactment or legislative provisions substituted for the same.

2. DURATION

- 2.1. This Liquefied Natural Gas (LNG) Import Exemption shall continue in force until such time as it is revoked by URCA in accordance with the Natural Gas Act, 2024 or any other law,

or by Determination published by URCA.

3. EXEMPTION

- 3.1. Pursuant to section 18 of the Act, URCA hereby exempts any person who brings, or causes LNG to be brought, into The Bahamas solely for the purpose of a Transit LNG Import Activity from the requirement to hold a licence under section 17(1)(a) of the Act for that Import, provided that the Import is conducted in accordance with this Exemption.
- 3.2. This Exemption applies only where the LNG is brought, or caused to be brought, into The Bahamas solely for the purpose of a Transit LNG Import Activity and is not intended to remain in The Bahamas or to be supplied, sold, stored, regasified, retained, consumed or otherwise used in The Bahamas for Domestic Consumption.
- 3.3. The participation of any vessel owner, vessel operator, fuel owner, LNG supplier, charterer, broker, agent, NGTSP, contractor or other participant in a Transit LNG Import Activity shall not, by itself, confer on that person any broader right to import LNG or to carry on any licensed gas activity in The Bahamas.
- 3.4. This Exemption does not confer on any person an independent right to store, regasify, transport by pipeline, retail, supply or otherwise deal in LNG or natural gas in The Bahamas outside the strict scope of a Transit LNG Import Activity.

4. CONDITIONS OF EXEMPTION

- 4.1. An Exempt Person shall not rely on this Exemption unless the corresponding transfer operation is conducted in accordance with the Natural Gas Transfer Operations

Regulations and any applicable approval, permit, instruction or requirement of URCA, the Port Controller, Bahamas Port Department, Department of Environmental Planning and Protection or any other relevant public authority.

- 4.2. An Exempt Person shall ensure that LNG brought, or caused to be brought, into Bahamian Waters under this Exemption is handled in a manner that protects the safety of persons, property and the environment.
- 4.3. The Exempt Person shall ensure that the Transit LNG Import Activity is supported by contractual, agency, service or other legally effective arrangements sufficient to allocate responsibility for compliance, safety, environmental protection, emergency response, insurance, risk, liability and information sharing among the persons participating in the activity.
- 4.4. Without limiting paragraph 4.1, this Exemption does not remove, replace or limit any requirement under the Natural Gas Transfer Operations Regulations, including any requirement relating to NGTSP registration, NGTO approval, Port Controller approval, technical compliance, operational control, insurance, emergency planning, reporting, suspension or incident notification.
- 4.5. Any LNG imported under this Exemption that is not transferred as intended shall be removed from The Bahamas as soon as reasonably practicable, or otherwise dealt with only as lawfully directed or approved by URCA or another relevant public authority.
- 4.6. An Exempt Person shall promptly notify URCA of any material departure from the limitations in this Exemption, including any unauthorised diversion, retention, loss, discharge, sale, supply, storage, regasification, consumption or use of LNG outside the scope of a Transit LNG Import Activity.

5. INFORMATION, RECORDS AND REPORTING

- 5.1. An Exempt Person shall maintain such information and records as are reasonably necessary to demonstrate compliance with this Exemption, including, where applicable, information and records relating to the LNG imported, the Transit LNG Import Activity, the persons and vessels involved, the corresponding NGTO, and the final disposition of the LNG.
- 5.2. URCA may, by notice in writing, require an Exempt Person, a Responsible Person, any person reasonably connected with a Transit LNG Import Activity or any person relying on this Exemption to provide such information, records, reports, explanations or supporting documents as URCA may reasonably require for the purpose of verifying compliance with this Exemption or for the conduct of URCA's regulatory functions under the Act.
- 5.3. Without limiting paragraph 5.2, URCA may require the submission of an overview report in relation to Transit LNG Import Activities conducted during such period as URCA may specify. Such report may include confirmation that LNG imported under this Exemption was not supplied, sold, stored, regasified, retained, consumed or otherwise used in The Bahamas for Domestic Consumption, and confirmation of whether any LNG remained untransferred or remained in The Bahamas after completion of the relevant Transit LNG Import Activity.
- 5.4. URCA may direct the form, content and timing of any report required under this section, or may require the relevant person to prepare and submit a proposed form of report for URCA's review.
- 5.5. Information, records and reports required under this section shall be provided in such form and within such period as URCA may reasonably require.

5.6. An Exempt Person shall retain records sufficient to demonstrate compliance with this Exemption for not less than seven (7) years, or such longer period as URCA may reasonably require in writing.

6. MODIFICATION, VARIATION AND REVOCATION

6.1. URCA may modify, vary or revoke this Exemption in accordance with the procedures set out in the relevant sections of the Natural Gas Act, 2024.

6.2. Without limiting paragraph 6.1, URCA may determine that this Exemption shall cease to apply to a person, class of persons, activity or class of activities where URCA considers that the activity is not, or is no longer, properly characterised as a Transit LNG Import Activity, or where reliance on this Exemption would be inconsistent with the Act, the Natural Gas Transfer Operations Regulations, public safety, environmental protection or the orderly regulation of the natural gas sector.