



FINAL DETERMINATION AND ORDER ON:

**LIQUEFIED NATURAL GAS (LNG) IMPORT EXEMPTION
(Exemption #2 - TRANSIT IMPORT EXEMPTION)**

NGS 26/2026

Publication Date: 18 September 2026

Table of Contents

1	Introduction	4
1.1	Background	4
1.2	Objectives of this Final Determination	7
1.3	Structure of the Remainder of this Document	8
2	Responses to the Preliminary Determination and Draft Order and URCA's Comments.....	9
3	Final Determination	10
4	Order	12
5	Conclusion and Next Steps.....	14

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 Natural Gas Act, 2024 ("NGA") came into force, thereby establishing the statutory requirement that no person shall import natural gas into The Bahamas unless that person is authorised to do so by a licence issued by URCA under the NGA or is exempted pursuant to 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 natural gas sector ("NGS"), including the licensing of the importation of liquefied natural gas ("LNG").

URCA subsequently issued the Natural Gas Transfer Operations Regulations, 2025 (NGS 03/2025) to prescribe the operational and safety requirements applicable to natural gas transfer operations conducted in Bahamian waters. Those Regulations apply to bunkering and lightering activities, collectively referred to as Natural Gas Transfer Operations ("NGTOs"), and address, among other matters, the registration of Natural Gas Transfer Service Providers ("NGTSPs"),

approvals for NGTOs, technical standards, safety, environmental protection, insurance, emergency preparedness, reporting and incident notification. Each NGTO must be conducted under the management of an NGTSP registered with URCA and pursuant to the applicable approval or permit.

The Natural Gas Transfer Operations Regulations regulate the transfer operation itself. They do not, without more, authorise the separate act of importing LNG into The Bahamas. Similarly, registration as an NGTSP authorises the registered person to provide services relating to the safe conduct of NGTOs, but does not constitute an LNG import licence.

Consequent upon URCA's engagement with the industry, URCA became aware that certain LNG bunkering and lightering operations may involve the importation of LNG within the meaning of the NGA in circumstances where no person involved in the operation holds an LNG import licence. This may arise where LNG is brought, or caused to be brought, into The Bahamas solely for transfer as bunker fuel to a vessel or from one vessel to another in Bahamian waters, without being intended to remain in The Bahamas or to enter the domestic natural gas market.

URCA has previously recognised an analogous proportionality concern in relation to vessels entering Bahamian waters with LNG contained in their fuel tanks. In its Final Determination and Order on LNG Import Exemption (NGS 01/2026), URCA determined that persons operating vessels carrying LNG solely for the propulsion or operation of those vessels, and not for commercial importation or gain, would be disproportionately subjected to the licensing requirements, conditions, obligations and other regulatory measures imposed under the NGA. Accordingly, by the Liquefied Natural Gas Import Exemption (NGS 02/2026), URCA exempted any person operating a vessel from the requirement to hold a licence under section 17(1)(a) of the NGA for the importation of LNG, to the extent that the LNG is contained within and forms part of the fuel supply of that vessel and is being used, or is intended to be used, solely for the propulsion or operation of that vessel. That exemption is limited to LNG physically contained in the vessel's

fuel tanks at the time of entry into Bahamian waters and does not extend to LNG carried as cargo, whether for consideration, commercial gain, refuelling or otherwise.

Although LNG brought into The Bahamas for bunkering or lightering is carried as cargo and therefore falls outside the scope of NGS 02/2026, similar proportionality considerations arise. The LNG is brought into The Bahamas solely for a transit LNG import activity involving its transfer to another vessel as bunker fuel or its transfer from one vessel to another. It is not intended to remain in The Bahamas or to be supplied, sold, stored, regasified, retained, consumed or otherwise used for domestic consumption in The Bahamas. In addition, the associated transfer operation remains subject to the safety, environmental, operational, insurance, reporting and approval requirements imposed by the Natural Gas Transfer Operations Regulations.

On 17 July 2026, URCA issued its Preliminary Determination and Draft Order on the proposed exemption, NGS 20/2026. The consultation process provided the formal mechanism through which interested parties, stakeholders and members of the general public (“the Respondents”) could submit representations and objections concerning the proposed exemption.

The period for the submission of responses closed on 17 August 2026 (“the Response Date”). URCA is satisfied that it complied with its statutory obligations under the NGA by affording all persons having an interest in the subject matter of the Preliminary Determination a reasonable opportunity to make representations and objections.

Having considered the matters set out in the Preliminary Determination and Draft Order, together with any representations and objections received, URCA has determined that it is appropriate and proportionate to issue a narrowly framed Exemption Order pursuant to section 18 of the NGA.

The Exemption Order applies only to LNG brought, or caused to be brought, into The Bahamas

solely for a transit LNG import activity connected with bunkering or lightering, where the LNG is not intended to remain in The Bahamas or to be supplied, sold, stored, regasified, retained, consumed or otherwise used for domestic consumption in The Bahamas.

The Exemption Order removes the requirement to obtain a separate LNG import licence only in the circumstances expressly specified in the Order. It does not exempt the associated NGTO from the Natural Gas Transfer Operations Regulations or displace any requirement relating to NGTSP registration, NGTO approval, technical standards, safety, environmental protection, insurance, emergency preparedness, reporting or incident notification.

URCA has therefore determined that the Exemption Order appropriately addresses the disproportionate and duplicative licensing consequences that would otherwise arise in relation to transit LNG import activities, while preserving URCA's regulatory oversight of the associated bunkering and lightering operations.

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 an 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 for 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 in the following way:

- 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;
- 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; and

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 with a 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 Section 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 authorised 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 LNG brought, or caused to be brought, into The Bahamas solely for the purpose of a transit LNG import activity connected with bunkering or lightering, where such LNG 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, may be appropriately addressed through a narrowly framed exemption.

NOW THEREFORE having considered the foregoing and the matters set out under Section 3 of this document, **URCA HEREBY DETERMINES:**

- (i) to exempt 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 NGA for that Import, provided that the Import is conducted in accordance with the exemption; and
- (ii) to limit the exemption to LNG brought, or caused to be brought, into The Bahamas solely for the purpose of bunkering a vessel in Bahamian waters or lightering LNG from one vessel to another in Bahamian waters, where the LNG is not intended to remain

in The Bahamas and is not intended for domestic consumption;

- (iii) to provide that the exemption does not confer on any person any 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; and
- (iv) to provide that the exemption does not remove, replace or limit any requirement under the Natural Gas Transfer Operations Regulations or any other applicable law.

4 Order

This Exemption Order is issued by the Utilities Regulation and Competition Authority (URCA) pursuant to sections 18 and 106 of the Natural Gas Act, 2024 (NGA), and is issued in conjunction with the Final Determination issued by URCA on 18 September 2026.

WHEREAS by Final Determination made on 18 September 2026, URCA determined to issue an exemption in respect of certain LNG transit import activities;

AND WHEREAS, in accordance with the role, functions and powers of URCA under the NGA, **URCA HEREBY:**

- (i) 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 NGA for that Import, provided that the Import is conducted in accordance with the exemption;
- (ii) limits the exemption to LNG brought, or caused to be brought, into The Bahamas solely for the purpose of bunkering a vessel in Bahamian waters or lightering LNG from one vessel to another in Bahamian waters, where the LNG is not intended to remain in The Bahamas and is not intended for domestic consumption;
- (iii) provides that the exemption shall not apply where LNG is supplied, sold, stored, regasified, retained, consumed or otherwise used in The Bahamas for domestic consumption;
- (iv) provides that the exemption does not remove, replace or limit any requirement under the Natural Gas Transfer Operations Regulations, including any requirement for NGTSP registration, NGTO approval, Port Controller approval, technical compliance, operational control, insurance, emergency planning, reporting, suspension or incident

notification; and

- (v) provide that URCA may require information, records, reports, explanations or supporting documents from any person relying on the exemption, or from any person reasonably connected with a Transit LNG Import Activity, for the purpose of verifying compliance with the exemption or otherwise carrying out URCA's regulatory functions under the Act.

AND THAT THIS EXEMPTION ORDER shall continue in force unless and until revoked by URCA in accordance with the NGA.



J. Carlton Smith
Chief Executive Officer

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 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 simultaneously publish its Final Determination and Exemption Order, and its LNG Import Exemption as a standalone document on its website: www@urcabahamas.bs, in accordance with Section 15 of the NGA.