



## FEDERAL SUBSIDIARY LEGISLATION

### ENVIRONMENTAL QUALITY ACT 1974 [ACT 127

P.U.(A) 145/2007

#### ENVIRONMENTAL QUALITY (CONTROL OF PETROL AND DIESEL PROPERTIES) REGULATIONS 2007

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## **Preamble**

IN exercise of the powers conferred by section 51 of the Environmental Quality Act 1974[Act 127], the Minister, after consultation with the Environmental Quality Council, makes the following regulations:

### **Regulation 1. Citation and commencement.**

(1) These Regulations may be cited as the **Environmental Quality (Control of Petrol and Diesel Properties) Regulations 2007**.

(2) These Regulations come into operation on 1 April 2007.

### **Regulation 2. Interpretation.**

In these Regulations, unless the context otherwise requires—

"fuel" means petrol or diesel;

"supply" means to provide or transfer fuel to another facility, vehicle or system;

"diesel" means any liquid petroleum product falling, by reason of its distillation limits, within the category of middle distillates that is used or capable of being used—

(a) to power an internal combustion engine with compression ignition in a motor vehicle or ship;  
or

(b) as fuel in industrial plants;

"internal combustion engine" means any engine that operates by burning its fuel inside the engine;

"ship" includes every description of vessel or craft or floating structure;

"retail outlet" means any place, building or facility at which fuel is sold or offered for sale;

"batch" means a quantity of fuel, produced or imported by a fuel supplier, in which the batch measurement of the properties listed in the First or Second Schedule remains constant throughout the entire quantity;

"blending facility" means a facility where different petroleum products are blended or volumes of blend stocks which are not fuel are blended with volumes of fuel, and the resulting blend is fuel;

"motor vehicle" means any description of vehicle propelled by means of mechanisms contained within itself and constructed or adapted so as to be capable of being used on roads;

"further processing" means to perform any activity on fuel, including distillation, treating with hydrogen, or blending, where such activity is for the purpose of bringing the fuel into compliance with the standards specified in the First and Second Schedule of these Regulations;

"person" means a natural person, partnership, firm, company, corporation or other body of persons;

"authorized officer" means any officer appointed under section 3 of the Act or any other officer to whom the Director General has delegated his power under section 49 of the Act for the purposes of these Regulations;

"fuel supplier" means a producer or importer of fuel;

"bulk purchaser-consumer" means a person who purchases or otherwise obtains fuel in bulk and—

(a) dispenses it into the fuel tanks of motor vehicles owned or operated by the person; or

(b) stores and uses the fuel at an industrial plant owned or operated by the person;

"refinery" means a facility at which liquid fuel is produced by distilling petroleum;

"distributor" means a person who, in the course of business, transports or stores fuel or causes the transportation or storage of fuel, produced or imported by another person;

"producer" means a person who produces fuel in Malaysia and owns, leases, operates, controls or supervises a refinery or blending facility;

"importer" means a person who imports fuel into Malaysia;

"American Society of Testing and Material (ASTM)" means a voluntary standard development organization being a source of reference for technical standards for materials, products, systems and services;

"petrol" means a liquid petroleum product that is used or capable of being used to power an internal combustion engine with positive or spark ignition in a motor vehicle or ship;

"record" means a certificate of quality issued by the fuel supplier containing all particulars as specified in subregulation 7(3).

### **Regulation 3. Application.**

These Regulations apply to fuel used in any internal combustion engine (mobile and stationary applications) and in industrial plants.

### **Regulation 4. Compliance to the properties.**

(1) Subject to subregulation (2), fuel which is produced, stored, distributed, transported, supplied, sold or offered for sale within Malaysia shall comply with the standard of properties as prescribed, in the case of—

(a) petrol, in column (2) of the First Schedule; and

(b) diesel, in column (2) of the Second Schedule.

(2) The requirements under subregulation (1) shall not apply to—

(a) fuel that is designated for export outside Malaysia;

(b) any transaction of fuel for the purpose of further processing; and

(c) fuel used in motor vehicles that are used for racing purposes in any racing circuit in Malaysia.

(3) Any person who produces, stores, distributes, transports, supplies, sells or offers for sale fuel in contravention of subregulation (1) commits an offence and shall on conviction be liable to a fine of not less than one hundred thousand ringgit and not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.

(4) If the offence under subregulation (3) is committed by a fuel supplier, he shall on conviction be liable to a fine of not less than three hundred thousand ringgit and not exceeding five hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both, and to a further fine not exceeding fifty thousand ringgit a day for every day that the offence is continued.

#### **Regulation 5. Power of authorized officer.**

(1) The Director General or any authorized officer may investigate, inspect and take samples of any fuel for the purpose of these Regulations.

(2) For the purpose of investigation, inspection and sampling under these Regulations, any supplier, distributor, bulk purchaser consumer, retail outlet owner or occupier, or any other owner or occupier of a premise, vehicle or ship shall allow access and provide the necessary support to the authorized officer to conduct the investigation, inspection and sampling, including the submission of the relevant records and documentation to be kept according to regulations 7 and 8.

(3) Any person who obstructs any authorized officer in exercising his powers under this regulation commits an offence and shall on conviction be liable to a fine not exceeding fifty thousand ringgit or to imprisonment not exceeding two years or to both.

#### **Regulation 6. Sampling and test methods.**

(1) For the purpose of determining the properties of the fuel prescribed in these Regulations—

(a) the representative samples of the fuel shall be collected according to ASTM D 4057; and

(b) the properties of the fuel shall be analysed according to the test methods prescribed in column (3) of the First and Second Schedule.

(2) Notwithstanding paragraphs 1(a) and (b), the Director General may specify such other equivalent sampling and test methods as he thinks fit if he finds that the methods in the aforesaid paragraphs are not reasonably practicable, provided that the standards of sampling and test methods shall not be lower than the standards provided for in these Regulations.

Sampling and record keeping by fuel supplier

### **Regulation 7. Sampling and record keeping by fuel supplier.**

(1) A fuel supplier shall be responsible for the sampling and testing of each batch of fuel after distillation, blending or import for the properties prescribed in column (2) of the First or Second Schedule, as the case may be.

(2) For the purpose of sampling and testing under subregulation (1), a representative sample of each batch of the fuel shall be collected and analysed using the methods specified in regulation 6 and a record shall then be issued.

(3) The record of the sample taken under subregulation (2) shall contain the following:

(a) the type of fuel;

(b) the sampling and testing date;

(c) the fuel properties; and

(d) the test methods used.

(4) For the purpose of subregulation (1), a fuel supplier may commission an independent surveyor to either conduct or witness and endorse the sampling and testing for him outside Malaysia as long as the sampling and testing methods and the record are in compliance with the requirements of subregulations (2) and (3).

(5) Notwithstanding the record issued or witnessed and endorsed by the independent surveyor, the fuel supplier shall be held responsible for any noncompliance of the fuel with the properties prescribed in the First and Second Schedule.

(6) A fuel supplier shall keep the sample and the record for a period of 6 months from the date of the sampling.

(7) A fuel supplier shall submit the samples and the records to the Director General or any authorized officer upon request.

(8) Any fuel supplier who contravenes any provision under this regulation commits an offence and shall on conviction be liable to a fine not exceeding fifty thousand ringgit or to imprisonment not exceeding two years or to both.

(9) For the purpose of this regulation, "independent surveyor" means a party which is duly certified by and registered with an internationally recognised certification body in the oil and gas industry and such party is not an employee of the fuel supplier.

#### **Regulation 8. Requirements for quality management system.**

(1) Any fuel supplier in Malaysia shall have a quality management system to ensure that when the fuel is delivered to a distributor, retail outlet or a bulk purchaser-consumer, the fuel complies with the properties as specified in column (2) of the First or Second Schedule as the case may be.

(2) The quality management system shall be documented and submitted to the Director General for his information and the Director General shall be notified on any changes to the quality management system.

(3) For the existing fuel suppliers, the quality management system shall be documented and submitted to the Director General not later than 3 months after commencement of these Regulations.

(4) Any person who contravenes subregulation (1), (2) or (3) commits an offence and shall on conviction be liable to a fine not exceeding fifty thousand ringgit or to imprisonment not exceeding two years or to both.

## **Regulation 9. Director General may issue notice.**

(1) The Director General or any authorized officer may issue a notice to prohibit any person who produces, stores, distributes, transports, supplies, sells or offers for sale fuel in contravention of subregulation 4(1) from making further transaction of the fuel.

(2) The Director General shall, in the event of any contravention of subregulation 4(1), by notice in writing issue an order to the fuel supplier, distributor, retail outlet or bulk purchaser-consumer prohibiting the further operation of the facility or outlet either absolutely or conditionally, or for such period as he may direct, in order to safeguard public health or safety and welfare.

(3) Any person who contravenes subregulation (1) or (2) commits an offence and shall be liable to a fine not exceeding one hundred thousand ringgit or to imprisonment for a period not exceeding two years or to both.

## **Regulation 10. Compounding of offences.**

(1) The offences under these Regulations, except the offences under subregulations 4(3), 4(4), 5(3), 7(8) and 9(3), may be compounded under section 45 of the Act.

(2) The compounding of any offence under these Regulations shall be in accordance with the procedures prescribed in the Environmental Quality (Compounding Offences) Rules 1978 [P.U. (A) 281/1978].

## **FIRST SCHEDULE**

[Regulation 4(1)(a)]

### **The Malaysian Petrol Standards**

<b>PROPERTIES</b>	<b>EURO 2-M</b>	<b>TEST METHOD</b>
	<b>MINIMUM MAXIMUM</b>	
Lead, g/l	- 0.013	ASTM D 3237/ D 5069/ IP 224
Distillation	-- To be reported	ASTM D 86
IBP, deg C	-- 74	



10% evaporated, deg C	75 115	
50% evaporated, deg C	— 180	
90% evaporated, deg C	— 215	
FBP, deg C	— 2	
Residue, vol %		
Reid Vapour Pressure, kPa	— 65	ASTM D 323/ D 5482

Total Sulphur, mg/kg	---- 500	ASTM D 3120/ D 2622/ D 5453/ IP 336
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Benzene, vol %	— 5.0	ASTM D 4420/ D 6293/ D 3606/ D 5580
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## SECOND SCHEDULE

[Regulation 4(1)(a)]

### The Malaysian Diesel Standards

PROPERTIES	EURO 2-M		TEST METHOD
	MINIMUM	MAXIMUM	
Density at 15 deg C, kg/l	0.810	0.870	ASTM D 1298/ D 4052
Cetane Number	49	—	ASTM D 613/ D 6890/ IP 498 or D 976/ Cetane Index 49 —

Distillation at 95 %, deg C	— 370	ASTM D86	D 4737
Total Sulphur, mg/kg	— 500		ASTM D 4294/ D 2622/ D 5453/ IP 336

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