Content

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Legislative：	1.Promulgated by Presidential Decree on October 11, 2001 2.Promulgated and executed after revision by Presidential Decree on January 16, 2008 3.Amended on January 21, 2009 4.Promulgated and executed after revision by Presidential Decree on January 26, 2011 5.Promulgated and executed after revision by Presidential Decree on June 4, 2014
Content：	Chapter 1 General Provisions Article 1 The Petroleum Administration Act (henceforth the Act) is being instituted to promote the sound development of the oil industry, to safeguard the production and sales of oil, to ensure the steady supply of oil, to enhance people's livelihoods, and to develop the national economy while at the same time give equal consideration to environmental protection. Article 2 Definitions of terms used in the Act: 1. Oil: Refers to petroleum crude oil, bituminous crude oil, and petroleum products. 2. Petroleum crude oil: Refers to naturally occurring crude oil that is mixtures of hydrocarbon compounds that contain mainly paraffin hydrocarbon, cycloparafin hydrocarbon, and aromatic hydrocarbon. 3. Bituminous crude oil: Refers to crude oil extracted from bituminous minerals. 4. Petroleum products: Refers to products that are used primarily as energy and obtained from oil through the process of distillation, refining, or blending or production with using hydrocarbon as raw materials that designated by central competent authority. These include gasoline, diesel oil, kerosene, naphtha, liquefied petroleum gas (LPG), jet fuel, and fuel oil. 5. Renewable oil products: It indicated the reusing materials that recycled from the domestic waste or others according to the environmental protection law, after processing to produce the petroleum materials and used as fuel. 6. Oil refinery: Refers to a business that uses oil as its raw material to engage in the manufacture of petroleum products through the process of distillation, refining, or blending. 7. Gasoline station: Refers to a business place with an oil storage facility and metered fuel-servicing equipment installed so that gasoline or diesel oil can be supplied for use in motor vehicles, machinery, and other purposes. 8. LPG station: Refers to a business place with a gas storage facility and metered gas-servicing equipment installed so that the built-in container of a vehicle can be filled with LPG. 9. Fishing boat filling station: Refers to a business place with an oil storage facility and flow meters installed so that the built-in oil tank of a fishing boat can be filled with fuel. 10. Oil storage facility: Refers to a structure specifically for oil storage that has both a top lid and walls and is situated either above or below ground. It must also have a use permit pursuant to the provisions stipulated in the Building Law. For structures that do not fall under the provisions of the Building Law where a use permit applies, the approval of the competent authorities that have jurisdiction over the business is required. 11. Suppliers of LPG: Refers to oil refineries, oil importers, oil exporters, LPG

stations, LPG wholesale distribution industries, LPG packing industries, and LPG retailers.
12. LPG wholesale distribution industries: Refers to the industries wholesale LPG, which is obtained from oil refineries and oil importers, to LPG packing industries.
13. LPG packing industries: Refers to the industries that have a gas storage facility and packing equipments, filling gas into LPG gas cylinders.
14. LPG retailers: Refers to the sale of LPG cylinders to users.
The criteria for petroleum products mentioned in Items 1, 4, and 6 of the preceding paragraph will be promulgated by the central competent authority after conferring with the agencies concerned.

Article 3
The competent authorities referred to in the Act are the Ministry of Economic Affairs on the central level, the municipal governments on the special municipality level (Taipei and Kaohsuing), the county, or city governments on the county or city levels.

Chapter 2 Oil Refining
Article 4
An oil refinery must be a limited liability corporation and meet the following requirements:
1. Have installed oil distillation, refining, and blending equipment.
2. Have installed or leased an oil storage facility which has a capacity greater than the security stockpile prescribed in Article 24 herein.

Article 5
In order to set up an oil refinery, an establishment permit must be obtained from the central competent authority. This entails submitting an application that states the following particulars:
1. Plant location along with the size of the distillation, refining, blending, and oil storage facilities as well as the construction schedule and the plant completion date.
2. Principal products and the annual capacity for those products.
3. Two-year production and sales plan following the initiation of production. This plan must include oil refining, import, export, sales, and storage plans.
4. Other items as promulgated by the central competent authority.

Article 6
After a business receives an establishment permit for an oil refinery, it must set up a separate company or change its own registration. After doing one of these and then completing a trail run, the business can apply for an operation license to refine oil. A business may not start refining oil until it has been granted an operation license and can apply for one by submitting the following documents to the central competent authority:
1. Company license.
2. Factory registration permit.
3. Documents verifying that the oil storage facility has the capacity to comply with the security stockpile requirement as specified in Article 24 herein. If the facility is leased, lease documents must be provided as evidence.
4. Other documents as required and promulgated by the central competent authority.
If after completing a trial run but before receiving the operation license, an oil refinery operator has constructed or leased an oil storage facility that has a capacity greater than the required security stockpile and it has submitted the documents specified in Item 3 of the preceding paragraph to the central authorities, then the oil refinery operator may sell the petroleum products it produces following the completion of the trial run, subject to the approval of the central competent authority. However, the sale period is limited to six months, and the provisions specified in the first paragraph of Article 17 apply hereto.
The aforesaid business must comply with the security stockpile requirement of an oil refinery operator as specified in Article 24 herein.

Article 7
Before an oil refinery operator expands or reconstructs its distillation, refining, or blending facilities, it must obtain the approval of the central competent authority. After completing the expansion or reconstruction, the operator must apply to the central competent authority for a new oil refinery operation license.
The provisions specified in Articles 5 and 6 apply to the application procedures mentioned in the preceding paragraph.

Chapter 3 Import/Export
Article 8
An oil importer must be a limited liability corporation.
The aforesaid business must construct or lease an oil storage facility with a capacity exceeding the security stockpile prescribed in Article 24 herein.

Article 9
Before importing oil, a business must submit an application to the central competent authority for an establishment permit. This application must state the company name and location, scope of business along with the name and domicile or residence of the person responsible for the business. An oil storage plan as well as a sales or use plan must be attached.

Article 10
A business may not import oil until it has obtained an operation license from the central competent authority to do so. A business must submit the following documents to apply for said operation license:
1. Company license.
2. Documents verifying that the oil storage facility has the capacity to comply with the security stockpile requirement as specified in Article 24 herein. If the facility is leased, lease documents must be provided as evidence.
3. Other documents as required and promulgated by the central competent authority.

Article 11
The types of oil or petroleum products that can be imported by licensed importers are limited to those approved by the central competent authority.
The preceding provision does not apply to oil refinery operators who obtained their operation licenses prior to the complete opening of the oil market to imported products.

Article 12
Manufacturers of petrochemical feedstock may apply to the central competent authority for special permission to import petroleum products for private use. The application submitted must state the particulars listed below. In addition, a factory registration permit along with a business registration permit and must be attached to the application.
1. The types and volume of petroleum products to be imported along with the planned use period for them.
2. The production process.
3. The types, volume, and proportions of petrochemical materials to be produced.
4. The types, volume, and proportions of petroleum by-products to be produced.
5. The use status of the most recent petroleum products imported for private use, including import types, volume, actual volume used, types and volume of petrochemical materials produced, types and volume of petroleum by-products produced, and their actual export or sales.
The petroleum by-products produced by such a manufacturer must be either exported or purchased by oil refinery operators.
The exporter of the aforesaid petroleum by-products must be properly registered in accordance with Article 15 herein.
If the manufacturer mentioned in the first paragraph is in any of the situations

described in either Item 1 of the first paragraph of Article 45 or of Items 1, 2, 4, or 7 of Article 50 herein, the central competent authority will withhold the approval of this manufacturer's application for six months starting from the day after the penalty is imposed on the manufacturer.
An oil or non-oil business that imports petroleum grade solvent oil or lubricant must file a report with the central competent authority within ten days of any importation. The report must state the name and location of the principal business, the name and domicile or residence of its responsible person, the types, quantity, and usage of the product imported. Imports by petrochemical enterprises sanctioned by the industrial authority are exempt from this provision.

Article 13
If a business meets any of the conditions listed below, it may apply to the central competent authority for special permission to import petroleum products. The application must include the name and location of the principal business, the name and domicile or residence of the responsible person, and types along with the volume of the petroleum products to be imported.
1. If an oil refinery operator needs oil for a trial run.
2. If a petrochemical feedstock manufacturer needs petroleum products for a trial run.
3. If an establishment needs oil for research and testing purposes.
4. If an establishment needs to import petroleum products for special applications that are either not produced domestically and if products of similar specifications are not available domestically.
5. If an establishment needs to import less than one kilogram of a petroleum product (other than gasoline or diesel oil) packed in a container.

Article 14
Crude oil imported by a licensed importer can only be supplied to the oil refinery as feedstock, unless the crude oil is otherwise approved under special case status.
Naphtha imported by a licensed importer can only be supplied as feedstock to the oil refinery or manufacturer of petrochemical feedstock, unless the naphtha is otherwise approved under special case status.
Gasoline, diesel oil, or LPG suppliers as well as their customers may not supply their petroleum products to following targets:
1. Gasoline stations or LPG station operators not set up according to this law.
2. Private gasoline, LPG filling or storage facilities not set up according to this law.
3. LPG wholesale distributors, packing companies, and retailers not set up according to this law.
Oil or non-oil businesses may not sell solvent oil, lubricant, or other volatile hydrocarbon compounds as fuels for motor vehicles or machinery.

Article 15
To set up an oil export business, an application must be submitted to the central competent authority. The application must state the name and location of the principal business, its scope of business, the name and domicile or residence of the person responsible for the business. An export plan for the business must be attached. A business is not allowed to start an oil export operation until its application has been approved and a registration certificate issued by the central competent authority.
Due to the unexpected accident in domestic oil market that resulted in the imbalance of oil supply or any doubt of that, central competent authority then can restrict the oil exporter to export the oil.
As for the determination, restricted duration, conditions and methods of the imbalance of oil supply or any doubt of that aforesaid shall be promulgated by the central competent authority, dissolve is likewise.
Export of oil by a non-oil business for research and testing purposes should require the approval of the central competent authority under special case status.

Article 15-1

Due to the unexpected accident in domestic oil market that resulted in the imbalance between oil supply and demand or any doubt of that, the central competent authority can levy fees as a means to raise the Petroleum Fund on oil exporters for their export of oil. The amount and period of the aforesaid fees shall be promulgated by the central competent authority; dissolution is likewise.

Chapter 4 Administration of Sold

Article 16

Wholesalers of gasoline and diesel oil must be limited liability corporations.

To set up a gasoline or diesel oil wholesale business, an application must be submitted to the central competent authority. The application must state the company name and location, its scope of business, and the name and domicile of the person responsible for the business. The articles of incorporation of the business as well as its sales plan must be attached to the application. The business may begin operations only after it has obtained a registration certificate. The preceding provision does not apply to licensed oil refinery operators or licensed importers.

Article 17

Retailers of gasoline, diesel oil, or LPG for vehicles must set up a gasoline station, a LPG station, or a fishing boat filling station. This provision does not apply to oil refinery operators, importers, or gasoline and diesel oil wholesalers who retail gasoline or diesel oil for private-use filling or storage facilities or for non-vehicle use.

Operators of gasoline stations, LPG stations, or fishing boat filling stations must apply to the competent authority of a special municipality, a county, or a city government for a construction permit. Operators may begin operations only after their station facilities have passed an inspection given by the competent authority of the special municipality, the county, or the city government that the operators are located in and after acquiring an operation permit for the stations from the central competent authority.

The central competent authority will stipulate rules and regulations on land use, installation and facilities requirements, application formalities, issue and change of operation licenses as well as other relevant administrative affairs for the aforesaid gasoline stations, LPG stations, and fishing boat filling stations.

The central competent authority may authorize the competent authority of special municipality, county, or city governments to administer the issuing and changing of the operation licenses or take charge of other administrative affairs referred to in the preceding paragraph.

Gasoline station operators are required to join the local gasoline station commercial association.

Article 18

Passenger-cargo transport businesses, construction businesses, factories, or other entities that want to set up gasoline (LPG) filling and storage facilities to supply their own vehicles or machinery must apply for special permission from the competent authority of the special municipality, the county, or the city government that the business is located in.

The central competent authority will stipulate rules and regulations on the installation and facilities requirements, application formalities and other relevant administrative affairs for the aforesaid gasoline (LPG) filling and storage facilities.

Article 19

Other than the gasoline, LPG, and fishing boat filling stations specified in Items 6－8 of the first paragraph of Article 2 hereof, air terminals, commercial ports, or industrial ports may install fuel or LPG storage and refilling facilities specifically for the refilling of aircraft, ground operation vehicles, ships, or port machinery. The central competent authority will stipulate rules and regulations on the installation and facilities requirements as well as application formalities, and other relevant administrative affairs for these entities after

conferring with the central competent authorities

Article 19-1
LPG distributors and packing companies must periodically report to their authoritative units their supply and sale of LPG. LPG retailers must display information on source of gas and the retail price in the business place.
LPG packing companies must fill the high pressure gas containers with LPG according to the weight labeled. LPG retailers must ensure that the weight of the LPG is consistent with the label on the container.
The central competent authority will stipulate laws on the supply and sale information to be reported by LPG distributors and LPG packing companies. The information provided should include preparation, contents, and formats. The central competent authority shall also determine the acceptable range of error regarding LPG weight and the packing and filling of LPG, as well as the methods of price displays and other regulations.

Article 20
The sources of petroleum products sold by gasoline stations, LPG stations, fishing boat filling stations, and other sellers must be those legally imported or legally refined domestically.
The sources of oil purchased are limited to legal imports or those legally refined domestically.

Chapter 5 Oversight
Article 21
In the event of an oil shortage or a great fluctuation in oil prices that might impact the steady supply of oil or national security, the central competent authority may institute measures on oil control, such as quotas, price controls, and security stockpile adjustments and utilization.
To clarify these measures, the central competent authority will draft a bill on oil control in emergency periods delineating the enforcement conditions, timing, procedures, applicable targets, scope, contents, and methods. The bill will then be submitted to the Executive Yuan (Cabinet) for final approval.

Article 22
All of the following businesses are required to obtain public liability insurance coverage and accidental contamination liability insurance: oil refinery businesses, oil import businesses, oil export businesses, gasoline and diesel oil wholesalers, gasoline stations, LPG stations, fishing boat filling stations, oil or LPG storage and refilling facilities of air terminals, commercial ports, and industrial ports as well as oil or LPG filling facilities installed for private use that meet the criteria set by the central competent authority.
The central competent authority will decide how much insurance coverage each business must obtain after conferring with the Ministry of Finance.

Article 23
Oil businesses are liable for damages caused by their production methods, import/export, sales, transport, and storage of oil products as well as for other damages caused by business-related activities.

Article 24
Oil refinery operators and importers are required to maintain an oil security stockpile of no less than sixty days of supply. The supply amount will be based on the average domestic sales and private consumption of the past twelve months. The security stockpile of LPG must amount to no less than twenty-five days of supply. The supply amount will be based on the average domestic sales and private consumption of the past twelve months.
The aforesaid security stockpile, oil refinery's total storage quantity must be no less than 50,000 kiloliters, and no less than 10,000 kiloliters for oil importers.
The government should make use of the Petroleum Fund to finance the storage of oil. The amount stored shall be calculated according to thirty days of the average domestic sales and consumption of the previous year.
The criteria and computation formulas for the actual security stockpiles referred

to in the first paragraph will be determined by the central competent authority.

Article 25
Where different oil refinery operators or importers share the same oil storage facility for their security stockpile, they must file jointly with the central competent authority before the 20th of each month indicating the amount each of them stores in the said facility. If the actual volume stored jointly is lower than the total reported by the individual businesses, each individual business will be deemed to have failed to meet its security stockpile requirement unless evidence proves which business actually stored less than their required security stockpile amount.

Article 26
If an oil refinery operator or importer ceases operations, its storage of security stockpile may not be disposed of without the prior consent of the central competent authority.
The central competent authority may draw on the Petroleum Fund (see Chapter 6 herein) to purchase the aforesaid security stockpile.

Article 27
Before the end of October of each year, oil refinery operators must prepare and file with the central competent authority an annual production, import, export, and sales plan for the following year. Furthermore, before the 20th of each month they must file a report on the production, import, export, and sales of the previous month as well as a report on the status of their security stockpile for the current month.
The preceding paragraph also applies to oil importers, exporters, and gasoline/diesel oil wholesalers.

Article 28
The central competent authority may ask oil refinery operators, importers, exporters, and gasoline/diesel oil wholesalers to report on their operations.
The central competent authority may also send personnel or entrust a professional institution conduct an inspection of the actual operations, security stockpile, and relevant data of these businesses. A business may not obstruct, refuse, or evade such inspection.
The central competent authority may ask the manufacturers of petrochemical feedstock to report on their use of imported petroleum products. Or, the central competent authority may ask oil or non-oil businesses to name who bought the solvent oil and/or lubricant products the businesses imported or sold. Likewise, the central competent authority may send personnel or entrust a professional institution to conduct an inspection on the same issues. A business may not obstruct, refuse, or evade such inspection.
Competent authorities of different levels may ask gasoline, diesel oil, and LPG suppliers or their customers to name who bought their products. They may also send personnel or entrust a professional institution to conduct an inspection on the same issues. A business may not obstruct, refuse, or evade such inspection.

Article 29
Only petroleum products that meet the national standards, where such standards apply, can be imported or sold in the domestic market.
The central competent authority may send personnel or entrust a professional institution to examine the quality of the petroleum products sold. A business may not obstruct, refuse, or evade such examination.

Article 30
If the central competent authority revokes the license or registration certificate of an oil refinery operator, importer, exporter, or gasoline/diesel oil wholesaler, that business is prohibited from reapplying for another operation license or registration certificate within two years from the date of revocation.
If the operation license of the operators of a gasoline station, a LPG station, or a fishing boat filling station has been revoked, the original business body

and its responsible person are prohibited from reapplying to setup a filling station at the original site within two years from the date of revocation.
If the installation permit of an oil/LPG filling or storage facility for private use has been revoked, the original site may not be used again for such a facility within two years from the date of revocation.

Article 31
Where necessary, oil refinery operators or importers may lay pipelines using rivers, irrigation canals and ditches, coastal areas, bridges, dikes, ports and harbors, roads, forest land, green land, parks, and other public lands.
Laying the pipeline may not adversely affect the safety or landscape or the original use of the premises on which the pipeline is laid. Before laying the pipeline, those who will do so, must get the approval of the central competent authority and the agency in charge of the land. The operator or importer must compensate for any damages incurred to the premises on which the pipeline is laid.
Oil refinery operators or importers who have oil pipelines may accept the request of other businesses to transmit oil through those pipelines.

Article 32
Oil refinery operators or importers must observe the following requirements in laying oil pipelines:
1. The materials of the pipeline must conform to national standards or other comparable standards.
2. The business must immediately replace corroded pipelines that pose a safety concern.
3. The business must conduct periodic inspections of its oil pipelines each year and save the inspection results for the competent authorities to review.
4. The competent authorities may send personnel or entrust a professional institution to conduct inspections of the pipelines. The business may not refuse such inspection.
5. The business must draw up a pipeline maintenance, inspection, replacement, anti-burglary, leak-proofing, and contingency plans for the following year before the end of October of each year. Before the end of January of each year, it must also produce a report on the inspection and replacement status of the pipeline for the previous year. This report must then be filed with the competent authorities.
6. The business must submit its oil pipeline layout diagrams, final acceptance drawings, and other relevant data to the competent authorities for the setup of a pipeline management information system.
If an inspection of the pipeline shows that the corrosion of pipes poses a safety concern, the competent authorities may demand that the business take remedial actions within a prescribed time period.

Article 33
Oil businesses must apply to the competent authority of the special municipality, the county, or the city government in which the business is located for permission to install oil storage facilities. The central competent authority will prescribe the rules governing the application procedures, land uses, requirements, and other administrative matters.
An oil business may ask an inspection institution sanctioned by the central competent authority to conduct periodic or occasional inspections of the aforesaid oil storage facilities and to prepare inspection records. The central competent authority may dispatch personnel or entrust an inspection institution to conduct spot checks of said storage facilities.
An oil business must retain the aforesaid inspection records for at least five years. If deemed necessary, the local competent authority of the special municipality, the county, or the city government in which the business is located may dispatch personnel to check those inspection records.
The central competent authority will stipulate the eligibility, requirements, fee schedule, and responsibilities of the inspection institution referred to in the second paragraph of this Article.

Chapter 6 Petroleum Fund

Article 34
In order to finance the Petroleum Fund, the central competent authority will set and charge fees of fixed rates from the following activities:
1. The exploration or import of oil with the exception of oil imported under the provisions stipulated in the first paragraph of Article 12 and Items 2-4 of Article 13.
2. Petroleum by-products produced by petrochemical feedstock manufacturers and sold to oil refinery operators in conjunction with the second paragraph of Article 12. The preceding provision does not apply to the feedstock for any petrochemical products originally purchased from oil refinery operators or importers.
The rates mentioned in the preceding paragraphs will be charged by volume and based on the average import price of oil. The central competent authority will announce the amounts collected for the fund.

Article 35
The Petroleum Fund will be financed with fees collected through the following methods:
1. Require oil importers to pay fees into the Petroleum Fund before importing oil.
2. Require oil explorers to pay fees into the Petroleum Fund before refining or selling the oil to oil refinery operators.
3. Require petrochemical feedstock manufacturers that produce petroleum by-products to pay fees into the Petroleum Fund before selling their products to oil refinery operators.
Oil refinery operators or importers who have paid fees into the Petroleum Fund as required under Item 1 of the preceding paragraph may apply to the central competent authority for a refund of those fees that apply to the same quantity of the oil originally imported if (1) the imported oil is used for the manufacture of petrochemical feedstock, (2) the imported oil is later exported, or (3) the imported oil is used as fuel for international shipping or international flights. Relevant documents of proof must be included with the application.
Five years after the implementation of this law, the central competent authority will review the practice of refunds for the exported oil described in the preceding paragraph and decide whether or not to continue it.

Article 36
The Petroleum Fund will be used for the following purposes:
1. To maintain the government petroleum security stockpile.
2. To subsidize the set up of petroleum facilities in remote, aboriginal and offshore areas as well as transportation outlays, and offer price subsidies.
3. To establish award of encouraging the exploration for and development of oil and natural gas reserves with feedback mechanism.
4. To implement research and development, application and promotion on energy policy, oil development technology, and alternative energies.
5. To make the security and reasonable effective use of oil & gas（include LPG） as well as to develop and promote the oil-saving technology and method.
6. Subsidy of rewarding the heat use of renewable energy to replace the petroleum energy.
7. Operation subsidy of a municipality, a county, or a city competent authority to implement the oil management and the ban, inspection or auditing that stated in the first paragraph of Article 54 in this Law.
8. To implement other necessary measures deemed necessary by the central competent authority to stabilize the oil supply and maintain the oil market order.
The central competent authority reserves the right to adopt or maintain subsidies, subsidy targets, and subsidy scope and any measures relating to the preceding subparagraph 2.

Article 37
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Article 38

A business engaging in the production, import, blending, sales of alcohol gasoline, bio-diesel, or renewable oil products must apply for prior approval of the central competent authority for operating the business.
Other than petroleum products used for blending, rules related to the security stockpile and Petroleum Fund do not apply to renewable energy sold by businesses operated according to the provision specified in the preceding paragraph.
As the first paragraph mentioned, the central competent authority will stipulate measures for the administration of businesses engaging in the production of the renewable energies of alcohol gasoline, bio-diesel, or renewable oil products.

Article 38-1
The central competent authority can determine the fixed blending ratio of alcohol or ester to the gasoline and diesel in accordance with the actual implementing schedule, scope and method for the oil refinery and oil importer.
The aforesaid blending ratio of alcohol or ester to the gasoline and diesel, the actual implementing schedule, scope and method shall be promulgated by the central competent authority.

Chapter 7 Penalty Provisions
Article 39
A business in any of the following situations will be fined a minimum of NT$2,000,000 and a maximum of NT$10,000,000:
1. In violation of the provisions specified in the first paragraph of Article 6 herein (i.e., failing to obtain an oil refinery operation license while conducting oil distillation, refining, or blending other than for the purpose of a trial run).
2. In violation of provisions specified in Article 10 herein (i.e., failing to obtain an oil import operation license) and in violation of Articles 12 or 13 herein (i.e., failing to acquire a special permit for oil imports) while conducting oil imports.
Oil distilled, refined, blended, or imported as described in the preceding paragraph will be confiscated.
If any of the violations described in the first paragraph results in public endangerment, the offender will be sentenced to a maximum of three years imprisonment or detention and/or be fined a minimum of NT$1,000,000 and a maximum of NT$5,000,000.
If the offender of the preceding paragraph is a corporate person, its acting responsible person will be punished and the corporate person itself will also be subjected to the fine prescribed in the preceding paragraph.

Article 40
A business in any of the following situations shall be fined a minimum of NT$1,000,000 and a maximum of NT$5,000,000:
1. In violation of the provisions specified in the second paragraph of Article 16 herein (i.e., engaging in the gasoline or diesel oil wholesale business without registering with the competent authority).
2. In violation of provisions specified in the first or second paragraph of Article 17 herein (i.e., engaging in retailing of gasoline, diesel oil, or LPG for vehicle use).
3. In violation of provisions specified in the first paragraph of Article 18 (i.e., setting up an oil (LPG) filling or storage facility for private use without first acquiring a permit).
4. In violation of provisions specified in the first paragraph of Article 33 (i.e., by failing to acquire permission for the installation of an oil storage facility).
Petroleum products (for sale or private use), oil or LPG filling and storage facilities and other items used in the violations of the preceding paragraph will be confiscated.
In the event any of the violations described in the first paragraph results in public endangerment, the offender will be sentenced to a maximum of two years of imprisonment or detention and/or fined a minimum of NT$600,000

and a maximum of NT$3,000,000.
In the event the offender mentioned in the preceding paragraph is a corporate person, its acting responsible person will be punished and the corporate person itself will also be subjected to the fine prescribed in the preceding paragraph.

Article 41
A business failing to store a security stockpile or failing to store the required amount as specified in Article 24 herein will be fined a minimum of NT$2,000,000 and a maximum of NT$10,000,000. Furthermore, the business will be ordered to take remedial actions by a prescribed deadline. Any business failing to comply by the deadline will be penalized consecutively until satisfactory corrective actions are taken. If the offense is of a serious nature (see Article 49 herein) or repeated offenses against the some provision occur within six months after the business has taken remedial actions, the business may be ordered to suspend operations for a maximum of three months or it may have its operation license revoked.

Article 42
Offenders of the provisions stipulated in the bill on controlling oil in emergency periods as described in the second paragraph of Article 21 herein and those failing to take the remedial actions of the second paragraph of Article 32 herein by a prescribed deadline will be fined a minimum of NT$2,000,000 and a maximum of NT$10,000,000. If the offense is of a serious nature (see Article 49 herein), the business may be ordered to suspend operations for a maximum three months, or it may have its operation license revoked, or it may be ordered to close.

Article 43
A violation of the first paragraph of Article 26 herein (i.e., a business fails to obtain prior approval for the disposal of their security stockpile) will result in the responsible person of the business being fined a minimum of NT$1,000,000 and a maximum of NT$5,000,000.

Article 44
A licensed oil importer who violates Article 11 herein (i.e., importing types of oil not permitted for import) will be fined a minimum of NT$1,000,000 and a maximum of NT$5,000,000. If the offense is of a serious nature (see Article 49 herein), the business may be ordered to suspend operations for a maximum three months, or it may have its operation license revoked.
Oil imported in violation of Article 11 will be confiscated.

Article 45
Any of the following offenses will result in a minimum fine of NT$1,000,000 and a maximum fine of NT$5,000,000:
1. A petrochemical feedstock manufacturer violating the first paragraph of Article 12 herein (i.e., using imported petroleum products for purposes other than private use).
2. A violation of the third paragraph of Article 14 herein (i.e., supplying gasoline, diesel oil, or LPG to gasoline or LPG filling operators that are known or should have been known to be running illegal gasoline or LPG stations, or to illegal private oil or LPG filling or storage facilities).
3. An oil or non-oil business violating the fourth paragraph of Article 14 (i.e., selling solvent oil, lubricants, or other volatile hydrocarbon compounds as fuels for motor vehicles and machinery).
Any petroleum products being used or to be used in the aforesaid offenses will be confiscated.

Article 46
Businesses importing or selling petroleum products that do not meet national standards as described in the first paragraph of Article 29 herein will be fined a minimum of NT$200,000 and a maximum of NT$1,000,000. Such businesses will also be ordered to take remedial actions by a prescribed

deadline. Any business failing to comply by the deadline will be fined consecutively until satisfactory corrective actions are taken. If the offense is of a serious nature (see Article 49 herein) or repeated offenses against the same provision occur within six months after the business has taken remedial actions, the business may be ordered to suspend operations for a maximum of three months or it may have its operation license revoked. The aforesaid petroleum products that fail to be upgraded to national standards of quality will be confiscated.

Article 47
Any of the following offenses will result in a minimum fine of NT$100,000 and a maximum fine of NT$500,000. Furthermore, the offender will be ordered to take remedial actions by a prescribed deadline. Any offender failing to comply by the deadline will be penalized consecutively until satisfactory corrective actions are taken.
1. An oil refinery operator who in violation of the first paragraph of Article 7 herein does not obtain prior approval or does not change its operation license before expanding or reconstructing its distillation, refining, or blending facilities.
2. A violation of the first paragraph of Article 15 herein (i.e., exporting oil without registering with the central competent authorities as an oil exporter).
3. Any business that engage in the gasoline station, LPG station or a fishing boat filling station violated the regulations of third paragraph of Article 17 herein pertaining to related equipment (facility) or operation management of setting up a gasoline station, a LPG station, or a fishing boat filling station.
4. Any business that approved to set up oil or LPG filling or storage facilities for private use violated the regulations of the second paragraph of Article 18 herein pertaining to the using permit(s), equipment (facility) standard, reliability insurance or using management of setting up oil or LPG filling or storage facilities for private use.
5. A violation of the related regulations of setup permit(s), using permit(s), equipment (facility) standard(s), liability insurance, or using management that stated in Article 19 herein pertaining to the rules governing the administration of fuel or LPG storage and refilling facilities at air terminals, commercial ports, and industrial ports
6. A violation of the Article 19-1 herein. (i.e., LPG distributors, LPG packing companies, and LPG retailers failing to report information of supply and sales of LPG, the preparation and filling of LPG, the acceptable range of error on LPG weight, the display of retail price, and other regulations that should be followed.)
7. A violation of the first paragraph of Article 22 herein (i.e., oil refinery business, oil import business, oil export business, gasoline and diesel oil wholesalers, gasoline stations, LPG stations, fishing boat filling stations, oil or LPG storage and refilling facilities of air terminals, commercial ports, and industrial ports failing to obtain public liability insurance coverage and accidental contamination liability insurance).
8. Oil or LPG filling or storage facilities installed for private use that meet the criteria set by the central competent authority failing to obtain public liability insurance or accidental contamination liability insurance as required by the first paragraph of Article 22 herein.
9. Not filing periodic reports as required by Article 27 herein or filing a false report.
10. A violation of any of the provisions specified in the first paragraph of Article 32 herein pertaining to laying pipelines.
11. Any oil business that approved to set up the oil storage facility violated the rules governing the setup of oil storage facilities as specified in the first paragraph of Article 33 herein pertaining to the using permit(s), equipment (facility) standard or using management.
12. A violation of the measures for applying for the approval of operation as specified in the first paragraph of Article 38, or in the third paragraph herein pertaining to the operation application, data registration, quality standard, purpose restriction or other.
13. A violation of the blending ratio of alcohol and ester to gasoline and diesel, the actual implementing schedule, scope and method as specified in the second

paragraph of Article 38-1.
14. A violation of the fourth or tenth paragraphs of Article 52 herein (i.e., oil refinery operators designated by the competent authority may not refuse to negotiate for the purchase of detained oil products).
Furthermore, if a violation of Items 1, 3, 5, 6, 7, 9, 10, 12(posterior segment), 13, 14 is committed and it is of a serious nature, the business may be or ordered to suspend operations for a maximum of three months, it may have its operation license revoked, or it may be ordered to close down. Moreover, if a violation of aforesaid Items 4, 8, or 11 occurs and it is of a serious nature, the violator may be ordered to stop using its facility for a maximum of three months, it may be ordered to close down, or terminate the permission(s) they had. Finally, if a violation of Items 2 or 12 (anterior segment), the violator may be ordered to close down.

Article 48
Any of the following offenses will result in a fine of a minimum of NT$100,000 and a maximum of NT$500,000. If a business commits an offense of a serious nature (see Article 49 herein), the business may be ordered to suspend operations for a maximum three months, or it may have its operation license revoked, or it may be ordered to close.
1. A violation of the first paragraph of Article 14 (i.e., supplying crude oil to businesses or individuals that do not have permission to receive crude oil).
2. A violation of the second paragraph of Article 14 (i.e., supplying naphtha to businesses or individuals that do not have permission to receive naphtha).
3. A violation of the first paragraph of Article 20 (i.e., selling oil illegally imported or illegally refined domestically).
4. A violation of the first paragraph of Article 28 or the second paragraph of Article 29 (i.e., failing to make business reports as required or obstructing, refusing, or evading an inspection by the competent authorities).

Article 49
The offenses of a serious nature in Articles 41, 42, 44, and 46-48 are offenses specified in this Law and in any of the following conditions:
1. An offense that results in public endangerment.
2. An offense evidenced by the facts as being unable to be rectified within ninety (90) days.
3. An offense that occurs three or more times in one year.
4. An offense that results in punishments six times or more cumulatively in one year.
5. Illegal producing, importing, or selling that involves more than 200 kiloliters of petroleum products in a single incidence of offense.

Article 50
Any of the following offenses will result in a fine of a minimum of NT$100,000 and a maximum of NT$500,000:
1. A violation of the second paragraph of Article 12 herein (i.e., selling petroleum by-products to businesses or individuals other than oil refinery operators).
2. A violation of the third paragraph of Article 12 herein (i.e., failing to register to export oil with the authorities concerned as required by Article 15 herein).
3. A violation of the fifth paragraph of Article 12 herein (i.e., failing to file in time or filing a false report on the import of solvent oil or lubricants).
4. A violation of the second and third paragraphs of Article 28 herein (i.e., obstructing, refusing, or evading an inspection).
5. A violation of the second paragraph of Article 33 herein (i.e., failing to ask an inspection institution sanctioned by the central competent authority to conduct an inspection and to prepare records) or a violation of the third paragraph of Article 33 herein (i.e., failing to keep the records for a minimum of five years).
6. A violation of Item 2 of the first paragraph of Article 35 (i.e., producing oil or selling oil to oil refinery operators without paying the required fees into the Petroleum Fund).

7. A violation of Item 3 of the first paragraph of Article 35 (i.e., selling petroleum by-products to oil refinery operators without paying the required fees into the Petroleum Fund).

Article 51
Gasoline stations that do not join their local gasoline station commercial association (pursuant to the fifth paragraph of Article 17) within one month after beginning business will be fined a minimum of NT$20,000 and a maximum of NT$100,000.
Any offender of the preceding paragraph will be ordered to take remedial actions by a prescribed deadline. Any gasoline station failing to comply by the deadline will be fined consecutively until satisfactory corrective actions are taken.

Article 52
Where the detained oil has the risk of impairment or hard to safe keep, it may be sold to an authority-designated oil refinery operator by price negotiations and can keep custody of the proceeds. The oil refinery operator designated by the competent authority may not refuse such a purchase request. The measure for price negotiations of the aforesaid detained oil will be stipulated separately by the central competent authority.
If the owner, trustee, or caretaker of the detained articles cannot be identified or notified, the competent authority will make a public announcement of the detention and then process the detained articles as waste if their owner, keeper, or custodian remain unidentified ten (10) days after the announcement.
The competent authority may negotiate price for and then sell to a designated oil refinery operator oil confiscated in accordance with this law. An oil refinery operator so designated may not refuse the purchases price, which will be computed according to the Measure for Price Negotiations of Detained Oil.

Article 53
The central competent authority will carry out those points of the Act that call for imposition of fines, confiscation, demands of remedial actions within a prescribed time period, business suspensions, revocations of a license/certificate, or the issuing of orders to cease business. But as of an occurrences, following each item circumstances, a special municipality, a county, or a city competent authority will take administrate disciplinary action.
1. The fines and/or carry out the confiscation for violations of Items 2-4 of the first paragraph, and the second paragraph of Article 40.
2. According to Item 2 of the first paragraph of Article 45, fines should be imposed for a violation of Item 3 of third paragraph of Article 14, and confiscation should be made for a violation of the second paragraph of Article 45.
3. To impose the fines, carry out the demands for remedial actions by the prescribed deadline for violations set forth in Items 3, 6, 7, of the first paragraph of Article 47 herein. (i.e., oil filling stations, LPG filling stations, fishing boat filling stations failing to obtain public liability insurance coverage.), and to cease business, to order close business for a violation of the second paragraph of Article 47.
4. To impose fines, carry out the demands for remedial action by prescribed deadlines for violations of Items 4, 8, and 11 of the first paragraph of Article 47, and to cease business, to order close business for violation of the second paragraph.
5. To impose the fines and carry out the demands of remedial actions set forth in Article 51.
A special municipality, a county, or a city competent authority will carry out inspections and execute punishment(s) set in Article 46 herein that are to be imposed on gasoline or LPG stations for selling petroleum products not complying with national standards. The applicable competent authority will also carry out the punishment(s) on violations set out in Item 14 of the first paragraph of Article 47 herein.

Article 54
Competent authorities of different levels who have insufficient personnel and facilities, the risk of resistances and public safety, or other reasonable cause, may ask for the assistance of local police or other agencies in the execution of the following actions:
1. Seizing oil distillation, refinery, or blending operations that are in violation of the first paragraph of Article 6 herein.
2. Seizing gasoline, diesel oil, or LPG and other petroleum products supplied to gasoline or LPG station operators whose stations are not set up according to this law or to private-use gasoline or LPG filling or storage facilities not set up according to this law, which are in violation of the third paragraph of Article 14 herein.
3. Investigating the sale by oil or non-oil businesses of solvent oil, lubricants, or other volatile hydrocarbon compounds as fuels for use by motor vehicles or machinery. All such sales are illegal under the fourth paragraph of Article 14 herein.
4. Seizing wholesale operations for gasoline or diesel oil that are in violation of the second paragraph of Article 16 herein.
5. Seizing retailing operations of gasoline, diesel oil, or LPG for vehicle use that are in violation of the first or second paragraph of Article 17 herein.
6. Seizing oil or LPG filling or storage facilities for private use that are in violation of the first paragraph of Article 18 herein.
7. Investigating sales of imported or sold solvent oil or lubricants pursuant to the second paragraph of Article 28 herein.
8. Seizing oil storage facilities that are in violation of the first paragraph of Article 33 herein.
The informer(s) and law enforcement personnel involved in the aforesaid actions may be rewarded. The central competent authority will stipulate measures for the reward.

Chapter 8 Supplemental Provisions
Article 55
Oil-related provisions in the Energy Management Law will no longer apply after this Petroleum Administration Law (the Act) is implemented.

Article 56
The Act does not apply to the import and security stockpiling of oil or the set up of oil filling or storage facilitates and their management by military establishments for national defense purposes.

Article 57
Prior to the enforcement of the amendment of this Law, any business that engaged in alcohol gasoline, bio-diesel, or renewable oil products granted the permit(s) of establishment in accordance with Article 38 will be regarded as already granted the valid approval of the production and sales for alcohol gasoline, bio-diesel, or renewable oil products.

Article 58
The competent authorities of each level will charge review and license/certificate fees for processing the applications for review, granting the permissions, and/or issuing the licenses/certificates described in the Act. The central competent authority will set the fee schedule.

Article 59
The central competent authority will separately prescribe the forms and license formats required under the Act.

Article 60
The Act will come into force upon promulgation.
The promulgation date of the amended article in this Act on January 6, 2009 should be provided by the Executive Yuan.