



THE PETROLEUM PRODUCTS (DEVELOPMENT SURCHARGE) ORDINANCE, 1961



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THE PETROLEUM PRODUCTS ¹[PETROLEUM LEVY] ORDINANCE, 1961

ORDINANCE No. XXV OF 1961

[1st July, 1961]

An Ordinance to provide for the levy and collection of a ¹[Petroleum Levy] on petroleum products and for matters connected therewith.

WHEREAS it is expedient to provide for the levy and collection of a ¹[Petroleum Levy] on petroleum products and for matters connected therewith;

NOW, THEREFORE, in pursuance of the Proclamation of the seventh day of October, 1958, and in exercise of all powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:—

1. Short title, extent and Commencement.—(1) This Ordinance may be called the Petroleum Products ¹[Petroleum Levy] Ordinance, 1961.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once, and shall be deemed to have taken effect on the first day of August, 1959.

2. Definitions. In this Ordinance, unless there is anything repugnant in the subject or context,—

(1) "Company" means a company specified in the Second Schedule ²[and includes a person engaged in the manufacturing, refining or reclaiming of lubricating oil from used lubricating oil];

¹Subs. by Act I of 2010, s. 7 (w.e.f. 01-07-10)

²Added by Petroleum products (Development Surcharge) (Amdt.) Ordinance, 1984 (18 of 1984), s. 2.

[1A) "depot" includes the premises set apart for manufacturing, refining or reclaiming lubricating oil from used lubricating oil in any manner:]

²[(4) "fixed sale price" means such ex-refinery sale price or, as the case may be, ex-installation, ex-retail outlet or ex-depot sale price as—

(a) the Federal Government, by notification in the official Gazette: or

(b) a company specified in the Second Schedule and authorised by the Federal Government, in respect of any petroleum product specified in the First Schedule, through electronic and press media, may declare to be the fixed sale price.]

³[(4A) "inland freight margin" means the amount as determined in accordance with the rules made under section 6 to represent the inland transportation expenses of petroleum products from companies, installation to their retail outlets or depots;]

³[(4B) "installation" means such premises set apart for the storage of petroleum products as the ⁴[Federal Government] may, by notification in the official Gazette declare to be an installation for the purposes of this Ordinance;]

⁵[(4Ba) ⁶["Petroleum Levy"] means any levy payable under section 3;.]

⁷(4C) "licensee" means the licensee defined in the Compressed Natural Gas (Production and Marketing) Rules, 1992, or the Liquefied Petroleum Gas (Production and Distribution) Rules, 2001, as the case may be, and as specified by rules made under section 6;']

(5) "Petroleum Products" means any petroleum product specified in the First Schedule; ^{8*} ⁷[and includes Compressed Natural Gas and Liquefied Petroleum Gas]

(6) "Prescribed Price" means the ⁹[ex-refinery price or as the case may be, the ex-installation, ex-retail outlet or ex-depot sale price] as determined in accordance with the rules made under section 6 [; and]¹⁰

¹¹[(7) "refinery" means a refinery specified in the Fourth Schedule]

¹ Ins. by the Petroleum Products (Development Surcharge) (Amdt.) Ordinance, 1984 (18 of 1984), s. 2.

² Ins. by Ord. 25 of 2001, s-3.

³ Ins. and shall be deemed to have been so ins. on the first day of July 1966, by. Ord. 22 of 1971, s.2.

⁴ Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government".

⁵ Omitted and Added by Act 1 of 09, s-7 (w.e.f 01-07-09).

⁶ Subs. by Act XVI of 10, s (w.e.f 01-07-10)

⁷ Ins. by Act 1 of 08, s.2 (w.e.f 01-07-08).

⁸ The word "and" omitted and shall be deemed always to have been so omitted Ord. 22 of 1971 s-2

⁹ Subs. and shall be deemed always to have been so subs., *ibid.*, for "ex-Installation Price".

¹⁰ Subs. *ibid.*, for "full stop".

¹¹ Added and shall be deemed always to have been so added, *ibid.*

3. ¹[Petroleum Levy] ²[(1) Every company, refinery and licensee shall pay to the Federal Government, a petroleum levy on petroleum products at such rate as may be notified by the Federal Government in the official Gazette, from time to time.]

³[(2) Nothing in sub-section (1) shall apply to a petroleum product produced by a refinery or, as the case may be, purchased by a company, for export.

(3) Any amount due and payable under sub-section (1) and not paid within the time allowed by the Federal Government, or any officer authorised by it in that behalf, shall be recoverable as an arrear of land revenue.]

⁴**[3A.— Powers to grant exemption from payment authorise refund and procedure for collection and refund of ²[Petroleum Levy].** (1) Subject to such conditions, limitations or restrictions as it may think fit to impose, the ⁵[Federal Government] may, in such general cases as it may prescribe by rules or in particular cases by special order, exempt a refinery ²[licensee] or company from the payment of the ²[Petroleum Levy] in respect of all or any of the petroleum products or authorise the refund in whole or in part of the ²[Petroleum Levy] paid by a refinery ²[licensee] or company.

(2) Subject to any rules made under this Ordinance, the ²[Petroleum Levy] shall be collected,—

- (a) in respect of imported petroleum products, in the same manner as an imported duty payable under the ⁶[Custom Act, 1969)], is collected; and
- (b) in respect of petroleum products produced in Pakistan, in the same manner as a duty of excise leviable under the [Federal Excises Act, 2005] is collected.

⁷[(3) The provisions of the Customs Act, 1969 ([IV of 1969](#)), or, as the case may be, the provisions of the [Federal Excises Act, 2005] shall, so far as may be, apply to the levy, collection and refund of the ²[Petroleum Levy].

¹Subs. Ins by Act. XVI of 2010 s2. (w.e.f 01.07.2010)

²Subs. Ins. by Act XXII of 2011, ss. 2-3

³Subs. by Ordinance. 25 of 2001 s.3.

⁴Ins & shall be deemed to have been so ins., on the first day of January 1968. by Ord. 22 of 1971, s.4.

⁵Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government".

⁶Subs. by the Federal Law (Revision and Declaration) Ord. 1981 (27 of 1981), s. 3 and Sch II, for "Tarif Act. 1934 (32 of 1934).

⁷Subs. *ibid.*, for sub-section (3).

4. Maximum sale price. (1) Notwithstanding anything contained in any other law, no company shall sell ¹[ex-refinery, ex-installation, ex-retail outlet or ex-depot] any petroleum product at a price higher than the fixed sale price.

(2) A contravention of sub-section (1) shall be deemed to be a contravention of an order made under section 3 of the ²[Price Control and Presentation of profiteering and Hoarding Act, 1977 ([XXIX of 1977](#))], and all the provisions of that Act shall have effect accordingly.

(3) Nothing in this Ordinance shall be deemed to have or ever to have had the effect of retrospectively creating any offence or of retrospectively enhancing the punishment for any offence provided in any law for the time being in force.

5. Allowance to be made for ³[Petroleum Levy] for purposes of income-tax. Notwithstanding anything contained in any other law, the amount of the ³[Petroleum Levy] paid by a company under section 3 shall be an expenditure for which allowance is to be made in computing profits or gains under ³[Income Tax Ordinance, 2001 (XLIX of 2001)].

6. Power to make rules.— (1) The ⁴[Federal Government] may, by notification in the official Gazette, make rules⁵ for carrying out the purposes of this Ordinance and any such rules may be retrospective from any date not earlier ⁶[than] the first day of August, 1959.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide.

(a) for the determination of the ⁷[fixed sale price and] prescribed price;

⁸[(aa) for the determination of the inland freight margin;]

⁹[(aaa) for the manner of payment and refund of, and exemption from the payment of, the ³[Petroleum Levy].

¹Subs. and shall be deemed always to have been so subs. by the Petroleum Products (Development Surcharge) (Amdt.) Ord. 1971, (22 of 1971) s-5 for "ex-Installation".

²Subs. by the Federal Laws Revision and Declaration Ordinance, 1981 (27 of 1981) s.3 and Sch., II for "Essential Supplies Act, 1957) (3 of 1957)".

³Subs. by Act, XVI of 2010, S.2 (w.e.f. 01-02-2010).

⁴Subs. by F.A.O. 1975 Art. and Table for "Central Government"

⁵For the Petroleum Products (Development Surcharge) Rules, 1961 see Gaz. of P.1961, Ext pp. 1069-1074.

⁶Sic. Should read "than".

⁷Ins. and shall be deemed always to have been so ins. by the Petroleum Products Development Surcharge Ordinance, (22 of 1971), s-6.

⁸Cl. (aa) ins. and shall be deemed to have been so ins. on the first day of July, 1966, *ibid*.

⁹Cl. (aaa) ins. and shall be deemed to have been so ins. on the first day of January, 1968, *ibid*.