



# **THE NATURAL GAS (DEVELOPMENT SURCHARGE) ORDINANCE, 1967**



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**THE PAKISTAN CODE**

## **THE SCHEDULE.**

# THE NATURAL GAS (DEVELOPMENT SURCHARGE) ORDINANCE, 1967

<sup>1</sup>ORDINANCE No. I OF 1967

[23rd May, 1967]

*An Ordinance to provide for the levy and collection of a development surcharge on natural gas and for matters connected therewith.*

WHEREAS it is expedient to provide for the levy and collection of a development surcharge on natural gas and for matters connected therewith.

AND WHEREAS the National Assembly is not in session and the President is satisfied that circumstances exist which render immediate legislation necessary;

NOW THEREFORE, in exercise of the powers conferred by clause (1) of Article 29 of the Constitution and of all other powers enabling him in that behalf, the President is pleased to make and promulgate the following Ordinance:

**1. Short title, extent and commencement.**— This Ordinance may be called the Natural Gas (Development Surcharge) Ordinance, 1967.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

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

(1) “company” means a company specified in the Schedule;

(2) “development surcharge” means the surcharge payable under section 3;

(3) “differential margin” means the amount by which the fixed sale price exceeds the prescribed price;

<sup>2</sup>[(4) “fixed sale price” means such sale price and tariff, not exceeding <sup>3</sup>[forty] rupees per deca cubic metre], as the <sup>4</sup>[Federal Government] may, from time to time, by notification in the official Gazette, declare to be the fixed sale price for the purposes of this Ordinance; and different prices and tariffs may be so declared in relation to different companies and different consumers.]

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<sup>1</sup>Approved by the National Assembly of Pakistan on the 23rd March, 1967, see Gaz. of P., 1967, Ext. (Rawalpindi), dated the 23rd May, 1967, p. 263.

<sup>2</sup>Subs. by the Finance Ordinance, 1969 (16 of 1969), s. 13, for clause (4), (with effect from the first day of July, 1969).

<sup>3</sup>Subs. by Act 7 of 1990, s. 5.

<sup>4</sup>Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

- (5) “natural gas” means gas obtained from bore holes and wells consisting primarily of hydrocarbons;
- (6) “prescribed price” means such sale price and tariff as the <sup>4</sup>[Federal Government] may, in accordance with the Natural Gas Rules, 1960, by notification in the official Gazette, declare, in respect of any period, whether before or after the commencement of this Ordinance to be the prescribed price for the purpose of this Ordinance.

**3. Levy of Development Surcharge.**— Every company shall <sup>1</sup>[collect and] pay to the <sup>2</sup>[Federal Government] a development surcharge equal to the differential margin in respect of natural gas sold by it after thirty-first day of May, 1964.

(2) The development surcharge in respect of natural gas sold before the commencement of this Ordinance shall be paid within such time after such commencement as may be specified by the <sup>2</sup>[Federal Government] or any officer authorised by it in this behalf.

(3) <sup>3</sup>[An amount at the rate of <sup>4</sup>[fifteen] per cent per annum shall be payable in addition to the] amount due under sub-section (1) or under sub-section (2), if the amount is not paid within the time specified for such payment [:]<sup>5</sup>

<sup>5</sup>[Provided that the Federal Government may, subject to such conditions or restrictions as it may think fit to impose, by notification in the official Gazette, grant only <sup>6</sup>[two time] exemption to any company from the requirement to pay additional amount payable under this sub-section, and a notification issued under this proviso shall be effective from the date specified therein notwithstanding the date of its issue in the official Gazette [:]<sup>6</sup>

<sup>6</sup>[Provided further that exemption given to any company under the foregoing proviso shall always be supported by reasons justifying such exemption issued with the approval of the Secretary and Minister for Petroleum and Natural Resources Division.]

**4. Allowance to be made for Development Surcharge for purposes of Income-Tax.** The amount paid by a company as development surcharge shall be an expenditure for which allowance is to be made under <sup>7</sup>[section <sup>5</sup>[20] of the Income Tax Ordinance, <sup>5</sup>[2001] <sup>5</sup>[(XLIX of 2001)] in computing the profits or gains of that company.

**5. Maximum Sale Price.** No company shall sell or offer for sale natural gas at a price higher than the fixed sale price.

(2) Where any company contravenes the provisions of sub-section (1) , every director, manger, secretary or other officer who was in charge of, and was responsible to, the company for

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<sup>1</sup>Ins. By Finance Act XVII of 2012, s. 3 (w.e.f. 01-07-2012).

<sup>2</sup>Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

<sup>3</sup>Subs. by the Natural Gas (Development Surcharge) (Amdt.) Ordinance, 1981 (10 of 1981) s. 3, for certain words.

<sup>4</sup>Subs. by Act I of 03, s. 4.

<sup>5</sup>Subs. and added by Finance Act IV of 2007, s. 5 (w.e.f. 01-07-2007).

<sup>6</sup>Subs. and added by Finance Act XVII of 2012, s. 3 (w.e.f. 01-07-2012).

<sup>7</sup>Subs. by the Federal Laws (Revision and Declaration) Ordinance 1981 (27 of 1981), s. 3 and Sch., II, for certain words.

the conduct of its business or for the management of its sales at the time the contravention was committed, shall, unless he proves that the contravention was committed without his knowledge or that he exercised all due diligence to prevent such contravention, be guilty of an offence punishable with imprisonment for a term which may extend to three years, or with fine, or with both.

**6. Cognizance of offence.** No court shall take cognizance of an offence under this Ordinance save on a complaint in writing made by or under the authority of the <sup>1</sup>[Federal Government].

**7. Power to make rules.** The <sup>1</sup>[Federal Government] may, by notification in the official Gazette, make <sup>2</sup>rules for carrying out the purposes of this Ordinance

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

- (a) the manner and time of payment of development surcharge; and
- (b) any other matter for which provision is, in the opinion of the <sup>1</sup>[Federal Government], necessary for carrying into effect the provisions of this Ordinance.

**8. Power to amend Schedule.** The <sup>1</sup>[Federal Government] may, by notification in the official Gazette, make such amendments and modifications in the Schedule as it thinks fit.

### <sup>3</sup>[SCHEDULE

1. Sui Northern Gas Pipelines Limited.
2. Sui Northern Gas Company Limited.
3. Mari Gas Company Limited.]
- <sup>4</sup>[4. Pakistan Petroleum Limited.]
- <sup>5</sup>[5. Tullow Pakistan (Development) Limited.]

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<sup>1</sup>Subs. by F.A.O., 1975, Art. 2 and Table, for “Central Government”.

<sup>2</sup>For such rules see, Gaz. of P., 1967, Ext., p. 54, dated 8-2-1967.

<sup>3</sup>Subs. by S.R.O. No. 426(I)/89, dt. 24-4-89, for the Schedule, which was previously amended by various S.R.O. Notifications from time to time.

<sup>4</sup>Added by S.R.O. No. 797 (I)/89, dt. 29-7-1989.

<sup>5</sup>Added by S.R.O. No. 1126(I)/99, dt. 29-10-1999.