



# **THE PETROLEUM PRODUCTS PETROLEUM LEVY ORDINANCE, 1961**



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**THE PAKISTAN CODE**

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# THE PETROLEUM PRODUCTS <sup>1</sup>[PETROLEUM LEVY] ORDINANCE, 1961

ORDINANCE No. XXV OF 1961

[1<sup>st</sup> July, 1961]

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

**WHEREAS** it is expedient to provide for the levy and collection of a <sup>1</sup>[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 <sup>1</sup>[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 the subject or context,—

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

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<sup>1</sup>Subs. by Act No. XVI of 2010, s. 2 (w.e.f. 01-07-10).

<sup>2</sup>Added by Ordinance No. XVIII of 1984, s. 2.

<sup>1</sup>[(1A) “depot” includes the premises set apart for manufacturing, refining or reclaiming lubricating oil from used lubricating oil in any manner;]

<sup>2</sup>[(2) \* \* \* \* \* ]

(3) \* \* \* \* \* ]

<sup>2</sup>[(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.]

<sup>3</sup>[(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 ;]

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

<sup>5</sup>[(4Ba) \* \* \* \* \* ]

<sup>7</sup>(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 ;]

<sup>6</sup>[4D \* \* \* \* \* ]

(5) “Petroleum Product” means any petroleum product specified in the First Schedule; <sup>8</sup> [\*]  
<sup>7</sup>[ and includes Compressed Natural Gas and Liquefied Petroleum Gas]

(6) “Prescribed price” means the <sup>9</sup>[ex-refinery price or as the case may be, the ex-installation, ex-retail outlet of ex-depot sale price] as determined in accordance with the rules made under section 6 <sup>10</sup>[; and]

<sup>11</sup>[(7) “Refinery” means a refinery specified in the Fourth Schedule

<sup>1</sup>Ins. by Ordinance No. XVIII of 1984, s. 2.

<sup>2</sup>Omitted and Ins. by Ordinance No. XXV of 2001, s. 3.

<sup>3</sup>Ins. and shall be deemed to have been so ins. on the first day of July 1966, by Ordinance No. XXII of 1971, s. 2.

<sup>4</sup>Subs. by Federal Adaptation Order, 1975, Art. 2 and Table.

<sup>5</sup>Omitted by Act No. I of 09, s. 7 (w.e.f 01-07-09).

<sup>6</sup>Omitted by Act No. XVI of 10, s. 2 (w.e.f 01-07-10).

<sup>7</sup>Ins. by Act No. I of 08, s. 2 (w.e.f 01-07-08).

<sup>8</sup>Omitted and shall be deemed always to have been so omitted Ordinance No. XXII of 1971, s. 2

<sup>9</sup>Subs. and shall be deemed always to have been so subs., *ibid.*, for “ex-Installation Price.”

<sup>10</sup>Subs. *ibid.*

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

3. <sup>1</sup>[Petroleum levy].— <sup>2</sup>[(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.]

<sup>3</sup>[(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.]

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

(2) Subject to any rules made under this Ordinance, the <sup>1</sup>[Petroleum Levy] shall be collected,—

- (a) in respect of imported petroleum products, in the same manner as an imported duty payable under the <sup>6</sup>[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 <sup>1</sup>[Federal Excise Act, 2005 \*\*\*] is collected.

<sup>6</sup>[(3) The provisions of the Customs Act, 1969 (IV of 1969), or, as the case may be, the provisions of the <sup>1</sup>[Federal Excise Act, 2005 \*\*\*] shall, so far as may be, apply to the levy, collection and refund of the <sup>1</sup>[Petroleum Levy]].

<sup>1</sup>Subs. and omitted by Act No. XVI of 2020, s. 2 (w. e. f 01-07-2010).

<sup>2</sup>Subs. Ins. by Act No. XXII of 2011, ss. 2-3.

<sup>3</sup>Subs. by Ordinance No. XXV of 2001, s. 3.

<sup>4</sup>Ins. & shall be deemed to have been so ins., on the first day of January 1968 by Ordinance No. XXII of 1971, s. 4.

<sup>5</sup>Subs. by the Federal Adaptation of Laws Order, 1975 (P. O No. 4 of 1975), Art. 2 and Table.

<sup>6</sup>Subs. by Federal Law (Revision and Declaration) Ordinance No. XXVII of 1981, s. 3 and Sch. II.

**4. Maximum sale price.**—(1) Notwithstanding anything contained in any other law, no company shall sell <sup>1</sup>[*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 <sup>2</sup>[Price Control and Prevention 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 <sup>3</sup>[Petroleum Levy] for purposes of income tax.**—Notwithstanding anything contained in any other law, the amount of the <sup>3</sup>[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 <sup>3</sup>[Income Tax Ordinance, 2001 (XLIX of 2001) \*\*\*].

**6. Power to make rules.**— (1) The <sup>4</sup>[Federal Government] may, by notification in the official Gazette, make rules <sup>5</sup> for carrying out the purposes of this Ordinance and any such rules may be retrospective from any date not earlier <sup>6</sup>[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 <sup>7</sup>[fixed sale price and] prescribed price;

<sup>8</sup>[(aa) for the determination of the inland freight margin;]

<sup>9</sup>[(aaa) for the manner of payment and refund of, and exemption from the payment of, the <sup>3</sup>[Petroleum Levy] ;]

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<sup>1</sup>Subs. and shall be deemed always to have been so subs. by Ordinance No. XXII of 1971, s. 5.

<sup>2</sup>Subs. by the Federal Laws Revision and Declaration Ordinance No. XXVII of 1981, s. 3 and Sch., II.

<sup>3</sup>Subs. and omitted by Act No. XVI of 2010, s. 2 (w. e. f. 01-07-2010).

<sup>4</sup>Subs. by the Federal Adaptation of Laws Order, 1975 (P. O No. 1 of 1975), Art. and Table.

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

<sup>6</sup>Sic. Should read “than”.

<sup>7</sup>Ins. and shall be deemed always to have been so ins. by Ordinance No. XXII of 1971, s. 6

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

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



(b) for any other matter for which there is no provision or no sufficient provision in this Ordinance and for which provision is, in the opinion of the <sup>1</sup>[Federal Government], necessary in order to give effect to the purposes of this Ordinance.

**7. Power to amend Schedules.** <sup>2</sup>[Except for the Fifth Schedule, the] <sup>1</sup>[Federal Government] may, from time to time, by notification in the official Gazette, make such amendments and modifications in the Schedules as it thinks fit.

<sup>3</sup>**[8. Delegation of powers.** The <sup>1</sup>[Federal Government] may, by notification in the official Gazette, direct that all or any of its powers under this Ordinance or the rules made thereunder shall, in such circumstances and under such conditions, if any, as may be specified in the direction, be exercised also by an officer or authority subordinate to the <sup>1</sup>[Federal Government.]

<sup>4</sup>**[9. Validation.** Notwithstanding anything contained in any law, rules or judgment of a Court, the petroleum development levy levied and collected from a company during the period from the 1<sup>st</sup> day of March, 2010 <sup>5</sup>[to the coming into force of the Petroleum Products (Petroleum Levy) (Amendment), Act, 2011(XXII of 2011)], shall be deemed to have been validly and lawfully levied and collected and shall not be refunded. So much of such levy as has not been paid, collected or realized during the said period shall be recoverable in accordance with the provisions of this Ordinance and the rules made thereunder.]

**THE FIRST SCHEDULE**  
**List of Petroleum Products**  
**[See section 2 (6)]**

S. No.	Nomenclature in common use in Pakistan.	Nomenclature in common use internationally by the Oil Industry and as used in Platt's Daily Reporting Service.
1.	Aviation Spirit 73 On u/I.	Avgas Grade 73 clear.
2.	Aviation Spirit 100/130 ON.	Avgas Grade 100/130.
3.	Aviation Spirit 115/145 ON.	Avgas Grade 115/145.
4.	Aviation Turbine Fuel.	Turbine Fuel 1 (-56F).
5.	Motor Spirit.	79 Octane.
6.	Vaporising Oil.	Tractor Vaporising Oil.
7.	Superior Kerosine.	Kerosine.
8.	Inferior Kerosine.	No. 2 Fuel.
9.	High Speed Diesel.	48/52 Diesel Index.
10.	Light Diesel Oil.	(90 % No. 2 Fuel, 10 % Bunker 'C' Fuel).

<sup>1</sup>Subs. by Federal Adaptation of Laws Order, 1975 (P. O No. 4 of 1975), Art. 2 and Table.

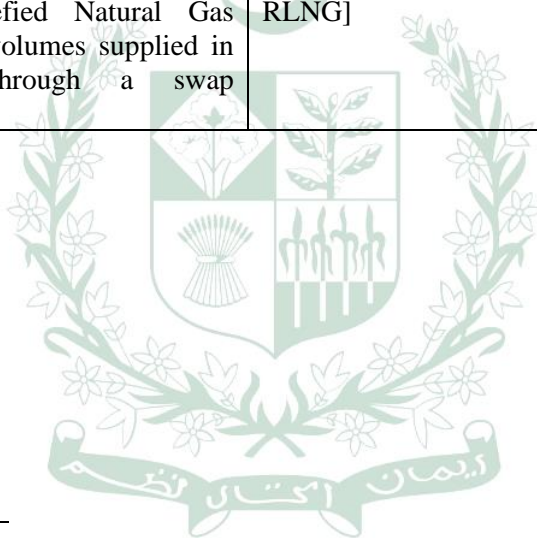
<sup>2</sup>Ins. by Act No. I of 09 s. 7 (w.e.f. 01-07-2009)

<sup>3</sup>Added by Ordinance No. XXII of 1971, s. 7.

<sup>4</sup>Added. by Act No. XVI of 2010, s. 2 (w.e.f. 01-07-2010)

<sup>5</sup>Subs. by Act No. XXII of 2011, s. 4

<sup>1</sup> [11.]	* *	* *
<sup>2</sup> [12.]	<sup>3</sup> [Lubricating Oil including Base Oil and Lubricating Oil reclaimed from used Lubricating Oil.]	MVI, HVI, LVI.
<sup>4</sup> [13.]	* *	* * * *
<sup>5</sup> [14.]	Jute Batching Oil]	
<sup>6</sup> [15.]	Automotive Gas 100 OCT]	
<sup>7</sup> [16.]	* * * *	
<sup>8</sup> [17.]	Motor Gasoline 90 Octane R.	Motor Gasoline 90 R.]
<sup>9</sup> [18.]	JP – 4.....	
<sup>10</sup> [19.]	All types of NAPHTHA / <sup>11</sup> [ * ]	
<sup>12</sup> [20.]	Methyl Tertiary Butyl Ether (MTBE)]	
<sup>13</sup> [21.]	Premium Motor Gasoline 87 RON]	
<sup>14</sup> [22.]	JP – 8	JP – 8 ]
<sup>15</sup> [23.]	E-10 Gasoline	Ethanol E-10 Gasoline]
<sup>16</sup> [24.]	Denatured	Denatured Fuel Ethanol for blending with Gasoline]
<sup>17</sup> [25.]	Regasified Liquefied Natural Gas (RLNG) or any volumes supplied in lieu thereof through a swap arrangement.	RLNG]



<sup>1</sup>Omitted by S.R.O.450 (1)/2000, dt 01-07-2000.

<sup>2</sup>Item 12 and 13 were added by S.R.O. 143 @/66, dt. 16<sup>th</sup> August, 1966, see Gaz of P., 1966.Ext., p.812.

<sup>3</sup>Subs. by the Petroleum Products (Development Surcharge) (Amdt.) Ordinance No. XVIII of 1984, s. 3 for entry 12, which was previously amended by various S.R.O.s, from time to time.

<sup>4</sup>Omitted by S.R.O 499(1)/96, dt, 13-06-96.

<sup>5</sup>Added by S.R.O No. 6(R) /67, dated the 18<sup>th</sup> January, 1967, see Gaz. of p. 1967, Ext., p.25.

<sup>6</sup>Added by S.R.O. No. 78(R)/67, dated the 29<sup>th</sup> May, 1967, see Gaz. of P., 1967, Ext.p. 297.

<sup>7</sup>S. No. 16 omitted by S.R.O. No. 166(1)71, dated the 22<sup>nd</sup> May, 1971, see Gaz of P., 1971, Ext.p. 494, which was previously added by S.R.O No. 139(R)/67,dt, the 17<sup>th</sup> July, 1967, see Gaz. of p. 1967, Ext.p.784.

<sup>8</sup> Added by S.R.O No. 214(1)/69, dt, the 1<sup>st</sup> October, 1969 see, Gaz, of P., 1967, Ext., p.859.

<sup>9</sup>Added by S.R.O No. 385(1)/72, dt, the 13<sup>th</sup> June, 1972, see. Gaz., of P., 1972, Ext., Pt.II,p. 346.

<sup>10</sup>Added by S.R.O No. 1610(1)/73, dt, the 20<sup>th</sup> Nov, 1973, see. Gaz. of. P.1973, Ext., Pt. II, p.2347.

<sup>11</sup>Omitted by S.R.O. 450(1)/2000, dt, 01-07-2000.

<sup>12</sup>Added by S.R.O 51(1)/94, dt, 18-01-94.

<sup>13</sup>Added by S.R.O 865(1)/99, dt. 22-07-99.

<sup>14</sup>Added by S.R.O 772(1)/06, dt, 27-07-06.

<sup>15</sup> Added by S.R.O.731(1)/2009,dt 15-08-2009.

<sup>16</sup> Added by S.R.O. 759(1)/2015, dt 28-08-2009.

<sup>17</sup> Added by S.R.O. 405(1)/2015, dt 07-05-2015.

## THE SECOND SCEHDULE List of Companies

- <sup>1</sup>[1. M/s. Pakistan State Oil Company Ltd.
2. M/s. Caltex Oil (Pakistan) Ltd.
3. M/s. Shell (Pakistan) Ltd.
4. M/s/ Attock Refinery Ltd.
5. M/s. Pakistan Oil-fields Limited, Rawalpindi.
6. M/s. Attock Petroleum Ltd. Islamabad.]
- <sup>2</sup>[7. M/s. Pakistan Arab Refinery Company Ltd. (PARCO).
8. M/s. TOTAL-PARCO Pakistan Ltd.
9. M/s. Bosiear Pakistan Ltd.]
- <sup>3</sup>[10. M/s. Admore Gas (Pvt.) Ltd.]
- <sup>4</sup>[11. M/s. Hascombe Storage (Pvt.) Ltd.]
- <sup>5</sup>[12. M/s. Askar Oil Services (Pvt.) Ltd.]
- <sup>10</sup>[13 Sui Northern Gas Pipelines Limited
- 14 Sui Southern Gas Company Limited]

\*[ \* \* \* \* \* ]

## THE FOURTH SCEHDULE List of Refineries [See section 2 (7)]

- <sup>6</sup>[1. Attock Oil Refinery Ltd., Rawalpindi.
2. Pakistan Refinery Ltd., Karachi.
3. National Refinery Ltd., Karachi.]
- <sup>7</sup>[4. Dhodak Refinery]
- <sup>8</sup>[5. Pak Arab Refinery Ltd. Muzzaffargarh.]
- <sup>9</sup>[6. Bosicar Pakistan Ltd.]

<sup>1</sup>Subs. by S.R.O 525 (1)/98,dt, 05-06-98

<sup>2</sup>Added by S.R.O 476 (1)/02,dt, 26-07-02

<sup>3</sup>Added by S.R.O 431 (1)/2004,dated, 04-06-2004

<sup>4</sup>Added by S.R.O 690 (1)/06, dt, 30-06-2006.

<sup>5</sup>Added by S.R.O 846(1)/06, dt, 17-08-06.

\*Third Schedule omitted by Ordinance No. XXVII of 2002, s. 3.

<sup>6</sup>Subs. by S.R.O 89(1)/79, dt, 23<sup>rd</sup> Jan 1979, see Gaz., of P., 1979, Pt-II, p-244, for the entries under the heading "List of refineries" which were previously amended by various S.R.O,s from time to time.

<sup>7</sup>Added by S.R.O 905(1)/94, dt, 14-9-94

<sup>8</sup>Added by S.R.O 637(1)/2000,dt, 09-09-2000

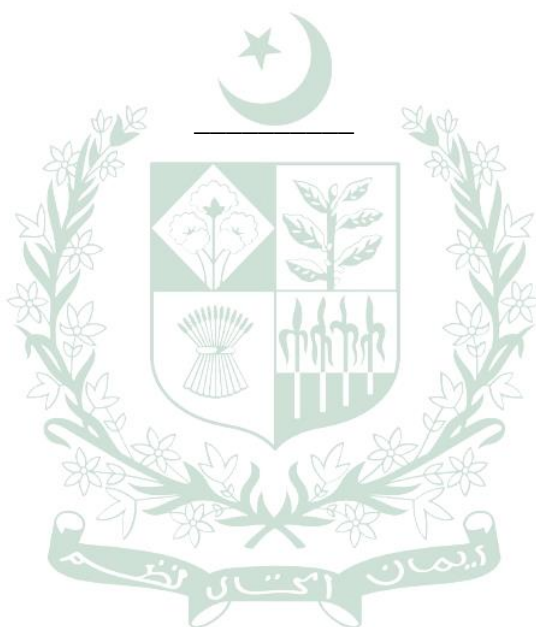
<sup>9</sup>Added by S.R.O 477(1)/2002, dt. 26-07-2002

<sup>10</sup>Added by S.R.O. 405(1)/2015, dt 07-05-2015.



<sup>1</sup>[The Fifth Schedule  
[See Sections 3 (1) and 7]

S.No.	Petroluem Products	Unit	Maximum Petroleum Levy Rate (Rupees per Unit)
(1)	(2)	(3)	(4)
1.	High speed diesel oil (HSDO)	Liter	70
2.	Motor gasoline	Litre	70
3.	Superior kerosene oil (SKO)	Litre	50
4.	Light diesel oil (LDO)	Litre	50
5.	High octane blending component (HOBC)	Litre	70
6.	E-10 gasoline	Litre	50
7.	Liquefied petroleum gas (produced or extracted in Pakistan)	Metric Ton	30,000]



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RGN Date: 03-09-2024

<sup>1</sup>Subs. by the Finance Act No. X of 2024, s. 3.