

**PETROLEUM PRODUCTS (DEVELOPMENT SURCHARGE) RULES, 1967
(CORRECTED UP TO 16.05.1983)**

**PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRA -ORDINARY
RAWALPINDI, WEDNESDAY, MARCH 29, 1967.**

**GOVERNMENT OF PAKISTAN
MINISTRY OF PETROLEUM & NATURAL RESOURCES
(NATURAL RESOURCES DIVISION)**

Islamabad, the 29th March, 1967.

NOTIFICATION

S.R.O.39(R)/67.- In exercise of the powers conferred by Section 6 of the Petroleum Products (Development Surcharge) Ordinance, 1961, and in super session of the Petroleum Products (Development Surcharge) Rules, 1961, the Central Government is pleased to make the following rules, namely:-

1. Short title - (i) These Rules may be called the Petroleum Products (Development Surcharge) Rules, 1967.

(ii) They shall come into force from the 1st day of April, 1967.

2. Definitions - In these Rules, unless there is anything repugnant in the subject or context,

* (1) "Director" means the Director Oil Operations or any officer or authority authorized by the Federal Government to exercise the powers and perform the functions of the Director under these rules,

(2) "Gallon" means "Imperial Gallon",

(3) "Ordinance" means the Petroleum Products (Development Surcharge) Ordinance, 1961,

(4) "Schedule" means a Schedule appended to these Rules,

(5) "Ton" means "Long Ton of 2240 lbs.

3. Prescribed price for oil distribution companies - in relation to oil companies other than refineries the prescribed price of a petroleum product specified in the

Schedule shall be determined by the Director, after taking into account such of the following as may be applicable:-

(a) Cost and freight of the products on the basis of authorize@ imports, or, in the case of petroleum products produced in the country, F.O.B. Cost.

@ Explanation 1 - To convert the dollar value to rupees, the applicable exchange rate as notified by the State Bank of Pakistan shall be adopted. Substituted vide PL-3(23)/75 dated 24.09.1979

@ Inserted by Notification SRO.No.487(I)/83 dated 16.05.1983” Explanation on II- in order to convert the quantitative units to tonnes or liters, the following conversion factors will be used, namely:-

PRODUCTS	LITRES 60 F PER TONNE EQUIVALENT IN CENTIGRADE	LITRES 85 F PER TONNE EQUIVALENT OR EQUIVALENT IN CENTIGRADE
@ Aviation Gasoline 115/145 Octane	1423.92	1448.92
Aviation Gasoline 100/130 Octane	1398.52	1420.42
Aviation Gasoline 73 Octane	1410.55	1432.68
Aviation Turbine Fuel (JP-I)	1273.65	1290.54
Motor Gasoline	1403.70	1427.27
High speed Diesel	1203.62	1215.82
Kerosene Superior	1267.54	1284.36
Kerosene Inferior	1206.89	1222.12
Vaporizing Oil	1225.15	1241.41
Light Diesel Oil	-	1172.24
Furnace Oil	1047.45	1065.98
Automotive Gasoline (HOBC)	1311.50	1331.07

(b) Marine Insurance-Marine Insurance (which, during the continuance of a state of war or emergency declared by the Central Government, shall include war risk insurance) shall be at the actual rates payable for each petroleum product.

(c) Ocean Losses-Ocean Losses shall be valued at the current C&F value of the relative products and calculated as an incidence per litre or per tonne but not exceeding the percentage on C&F given in the table below:-

PRODUCTS	PERCENTAGE ON C&F
Motor Spirit	0.33
Kerosene superior	0.25
Kerosene Inferior	0.25
Aviation Gasoline 100)	
Aviation Gasoline108)	
Aviation Gasoline 115)	
Aviation Gasoline clear 73)	
Aviation Turbine Fuel	0.25

High Speed Diesel Oil	0.31
Power Kerosene/Vaporizing Oil	0.35
Furnace Oil	0.11
Light Diesel Oil	0.44
@ @ Automotive Gasoline 100 Octane	0.54

(d) Statutory charges-Statutory charges being all duties, taxes, users' charges and any other charges levied by Government, Corporations, Municipalities, port authorities and other statutory Bodies in Pakistan in respect of each petroleum products, provided that taxes, levies or other charges on neat earnings and profits of an oil distribution company shall not be included.

@ Substituted by Notification No.PL-3(23)/75 of 1.7.1977

@ @ Inserted by NR Division's Notification No.PL-Q(6)/67, of 6.7.67

(e) Distribution margin-A charge to be determined by the Director, having regard to the circumstances and experience of one or more companies, to cover depreciation and interest on the fixed assets (other than assets used for the transportation of petroleum products) and other expenses and remuneration of the Co.

(f) Expenses incurred by a company on the inland transportation of petroleum products, subject to the provisions of Rule 6.

(g) Dealers Commission:- Dealers Commission on Motor Gasoline, Automotive Gasoline 100 Octane (High Octane Blending Component) and High Speed Diesel Oil at the rates approved by the Central Government.

4. Variation in the elements of prescribed price - Variation in the elements of prescribed price shall be reflected in the prescribed price from the first of the month following the date of each variation except for variations in respect of statutory charges, which shall have immediate effect.

5. Excess of depreciation and interest - The Central Government if it is satisfied on the basis of the report of the auditors of an oil company/and the documents showing the original costs of the fixed assets of that company that such fixed assets had been acquired at comparatively higher costs, may allow that company an increase in the distribution margin to cover higher depreciation value and interest charges.

6. Inland Transportation Expenses- (1) Expenses on inland transport incurred by any company in any calendar month on the distribution of aviation gasoline 100 Octane (automotive), motor gasoline, superior and inferior Kerosene, high speed diesel oil, light diesel oil @ @ and, by rail, road or pipeline and* furnace oil shall be adjusted from month to month against the portion of the fixed sale price declared by the Director to represent inland freight equalization margin.

**** (2)** Expenses on inland transport may include depreciation on company-owned vehicles and equipment at the rates applied in the assessment of income tax and interest at 6% on the written down value thereof at the end of the year except where rebate on such vehicles allowed by the Railways is retained by a company provided that the following shall not be included in computing inland transportation expenses:-

(i) Expenses for the transportation of petroleum products from any place of storage not recognized by the Director to be an installation, and within main port city limits except in the case of deliveries by railway wagons or to companies motor gasoline/high speed diesel oil pumps

(ii) Demurrage.

% (iii) Expenses incurred on transportation by road where railway wagon @ pipeline having capacity for transfer of the product were available and could be utilized.

@ Substituted by Notification NO.PL-3(23)/68, of 12.7.1971.

@@ Inserted by Notification No.PL-3(23)/81 dated 28.7.1981

* Inserted by Notification No.PL-3(20)/68, dated 28.06.1969

** Inserted by Notification No.SRO-1(R)/68 DATED 1.1.1968.

% Inserted and added vide PL-3(128)/76 of 31.12.1968.

(3) Each company shall maintain adequate records or receipts and expenses relating to freight which shall be audited by the auditors and shall submit to the Central Government half yearly a certificate from its auditors that the information contained in the records is correct and true and that the amount due to the Government has been correctly calculated in accordance with the rules and has been deposited into Government account. In addition each company shall render a monthly return showing quantities of products sold, freight charges recovered, freight expenses incurred (separately by rail and road) and the amounts payable to Government.

*(4) Notwithstanding anything contained in sub-rule (3), the Central Government may, whenever it so thinks fit, appoint auditors to audit the accounts relating to inland freight equalization margin and all the expenses of such audit shall be borne by the company.

(5) The Director may prescribe separate inland freight equalization margin in respect of each province or different areas of a province, and separate accounts shall be maintained by every company in respect of each province or such area, and no adjustment shall be made between the receipts and expenses of the different provinces or areas relating to freight equalization.

7. Prescribed price for refineries - The prescribed price of the petroleum products refined by refineries in Pakistan shall be determined by the Director having regard to the common elements included in the prescribed price of the imported petroleum products and the special circumstances of each refinery and such adjustment as the Central Government may from time to time, direct.

8.** Payment of Development Surcharge - The development surcharge shall be paid and deposited or be refunded in like manner and with or by like authorities as any duty of excise or the duty of customs is paid and deposited or is refunded.

SCHEDULE

Nomenclature in common use in Pakistan	Nomenclature in common use internationally by the Oil Industry and as used in Platts Daily Reporting Service
Aviation Gasoline 115/145	Avgas Grade 115/145
Aviation Gasoline 100/130 On	Avgas Grade 100/130
Aviation Gasoline 73 on u/1	Avgas Grade 73 clear
Aviation Turbine Fuel No. 1.	Turbine Fuel 1 (56F)
Motor Gasoline	79 Octane.
Superior Kerosene	Kerosene.
Inferior Kerosene.	No. 2 Fuel
Light Diesel Oil.	(90% No. 2 Fuel 10% Bunker 'C' Fuel).
High Speed Diesel.	48/52 Diesel Index.
Furnace Oil.	

Vaporizing Oil.	Bunker 'C' Fuel
'x' Automotive Gasoline 100 Octane.	Tractor – Vaporizing Oil.
@ Lubricating Oils including base oils and lubricating oils reclaimed from used lubricating oils	Automotive Gasoline 100 Octane. MVI, HVI, LVI

'x' Substituted by Notification No.S.R.O L(R)/68 DATED 1.1.1968 and amended by Notification No.PL-3(23)/68 dated 20.08.1969.

'x'x' Inserted by Notification No. S.R.O. 79(R)/67 dated 30.5.1967

@ Inserted by Notification on SRO.443(I)/83 dated 7.5.1983.

Further amendment in the Rules may be seen below:

TO BE PUBLISHED IN THE GAZETTE OF PAKISTAN EXTRA-ORDINARY PART-II

**Government of Pakistan
MINISTRY OF PETROLEUM AND NATURAL RESOURCES
(DEPARTMENT OF PETROLEUM AND ENERGY RESOURCES)**

Islamabad, the 29th June, 2001.

NOTIFICATION

SRO 482(I)/2001.- In exercise of the powers conferred by section 6 of the Petroleum Products (Petroleum Development Levy) Ordinance, 1961 (XXV of 1961), the Federal Government, is pleased to make the following further amendments in the Petroleum Products (Petroleum Development Levy) Rules, 1967, namely.-

In the aforesaid Rules,_____

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- (1) for the words "Development Surcharge", wherever occurring, the words "Petroleum Development Levy" shall be substituted;
 - (2) in rule (1), in sub-rule (i) for the words "Development Surcharge", wherever occurring, the words "Petroleum Development Levy" shall be substituted; and
 - (3) in rule 3, the clause (h) shall be omitted.
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[No.PL-3(23)/2001]

**Government of Pakistan
MINISTRY OF PETROLEUM AND NATURAL RESOURCES
(DEPARTMENT OF PETROLEUM AND ENERGY RESOURCES)**

Islamabad, the 29th June, 2001.

NOTIFICATION

SRO 483(I)/2001.- In exercise of the powers conferred by section 8 of the Petroleum Products (Petroleum Development Levy) Ordinance, 1961 (XXV of 1961), the Federal Government, in partial modification of its notification No.S.R.O.551(I)/91, dated the 11th

June, 1991, is pleased to direct that the powers in respect of ____ (a) clauses (4) and (4A) of section 2 of the said Ordinance; and (b) rule 3 except clauses (d) and (h), sub-rule (1) of rule 6 and rule 7 of the Petroleum Products (Petroleum Development Levy) Rules, 1967, shall be exercisable by the Secretary, Oil Companies Advisory Committee, or his duly authorized nominee, with effect from 1st July, 2001.

[No.PL-3(127)/2001]

-Sd/-
(M.Mansoor Zubair)
Joint Secretary

The Manager, Printing Corporation of Pakistan, Islamabad