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PART II

**Statutory Notifications (S.R.O.)**

GOVERNMENT OF PAKISTAN  
**CABINET SECRETARIAT**  
**(Cabinet Division)**

NOTIFICATION

*Islamabad, the 29th May, 2018*

**S.R.O. 734(I)/2018.**—In exercise of the powers conferred by section 41 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002), the Oil and Gas Regulatory Authority, with the approval of the Federal Government and after previous publication *vide* S.R.O. No. 515(I)/2018 dated April 23, 2018 is pleased to direct that following amendments shall be made in the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016, namely:—

In the aforesaid Rules.—

- (1) for clause (xxvii) of sub rule (1) of rule 2, the following shall be substituted, namely:—

(1461)

*Price : Rs. 10.50*

[6095(2018)/Ex. Gaz.]

- (xxvii) "storage" includes any oil storage facility or undertaking for storage of oil exceeding five thousand liters:

Provided that such activity shall not include any retention happening during the ordinary course of transportation:

Provided further that petrol pumps and bulk consumer facilities shall not be considered as part of the storage referred above.

- (2) in rule 5,—

- (a) in sub-rule (2), for the word "three", the word "five" shall be substituted and after the word "licence", occurring for the second time, the words "without any valid reason" shall be inserted; and
- (b) in sub-rule (3), for the word "fifteen", the word "thirty" shall be substituted;

- (3) in rule 6, in sub-rule (3), for the word "fifteen", the word "thirty" shall be substituted;

- (4) for rule 7, the following shall be substituted, namely:-

"7. **Production programme.**—Every refinery shall not less than one month prior to the commencement of first or second half of its financial year, submit to the Authority for its information the programme of production which it proposes to follow in that half year. Any change in or departure from the said programme shall also be intimated in writing forthwith to the Authority.";

- (5) for rule 9, the following shall be substituted, namely:-

"9. **Sale of petroleum products.**—No refinery shall sell any of its petroleum products to a person, other than an oil marketing company, oil blending plant, grease plant, reclamation plant or bulk consumer, except through a written contract including contract by way of purchase-order specifying the quantity, supply schedule, specifications and pricing terms.";



- (6) in rule 12,—
- (a) in sub-rule (2), for the word “one”, the word “three” shall be substituted and after the word “licence”, occurring for the second time, the words “without any valid reason” shall be inserted; and
  - (b) in sub-rule (3), for the word “ten”, the word “twenty” shall be substituted;
- (7) in rule 13, in sub-rule (3), for the word “ten”, the word “twenty” shall be substituted;
- (8) rules 14 and 17 shall be omitted;
- (9) in rule 25,—
- (a) in sub-rule (1),—
    - (i) clause (a), shall be omitted;
    - (ii) for clause (c), the following shall be substituted, namely:—
      - “(c) project financing is based on prudential regulations of the State Bank of Pakistan and requirement of the Companies Act, 2017 (XIX of 2017)” ;
    - (iii) in clause (f), the words “and throughput guarantee”, shall be omitted;
  - (b) in sub-rule (2), for the word “three”, the word “five” shall be substituted and after the word “licence”, occurring for the second time, the words “without any valid reason” shall be inserted; and
  - (e) in sub-rule (3), for the word “fifteen”, the word “thirty” shall be substituted;
- (10) in rule 26, in sub-rule (3), for the word “fifteen”, the word “thirty” shall be substituted;
- (11) for rule 27 the following shall be substituted, namely:—
- “27. **Licence to construct and operate pipeline for transportation of oil for others to include entire network.**—Any additional pipeline, that is a pipeline in addition to the pipeline proposed in the application for the grant of the licence, shall, without the requirement of an additional licence, be constructed for

removing operational bottlenecks, if any, subject to compliance with the technical standards, provided that where the additional pipeline is meant to cater for the requirement of new consumption centre, a separate licence shall be required.”;

(12) in rule 28, for sub-rule (1), the following shall be substituted, namely:—

“(1) No person, other than refinery, oil marketing company or pipeline company, shall construct or operate any oil storage facility or undertake storage of oil for the purpose of commercial storage of crude oil or petroleum products without obtaining licence from the Authority.”;

(13) in rule 30,—

(a) in sub-rule (1), for clause (b), the following shall be substituted, namely:—

“(b) the applicant is in possession of the site and has obtained NOC of the concerned Environmental Protection Agency, District Government or the Local Government, whichever is applicable, Ministry of Defence and any other relevant Government authority made under any law for the time being in force;

(b) in sub-rule (2), after the word “licence”, occurring for the second time, the words “without any valid reason”, shall be inserted; and

(c) in sub-rule (3), for the word “fifteen”, the word “thirty” shall be substituted;

(14) in rule 31, in sub-rule (3), for the word “fifteen”, the word “thirty” shall be substituted;

(15) in rule 32.—

(a) in sub-rule (2), for the word “five”, the word “ten” shall be substituted;

(b) New sub-rule (3) shall be inserted, namely:—



- (3) No refinery, blending plant, (reclamation plant) or marketing company shall, without the prior permission in writing of the Authority, rent, lease or sublet to any person, or itself, use its oil storage facilities for any purposes other than storage of petroleum products.

(16) in rule 35,—

(a) In sub-rule (1), for clause (c), following shall be substituted, namely:—

(c) the company has a total investment capacity over an initial period of three years, with minimum upfront equity as specified by the Government of Pakistan from time to time, supported by a due diligence certificate from a scheduled bank or financial institution;

(b) in sub-rule (1), clause (g) after the word “produced”, the words “and made available” shall be inserted;

(c) in sub-rule (2), after the word “licence”, occurring for the second time, the words “without any valid reason” shall be inserted; and

(d) in sub-rule (3), for the word “fifteen”, the word “thirty” shall be substituted;

(17) in rule 36, in sub-rule (3), for the word “fifteen”, the word “thirty” shall be substituted;

(18) for rule 38, the following shall be substituted, namely:—

“38. **Supply of petroleum products.**—Every oil marketing company shall dispatch the petroleum products to its retail outlets and its authorized agent, dealer or bulk consumer having licensed premises for storage of the petroleum products, subject to the condition that the petroleum products dispatched shall be in consonance with the storage capacity of the agent, dealer or bulk consumer, as the case may be.”;

(19) in rule 45,—

(a) in sub-rule (1), clause (i) after the expression “Pakistan”; the word “and” shall be inserted; and

- (b) in sub-rule (1), clause (ii) shall be omitted; and
  - (c) in sub-rule (3), for the word "fifteen", the word "thirty" shall be substituted;
- (20) in rule 46, in sub-rule (3), for the word "fifteen", the word "thirty" shall be substituted;
- (21) for rule 48, the following shall be substituted, namely:—
- "48. **Licence.**—No person, other than refinery, oil marketing company or pipeline company, shall establish or operate an oil testing facility without obtaining a licence from the Authority.";
- (22) in rule 50, for the word "ten", the word "twenty" shall be substituted;
- (23) in rule 51, in sub-rule (3), for the word "ten", the word "twenty" shall be substituted;
- (24) in rule 53,—
- (a) for clause (vii), the following shall be substituted, namely:—
  - (b) in clause (ix), for the words "strictly follow", the words "comply with" shall be substituted; and
  - (c) in clause (xiii), for the words "obtain prior approval", the words "provide prior intimation" shall be substituted;
  - (d) in clause (xiv), before the word "Authority" the word "relevant" shall be inserted;
- (25) in rule 58,—
- (a) in sub-rule (2), for the word "two", the word "three" shall be substituted;
  - (b) for sub-rule (3), the following shall be substituted, namely:—
- "(3) The Inspection Officer shall deposit one of the containers with the Authority, send the second to the



approved laboratory for analysis of the sample and the third shall be retained by the licensee where applicable.”

(c) New sub-rule (6) shall be inserted, namely:—

(6) For imported petroleum products (fuel products), sampling & testing procedure as specified by the Government of Pakistan from time to time will be followed.

(26) in rule 66,—

(a) for sub-rule (2), the following shall be substituted, namely:—

“(2) Where the circumstances of the case warrant urgent action, the Authority may, after giving an opportunity of show cause through in-person appearance within three days of notice, suspend the licence forthwith and thereafter proceed with the matter in accordance with the provisions of sub-rule (1).” ; and

(b) in sub-rule (3), in clause (b), the expression “or is likely to unable,” shall be omitted.

(27) In rule 67.—

(a) the title of the rule “Relocation of facilities”, shall be replaced with “Relocation, construction and reconstruction of facilities”.

(b) New sub-rule (2) shall be inserted, namely:—

(2) No refinery, blending plant, (reclamation plant) or marketing company shall, without prior permission of the Authority, in writing:

(a) construct, reconstruct, dismantle or remove any storage for crude oil or petroleum products;

(b) an application shall be submitted by the applicant for seeking permission before commencement of construction, reconstruction of storage as specified in Part-O of Schedule-I.

(28) In rule 68, new sub-rule (3), shall be inserted, namely:—

(3) The Authority in exercise of the powers conferred under section 6 (3) of the Ordinance shall review the rate of fee to be charged from time to time and submit the same to the Budget Committee for approval as provided in Section 17 of the Ordinance before notifying the same.

(29) in Schedule II, in paragraph 1, for clause (b), the following shall be substituted, namely:—

“(b) annual fees, payable in advance, for the first year and escalated with Government of Pakistan’s CPI in the subsequent years, for—

(i)	oil blending facility, grease or reclamation plant-	Rs. 100,000;
(ii)	lubricant marketing company-	Rs. 0.005 % of the gross sales;
(iii)	a storage facility	Rs. 100,000;
(iv)	storage of oil	Rs. 100,000;
(v)	Oil testing facility	Rs. 500,000;

(vi) for refinery, oil marketing company, and an oil pipeline the fee shall be payable in advance based on the volumes of throughput or sales confirmed by OGRA for each preceding financial year as per following slab rates, namely:—

#### Slab Rates for Throughput

Category	Throughput (mMt)	Fixed (Rs. in Million)	Variable (Rs. in Million)
(1)	(2)	(3)	(4)
OMC	0-0.49	2.5	1.0
OMC	0.5-0.99	2.5	3.0
OMC	1.0-1.99	2.5	5.0
OMC	2.0-3.99	2.5	8.0
OMC	4.0-5.99	2.5	10.0
OMC	6.0-7.99	2.5	12.0
OMC	8.0-9.99	2.5	14.0
OMC	10.0-11.99	2.5	16.0
OMC	12.0-13.99	2.5	18.5
OMC	14.0-15.99	2.5	22.0
OMC	>16.0	2.5	24.0



Category	Throughput (mMt)	Fixed (Rs. in Million)	Variable (Rs. in Million)
(1)	(2)	(3)	(4)
OMC	8.0-9.99	2.5	14.0
OMC	10.0-11.99	2.5	16.0
OMC	12.0-13.99	2.5	18.5
OMC	14.0-15.99	2.5	22.0
OMC	>16.0	2.5	24.0
Refinery	0-0.99	2.5	3
Refinery	1.0-1.99	2.5	5.0
Refinery	2.0-3.99	2.5	7.0
Refinery	4.0-5.99	2.5	9.0
Refinery	>6.0	2.5	11.0
Pipeline	0-1.99	2.5	0
Pipeline	2.0-3.99	2.5	1.0
Pipeline	4.0-5.99	2.5	3.0
Pipeline	>6.0	2.5	5.0

; and

- (vii) for the first year of operation the fees shall be payable on projected financial data which shall subsequently be adjusted on actual data for the first year of operation.

### SCHEDULE I

#### PART-O

[See Rule 67]

#### APPLICATION FOR GRANT OF PERMISSION FOR CONSTRUCTION/RECONSTRUCTION OF STORAGE FOR CRUDE OIL OR PETROLEUM PRODUCT

1. Location: \_\_\_\_\_
2. District/Province: \_\_\_\_\_
3. Land Status: \_\_\_\_\_
4. Sanctions in hand: \_\_\_\_\_
5. Existing Capacity (Tons): \_\_\_\_\_
6. Sanction applied for (Tons): \_\_\_\_\_
7. Total Tonnage: \_\_\_\_\_

8. Product Receipt Facility: \_\_\_\_\_  
9. Commissioning Date: \_\_\_\_\_  
10. Remarks: \_\_\_\_\_

Name and Signatures of authorized  
Signatory (applicant)

Address: \_\_\_\_\_

Contact No. \_\_\_\_\_

Date and Place: \_\_\_\_\_

[F. No. 1/4/2003-RA-II/OGRA.]

SHAHID AHMAD,  
*Section Officer (RA-II).*