

The Petroleum Products ¹[*Petroleum Levy and Climate Support Levy**]] Ordinance,
1961**

ORDINANCE No. XXV of 1961

[1st July, 1961]

An Ordinance to provide for the levy and collection of a ²[***Petroleum Levy and Climate Support Levy**]] on petroleum products and for matters connected therewith.

WHEREAS it is expedient to provide for the levy and collection of a ³[***Petroleum Levy and Climate Support 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 ⁴[***Petroleum Levy and Climate Support 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 ⁵[and includes a person engaged in the manufacturing, refining, or reclaiming of lubricating oil from used lubricating oil];

⁶[(1A) “Depot” includes the premises set apart for manufacturing, refining or reclaiming lubricating oil from used lubricating oil in any manner;]

⁷[(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 authorized by the Federal Government, in respect of any petroleum product specified in the First

¹ Subs by Act XVI of 2010, s.2 (w.e.f. 01.07.10)

² Subs by Act XVI of 2010, s.2 (w.e.f. 01.07.10)

³ Subs by Act XVI of 2010, s.2 (w.e.f. 01.07.10)

⁴ Subs by Act XVI of 2010, s.2 (w.e.f. 01.07.10)

⁵ Added by Petroleum products (Development Surcharge) (Amdt.) Ordinance, 1984 (18 of 1984), s.2.

⁶ Ins. by the Petroleum Products (Development Surcharge) (Amdt.) Ordinance, 1984 (18 of 1984), s.2.

⁷ Ins by Ord. 25 of 2001, s.3.

Schedule, through electronic and press media, may declare to be fixed sale price.]

¹[(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;]

²[(4B) “installation” means such premises set apart for the storage of petroleum products as the ³[Federal Government] may, by notification in the official Gazette declare to be an installation for the purposes of this Ordinance;]

⁴[(4Ba) ⁵[“*[Petroleum Levy and Climate Support Levy]”] means the levy payable under section 3;]

⁶(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; ^{7*}⁸[and includes Compressed Natural Gas and Liquefied Petroleum Gas]

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

¹¹[(7) “Refinery” means a refinery specified in the Fourth Schedule]

3. ¹²[***Petroleum Levy and Climate Support Levy**].– ¹³[(1) Every company, refinery or licensee shall pay to the federal government, *[Petroleum Levy and Climate Support Levy] on petroleum products at such ¹⁴[rate as may respectively] be notified by the Federal Government in the official Gazette, from time to time.]

¹⁵[(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.

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

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

3 Subs by F.A.O, 1975, Art,2 and Table, for “Central Government”.

4 Omitted and Added by Act 1 of 09, s.7 (w.e.f 01.07.09)

5 Subs by Act XVI of 10, s.2 (w.e.f 01.07.10)

6 Ins by Act 1 of 08, s.2 (w.e.f 01.07.08)

7 The word “and” omitted and shall be deemed always to have been so omitted Ord, 22 of 1971 s.2

8 Ins by Act 1 of 08, s.2 (w.e.f 01.07.08)

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.

12 Subs by Act XVI of 2010, s.2 (w.e.f 01-07-2010)

13 Amended in Act XXII of 2011, s.2.

14 Subs. by Act XIX of 2025, s. 3.

15 Subs. By Ord. 25 of 2001, s.3.

(3) Any amount due and payable under sub-section (1) or arrears thereof under sub-section (2) and not paid within the time allowed by the Federal Government, or any officer authorised by it in this behalf, shall be recoverable as an arrear of land revenue.]

¹[(4) A Climate Support Levy shall be levied at the rate of two rupees and fifty paise (Rs. 2.5) per liter on Motor Spirit and High Speed Diesel for Financial Year 2025-26, which shall be enhanced to five rupees per liter for financial Year 2026-27, The Climate Support Levy on Furnace Oil shall be levied at the rate of two rupees and fifty paise (Rs. 2.5) per liter (Rs. 2.665/MT) for Financial Year 2025-26, which shall be enhanced to five rupees per liter for Financial Year 2026-27 in addition to the Petroleum Levy at the rate notified by the Federal Government from time to time.]

²[3A. Powers to grant exemption from payment authorize refund and procedure for collection and refund of ³[*Petroleum Levy and Climate Support Levy].— (1) Subject to such conditions, limitations or restrictions as it may think fit to impose, the ⁴[Federal Government] may, in such general cases as it may prescribe by rules or in particular cases by special order, exempt a refinery, ⁵[licensee] or company from the payment of the ⁶[*Petroleum Levy and Climate Support Levy] in respect of all or any of the petroleum products or authorize the refund in whole or in part of the ⁷[*Petroleum Levy and Climate Support Levy] paid by a refinery or company.

(2) Subject to any rules made under this Ordinance, the ⁸[*Petroleum Levy and Climate Support Levy] shall be collected.

- (a) In respect of imported petroleum products, in the same manner as an imported duty payable under the ⁹[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 ¹⁰[Federal Excise Act, 2005] ¹¹[or general sales tax payable under the Sales Tax Act, 1990] is collected.

¹²[(3) The provisions of the Customs Act, 1969, ¹³[the Sales Tax Act, 1990] or, as the case may be, the provisions of the ¹⁰[Federal Excise Act, 2005] shall, so far as may be, apply to the levy, collection and refund of the ¹⁴[*Petroleum Levy and Climate Support Levy].

¹ Added by Act. XIX of 2025, s.3.

² Ins. & shall be deemed to have been so ins., on the first day of January 1968, by Ord. 22 of 1971, s.4.

³ Amended in Act XXII of 2011, s.3.

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

⁵ Amended in Act XXII of 2011, s.3.

⁶ Subs by Act XVI of 2010, s.2 (w.e.f 01-07-2010)

⁷ Subs by Act XVI of 2010, s.2 (w.e.f 01-07-2010)

⁸ Subs by Act XVI of 2010, s.2 (w.e.f 01-07-2010)

⁹ Subs By the Federal Law (Revision & Declaration) Ord. 1981 (27 of 1981), s.3 and Sch.II, for "Tariff Act. 1934 (32 of 1934)

¹⁰ Subs by Act XVI of 2010, s.2 (w.e.f 01-07-2010)

¹¹ Amended by Finance Act No. XIX of 2020 (dated 30.06.2020)

¹² Subs. Ibid., for sub-section (3)

¹³ Amended in Act, XXII of 2011, s.2.

¹⁴ Subs by Act XVI of 2010, s.2 (w.e.f 01-07-2010)

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 Prevention of Profiteering and Hoarding Act, 1977 (XXIX of 1977)], Essential Supplies Act, 1957, 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 and Climate Support Levy**]] for purposes of income tax.**– Notwithstanding anything contained in any other law, the amount of the ⁴[***Petroleum Levy and Climate Support 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 ⁵[Income Tax Ordinance, 2001 (XLIX of 2001)]

6. Power to make rules.– (1) The ⁶[Federal Government] may, by notification in the official Gazette, make rules⁷ for carrying out the purposes of this Ordinance and any such rules may be retrospective from any date earlier ⁸[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 ⁹[fixed sale price and] prescribed price;

¹⁰[(aa) for the determination of the inland freight margin;]

¹¹[(aaa)for the manner of payment and refund of, and exemption from the payment of, the ¹²[***Petroleum Levy and Climate Support Levy**]].

(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 ¹³[Federal

1 Subs., 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”.

2 Subs. 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)

3 Subs. by Act, XVI of 2010, s.2 (w.e.f. 01.07.2010).

4 Subs. by Act, XVI of 2010, s.2 (w.e.f. 01.07.2010).

5 Subs by Act, XVI of 2010, s.2 (w.e.f. 01.07.2010).

6 Subs. by F.A.O. 1975 Art. and Table for “Central Government”.

7 For the Petroleum Products (Development surcharge) Rules, 1961 see Gaz. of P. 1961 Ext pp.1069 –1074.

8 Sic. Should read “than”.

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

10 Subs by Act, XVI of 2010, S.2 (w.e.f. 01.07.2010).

11 Clause (aaa) ins. And shall be deemed to have been so ins. on the first day of January, 1968, *ibid*.

12 Subs by Act, XVI of 2010, S.2 (w.e.f. 01.07.2010).

13 Subs by F.A.O., 1975 Art. 2 and Table for “Central Government”.

Government], necessary in order to give effect to the purposes of this Ordinance.

7. Powers to amend Schedules. ¹[²The]] ³[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.

⁴8. Delegation of Powers. The ⁵[Federal Government] may, by notification in the official Gazette, direct that all or any of its powers under this Ordinance or the rules made there under 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 ⁶[Federal Government.].

⁷9. 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 1st day of March, 2010, [to the coming into force of the Petroleum Products (*[Petroleum Levy and Climate Support 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 there under.]

1 Subs by Act I of 09, s.7 (w.e.f. 01-07-2009)

2 Subs. by Act XIX of 2025, s.3.

3 Subs by F.A.O. 1975 Art. 2 and Table for “Central Government”.

4 Added by the Petroleum Products (Development Surcharge)(Amdt.) Ord, 1971 (22 of 1971), s.7.

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

6 Subs. by F.A.O. 1975, Art. 2 and Table for “Central Government”.

7 Subs. by Act XVI of 2010, s.2 (w.e.f. 01-07-2010)

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/l.	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.	Vaporizing Oil	Tractor Vaporizing Oil.
7.	Superior Kerosine	Kerosine.
8.	Inferiro Kerosine	No.2 Fuel.
9.	High Speed Diesel	48/ 52 Diesel Index.
10.	Light Diesel Oil	90% No.2 Fuel, 10% Bunker 'C' Fuel)
¹ [11.	Furnace Oil	Bunker 'C']
² [12	³ [Lubricating Oil including Base Oil and Lubricating Oil reclaimed from used Lubricating Oil.]	
⁴ [13.	Asphalt Bitumen	Asphalt/ Cutback Asphalt]
⁵ [14.	Jute Batching Oil].	
⁶ [15.	Automotive Gas 100 OCT]	

1 Omitted by SRO 450 (I)/2000, dt. 01-07-2000.

2 Item 12 and 13 were added by S.R.O 143 (R)/66. dt. 16th August, 1966, See Gaz. of Pak. 1966. Ext. p.812.

3 Subs. By the Petroleum Products (Development Surcharge) (Amdt) Ord, 1984 (18 of 1984) s. 3 for entry 12, which was previously amended by various S.R.O.s. from time to time.

4 Omitted by S.R.O 477(I)/96, dt. 13.06.1996.

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

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

¹ [16.	* * * *	
² [17.	Motor Gasoline 90 Octane R.	Motor Gasoline 90 R.]
³ [18.	JP-4	
⁴ [19.	All types of NAPHTHA/ 10[SOLVENT]	
⁵ [20.	Methyl Tertiary Butyl Ether (MTBE)]	
⁶ [21.	Premium Motor Gasoline 87 RON]	
⁷ [22.	JP – 8	JP – 8]
⁸ [23.	E-10 Gasoline	Ethanol E-10 Gasoline]
⁹ [24.	Denatured Fuel Ethanol.	Denatured Fuel Ethanol for blending with Gasoline.]
¹⁰ [25.	Regasified Liquefied Natural Gas (RLNG) Or any volumes supplied in lieu thereof Through a swap arrangement.	RLNG]
¹¹ [26.	Furnace Oil	Bunker ‘C’]

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

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

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

4 Added by S.R.O No. 89(I)/79, dt, the 23rd Jan, 1977. see, Gaz., 1973, Ext.,Pt.II p. 2347.

5 Added by S.R.O 51(I)/94, dt, 18-01-94.

6 Added by S.R.O 865(I)/99, dt, 22-07-99.

7 Added by S.R.O 772(I)/06, dt, 27-07-06.

8 Added by S.R.O. 731(I)/2009 dt, 15-08-09.

9 Added by S.R.O. 759(I)/2009 dt, 28-08-09.

10 Added by S.R.O. 405(I)/2015 dt, 07-05-15.

11 Added by Act XIX of 2025, s.3.

THE SECOND SCHEDULE
List of Companies

- ¹[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.]
- ²[7. M/s Pakistan Arab Refinery Company Ltd. (PARCO).
8. M/s TOTAL-PARCO Pakistan Ltd.
9. M/s Bosicar Pakistan Ltd.]
- ³[10. M/s Admore Gas (Pvt.) Ltd.]
- ⁴[11. M/s Hascombe Storage (Pvt.) Ltd.]
- ⁵[12. M/s Askar Oil Services (Pvt.) Ltd.]
- ⁶[13. Sui Northern Gas Pipelines Limited
14. Sui Southern Gas Company Limited.]
- ⁷[15. Pakistan LNG Limited]

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THE FOURTH SCHEDULE
List of refineries
[See section 2(7)]

- ⁹[1. Attock Refinery Ltd., Rawalpindi.

1 Subs by S.R.O 525(I)/98, d. 05-06-98.

2 Added by S.R.O 47(I)/02, dt. 26-07-02.

3 Added by S.R.O 431(I)/2004, dated, 04-06-2004.

4 Added by S.R.O 772(I)/06, dt. 27-07-06.

5 Added by S.R.O 846(I)/06 dt. 17-08-06.

6 Added by S.R.O 731(I)/2009 dt. 15-08-2009

7 Added by S.R.O 542(I)/2022 dt.

8 Third Schedule omitted by Ord. XXVII of 2002, s.3.

9 Subs by S.R.O 89(I)/79, dt. 23rd 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.

2. Pakistan Refinery Ltd., Karachi.
3. National Refinery Ltd. Karachi.]
- ¹[4. Dhodak Refinery]
- ²[5. Pak Arab Refinery Ltd. Muzzaffargarh.]
- ³[6. Bosicar Pakistan Ltd.]

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1 Added by S.R.O 905(I)/94, dt, 14-9-94.

2 Added by S.R.O 637(I)/2000, dt, 09-09-2000.

3 Added by S.R.O 477(I)/2002, dt, 26-07-2002

4 Fifth Sch. Omitted by Act XIX of 2025, s.3.