



## THE GAS INFRASTRUCTURE DEVELOPMENT CESS ACT, 2015



### CONTENTS

#### Sections:

1. Short title, extent and commencement.
2. Definitions.
3. Levy of cess.
4. Utilization of cess.
5. Allowance to be made for cess for purposes of income tax.
6. Power to make rules.
7. Power to amend the First Schedule.
8. Validation of the cess collected.
9. Removal of difficulties.
- 10.

**THE FIRST SCHEDULE**

**THE SECOND SCHEDULE**

# THE GAS INFRASTRUCTURE DEVELOPMENT CESS ACT, 2015

(ACT NO. IV OF 2015)

[21<sup>st</sup> May, 2015]

*An Act to levy and collect the Gas Infrastructure Development Cess*

WHEREAS it is expedient to provide for the validation, imposition, levy and collection of infrastructure development cess on natural gas and for matter connected therewith;

It is hereby enacted as follows:—

**1. Short title, extent and commencement.**—(1) This Act may be called the Gas Infrastructure Development Cess Act, 2015.

(2) It extends to the whole of Pakistan.

(3) It shall come into force at once.

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

(a) “cess” means the gas infrastructure development cess levied and chargeable from gas consumers, other than the domestic sector consumer, of the company over and above the sale price and payable under section 3;

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

(c) “natural gas” means hydrocarbons or mixture of hydrocarbons and other gases which at sixty degrees Fahrenheit and atmospheric pressure are in the gaseous state (including gas from gas wells, gas produced with crude oil and residue gas and products resulting from the processing of gas) consisting primarily of methane, together with any other substance produced with such hydrocarbons;

(d) “prescribed” means prescribed by the rules;

(e) “rules” means rules made under this Act;

(f) “sale price” means the price notified under section 8 of the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002) at which a licensee for natural gas is authorized under said Ordinance and license to sell natural gas to any category of retail consumer for natural gas as well as the price charged by gas company under third party direct sale arrangement where price is not notified by Oil and Gas Regulatory Authority; and

(g) “Schedule” means a Schedule to this Act.

**3. Levy of cess.**—(1) The cess shall be levied and charged by the Federal Government from gas consumers, other than the domestic sector consumers, or the company at the rates as

provided in the Second Schedule to this Act. The gas company shall be responsible for billing of cess to gas consumers, its collection from gas consumers and its onward payment to Federal Government in the manner as prescribed by the Federal Government:

(2) The company shall collect and pay cess at the rates specified in the Second Schedule and in such manner as the Federal Government may prescribe.

Provided that the Federal Government may decide to levy any rate of cess on any category of gas consumers subject to maximum rate provided in the Second Schedule.

(3) A mark up at the rate of four percent above three months KIBOR prescribed by the Federal Government shall be payable by the gas consumer or the company on any amount due under sub-section (1), if the said amount is not paid by the said gas consumer or by the said company respectively within the prescribed time, mark up payable by the gas company or any mark up payable by gas consumer to the gas company shall be deposited in such manner as the Federal Government may prescribe:

<sup>1</sup>[Provided that the said mark up shall be payable from the date of commencement of the Gas Infrastructure Development Cess (Amendment) Act, 2018.]

**4. Utilization of cess.**—(1) The cess shall be utilized by the Federal Government for or in connection with infrastructure development of Iran Pakistan Pipeline Project, Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project, LNG or other ancillary projects.

(2) An annual report in respect of the utilization of the cess shall be laid before the both Houses of Majlis-e-Shoora (Parliament) after three months at the end of the each fiscal year.

**5. Allowance to be made for cess for purposes of income tax.**—The cess paid by a company shall be an expenditure for which allowance is to be made under the Income Tax Ordinance, 2001 (XLIX of 2001) in computing the profits or gains of that company.

**6. Power to make rules.**—(1) The Federal Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

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

- (a) the manner and time of payment of cess;
- (b) the manner of collection and recovery of arrears of cess; and
- (c) any other matter, not inconsistent with the provisions of this Act, for which provision is, in the opinion of the Federal Government, necessary for carrying out the purposes of this Act.

---

<sup>1</sup>Subs. by the Gas Infrastructure Development Cess (Amendment) Act, 2018 (XXXIII of 2018), S. 2.

**7. Power to amend the First Schedule.**—The Federal Government may, by notification in the official Gazette, make such amendments in the First Schedule as it deems fit.

**8. Validation of the cess collected.**—(1) Notwithstanding any omission or anything to the contrary contained in the Gas Infrastructure Development Cess Act, 2011 (XXI of 2011) or the Gas Infrastructure Development Cess Ordinance, 2014 (VI of 2014) or the rules made thereunder, or anything to the contrary contained in any decree, judgment or order of any Court, the cess levied, charged, collected or realized by the company from gas consumers under the aforesaid Act or Ordinance shall be deemed to have been validly levied, charged, collected or realized under the provisions of this Act.

(2) Where any cess referred to in sub-section (1) has not been paid or realized before the coming into force of this Act or if so paid or realized, has been refunded to or adjusted against other fees or taxes or charges payable by the gas consumers or the company, the same shall be recoverable in accordance with the provisions of this Act:

Provided that the said Cess shall not be collected from industrial sector excluding Fertilizer Fuel Stock, mentioned at S.No. 3 of the Second Schedule to both the Gas Infrastructure Development Cess Act, 2011 (XXI of 2011) and the Gas Infrastructure Development Cess Ordinance, 2014 (VI of 2014), if it has not been collected by it:

Provided further that where gas consumers have collected the said Cess at the rates under the Gas Infrastructure Development Cess Act, 2011 (XXI of 2011) and the Gas Infrastructure Development Cess Ordinance, 2014 (VI of 2014), the collection of the said Cess shall be made on the said rates.

<sup>1</sup>[(3) For CNG sector, half of cess levied or charged from the first day of January, 2012 to the twenty-first day of May, 2015 (both days inclusive) in accordance with notifications issued by the Federal Government, from time to time, shall be paid by CNG stations who enter into an agreement with Sui Northern Gas Pipelines Limited or Sui-Southern Gas Company Limited, as the case may be, in prescribed manner:

Provided that the amount shall be recovered in two tranches, first within one month and second within three months from commencement of the Gas Infrastructure Development Cess (Amendment) Act, 2018:

Provided further that the dispensation made in this sub-section shall not be available to those CNG stations who fail to enter into an agreement with Sui-Northern Gas Pipelines Limited or Sui-Southern Gas Company Limited, as the case may be, within thirty days of the commencement of the Gas Infrastructure Development Cess (Amendment) Act, 2018.]

**9. Removal of difficulties.**—If any difficulty arises in giving effect to the provisions of this Act, the President may make an order, not inconsistent with the provision of this Act, to remove the difficulty.

---

<sup>1</sup>Added by the Gas Infrastructure Development Cess (Amendment) Act, 2018 (XXXIII of 2018), S. 3.

10. The Gas Infrastructure Development Cess Act, 2011 (XXI of 2011), is hereby repealed.

## THE FIRST SCHEDULE

[See section 2(b)]

1. Sui Northern Gas Pipelines Limited.
2. Sui Southern Gas Company Limited.
3. Mari Petroleum Company Limited (formerly Mari Gas Company Limited).
4. Pakistan Petroleum Limited.
5. Tullow Pakistan Development Limited.
6. Oil and Gas Development Company Limited.
7. Any other company engaged in sale of gas to any category of gas consumers as may be notified in the official Gazette.

## THE SECOND SCHEDULE

[See section 3]

S. No.	Sector	Maximum Rate of Cess (Rs./MMBTU)
(1)	(2)	(3)
1.	Fertilizer-Feed (Old)	300.00
2.	Fertilizer-Feed (New)	300.00
3.	Fertilizer-Fuel	150.00
4.	Captive Power	200.00
5.	Industry	100.00
6.	KESC/GENCO	100.00
7.	IPPs	100.00
8.	CNG Region-1	263.56
9.	CNG Region-2	200.00



## THE PAKISTAN CODE