

GAS INFRASTRUCTURE DEVELOPMENT CESS ACT, 2011

ACT No. XXI OF 2011

An Act for imposition and collection of gas infrastructure development cess

[15th December, 2011]

Whereas it is expedient to provide for imposition and collection of infrastructure development cess on natural gas and for matters 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, 2011.

(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 chargeable from gas consumers, other than the domestic sector consumers, of the company over and above the fixed sale price and payable under section 3;

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

(c) "fixed sale price" in relation to a company or a consumer and in respect of any period means the sale price as in force on such day, whether before or after the commencement of this Act, as the Federal Government may, by notification in the official Gazette, specify in this behalf;

(d) "House" means the National Assembly;

(e) "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;

(f) "prescribed" mean prescribed by the rules; and

(g) "rules" means rules made under this Act.

3. Levy of cess.— (1) 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.

(2) A mark up at the rate of four per cent above three months KIBOR prescribed by the Federal Government shall be payable on any amount due under sub-section (1), if the said amount is not paid within the prescribed time.

4. Utilization of cess.— (1) The cess shall be utilized for or in connection with infrastructure development of Iran Pakistan Pipeline Project, Turkmenistan Afghanistan Pakistan India (TAPI) Pipeline Project, LNG or other projects or for price equalization of other imported alternative fuels including LPG.

(2) An annual Report in respect of the utilization of the cess shall be laid before the House after three months of 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 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.

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.

THE FIRST SCHEDULE

[See section 2 (b)]

- (1) Sui Northern Gas Pipelines Limited;
- (2) Sui Southern Gas Company Limited;
- (3) Mari Gas Company Limited;
- (4) Pakistan Petroleum Limited; and
- (5) Tullow Pakistan Development Limited.

¹[THE SECOND SCHEDULE

[see section 3(1)]

S.No.	Sector	Maximum Rate of Cess (Rs/MMNTU)
1	2	3
1.	Fertilizer-Feed Stock (Except for fertilizer plants having fixed prices contracts)	300
2.	Compressed Natural Gas (CNG)	
(a)	Region-I KPK, Balochistan and Potohar Region (Rawalpindi, Islamabad and Gujarkhan)	300
(b)	Region-II Sindh and Punjab (Excluding Potohar Region)	200
3.	Industrial (including captive power)	100
4	WAPDA/KESC	100
5.	Independent Power Plants (IPPs)	100
6.	Commercial	-
7.	Domestic	-
8.	Cement	-
9.	Liberty Power Plant	

¹Subs. by Act XVII of 2012, s. 17.