

AS PASSED BY THE NATIONAL ASSEMBLY

A

Bill

Further to amend Petroleum Act, 1934

WHEREAS; it is expedient further to amend the Petroleum Act, 1934 (XXX of 1934), in the manner and for the purpose hereinafter appearing;

It is hereby enacted as follows: -

1. **Short title, extent and commencement.** - (1) This Act shall be called the petroleum (Amendment) Act, 2022.

2. It shall come into force at once,

2. **Amendment of Section 2, Act XXX of 1934.**- In the Petroleum Act, 1934 (XXX of 1934), hereinafter called as the said Act, in section 2, (1) for clause (b), the following shall be substituted, namely: -

“(b) petroleum class A” means petroleum having flashpoint below twenty-four degrees centigrade;

(ba) “petroleum class B” means petroleum having flashpoint below twenty-four degrees centigrade and above, but below fifty-five degrees centigrade;

(bb) “petroleum class C” means petroleum having flashpoint of fifty-five degrees centigrade and above, but below ninety-three degrees centigrade;

(bc) “excluded petroleum” means petroleum having flashpoint of ninety-three degrees centigrade and above;”;

(2) in sub-clause (h), for the full stop, at the end, a semi colon shall be substituted and thereafter the following new clauses shall be added, namely: -

“(i) “illegal sale of petroleum” means sale of petroleum products without having a valid storage licence granted under this Act and the rules made there under;

(j) “oil marketing company” means a company or organization having a valid marketing license front Oil and Gas Regulatory Authority for doing the activity of purchasing or obtaining refined oil products from refineries in Pakistan or from or through sources abroad, for selling, distributing or marketing directly or through agents or dealers at dispensing outlets or filling stations; and

(k) ‘dealer’ shall have the same meaning as assigned thereto in sub-clause (viii) rule 2

of the Pakistan Oil Rules, 2016; and

- (l) "serious bodily injury" shall have the same meaning as assigned thereto in clause k of section 3, of the Mines Act, 1923 (IV of 1923)."
3. **Amendment of section 3, Act XXX of 1934.**- In the said Act in section 3, in sub-section (2) for the word "dangerous petroleum" the words "petroleum class A", shall be substituted.
4. **Amendment of section 4, Act XXX of 1934.**- In the said Act in section 4.- (i) in clause (c). for the words "dangerous petroleum" occurring twice, the words "petroleum class A", shall be substituted; and
(ii) in clause (h), for the words "dangerous petroleum" the words, "petroleum class A", shall be substituted.
5. **Amendment of section 5, Act XXX of 1934.**- In the said Act, in section 5, in sub-section (2) in clause (b), for the words "dangerous petroleum", the words "Petroleum class A" shall be substituted.
6. **Amendment of section 6, Act XXX of 1934.**- In the said Act, in section 6.- For the words "dangerous petroleum", wherever occurring, the words "Petroleum class A", shall be substituted, and in the proviso, in clause (a), for the words "two gallons", the words "ten liters" shall be substituted.
7. **Amendment of section 7, Act XXX of 1934.**- In the said Act, in section 7, (a) For the words "non-dangerous petroleum", wherever occurring, the words "petroleum class B" shall be substituted;
(b) for the words "five hundred gallons", the words "two thousand liters" shall be substituted, and
(c) for the words "two hundred gallons", the words "eight hundred liters" shall be substituted.
8. **Amendment of section 8, Act XXX of 1934.**- In the said Act, in section 8, (a) for the words "dangerous petroleum", wherever occurring, the words "petroleum class A" shall be substituted;
(b) in sub-section (1) for the words "six gallons", the words "thirty liters", shall be substituted; and
(c) in sub-section (2), -
(i) for the words "one quart", the words "one liter", shall be substituted; and
(ii) for the words "five gallons", the words "twenty-five liters", shall be substituted.
9. **Amendment of section 9, Act XXX of 1934.**- In the said Act, in section 9, (a) in sub-section (1), in clause (b), -
(i) for the words "dangerous petroleum", the words "petroleum class A" shall be substituted; and
(ii) for the words "twenty gallons", the words "hundred liters", shall be substituted; and
(b) in sub-section (2), -
(i) for the words "dangerous petroleum", the words "petroleum class A", shall be substituted; and

- (ii) for the words "six gallons", the words "thirty liters", shall be substituted.
10. **Amendment of section 11, Act XXX of 1934.**- In the said Act, in section 11,- (i) in the marginal note, for the words "heavy oils", the words "excluded petroleum", shall be substituted; and
(ii) for the words "two hundred degrees Fahrenheit", the words "ninety-three degrees centigrade", shall be substituted.
11. **Amendment of section 15, Act XXX of 1934.**- In the said Act, in section 15, in sub-section (1), for the words "Federal Government", the words "Secretary of the Division concerned", shall be substituted.
12. **Amendment of section 17, Act XXX of 1934.**- In the said Act, in section 17.- (i) the existing provision shall be numbered as sub-section (1) of that section and in sub-section (1), numbered as aforesaid, for the words "Federal Government", the words "Secretary of the Division concerned", shall be substituted; and
(ii) after sub-section (1), numbered and amended as aforesaid, the following new sub-section shall be added, namely:
“(2) the following testing officers may be authorized under sub-section (1), namely;-
a. Director General, Director, Deputy Director, and Assistant Director of the Department of Explosives
b. Chemical Examiner, Customs House, Karachi, and
c. Chemical Examiner, Customs House, Lahore.”
13. **Amendment of section 19, Act XXX of 1934.** In the said Act, in section 19, (i) in sub-section (1), -
(a) for the word, "dangerous", the words "petroleum class A" shall be substituted, and
(b) for the word "non-dangerous", occurring twice, the words "Petroleum Class B", shall be substituted; and
(ii) in sub-section (3). -
(a) for the word 'dangerous', the words "Petroleum class A" shall be substituted; and
(b) for the word "non-dangerous" occurring twice, the words "Petroleum class B" shall be substituted.
14. **Amendment of section 23, Act XXX of 1934.**- In the said Act, in section 23.-
(i) in sub-section (1), in clause (f), for the words "five hundred" the words "equal to licence fee or as determined by the Federal Government from time to time" shall be substituted;
(ii) in sub-section (2), for the words "two thousand", the words "two times licence fee or as determined by the Federal Government from time to time", shall be substituted; and
(iii) after sub-section (2), the amended as aforesaid, following new sub-sections (3) and (4), shall be added, namely:-
“(3) whoever-
(a) illegally imports, transports, stores, sales produce, refines or blends any petroleum shall be punishable with the fine which may extend to one million rupees; and
(b) if any person, having beer, convicted of an offence punishable under sub-section 3(a), is again guilty of any offence punishable under that

sub-section he shall be punishable for every such subsequent offence with fine which may extend to five million rupees: or

- (4) Where in any accident loss of human life or serious bodily injury to persons has occurred and the accident happens due to contravention of any of the provisions of this Act or of any of the rules made thereunder, offender shall be punishable with fine up to ten million rupees.”
15. **Amendment of section 25, Act XXX of 1934.**- In the said Act, for section 25. the following shall be substituted, namely, -
“25. **Jurisdiction.** - The offences punishable under this Act shall be triable by a Judicial Magistrate of the first class.”.
16. **Amendment of section 26, Act XXX of 1934.**- In the said Act, in section 26. in sub-section (1), for the words “Federal Government”, the words “Minister-incharge”, shall be substituted.
17. **Amendment of section 27, Act XXX of 1934.**- In the said Act, in section 27, for the words “Magistrate”, the words “Deputy Commissioner in the office of the Department of explosives”, shall be substituted.
18. **Amendment of section 28, Act XXX of 1934.**- In the said Act, in section 28, in sub-section (4), for the words “Federal Government”, the words “Secretary of the Division concerned”, and for the words “Chief Inspector of Explosives”, the words “Director General”, shall be substituted.

STATEMENT OF OBJECTS AND REASONS.

Bill to amend the Petroleum Act, 1934

1. Substitute the word "Federal Government" with appropriate authority as per the cabinet direction in light of the definition of "Federal Government" by Supreme Court decision vide PLD, 2016.
2. Revise the fee structure as per the directions of Lahore High Court vide order sheet, dated 07-07-2017.
3. A new sub-section has been added to create provision for punishment for those responsible for accidents in which loss of human life or serious injury to persons occur.
4. Inserted the word "Sale" in certain Sections of the Act, as per the comparative list to stop illegal sale of Petroleum Products.
5. Petroleum Products have been classified as per the international standards.
6. The definition of "Sale", "OMC" and "Dealer" are added to avoid confusion.
7. The term "Gallon" and "Fahrenheit" in certain sections have been replaced with the terms "Liter" and "Centigrade" respectively as per the international standards.
8. Inserted the list of authorized testing officers with respect to their expertise.
9. A new sub-section has been added to create provision for punishment of those responsible for accidents in which loss of human life or serious injury to persons occur.
10. The concept of "Magistrate" has been substituted with "Judicial Magistrate" and "Deputy Commissioner" in Section 25 and 27 of the Act, respectively to fulfil the core purpose of these sections and to avoid confusion.

The Bill is designed to achieve the aforesaid purpose.

Minister for Energy (Petroleum Division)