

Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016

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S.R.O. 44(I)/2016, dated 22.1.2016.--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, is pleased to make the following rules, namely:--

PART - I GENERAL

1. Short title and commencement.--(1) These rules may be called the Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016.

(2) They shall come into force at once.

2. Definitions.--(1) In these rules, unless there is anything repugnant in the subject or context,--

- (i) "adulterate" means to produce, prepare, mix or blend any petroleum product with any other substance which reduces its quality below the required specifications and the terms 'adulteration' and 'adulterated' shall be construed accordingly;
- (ii) "agent" means a person so appointed, authorized, empowered, or franchised by another person or company engaged in any one or more of the regulated activities and shall include the activities of reclamation plant, grease plant, or incidental distribution or any other activity connected therewith or incidental thereto for the sale, distribution or marketing of superior kerosene oil, light diesel oil, fuel or furnace oil and lubricants at its approved sale points;

- (iii) "blending" includes the activity of blending of lubricating base oils, lubricating oils or greases of the same or different kinds or grades with additives, to produce lubricants or greases, as the case may be, provided that the blending of petroleum products other than lubricating base oils, lubricating oils or greases shall not constitute the activity of blending under the Ordinance or these rules, provided further that the mixing or blending or dosing or additizing of fuels shall not constitute blending;
- (iv) "blending plant" means an oil blending facility where oil blending is carried out and includes all other facilities and equipment used for the purpose;
- (v) "bulk consumer" means a consumer who for self consumption only receives or purchases petroleum products exceeding one thousand litres, contained in receptacle of appropriate capacity;
- (vi) "common carriage" includes an obligation to transport crude oil or petroleum products through the pipeline on a non-discriminatory basis for a fee or otherwise as approved by the Authority from time to time;
- (vii) "common facility" means the storage of crude oil or petroleum products in an oil storage facility on a non-discriminatory basis for a fee or otherwise as approved by the Authority from time to time;
- (viii) "dealer" means a person appointed, authorized, empowered or franchised by a licensee engaged in marketing or distribution of motor gasoline, diesel, lubricants and greases, at its retail outlets;
- (ix) "District Government or Local Government" means the district government or the local government whichever is applicable, as defined in the respective Law of the Provinces;
- (x) "Environmental Protection Agency" means the Pakistan Environmental Protection Agency established under the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997);

- (xi) "grease plant" means a petroleum grease manufacturing plant licensed under these rules for the purpose of production of various grades of grease;
- (xii) "gross sale" means the total revenue from sales;
- (xiii) "laboratory" means a laboratory, approved by the Authority, for testing of crude oil, petroleum products, lubricating oil and greases;
- (xiv) "lubricant" means finished lubricating oils or greases of laid down specifications produced locally or imported;
- (xv) "lubricant marketing company" means a person other than oil marketing company engaged only in purchase, sale and distribution of lubricant under a licence granted by the Authority;
- (xvi) "oil testing facility" means a laboratory, howsoever called, designated or designed, primarily and substantially engaged for or run on commercial basis for the testing of oil to determine its quality, contents and components;
- (xvii) "open access" means the non-discriminatory access to oil storage and pipeline facilities for a fee or otherwise as approved by the Authority from time to time;
- (xviii) "Ordinance" means the Oil and Gas Regulatory Authority Ordinance, 2002 (XVII of 2002);
- (xix) "petroleum products" includes refined oil products, lubricating oils and greases excluding LPG under Schedule-III;
- (xx) "premises", in addition to the places where regulated activities are carried on, includes a place in which any petroleum product is kept, stored or sold and includes a storage terminal or depot, retail outlet, distribution outlet, filling-station, godown, truck depot, railway terminal, shop or any other place used for the like purpose;
- (xxi) "reclamation plant" means a licensed facility engaged in the reclamation, refining or processing of used lubricating oils including transformer oil and turbine oil by any method

whatsoever towards the completion of a lubricating oil base stock;

- (xxii) "refining" means a process for the purpose of refining of crude oil to produce refined oil products;
- (xxiii) "retail outlet" means a premises for the distribution of petroleum products owned or operated by an oil marketing company or its dealer for the purpose of selling petroleum products;
- (xxiv) "sample" includes specimen or a quantity of petroleum product, taken or obtained or collected by a person, authorized by the Authority, for inspection, testing or examination as evidence of the quality, quantity, composition or weight of the said product; provided that in the case of a refinery or blending plant, samples shall be taken only of petroleum products which are ready for sale and supply to customers and in respect of which a certificate of quality has been issued by such refinery or blending plant;
- (xxv) "Schedule" means a Schedule to these rules;
- (xxvi) "specifications" means standards and the specifications for petroleum products which the Federal Government may issue as policy guidelines under the Ordinance;
- (xxvii) "storage" includes any oil storage facility or undertaking for storage of oil exceeding five thousand litres; provided that such activity shall not include any retention happening during the ordinary course of transportation;
- (xxviii) "substandard petroleum product" means a petroleum product which, in relation to its composition or quality, falls below the required specifications;
- (xxix) "technical standards" means the standards prescribed by the Authority under the Ordinance in relation to any regulated activity;
- (xxx) "Technical Standard Compliance Report" means the technical audit report issued by third party inspector, as prescribed by the Authority, certifying that the refinery,

blending plant, oil storage facility, pipeline, oil testing facility or retail outlets of an oil marketing company, as the case may be, are in compliance with the technical standards;

(xxxi) "third party inspector" means local or international company appointed by the Authority as third party inspector, having a minimum ten years experience in carrying out inspection of relevant regulated activity for the midstream and downstream oil sector for certification of technical standards specified by the Authority; and

(xxxii) "used lubricating oil" means lubricating oil drained from automotives, industrial machinery, transformer or turbine and includes all types of discarded or waste lubricating and other oils.

(2) All other words and expressions used but not defined in these rules shall have the same meanings as are assigned to them in the Ordinance.

PART II REFINING

3. Licence.--No person shall construct or operate a refinery without obtaining a licence from the Authority.

4. Application for licence.--An application for the grant of a licence to construct or operate a refinery shall be made to the Authority before start of construction or operation thereof on the format set out in Part A of Schedule I.

5. Criteria for grant of licence for new refinery.--(1) The Authority may grant a licence for the construction or operation of a new refinery, subject to such terms and conditions as may be specified therein, if it is satisfied that--

- (a) the location, configuration, infrastructure and any other parameters of the refinery meet the requirements of policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (b) the applicant has the possession of site and has obtained the NOC from the concerned Environmental Protection Agency

and District Government or the Local Government whichever is applicable;

- (c) the refinery work programme envisages storage capacity, sufficient to meet the designed capacity of the refinery, for a minimum period of fifteen days for crude oil and seven days for refined oil products;
- (d) the applicant has reached the understanding with the relevant agencies for--
 - (i) port handling facility for import and storage of crude oil, if applicable, and export of surplus petroleum products;
 - (ii) transportation and supply of petroleum products for local consumption; and
 - (iii) availability of all relevant public utilities including electricity, gas and water;
- (e) the applicant has adequate financing capacity or has arranged adequate financing facility to construct or operate the refinery on the basis of due diligence certificate provided by a scheduled bank or financial institution; and
- (f) the applicant has submitted an affidavit from each and all of its Directors to the effect that--
 - (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984(XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any instalment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the applicant or its Directors in national or international Courts and

tribunals or such other forums howsoever called or designated for recovery of bank loan or advance.

(2) The Authority shall initially issue a licence for construction for a period of three years during which the infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to certification by third party inspector, the Authority shall grant licence for operation of a refinery for a maximum period of thirty years, subject to renewal, from time to time, on making of fresh application at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

6. Criteria for grant of licence to refinery under construction or existing refinery in operation.--(1) Notwithstanding anything contained in Rule 5 regarding criteria for grant of licence for new refinery, all persons lawfully carrying on the construction or operation of a refinery immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply, on the format set out in Part B or B I, as the case may be, of Schedule I, for the grant of licences in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences, such persons shall be granted licences on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing refinery fails to establish or maintain the terms and conditions of its construction or operation as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing refinery shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh application at least two years prior to the expiry of the existing licence, accompanied by an inspection report from

third party inspector confirming that the refinery complies with the technical standards prescribed therefor. A licence renewed shall be valid for a maximum period of fifteen years at a time.

7. Production programme.--Every refinery shall, at least one month before the commencement of every quarter of a calendar year, submit to the Authority for its information the programme of production which it proposes to follow in that quarter. Any change in or departure from the said programme shall also be intimated to the Authority in writing forthwith.

8. Specifications of petroleum products.--Every refinery shall produce petroleum products in accordance with the specifications laid down in the policy guidelines issued by the Federal Government under the Ordinance.

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 execution of a contract specifying the quantity, supply schedule, specifications and pricing terms.

PART-III **BLENDING**

10. Licence.--No person shall construct or operate a blending plant, reclamation plant or grease plant or produce or pack refined lubricating oils or greases for sale without obtaining a licence from the Authority.

11. Application for licence.--An application for the grant of licence to construct or operate a blending plant, reclamation plant or grease plant shall be made on the format set out in Part 'C' of Schedule I before the start of construction or operation under these rules.

12. Criteria for grant of licence to construct or operate new oil blending plant, reclamation plant or grease plant.--(1) The Authority may grant a licence for construction or operation of a new oil blending plant, reclamation plant or grease plant on such terms and conditions as may be specified therein if it is satisfied that--

- (a) the location, configuration, infrastructure and any other parameters of the oil blending plant, reclamation plant or grease plant meet the requirements of policy guidelines, if any, issued by the Federal Government under the Ordinance;

- (b) the applicant has the possession of the site and has obtained NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;
- (c) the applicant has given an undertaking to the effect that for the construction or operation he meets the minimum requirements as set out in--
 - (i) Part A of Schedule V for the oil blending plant; and
 - (ii) Part B of Schedule V for reclamation plant or grease plant;
- (d) the applicant has adequate financing capacity or has arranged adequate financing facility to construct or operate the regulated activity on the basis of due diligence certificate provided by a scheduled bank or financial institution; and
- (e) the applicant has submitted an affidavit from each and all of its Directors to the effect that--
 - (i) he is not disqualified or ineligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any instalment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the applicant company or its Directors in national or international Courts or tribunals or other such forums howsoever called or designated for recovery of bank loan or advance.

(2) The Authority shall initially issue licence for construction for a period of one year during which the infrastructure as given in the work

programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to the certification of third party inspector, the Authority shall grant licence for operation of blending plant, reclamation plant or grease plant for a maximum period of twenty years subject to renewal, from time to time, on making of fresh applications at least one year prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of ten years at a time.

13. Criteria for grant of licence to existing blending plant, reclamation plant or grease plant.--(I) Notwithstanding anything contained in Rule 12 regarding criteria for grant of licence for blending plant, reclamation plant or grease plant, all persons lawfully carrying on the construction or operation of the aforesaid regulated activity immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply, on the format set out in Part D of Schedule I for the grant of licences in accordance with these rules, within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences, such persons shall be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing oil blending plant, reclamation plant or grease plant fails to establish or maintain the terms and conditions of its construction or operation, as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing oil blending plant, reclamation plant or grease plant shall be valid for a maximum period of twenty years subject to renewal, from time to time, on the making of fresh application, at least one year prior to the expiry of the existing licence subject to third party certification confirming the compliance of technical

standards. A licence renewed shall be valid for a maximum period of ten years at a time.

14. Production programme--Every blending plant, reclamation plant or grease plant shall submit biannually to the Authority for information, its production programme alongwith the information on the consumption of chemicals and additives. Thereafter it shall submit information for the same period on actual production and actual consumption of chemicals and additives.

15. Sale of base oils.--No blending plant, reclamation plant or grease plant shall sell except with the prior permission of the Authority in writing or dispose of base oils purchased locally or imported for the purpose of blending or processing.

16. Product specifications.--Every blending plant, reclamation plant or grease plant shall produce lubricating oil or greases in accordance with the specifications laid down in the policy guidelines issued by the Federal Government under the Ordinance.

17. Minimum stocks of base oils and lubricating oils.--Every blending plant shall maintain such minimum stocks of base oils and lubricating oils as the Authority may, from time to time by order in writing, specify having due regard to its storage capacity .

18. Supply of lubricating oils.--No person having licence for the operation of blending plant, reclamation plant or grease plant shall supply or sell refined lubricants to any person other than his authorized dealer or agent or consumer.

19. Sale, purchase or storage of used lubricating oil.--No person shall sell, purchase or store used lubricating oil except for supply to a licenced reclamation plant or its authorized agent.

20. Reclamation of lubricating oil prohibited.--No person other than a licensed reclamation plant shall reclaim lubricating oil.

21. Appointment of collection agent for used lubricating oil.--No reclamation plant shall appoint any person as a collection agent for used lubricating oil unless the credentials of the agent are duly got verified by the licensee through the concerned police station of the area and its record be maintained by the licensee.

PART-IV TRANSPORTATION

22. Licence.--No person shall construct or operate a pipeline for oil transportation or any activity of transporting oil through pipelines and associated facilities except where the pipelines are an integral part of a refinery, facility or gathering pipelines situated wholly within the boundaries of an area where petroleum rights apply and are owned or operated by the holder of a petroleum right without obtaining a licence from the Authority.

23. Application for licence to construct or operate a new pipeline for the transportation of oil for others.--An application for the grant of a licence to construct or operate a pipeline for oil shall be made on the format set out in Part E of Schedule I, before the start of construction or operation of the pipeline under these rules.

24. Procedure for submission of application for new, pipeline for oil and its processing by the Authority.--The procedure for submission of application for new pipeline for oil and its processing by the Authority shall be followed as set out in Schedule IV.

25. Criteria for grant of licence to construct and operate a new pipeline for the transportation of oil for others.--(1) The Authority may grant a licence for the construction or operation of a new pipeline subject to such terms and conditions as may be specified therein if it is satisfied that--

- (a) no pipeline exists in the area where the applicant proposes to construct the new pipeline or the existing pipeline does not have the spare capacity to transport the crude oil or petroleum products;
- (b) pipeline route and configuration meet the requirements of policy guidelines, if any, issued by the Federal Government under the Ordinance and the applicant has obtained the NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;
- (c) project financing is based on a maximum debt equity ratio of 70:30;
- (d) the applicant has adequate financing capacity or has arranged adequate financing facility on the basis of due diligence certificate provided by a scheduled bank or financial institution;

- (e) the applicant has submitted an affidavit from each and all of its Directors to the effect that--
- (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case for recovery of bank loan or advances is pending against the applicant or its Directors in national or international Courts or tribunals or such other forums howsoever called or designated; and
- (f) an undertaking has been obtained by the applicant from the user of the pipeline to the effect that the pipeline shall be operated on commercial basis and throughput guarantee.

(2) The Authority shall initially issue a licence for construction for a period of three years during which the necessary infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the necessary infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to certification by third party inspector confirming the compliance of technical standards, the Authority shall grant the licence for operation of a pipeline for a maximum period of thirty years subject to renewal, from time to time, on making of fresh application at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

26. Criteria for grant of licence to existing pipelines.--(1) Notwithstanding anything contained in Rule 25 regarding criteria for grant of licence for pipeline for oil, all persons lawfully carrying on the construction or operation of pipelines for oil immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply for the grant of licences, on the format set out in Part F of Schedule I, in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences, such persons shall be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing pipeline fails to establish or maintain the terms and conditions of its construction or operation, as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing pipeline shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh applications at least two years prior to the expiry of the existing licence subject to the certification by third party inspector confirming compliance of the technical standards. A licence renewed shall be valid for a maximum period of fifteen years at a time.

27. Licence to construct and operate pipeline for the 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 be constructed for removing operational bottlenecks, if any, subject to compliance with the technical standards provided that if the additional pipeline is meant to cater for the requirement for new consumption centre, a separate licence will be required.

PART - V **STORAGE**

28. Licence.--(1) No person 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.

(2) In order to regulate smoothly the activities of construction or operation of oil storage facility and the undertaking of storage of oil in accordance with the laid down technical standards as mentioned in the Ordinance, the Authority may, in its discretion, grant one or two licences for both the regulated activities jointly and severally.

29. Application for licence to construct or operate an oil storage facility or to store oil.--Application for the grant of licence to construct or operate an oil storage facility or undertake storage of oil in quantities exceeding in the aggregate five thousand litres shall be made on the format set out in Part G of Schedule I, before the start of the construction or the operation as the case may be.

30. Criteria for grant of licence to construct and operate a new oil storage facility or to store oil.--(1) The Authority may grant licence for the construction or operation of a new oil storage facility subject to such terms and conditions as may be specified therein if it is satisfied that--

- (a) the location, configuration, infrastructure and any other parameters of the oil storage facility meet the policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (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, and Ministry of Defence;
- (c) the applicant has reached the understanding for supply of the crude oil or the petroleum products with a refinery, blending plant, oil marketing company or bulk consumer if so authorized;
- (d) the applicant has adequate financing capacity or has arranged adequate financing facility to construct or operate an oil storage facility on the basis of due diligence certificate provided by a scheduled bank or financial institution;
- (e) the applicant has, where required, reached the understanding with the relevant agencies for--
 - (i) port handling facility, if applicable; and

- (ii) availability of all utilities, including electricity, gas and water; and
- (f) the applicant has submitted an affidavit from each and all of its Directors to the effect that
 - (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the applicant or its Directors in national or international Courts or tribunals or such other forums howsoever called or designated for recovery of bank loan or advance.

(2) The Authority shall initially issue a licence for construction for a period of one year during which necessary infrastructure as given in the work programme shall be completed in accordance with the laid down technical standards. In case of failure to complete the necessary infrastructure within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to the certification of third party inspector confirming the compliance of technical standards, the Authority shall grant licence for operation of the oil storage facility for a maximum period of thirty years subject to renewal, from time to time, on making of fresh applications at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

31. Criteria for grant of licence for existing oil storage facility.—

- (1) Notwithstanding anything contained in Rule 30, all persons lawfully carrying on the construction or operation of an oil storage facility

immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such persons shall apply on the format set out in Part II of Schedule I, for the grant of licences in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of applications to the Authority for the grant of licences such persons shall be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that, if the existing oil storage facility fails to establish or maintain the terms and conditions of its construction or operation as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing oil storage facility shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh applications subject to the certification of third party inspector confirming the compliance of technical standards, at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

32. Criteria for grant of licence for storage of oil in a non-oil storage.—(1) Upon the making application on the format set out in Part I of Schedule I, the Authority may grant licence for undertaking storage of oil in a non-oil storage subject to such terms and conditions as may be specified therein if it is satisfied that--

- (a) the location, configuration, infrastructure and any other parameters of the premises meet the policy guidelines, if any, issued by the Federal Government under the Ordinance;
- (b) the applicant has the possession of the site and has obtained NOC from the concerned Environmental Protection Agency and District Government or the Local Government whichever is applicable;

- (c) the location and the premises to undertake storage of oil in no way affects the safety of any other person or infrastructure;
- (d) the premises meet the applicable health safety and environment standards for undertaking storage of oil;
- (e) the applicant is in possession of the requisite explosive licence for undertaking the storage of oil; and
- (f) the applicant has submitted an affidavit from each and all of its Directors to the effect that--
 - (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the applicant or its Directors in national or international Courts or tribunals or such other forums howsoever called or designated for recovery of bank loan or advance.

(2) A licence granted by the Authority to undertake storage of oil in a non-oil storage shall be valid for a maximum period of ten years subject to renewal, from time to time, on making of fresh applications at least one year prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of five years at a time.

PART-VI MARKETING

33. Licence. No person shall undertake the marketing of petroleum products without obtaining a licence from the Authority.

34. Application for licence.--An application for licence to set up a new oil marketing company to undertake marketing of petroleum products shall be made, on the format set out in Part J of Schedule I, before the start of marketing of petroleum products under these rules.

35. Criteria for the grant of licence to new oil marketing company.--(1) The Authority may grant a provisional licence for three years for setting up a new oil marketing company, if it is satisfied that,--

- (a) the applicant is a private or public limited company registered under the laws of Pakistan;
- (b) the company is not affiliated in any form with any existing oil marketing company operating in Pakistan;
- (c) the company has a total investment capacity of not less than six billion rupees over an initial period of three years, with minimum upfront equity of three billion rupees supported by a due diligence certificate from a scheduled bank or financial institution;
- (d) the company has submitted an affidavit from each and all of its Directors to the effect that,--
 - (i) he is not disqualified or in-eligible to become or remain a Director of the company under the provisions of the Companies Ordinance, 1984 (XLVII of 1984);
 - (ii) he has not failed to pay any bank advance or loan or any installment thereof or interest and mark-up thereon;
 - (iii) he is not directly or indirectly involved in any criminal case or default of bank advance or loan; and
 - (iv) no case is pending against the company or its Directors in national or international Courts or tribunals or such other forums, howsoever called or designated for recovery of bank loan or advance;
- (e) investment plan of the company envisages major investment on infrastructure development of depots, installations etc.

and a specific work programme, covering a period of three years, to create minimum storage of twenty days of the proposed sales has been provided;

- (f) the marketing plan for a period of three years envisages adequate coverage in urban, rural and far-flung areas; and
- (g) an undertaking from the company has been obtained to the effect that it shall first uplift petroleum products produced by the local refineries before opting for import of the same.

(2) The Authority after examining the application made under Rule 34 shall initially issue a licence for a period of three years during which the marketing infrastructure i.e. storages, retail outlets and filling stations etc., as given in the work programme, shall be completed in accordance with the laid down technical standards. In case of failure to complete the aforesaid marketing infrastructure within the stipulated period of provisional licence, the Authority may refuse the extension of the licence or, depending on the nature of non-compliance and subject to penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory completion of the work programme subject to the certification by third party inspector confirming the compliance of technical standards the Authority shall grant licence to an oil marketing company for a maximum period of thirty years subject to renewal, from time to time, on making of fresh application at least two years prior to the expiry of the existing licence alongwith the certification by third party inspector confirming the compliance of the technical standards. A licence renewed shall be valid for a maximum period of fifteen years at a time.

36. Criteria for grant of licence to existing oil marketing company.--(1) Notwithstanding anything contained in Rule 35, all oil marketing companies lawfully carrying on the marketing of petroleum products immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance, provided that all such companies shall apply for the grant of licences, on the formal set out in Part K of Schedule I, in accordance with these rules within ninety days of the commencement thereof.

(2) Upon the making of application to the Authority, for the grant of licences such oil marketing companies shall be granted licences by the

Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing oil marketing company fails to establish or maintain the terms and conditions of the marketing of petroleum products as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing oil marketing company shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of fresh application at least two years prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years at a time.

37. Minimum stocks of petroleum products.—Every oil marketing company shall maintain such minimum stocks of petroleum products as the Federal Government may, from time to time, by order in writing specify.

38. Supply of petroleum products.—Every oil marketing company shall supply the petroleum products to its retail outlets and its authorized agent, dealer or bulk consumer having licenced premises for storage of the petroleum products subject to the condition that the petroleum products supplied shall in no case, exceed the storage capacity of the agent, dealer or bulk consumer as the case may be.

39. Quality and quantity measurement.—(1) Every oil marketing company shall be responsible to ensure correct measurement and supply of petroleum products of the laid down specifications at its retail outlets and shall maintain quarterly profile of such checks for the examination of the Authority as and when called for.

(2) If the Authority is satisfied that a retail outlet of an oil marketing company is supplying substandard petroleum product or is failing to supply correct quantities of the petroleum products, the Authority may, by order in writing, direct the oil marketing company concerned to suspend supplies of the petroleum products to such retail outlet and thereupon such oil marketing company shall suspend supplies of the petroleum products to such retail outlet except as directed in such order or any subsequent order.

(3) The Authority may also take action against oil marketing company if it is established that the company has delayed implementation of its order or failed to implement the decision of the Authority.

40. **Maintenance of complaint register.**--Every oil marketing company shall maintain consumer complaint register and shall display prominently complaint redressal procedure at its retail outlets.

41. **Display of prices.**--Every oil marketing company shall ensure that maximum sale prices of petroleum products are prominently displayed at its retail outlets for the information and convenience of consumers.

42. **Import of petroleum products.**--No oil marketing company or authorized importer shall import petroleum products of a quality other than the laid down specifications. Each imported consignment of petroleum products shall be subject to quality clearance from the approved laboratory in accordance with the procedure and testing charges as prescribed by the Authority from time to time.

PART - VII LUBRICANT MARKETING

43. **Licence.**--No person shall undertake lubricant marketing without obtaining a licence from the Authority.

44. **Application for licence to undertake lubricant marketing.**--An application for the grant of a licence to set up a new lubricant marketing company to undertake the lubricant marketing shall be made to the Authority before the start of marketing operations on the format set out in Part L of Schedule I.

45. **Criteria for the grant of licence to new lubricant marketing companies.**--(1) The Authority may grant a licence for the setting up or operation of a new lubricant marketing company to undertake lubricant marketing, on such terms and conditions as may be specified therein if it is satisfied that--

- (i) the applicant company is a private or public limited company registered under the laws of Pakistan;
- (ii) the company is not affiliated in any form with any existing oil marketing company operating in Pakistan; and
- (iii) the applicant company has submitted a complete investment plan on construction of storages, warehouses, distribution outlets and sources of supply.

(2) The Authority shall initially issue licence for lubricant marketing for a period of three years during which the investment plan as given by the company shall be completed. In case of failure to implement the investment plan within the stipulated period of the licence, the Authority may refuse the extension of the licence or, depending on the nature of the non-compliance and subject to the penalties under the Ordinance and the rules, may grant extension on such terms and conditions and for such period as deemed appropriate.

(3) Upon satisfactory implementation of the investment plan, the Authority shall grant licence to operate as a lubricant marketing company for a maximum period of thirty years subject to renewal, from time to time and, at least one year prior to the expiry of the existing licence, on making a fresh application alongwith an inspection report from a third party inspector appointed by the Authority, confirming that the infrastructure of the company including any distribution outlets, depots and operations comply with the laid down technical standards. A licence renewed shall be valid for a maximum period of fifteen years at a time.

46. Criteria for the grant of licence to existing lubricant marketing companies.--(1) Notwithstanding anything contained in Rule 45 regarding criteria for grant of licence to new lubricant marketing companies, all persons lawfully carrying on operation of the aforesaid regulated activity immediately before the commencement of the Ordinance shall be deemed to be validly carrying on such regulated activity pursuant to the Ordinance and on such terms and conditions as were applicable to them on the date of the commencement of the Ordinance provided that all such persons shall apply, on the format set out in Part--M of Schedule I for the grant of licences in accordance with these rules, within ninety days of the commencement thereof.

(2) Upon making the applications to the Authority for the grant of licences, such persons may be granted licences by the Authority on the terms and conditions applicable to them on the date of the commencement of the Ordinance provided that if the existing lubricant marketing company fails to establish or maintain the terms and conditions of its operation, as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to an existing lubricant marketing company shall be valid for a maximum period of thirty years subject to renewal, from time to time, on the making of a fresh application

alongwith an inspection report from a third party inspector appointed by the Authority, confirming that the infrastructure of the company including any distribution outlets, depots and operations comply with the laid down technical standards, at least one year prior to the expiry of the existing licence. A licence renewed shall be valid for a maximum period of fifteen years.

47. Import of lubricants and greases and restrictions on use of lubricating base oils and lubricating oils.--No person shall import for sale in Pakistan lubricant or greases which do not conform to the specifications prescribed therefor.

PART-VIII

OIL TESTING FACILITY

48. Licence.--No person shall establish or operate an oil testing facility without obtaining a licence from the Authority.

49. Application for licence to establish or operate an oil testing facility.--An application, for the grant of licence to establish or operate an oil testing facility shall be made on the format set out in Part-N of Schedule I before the start of the construction or operation.

50. Criteria for grant of licence to establish or operate an oil testing facility.--The Authority may grant licence for the establishment or operation of an oil testing facility subject to such terms and conditions as may be specified therein and on the satisfaction of such criteria as the Authority may deem appropriate for ensuring quality control of petroleum products and according to the laid down specifications. A licence granted by the Authority for establishment or operation of an oil testing facility shall be valid for a maximum period of twenty years subject to renewal, from time to time, and at least two years prior to the expiry of the existing licence on the making of fresh application, accompanied with an inspection report from a third party inspector confirming that the oil testing facility complies with the standards prescribed therefor. A licence renewed shall be valid for a maximum period of ten years at a time.

51. Criteria for grant of licence to existing oil testing facility.--
(1) Notwithstanding anything contained in Rule 50, all persons lawfully carrying on the construction or operation of an oil testing facility or otherwise lawfully testing oil immediately before the commencement of the Ordinance, shall be deemed to be validly carrying on such construction or operation under the Ordinance and on such terms and conditions as were applicable to such persons on the date of commencement of the Ordinance,

provided that such persons, for the grant of licences in accordance with these rules, shall within ninety days of the commencement thereof apply, on the format set out in Part-N of Scheduled-I.

(2) Upon making of the application under sub-rule (1) to the Authority, such persons shall be granted licences on the terms and conditions applicable to them on the date of the commencement of the Ordinance, provided that if the existing oil testing facility fails to establish or maintain the terms and conditions of its construction or operation as applicable to it on the date of the commencement of the Ordinance, the Authority shall either specify such other terms and conditions and for such period as it deems appropriate or may take further action in accordance with these rules.

(3) A licence granted by the Authority to existing oil testing facility shall be valid for a maximum period of twenty years subject to renewal, from time to time and at least two years prior to the expiry of the existing licence, on the making of fresh application accompanied with an inspection report from a third party inspector confirming that the oil testing facility complies with the standards prescribed therefor. A licence renewed shall be valid for maximum period of ten years at a time.

52. Approved Laboratory.--(1) Upon the grant of licence, the Authority may declare the oil testing facility as an approved laboratory.

(2) The Authority may declare as many laboratories, as it deems fit, to be approved laboratories and specify local limits within which each one of them shall operate or perform its functions.

PART-IX LICENCE CONDITIONS

53. Licence conditions.--All licensees, in relation to their regulated activity, shall--

- (i) comply with all laws, rules and regulations relevant to the undertaking of the regulated activity for which a licence is granted to it;
- (ii) supply petroleum products of the laid down specifications;
- (iii) refrain from exercising discrimination against or showing undue preference towards any licensee or any class of consumers;

- (iv) enter into proper commercial contract with other licensee or class of consumers to discharge its obligations;
- (v) supply petroleum products to such far-flung areas as may be specified by the Authority keeping in view the policy guidelines issued by the Federal Government under the Ordinance;
- (vi) provide to the Authority or an authorized officer such information in respect of its business activities, expansion programmes and any other matter relevant for the exercising of any of its powers by the Authority in such form, and within such time as the Authority may in writing, reasonably require in accordance with the provisions of its licences;
- (vii) enter into all contracts on an arm's length basis and not to enter into any contract or other arrangement with any of its associated companies except with the prior written approval of the Authority;
- (viii) carry out regulated activity in accordance with the technical standards applicable to the midstream and downstream petroleum industry or prescribed by the Authority, from time to time, in consultation with all stakeholders;
- (ix) strictly follow the requirements of the Pakistan Environmental Protection Act, 1997 (XXXIV of 1997) and applicable laws;
- (x) not to abandon any regulated activity, as a part or whole, resulting into discontinuation of supply of petroleum products or its sale in any area without the prior written consent of the Authority;
- (xi) ensure prudence, cost effective and economic efficiency in operation of the regulated activity and cost effective supplies to the consumer;
- (xii) obtain and maintain insurance cover against any accident causing loss of life and property;

- (xiii) maintain planned programme for maintenance and obtain prior approval of the Authority for temporary closure of any operation of the regulated activity;
- (xiv) maintain minimum stocks of crude oil or petroleum products as directed by the Authority having due regard to the storage capacity of the licensee;
- (xv) comply with any other condition which the Authority may impose at the time of grant of the licence; and
- (xvi) be responsible to take all the measures for the benefit of the local labourers as well as welfare of the people and area of the concerned Provinces to give social boost to the region.

PART-X **MISCELLANEOUS**

54. Entry and inspection.--(1) Any person including any District Coordination Officer authorized in writing by the Authority (hereinafter called "Inspection Officer") may at any reasonable time--

- (a) enter, inspect and examine any premises, facility or installations, owned or operated by an oil marketing company, refinery, blending plant, reclamation plant or grease plant;
- (b) take sample free of any charge or check specifications of oil, produced locally or imported, and for the time being in the possession, custody or control of a person engaged in any regulated activity; and
- (c) make such examination or inquiry, as he considers necessary, for ensuring that the provisions of these rules, or any order made thereunder, are being fully observed.

(2) Notwithstanding the provisions of sub-rule (1), all members of the Authority shall be deemed to have the authorization and powers of Inspection Officer.

55. Authorization of the Authority.--The Inspection Officer may further check and satisfy himself that the provisions of the Ordinance and these rules and the decisions made by the Authority are complied with in letter and spirit by all and sundry, provided that such Inspection Officer may

take any action in accordance with the Ordinance and these rules and the decisions made by the Authority, in emergency and on the spot, if he considers such action on his part is necessary and thereafter report forthwith to the Chairman and as soon as possible to the Authority for ratification unless the Chairman issues appropriate orders or directions or does not consider it necessary to submit the matter to the Authority.

56. Facilities to the Inspection Officer.--The owner, manager, proprietor or other person-in-charge of the premises, facility or installation of oil marketing company, refinery, oil storage, blending plant, reclamation plant or grease plant shall afford the Inspection Officer all necessary facilities for making an examination, inquiry, inspection, measurement or for taking any samples.

57. Authorization to take samples.--The Authority or Inspection Officer may take samples of a petroleum product from a refinery, blending plant, reclamation plant, grease plant, oil marketing company, installation, storage, depot, or retail outlet.

58. Procedure for sampling and testing.--(1) All samples shall be taken, handled, stored and tested in accordance with the American Standard of Testing Material procedures or, in the absence of such procedures, with the appropriate institute of petroleum United Kingdom procedure, or the American Petroleum Institute procedures.

(2) The inspection Officer shall divide the sample into two parts and put each of them in separate containers in the presence of the person from whose possession, custody or control the sample is taken and shall seal each container in such a manner as the nature of the petroleum product may require with his own seal and shall also permit the person from whose possession, custody or control the sample is taken, if such person so desires, to affix his own seal or mark on each container.

(3) The Inspection Officer shall deposit one of the containers with the Authority and send the second to the approved laboratory for analysis of the sample.

(4) The approved laboratory, upon receiving the sample from the Inspection Officer, shall, within three days thereof or within such period as the Authority may extend from time to time, analyze the same and furnish to the Authority a certificate in the approved form, showing the result of the analysis.

(5) If the person, from whose possession, custody or control the sample was taken, disputes the correctness of the report of the approved laboratory, the Authority shall send the retained sample to another approved laboratory for analysis and furnishing report thereof to the Authority. The result of the second report shall be treated as final and shall not be called in question except before the Authority.

59. Spot testing.—The Inspection Officer may, in accordance with the method and scheme approved by the Authority, take samples of any motor gasoline and diesel to conduct the spot test in the presence of the representative of the oil marketing company or its agent or dealer and may send the sample to the approved laboratory for confirmation of the result of the spot test. The results of the spot test and the subsequent approved laboratory test shall be forwarded to the Authority and the person concerned on both occasions forthwith. The result of the approved laboratory test shall be treated as final and shall not be called in question, except before the Authority.

60. Analysis of samples on request.—Any person may make an application in writing to the Authority for instructing an Inspection Officer to take a sample of such petroleum product from such person as may be indicated in the application and to send samples to the approved laboratory for analysis. The costs of such sampling and testing shall be borne by the person making the application and the same shall be deposited in advance with the Authority.

61. Prohibition of adulteration of petroleum products.—No person shall produce, prepare, mix or blend any petroleum product with any other substance whether or not it is a by-product of petroleum, which reduces its quality or efficacy below the laid down specifications without prior permission of the Authority.

62. Prohibition of possession of adulterated petroleum products.—No person shall possess any adulterated or substandard petroleum product except for scientific or industrial purposes and in the manner and subject to such conditions as may be approved by the Authority. However, a refinery, oil marketing company or oil blending facility shall use such product, if any, only for reprocessing or re-working in order to meet the laid down specifications of that product.

63. Prohibition of sale of adulterated petroleum products.—No person shall, either himself or through any other person including an agent or dealer, sell or offer for sale or otherwise dispose of any adulterated or

substandard petroleum product except to the persons, for the purposes and on the conditions, as approved by the Authority.

64. Transfer and assignment of licences.--(1) A licence shall not be transferred, assigned or sublet in any manner whatsoever without prior approval in writing of the Authority.

(2) As soon as an application is made for transfer, assignment or subletting of the licence, the Authority shall, without undue delay, grant or refuse its consent for transfer, assignment or subletting of the licence by taking into consideration the following factors, namely:--

- (a) the application is *bona fide* and has been made for the purposes of the Ordinance, rules, the decisions of the Authority and the terms and conditions of the licence; and
- (b) the Authority is satisfied of the *bona fides*, genuineness, capacity and capability of the transferee, assignee or sublettee as the case may be.

(3) Transfer, assignment or subletting of a licence may be made on the imposition of such additional terms and conditions and for such period as the Authority may decide.

(4) Transfer, assignment or subletting of a licence shall be subject to undertaking, supported by affidavits from the transferor, assignor or subletter together with affidavits from the transferee, assignee or sublettee to the effect that, notwithstanding the transfer, assignment or subletting both parties shall remain bound to the terms and conditions of the licence and other obligations attached therewith.

(5) In case the consent is not granted or is withheld or delayed for transfer, assignment or subletting of licence the Authority shall record reasons therefor and communicate the same to both the parties.

65. Amendment of licences.--(1) If a licensee, for any sufficient cause, requires an amendment in the terms and conditions of the licence, he may make an application to the Authority alongwith depositing the fee as prescribed in Schedule-II. The Authority may, in its discretion, consider the amendment, as proposed or otherwise, and grant the same if it is in public interest.

(2) The Authority may *suo moto* take up the process of amendment in the terms and conditions of a licence without the request of the licensee,

for reasons to be recorded in writing after giving right of hearing to the licensee, on the main ground that it is in public interest to do so.

66. Revocation or suspension of licences.--(1) Where the Authority contemplates revocation of any licence, it may proceed with the matter, after giving an opportunity of show-cause to the licensee, to revoke the licence in accordance with law.

(2) Where the circumstances of the case warrant urgent action, the Authority may, without giving prior opportunity of show-cause to the licensee, suspend the licence forthwith and thereafter proceed with the matter in accordance with the provisions of sub-rule (1).

(3) The Authority may revoke the licence where it is of the opinion that--

- (a) the licensee has committed or continues to commit a wilful and prolonged contravention of these rules or terms and conditions of the licence;
- (b) the licensee, in the opinion of the Authority, is unable or is likely to be unable, to discharge the obligations imposed on it under these rules or by the licence;
- (c) services provided by the licensee are interrupted without any reasonable explanation or authorization of the Authority;
- (d) the licensee has wilfully failed, neglected or unreasonably prolonged the start or completion of the construction;
- (e) the licensee has failed, neglected or unreasonably delayed to operate fully or substantially the regulated facility; or
- (f) there appears to be grounds that the licensee is not serious or lacks financial, physical or administrative capabilities to utilize the licence in its letter and spirit:

Provided that, if it is in the public interest to do so, instead of revoking the licence, the Authority may permit the licence to remain in force with such amendments or such terms and conditions as it deems appropriate.

67. **Relocation of facilities.**--The Authority may order, on its own or on an application by a licensee accompanied by the fee as prescribed in Schedule II, to relocate any facility or pipeline if, in its opinion, it is in the public interest to do so:

Provided that, save in a public emergency, prior to making such an order, the Authority shall provide all affected parties an opportunity of filing motions in support of, or in opposition to, the proposed order.

68. **Fee.**--(1) An applicant shall be required to pay the fee for the grant, renewal, extension, assignment, review, transfer, amendment, relocation or re-issuance of a licence as specified in Schedule II.

(2) Every licensee shall, within thirty days of the issuance of the licence under these rules, pay an annual fee as prescribed in Schedule II.

PART-XI PENALTIES

69. **Penalty.**--(1) Subject to sub-rule (2), a person, who contravenes any provisions of the Ordinance, these rules, terms and conditions of the licence, or the decisions of the Authority shall be punishable with fine which may extend to ten million rupees and in case of a continuing contravention with a further fine which may extend to one million rupees for every day during which such contravention continues.

(2) In imposing any fine under these rules, the Authority shall keep in view the principle of proportionality of the fine to the gravity of the contravention. Prior to imposing the fine, the Authority shall, in writing, require the person liable to be affected to show-cause in writing as to why the fine may not be imposed.

SCHEDULE I PART A

[See Rule 4]

APPLICATION FOR GRANT OF LICENCE FOR CONSTRUCTION AND OPERATION OF NEW OIL REFINERY

1. Name of the Company and address of its registered office: _____
2. Name and address of the Directors (Attach details). _____
3. Certificate of Registration with Registrar of Companies along with memorandum and articles of association _____
4. Location of the refinery and designed nameplate, capacity in barrels/day and million tons/year _____
5. EPA clearance certificate (attach certificate) _____
6. Source of supply of crude oil _____

7. Refinery configuration giving broad details of main units, crude and product storage capacities alongwith proposed production slate, based on 100% designed capacity for a given crude _____
8. Estimated cost of the project: \$ million _____
Equity \$ million _____
Loan \$ million _____
(attach due diligence certificate from a scheduled bank as per Rule 5(e))
9. Status of availability of utilities at site (electricity, water, gas etc.) _____
10. Status of availability of port facility/terminal storage etc. _____
11. Proposed arrangements for receipt of crude oil (i.e: mode of transportation from port/ local source) _____
12. Proposed arrangements for disposal of products for local consumption and export. _____
13. Proposed arrangements for disposal of refinery: solid, liquid and gaseous wastes in accordance with National Environment Quality standards (NEQS) _____
14. Details of work programme and schedule of completion. _____
15. Proposed details of emergency response system at terminals/storages: _____
16. Details of HSE arrangements to be adopted. _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I
PART B
[See Rule 6(1)]

APPLICATION FOR GRANT OF LICENCE TO EXISTING REFINERY

1. Name of the refinery: _____
2. Location: _____
3. Corporate structure of the company (attach last annual report) _____
4. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
5. Year of construction and commissioning _____
6. Details of expansion or up-gradation already undertaken after commissioning _____
7. Present designed nameplate capacity:- Barrels/ day and Metric tons/ annum _____
8. Configuration/details of main units and crude/product storage capacities _____
9. Details of HSE arrangements: _____

10. Details of emergency response system _____
11. International certification on various operational activities _____
12. Sources of supply of crude oil and details of arrangements of its receipt: _____
13. Details of arrangements for disposal of products for local consumption and export: _____
14. Details of arrangements for disposal of refinery solid, liquid and gaseous wastes in accordance with National Environment and quality standards (NEQS): _____
15. Details of latest Environment and safety audit conducted if any and measures taken to remove deficiencies if applicable (attach reports): _____
16. Details of previous permission/terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002, and subsequent change, if any (attach documents). _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part BI

[See Rule 6(1)]

APPLICATION FOR GRANT OF LICENCE FOR AN OIL REFINERY ALREADY UNDER CONSTRUCTION

1. Name of refinery: _____
2. Name and address of the Directors (Attach details) _____
3. Location of the refinery and designed nameplate capacity in barrels/day and million tons/year: _____
4. Certificate of Registration with Registrar of Companies along with memorandum and articles of association: _____
5. EPA clearance certificate (attached certificate): _____
6. Year of construction: _____
7. Source of supply of crude oil: _____
8. Configuration/details of main units and crude/products storage capacities: _____
9. Estimated cost of the project: \$ Million
Equity \$ Million
Loan \$ Million
10. Status of availability of utilities at site (electricity, water, gas etc.) _____
11. Status of availability of port facility/terminal storage etc: _____
12. Proposed arrangements for receipt of crude oil (i.e., mode of transportation from port/local source): _____
13. Proposed arrangements for disposal of products for local consumption and export: _____

14. Proposed arrangements for disposal of refinery: solid, liquid and gaseous wastes in accordance with National Environment Quality Standards (NEQS): _____
15. Details of work programme and schedule of completion: _____
16. Details of HSE arrangements to be adopted: _____
17. Proposed details of emergency response system at terminal/storage:--
I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and Signatures of the authorized signatory

Date and place.

SCHEDULE I

PART C

[See Rule 11]

APPLICATION FOR GRANT OF LICENCE FOR CONSTRUCTION AND OPERATION OF NEW OIL BLENDING PLANT, RECLAMATION PLANT OR GREASE PLANT

Type of application (Tick one)

BLENDING PLANT

RECLAMATION PLANT

GREASE PLANT

1. Name and address of the company/ individual _____
2. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association or partnership deed _____
3. Location of the plant _____
4. Estimated cost of the project _____
5. Financial arrangements for the project:
Equity _____
Loan _____
6. Financial due diligence certification
(attach due diligence certification from bank/financial institution.)

OR

7. Details of Income tax paid during the last five years in case of self-financing _____ *(attach details)*
Copy of Environmental Protection Agency (EPA) clearance *(attach NOC)*
8. Capacity of the plant and details of various units conforming to requirements prescribed or laid in part A of Schedule V: _____
9. Proposed construction / completion schedule: _____
10. Proposed sources of lube base oil supplies: _____
(Attach documents)
11. Proposed organogram to operate the plant (Technical and managerial personnel alongwith their qualification and experience)
12. Details of HSE arrangements to be adopted. _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

PART D

[See Rule 13(1)]

**APPLICATION FOR GRANT OF LICENCE TO OPERATE EXISTING OIL
BLENDING PLANT, RECLAMATION PLANT OR GREASE PLANT**

Type of application (Tick one)

BLENDING PLANT

RECLAMATION PLANT

GREASE PLANT

1. Name and address of the company/ individual _____
2. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association or partnership deed _____
3. Exact location of the plant _____
4. Capacity of the plant (Metric Tons/annum) _____
5. Layout of the plant and details of various units: _____
6. Sources of supply of lube base oil: _____
7. Details of laboratory equipment: _____
8. Organogram details (Existing personnel along with their qualification and experience) _____
9. Details of production and sale. (Figure in 000 tons) Actual last five years production (year wise)
Automotive engine oil automotive gear oil others
12. Details of sales tax paid during the last five years (year-wise) _____
13. Details of Excise duty paid during the last five years (year-wise) _____
14. Details of existing authorized dealers alongwith their addresses _____
14. Details of terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002:--(Attach documents) _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and Place.

SCHEDULE I

PART E

[See Rule 23]

**APPLICATION FOR GRANT OF LICENCE FOR CONSTRUCTION AND
OPERATION OF NEW OIL PIPELINE**

Rules, 2016

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality: _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Estimated cost of the project:

Cost	\$
Equity	\$
Debt	\$
4. Financial due diligence certification _____
(attach bank certificate)
5. Proposed route of the oil pipeline _____
(To be shown on a map issued or certified by survey of Pakistan and drawn to an appropriate scale)
6. Capacity of the proposed oil pipeline _____
7. Proposed construction / completion schedule: _____
8. Name of the products to be transported _____
9. Economic feasibility alongwith details of per unit cost of transporting different products from terminal point to delivery point: _____
10. Details of terminals, storages, pumping stations and their location _____
11. Main design features of the pipeline including ancillary facilities alongwith specifications for the material _____
12. Operating parameters of the pipeline _____
13. Throughput commitment with the users _____
14. Details of HSE arrangements to be adopted. _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

PART F

[See Rule 26(1)]

APPLICATION FOR GRANT OF LICENCE TO OPERATE EXISTING OR UNDER CONSTRUCTION OIL PIPELINE

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses ,nationality, _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Year of commencement of construction _____
5. Year of commencement of operation _____
6. Pipeline when constructed and commissioned: _____
7. Per unit cost of transporting different products from terminal point to delivery point _____
8. Route of the oil pipeline _____
(To be shown on a map issued or certified by survey of Pakistan and drawn to an appropriate scale)

9. Names of the products being transported _____
10. Details of terminals, storages, pumping stations and their location _____
11. Throughput commitment, if any _____
12. Details of HSE arrangements _____
13. Details of emergency response system _____
14. International certification for the operational activities _____
15. Details of previous permission/terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002, and subsequent change, if any: (attach documents).

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory _____

Date and place. _____

SCHEDULE I

Part G

[See Rule 29]

APPLICATION PROFORMA FOR GRANT OF LICENCE FOR CONSTRUCTION OR OPERATION OF NEW OIL STORAGE

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality, _____
3. Certificate of Registration with Registrar of Companies along with memorandum and articles of association _____
4. Estimated cost of the project: _____
Equity in Rs. million
Loan Rs. million
Rs. million
5. Details of storage facilities/ capacities in 000 tons indicating precise location and capacities province-wise including Northern/FATA area and AJK:-- _____
6. Copy of Environmental Protection Agency (EPA) clearance (attach NOC) _____
7. Names of products to be stored _____
8. Source of the product to be stored _____
(attach documents)
9. Conceptual engineering design of the storage facility and specifications of material _____
10. Economic or financial feasibility of the project alongwith details of per unit cost of storing the product: _____
11. Proposed construction / completion schedule: _____
12. Mode of transportation of the product _____
(In/out of storage)
13. Undertaking that the storage will not be used for purpose other than storage of petroleum products _____
14. Details of HSE arrangements to be adopted. _____
15. Details of proposed emergency response system _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part H

[See Rule 31(1)]

**APPLICATION PROFORMA FOR GRANT OF LICENCE TO CONTINUE
OPERATION OF EXISTING OIL STORAGE OR UNDER
CONSTRUCTION**

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality _____
3. Certificate of Registration with Registrar of Companies along with memorandum and articles of association _____
4. Details of storage facilities/capacities in 000 tons indicating precise location and capacities province-wise including Northern area, FATA and AJK:-- _____
5. Year of commencement of construction _____
6. Year of commencement of operation _____
7. Year of up gradation and details thereof _____
8. Names of products being stored _____
9. Per unit cost of storing the product: _____
10. Mode of transportation of product _____
(In/out of storage)
11. Undertaking that the storage is not being used for purpose other than storage of petroleum products _____
12. Details of HSE arrangements _____
13. Details of emergency response system _____
14. International certification for the operational activities (if any) _____
15. Details of previous permission/terms and conditions applicable on the date of commencement of the OGRA Ordinance i.e. 28th March, 2002, and subsequent change, if any (attach documents) _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part I

[See Rule 32(1)]

**APPLICATION PROFORMA FOR GRANT OF LICENCE TO
UNDERTAKE STORAGE OF OIL IN NON-OIL STORAGE**

1. Name of the company and address of its registered office _____
2. Name of the Directors and their addresses, nationality _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____
4. Details of storage facilities/ capacities in 000 tons indicating precise location. _____
5. Copy of Environmental Protection Agency (EPA) clearance (*attach NOC*) _____
6. Explosive license No. and date (attach copy) _____
7. Names of products to be stored _____
8. Source of the product to be stored _____
(*attach documents*)
9. Mode of transportation of the product _____
(*In/out of storage*)
10. Details of HSE arrangements to be adopted. _____
11. Details of emergency response system _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE I

Part J

[See Rule 34]

**APPLICATION FOR GRANT OF LICENCE TO THE NEW OIL
MARKETING COMPANY**

Name of the Company			
Address of the company			
Name of the Directors of the Company	Nationality	Share holding	
1.			
2.			
3.			
4.			
5.			
6.			

ATTACHMENTS

PREREQUISITES OF THE COMPANY

Certificate of Incorporation of the company under Companies Ordinance, 1984 (XLVII of 1984), provided that Articles of Association of the Company must indicate that the prospective company will not be affiliated in any manner with the existing oil marketing company operating in Pakistan.

Proof of the financial competence from a scheduled bank that company can invest to the amount as decided by Federal Government from time to time, during initial three years period for developing infrastructure for oil marketing and has upfront equity to the amount as decided by Federal Government from time to time, to finance the proposed oil marketing company.

Proof of the technical competence of the company (i.e. Profiles of personals of the company having experience of oil marketing from national and international industry). Proof of technical collaboration/ franchise agreement with the national/ international oil industry, other than the existing oil marketing companies in Pakistan, if any.

INVESTMENT & MARKETING PLAN OVER A PERIOD OF THREE YEARS

Details of the proposed marketing plan i.e. estimated sales (M.tons) product wise/province wise. Details of infrastructure to be developed i.e. oil storages & retail outlets (urban & rural area wise) with provincial break up over a period of three years.

Storage capacity to provide minimum of twenty days cover of proposed sale. Province wise break up.

Detailed transport plan (commensurate with Marketing plan for transportation of Petroleum products from source of supply i.e. by road, rail and pipeline).

An affidavit confirming that:

- None of the sponsors / Directors / relatives of sponsors / Directors of the company are involved in any criminal case and or bank / loan and direct and indirect federal taxes default.
- No case is pending in National or International Courts for recovery of loans / tax frauds etc. against the company and its Directors/sponsors.
(Bank default/criminal proceedings shall apply to sponsors/ directors and other persons in accordance with the relevant law).

Signature of authorized signatory (applicant) -----

Date and place -----

SCHEDULE I

PART K

[See Rule 36(1)]

APPLICATION FOR GRANT OF LICENCE TO THE EXISTING OIL MARKETING COMPANY

1. Name of the Company and address of its registered office: _____
2. Name of the Chief Executive and Directors: _____
(Attach last annual report)
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association _____

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4. Year of commencement of operation _____
5. Details of sources of supply of petroleum products and their mode of transportation (i.e. rail, road, pipeline) _____
6. Details of:--
 - (a) Terminal/storage facilities indicating precise location and capacities:--
 - (b) Number of retail outlets with urban and rural split province-wise including Northern/FATA area and AJK:--
 - (c) Pipelines with details of their routes and capacities:--
7. Details of Quality Control procedure adopted by the Company both for local and imported products at oil terminals/storage facilities and at retail outlets:-- _____
8. Details of HSE arrangements _____
9. Details of emergency response system at terminals/ storages facilities _____
10. International certification for various operational activities (if any) _____
11. Details of petroleum products marketed during the last five years (year-wise)
12. Details of terms and conditions of the licence applicable at the time of commencement of the OGRA Ordinance, (i.e. March 28, 2002) and subsequent changes, if any:-- (attach documents).

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE-I

Part L

[See Rule 44]

**APPLICATION FOR GRANT OF LICENCE TO THE NEW LUBRICANTS
MARKETING COMPANY**

Name of the Company		
Address of the company		
Name of the Directors of the Company	Nationality	Share holding
1.		
2.		
3.		
4.		
5.		
6.		

ATTACHMENTS

PRE-REQUISITES OF THE COMPANY

Certificate of incorporation of the company under Companies Ordinance, 1984, provided that Articles of Association of the Company must indicate that the

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prospective company will not be affiliated in any manner with the existing oil marketing company operating in Pakistan.

INVESTMENT PLAN OVER A PERIOD OF THREE YEARS

Location	Storages 000 tons	Ware- houses	Distribution outlets	1 st Year	2 nd Year	3 rd Year
----------	----------------------	-----------------	-------------------------	----------------------	----------------------	----------------------

An affidavit confirming that:

- None of the sponsors / Directors / relatives of sponsors / Directors of the company are involved in any criminal case and or bank/ loan and direct and indirect federal taxes default.
 - No case is pending in National or International Courts for recovery of loans/tax frauds etc. against the company and its Directors/sponsors.
 (Bank default/criminal proceedings shall apply to sponsors/directors and other persons in accordance with the relevant law)
- Signature of authorized signatory (applicant) -----
 Date and place -----

SCHEDULE-I

Part M

[See Rule 46(1)]

**APPLICATION FOR GRANT OF LICENCE TO THE EXISTING
 LUBRICANTS MARKETING COMPANY**

Name of the Company		
Address of the company		
Name of the Directors of the Company	Nationality	Share holding
1.		
2.		
3.		
4.		
5.		
6.		

Year of commencement of operation Details of source of supply and their mode of transportation (i.e. rail and road)

Details of:--

Storages 000 tons	Warehouses	Distribution outlets	Location
----------------------	------------	----------------------	----------

ATTACHMENTS

Certificate of incorporation of the company under Companies Ordinance, 1984, alongwith memorandum and articles of association.

An affidavit to the effect that:

The company shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation,

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supplementary information or documentation required by the Authority to clarify the information contained in the application.

Signature of authorized signatory (applicant) -----

Date and place -----

SCHEDULE-I

Part N

[See rules 49 and 51]

**APPLICATION PROFORMA FOR GRANT OF LICENCE TO ESTABLISH
OR OPERATE AN OIL TESTING FACILITY**

1. Name of the Company and address of its registered office _____
2. Name of the Directors and their addresses, Nationality, _____
3. Certificate of Registration with Registrar of Companies alongwith memorandum and articles of association or other legal instrument _____
4. Details of testing facilities/capacities indicating precise location. _____
5. ISO certification if any (attach certificate) _____
6. Names of petroleum products which can be tested _____
7. Technical expertise alongwith details of testing equipment (location-wise) _____
8. Details of HSE and security arrangements to be adopted. _____
9. Details of tests which can be conducted _____

I hereby undertake that I shall provide such other information or documentation as the Authority, may from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.

Name and signatures of the authorized signatory

Date and place.

SCHEDULE-II

SCHEDULE OF FEE

[See Rules 65, 67 and 68]

1. The following, non-refundable, fee shall be payable, through pay order or demand draft drawn on scheduled bank in favour of Oil and Gas Regulatory Authority, for the application for grant, renewal, modification, extension, assignment, review, transfer, amendment, relocation or re-issuance of a licence:

(a) licence fee, payable at the time of filing of application, for,--

- | | | |
|------|--|-------------------|
| i. | a refinery licence: | Rs. 2.0 million; |
| ii. | an oil blending plant, reclamation plant or grease plant | Rs. 50,000/- |
| iii. | an oil marketing company | Rs. 2.0 million; |
| iv. | lubricant marketing company | Rs. 1.0 million;- |
| v. | an oil pipeline | Rs. 2.0 million; |
| vi. | a storage facility (other than oil storage associated with a refinery or oil marketing | Rs. 100,000/- |

- company)
- vii. an oil testing facility Rs. 500,000/-
- viii. renewal of licence to operate refinery, blending, plant reclamation plant or grease plant, an oil determined by marketing company, oil pipeline, oil storage, oil testing facility. To be the Authority at time of renewal
- ix. modification/extension/assignment/ review/transfer/amendment/ relocation or re-issuance of licence for refinery, blending plant, oil marketing company, oil pipeline, oil storage facility, storage of oil, or oil testing facility. 50% of the licence fee.

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

- I. a refinery: 0.005% of the gross sales
- II. oil blending facility, grease or reclamation plant Rs. 100,000/-
- III. an oil marketing company 0.005% of the gross sales
- IV. lubricant marketing company 0.005% of the gross sales
- IV. an oil pipeline 0.005% of the gross sales
- V. a storage facility Rs. 100,000/-
- VI. storage of oil Rs. 100,000/-
- VII. oil testing facility Rs. 500,000/-

2. The Authority may, with the approval of the budget committee as provided in Section 17 of the Ordinance, review the fees specified in Para-I keeping in view the budgetary requirements and if it is in the public interest.

SCHEDULE -III

[See Rule 2(1) (xix)]

PETROLEUM PRODUCTS

- (1) Aviation Gasoline 100/130 Octane.
- (2) Aviation Gasoline 115/145 Octane
- (3) Aviation Turbine Fuel JP-4
- (4) Aviation Turbine Fuel JP-1
- (5) Aviation Turbine Fuel JP-8
- (6) High Octane Blending Component
- (7) Motor Spirit
- (8) Naphtha.
- (9) Superior Kerosene
- (10) High Speed Diesel Oil
- (11) Light Diesel Oil
- (12) Jute Batching Oil
- (13) Furnace Oil/Fuel Oil
- (14) Lubricating Oils including base oils.
- (15) Asphalt/Bitumen

- (16) Greases
- (17) Mineral Turpentine
- (18) Solvent Oil.

SCHEDULE-IV

[See Rule 24]

**Procedure for submission of application for new oil pipeline and its processing
by the Authority**

1. **Application for a licence.**—(1) Any company incorporated inside or outside Pakistan may submit an application to the Authority on the prescribed format mentioned against the relevant rule for obtaining a licence for construction or operation of oil pipeline, by filing it with the Registrar alongwith such fees as prescribed by the Authority in Schedule-II clearly specifying the information required therein.

(2) The Registrar shall examine the contents of the application in order to satisfy himself as to the conformity thereof with the provisions of these rules and where the application is found.--

(a) to be in conformity with the requirements of these rules, he shall accept the application and endorse thereon a stamp acknowledging the filing alongwith the number given thereto in the register; or

(b) not to be in conformity with the requirements of these rules, he shall as soon as may be, but not later than seven days of filing thereof, return the application to the applicant with directions to amend and resubmit the application in accordance with the provisions of these rules:

Provided that where an application is re-submitted by the applicant and the Registrar is not satisfied of the conformity thereof with the requirements of these rules, he shall place the application before the Authority for such directions as it may deem necessary, not later than seven days of the date of re-submission thereof by the applicant. The Authority shall not reject an application on the grounds of any defect therein without giving the applicant an opportunity of rectifying the defect within the time specified for the purpose by the Authority.

(3) Any communications filed by a person in connection with the proceedings shall contain his or its, name and address, the subject matter of the communication and the title of the proceedings, and shall be filed with the Registrar who shall acknowledge receipt thereof either on a copy of the communication or through a written receipt in a format to be determined by the Authority and shall also endorse on the filing receipt the number of the application in connection with which the communication is filed and the number assigned to the communication on the register.

(4) All applications shall be deemed to be filed on the date of acceptance thereof by the Registrar, and where re-submitted in accordance with the provisions of sub-para (8), on the date the Registrar or the Authority, as the case may be, accepts the filing

thereof and a communication shall be deemed to be filed on the date on which it is filed with the Registrar.

(5) The contents of any communication shall pertain to a single application in respect of which it is filed.

(6) An application or communication shall be signed by the communicator or by one or more of the applicant's or communicator's authorized representatives in their individual names on behalf of the applicant or the communicator.

(7) Any application or communication, wherein any statement of fact or opinion is made by the applicant or the communicator, shall be verified by an affidavit, drawn up in the first person stating the full name, age, occupation and address of the deponent and the capacity in which he is signing, indicating that the statement made therein is true to the best of the knowledge of the deponent, information received by the deponent and belief of the deponent, and shall be signed and sworn before a person lawfully authorized to take and receive affidavits:

Provided that a communication filed during the course of a hearing may be affirmed in person before the Authority by the person filing the same and where any statement in an affidavit is stated to be true according to the information received by the deponent, the affidavit shall also disclose the source of such information.

(8) An application or communication shall be filed with such number of copies as the Authority may, from time to time, determine.

(9) An application or communication shall be filed for registration during office hours at the principal office of the Authority, or such other office as may be directed by the Authority. An application or communication may be forwarded to the Authority through registered post or courier service. If an authorized agent files an application or communication on behalf of any party, the document authorizing the agent to do so shall be filed alongwith the application or communication, if not already filed in the record of the case.

2. Admission of application.—(1) As soon as may be, but not later than fourteen days of the date of filing of the application, an application shall be placed before the Authority for appropriate action.

(2) The Authority may call for submission by the applicant of any further supporting communication for the purposes of evaluation of the application for admission, within such time as it may specify. The Authority shall not be required to "entertain or admit any application until such supporting communication is furnished.

(3) The Authority may, if a prima facie case for evaluation exists, admit the application for consideration without requiring attendance of the applicant. The Authority shall not pass an order refusing admission without giving the applicant an opportunity of being heard or making a written representation.

(4) In case the Authority admits the application, it may give such orders and directions for the service of notices as it deems appropriate to,--

(a) all persons affected by or interested in the application who in the opinion of the Authority are likely to be affected or interested; and

(b) persons who, by reason of their calling or expertise, may be of assistance to the Authority in arriving at a just and informed decision of the proceedings.

(5) The Authority may, if it deems appropriate, direct the advertisement by publication of the title and brief description of the application in any one or more newspapers specified for the purpose by the Authority. Such publication at the cost of the applicant shall also contain a notice of the availability of a copy of the application at the office of the Authority on payment of the fee determined for the purpose by the Authority.

3. Publication and service of notices.--(1) A notice Or process issued on the directions of the Authority may be served by the Registrar or the party concerned as the Authority may direct, and the Authority may direct the service to be effected through any one or more of the following modes of service, namely:--

(a) by hand delivery through a messenger;

(b) by registered post acknowledgment due ; or

(c) by publication in a national daily newspapers in the English language and two national daily newspapers in the Urdu language and by advertisement in the electronic media in cases where the Authority is satisfied that it is not reasonably practicable to serve notices in any other manner.

(2) Every notice or process required to be served on, or delivered to, any person may be sent to the person at the address furnished by him for service or at the place where the person or his agent ordinarily resides or conducts business or personally works for gain and where a person is to be served during the course of the proceedings and such person has authorized an agent or representative to represent him in the proceedings, such agent or representative shall be considered duly authorized to accept service of a notice and process on behalf of the person concerned.

(3) In case an applicant does not fulfill any of the requirements of these rules or directions of the Authority regarding service or publication, the Authority may either reject the application or give such further directions, as it deems fit and proper on such terms and conditions as it may specify.

(4) No service or publication shall be deemed invalid by reason only of any defect in the name or description of a person if the Authority is satisfied that such service or publication is in all other respects sufficient.

4. Intervention.--(1) Any interested person who desires to participate in the proceedings may file an intervention request for leave to intervene alongwith the fee determined for the purpose by the Authority in the form of a bank draft or pay order in the like amount in favour of the Authority.

(2) The intervention request shall state the name and address of the person filing the same and shall describe the manner in which such person is or is likely to be substantially and specifically affected by any decision in the proceedings. The intervention request shall state the contention of the person making the same, the relief sought and brief particulars of the evidence such person intends to adduce during the course of the proceedings.

(3) The Authority may grant leave to intervene, subject to such conditions, if any, as it may deem appropriate, and it may grant leave to intervene without requiring attendance of the intervenes

(4) The Authority shall not pass an order refusing to grant leave to intervene without giving the intervener an opportunity of being heard or making a written representation. The Authority, while refusing leave to intervene, may direct the person making the intervention request to file such particulars before the Authority as may have been referred to in the intervention request, and such particulars may be taken into account by the Authority in accordance with paragraph 9 which shall, *mutatis mutandis*, be applicable to such communications.

(5) No intervention request may be filed or acted upon during a hearing unless permitted by the Authority after providing an opportunity for all parties to object thereto, which may be made orally or in writing, as the Authority may direct. If no objection is made, the Authority may decide to accept or reject the intervention request based on the procedural and substantive merits of the intervention request.

(6) No intervention request may be filed or acted upon after the close of hearing in the proceedings.

5. Reply and rejoinder.--(1) Bach person to whom a notice of the filing of an application is issued pursuant to clause (b) of sub-paragraph (4) of paragraph 2 or any person whose intervention request has been accepted by the Authority, who desires to oppose or support the application may file a reply within fifteen days of the date of service of notice or the date of acceptance of the intervention request, as the case may be, with such number of copies as may be directed by the Authority.

(2) In the event a person referred to in sub-paragraph (f) does not tile a reply, the Authority may decide the application on the basis of the documents and evidence submitted by the applicant.

(3) In the reply, the person filing the same shall specifically admit, deny or explain the facts stated in the application and may also state additional facts which are relevant and necessary for reaching a just and informed decision in the proceedings. The reply shall be signed, verified and supported by means of an affidavit in the same manner as in the case of the application.

(4) The person filing a reply shall serve a copy of the reply duly attested to be true copy on the applicant or its authorized representative and file proof of such service with the Registrar at the time of filing the reply.

(5) Where the person filing a reply states additional facts, data or reports, the Authority may allow the applicant to file a rejoinder to the reply within fourteen days of the order of the Authority to this effect.

(6) The procedure specified in this rule for filing of the reply shall also apply to the filing of rejoinder.

6. Comments and participation.--(1) A person, other than an intervener or a person to whom a notice pursuant to clause (b) of sub-paragraph (4) of paragraph 2 has been issued, who intends to file any comments in relation to those proceedings before the Authority, shall deliver to the Registrar a statement of comments.

(2) The Authority may permit such a person to participate in the proceedings, if the Authority considers that the participation of such a person shall facilitate the proceedings and the Authority's decision in the matter. The person filing the statement of comments pursuant to sub-paragraph (1) shall not be entitled as of right to participate in the proceedings.

(3) The Authority shall take into account the contents of any statement of comments filed pursuant to sub-paragraph (1) in the final decision. If the Authority deems fit, it may invite written representations by the parties to the proceedings in response to the statement of comments.

7. Hearings by the Authority.--(1) After the filing of the pleadings, the Authority shall examine the same and determine whether a hearing is required to arrive at a just and informed decision. For the purposes of determining the same, the Authority may administer discoveries and interrogatories to any person and may,--

- (a) issue direction for supply of farther or better particulars or information; or
- (b) require appearance of any person before it.

(2) If the Authority orders a hearing, it shall fix the date of hearing for the parties to present written or oral arguments on the basis of the pleadings. The Authority may also frame the issues over which the parties may be allowed to address arguments and present evidence before the Authority. In framing the issues, the Authority may exclude one or more issues or matters raised or stated in the pleadings and may include additional issues or matters not raised in the pleadings.

(3) If the Authority decides not to hold a hearing, it shall inform the parties of its decision not later than seven days of such decision. The parties shall, not later than ten days of receiving such notice, file with the Registrar the detailed evidence referred to in the pleadings.

(4) Notice of the commencement of a hearing shall be given at least fourteen days prior thereto, unless the Authority determines, for reasons to be recorded in writing, which a shorter period of notice is in the public interest:

Provided that, once hearing of the proceedings has commenced, notice of the next date of hearing may be of any period determined by the Authority and may be announced by the Authority at the time of adjournment of the hearing or by notice to the parties in accordance with sub-paragraph (1) of paragraph 6.

(5) The Authority shall maintain a public listing of all proceedings set for hearing at a place accessible to the general public

(6) All hearings shall be at the principal office of the Authority at Islamabad unless a different location or place or city is designated in the notice for hearing.

(7) Where, on a date fixed for hearing, any of the parties does not appear, the Authority may either dismiss the application for default of appearance of the applicant or proceed against the party in default ex parte and hear and decide the application provided that if all parties are absent without prior intimation, the proceedings may be dropped or closed as dismissed.

(8) Where an application has been dismissed or decided in default of appearance of a party, the person aggrieved may file a motion, within ten days of the date of such dismissal or decision, seeking a recall of the order passed. The Authority may recall the order on such terms as it considers fit. if it is satisfied that there was sufficient cause for non-appearance of the party.

(9) The Authority shall declare close of evidence following the submission of all the evidence by the parties. A party shall not present additional evidence after it has closed its evidence nor may any hearing be reopened after having been closed, except upon motion and the showing of good cause. The Authority shall give notice to all parties of its ruling upon such motion.

(10) Where the Authority decides not to hold a hearing, the evidence shall be deemed to have been closed thirty days prior to the expiry of the time prescribed under these rules.

(11) Notwithstanding the close of evidence in the proceedings, for the purposes of arriving at its final decision, the Authority may administer discoveries and interrogatories to any person and may,--

(a) issue direction for supply of further information; or

(b) require any person to appear before it,

(12) Where the Authority decides not to hold a hearing, it shall render its final determination in the proceedings on the basis of the pleadings, the evidence filed by the parties and the communications filed by any person.

8. **Discovery.**—(1) At any stage of the proceedings, the Authority may require any person to produce such documentary or other evidence as the Authority may consider necessary for the purpose of enabling it to conduct a fair hearing or to arrive at a just and informed decision:

Provided that such evidence shall only be used for the purposes of the hearing and shall be kept confidential by the Authority if the person providing the evidence proves, to the satisfaction of the Authority, that it would be detrimental to such person's interests if the evidence is disclosed.

(2) A party to any proceedings may, at any time before the close of evidence, make a motion to the Authority for discovery of any document or other information from any party to the proceedings or from any other person. The motion for discovery shall specify the nature and content of the discovery sought and its relevance to the issues in the proceedings. The Authority may,--

(a) after giving an opportunity of responding orally or in writing, within the time limit specified by it for the purpose, to the party by whom the discovery is sought, reject the motion for discovery if deemed by the Authority to be irrelevant or unnecessary for the purposes of the proceedings or unlikely to be of assistance to the Authority in its decision; or

(b) after giving an opportunity of responding orally or in writing, as deemed fit by the Authority, within the time-limit specified by it for the purpose, to the party against whom the discovery is sought, accept the same subject to any amendments to the contents or extent of the discovery request in the motion.

(3) Upon the acceptance of a motion for discovery, the Authority shall direct the person from whom the discovery is sought to produce the required documents or information before the Authority within the time-limit directed by the Authority and, upon production as aforesaid, the Authority shall provide a copy thereof to the party making the motion for discovery.

(4) Where the directions for discovery made by the Authority on the motion of a party are not complied with within the time-limit determined for the purpose, the party making the motion for discovery shall immediately bring such failure of discovery to the notice of the Authority. Failure of a party to file a motion to compel discovery in a timely manner may result in a waiver of its right to compel the discovery.

(5) A party which has produced any document, or information in response to a direction for discovery, shall be under a continuing duty to bring to the notice of the Authority any changes rendering the contents and meaning of any documents or information inaccurate or incomplete and shall amend such documents or information in accordance with the directions of the Authority.

9. **Interrogatories.**—(3) The Authority may, whether by itself or on a motion made by any party and granted by the Authority, on such terms as it may deem fit, administer written interrogatories to any person. The interrogatories shall state the

questions whose answers are sought by the Authority or any party to the proceedings. The Authority shall ensure that the questions stated in the interrogatories are relevant to the issues in the proceedings.

(2) A person to whom interrogatories are administered shall respond thereto within the time-limit specified by the Authority. The response to interrogatories shall be made in writing and shall be filed with the Registrar.

(3) Where interrogatories administered on the motion of a party are not responded to within the time-limit specified for the purpose by the Authority, the party making the motion for interrogatories shall immediately bring such failure of response to the notice of the Authority. Failure of a party to make a motion to compel response to the interrogatories in a timely manner may result in a waiver of its right to compel the response.

10. Transcripts.—(1) The Authority may on its own and shall on a request made by any party in writing at least seven days before the date of a hearing, arrange that the proceedings at the hearing be officially transcribed.

(2) If the hearings are transcribed pursuant to sub-paragraph (1), a party requesting a copy of the transcript shall pay to the Authority the reasonable cost of preparing the copy.

(3) A correction in the official transcript may be made only to make it conform to the evidence presented at the hearing. A correction in the official transcript agreed to by the parties may be incorporated into the record, if and when approved by the Authority, at any time during the hearing or after the close of evidence:

Provided that no correction in the official transcript shall be incorporated later than ten days from the date of receipt of the transcript by the party seeking the correction.

11. Tentative opinions.—(1) At any stage in a proceeding, the Authority may record, in writing its tentative opinion on the application or any particular issue therein. The purpose of recording such tentative opinion shall be to afford the applicant an opportunity to appraise the prospects of its application and accordingly to consider withdrawal or modification of its application or the evidence adduced by it. The tentative opinion shall contain a statement of reasons and a decision of each issue relevant to such opinion.

(2) Neither the Authority nor the applicant shall be bound, or in any manner be restricted, by a tentative opinion rendered pursuant to sub-paragraph (1) and nothing recorded in a tentative opinion shall be used in any manner prejudicial to the interests of the Authority or an applicant.

12. Decisions of the Authority.—(1) AM orders, determinations and decisions of the Authority shall be taken in writing and shall identify the decision of the Chairman and each member.

(2) The Authority shall decide an application within six months of the date of filing of the application:

Provided that the Authority may, only for causes beyond its control, extend the said one year period by a further period of one year, provided further that, the Authority shall not extend the time for its final decision in a proceeding beyond an aggregate period of two years. The reasons for such extension in time shall be recorded in writing.

(3) Copies of all orders and decisions made or issued by the Authority, shall be certified under the signature of the Registrar and the seal of the Authority and shall be made available to any person on payment of such fees as the Authority may, from time to time, determine. Copies of all such orders and decisions shall be available at the principal office at Islamabad for public inspection free of cost.

(4) Within thirty days of the final decision in the proceedings by the Authority, a party may file an application for review of the final decision. An application for review shall specify the grounds on which review is sought by the party. Parties to the proceedings shall be afforded a reasonable opportunity to respond to a motion for review, orally or in writing as deemed fit by the Authority. The Authority may, in its discretion, convene a conference or hearing to discuss the case. The Authority shall take action on an application for review within fourteen days of receipt of such application unless it gives notice to the parties, in writing, that a longer period of time will be required and specifies the additional period of time necessary to consider the motion.

13. Seal of the Authority.—(1) There shall be a seal of the Authority which shall remain in the custody of the Registrar.

(2) The seal of the Authority shall be affixed by the Registrar on all licences, orders, decisions or communications made, notices issued or certified copies granted by the Authority.

SCHEDULE-V

PART A

[See Rule 12(1)(c)]

Requirement of Lube Oil Blending Plant of 7500 Tons/Annum Capacity

Sr. No.	Facility	Requirement
1.	Land	4000 sq. yards with adequate facility for truck and container movements.
2.	Storage tanks of 15 days capacity 350,000 liters as per marketing plan	Operational requirement.
3.	Blending kettle with agitator, heating coil, level gauge minimum 2x 15 tons and 2x5 ton capacity	Operational requirement.
4.	Pumps, pipes and fitting as per requirement	Operational requirement
5.	Additive drum heating facility	Ease of mixing

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| 6. | Decanting trough with heating coil | Operational requirement |
| 7. | Boiler or suitable hot oil system of heat rating of 150 PSI steam or equivalent | Operational requirement |
| 8. | Measuring facilities for base oil and additives | Operational requirement |
| 9. | Inkjet or laser printer | Batch identification and tracing |
| 10. | Fully or semi-automatic filling machines for weight/volume control, shrink wrapping/ carton sealing, strapping etc. | Operational requirement |
| 11. | Finished oil storage tanks 7 days storage | Operational requirement |
| 12. | Furnace oil storage for 7 days use or Natural gas connection | Operational requirement |

LABORATORY REQUIREMENT FOR LUBE OIL BLENDING PLANT

Sr. No.	Facility	Requirement
1.	Kinematic Viscosity baths: Kinematic viscosity for 40C Kinematic viscosity for 100C Setting accuracy: +0.01 C Temperature range: From ambient to 150 C Thermometer: ASTM 120C/IP92C for 40 C Calibrated Viscometers: ASTM 121C/IP32 for 100C	ASTM- D 445
2.	Pour point apparatus with refrigeration up to -20 C	ASTM-D 97
3.	Flash point apparatus: Cleverly and open cup apparatus complete set	ASTM-D 93
4.	Furnace: to operate up to 1000 C:	
5.	Oven: to operate up to 200 C.	
6.	Colour comparator with tubes	ASTM-D 1500
7.	Potentiometer for determination of total acid number and total base number (TAN & TBN)	ASTM-D 664 ASTM-D 2896
8.	Balance electronics: Weighing accuracy +0.0001gm.	
9.	Atomic absorption spectra photo meter to determine metal content Ca, Zn, and Mg.	IP-288
10.	I hydrometers, jars and thermo meter to determine density and specific gravity.	ASTM-D 1298
11.	Apparatus for determination of foaming characteristics of lubricating oil complete unit.	ASTM-D 892

12. Cold cranking simulator to determine apparent viscosities of multi grade oils at low temperature -10C -15 c and -25 c. (if producing multi grade lubricants.)

SCHEDULE-V

PART B

[See Rule 12(1) (c)]

Requirement of Lube Oil Reclamation or Grease Plant

Sr. No.	Facility	Requirement
(1)	(2)	(3)
1.	Used Oil storage minimum.	50 Tons.
2.	Used Oil filtration minimum.	100 Mesh.
3.	Distillation facility of temperature rating 200 C, at 100 mm vacuum to obtain requisite flash point for removal of contaminated fuel and water minimum	10 ton.
4.	Acid treatment kettle minimum.	10 ton.
5.	Settling tank minimum.	12x2 ton.
6.	Sludge storage tanks, fully covered, with necessary facility for sludge removal minimum.	25 tons
7.	Neutralization kettle minimum.	10 ton.
8.	Filter press, plate and frame type or equivalent.	30 ton/day.
9.	Finished product storage tank minimum	70 tons.
10.	Boiler: 200 Psig or hot oil system of equivalent capacity.	Operational requirement

Grease Plant:

Sr. No.	Facility	Requirement
(1)	(2)	(3)
1.	Grease Blending Kettle alongwith all necessary facilities	10 Tons
2.	Base Oil Storage Tanks	To cover 7 days requirements
3.	Finished Products Storage Tanks	To cover 7 days requirements
4.	Boiler: 150 Psig	Operational requirement
5.	Furnace Oil Storage Tank	If natural gas not available
6.	Bulk, Drum and Tin filling arrangements	10 Tons per day

LABORATORY REQUIREMENT FOR LUBE OIL RECLAMATION OR GREASE PLANT

Lube Oil Reclamation Plant:

Sr. No.	Facility	Requirement
(1)	(2)	(3)
1.	Kinematic baths: Kinematic viscosity for 40C Kinematic viscosity for 100C Setting accuracy; +0.01 C Temperature range: From ambient to 150 C Thermometer: ASTM 120C/IP92C for 40 C Calibrated Viscometers: ASTM 121C/ IP 32 for 100 C	ASTM- D445
2.	Pour point apparatus with refrigeration up to -20 C	ASTM-D 97
3.	Flash point apparatus: Cleveland open cup apparatus complete set	ASTM-D 92
4.	Copper strip corrosion apparatus	ASTM-D 130
5.	Conradson carbon apparatus.	ASTM-D 189
6.	Furnace: to operate up to	1000 C.
7.	Oven: to operate up to	200 C.
8.	Colour comparator with tubes	ASTM-D 1500
9.	Potentiometer for determination of total acid number and total base number (TAN & TBN)	ASTM-D 664 ASTM-D 2896
10.	Balance electronics; Weighing accuracy +0.0001gm	
11.	Atomic absorption spectrophotometer to determine metal content Si and Al.	IP-288
12.	Hydrometers, jars and thermo meter to determine density and specific gravity.	ASTM D-1298
13.	Apparatus for determination of foaming characteristics of lubricating oil complete unit.	ASTM D-892
14.	Sponification No.	ASTM D-94
15.	Pentane insoluble.	ASTM D-893

Grease Plant:

Sr. No.	Facility	Requirement
1.	Stability Test Apparatus	ASTM D-942
2.	Dropping Point Apparatus	ASTM D-566
3.	Corrosion Test Apparatus	ASTM D-130
4.	Flash Point Apparatus	ASTM D-92
5.	Oven	ASTM D-972
6.	Penetroineter, Grease Hot Plate	ASTM 0-217
7.	Oil Separator	ASTM D-1742
8.	Hydrometer/Pycnometer	ASTMD 1298/D 70
9.	Balance	