

## **FREQUENTLY ASKED QUESTIONS**

**Question No.1      What is the criterion for establishing a new Oil Marketing Company?**

**Answer.**            The criteria for establishing a new Oil Marketing Company can be seen on website under the tab of 'Oil' as 'Criteria for the grant of licence to new Oil Marketing Company'.

**Question No.2      What is the minimum investment requirement for establishing a new Oil Marketing Company?**

**Answer.**            The minimum investment requirement for establishing a new Oil Marketing Company is Rs. 500 million over a period of 3 years with a minimum upfront equity of Rs.100 million.

**Question No. 3.    Is there any change in the criteria for new Oil marketing Company after the promulgation of the new Oil Rules?**

**Answer.**            No.

**Question No. 4    What is the procedure to submit application for establishing an Oil Marketing Company?**

**Answer.**            An application for licence to set up an oil marketing company to undertake marketing of petroleum products can be made, on the format set out in Part-J/K of Schedule-I, along with requisite documents (can be downloaded from the link as 'Application Form and Checklist for licensing of New/ Existing Oil Marketing Companies' under the tab of 'Oil').

**Question No. 5    What is the license fee for establishing a new Oil Marketing Company?**

**Answer.**            Rs. 2 Million

**Question No. 6    After the submission of application, for how long the Authority will grant a license?**

**Answer.**            After completion of all formalities by the applicant, the Authority shall initially issue a licence for a period of three years during which the licensee has to complete the oil storage infrastructure as given in the work program/ plan in accordance with the laid down technical standards.

**Question No. 7    When a new Company (i.e. license holder for establishing a new Oil Marketing Company) can start marketing of petroleum products?**

**Answer.**            After the completion of oil storage infrastructure (as per its submitted plan), its inspection through OGRA's appointed third party inspector and subsequent permission in writing by the Authority, company can commence its marketing operations.

**Question No. 8**      **What types of Lubricants Plants are being registered/ licensed by OGRA?**

**Answer.**              Three types of lubricants plants are being granted license by OGRA i.e. Blending, Reclamation and Grease Plants.

**Question No. 9**      **Are Pakistan Petroleum (Refining, Blending & Marketing) Rules, 1971 are effective or otherwise?**

**Answer**                The Federal Government has notified new Pakistan Oil (Refining, Blending, Storage, Transportation and Marketing,) Rules, 2016 w.e.f. 25-01-2016 which superseded the earlier Rules and currently all licenses are being issued under the new oil rules.

**Question No. 10**    **What about existing lubricant manufacturing plants and importers? Whether they have to apply for fresh license after the promulgation of new Oil Rules?**

**Answer.**              They have to apply for fresh license after promulgation of new Oil rules, 2016.

**Question No.11**    **What is the general procedure/ requirements of OGRA in acquiring License for lube Oil Plant?**

**Answer.**              The detail is available on the website along with applications form which can be downloaded from the link as 'Application Form & Checklist for Licensing of New/ Existing Lube Oil Blending/ Reclamation/ Grease Plant' under the tab of 'Oil'.

**Question No. 12**    **What is the difference between construction & operational license of a lube oil plant?**

**Answer.**              After completion of all formalities by the applicant for a new lube oil plant, the Authority initially issue a licence for construction for a period of one year during which the licensee has to complete the infrastructure (Part-A of Schedule V of the new Oil Rules for blending plant or Part-B of Schedule-V of new Oil Rules for reclamation or Grease Plant).

After the completion of the satisfactory construction of plant, 3<sup>rd</sup> Party Inspector will be deputed regarding verification of conformity of works and for trial production of plant. On satisfactory TPI report, operational license for the plant is granted by OGRA for a period of five years.

**Question No. 13**    **Can anyone import used oil for reclamation plant?**

**Answer.**              No. Import of used lube oil is banned in the Import Policy Order.

- Question No. 14**      **From where one can buy base oil for lubricants/blending?**
- Answer.**                      Local Source i.e. National Refinery or through imports.
- Question No. 15**      **How much is the license fee for acquiring license from OGRA for Lube oil Blending, Reclamation or Grease plant ? Further, how much is the annual fee prescribed in Pakistan Oil Rules, 2016 for Plants?**
- Answer.**                      License fee for an oil blending, reclamation or grease plant is Rs. 50,000/- whereas the annual fee is Rs. 100,000/-
- Question No. 16**      **What is the procedure to submit application for establishing a Lubricant Marketing Company?**
- Answer.**                      An application for licence to set up a lubricant marketing company can be made, on the format set out in Part-L/M of Schedule-I, along with requisite documents (can be downloaded from the link as 'Application Form and Checklist for Licensing of New/ Existing Lubricant Marketing Company' under the tab of 'Oil').
- Question No. 17**      **How much is the license fee for acquiring license from OGRA for Lubricant Marketing Company (LMC) ? Further, how much is the annual fee prescribed in Pakistan Oil Rules, 2016 for LMCs?**
- Answer.**                      License fee for Lubricant Marketing Company (LMC) is Rs. 1 Million; whereas the Annual fee is 0.005 % of the Gross Sales.
- Question No. 18**      **Do the Lubricant Marketing Company (LMC) can sell the imported finished lubricants or they can sell locally manufactured product?**
- Answer.**                      LMC can sell imported as well as local lubricants under the license through their authorized distributors.
- Question No. 19**      **What is the procedure to submit application for construction and operation of an Oil Refinery?**
- Answer.**                      An application for licence of an Oil Refinery can be made, on the format set out in Part-A/B/B1 of Schedule-I, along with requisite documents (can be downloaded from the link as 'Application Form and Checklist for licensing of New/ Existing Under Construction Oil Refineries' under the tab of 'Oil').
- Question No. 20**      **How much is the license fee for acquiring license from OGRA for an Oil Refinery? Further, how much is the annual fee prescribed in Pakistan Oil Rules, 2016 for it?**
- Answer.**                      License fee for Oil Refinery is Rs. 2 Million; whereas the Annual fee is 0.005 % of the Gross Sales.

**Question No. 21**      **Which is the minimum configuration requirement for an Oil Refinery?**

**Answer.**              As per GOP policy, only semi-conversion or fully conversion refinery can be set up.

**Question No. 22**      **What is the procedure to submit application for a new Oil pipeline?**

**Answer.**              An application for licence to set up a new Oil Refinery can be made, on the format set out in Part-E of Schedule-I, along with requisite documents (can be downloaded from the link as 'Application Form and Checklist for licensing of New/ Existing/ Under Construction Oil Pipelines' under the tab of 'Oil'.

**Question No. 23**      **How much is the license fee for acquiring license from OGRA for an Oil Pipeline? Further, how much is the annual fee prescribed in Pakistan Oil Rules, 2016 for it?**

**Answer.**              License fee for Oil Pipeline is Rs. 2 Million; whereas the Annual fee is 0.005 % of the Gross Sales.

**Question No. 24**      **What is the criterion for issuance of license for an Oil Pipeline?**

**Answer.**              Rule 25 of the Pakistan Oil Rules 2016 may be seen in this regard [can be downloaded from the link as 'Pakistan Oil (Refining, Blending, Transportation, Storage and Marketing) Rules, 2016' under the tab of 'Rules'].

**Question No. 25**      **What is the procedure to submit application for construction or operation of an Oil Storage?**

**Answer.**              An application for licence of an Oil Storage, on the format set out in Part-G/H/I of Schedule-I, along with requisite documents (can be downloaded from the link as 'Application Form and Checklist for licensing of New/ Existing/ Under Construction Oil Storages and to Undertake Storage of Oil in Non-Oil Storage Facility' under the tab of 'Oil'.

**Question No. 26**      **How much is the license fee for acquiring license from OGRA for an Oil Storage? Further, how much is the annual fee prescribed in Pakistan Oil Rules, 2016 for it?**

**Answer.**              License fee for Oil Storage is Rs. 100,000/-; whereas the Annual fee is Rs. 100,000/-.

**Question No. 27**      **What is the procedure to submit application for establishing or operation of an Oil Testing Facility?**

**Answer.**              An application for licence of an Oil Testing Facility, on the format set out in Part-N of Schedule-I, along with requisite documents (can be downloaded from the link as 'Application Form and Checklist for licensing of New/ Existing Oil Testing Facilities' under the tab of 'Oil'.

**Question No. 28**      **How much is the license fee for acquiring license from OGRA for an Oil Testing Facility? Further, how much is the annual fee prescribed in Pakistan Oil Rules, 2016 for it?**

**Answer.**              License fee for Oil Testing Facility is Rs. 500,000/-; whereas the Annual fee is Rs. 500,000/-.

**Question No. 29**      **How one can approach OGRA for license?**

**Answer.**              Either through our website [www.ogra.org.pk](http://www.ogra.org.pk) or through personal visit to our Head Office located at 54-B, ZTE Plaza, Fazl-e-Haq Road, Blue Area, Islamabad