

**THE REGULATION OF MINES AND OILFIELDS AND MINERAL
DEVELOPMENT
(GOVERNMENT CONTROL) ACT, 1948**

Act No.XXIV of 1948

(8th January, 1949)

An Act to make provision for certain matters connected with the Regulation of Mines and Oilfields and Mineral Development.

WHEREAS it is expedient to make provision for certain matters connected with the Regulation of Mines and Oilfields and Mineral Development under ¹[Government Control];

and whereas it appears to the Central Government to be expedient in the public interest to make such provision to the extent hereinafter appearing;
it is hereby enacted as follows:

1. Short Title, Extent and Commencement

(1) This act may be called the Regulation of Mines and Oilfields and Mineral Development ¹[Government Control] Act, 1948.

(2) ²[It extends to the whole of Pakistan.]

(3) It shall come into force on such date as the Central Government may, by notification in the official Gazette, appoint in this behalf.

2. Power to Make Rules

It is hereby declared to be expedient in the public interest that the ³[appropriate Government] shall have the power to make rules to provide for all or any of the following matters, namely:-

(1) the matter in which, and the authority to whom application for the grant or renewal of an exploration or prospecting licence, a mining lease or other mining concession shall be made, and the prescribing of the fees to be paid on such application;

(2) the conditions in accordance with which the grant or renewal of an exploration or prospecting licence, and mining lease or other mining concession may be made, and the prescribing of forms for the execution or renewal of such licence, lease, and concessions;

¹ Subs. By A.O., 1964, Art. 2 and Sch., for "Federal Control".

² Subs, by the Central Laws (Statue Reform) Ordinance, 1960 (21 of 1960), s. 3 and 2nd Sch., for the original sub-section (2) (with effect from the 14th October, 1955)

³ Sub. by A.O., 1964, Art. 2 and Sch., for "Central Government"

(3) the circumstances under which renewal of a licence, lease or concession as aforesaid may be refused, or any such licence, lease or concession whether granted or renewed may be revoked;

(4) the determination of the rates at which, and the conditions subject to which, royalties, rents and taxes shall be paid by licensees, lessees and grantees of mining concessions;

(5) the refinement of ores and mineral oils;

(6) the control of production, storage and distribution of minerals and mineral oils;

(7) the fixation of the prices at which minerals and mineral oils may be bought or sold; and

(8) any matter ancillary or incidental to the matters set out in the foregoing clauses of this section, and the appropriate Government may, by notification in the official Gazette, make rules accordingly.

3. **Penalties**

In making any rule under the preceding section the ¹[appropriate Government] may direct that any breach of that rule shall be punishable with imprisonment for a term which may extend to three years, or with fine or with both.

²**3A. Production sharing agreement.** (1) Notwithstanding anything contained in any other law or rules for the time being in force, the President may enter into an agreement with any company, whether incorporated in Pakistan or outside Pakistan, for the grant of a licence or lease to explore, prospect and mine petroleum on the basis of a Production Sharing Agreement and on such terms and conditions as may be agreed upon between the Federal Government and the company.

(2) Notwithstanding anything contained in the Income Tax Ordinance 1979 (XXXI of 1969) a company with which an agreement such as is referred to in sub-section (1) is for the time being in force shall not be liable to pay tax on its income, profits or gains.

3B. Concessions to petroleum exploration companies.- (1) Notwithstanding anything contained in any other law for the time being in force, every company, whether incorporated in Pakistan or outside Pakistan, to whom a licence or a lease to explore, prospect and mine petroleum is granted under this Act, not being a company such as is referred to in sub-section (1) of section 3A, shall be entitled to the concessions specified

¹ Subs. By A.O., 1964 Art.2 and Sch., for "Central Government".

² New sections 3A & 3B inserted by the Act. No. LXXXIII of 1976, Gazette of Pakistan Extr., Pt. I, P. No. 18, dated January 4, 1977.

in the Schedule in addition to any concessions for the time being admissible to it under any other law or the rules made under this Act.

(2) The Federal Government may, by notification in the official Gazette, amend the Schedule so as to add any concessions thereto or to improve any concession therein]

4. **Effect of Rules etc.
Inconsistent with other Enactments**

Any rule made under this Act, and any order made under any such rule, shall have effect notwithstanding anything inconsistent therewith contained in any enactments or in any instrument having effect by virtue of an enactment other than this act.

5. **Power to Exempt**

The ¹[appropriate Government] may, by notified order, declare that any mineral or mineral oil or any class or description thereof shall be exempt from all or any of the provisions of the rules made under this Act, or that such provisions shall apply thereto with such modification or subject to such conditions as may be specified in the order.

6. **²Definition of appropriate Government**

In this Act, " appropriate Government" means, in relation to mines of nuclear substances, oilfields and gasfields, and development of such substances, mineral oil and gas, the Central Government and, in relation to the other mines and mineral development, the Provincial Government.]

¹ Subs. by A.O., 1964, Art. 2 and Sch. For "Central Government".

² Section 6 added by A.O., 1964, Art. 2 and Sch.