

"Amnesty" scheme for recovery of GIDC may be announced

The federal government is likely to announce "amnesty" scheme for recovery of outstanding Gas Infrastructure Development Cess (GIDC) through amendment in GIDC Amendment Act 2019, which has landed in the Ministry of Law and Justice for vetting, sources close to Minister for Petroleum told Business Recorder.

The sources said that an amount of Rs 289 billion has been collected during the period from January 2012 to February 2019 on account of GIDC from industry, Captive Power Plants (CPPs), Independent Power Producers (IPPs), Karachi Electric (KE), Generation Companies (Gencos), CNG sectors and fertilizer sector against total accrued amount of Rs 741 billion. An amount of Rs 452 billion is still outstanding.

It was stated that an amount of Rs 382.57 billion was outstanding against various customers on account of GIDC due to different litigation cases filed from time to time.

While giving details of court cases, the sources said, 5 CPLAs and 1 Constitutional petition were filed in Supreme Court of Pakistan whereas 14 writ petitions are in the Islamabad High Court. Moreover, 200 suits, seven constitution petitions and two appeals are pending in Sindh High Court. And nine writ petitions were filed in Peshawar High Court and more than 10 writ petitions are in the Lahore High Court.

The sources said, the ECC, in one of its recent meetings directed the Petroleum Division to submit a report for its consideration regarding: (i) number of court cases where courts have granted stay orders on payment of GIDC; and (ii) a number of cases where there is no such stay order from courts.

According to sources, the salient features of GIDC amendment Act, 2019 are as follows: (i) out of court settlement for litigants - 50 per cent waiver of arrear amounts which are held up due to protracted litigations; (ii) waiver of interest rate for all consumers till enactment of litigation; (iii) signing of settlement agreement by consumer with respective gas company within 90 days of Act; (iv) option to consumers for non-cash settlement of GIDC arrears against GST claims, subsidy claims and DLTL claims with FBR after signing of settlement agreement with respective gas company; (v) payment can be made in two installments" within 30 days of signing of settlement agreement, 2nd within three months of the signing of settlement agreement; (vi) one time opportunity to CNG stations who could not avail the dispensation under GIDC Amendment Act, 2018; (vii) prospective reduction of cess rates for all consumers subject to payment of settlement amounts under the agreement and withdrawal of court cases;(viii) consumers who fail to pay 2nd installment will be levied maximum cess rates as provided in second schedule; and (ix) consumers who do not wish to enter into settlement agreement will be pursued in the respective courts for full recovery of outstanding amounts.

The sources further stated that the draft of proposed GIDC amendment Act 2019 has been sent to Ministry of Law and Justice for vetting. As the Ministry of Law clears the amendments these will be submitted to the Cabinet Committee on Legislative Cases (CCLC) and subsequently to the Federal Cabinet.

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