

S. A. Salam's
Income Tax
Ready Reference

Update No. 05 of 2026 – September 15, 2026

Brief Summary of Material

It gives me great pleasure to complete **5th** update of Income Tax Ready Reference. This update comprises of **40** pages:–

Page	Description	Subject
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Circulars 2026

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4	1(500)SA-M(IR-Op)/26 10-07-2026	Recovery Procedure u/s 140 of the Income Tax Ordinance, 2001
5	1(500)SA-M(IR-Op)/26 31-08-2026	Circular No. 01 of 2026-27 dated 31.08.2026 IR- Operations Mandatory use of Compliance Risk Management (CRM) System for Initiation of Assessment Proceedings under the Income Tax Ordinance, 2001 with effect from 1 st September, 2026.
6	1(1)S(Admn)/2026 02-09-2026	Observance of Normal Working Hours on Saturday, 5th September, 2026.
6	1(50)S(ITP)/2026 08-09-2026	Circular No. 02 of 2026-27 dated 08.09.2026 IR-Policy – re: Finance Act, 2026- Explanation of Important Amendments made in the Income Tax Ordinance, 2001.

Notifications 2026

(Please replace existing page 9)

9	SRO 1129(I)/2026 16-07-2026	Exemption of Default Surcharge and Penalties against Current Tax Liability of PIACL under section 183 of the Income Tax Ordinance, 2001
10	SRO 1165(I)/2026 27-07-2026	Amendment in the Income Tax Rules, 2002 – Rule 231CB: Regarding Independent Case Scrutiny Committees
16	SRO 1166(I)/2026 27-07-2026	Special Procedure for Small Shopkeepers
16	SRO 1286(I)/2026 05-08-2026	Amendment in the Income Tax Rules, 2002 – Rule 231CB: Regarding Independent Case Scrutiny Committees

- 19 SRO 1335(I)/2026
07-08-2026 Amendment in the SRO 644(I)/2026 dated 16.04.2026-
Value of Immovable Properties of Islamabad
- 19 SRO 1382(I)/2026
17-08-2026 Amendment in the SRO 1728(I)/2024 dated 29.10.2024-
Value of Immovable Properties of **Rawalpindi**
- 20 SRO 1439(I)/2026
27-08-2026 Amendments in S.R.O 924(I)/2020 dated 29-09-2020-
FBR's Anti Money Laundering and Countering Financing of
Terrorism Regulations for DNFBPS, 2020
- 21 SRO 1444(I)/2026
28-08-2026 Amendment in the SRO 1723(I)/2024 dated 29.10.2024-
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- 22 SRO 1495(I)/2026
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- 22 SRO 1497(I)/2026
02-09-2026 Amendments in the DNFBPs (Regulatory Powers and
Functions) Regulations, 2020
- 30 SRO 1513(I)/2026
09-09-2026 Amendment in the SRO 1728(I)/2024 dated 29.10.2024-
Value of Immoveable Properties of **Rawalpindi**

Yours sincerely,
(Manager)

[2026 ITN 1]

Amendments in the Income Tax Rules, 2002 - Rule 81B
Re: Active Taxpayers List (ATL)

SRO 17(I)/2026, Islamabad, the 08th January, 2026.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, which as required by sub-section (3) of section 237 of the said Ordinance were previously published vide Notification No. S.R.O. 2423(I)/2025, dated 11th December, 2025, namely:-

In the aforesaid Rules, in rule 81B, for sub-rule (9), the following shall be substituted, namely:-

(9) In the case of a person on the active taxpayers' list of the Azad Jammu and Kashmir Central Board of Revenue or Gilgit-Baltistan Council Board of Revenue, the name of such person shall be included in the active taxpayers' list under section 181A of the Ordinance, if-

- (a) his temporary or permanent address is in the Azad Jammu and Kashmir or, as the case may be, in the Gilgit-Baltistan; and
- (b) his temporary and permanent addresses are in Pakistan, the following procedure shall be adopted, namely:-
 - (i) the Commissioner Inland Revenue, having jurisdiction over the case on the basis of his temporary address mentioned on the CNIC, shall verify the non-existence of any employment or business in Pakistan through IRIS after making inquiry and seeking undertaking from such person; and
 - (ii) the concerned Commissioner of Azad Jammu and Kashmir Central Board of Revenue or Gilgit-Baltistan Council Board of Revenue, as the case may be, shall verify the employment or sole business existence in the Azad Jammu and Kashmir or the Gilgit-Baltistan through IRIS:

Provided that where the Commissioner Inland Revenue has any reason to believe that the person, whose name has been included under clause (a) or (b), is liable to file return of income under section 114 of the Ordinance and the person does not comply with the notice under sub-section (4) of section 114 of the Ordinance, his name shall be removed from the active taxpayers' list under section 181A of the Ordinance.]

[F. No. 1(78)R&S/2016 Pt-II]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 2]

Amendments in the Inland Revenue Reward Rules, 2021 - Rule 6
Re: Reward for Meritorious Services

SRO 89(I)/2026, Islamabad, the 21st January, 2026.- In exercise of the powers conferred by section 227A, 227B and sub-section (1) of section 237 of the Income Tax ordinance, 2001, (XLIX of 2001), section 72C and 72D of the Sales Tax Act, 1990, section 42C and 42D of the Federal Excise Act, 2005 and sub-section (3) of section 3 of the Islamabad Capital Territory (Tax on Services) Ordinance, 2001 (XLII of 2001), the Federal Board of Revenue is pleased to direct that the following further amendment shall be made in the Inland Revenue Reward Rules, 2021, which have been previously published vide Notification No. S.R.O. 2485(I)/2025, dated the 23rd December, 2025, as required by sub-section (3) of section 237 of the said ordinance, namely:-

In the aforesaid rules, in rule 6, for clause (ii), the following shall be substituted, namely:-

“(ii) The amount of reward for meritorious services shall not be more than twenty-four salaries during the financial year in the case of each employee.”.

[4(44)R&S/2016/Part File]

(Muhammad Amin Qureshi)
 Secretary (Rules & SROs)

[2026 ITN 3]

Supersession of S.R.O. 2392(I)/2025, dated 8th December, 2025 - Revision of Value of Immovable Properties of Islamabad

SRO 163(I)/2026, Islamabad, the 02nd February, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001) and in supersession of its Notification No. S.R.O. 2392(I)/2025, dated 8th December, 2025, the Federal Board of Revenue is pleased to determine the following fair market values of immovable properties as specified in columns (3), (4), (5) and (6) of the Table below in respect of areas of Islamabad as specified in column (2) thereof, namely:-

2. The value of residential and commercial superstructure shall be-
 - (a) Rs. 3000 per square foot if the superstructure is up to five years old; and
 - (b) Rs. 1500 per square foot if the superstructure is more than live years old.
3. Valuation of Rural Areas of Islamabad Capital Territory shall be taken as notified vide No.1-69/I(182)/DRA dated 01-07-2025 by Additional Deputy Commissioner (Revenue)/ District Collector Islamabad.
4. In case of conflict in rates of a particular area the higher of the two values shall apply.

(Table not reproduced here for the sake of brevity)

[File No.2(15)R&S/2024]

(Muhammad Amin Qureshi)
 Secretary (Rules & SROs)

02 of 2026 10-04-2026

[2026 ITN 4]

Amendment in the S.R.O. 1712(I)/2024, dated 29th October, 2024 - Revision of Immovable Property Valuation - Sialkot)

SRO 256(I)/2026, Islamabad, the 11th February, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1712(I)/2024 dated the 29th October, 2024, namely:-

In the aforesaid notification, in Table-I, in column (1), against Sr. No. 6, in columns (3) and (4), for the figure “27,574” and “31,574”, the figure “2,757” and “5,735” shall be substituted respectively.

[F. No. 2(45)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 5]

Amendment in the SRO 163(I)/2026 dated February 02, 2026 - Revision of Value of Immovable Properties of Islamabad

SRO 332(I)/2026, Islamabad, the 24th February, 2026.- In exercise of powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. 163(I)/2026, dated 2nd February, 2026, namely:-

In the aforesaid Notification, in the Table, in column (1),-

- (i) for S. No. 1, under titled Naval Anchorage, and the entries relating thereto in columns (2), (3), (4), (5) and (6), the following new S. Nos. and the entries relating thereto in columns (2), (3), (4), (5) and (6) shall be substituted, namely:-

“Sr. No.	Description	Residential open plots per Sq Yards	Residential Built-up Apartment/ Flat per Sq foot	Commercial open plot per Sq Yards	Commercial built-up per Sq Foot
-1	-2	-3	-4	-5	-6
Naval Anchorage					
1	Open Plots with possession	20,000	-	13,774	-
2	Open Plots without possession	8,000	-	8,000	-”

- (ii) for S. No. 3, under titled Agro/Poultry/Vegetable Farm (Value Per Kanal/500 Square Yards), and the entries relating thereto in columns (2), (3), (4), (5) and (6), the following new S. Nos. and the entries relating thereto in columns (2), (3), (4), (5) and (6) shall be substituted, namely:-

"Sr. No.	Description	Residential open plots per Sq Yards	Residential Built-up Apartment/ Flat per Sq foot	Commercial open plot per Sq Yards	Commercial built-up per Sq Foot
-1	-2	-3	-4	-5	-6
Agro/Poultry/Vegetable Farm (Value Per Kanal/500 Square Yards)					
3	Naval Farms With possession	2,000,000	-	-	-
3A	Naval Farms Without possession	800,000	-	-	-"

[F. No. 2(15)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 6]

Amendment in the SRO 1216(I)/2025 dated July 08, 2025 - Exemption on Import of White Crystalline Sugar.

SRO 455(I)/2026, Islamabad, the 05th March, 2026.- In exercise of the powers conferred by sub-section (2) of section 53 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to direct that the following further amendment shall be made in its Notification No. S.R.O. 1216(I)/2025 dated 8th July, 2025, namely:

In the aforesaid Notification, in condition (iii), for the expression "30th day of November, 2025", the expression "28th day of February, 2026" shall be substituted."

[F. No. 1(77)R&S/2020]

(Sajjad Taslim Azam)
Member (Inland Revenue Policy)/ Additional Secretary

[2026 ITN 7]

Supersession of S.R.O. 163(I)/2026, dated February 02, 2026 & SRO 332(I)/2026 dated February 24, 2026 - Revision of Value of Immovable Properties of Islamabad

03 of 2026 20-06-2026

SRO 644(I)/2026, Islamabad, the 16th April, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance.2001 (XLIX of 2001) and in supersession of its Notification No. S.R.O. 163(I)/2026, dated 2nd February, 2026, and S.R.O. 332(I)/2026 dated 24th February, 2026, the Federal Board of Revenue is pleased to determine the following fair market values of immoveable properties as specified in columns (3), (4), (5) and (6) of the Table below in respect of areas of Islamabad as specified in column (2) thereof, namely:-

2. The value of residential and commercial superstructure shall be-
 - (a) Rs.2500 per square foot if the superstructure is up to five years old; and
 - (b) Rs.1200 per square foot if the superstructure is more than five years old.
3. Valuation of Rural Areas of Islamabad Capital Territory shall be taken as notified vide No.I-69/1(182)/DRA dated 01-07-2025 by Additional Deputy Commissioner (Revenue)/ District Collector Islamabad.
4. In case of conflict in rates of a particular area the higher of the two values shall apply.”

(Table not reproduced here)

[F. No. 2(15)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 8]

Amendment of S.R.O. S.R.O. 1688(I)/2024, S.R.O. 1691(I)/2024, 1729(I)/2024, S.R.O. 1730(I)/2024 all dated October 29, 2024 -Revision of Value of Immovable Properties of Multan, Faisalabad, Bahawalpur & Gujranwala

SROs 650 to 653(I)/2026, Islamabad, all the 21st April, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance.2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the above titled SROs:-

(Table not reproduced here)

[F. No. 2(21)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

03 of 2026 20-06-2026

[2026 ITN 9]

Amendment of S.R.O. S.R.O. 1712(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Sialkot

SRO 662(I)/2026, Islamabad, the 22nd April, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance.2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1712(I)/2024, dated the 29th October 2024, namely:-

(Table not reproduced here)

[F. No. 2(45)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 10]

**Rationalization of Tax Concessions on Import of White Crystalline Sugar and
Withdrawal of Extended Cut-off Date and rescinded SROs 455(I)/2026 dated March 05,
2026 and 527(I)/2026 dated March 19, 2026**

SRO 663(I)/2026, Islamabad, the 22nd April, 2026.- In exercise of the powers conferred under section 3 of the Sales Tax Act, 1990, read with section 19 of the Customs Act, 1969 (IV of 1969) and sub-section (2A) of section 148 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Government is pleased to rescind the following notifications, with immediate effect, namely:-

- (i) S.R.O. No. 455(1)/2026 dated the 5th March, 2026; and
- (ii) S.R.O. No. 527(1)/2026 dated the 19th March, 2026.

[3(8)ST &FE-Policy/2025]

(Sajjad Taslim Azam)
Member (Inland Revenue Policy)/ Additional Secretary

[2026 ITN 11]

**Exemption of Default Surcharge and Penalties against Current Tax Liability of Pakistan
International Airlines Corporation Limited**

SRO 799(I)/2026, Islamabad, the 04th May, 2026.- In exercise of the powers conferred under section 183 of the Income Tax Ordinance, 2001 (XLIX of 2001), and in pursuance of the Cabinet Decision in Case No. 928/Rule-19/2025/ 1253 dated the 31st December, 2025, the Federal Government is pleased to exempt default surcharge and penalties against the current tax liabilities of the Pakistan International Airlines Corporation Limited (PIACL), amounting to Rs.8,765,972,000/-, subject to the final determination, in order to successfully conclude the process for divestment of PIACL to the successful bidder and to ensure timely execution of the bid documents and satisfaction of terms contained therein.

This exemption shall be subject to the condition that the current liabilities of the PIACL (amounting to PKR 8,765,972,000/-) as at 30th June, 2025 shall be paid to the Federal Board of Revenue within a period of four years, following a grace period of one year in equal annual installments, after First Completion as defined in the Share Purchase and Subscription Agreement between the Government of Pakistan and successful bidders.

[No.1(5)R&S/2026]

(Sajjad Taslim Azam)
Member (Inland Revenue)/ Additional Secretary

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[2026 ITN 12]

Amendment of S.R.O. S.R.O. 1722(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Lahore

SRO 876(I)/2026, Islamabad, the 19th May, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1722(I)/2024, dated the 29th October 2024, namely:-

In aforesaid notification, in the Table, in column (1)-

- (i) the following serials numbers 1330, 1331, 1332, 1333, 1334, 1335, 1316, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355, 1156, 1357, 1358, 1359, 1360, 1361, 1362 and 1363 and entries relating thereto in columns (6) and (7) shall be substituted, namely:-

(Table not reproduced here)

- (ii) after S. No. 1363 and entries relating thereto in columns (6) and (7), the following new S. No. and entries relating thereto in column (6) and (7) shall be inserted, namely:-

(Table not reproduced here)

[F. No. 2(17)R&S/2017]

(Muhammad Amin Qureshi)
Secretary Rules & SRO

[2026 ITN 13]

Amendment of S.R.O. S.R.O. 1728(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Rawalpindi

SRO 877(I)/2026, Islamabad, the 19th May, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1728(I)/2024, dated the 29th October 2024, namely:-

In aforesaid Notification, in the Table, in column (1), the following serials numbers 5768, 5769, 5770, 5771, 5772, 5773, 5774, 5775, 5776, 5777, 5778, 5779, 5780, and 5781 and entries relating thereto in columns (6) and (7) shall be substituted, namely:-

(Table not reproduced here)

[F. No. 2(31)R&S/2024]

(Muhammad Amin Qureshi)
Secretary Rules & SRO

[2026 ITN 14]

Amendment in the Income Tax Rules, 2002- Rules 80B

SRO 879(I)/2026, Islamabad, the 20th May, 2026.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 856(I)/2026, dated 11th May 2026 as required by sub-section (3) of section 237 of the said Ordinance, namely:-

In the aforesaid Rules, in rule 80B,-

(i) in sub-rule (1), for clause (a), the following shall be substituted, namely:-

“(a) number of CNIC, NICOP, POC or foreign passport;” and

(ii) after sub-rule (5), the following new sub-rule shall be added, namely:-

“(6) Notwithstanding anything contained in sub-rule (3) and (4), an International Non-Government Organization (INGO) required to be registered under sub-rule (3) and (6) of rule 80 shall provide-

- (a) name of taxpayer;
- (b) business address;
- (c) accounting period;
- (d) phone number of business;
- (e) principal business activity;
- (f) name and address of principal officer or authorized representative of the company;
- (g) authority letter for appointment of principal officer or authorized representative of the company for applying for registration in Pakistan;
- (h) cell phone number of principal officer or authorized representative of the company;
- (i) email address of principal officer or authorized representative of the company;
- (j) tax registration or incorporation document from concerned regulatory authorities of the foreign country;
- (k) letter from the concerned embassy verifying the credentials of the INGO;
- (l) proof of local residence (rent/lease agreement and electricity bill, etc) with complete address and telephone numbers;
- (m) no objection certificate (NOC) issued by the Ministry of Interior and Narcotics Control;
- (n) Memorandum of Understanding (MoU) signed between the Government of Pakistan and the INGO; and
- (o) following particulars of directors or trustees and major shareholder having 10% or more shares in case of company or partners in case of an AOP, namely:-

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- (i) name;
- (ii) nationality;
- (iii) passport; and
- (iv) Percentage of share.”.

[F. No. 1(10)R&S/2026]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 15]

Exemption of Default Surcharge and Penalties against Current Tax Liability of PIACL under section 183 of the Income Tax Ordinance, 2001

SRO 1129(I)/2026, Islamabad, the 16th July, 2026.- In exercise of the powers conferred under section 183 of the Income Tax Ordinance, 2001 (XLIX of 2001), and in supersession of its Notification No. S.R.O. 799(I)/2026 dated 4th May 2026, and in pursuance of Cabinet decision in Case No. 411/Rule-19/2026-497 dated 15.06.2026, the Federal Government is pleased to exempt amount of default surcharge and penalties, payable against the current income tax liabilities, mentioned in column (3), of the Pakistan International Airlines Corporation Limited (PIACL), detailed as under:

S. No.	Tax Period	Amount
(1)	(2)	(3)
1	Withholding Tax (Other than Salary) - April to Dec.2024	263,821,746
2	Advance Income Tax (May 2024 to June 2025)	4,028,821,290
	TOTAL	4,292.643,036

The above current tax liabilities are subject to the final determination, in order to successfully conclude the process for divestment of PIACL to the successful bidder, and to ensure timely execution of the bid documents and satisfaction of terms contained therein.

This exemption shall be subject to the condition that the current income tax liabilities of the PIACL as mentioned above, shall be paid to the Federal Board of Revenue within a period of four years, following a grace period of one year in equal annual installments, after First Completion as defined in the Share Purchase and Subscription Agreement between Government of Pakistan and successful bidders.

[No. 1(5)R&S/2026]

(Sajjad Taslim Azam)
Member (Inland Revenue Policy)/Additional Secretary

05 of 2026 15-09-2026

[2026 ITN 16]

Amendment in the Income Tax Rules, 2002 – Rule 231CB: Regarding Independent Case Scrutiny Committees.

SRO 1165(I)/2026, Islamabad, the 27th July, 2026.- In exercise of the powers conferred by sub-section (4) of section 133A read with sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 1138(I)/2026, dated the 21st July, 2026, as required under sub-section (3) of the said section 237, namely:-

In the aforesaid rules, after rule 231CA, the following new rule shall be inserted, namely:-

“231CB. Independent case scrutiny committees.- (1) This rule shall provide for constitution of independent case scrutiny committees.

- (2) In this rule, unless there is anything repugnant in the subject or context,-
- (a) “Chairman” means the chairman of the independent case scrutiny Committee;
 - (b) “Commissioner” means as defined in clause (13) of section 2 of the Income Tax Ordinance 2001 (XLIX of 2001);
 - (c) “Committee” means any of the Independent Case Scrutiny Committees constituted under these rules for specified territorial jurisdiction;
 - (d) “petition” means a petition to the Supreme Court under Article 185(3) of the Constitution of the Islamic Republic of Pakistan or Federal Constitutional Court arising from any of the tax laws;
 - (e) “reference” means a reference to the High Court under Section 133 of the Income Tax Ordinance, 2001 (XLIX of 2001);
 - (f) “Secretary” means an officer of Inland Revenue nominated by the Board for the purposes of the Committee;
 - (g) “Serving member of the Committee” means an in service officer of BS 20 or above of Inland Revenue service; and
 - (h) “tax laws” means the Income Tax Ordinance, 2001 (XLIX of 2001), the Customs Act, 1969 (IV of 1969), the Sales Tax Act, 1990, and the Federal Excise Act, 2005 and includes any rules, regulations, or notifications issued thereunder.

(3) The Board by an order shall constitute the following committees with powers, functions and jurisdiction, namely:-

Committee No.1			
S. No.	Member	Status	Functions and Jurisdiction

05 of 2026 15-09-2026

1	A retired Judge of the Supreme Court, Federal Constitutional Court or any of the High Courts of Pakistan	Chairman	(i) to timely examine each case and make recommendation to file or otherwise a reference before the High Court, a petition before the Supreme Court or Federal Constitutional Court;
2	An Advocate having not less than fifteen years' experience in tax and commercial litigation before the High Courts and / or the Supreme Court of Pakistan	Member	(ii) to review pending references and petition periodically to determine whether continuation of litigation is warranted in the interest of revenue; (iii) to maintain a database of settled legal questions and relevant precedents to guide future litigation decisions and ensure consistency, and
3	A senior serving or retired officer of the IRS of BS 20 of above	Member	(iv) to identify systemic issues requiring legislative or administrative intervention and recommend appropriate measures to the Board. Jurisdiction: References to be filed before Islamabad High Court and CPLAs before the Supreme Court and Federal Constitutional Court by LTO Islamabad, CTO Islamabad, RTO Islamabad, RTO Peshawar, RTO Abbottabad DG I&I Islamabad and its Directorates

Committee No.2

S. No.	Member	Status	Functions and Jurisdiction
1	A retired Judge of the Supreme Court, Federal Constitutional Court or any of the High Courts of Pakistan	Chairman	(i) to timely examine each case and make recommendation to file or otherwise a reference before the High Court, a petition before the Supreme Court or Federal Constitutional Court; (ii) to review pending references and petitions periodically to determine whether continuation of litigation is warranted in the interest of revenue; (iii) to maintain a database of settled legal questions and relevant precedents to guide future litigation decisions and ensure consistency; and (iv) to identify systemic issues requiring legislative or administrative intervention and recommend appropriate measures to the Board.

2	An Advocate having not less than fifteen years' experience in tax and commercial litigation before the High Courts and/or the Supreme Court of Pakistan	Member	Jurisdiction: References to be filed before Lahore High Court and CPLAs before the Supreme Court and Federal Constitutional Court by LTO Lahore, LTO Multan, CTO Lahore, RTO Lahore, RTO Rawalpindi, RTO Gujranwala, RTO Faisalabad, RTO Multan, RTO Bahawalpur. RTO Sialkot, RTO Sargodha and RTO Sahiwal.
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	
Committee No.3			
S. No.	Member	Status	Functions and Jurisdiction
1	A retired Judge of the Supreme Court, Federal Constitutional Court or any of the High Courts of Pakistan	Chairman	(i) to timely examine each case and make recommendation to file or otherwise a reference before the High Court, a petition before the Supreme Court or Federal Constitutional Court;
2	An Advocate having not less than fifteen years' experience in tax and commercial litigation before the High Courts and/ or the Supreme Court of Pakistan	Member	(ii) to review pending references and petitions periodically to determine whether continuation of litigation is warranted in the interest of revenue; (iii) to maintain a database of settled legal questions and relevant precedents to guide future litigation decisions and ensure consistency; and
3	A senior serving or retired officer of the IRS of BS 20 or above	Member	(iv) to identify systemic issues requiring legislative or administrative intervention and recommend appropriate measures to the Board. Jurisdiction: References to be filed before Sindh High Court, Balochistan High Court and CPLAs before the Supreme Court and Federal Constitutional Court by LTO Karachi, CTO Karachi, RTO-I Karachi, RTO-II Karachi, RTO Sukkur, RTO Hyderabad and RTO Quetta.

(4) The Secretary as defined in clause (f) of sub-rule (2) of these rules shall provide secretariat and administrative support to the Committee and shall-

- (a) convene meetings with the approval of the Chairman, circulate the agenda, maintain minutes and records of proceedings;

- (b) coordinate with the concerned field formations and obtain records, comments, briefs or any other information required by the Committee;
- (c) communicate the decisions, recommendations and directions of the Committee to the concerned Commissioners and field formations, and ensure necessary follow-up;
- (d) maintain the records, database and correspondence of the Committee;
- (e) keep the concerned Commissioners informed regarding the proceedings of cases before the Committee; and
- (f) perform such other functions as may be assigned by the Committee, the Chairman or the Board.

(5) The Committee may co-opt a Chartered Accountant as a non-voting member, where it is deemed necessary. The remuneration of such non-voting member shall be determined by the Board.

(6) The Board may, for the purpose of identifying suitable candidates, constitute a Search Committee, the composition, terms of reference and procedure whereof shall be determined by the Board.

(7) Proceedings and records placed before the Committee shall be confidential. Any member having a conflict of interest in a matter shall recuse himself, and such recusal shall be recorded in the minutes.

(8) The Secretary shall convene meetings, circulate agenda, maintain minutes and a case register or docket, and communicate recommendations of the Committee to the Commissioner concerned.

(9) The Commissioner having jurisdictions for the purposes of this rule shall, within ten days of receipt of the order of the ATIR or the High Court, refer a case for pre-filing scrutiny, and the Secretary shall place such cases before the Committee accordingly.

(10) The referral shall contain all material particulars including the manner of reference, documents required, revenue implications involved, questions of law requiring interpretation, precedents and settled law, basis of the case, the original decision, the appellate decision, where applicable, and the recommendations of the Commissioner concerned, where applicable, and all relevant documents shall be attached thereto.

(11) The Board may for reasons to be recorded in writing transfer the jurisdiction of a case from one scrutiny committee to another Committee.

(12) The Committee may call for any record, document, brief, or clarification from any office or field formation through the Secretary.

(13) The Committee shall convene on a daily basis, whether in person or online, and shall prioritize its workload so as to ensure that every recommendation is finalized within a period of fifteen days from the date of referral:

Provided that where, for reasons to be recorded in writing, a recommendation cannot be finalized within the said period, the Committee may extend the said period to such further time but not beyond limitation period provided in the law as may be necessary, subject to intimation to the Board.

(14) Where the Committee recommends non-pursuance of any case, the Secretary shall intimate the Commissioner concerned for compliance of such directions.

(15) The quorum for a meeting of the Committees shall be two Members, including the Chairman.

(16) The decision shall be taken by majority vote and shall be recorded in writing; any dissenting opinion, if recorded by a Member, shall form part of the official record.

(17) While making decision of filing of reference or petition, the committee shall keep in view the binding precedents set up by the Supreme Court of the Pakistan or Federal Constitution Court, revenue involved in the particular case or other similar cases and interpretation of law and facts of the case.

(18) If the Committee may not render a decision within the prescribed timeline (including any extension granted), the case shall be deemed to have been cleared for filing, subject to compliance with all other applicable legal requirements and the Secretary shall record in writing that the prescribed period has been lapsed and intimate Commissioner concerned accordingly.

(19) Where the period of limitation for filing a reference or petition is expiring within fifteen days, or where there is imminent and substantial revenue loss requiring urgent intervention, the matter shall be placed before the Chairman as an emergency case.

(20) The Chairman may, after prima facie satisfaction of urgency, approve filing of reference or petition.

(21) Any emergency approval granted under sub-rule (19) shall be subject to post-facto review by the full Committee within thirty days of the decision and the committee may decide to withdraw the case if the law and facts so permits.

(22) The Committee shall cause to be published, on a yearly basis, anonymized summaries of its recommendations, excluding confidential commercial information and taxpayer identifying details. The published summaries shall include the questions of law considered, the decision criteria applied, and the recommendations made.

(23) The Secretary shall maintain a searchable database of published decisions for reference by field formations and to ensure consistency in future decisions.

(24) Chairman and Members shall hold office for a term of one year which may be extendable for a further term on continued fitness and satisfactory performance, as may be decided by the Board.

(25) Chairman or any Member may resign from his office at any time by writing under his hand addressed to the Board with thirty days notice.

(26) Chairman or any Member may be removed by the Board on grounds of conflict of interest, misconduct, breach of confidentiality, or inability to perform functions, after providing an opportunity of being heard.

(27) The Chairman and Members of each Committee shall be paid fees as follows:-

- (a) the Chairman shall be entitled to a monthly fee of twelve hundred thousand rupees, and in addition thereto, a per case fee of twenty-five thousand rupees in respect of which a recommendation is made, whether in favour of filing or otherwise, subject to a maximum of twenty cases per month;
 - (b) the Advocate Member shall be entitled to a monthly fee of eight hundred thousand rupees, and in addition thereto, a per case fee of twelve thousand and five hundred rupees in respect of which a recommendation is made, whether in favour of filing or otherwise, subject to a maximum of twenty case per month;
 - (c) where a retired officer of Inland Revenue is nominated as a Committee member, he shall be entitled to a monthly fee of eight hundred thousand rupees, and in addition thereto, a per case fee of twelve thousand and five hundred rupees in respect of which a recommendation is made, whether in favour of filing or otherwise, subject to a maximum of twenty cases per month;
 - (d) the remuneration of the support staff shall be determined by the Board; and
 - (e) The serving Board Member and the Secretary shall not be entitled to additional remuneration; except as provided in rules related to reward and honorarium.
- (28) All Members shall be entitled to TA/DA for official travel as admissible to a grade 21 officer of the Federal Government.
- (29) The Committee shall submit an annual report to the Board by the 31st of March each year, covering the preceding financial year and shall consist of,-
- (a) the number of cases reviewed, and recommendations made (to file, not to file, or to withdraw);
 - (b) the outcome of filed references and petitions (decided in favour, against, pending, or settled);
 - (c) analysis of success rate and factors contributing to favorable or unfavorable outcomes;
 - (d) revenue implications of decisions made pursuant to Committee recommendations;
 - (e) identification of recurring legal issues and systemic problems requiring legislative or administrative intervention; and
 - (f) recommendations for improving litigation management and enhancing the effectiveness of the Committee.
- (30) The annual report shall be placed before the Board for consideration and appropriate action.”.

[F. No. 1(2)R&S/2026]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 17]

Special Procedure for Small Shopkeepers

SRO 1166(I)/2026, Islamabad, the 27th July, 2026.- In exercise of the powers conferred by section 99B read with sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to make the following Special Procedure for Small Shopkeepers, the same having been previously published vide Notification No. S.R.O. 1109(I)/2026 dated 14th July, 2026, as required by sub-section (3) of section 237 of the said Ordinance, namely:-

“Special Procedure for Small Shopkeepers

- 1. Applicability.-** This special procedure shall apply to Individuals earning income mainly through retail shops with annual turnover up to PKR 200 million. This special procedure shall apply for tax year 2026.
- 2. Exclusions.-** This procedure shall not apply to-
 - (i) Individuals whose turnover exceeded PKR 200 million in any one of the preceding 3 years; those owning more than one shop; Tier-1 retailers; sellers of jewellery; and providers of professional services (e.g. doctors, engineers, lawyers); and
 - (ii) This procedure applies only to shop income - other sources of income are excluded. Retailers who filed a return for tax year 2025 may also file a return under this Special Procedure for small shopkeepers, provided their payable tax is not lower than in 2025, and they have not split up or renamed their business to avail this special procedure.
- 3. Registration.-** Shopkeepers may register with FBR through the IRIS web portal, shopkeepers' mobile application, or by visiting the nearest tax office for assistance in registration.
- 4. Voluntary Nature.-** The procedure shall remain optional and a shopkeeper may either pay tax under this procedure or can file a regular income tax return.
- 5. Tax Rate.-** Tax shall be charged at the rate of 1% of gross turnover. Shopkeepers may deduct withheld income tax from their payable amount. However, if withholding tax collected exceeds the minimum tax payable under this procedure, no refund shall be issued.
- 6. Minimum Tax under this Special Procedure.-** To avail this special procedure, the shopkeepers must pay a minimum of PKR 25,000 in cash along with return of income regardless of any tax deduction or collection at source under the Ordinance. Tax payable (less withholding) or PKR 25,000 whichever is higher shall be the tax payable.
- 7. Audit.-** Shopkeepers opting for this special procedure shall generally not be subject to audit. Departmental proceedings may be initiated only in consultation with representatives of trade associations in case of third party information received by FBR about:-
 - (a) Significant or unusual economic transactions;
 - (b) Acquisition or ownership of expensive assets; and
 - (c) Gross misuse of this special procedure to avoid taxes.

8. Return Filing.- Shopkeepers shall file a simplified prescribed return (Annex-I) on IRIS web portal or through shopkeepers' mobile application, declaring total sales, total purchases, other expenses, and net profit. The same simplified form also provides an easy mechanism for shopkeepers to declare their legitimate assets. This form shall be available in Urdu and regional languages.

9. Withholding & Other Provisions.- Shopkeepers under this special procedure shall not be required to withhold tax on purchases of goods or services under section 153 of the Income Tax Ordinance. The provisions of minimum tax under section 113 of the Ordinance and tax at the rate of 1.25% shall also not apply.

10. Default Surcharge.- If a shopkeeper neither files a regular income tax return nor opts for this special procedure by the due date, penalties of PKR 10,000 on the first default, PKR 25,000 on second default, and PKR 50,000 on third default shall be imposed. There shall be a gap of at least one month between each default proceedings.

11. POS or Digital Invoicing Exemption.- Eligible bona fide shopkeepers under this special procedure are not required to install a sales tax POS system or digital invoicing infrastructure.

12. Imputable Income.- Shopkeepers opting for this special procedure shall be entitled to take credit of imputable income based on payment of tax in order to support their personal expenses and accretion of assets.

13. Compliant Shopkeeper Plate.- Every bona fide shopkeeper qualifying and opting for this special procedure shall be issued a compliant shopkeeper plate ("Green Plate") containing an FBR specified QR-Code, the shopkeepers' name and NTN, and the address of the shopkeeper, which shall be prominently placed outside the shop. This QR-code, shall contain information about location of shop and particulars of ownership. No officer or official of FBR shall enter the shop in presence of this plate in respect of tax matters of a bona fide shopkeeper.

Annex-I

Easy Tax Return for Small Retailers (Tax Year 2025)

Name:	ID Card Number:
Business Name:	Business Address:
Nature of Business (type of goods bought and sold):	

Income & Tax Details

Annual Sales of Goods:	
Annual Purchase of Goods:	
Business Expenses:	
Net Profit:	
Other Sources of Income (if any):	
Total Tax:	To be calculated by system
Imputed Income:	To be calculated by system

Tax Already Paid (withholding):	
Tax Paid with Return:	
Assets (Balance Sheet)	
Business Capital:	
Non-Movable Property:	
Cash in Bank:	
Cash in Hand:	
Other Assets:	
Total Assets:	

I certify/declare that the above statements are true to the best of my knowledge.

Signature: Date

[F No. 1(17)R&S/2026]

(Muhammad Amin Qureshi)
Secretary (Rules & SRO)

[2026 ITN 18]

Amendment in the Income Tax Rules, 2002 – Rule 231CB: Regarding Independent Case Scrutiny Committees.

SRO 1286(I)/2026, Islamabad, the 05th August, 2026.- In exercise of the powers conferred by sub-section (4) of section 133A read with sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published *vide* Notification No. S.R.O. 1239(I)/2026, dated the 30th July, 2026, as required under sub-section (3) of the said section 237, namely:-

In the aforesaid rules, in rule 231CB, in sub-rule (3),-

- (i) in Committee No. 1, in the Table, against S. Nos. 1, 2 and 3, in column (4), in paragraph (iv), the expression “CTO Islamabad,” shall be omitted;
- (ii) in Committee No. 2, in the Table, against S. Nos. 1, 2 and 3, in column (4), in paragraph (iv), for the expression “RTO Lahore,” the expression “RTO-I Lahore, RTO-II Lahore,” shall be substituted; and
- (iii) in Committee No. 3, in the Table, against S. Nos. 1, 2 and 3, in column (4), in paragraph (iv), for the expression “CTO Karachi,” the expression “CTO-I Karachi, CTO-II Karachi,” shall be substituted.

[F. No.1(2)R&S/2026]

(Muhammad Amin Qureshi)
Secretary (Rules & SRO)

05 of 2026 / 15-09-2026

[2026 ITN 19]

Amendment in the SRO 644(I)/2026 dated April 16, 2026 - Revision of Value of Immovable Properties of Islamabad

SRO 1335(I)/2026, Islamabad, the 07th August, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 644(1)12026, dated the 16th April, 2026, namely:-

In the aforesaid Notification, in the Table, in column (1), after serial numbers 1 to 7 under the heading “E-7”, the following new serial numbers and the entries relating thereto in columns (2), (3), (4), (5) and (6) shall be inserted under the heading “Category C Shops, Class-III Shopping Center, E-8 (Naval Headquarters)”, namely:-

Sr. No.	Description	Residential open plots per Sq Yards	Residential Built-up Apartment/ Flat per Sq foot	Commercial open plot per Sq Yards	Commercial built-up per Sq Foot
(1)	(2)	(3)	(4)	(5)	(6)
Category C Shops, Class-III Shopping Center E-8 (Naval Head Quarters)					
1	Ground Shop	-	-	-	25,000
2	Back Side Shop	-	-	-	22,000
3	Basement Shop	-	-	-	11,000
4	Other Floors Shop	-	-	-	11,000
5	Blind Basement Shop	-	-	-	6,666
6	Flat/Office (Commercial)	-	-	-	12,000

[F. No.2(15)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SRO)

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[2026 ITN 20]

Amendment in the SRO 1728(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Rawalpindi

SRO 1382(I)/2026, Islamabad, the 17th August, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1728(1)/2024, dated the 29th October, 2026, namely:-

In the aforesaid Notification, in the Table, in column (1), against –

1. Entry No. 6166, in column (6), for the figure “8542.5”, the figure “7353” shall be substituted; and
2. Entry No. 6167, in column (6), for the figure “5,025.1”, the figure “1431” shall be substituted.

[F. No.2(31)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SRO)

[2026 ITN 21]

Amendments in S.R.O 924(I)/2020 dated 29-09-2020-FBR’s Anti Money Laundering and Countering Financing of Terrorism Regulations for DNFBPS, 2020

SRO 1439(I)/2026, Islamabad, the 27th August, 2026.- In exercise of powers conferred under section 6A of the Anti-Money Laundering Act, 2010 (VII of 2010) read with sub-clause (iii) of clauses 1 Schedule IV to the said Act, the Federal Board of Revenue is pleased to make the following amendments in Federal Board of Revenue Anti Money Laundering and Countering Financing of Terrorism Regulations for DNFBPS, 2020, namely:-

In the aforesaid Regulations,-

- (i) in the preamble, for the word “Regulations”, the word “regulations” shall be substituted;
- (ii) in the aforesaid regulations, for the words “jewellers”, wherever occurring, the words “DPMS” shall be substituted;
- (iii) in regulation 1, for sub-regulation (2), the following shall be substituted, namely:-
“(2) These regulations shall apply to real estate agents, dealers in precious metals and dealers in precious stones and accountants.”.
- (iv) in regulation 2, in regulation (1),-
 - (a) in clause (f), for the word “Jeweler”, the expression “Dealers in Precious Metals and Dealers in Precious Stones (SPMS)” shall be substituted;
 - (b) after clause (f), the following new clause shall be inserted, namely:-
“(fa) “Dealers in precious metals and dealers in precious stones (DPMS) includes a person who is a bullion dealer or engaged in sale of jewellery, precious stones and metals including all articles made wholly or mainly of gold, platinum, diamonds of all kinds, precious or semi-precious stones, pearls whether or not mounted, set or strung and articles set or mounted with diamonds, precious or semi-precious stones or pearls, when they engage in a cash transaction with a customer of a value equivalent to two Million rupees or more;”.

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- (c) clause (k) shall be omitted;
- (d) for clause (n), the following shall be substituted, namely:-
 - “(n) “Real Estate Agent” includes builders, real estate developers, title transferring authorities, property brokers and dealers when they execute a purchase and sale of real property, participate in real estate transactions, or exercise professional transactional activity for real property transfer;” and
- (e) in clause (q), for the words “due diligence”, the words “Due diligence” shall be substituted;
- (v) in regulation 4, in sub-regulation (1), in clause (b), the word “What is” shall be omitted;
- (vi) in regulation 6,-
 - (a) for sub-regulation (4), the following shall be substituted, namely.-
 - “(4) “DNFBPs are required to retain records pertaining to transactions, customers, or instruments subject to litigation until the resolution of the case. In instances where such records are requested by a court of law or other competent authority, DNFBPs shall maintain retention until the litigation is concluded or until the court or competent authority provides notification that record retention is no longer mandated.”; and
 - (b) for sub-regulation (5), the following shall be substituted, namely:-
 - “(5) The DNFBP shall promptly satisfy any inquiry or order from the board, designated law enforcement agencies, and FMU for the supply of CDD information and transaction records as per the relevant provisions of the AML Act.”; and
- (vii) in regulation 8.-
 - (a) in sub-regulation (1), in clause (b), the words “Jewellers and” shall be omitted;
 - (b) in sub-regulation (6), in clause (a), for the words “the DNFBPs”, the expression “DNFBPS” shall be substituted; and
 - (c) in sub-regulation (11), in clause (b), in sub-clause (iii), for the word “Associations”, the word “Association” shall be substituted.

[F. No.1(15)R&S/2025]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

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[2026 ITN 22]

Amendments in S.R.O 1723(I)/2024 dated 29-10-2024- Revision of Value of Immoveable Properties of Quetta

SRO 1444(I)/2026, Islamabad, the 28th August, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLX of 2001) and in supersession of its Notification No. S.R.O. 1723(I)/2024, dated the 29th October, 2024, the Federal Board of Revenue is pleased determine the fair value of immovable properties as

- (a) specified in columns (4) to (12) of the Table-I in respect of areas and categories of Quetta, as specified in columns (2) and (3) thereof,
- (b) specified in columns (3) to (4) of the Table-II in respect of areas and categories of Quetta, as specified in column (2) thereof,
- (c) specified in the Table-III in respect of areas Defence Housing Authority thereof, namely:-

(Table not reproduced here due to sake of brevity)

You may see table in the link below:

<https://download1.fbr.gov.pk/SROs/202682815836583SRO1444.pdf>

[F. 2(29)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SRO)

[2026 ITN 23]

SRO 1495(I)/2026, Islamabad, the 02nd September, 2026.- In exercise of the powers conferred by sub-section (1) of section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), Federal Board of Revenue is pleased to direct that the following further amendments shall be made in the Income Tax Rules, 2002, the same having been previously published vide Notification No. S.R.O. 835(I)/2026, dated 7th May, 2026 as required by sub-section (3) of section 237 of the said Ordinance, namely:-

In the aforesaid Rules, in the Second Schedule, after Part-II-ZD, the following new Pan-II-ZE, Part-II-ZF, Part-II-ZG and Part-II-ZH shall be added, namely:-

(Forms not reproduced here due to sake of brevity)

You may see Forms in the link below:

<https://download1.fbr.gov.pk/SROs/2026921792446743SRO1495.pdf>

2. This Notification shall be applicable for the tax year 2026.

[F. No.1(9)R&S/2026]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 24]

SRO 1497(I)/2026, Islamabad, the 02nd September, 2026.- In exercise of the powers conferred by section 6A of the Anti-Money Laundering Act (AMLA), 2010 (VII of 2010), the Federal Board of Revenue (FBR) is pleased to make the following amendments in the DNFBPs (Regulatory Powers and Functions) Regulations, 2020, namely:-

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In the aforesaid regulation, in regulation 3, for the TABLE, the following TABLE shall be substituted, namely:-

“TABLE

S. No.	Designation of Officer of Directorate General of DNFBPs	Powers and Functions conferred	Jurisdiction
(1)	(2)	(3)	(4)
1	Director General of Directorate General DNFBPs	Under S.R.O. 924(1)/2020, dated 29th September 2020, S.R.O. 950(I)/2020, dated October 1 st 2020 and S.R.O. 951(I)/2020 dated October 1 st 2020 read with relevant provisions of Anti-Money Laundering Act 2010.	DNFBPs carrying on business in areas or residing, within the territorial jurisdiction of Pakistan
2	Director (DNFBPs) HQ. Islamabad	-do-	DNFBPs as mentioned in at Sr. 1, as authorized by Director General DNFBPs.
3	Additional Director (DNFBP) HQ DNFBPs, Islamabad	-do-	-do-
4	Deputy/Assistant Director (DNFBP) HQ, Islamabad	-do-	-do-
5	Inspector(s), (DNFBPs) HQ, DNFBPs Islamabad	-do-	-do-
6	Director (DNFBPs), Islamabad	-do-	I. All cases of DNFBPs assigned to Large Taxpayers' Office Islamabad and all DNFBPs carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices Rawalpindi, Islamabad, and territorial jurisdiction of Gilgit-Baltistan

			II. All DNFBPs not otherwise specified herein above if the person (DNFBPs) resides in areas mentioned at (1) above.
7	Additional Director-I (DNFBPs), Islamabad	-do-	I. All cases of DNFBPs assigned to Regional Tax Office Islamabad and Large Taxpayers' Office Islamabad and all DNFBPs carrying on business, falling within the territorial jurisdiction of the Islamabad. II. All DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
8	Additional Director-II (DNFBPs), Islamabad	-do-	I All DNFBPs carrying on business, falling within the territorial jurisdiction of the Regional Fax Office. Rawalpindi and territorial jurisdiction of Gilgit-Baltistan II. All DNFBPs not otherwise specified herein above if the person (DNFBPs) resides in areas mentioned at (1) above.
9	Deputy/Assistant Director-I, (DNFBPs), Islamabad	-do-	As assigned by Director/ Additional Director (DNFBPs) Islamabad from the DNFBPs specified at S. No. 6 above
10	Deputy/Assistant Director-II, (DNFBPs), Islamabad	-do-	-do-
11	Deputy/Assistant Director-III, (DNFBPs), Islamabad	-do-	-do-
12	Deputy/Assistant Director-IV, (DNFBPs). Islamabad	-do-	-do-

13	Inspector(s) (DNFBPs), Islamabad	-do-	-do-
14	Director (DNFBPs), Karachi	-do-	I. All cases of DNFBPs assigned to Corporate Tax Office-I Karachi, Corporate Tax Office-II Karachi, Large Taxpayers' Office, Karachi, and all DNFBPs carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, I & II Karachi and Regional Tax Offices Hyderabad and Sukkur. II. All DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
15	Additional Director-I (DNFBPs), Karachi	-do-	I. All cases of DNFBPs assigned to Corporate Tax Office-I Karachi, Corporate Tax Office-II Karachi, Large Taxpayers' Office, Karachi, and all DNFBPs carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices, I & II Karachi. II. All cases of DNFBPs otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
16	Additional Director-II (DNFBPs), Karachi	-do-	I. All DNFBPs carrying on business, falling within the territorial jurisdiction of the Regional Tax Offices Hyderabad and Sukkur. II. All DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.

17	Deputy/Assistant Director-I, (DNFBPs), Karachi.	-do-	As assigned by Director/Additional Director, (DNFBPs) Karachi from the DNFBPs as specified at S. No. 14 above.
18	Deputy/Assistant Director-II, (DNFBPs), Karachi.	-do-	-do-
19	Deputy/Assistant Director-III, (DNFBPs), Karachi	-do-	-do-
20	Deputy/Assistant Director-IV, (DNFBPs), Karachi	-do-	-do-
21	Deputy/Assistant Director-V, (DNFBPs). Karachi	-do-	-do-
22	Inspector(s), (DNFBPs), Karachi	-do-	-do-
23	Director, (DNFBPs), Lahore	-do-	I. All cases of DNFBPs assigned to Corporate Tax Office, Lahore, Large Taxpayers Office, Lahore and Large Taxpayers' Office, Multan, Regional Tax Office -I, Lahore, Regional Tax Office-II,
			Lahore and all DNFBPs carrying on business, falling within the territorial jurisdiction of Regional Tax Offices. Sialkot, Gujranwala, Faisalabad. Sargodha, Multan, Sahiwal and Bahawalpur. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.

24	Additional Director-I (DNFBPs), Lahore	-do-	I. All cases of DNFBPs assigned to Corporate Tax Office Lahore and Large Taxpayers' Office Lahore, and all DNFBPs carrying on business, falling within the territorial jurisdiction of Regional Tax Office-1 Lahore and Regional Tax Office-11 Lahore. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
25	Additional Director-II (DNFBPs), Lahore	-do-	I. All DNFBPs carrying on business, falling within the territorial jurisdiction of Regional Tax Offices Sialkot, Gujranwala, Faisalabad and Sargodha. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
26	Additional Director-III (DNFBPs), Lahore	-do-	I. all cases of DNFBPs assigned to Large Taxpayers' Office. Multan and all DNFBPs carrying on business, falling within the territorial jurisdiction of Regional Tax Offices Multan. Sahiwal and Bahawalpur. II. DNFBPs not otherwise specific if the person (DNFBPs) resides in areas mentioned at (1) above.
27	Deputy/Assistant Director-I, (DNFBPs), Lahore	-do-	As assigned by Director/Additional Director, (DNFBPs) Lahore from the DNFBPs as specified at S. No. 23 above.
28	Deputy/Assistant Director-II, (DNFBPs), Lahore	-do-	-do-

29	Deputy/Assistant Director-III, (DNFBPs), Lahore	-do-	-do-
30	Deputy/Assistant Director-IV, (DNFBPs), Lahore	-do-	-do-
31	Deputy/Assistant Director-V, (DNFBPs), Lahore	-do-	-do-
32	Deputy/Assistant Director-VI, (DNFBPs), Lahore	-do-	-do-
33	Deputy/Assistant Director-VII, (DNFBPs), Lahore	-do-	-do-
34	Deputy/Assistant Director-VIII, (DNFBPs), Lahore	-do-	-do-
35	Inspector(s), (DNFBPs), Lahore	-do-	-do-
36	Director (DNFBPs), Quetta	-do-	I. All DNFBPs carrying on business, falling within the territorial jurisdiction of Regional Tax Office Quetta. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
37	Additional Director, (DNFBPs), Quetta	-do-	I. All DNFBPs carrying on business, falling within the territorial jurisdiction of Regional Tax Office Quetta. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
38	Deputy/Assistant Director-1, (DNFBPs), Quetta	-do-	As assigned by Director/ Additional Director, (DNFBPs) Quetta from the DNFBPs as specified at S. No. 36 above.

39	Deputy/Assistant Director-II, (DNFBPs), Quetta	-do-	-do-
40	Deputy/Assistant Director-III, (DNFBPs), Quetta.	-do-	-do-
41	Inspector(s) (DNFBPs), Quetta	-do-	-do-
42	Director (DNFBPs), Khyber Pakhtunkhaw	-do-	I. All DNFBPs carrying on business, falling within the territorial limits of Regional Tax Offices, Peshawar and Abbottabad. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
43	Additional Director (DNFBPs), Khyber Pakhtunkhaw	-do-	I. All DNFBPs carrying on business, falling within the territorial limits of Regional Tax Offices. Peshawar and Abbottabad. II. DNFBPs not otherwise specified if the person (DNFBPs) resides in areas mentioned at (1) above.
44	Deputy/ Assistant Director-1 (DNFBPs), Khyber Pakhtunkhaw	-do-	As assigned by Director/ Additional Director (DNFBPs) Khyber Pakhtunkhaw from the DNFBPs as specified at S. No. 42 above.
45	Deputy/ Assistant Director-II (DNFBPs), Khyber Pakhtunkhaw	-do-	-do-
46	Inspector(s), (DNFBPs), Khyber Pakhtunkhaw	-do-	-do-

47	Any Other officer of FBR or on deputation assigned with any of the above charge to strengthen the AML/CFT regime	-do-	As assigned by the General DNFBPs.
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[F. No. 1(84)R&S/2020]

(Muhammad Amin Qureshi)
Secretary (Rules & SROs)

[2026 ITN 21]

Amendment in the SRO 1728(I)/2024 dated October 29, 2024 - Revision of Value of Immovable Properties of Rawalpindi

SRO 1513(I)/2026, Islamabad, the 09th September, 2026.- In exercise of the powers conferred by sub-section (4) of section 68 of the Income Tax Ordinance, 2001 (XLX of 2001), the Federal Board of Revenue is pleased to direct that the following further amendments shall be made in its Notification No. S.R.O. 1728(1)/2024, dated the 29th October, 2026, namely:-

In the aforesaid Notification, in the Table, in column (1), against entries Nos. 6440, 6441, 6442, 6443, 6444, 6445, 5801, 5802, 5803, 5804, 3235, 3236, 6008, 6009, 6010, 6011, 6198, 6199, 6200, 6282, 6283, 6692, 6693, 6694 and 6695, the entries relating thereto in column (6) shall be substituted, namely:-

(Table not reproduced here)

You may see table in the link below:

<https://download1.fbr.gov.pk/SROs/202699139043780SRO1513.pdf>

[F. No. 2(31)R&S/2024]

(Muhammad Amin Qureshi)
Secretary (Rules & SRO)

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

F. No. 6(1)S(IR-Operations)/2024/11673-R

Islamabad, January 27, 2026

Subject: Collection of Duties/ Taxes on 31st January, 2026

I am directed to refer to the subject and to communicate that all LTOs, MTO, CTOs and RTOs shall observe normal working hours on Saturday i.e. 31st January, 2026.

Waqar Ahmed

Second Secretary (IR Operations)

Phone:051-9208456

Email: secretary.ir.ops@fbr.gov.pk

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(1)M(Admn/HR)/2026

Islamabad, March 11, 2026

Subject: FBR Headquarters and field formation offices will remain open on Friday

In pursuance of the decision of the Committee for Monitoring and Implementation of Conservation and Additional Austerity Measures during its meeting held on 11th March, 2026, all the Members of FBR HQ, Directors General and Heads of Field Formations are hereby informed that:

- 1) All the offices of FBR HQ and its field formations shall continue to remain open on Fridays; and
- 2) The restriction of work-from-home for up to 50% of staff on alternate days basis, earlier notified by the Cabinet Division, shall not apply to FBR HQ and its field formations.
3. All the Members of FBR HQ, Directors General and Heads of Reid Formations are directed to strictly adhere to the above.

(Mohammad Iqbal)

Member (Admn/HR)

[2026 ITC 7]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(19)S(ITP)/2026

Islamabad, March 31, 2026

**Circular No. 07 of 2025-26 IR-Policy
(Income Tax)**

Subject: Clarification Regarding Applicability of Withholding Tax under Section 236C in Respect of Persons Covered under Section 7F of the Income Tax Ordinance, 2001

It has been brought to the notice of the Federal Board of Revenue (FBR) that concerns have been raised regarding the applicability of withholding tax under section 236C of the Income Tax Ordinance, 2001 ("the Ordinance") to persons engaged in construction and development activities who are subject to tax under the special regime introduced through section 7F of the Ordinance.

2. Under section 7F, a special tax regime has been prescribed for certain categories of builders and developers, whereby their income is determined as a fixed percentage of gross receipts. It has been represented that tax under section 236C is generally adjustable against capital gains arising from such sales. However, in the case of such builders and developers, profits and gains are chargeable under the head "Income from Business" through the special procedure described in section 7F. Consequently, any deduction under section 236C creates an additional liquidity burden on such taxpayers, especially in cases where the taxpayer does not have any other taxable income during the tax year.
3. The matter has been examined, and it is hereby clarified that persons who have discharged their tax liability under section 7F of the Ordinance, and who do not have any other income chargeable to tax under the Ordinance (against which such tax collection can be adjusted), may seek exemption from the collection of advance tax under section 236C.
4. Such persons may apply to the concerned Commissioner Inland Revenue under section 159 of the Ordinance for the issuance of an exemption certificate authorizing the non-collection of tax under section 236C on their transactions involving the sale of immovable property.
5. Commissioners Inland Revenue are directed to examine such applications on a case-to-basis, ensuring that the applicant fulfills all conditions precedent to such exemption, and to decide the matter in accordance with the law.
6. The prescribed timelines for the Commissioner and Chief Commissioner regarding the issuance of exemption certificates shall apply ipso facto.

(Mohammad Amin Qureshi)
Secretary (Income Tax Policy)

[2026 ITC 8]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(19)S(ITP)/2026

Islamabad, April 15, 2026

**Circular No. 08 of 2025-26 IR-Policy
(Income Tax)**

03 of 2026 20-06-2026

In supersession of Circular No. 7 of 2025-26 IR-Policy dated 31st March 2026 and in order to further clarify the concerns which have been raised regarding the applicability of withholding tax under section 236C of the Income Tax Ordinance, 2001 ("the Ordinance") to persons engaged in construction and development activities who are subject to tax under the special regime introduced through section 7F of the Ordinance.

2. Under section 7F, a special tax regime has been prescribed for certain categories of builders and developers, whereby their income is determined as a fixed percentage of gross receipts. It has been represented that tax under section 236C is generally adjustable against capital gains arising from such sales. However, in the case of such builders and developers, profits and gains are chargeable under the head "Income from Business" through the special procedure described in section 7F. Consequently, any deduction under section 236C creates an additional liquidity burden on such taxpayers, especially in cases where the taxpayer does not have any other taxable income during the tax year.
3. The matter has been examined, and it is hereby clarified that persons who have discharged their tax liability under section 7F of the Ordinance, and who do not have any other income chargeable to tax under the Ordinance (against which such tax collection can be adjusted), may seek exemption from the collection of advance tax under section 236C.
4. Such persons may apply to the concerned Commissioner Inland Revenue under section 159 of the Ordinance for the issuance of an exemption certificate authorizing the non-collection of tax under section 236C on their transactions involving the sale of immovable property.
5. Commissioners Inland Revenue are directed to examine such applications on a case-to-case basis, ensuring that the applicant fulfills all conditions precedent to such exemption, and to decide the matter in accordance with the law.
6. The prescribed timelines for the Commissioner and Chief Commissioner regarding the issuance of exemption certificates shall apply ipso facto. Provided that an applicant files an application after fulfilling all the condition precedent to such exemption and the Commissioner fails to take any action within seven working days of filing of such application, such exemption certificate shall be automatically processed and issued by IRIS.

(Mohammad Amin Qureshi)
Secretary (Income Tax Policy)

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 6(1)S(IR-Operations)/2024/55775-R

Islamabad, May 19, 2026

Subject: Collection of Duties / Taxes on Saturday 23rd May, 2026 & Sunday 24th May, 2026

I am directed to refer to the subject and to communicate that all LTOs, MTO, CTOs and RTOs shall observe normal working hours on Saturday i.e. 23rd May, 2026 & Sunday 24th May, 2026.

05 of 2026 15-09-2026

Circulars 2026

Income Tax Ready Reference

(Shafqat Rasool Sindhu)
Secretary (Revenue Budget)

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 6(1)S(IR-Operations)/2024/67151-R **Islamabad, June 19, 2026**

Subject: Collection of Duties / Taxes on Saturday 27th June, 2026 till Tuesday 30th June, 2026

I am directed to refer to the subject and to communicate that all LTOs, MTO, CTOs and RTOs shall observe normal working hours on Saturday 27th June, 2026 & Sunday 28th June, 2026 and extended working hours on Monday 29th June, 2026 (till 08:00 pm) & Tuesday 30th June, 2026 (till midnight) for collection of duties and taxes.

Sadaf Ihsan
Second Secretary (IR-Operations)

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(500)SA-M(IR-Ops)/2026/75102-R **Islamabad, July 10, 2026**

Subject: Recovery Procedure

The instructions contained in the Board's letters C. No.6(25)S(IR-Operations)/2019/Pt-2/20144-R, dated 07 February 2024, is further supplemented by the following administrative instructions, which shall also be implemented by all Inland Revenue field formations for the recovery of outstanding income tax demands by resorting to action under section 140 of the Income Tax Ordinance, 2001:

- In cases where an **ex parte** order has been passed in the case of **individuals taxpayer**, the order shall be served upon the taxpayer through both physical and electronic means. No recovery proceedings shall be initiated unless such service (in-person or through affixture) has been duly affected/ verified, particularly in cases falling within the jurisdiction of the Regional Tax Offices (RTOs). The concerned Unit Officer shall certify that service has been duly effected before seeking approval to initiate recovery proceedings under section 140 of the Income Tax Ordinance, 2001.

2. This issues with the approval of Member (IR-Operations).

(Rafia Ilyas Awan)
SA to Member (IR-Operations)

05 of 2026 15-09-2026

[2026 ITC 1]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

C. No. 1(500)SA-M(IR-ops)/2026-27/96078-R

Islamabad, August 31, 2026

Subject: Mandatory use of Compliance Risk Management (CRM) System for Initiation of Assessment Proceedings under the Income Tax Ordinance, 2001 with effect from 1st September, 2026.

In exercise of the powers conferred under the Income Tax Ordinance, 2001 (XLIX of 2001) and in order to bring transparency, uniformity, and objectivity in the selection of cases for assessment, the Federal Board of Revenue (FBR) hereby issues the following directions to all field formations of Inland Revenue.

2. With effect from 1st September 2026, it is hereby directed that no new amendment of assessment proceedings, including but not limited to proceedings under sections 121, 122, 122A, 122C, and 177 of the Income Tax Ordinance, 2001, shall be initiated or amended by any officer of Inland Revenue unless the case has been selected and assigned through the Compliance Risk Management (CRM) System. Any proceedings initiated in violation of this Circular shall be deemed unauthorized and may be rendered void ab initio by the competent authority.
3. Assessment proceedings already initiated and in-progress as of 31st August, 2026 may be concluded under the existing framework. However, any fresh amendment, reassessment, or new show-cause notice in relation to such cases issued on or after 1st September 2026 shall comply with the CRM-based selection process mandated under this Circular.
4. Any request for exemption from the CRM-based selection process shall be submitted in writing to the Member (Inland Revenue-Operations) with complete justification. No exemption shall be granted unless specifically approved in writing by the Member (IR-Operations) or an officer duly authorized by him.
5. All Chief Commissioners Inland Revenue (CCIRs) are directed to ensure strict compliance of this Circular within their respective jurisdiction.
6. The Directorate-General (Compliance Risk Management) is hereby directed to ensure uninterrupted operability of the CRM System and to provide necessary technical support, training, and guidance to field formations. Any system downtime or technical issue affecting the CRM System shall be reported to the Member (IR-Operations) within twenty-four (24) hours.
7. This Circular shall have overriding effect over any previous circulars, instructions, standard operating procedures, or administrative orders issued by FBR or its field formations that are inconsistent with the mandatory use of the CRM System for initiation of assessment proceedings. All such prior instructions are hereby superseded to the extent of inconsistency.
8. This Circular is issued in exercise of the powers vested in the Federal Board of Revenue under Section 214 of the Income Tax Ordinance, 2001, read with the rules and regulations framed thereunder, and in furtherance of the policy to digitize and automate tax administration.

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(Naila Ashraf Khan)
S. A. to Member (IR-Operations)

[2026 ITC]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(1)S(Admn)/2026

Islamabad, September 02, 2026

Subject: Observance of Normal Working Hours on Saturday, 5th September, 2026

I am directed to refer to the subject cited above and to communicate that all RTOs / LTOs / MTOs / CTOs / Directorate Generals / Chief Collectorates / Collectorates and FBR (HQs), shall observe normal working hours on **Saturday, 05th September, 2026**, for operational purposes.

2. I have further been directed to convey that no leave/station leave will be allowed for the said date.

(Farrukh Amir Sial)
Secretary (Administration)

[2026 ITC 2]

GOVERNMENT OF PAKISTAN
REVENUE DIVISION
FEDERAL BOARD OF REVENUE

No. 1(50)S(ITP)/2026

Islamabad, September 08, 2026

Circular No. 02 of 2026-27

Income Tax**Subject: Finance Act 2026 - Explanation of Important Amendments made in the Income Tax Ordinance, 2001**

The Finance Act, 2026 has brought about certain amendments in the Income Tax Ordinance, 2001. Some significant amendments are explained hereunder:-

1. Faceless Regime for Audit, Assessment, Appeals and Jurisdiction [Sections 2(5), 2(35)(1A), 122E, 129A, 209B and 227D

Through the Finance Act, 2026, a comprehensive faceless regime has been introduced in the Ordinance. The definition of “assessment” in clause (5) of section 2 has been expanded to include “faceless assessment”, and a new clause (35)(1A) has been inserted to define “National faceless centre”.

Section 227D has been substituted to empower the Board to establish a National faceless centre (the centre) for conducting proceedings under the Ordinance in a faceless manner and to specify its jurisdiction, powers and functions. The centre shall comprise a Director General and such Chief Commissioners, Commissioners and other Income Tax Authorities and support staff as the Board may deem fit, organized into such wings and units as may be prescribed. The functions of audit, assessment and quality control for a specific case and tax year are required to be performed by separate officers, and all communications, whether among the units or with the taxpayer or his authorized representative, shall be through electronic means.

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A new section 122E provides that any audit under section 177 or 214C, any order under section 111, any assessment under Part II of Chapter X and any rectification under section 221, in respect of persons or cases specified by the Board, may be conducted in a faceless manner. Where an opportunity of being heard is to be provided or a statement under oath is to be obtained, the same is to be done through E-hearing under section 227E, and the identity of the officer, including facial and voice identity, is to be kept confidential.

A new section 129A provides that any appeal filed under section 127 may be processed through the National faceless centre, and the provisions of sections 127, 128 and 129 shall apply accordingly.

A new section 209B provides for faceless jurisdiction of the Inland Revenue authorities appointed in the National faceless center. Such jurisdiction may be exclusive or concurrent; the identity of the authority is to be kept confidential from the taxpayer; and no notice, order, demand or assessment passed by such authority can be called in question merely on the ground of lack of jurisdiction under section 209 or the confidentiality of the authority's identity.

2. Algorithmic Settlement Mechanism [Sections 2(1AA), 114(6) & (6B) and 134B]

A new concept of digitally operated settlement of proceedings has been introduced. Clause (1AA) has been inserted in section 2 to define "algorithmic settlement mechanism" with reference to the new section 134B.

Section 134B empowers the Board to establish a digitally operated algorithmic settlement mechanism for settlement of tax proceedings at any stage before any assessment or amendment of assessment under sections 121, 122 or 122E, through revision of return under sub-section (6) of section 114. Where the mechanism calculates and presents a settlement offer to the taxpayer - computed on the basis of the stage of proceedings, the taxpayer's compliance history, the nature and character of the discrepancy and such other basis as the Board may consider relevant the taxpayer may, within ten days, accept the offer on IRIS, deposit the settlement amount along with the revised return and revise the relevant return of income. On such acceptance, the issues confronted through the notice of selection for audit, notice under section 111, audit report under section 177(6) or notice under section 122(9), as the case may be, shall stand abated, without precluding proceedings on any other issue or tax year.

Consequential amendments have been made in section 114: sub-section (6) now recognizes a revision of return where a taxpayer avails a settlement offered by the mechanism, and a new sub-section (6B) provides that in such a case the approval of the Commissioner shall not be required and no separate penalty or default surcharge shall be payable.

2. Independent Case Scrutiny Committee [Section 133A]

A new section 133A has been inserted whereby a reference under section 133 before the High Court, or an appeal or review before the Federal Constitutional Court or the Supreme Court of Pakistan, may only be filed by the Commissioner Inland Revenue after the same has been approved by an independent case scrutiny committee constituted by the Board. The committee comprises a retired judge of the superior courts (as Chairman), an advocate having not less than fifteen years' experience in tax and commercial litigation, and a senior serving or retired FBR officer (BS-20 or above), with the option to co-opt a chartered accountant as a non-voting member.

The recommendations of the committee are binding upon the Commissioner having jurisdiction over the case, immunity from legal proceedings has been provided to the members and the Commissioner, and the period consumed in obtaining the committee's approval stands excluded for the purpose of computing limitation for filing the matter.

4. Amendments in Alternative Dispute Resolution [Section 134A]

Section 134A has been amended by inserting a new sub-section (10A) which enables the committee, notwithstanding its dissolution, to rectify any mistake apparent from the record - on its own motion or as brought to its notice by the taxpayer or the Commissioner within thirty days of the receipt of its decision. Further provisos have been added providing for reconstitution of the committee where a member becomes unavailable (the Chairman of the Board to appoint a replacement within fifteen days), a further period of sixty days to conclude the proceedings upon reconstitution, and a minimum total period of ninety days from the date of the committee's original constitution.

5. Tax on Certain Payments by Life Insurance Business [Sections 7G, 151B and Division IC of Part III of the First Schedule]

A new section 7G has been inserted whereby, for tax year 2026 and onwards, tax shall be imposed at the rate specified in Division IC of Part III of the First Schedule on every individual who receives any payout, benefit, surrender value, maturity proceeds or similar payment from a life insurance business on account of an insurance policy, family takaful certificate, plan or similar arrangement. The amount liable to tax is the gross payout reduced by the aggregate premiums or contributions paid by the policyholder or participant. The tax does not apply where the payout is made on account of the death or disability of the insured or participant, or after completion of four years from the date of issuance of the policy, certificate or plan, and the tax so charged is treated as final tax.

A corresponding new section 151B requires every life insurance company, including a family takaful operator or window takaful operator, to deduct tax at the rate specified in Division IC at the time of making such payment; the tax so deducted is treated as final tax. The rates specified in Division IC are as under:-

S. No.	Description	Rate of Tax
1.	Where payout or benefit is made within one year from the date of issuance of the life insurance policy, family takaful certificate or plan	15%
2.	Where payout or benefit is made after one year but before completion of four years from the date of issuance of the life insurance policy, family takafut certificate or plan	10%

6. Withholding Tax on Revenues Received from Social Media Platforms [Section 154B and Division IIIAB of Part III of the First Schedule]

A new section 154B has been inserted requiring every banking and non-banking financial institution, at the time of credit or receipt of any amount in a person's account, to deduct tax at the rate specified in Division IIIAB of Part III of the First Schedule where such amount represents revenues received from social media platforms. The terms “digital content creator” or “social media influencer” and “payment” have been defined for the purpose of this section. The tax so deducted is minimum tax in the case of a resident person and final tax in the case of a non-resident person not having a permanent establishment in Pakistan. The rate of tax to be deducted under Division IIIAB has been fixed at five percent. A consequential amendment has been made in section 169.

7. Relief in Tax Rates for Salaried and Individual Taxpayers [Clause (2) of Division I of Part I of the First Schedule]

To provide relief to salaried individuals, the tax rates in various slabs on salary income have been reduced through substitution of the Table in clause (2) of Division I of Part I of the First Schedule. The revised rates are as under:-

S. No.	Taxable Income	Rate of Tax
1.	Where taxable income does not exceed Rs.600,000/-	0%
2.	Where taxable income exceeds Rs.600,000/- but does not exceed Rs.1,200,000/-	1% of the amount exceeding Rs.600,000/-
3.	Where taxable income exceeds Rs.1,200,000/- but does not exceed Rs.2,200,000/-	Rs.6,000 + 11% of the amount exceeding Rs.1,200,000/-
4.	Where taxable income exceeds Rs.2,200,000/- but does not exceed Rs.3,200,000/-	Rs.116,000 + 20% of the amount exceeding Rs.2,200,000/-

5.	Where taxable income exceeds Rs.3,200,000/- but does not exceed Rs.4,100,000/-	Rs.316,000 + 25% of the amount exceeding Rs.3,200,000/-
6.	Where taxable income exceeds Rs.4,100,000/- but does not exceed Rs.5,600,000/-	Rs.541,000 + 29% of the amount exceeding Rs.4,100,000/-
7.	Where taxable income exceeds Rs.5,600,000/- but does not exceed Rs.7,000,000/-	Rs.976,000 + 32% of the amount exceeding Rs.5,600,000/-
8.	Where taxable income exceeds Rs.7,000,000/-	Rs.1,424,000 + 35% of the amount exceeding Rs.7,000,000/-

8. Withdrawal of Surcharge on Salaried Individuals [Section 4AB]

Under section 4AB, a surcharge is payable by every individual and association of persons at the rate of ten percent of the income tax imposed under Division I of Part I of the First Schedule where the taxable income exceeds rupees ten million, while for a person whose income was chargeable under the head “Salary” the surcharge was nine percent on crossing the said threshold often million rupees. Through the Finance Act, 2026 the nine percent surcharge has been withdrawn in the case of a salaried individual. The surcharge of ten percent on other individuals and associations of persons shall continue to apply.

9. Omission of Tax on Deemed Income [Section 7E & tax rate in Division VIIC]

Tax on deemed income under section 7E of the Ordinance has been abolished by omission of section 7E. Consequentially Division VIIC providing for rate of tax on deemed income has been omitted. Further amendment has been made in section 8 to omit references to section 7E.

10. Adjustability of Tax under the E-commerce Tax Regime [Section 6A]

A new sub-section (3) has been added in section 6A, whereby notwithstanding section 8, the tax imposed under section 6A shall be adjustable in the case of a person whose turnover in a tax year exceeds two hundred million rupees. However, a person having turnover up to two hundred million rupees has been provided an option to choose normal tax regime at the time of filing the return for the tax year 2027 and onwards.

11. Integration with the Board’s Computerized System [Sections 2(19DA), 2(30A), 2(30D), 2(42AA), 21(r), 64D and 174(5)]

The framework for integration of businesses with the Board's computerized system has been strengthened. In section 2, clause (30A) has been amended to refer to the “Board’s computerized system through a licensed integrator”; a new clause (30D) defines “Licensed integrator” by reference to the Sales Tax Act, 1990; a new clause (19DA) defines “electronically readable format”; and a new clause (42AA) defines “PRAL”.

Clause (r) of section 21 has been substituted to provide for disallowance of three percent of the expenditure claimed by any person who fails to install an electronic resource or to act as an integrated enterprise as required by law. Section 64D has been substituted to provide a “Tax credit for integration” equal to ten percent of the amount actually invested in the electronic resource in the year of its installation, integration and configuration, available only against normal tax payable under Division I or Division II of Part I of the First Schedule. Section 174(5) has been substituted to empower the Board to require any person or class of persons to install and use an electronic resource, or to act as an integrated enterprise, for receiving, storing, matching and accessing information regarding transactions bearing on tax liability.

12. Reporting of Financial Transaction Data by Banks [Sections 165AB and 175AA]

A new section 165AB has been inserted whereby, notwithstanding the banking confidentiality laws, every banking company and Electronic Money Institution shall electronically upload to the Central Data Hub the prescribed information in respect of account holders having deposits or withdrawals exceeding one hundred million rupees during a reporting period, for algorithmic cross-matching of tax and bank information. The information to be digitally processed, is not to be visible to any income tax authority during the cross-matching, and only in the case of a gross mismatch is to be fed into the Board’s Compliance Risk Management (CRM) system for further proceedings by the National faceless centre. The terms “reporting period”, “specified date”, “accounts”, “peak credits”, “Central Data Hub” and “compliance risk management” have been defined, and confidentiality safeguards have been provided.

Section 175AA has been amended by adding a new paragraph (c) enabling the State Bank of Pakistan to establish, operate and maintain a secure centralized virtual repository of banking data, comprising such information, records and financial transactions of persons maintained by scheduled banks as may be prescribed.

13. Taxation of Non-resident Shipping through an Authorised Shipping Agent [Sections 2(6A) and 113]

A new clause (6A) has been inserted in section 2 to define “authorised shipping agent”, being a person in Pakistan authorised by a non-resident ship owner, charterer or operator to act on its behalf in respect of a vessel and who is responsible for the receipt, collection or accounting of total freight and for documentation and manifest filing, and who furnishes the return under section 143. Such agent is to be treated as the representative of the non-resident under section 172 and is jointly and severally liable for the tax and related obligations.

Section 143 has been amended to enable the authorised shipping agent to furnish the return in respect of a vessel or voyage; to require that only one return be furnished for each vessel or voyage covering the total freight and all related amounts; to make the master of the ship or the authorised shipping agent jointly and severally responsible; and to require that electronic confirmation of the filing of return and payment of tax be received before port clearance is granted.

14. Rationalization of Withholding Tax Rates in the Nature of Minimum Tax [Section 53A]

A new section 53A has been inserted empowering the Federal Government to reduce, by one percent, the rate of any withholding tax in the nature of minimum tax as given in the First Schedule, other than the minimum tax chargeable under section 113, on the basis of “economic viability” in respect of persons or a class of persons, subject to such restrictions and limitations as it may specify. The term “economic viability” has been defined, and all such reductions are required to be placed before the National Assembly in the relevant financial year.

15. Cost of Inherited Immovable Property and Transmission on Death [Sections 76(8A) and 79]

A new sub-section (8A) has been added in section 76 to provide that where immovable property is acquired by an individual through inheritance, the cost of such property in the hands of that individual shall be its fair market value, as determined under sub-section (5) of section 68, on transfer of the property to the beneficiary. In section 79, an explanation has been inserted clarifying that the transmission of immovable property to a beneficiary on the death of a person shall also include the transmission of assets by reason of a family settlement among the family members consequent upon the death of the person.

16. Limited Liability Partnership [Sections 80(2)(a) and 92]

Clause (a) of sub-section (2) of section 80 has been amended by inserting the words “limited liability partnership” to provide that the limited liability partnership shall also be an association of persons. In section 92, the explanation in sub-section (1) has been omitted and a new sub-section (4A) has been inserted providing that where the income of a limited liability partnership is exempt from tax, any amount received by a member of such partnership, as a share of the profits earned by such partnership, shall be included in the income of that member.

17. Capital Gains - Computation and Withholding [Sections 100B and 152(1DA)]

In section 100B, the reference to “a non-banking finance company” in clause (b) of sub-section (2) has been omitted along with omission of clauses (c) and (d) of that sub-section to extend the application of special provisions namely section 37A read with rules contained in the Eighth Schedule in respect of capital gains arising from the disposal of securities by a non-banking finance company, a modaraba and to a company only in respect debt securities.

New provision has been introduced in the form of addition of sub-section (3) in section 100B to provide that in the cases of a mutual fund, a banking company and an insurance company, the NCCPL shall compute and determine the capital gain as per the mechanism prescribed under section 37A, while such entities shall continue to deposit tax on the amount of capital gain as per the applicable provisions of the Ordinance.

Sub-section (1DA) of section 152 has been substituted. Now every banking company maintaining a Foreign Currency Value Account (FCVA), Foreign Currency Business Value Account (FCBVA), Non-Resident Rupee Value Account (NRVA) or Non-Resident Rupee Business Value Account (NRBVA) is required to deduct tax from capital gain arising on the disposal of debt instruments, Government securities and certificates (including their Shariah-compliant variants) invested through such accounts, at the rate specified in Division II of Part III of the First Schedule.

18. Electronic Filing of Returns and Financial Statements [Section 114(2A)]

Sub-section (2A) of section 114 has been substituted to require that a return of income be filed electronically on IRIS as prescribed by the Board, and to empower the Board to make rules for such filing, including the process of verification, digital signatures and other matters relating to the electronic filing of returns, statements or documents. A proviso further requires that, in the case of companies, for tax year 2026 and onwards, the financial statements accompanying the return be filed only in an electronically readable file format.

19. Enhanced Powers of Re-audit, Re-valuation and Actuarial Valuation [Section 177(6B)]

A new sub-section (6B) has been added in section 177 whereby the Commissioner, having regard to the nature and complexity of the accounts, their volume, doubts about their correctness, multiplicity of transactions or the specialized nature of the taxpayer's business, may - after affording the taxpayer a reasonable opportunity of being heard and with the previous approval of the Chief Commissioner - direct that the accounts be re-audited by an accountant, the inventory re-valued by a cost accountant, or the actuarial values in the accounts be determined by an actuary, in each case from amongst a panel nominated by the Board. A mechanism has also been provided enabling the registered person to object to the nomination of a particular accountant or cost accountant.

20. Super Tax on High Earning Persons [Division IIB of Part I of the First Schedule and clause (104B) of Part IV of the Second Schedule]

The rates of super tax under section 4C contained in Division IIB of Part I of the First Schedule have been amended as under:-

S. No.	Income under section 4C and person	Rate of Tax
1.	Income of a banking company exceeding Rs.150 million	10% of the income
2.	Income of a person, which is computed as per Part I of the Fifth Schedule, exceeding Rs.150 million, so far as it does not exceed the limit specified in rule 4 of that Part	10% of the income
3.	Income of a person, engaged in deriving income from sale of any kind of fertilizer. exceeding Rs.150 million	10% of the income
4.	Income of a person other than those mentioned in S. No. 1, 2 and 3, exceeding Rs.500 million	8% of the income

Aforesaid amendment signifies that super tax has been abolished for every person having income up to Rs.500 million except the persons specified in the above table. However, by introducing a new clause (104B) in Part IV of the Second Schedule, super tax has been totally abolished for exporters deriving income exceeding Rs.500 million if the export proceeds realized for the tax year represent more than eighty percent of exporter's total turnover for that year.

Further, the rate of super tax has been reduced from 10% to 8% where income of a person exceeds Rs.500 million, other than the persons mentioned in S.# 1 to 3 of the above table.

21. Amendments in Advance Tax on Immovable Property and International Credit/Debit Card and Omission of Advance Tax on TV Plays and Advertisements
[Division X, XVIII, XXVII and XA of Part IV of the First Schedule]

Advance taxes collected from the seller and purchaser at the time of registering, recording or attesting the transfer of immovable property have been reduced. After substitution of Division X of Part IV of the First Schedule, the new advance tax to be collected under section 236C on the sale or transfer of immovable property shall be a flat rate of 2.75% of the gross amount of the consideration received. After substitution of Division XVIII, the new advance tax to be collected under section 236K on the purchase of immovable property, shall be a flat rate of 1.25% of the fair market value of the immovable property, in place of the earlier slab-based higher rates.

In Division XXVII (advance tax on international credit, debit or prepaid cards), the rate has been reduced from five percent to 0.5%.

As the advance tax on TV plays and advertisements under section 236CA has been abolished, consequential amendment has been made to omit the Division XA of Part IV of the First Schedule.

22. Changes in Withholding Tax Rates on Services and on Certain Debt Securities
[Divisions III and IIIAA of Part III of the First Schedule]

Rates of advance withholding tax for rendering of or providing of services in Division III of Part III of the First Schedule have been amended. In paragraph (2) of said Division III the rate in sub-paragraph (i) has been increased from six percent to seven percent. Sub-paragraph (ii) has been substituted to provide a rate of fifteen percent in the case of independent professional services such as doctors, lawyers, architects, accountants, and software engineers or developers working independently.

Further amendments made in paragraph (2) provide a rate of 12% of the gross amount payable to companies for terminal and port operating services and a rate of 14% of the gross amount in the cases of other services not specified in paragraph (2) of the said Division III.

The rate of withholding tax under section 151A, at the time of disposal of debt securities on the gross amount of capital gain specified in Division IIIAA of Part III, has been increased from fifteen percent to twenty percent.

23. Exemption Certificates for certain persons & NPOs [Section 159(1C) & (1D)]

Amendments have been made in section 159 to streamline issuance of certificate in the cases of persons covered in clauses (99) and (99C) of Part I of the Second Schedule and a not-for-profit organization who has been issued approved under section 2(36)(c) of the Ordinance. In this regard sub-sections (1C) and (1D) have been introduced.

New sub-section (1C) introduced provides that if a person has distributed 90% or more of its accounting income in accordance with the provisions of clauses (99) and (99C) of Part I of the Second Schedule for the immediately preceding tax year, then the person shall be eligible and shall be issued the certificate under section 159(1) for the subsequent tax year. An exception further provides that in case of a person where there is no preceding tax year due to starting business for the first time, the person shall be issued the said certificate on the basis of an undertaking furnished to the Commissioner that 90% distribution as required shall be made for the year.

Sub-section (1D) introduced provides that a person shall be eligible and shall be issued the said certificate under section 159(1) for the whole tax year, if the persons has been granted approval under sub-clause (c) of clause (36) of section 2 for a tax year.

24. Reduced Rates [Second Schedule Part I clauses (79) & (99C); Part II clauses (5AA) & (24D)]

Clause (79) has been substituted to broaden its scope. Now profit on debt derived from a rupee account held with a scheduled bank in Pakistan shall be exempt from tax in the case of a person who maintains a Non-Resident Rupee Value Account or Non-Resident Business Value Account under the scheme introduced by the State Bank of Pakistan. Clause (99C) has been introduced in Part I of the Second Schedule to provide exemption to the income of a Private Equity and Venture Capital Fund registered under the Private Funds Regulations, 2015, if not less than ninety percent of its accounting income (as reduced by accumulated losses and unrealized capital gains) is distributed to its unit or certificate holders or shareholders, subject to the specified condition.

In Part II of the Second Schedule amendments made in clause (5AA) provides that the rate of tax to be deducted from a profit on debt under section 152 shall be 10% in the case of any person if the profit on debt has been derived from a debt instrument issued by the Federal Government under Public Debt Act, 1944 and purchased exclusively through a bank account maintained abroad a non-resident rupee account repatriable (NRAR), foreign currency value account (FCVA), foreign currency business value account (FCBVA), non-resident rupee value account (NRVA) or non-resident rupee business value account (NRBVA), maintained with a banking company in Pakistan.

Amendments made in clause (24D) of said Part II reduces the rate of minimum tax under sub-section (1) of section 113 to 0.5% in cases of distributors, dealers, sub-dealers and wholesalers of the goods specified in the said clause subject to the condition that the beneficiaries appear on the active taxpayers' lists issued under the Sales Tax Act, 1990 and the Ordinance.

25. Rationalization of Exemptions from Specific Provisions [Part IV of the Second Schedule - clauses (47B), (111AB), (114A) and (115)]

Amendment has been made in clause (47B) of Part IV of the Second Schedule to provide that advance withholding tax on capital gains on debt securities under section 151A shall also not apply to collective investment scheme and such other persons as specified in that clause as recipient of payment.

Clause (111AB) of said Part IV excluded application of enhanced rate of withholding tax under the Tenth Schedule to non-resident individuals holding POC, NICOP or CNIC who maintained FCVA and NRVA. After the amendment the enhanced rate of WHT shall not apply to FCVA, NRVA, foreign currency business value account (FCBVA) or non-resident rupee business value account (NRBVA) with authorised banks in Pakistan under foreign exchange regulations issued by the SBP.

Section 114(1)(ae) provides that every person whose income is subject to FTR is required to file return of income under section 114. Section 181 required every taxpayer to be registered as prescribed. Amendment made vide Finance Act, 2026 in clause (114A) excludes a person maintaining FCVA, FCBVA, NRVA, NRVBA with authorised banks in Pakistan under the foreign currency regulations issued by the SBP from applicability of section 114(1)(ae) and 181 only if such person has no other Pakistan-source income other than the following:

- (a) Profit on debt on FCVA, FCBVA, NRVA or NRVBA;
- (b) Profit on debt earned on GoP securities where investment has been made from proceeds of FCVA, FCBVA, NRVA or NRVBA;
- (c) Capital gain from disposal of immovable property acquired from proceeds of FCVA or NRVA;
- (d) Capital gain from disposal of securities traded on Pakistan Stock Exchange and units of mutual funds that are acquired from proceeds of FCVA, FCBVA, NRVA or NRVBA;
- (e) Dividend income from securities traded on Pakistan Stock Exchange and units of mutual funds that are acquired from proceeds of FCVA, FCBVA, NRVA or NRVBA.

Clause (115) has been amended to provide that a trader being an individual shall not be a prescribed person to withhold tax under section 153 of the Ordinance if his turnover does not exceed two hundred million rupees for a tax year.

26. Enhancement of Penalties [Section 182]

The Table in sub-section (1) of section 182 has been amended to strengthen the penalty regime, as follows:-

- (i) The Explanation against S. No. t has been substituted to declare that the expression “tax payable” means the higher of the tax chargeable on the taxable income assessed under sections 120, 121, 122, 122D or 1228, or the tax payable for the immediately preceding tax year for which a return of income was duly filed.
- (ii) New S. Nos. 24, and 28 have been inserted prescribing penalties for failure to install, use, maintain or operate an electronic resource required under section 174(5) (one percent of the turnover or one million rupees, whichever is higher, for the first default and two million rupees for every subsequent quarterly default), and for failure by an integrated organisation under section 175A to integrate its IT platform or to share data (five hundred thousand rupees for the first default and one million rupees for every subsequent default, imposed on the principal officer or chief executive).
- (iii) The penalties against S. Nos. 8 and 10 have been substantially enhanced.

- (iv) Against S. No. 35, the word “company” has been substituted with “person, including a company”, and an Explanation has been inserted providing that audited financial statements furnished as image files, scanned documents, or password-protected or otherwise illegible or inaccessible files shall be deemed to have been furnished as blank or incomplete documents.
- (v) A new S. No. 36 has been added imposing a penalty equal to the amount of excess credit where a person claims credit for tax withheld at source in excess of the amount verifiably deducted and deposited by the withholding agent.

27. Surcharge and Undertaking Option for Persons Not on the Active Taxpayers’ List
[Section 182A]

In the proviso to clause (a) of sub-section (1) of section 182A, the amounts of surcharge payable by persons not appearing on the active taxpayers’ list have been substantially enhanced. A new sub-section (3) has been added providing that the conditions of payment of surcharge shall not apply to an individual who furnishes an undertaking before the Commissioner declaring that he shall not purchase, acquire or otherwise obtain ownership or beneficial interest in any property for a period of six months commencing from the date of furnishing such undertaking.

28. Omission and Relocation of Certain Provisions [Sections 147(6C), 209A, 231B(6)(c), 236CA & 237C; Eighth Schedule; Tenth Schedule;]

The adjustable advance tax under sub-section (6C) of section 147 for exporters @ 1% has been abolished. The provisions of section 209A on Uniform of the officers and officials of Inland Revenue Service to be prescribed by the Board has been properly placed as section 237C.

In respect of the date of first registration in case of acquisition of an unregistered vehicle, the clause (c) of sub-section (6) of section 231B has been omitted to treat the date of first registration the same for Federal, Provincial and Local Governments which would be the date of first registration by the Excise and Taxation Department.

Rules contained in the Eighth Schedule provide for computation of capital gain tax by NCCPL under section 237A on disposal of securities. Rule 5 of that Schedule provided that a person may opt out of the rules in that Schedule after obtaining prior approval of the Commissioner. That option has been abolished. Now rules in that Schedule on computation and payment of capital gain tax apply on every person except persons specified in section 100BA to the extent of payment of tax.

Rule 1A of the Tenth Schedule provide a relatively higher rate of advance withholding tax under sections 236C and 236K on persons whose names appears on ATL but they filed return of income after the due date or after the extended due date fixed for filing of return. Those relatively higher rate of WHT rates have been abolished.

Further, in the Tenth Schedule, rule 10 has been amended whereby a new clause (aa) has been introduced to exclude application of enhanced rate of withholding tax under section 151B on payment to a non-resident person whose name is not on ATL.

Moreover, clause (y) in the aforesaid rule 10 has been omitted meaning thereby the enhanced rate of tax on capital gain on disposal of securities under section 37A shall become applicable if the person's name is not on the ATL.

29. Directorate General (Field Compliance) and Disclosure of Information [Sections 216, 222 & 228A]

A new section 228A has been inserted establishing the Directorate General (Field Compliance). Inland Revenue, comprising a Director General and such Directors. Additional Directors. Deputy Directors, Assistant Directors and other officers as the Board may appoint, with functions, jurisdiction and powers to be specified and conferred by the Board. In section 216, clause (ba) of sub-section (3) has been substituted to permit disclosure of information to auditors, audit mentors and sectoral experts appointed on a contractual basis or engaged through a third party, after a non-disclosure agreement is made, and clause (ke) has been broadened to include international research institutions. Section 222 has been amended to recognize audit mentors and sectoral experts alongside auditors.

30. Other Amendments [Section 99B; First Schedule Parts III Division IV & IVA: and Twelfth Schedule]

In section 99B (special procedure for small traders and shopkeepers), the scope has been widened to include the "rate and payment of tax including fixed tax, filing of return and audit".

In Part III of the First Schedule, the rates of advance collection of tax on exports under paragraphs (1) and (3) of Division IV have been fixed at 1.25% as minimum tax. However, the additional 17o advance tax under section 147(6C) has been abolished on exports.

Further, the reduced rate of advance tax on export of IT and IT enabled services @ 0.25% has been extended from tax year 2027 to 2029 by amendment in Division IVA.

In Part II of the Twelfth Schedule, a new PCT code "1520.0000 – Glycerol, crude; glycerol waters and glycerol lyes" has been inserted. Advance tax rate at the rate of 2% of the import value as increased by customs duty, sales tax and federal excise is applicable under section 148 on import of goods as specified in Part II of the Twelfth Schedule. However, the rate of tax shall be 3% ad valorem in case of commercial importer of goods specified in that Part II.

The Board reaffirms its commitment to provide every support for facilitating compliance to the newly introduced provisions in the Ordinance. The Board will also ensure that the provisions related to enforcement are carried out in a judicious manner, with redressal committees in place comprising representatives of the business community and the Board.

(Muhammad Amin Qureshi)
Secretary (IT-Budget)
